

# NICHIDAI CORPORATION Summary of Financial Results for the Ended March 31, 2014

May 1, 2014

Company name: NICHIDAI CORPORATION

Listed Stock Exchange: Tokyo Securities Exchange

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

Company Representative: Motonobu Furuya, President & CEO

Contact Information: Hirokazu Tsuji, Director Administrative Headquarters General Manager

TEL (0774) 62-3481

Annual shareholders' meeting: June 24, 2014

Reporting date of financial statements: June 25,2014

Commencement date of dividend payment: June 25, 2014

(Rounded down to the nearest million yen.)

# 1. Consolidated Financial Results for the Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

### (1) Consolidated Operating Results (Total)

(% = Year-on-year change)

	Net sa	des	Operating	Income	Ordinary	Income	Net Income		
	Millions of Yen %		Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	
FY 2014	14,272	8.5	1,306	46.3	1,332	29.3	809	42.2	
FY 2013	13,154	5.0	893	6.3	1,030	25.0	561	19.9	

(Attn.) Comprehensive income

Code number: 6467

FY 2014 1,160 million yen (38.1 %)

FY 2013 839million yen (103.5 %)

	EPS		Adjusted EP	S	Return on Equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales	
	Yen	Sen	Yen	Sen	%	%	%	
FY 2014	89	48	_		10.3	9.0	9.2	
FY 2013	62	07	_		7.8	7.3	6.8	

(Ref.) Gain or loss on investment by equity method

FY 2014 — million yen

FY 2013 — million yen

### (2) Consolidated Financial Position

		Total Assets	Net Assets	Shareholders' Equity Ratio	BPS	
Ī		Millions of Yen	Millions of Yen	%	Yen	Sen
	FY 2014	15,221	9,010	54.5	916	91
	FY 2013	14,365	7,938	52.0	824	81

(Ref.) Shareholders' Equity

 $FY\ 2014 \qquad \quad 8{,}299\ million\ yen$ 

FY 2013 7,465 million yen

## (3) Consolidated Statements of Cash Flows

	,									
				Cash & Cash						
	Operating Activities	Investing Activities	Financing Activities	Equivalents at the end of						
				The period						
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen						
FY 2014	2,366	△1,064	△1,056	1,830						
FY 2013	1,608	△1,005	△743	1,387						

### 2. Dividends

		Dividends per Share										Payout	Dividend on	
	End of 1st Quarter		I Interim I Year End I Full Year		Total Dividends (Full Year)	Ratio (Consolidated)	Equity Ratio (Consolidated)							
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Millions of Yen	%	%	
FY 2013	_		8	00	_		8	00	16	00	144	25.8	2.0	
FY 2014	_		8	00			10	00	18	00	162	20.1	2.1	
FY 2015			8	00			8	00	16	00		20.4		
(Forecast)			0	00	00   -	0	00	10	00		20.4			

FY2014 dividend (ordinary dividend 16 yen

bonus dividend 2 yen)

3. Consolidated Forecast for the Year Ending March 2015(From April 1, 2014 to March 31, 2015)

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

	Net sales		Net sales Operating Income		Ordinary I	ncome	Net Inco	EPS		
	Millions of Yen %		Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	Sen
Ended Sept.30,2014	6,950	3.9	520	26.1	500	13.9	340	23.9	37	56
Full Year	14,500	1.6	1,140	$\triangle 12.7$	1,100	$\triangle 17.5$	710	$\triangle 12.3$	78	44

#### **%**Notes

(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) Changes in accounting policy, changes in accounting estimate and restatement associated with preparing the consolidated financial results (to be stated in the changes of important items that form the basis of the consolidated financial results)
- ① Changes resulting from revision of accounting policy Yes
- ② Changes other than ① N/A
- ③ Changes in accounting estimate N/A
- (4) Restatement N/A
- (3) Number of outstanding shares (ordinary shares)
- ① Number of outstanding shares at the end of the term (including treasury stocks)

FY 2014 9,053,300 shares

FY 2013 9,053,300 shares

② Number of treasury stocks at the end of the term

FY 2014 1,868 shares

FY 2013 1,868shares

3 Average number of outstanding shares during the period

FY 2014 9,051,432shares

FY 2013 9,051,508shares

\* 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. Analysis of Operating Results and Financial Position
- (1) Analysis of Operating Results
- [1] Operating Results for the period

During the consolidated fiscal year under review, in the Japanese automobile market, or our primary customer industry, production volume turned upward at home and abroad in the middle of the year backed by the recovery of the Chinese market and the healthy US market, coupled with an increase in domestic sales volume, despite the influence of deceleration in the ASEAN market. Meanwhile, there is a concern about the influence of consumption tax hike to be implemented in April 2014, and the future of the economy is unclear.

Under such circumstances, the Forging Die Division of the Net-Shape Business increased sales on the second half year, and furthermore, the Precision-forged Goods Division enjoyed robust sales of air conditioner scroll compressor parts. As a consequence, overall segment sales amounted to 7,170 million yen (up 17.2% year-on-year).

The Assembly Business was adversely affected by the stagnant European automobile market and the model change of VG turbocharger parts, but sales of VG turbocharger parts for specific models were robust. As a consequence, overall segment sales amounted to 5,398 million yen (down 3.2% year-on-year).

Segment sales of the Filter Business rose to 1,703 million yen (up 16.9% year-on-year) driven by increased sales of bulk items exported to China and other markets.

As a result of the above, consolidated sales reached an all-time high of 14,272 million yen (up 8.5% year-on-year).

On the income front, reflecting growth in all segments on the ordinary income basis, operating income amounted to 1,306 million yen (up 46.3% year-on-year), ordinary income amounted to 1,332 million yen (up 29.3% year-on-year) and net income reached 809 million yen (up 44.2% year-on-year), all of these achieving all-time highs.

# [2] Forward-looking statement for the next fiscal year

In the Japanese automobile market, or our primary customer industry, overseas demand is expected to continue to rise. On the other hand, domestic demand will be affected by a temporal drop due to the consumption tax hike, and the ASEAN market will remain sluggish.

Amid these conditions, the Forging Die Division of the Net-Shape Business is likely to be influenced by the consumption tax hike in the first half year, but we will be made up for this by securing forging die demand for overseas markets, as well as domestic demand, which is expected to recover in the second half year. As for the Precision-forged Goods Division, production volume of air conditioner scroll compressor parts is projected to increase substantially at NICHIDAI (THAILAND) LTD.

The Assembly Business will see a decline in VG turbocharger parts production at both bases in Japan and Thailand due to still being in a drop-off period following the model change.

Sales of the Filter Business are expected to rise thanks to sales growth in filter products, which will become a new application for large-size sea water strainer and others.

Regarding the Group's full-year results, we forecast sales of 14,500 million yen (up 1.6% year-on-year), operating income of 1,140 million yen (down 12.7% year-on-year), ordinary income of 1,100 million yen (down 17.5% year-on-year) and net income of 710 million yen (down 12.3% year-on-year).