



NICHIDAI CORPORATION

Summary of Consolidated Financial Results for the 2nd Quarter Ended September 30, 2013

October 31, 2013

Company name: NICHIDAI CORPORATION

Listed Stock Exchange: Tokyo Securities Exchange

Code number: 6467

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

Company Representative: Motonobu Furuya, President & CEO

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Reporting date of financial statements: November 14, 2013

Commencement date of dividend payment: December 2, 2013

(Rounded down to the nearest million yen.)

1. Consolidated Financial Results for the 2nd Quarter Ended September 30, 2013 (From April 1, 2013 to September 30, 2013)

(1) Consolidated Operating Results (Total)

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

	Net sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the 2 nd Quarter								
Ended Sept. 30, 2013	6,687	1.9	412	△15.8	439	△8.2	274	△3.3
Ended Sept. 30, 2012	6,563	14.6	489	76.5	478	93.3	283	89.6

(Note) Comprehensive income FY 2014 for the 2nd Quarter 523 million yen (61.7%)

FY 2013 for the 2nd Quarter 324 million yen (130.6%)

	EPS		Adjusted EPS	
	Yen	Sen	Yen	Sen
For the 2 nd Quarter				
Ended Sept. 30, 2013	30	31	—	—
Ended Sept. 30, 2012	31	33	—	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
Ended Sept. 30, 2013	15,554	8,547	50.8
FY 2013	14,365	7,938	52.0

(Ref.) Shareholders' Equity FY 2014 for the 2nd Quarter 7,899 million yen FY 2013 7,465 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 2013	—	—	8	00	—	—	8	00	16	00
FY 2014	—	—	8	00						
FY2014 (Forecast)					—	—	8	00	16	00

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

3. Consolidated Forecast for the Year Ending March 2014 (From April 1, 2013 to March 31, 2014)

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

	Net sales		Operating Income		Ordinary Income		Net Income		EPS	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	Sen
Full Year	13,500	2.6	1,000	12.0	950	△7.9	520	△7.4	57	45

(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): Yes

Added: 2 (Company name) NICHIDAI U.S.A. CORPORATION, NICHIDAI ASIA CO., LTD.

(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 N/A

③ Changes in accounting estimate N/A

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, 2013 9,053,300 shares FY 2013 9,053,300 shares

② Number of treasury stocks at the end of the term

Ended Sept. 30, 2013 1,868 shares FY 2013 1,868 shares

③ Average number of outstanding shares during the period

Ended Sept. 30, 2013 9,051,432 shares Ended Sept. 30, 2012 9,051,543 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) Qualitative information on consolidated business results

During the consolidated cumulative second quarter under review, the Japanese automobile market, or our primary customer industry, remained clouded by uncertainties such as the stagnant European market and decelerated ASEAN and other emerging markets, despite revenue growth backed by the weak yen trend and the favorable effects of higher automobile sales volume in the healthy US market.

Under these circumstances, the Forging Die Division of the Net-Shape Business earned almost the same level of sales as in the same period of last year. Looking at product composition, while an increase was recorded for die sets, a part of peripheral equipment, die products suffered a slowdown in sales. Meanwhile, the Precision-forged Goods Division enjoyed an increase in sales of air conditioner scroll compressor parts in both domestic and overseas markets. As a consequence, overall segment sales amounted to 3,220 million yen (up 7.8% year-on-year).

The Assembly Business has sustained the sluggish European automobile market, but entering the second quarter, production of VG turbocharger parts for specific models has been demonstrating an upward trend. As a consequence, overall segment sales amounted to 2,686 million yen (down 6.9% year-on-year). Segment sales of the Filter Business rose to 781 million yen (up 13.1% year-on-year) driven by robust sales of products for healthcare and other specific industries, combined with an increase in export to China.

As a result of the above, consolidated sales totaled 6,687 million yen (up 1.9% year-on-year).

Regarding profits, the Filter Business, whose sales remained strong, and the Assembly Business, whose sales increased in the second quarter, posted higher profits. However, the Net-Shape Business posted a drop in profits due to its product composition for the consolidated cumulative second quarter under review. Consequently, operating income was 412 million yen (down 15.8% year-on-year), ordinary income was 439 million yen (down 8.2% year-on-year) and net income was 274 million yen (down 3.3% year-on-year).

(2) Qualitative information on consolidated financial position

[1] Summary of assets, liabilities and net assets

Total assets at the end of the consolidated second quarter under review increased by 1,188 million yen from the end of the previous consolidated fiscal year to 15,554 million yen. The increase is mainly attributable to increases of 951 million yen in cash and deposits, and 584 million yen in tangible fixed assets. Decreases of 213 million yen in notes and accounts receivable, 59 million yen in inventories and 71 million yen in investment and other assets are also reflected. Total liabilities rose to 7,007 million yen, representing an increase of 580 million yen from the end of the previous consolidated fiscal year. Primary contributors to the increase are increases of 81 million yen in accounts payable, 237 million yen in borrowings, 103 million yen in allowance for bonus and 105 million yen in current liabilities – other, including accrued liabilities. Net assets increased by 608 million yen from the end of the previous consolidated fiscal year to 8,547 million yen, reflecting net income of 274 million yen and an increase of 172 million yen in foreign currency translation adjustments. Equity ratio was 50.8%.

[2] Summary of cash flows

Cash and cash equivalents (hereinafter, “cash”) at the end of the second quarter consolidated accounting period under review increased by 1,050 million yen from the end of the previous consolidated fiscal year to 2,438 million yen. This increased by 896 million yen in cash and cash equivalents, and 154 million yen in cash and cash equivalents from newly consolidated subsidiaries.

(Cash Flows from Operating Activities)

Net cash provided by operations amounted to 1,226 million yen (up 7.3% year-on-year). Factors increases are increases of 451 million yen of net income before taxation, 353 million yen of depreciation, 103 million yen in allowance for bonus, a decrease of 215 million yen in trade receivables and a decrease of 142 million yen in inventories.

(Cash Flows from Investing Activities)

Net cash used in investment amounted to 519 million yen (down 31.2% year-on-year). The increase is mainly attributable to an expenditure of 675 million yen for acquisition of tangible fixed assets, and upgrade of equipment for the Net-Shape Business.

(Cash Flows from Financing Activities)

Net cash gained in financing activities amounted to 158 million yen (use 458million yen on the previous year). This is the amount obtained after having deducted factors contributing to decrease which include a net decrease of 154 million yen in short-term loan, an expenditure of 809 million yen in payment of long-term debt, and 72 million yen of dividend payment from factors contributing to increases which include 1,200 million yen of proceeds from long-term debt.

(3) Qualitative Information regarding Forecast of Consolidated Financial Results

No revisions have been made to the forecast of consolidated financial results that was announced on May 1, 2013.