

**Financial Results
1st Half of Fiscal Year 2016
(2016/4-2016/9)**

**November 7, 2016
NITTO KOHKI CO., LTD.**

Consolidated Financial Highlights

(million yen)

	FY2016 1H	Year- over- year	Progr ess	FY2017 (projection)
Sales	13,100	-5.6%	48%	27,570
Operating Income	2,427	-7.0%	57%	4,230
<i>Operating Income Ratio</i>	18.5%	-0.3pt	—	15.3%
Ordinary Income	2,444	-8.8%	57%	4,290
Net Income*	1,692	-7.8%	58%	2,920

* Net income attributable to parent company shareholders

- Sales decreased due to decreasing overseas sales and strong yen.
- Profit decreased due to decreasing overseas sales.

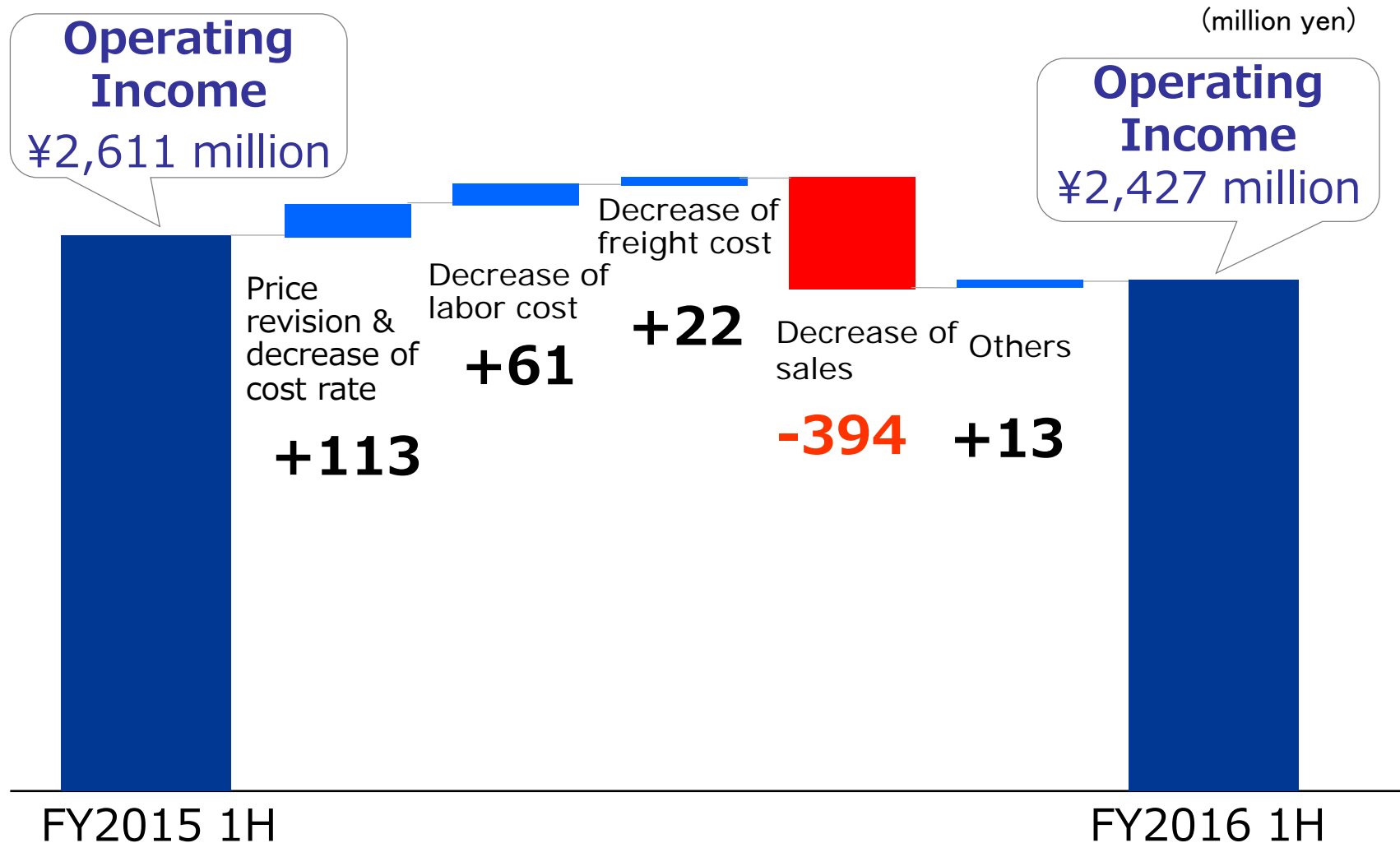
Sales by Product Segment

(million yen)

	FY2015 1H	FY2016 1H	Year- over-year
Total	13,878	13,100	-5.6%
Couplings	5,531	5,385	-2.6%
Machine Tools	4,964	4,524	-8.9%
Linear Pumps	2,251	2,165	-3.8%
Door Closers	1,130	1,025	-9.3%

- **Machine Tools: Overseas sales decreased**
- **Door Closers: Domestic sales decreased**

Analysis of the Changing Factors of Operating Income in 1st Half of FY2016



Effect of Currency Exchange Rate and Profit

Strong yen

Sales \Rightarrow decreasing profit

Purchase \Rightarrow increasing profit

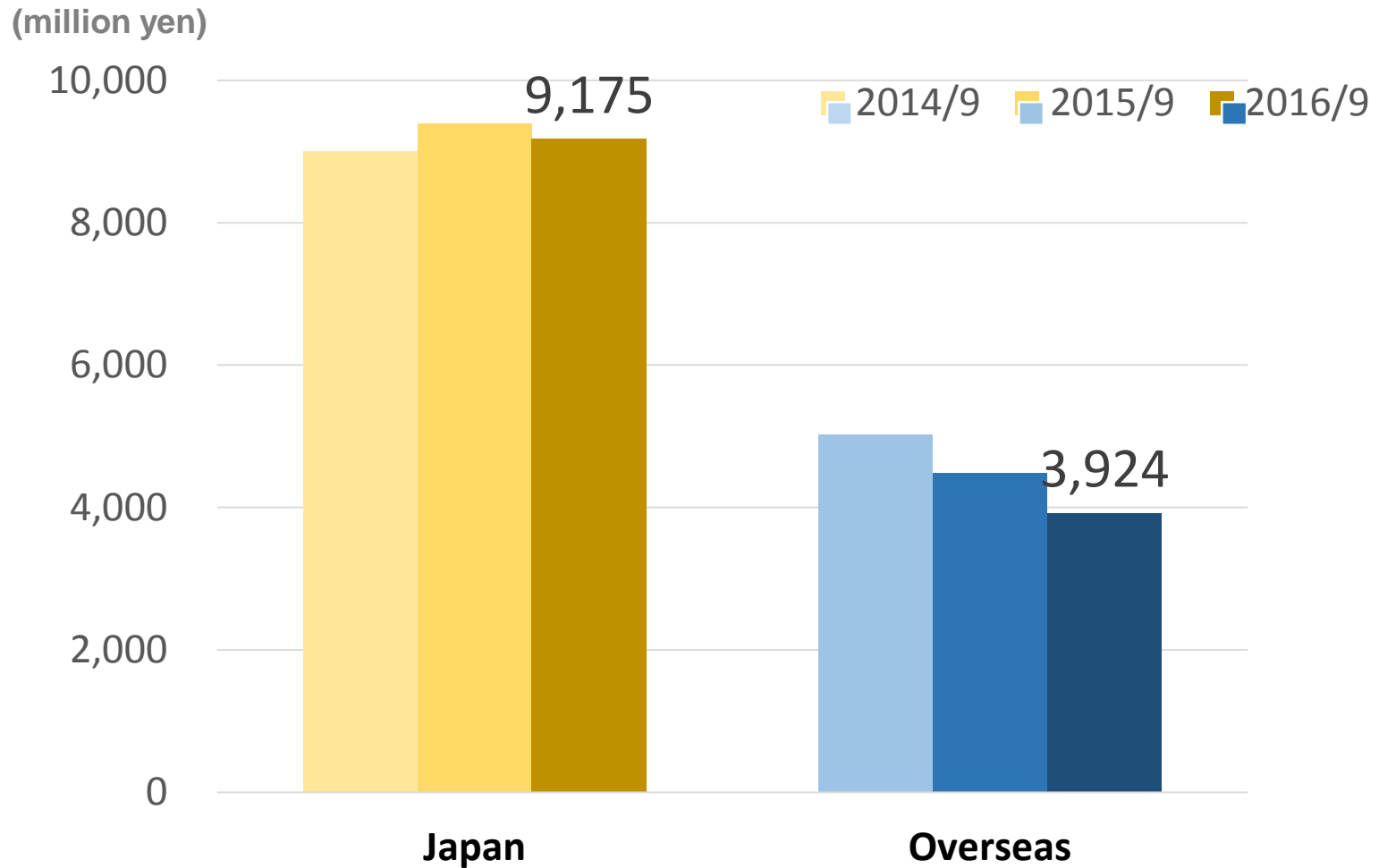
Rate	Effect of Rate (million yen)
US Dollar	-53
Euro	-17
UK Pound	-7
AU Dollar	-3
Thai Baht	163
Chinese Yuan	0

**+88
million
yen**

Currency	FY2013 1H	FY2014 1H	FY2015 1H	FY2016 1H
US Dollar	98.59	101.36	122.45	102.91
Euro	128.53	138.31	137.23	114.39
UK Pound	150.30	172.63	192.72	138.41
AU Dollar	91.12	95.50	93.93	76.74
Thai Baht	3.16	3.12	3.62	2.93
Chinese Yuan	—	16.32	19.73	15.46

Sales by Market

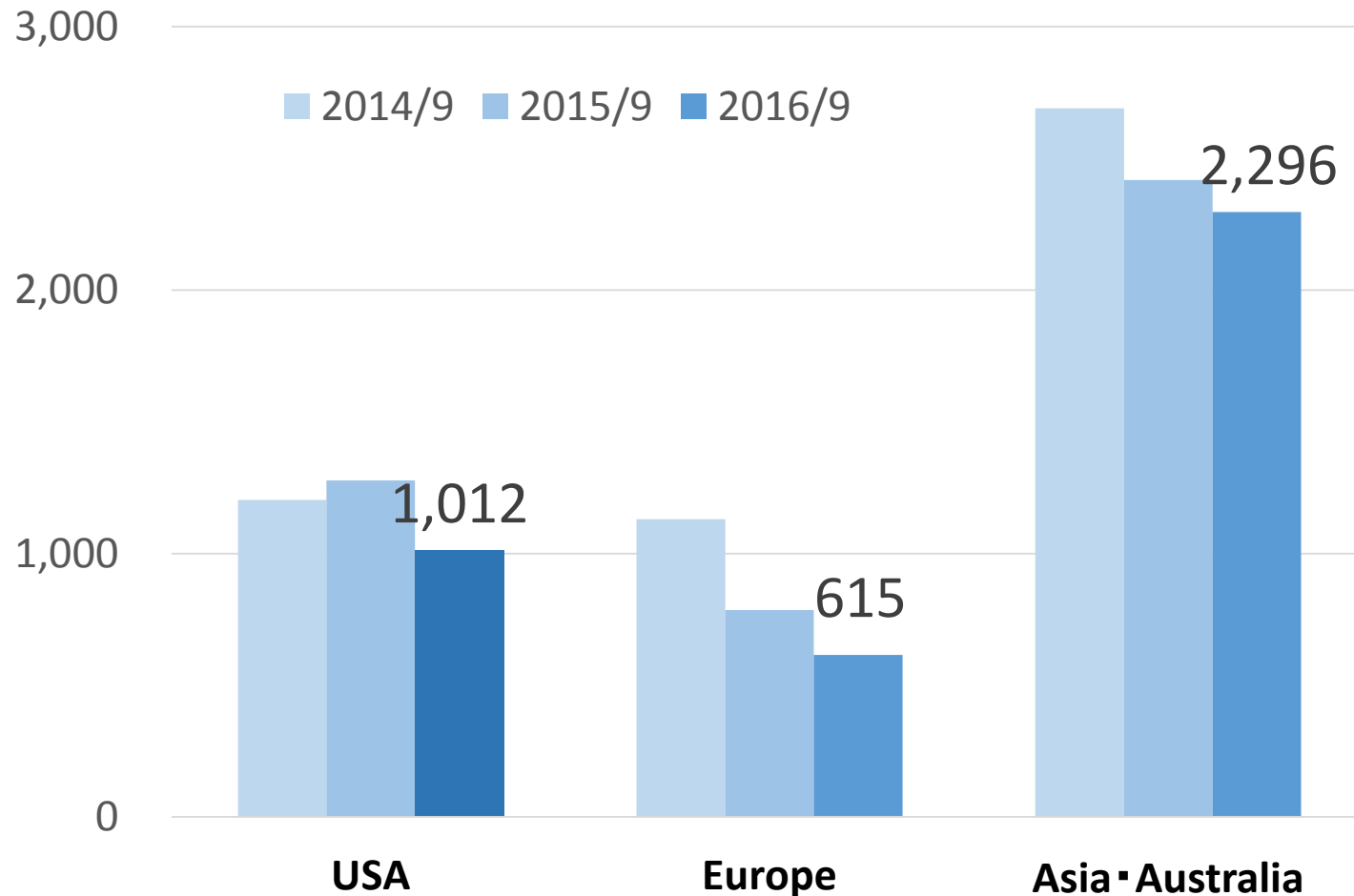
■ Domestic sales -2%, overseas sales -12% (y/y)



Sales by Market -- Overseas

- Sales decreased in Europe and the US due to strong yen

(million yen)



Topics

- **NITTO KOHKI takes over its subsidiary MEDO INDUSTRY (April 2016)**
- **Established Mexico Representative Office (April 2016)**
- **NITTO KOHKI DEUTSCHLAND changed name to NITTO KOHKI EUROPE GMBH (September 2016)**
- **Special sales campaign of 60th anniversary of NITTO KOHKI and 50th of Nitto-kai (our sales network)**
- **Promoting sharing production of all product segments**
- **Sanitary Cupla is awarded as Good Design Best 100**



Projects for FY2016

Projects for FY2016

- **Completion of new office building at SHIRAKAWA NITTO KOHKI (October 2016)**
- **Merger of NITTO KOHKI EUROPE and NITTO KOHKI DEUTCHLAND (scheduled in November)
→ New company : NITTO KOHKI EUROPE GMBH**
- **Promoting sharing production of all product segments, computerization, automation, and unmanned**

Projects for FY2016

- No change from initial plan of 2016

(million yen)

	FY2015	FY2016	Year-over-year
Sales	27,229	27,570	1.2%
Operating Income	5,078	4,230	-16.7%
<i>Operating Income Ratio</i>	18.7%	15.3%	-3.4pt
Ordinary Income	5,169	4,290	-17.0%
Net Income	3,357	2,920	-13.0%

[exchange rate planned] 110JPY/USD, 125JPY/EUR, 160JPY/GBP, 3.2JPY/THB

Projects for Sales by Product Segment

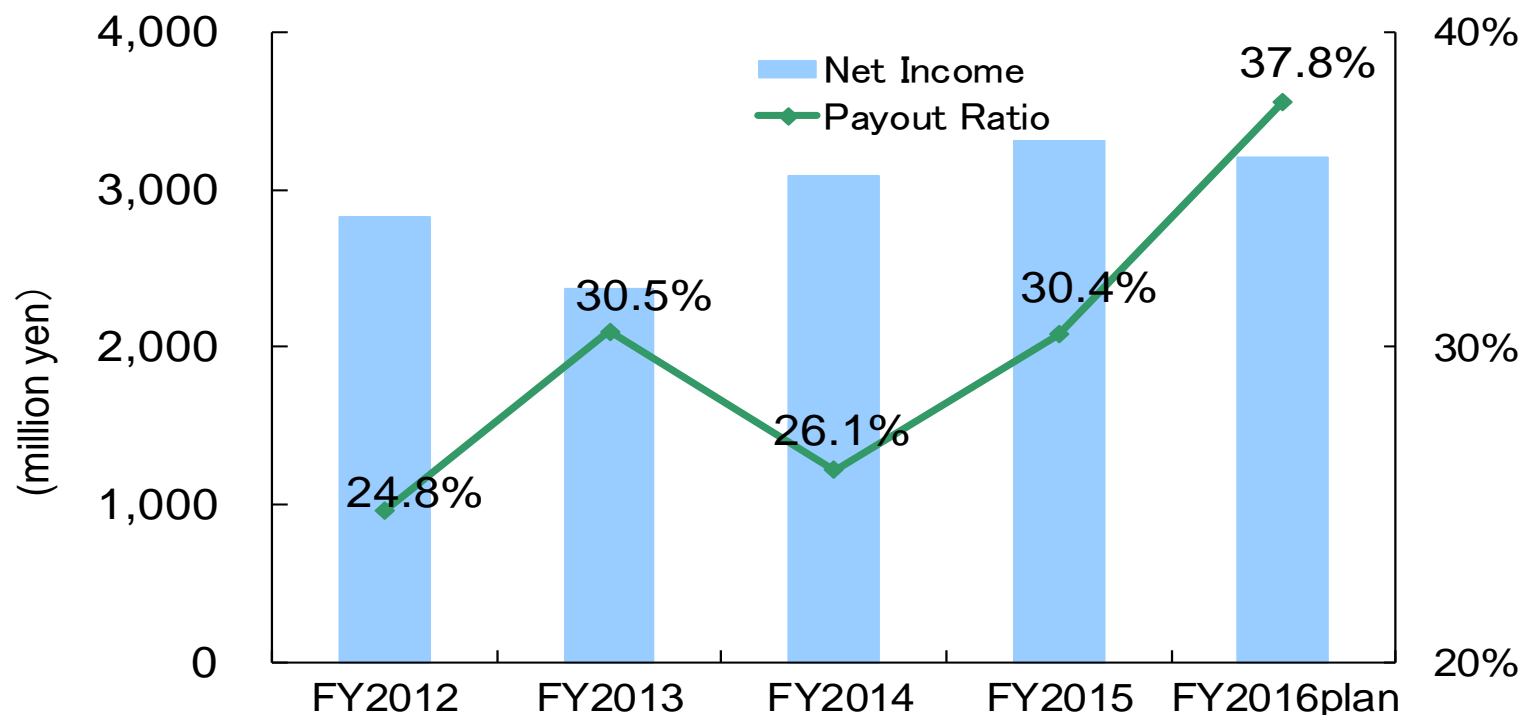
- No change from initial plan of 2016

(million yen)

	FY2015	FY2016	Year-over-year
Total	27,229	27,570	1.2%
Couplings	11,036	11,210	1.6%
Machine Tools	9,533	9,940	4.3%
Linear Pumps	4,432	4,660	5.1%
Door Closers	2,227	1,760	-21.0%

FY2015 Dividend Plan

- Target payout ratio is 30%.
- In FY2016, adding amount (10 JPY per year) for 60th anniversary dividend.



Interim Dividend	¥16	¥16	¥17	¥19	¥23	¥26
Yearend Dividend	¥32	¥33	¥34	¥38	¥46	¥52

New Products Machine Tools

Pneumatic Belt Sander "BELTON CL type"



Excellent durability and toughness

New Products Linear Pumps

High Flow Piezoelectric Pump "BIMOR PUMP BPHS series"



Compact, lightweight and high flow

Thank you!

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on NITTO KOHKI's own projections and estimates. They are subject to a number of risks and uncertainties. NITTO KOHKI would like to take note that actual results may differ materially from our expectations.

Contact : IR E.Ohura, M.Nishitsuji

Tel : +81-3-3755-9970

Email : kouho@nitto-kohki.co.jp