



NICHIDAI CORPORATION

Summary of Consolidated Financial Results for the 2nd Quarter Ended September 30, 2016

October 31, 2016

Company name: NICHIDAI CORPORATION

Listed Stock Exchange: Tokyo Securities Exchange

Code number: 6467

(URL <http://www.nichidai.jp>)

Company Representative: Motonobu Furuya, President & CEO

Contact Information: Takayoshi Yamane, Corporate officer Headquarters General Manager TEL (0774) 62-3481

Reporting date of financial statements: November 11, 2016

Commencement date of dividend payment: December 1, 2016

(Rounded down to the nearest million yen.)

1. Consolidated Financial Results for the 2nd Quarter Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)

(1) Consolidated Operating Results (Total)

(% indicates changes in net sales compared with preceding same period.)

	Net sales		Operating Income		Ordinary Income		Net income Attributable to Owners of the Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the 2 nd Quarter Ended Sept. 30, 2016	6,790	△5.3	175	△60.2	124	△70.7	64	△77.3
Ended Sept. 30, 2015	7,166	△1.6	441	△31.8	426	△35.0	285	△26.5

(Note) Comprehensive income FY 2016 for the 2nd Quarter △330million yen (— %)

FY 2015 for the 2nd Quarter 347 million yen (△5.3%)

	EPS		Adjusted EPS	
	Yen	Sen	Yen	Sen
For the 2 nd Quarter Ended Sept. 30, 2016	7	16	—	—
Ended Sept. 30, 2015	31	56	—	—

(2) Consolidated Financial Position

	Total Assets		Net Assets		Shareholders' Equity Ratio	
	Millions of Yen		Millions of Yen		%	
Ended Sept. 30, 2016	15,113		9,904		60.1	
FY 2016	15,725		10,326		59.8	

(Ref.) Shareholders' Equity FY 2016 for the 2nd Quarter 9,079 million yen FY 2016 9,398 million yen

2. Dividends

	Dividends per Share									
	End of 1 st Quarter		End of 2 nd Quarter		End of 3 rd Quarter		Year End		Full Year	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
FY 2016	—	—	10	00	—	—	10	00	20	00
FY 2017	—	—	10	00	—	—	—	—	—	—
FY2017 (Forecast)	—	—	—	—	—	—	10	00	20	00

(Note) Change made in forecast of dividends: N/A

3. Consolidated Forecast for the Year Ending March 2017 (From April 1, 2016 to March 31, 2017)

(% indicates changes in net sales, operating income, etc compared with preceding same period.)

	Net sales		Operating Income		Ordinary Income		Net income Attributable to Owners of the Parent		EPS	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	Sen
Full Year	14,000	△1.9	570	△31.2	500	△34.7	325	△33.1	35	91

(Note) Change made in Consolidated Forecast: N/A

※Note

(1) Changes of important subsidiaries during the period (changes in specified subsidiaries that involve changes in the scope of consolidation): N/A

(2) Adoption of any simplified way of accounting method or any accounting procedure specific to the preparation of quarterly financial statements: N/A

(3) Changes in accounting principle, procedure or method associated with preparing the consolidated of quarterly financial results

① Changes resulting from revision of accounting policy N/A

② Changes other than ① Yes

③ Changes in accounting estimate Yes

④ Restatement N/A

(4) Number of outstanding shares (ordinary shares)

① Number of outstanding shares at the end of the term (including treasury stocks)

Ended Sept. 30, 2016 9,053,300 shares FY 2016 9,053,300 shares

② Number of treasury stocks at the end of the term

Ended Sept. 30, 2016 2,015 shares FY 2016 2,003 shares

③ Average number of outstanding shares during the period

Ended Sept. 30, 2016 9,051,293 shares Ended Sept. 30, 2015 9,051,344 shares

※ Explanation regarding appropriate use of business forecasts and other special instructions

The above forecasts of operating results are based on the information available at the time this document was released, and actual operating results may differ from these forecasts due to various factors.

1. Qualitative Information on the Second Quarter Financial Results

(1) Management's Discussion on Results of Operations

Looking at the Japanese automobile market, or our primary customer industry, during the consolidated cumulative second quarter under review, the number of cars sold had a strong showing in the US, European and Chinese markets, but remained at low levels in the domestic market, in which slump in light vehicles continues, and in the ASEAN market. Amid such sales trend, the number of cars manufactured worldwide by Japanese finished car manufacturers remained almost at the same level as the previous year.

Under such circumstances, in the Forging Die Division of the Net-Shape Business, while domestic sales have been on an upward trend since the second quarter, sales for the Asian regions were sluggish. The Precision-forged Products Division also experienced a decline in domestic sales of scroll compressor parts for air conditioners. Consequently, segment sales amounted to 3,332 million yen (down 8.7% year-on-year).

The Assembly Business enjoyed sales growth of turbocharger parts for gasoline-powered vehicles, however, sales of VG turbocharger parts were slow. Consequently, segment sales amounted to 2,503 million yen (down 3.8% year-on-year).

As for the Filter Business, while sales of oil drilling filters manufactured by our overseas subsidiary, THAI SINTERED MESH CO., LTD. fell substantially, large-size seawater strainers and other products recorded growth in sales. Consequently, segment sales rose to 953 million yen (up 4.1% year-on-year).

As a result of the above, consolidated sales totaled 6,790 million yen (down 5.3% year-on-year).

On the income front, entering the second quarter the Net-Shape Business restored its profitability, but the Assembly Business posted an ordinary loss. Reflecting the above and other factors, operating income came to 175 million yen (down 60.2% year-on-year), ordinary income was 124 million yen (down 70.7% year-on-year) and net income attributable to owners of the parent was 64 million yen (down 77.3% year-on-year).