



The Financial Statement Briefing For the Year Ended March 31, 2012

May 21, 2012

JASDAQ: 6467

NICHIDAI CORPORATION

<http://www.nichidai.jp/>

Overseas

Net-Shape Business

NICHIDAI CORPORATION **Non-consolidated**

- ◆ Produces precision forging dies used mainly for forging of car parts, such as engine, transmission and driving mechanisms.
- ◆ Net-Shape, a forging process without cutting is the core technology.
- ◆ Mass-produces precision-forged goods, such as automobile parts and aluminum alloy air-conditioner parts (precision-forged scrolls).
- ◆ Has an advantage of total engineering capability not only in the production but also development of dies as well as production of parts.



NICHIDAI ASIA CO., Ltd. (NDA)

- ◆ Sales base of dies established in Thailand.

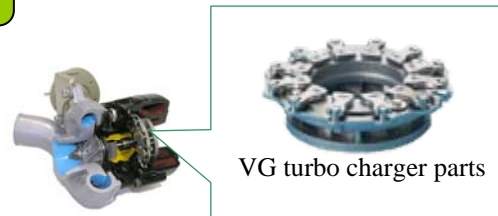
NICHIDAI U.S.A. CORPORATION (NUC)

- ◆ Die sales base in Ohio, USA.

Assembly Business

NICHIDAI PRECISION CORPORATION (NPC)

- ◆ Assembly VG turbo charger parts for diesel engine.



NICHIDAI (THAILAND) LTD. (NDT)

- ◆ Production base of VG turbo charger parts in the suburbs Bangkok, Thailand.

Filter Business

NICHIDAI FILTER CORPORATION (NFC)

- ◆ Produces lamination sintered wire mesh filters used in a variety of industries, such as food, pharmaceutical, nuclear energy and aerospace.



Lamination sintered wire mesh filters

THAI SINTERED MESH CO., LTD. (TSM)

- ◆ Oil drilling filters production base in the suburbs of Chiang Mai, Thailand.

I . Financial Results for the Year Ended March 31, 2012

I . Financial Results for the Year Ended March 31, 2012

- P/L: Sales and Profit -

Millions of Yen

		11/3 Results 10/4-11/3	12/3 Plan 11/4-12/3	12/3 Results 11/4-12/3	Growth Rate
Non- consolidated	Net Sales	5,415	5,800	5,937	9.6%
	Gross income from sales	1,220	1,220	1,228	0.7%
	S.G.&A.expense	936	960	947	1.1%
	Operating income	283	260	281	△ 0.8%
	Non-operating income	12	30	△ 74	-
	Ordinary income	271	230	355	31.0%
	Net income	209	135	167	△ 19.9%
Consolidated	Net Sales	10,301	12,500	12,524	21.6%
	Gross income from sales	2,181	2,395	2,402	10.1%
	S.G.&A.expense	1,478	1,515	1,562	5.7%
	Operating income	703	880	840	19.5%
	Non-operating income	21	80	15	-
	Ordinary income	681	800	824	21.0%
	Net income	495	500	468	△ 5.5%

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2012

- Trend in operating results on quarter basis -

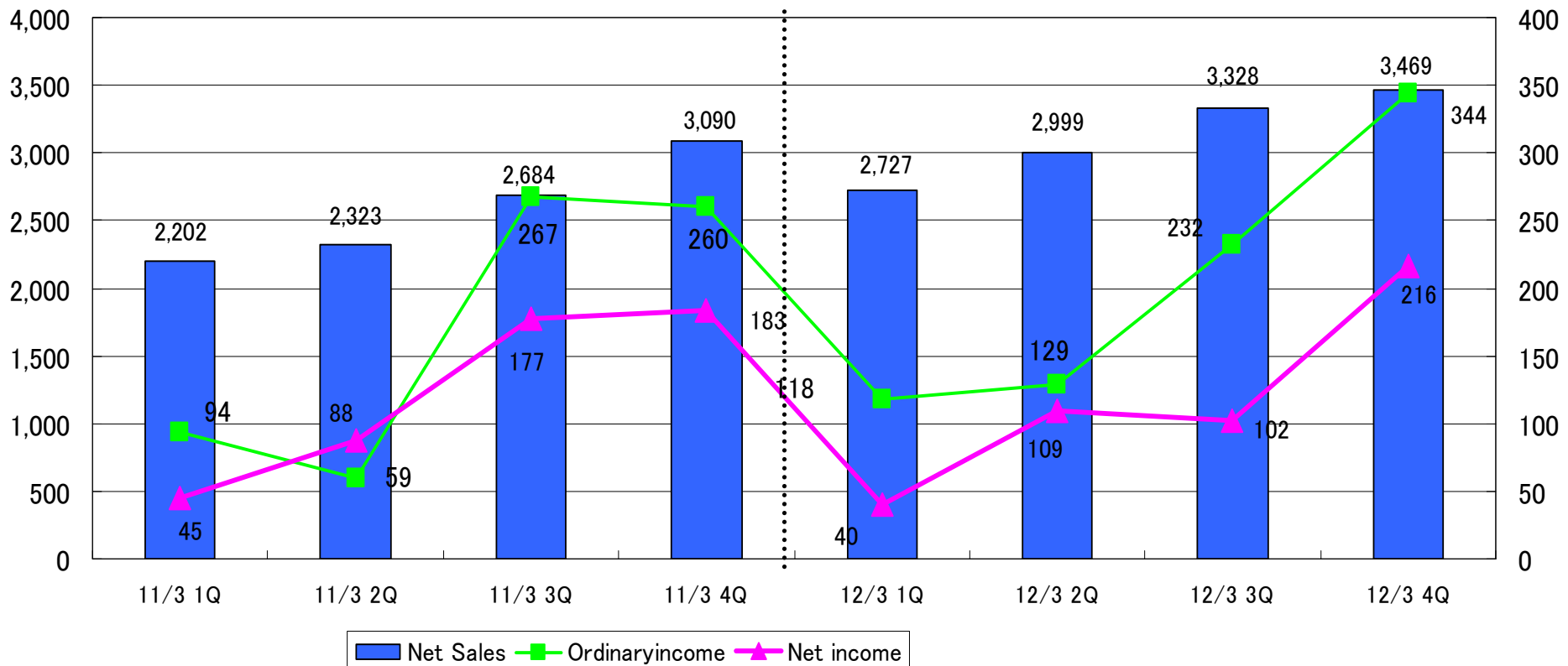
- Sales, which dropped in 1Q due to the East Japan Great Earthquake, have been recovering well.
- Net income decreased for the full year due partly to the reversal of deferred tax assets in line with tax rate change.

Sales (Left axis)

Millions of Yen

Ordinary Income, Net income (Right Axis)

Millions of Yen



I . Financial Results for the Year Ended March 31, 2012

- Segment Net Sales -

Consolidated

Millions of Yen

Business	11/3 Results 10/4-11/3	12/3 Plan 11/4-12/3	12/3 Results 11/4-12/3	Growth Rate
Net-Shape	5,415	5,800	5,937	9.6%
Assembly	3,749	5,450	5,230	39.5%
Filter	1,136	1,250	1,356	19.4%
Consolidated Total	10,301	12,500	12,524	21.6%

➤ Sales of the Forging Die Division increased thanks to the recovery in the output of Japanese finished car manufacturers and other factors.

➤ Sales of VG turbocharger parts were strong.

➤ Sales were stable in both Japan and overseas, achieving growth.

* Rounded down to the nearest million yen

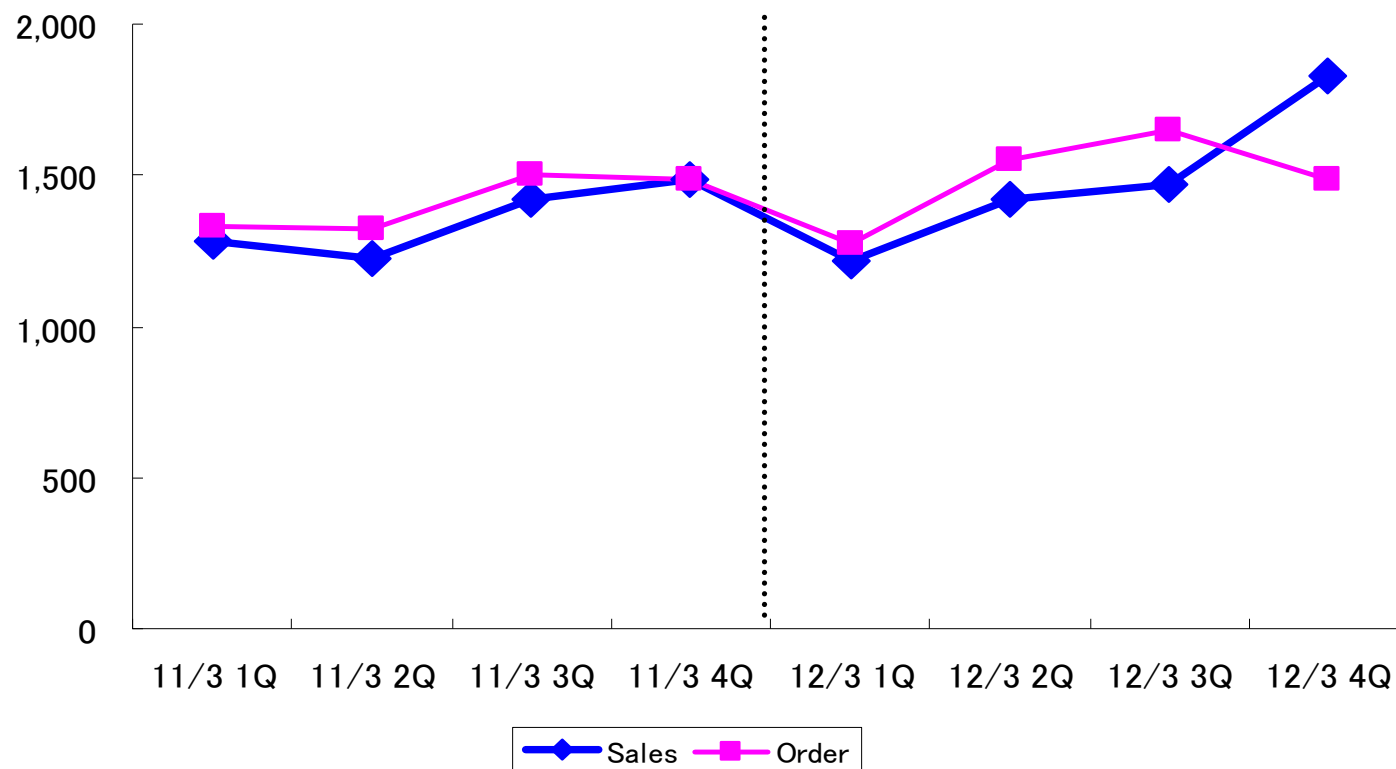
I . Financial Results for the Year Ended March 31, 2012

- Overview of the Net-Shape Business -

- **Forging Die Division:** Sales rose sharply in the second half year with clear indications of recovery in car production, which had declined due to the earthquake.
- **Precision-forged Goods Division:** Increase in sales of forged scrolls and other products pushed up overall segment sales.

Trend in order and sales of Net-Shape business

Millions of Yen



I . Financial Results for the Year Ended March 31, 2012

- Overview of the Net-Shape Business –Sales by Region -

Non-Consolidated

Millions of Yen

	11/3 Results	12/3 Results	Growth Rate
Domestic	4,027	4,095	1.7%
Overseas total	549	739	34.6%
Asia	429	645	50.3%
North America	112	84	△ 24.8%
Others	7	9	27.2%
Forging Dies	4,577	4,834	5.6%
Precision forged goods	838	1,103	31.5%
Net-Shape business total	5,415	5,937	9.6%

■ Domestic
Sales plunged in 1Q due to the earthquake, but have been recovering substantially after the second half year.

■ Overseas
Sales for Asia, particularly for China, surged.

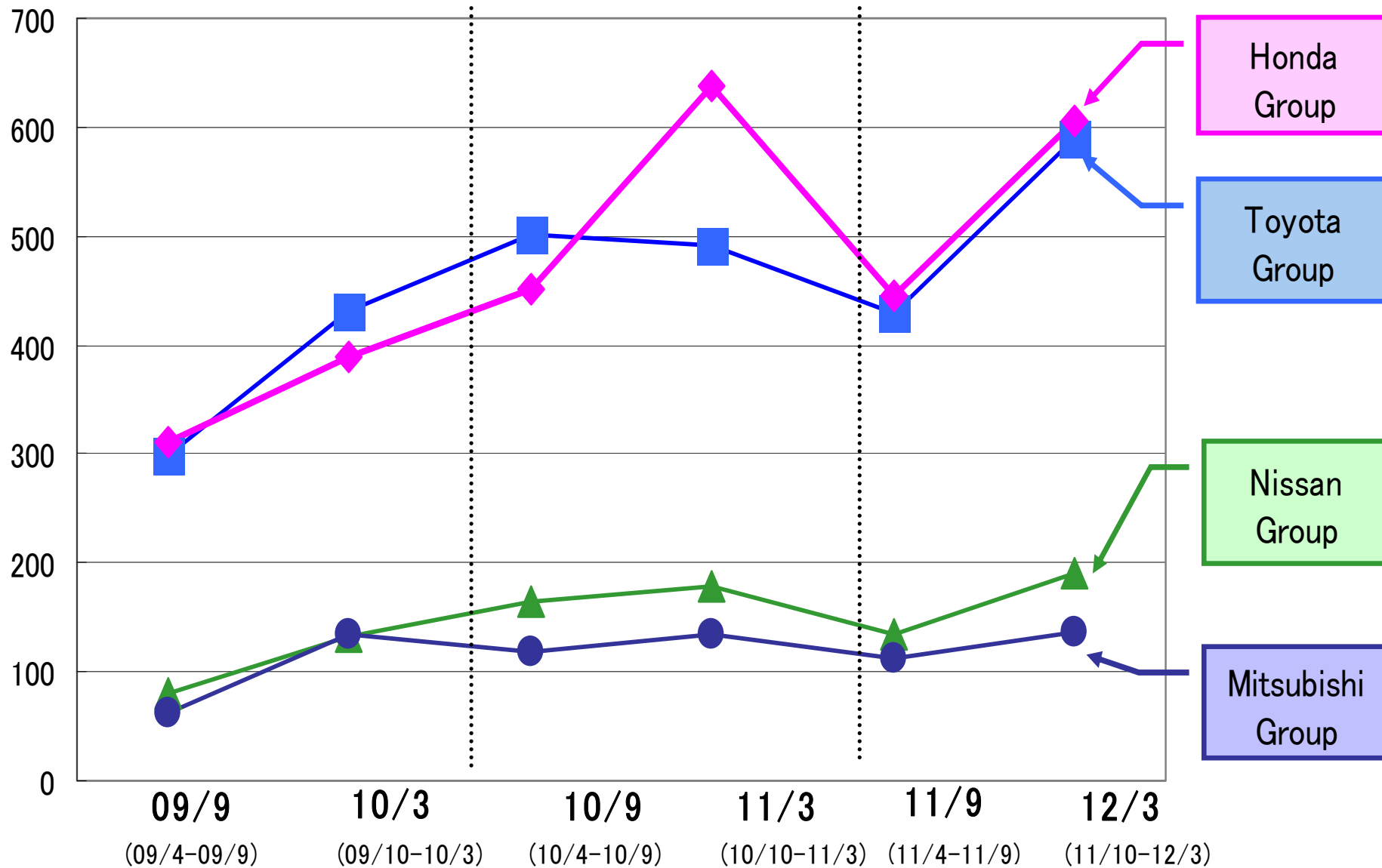
■ Precision-forged goods
➢ Sales of forged scrolls and other products increased.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2012

- Overview of the Net-Shape Business –Trend in sales in customer -

Millions of Yen



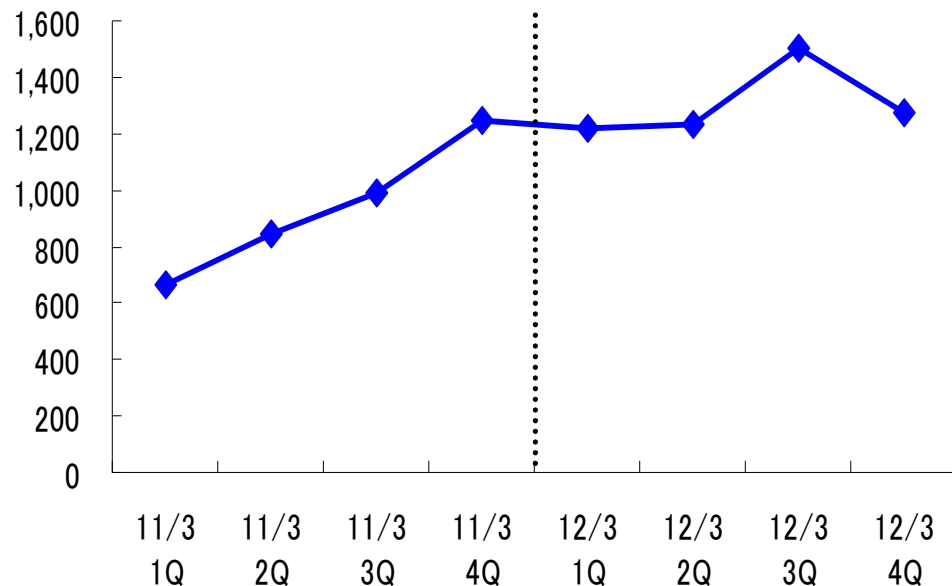
I . Financial Results for the Year Ended March 31, 2012

- Overview of the Assembly Business -

- Demand for VG turbocharger parts remained healthy.
- Despite the influence of Thai flooding, production increased sharply at NICHIDAI (THAILAND) LTD., our overseas production base.

Trend in sales of Assembly business

Millions of Yen



Change in Domestic/Overseas Sales

Millions of Yen

	11/3 Results	12/3 Results	Growth Rate
Domestic	2,099	2,557	21.8%
Overseas	1,649	2,673	62.1%
Total	3,749	5,230	39.5%

* Rounded down to the nearest million yen

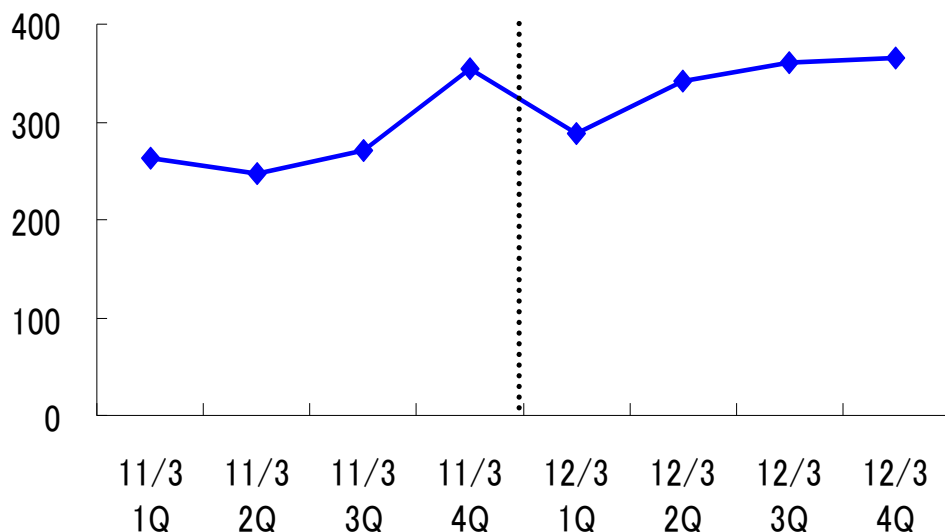
I . Financial Results for the Year Ended March 31, 2012

- Overview of the Filter Business -

- Filter products, for both domestic and overseas markets, sold well.
- THAI SINTERED MESH CO., LTD. achieved stable sales of oil drilling filters throughout the year.

Trend in sales of Filter business

Millions of Yen



Change in Domestic/Overseas Sales

Millions of Yen

	11/3 Results	12/3 Results	Growth Rate
Domestic	825	970	17.6%
Overseas	311	386	24.1%
Total	1,136	1,356	19.4%

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2012

- Segment P/L -

Consolidated

Millions of Yen

	11/3			12/3		
	Sales	Ordinary Income	Profit Rate	Sales	Ordinary Income	Profit Rate
Net-Shape	5,415	271	5.0%	5,937	334	5.6%
Assembly	3,749	300	8.0%	5,230	284	5.4%
Filter	1,136	109	9.6%	1,356	205	15.2%
Consolidated total	10,301	681	6.6%	12,524	824	6.6%

➤ Profitability improved by increased sales of the Forging Die Division after the second half year.
➤ Sales increase in the Precision-forged Goods Division also contributed to profit.

➤ Income dropped because of additional expenses incurred by confusion in supply chain due to the earthquake and the Thai flooding, as well as exchange rate fluctuations.

➤ Profitability improved by strong sales in both Japan and overseas.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2012

- Cost of Sales -

Consolidated

Millions of Yen

	11/3		12/3	
	Results	Ratio	Results	Ratio
Net sales	10,301	100.0%	12,524	100.0%
Material cost	3,520	34.2%	5,045	40.3%
Purchase of products	434	4.2%	645	5.2%
Subcontract processing	976	9.5%	1,273	10.2%
Subsidiary material cost	400	3.9%	477	3.8%
Labor cost	2,012	19.5%	2,215	17.7%
Depreciation	451	4.4%	462	3.7%
Change in inventory	195	1.9%	531	4.2%
Others	520	5.0%	533	4.3%
Cost of sales	8,120	78.8%	10,122	80.8%
Gross income from sales	2,181	21.2%	2,402	19.2%

Material cost

➤ Increase in sales the Assembly Business raised the material cost ratio

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2012

- SG&A Expenses -

Consolidated

Millions of Yen

	11/3		12/3	
	Results	Ratio	Results	Ratio
Net Sales	10,301	100.0%	12,524	100.0%
Packaging/Freight	132	1.3%	182	1.5%
Transportation	85	0.8%	88	0.7%
Labor cost	751	7.3%	789	6.3%
Depreciation	81	0.8%	76	0.6%
Rent	39	0.4%	41	0.3%
Others	388	3.8%	384	3.1%
SG&A Expenses	1,478	14.3%	1,562	12.5%

Packaging/Freight

➤ Additional expenses were incurred by confusion in supply chain due to the Thai flooding.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2012

- B/S: Assets -

Consolidated

Millions of Yen

	11/3 Result	12/3 Result	Change
Cash and deposit	1,697	1,852	155
Notes receivable	932	996	64
Accounts receivable	2,173	2,765	592
Inventory	1,563	2,122	558
Others	181	318	137
Allowance for bad debts	△ 4	△ 4	0
Total current assets	6,543	8,051	1,507
Tangible fixed assets	4,931	4,978	47
Intangible fixed assets	99	149	49
Investment and other assets	796	617	△ 178
Total fixed assets	5,826	5,745	△ 80
Total assets	12,370	13,797	1,426

**Accounts receivable and
Inventory**

➤ Attributable to increase in sales

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2012

- B/S: Liabilities and Net Assets -

Consolidated

Millions of Yen

	11/3 Results	12/3 Results	Change
Accounts payable	881	1,582	700
Short-term debt	2,216	1,979	△ 237
Current portion of bonds	0	1,000	1,000
Accrued income tax	60	136	76
Allowance for bonus payable	132	131	△ 1
Others	502	501	0
Total current liabilities	3,793	5,331	1,537
Corporate bonds	1,000	0	△ 1,000
Long-term debt	550	1,127	577
Others	78	103	24
Total fixed liabilities	1,628	1,231	△ 397
Total liabilities	5,422	6,562	1,140
Capital	1,429	1,429	0
Capital surplus	1,192	1,192	0
Retained earnings	4,096	4,456	359
Minority interest	328	325	△ 2
Others	△ 99	△ 170	△ 70
Total net assets	6,948	7,234	286
Total liabilities and net assets	12,370	13,797	1,426

Accounts Payable

➤ Attributable to an increase in purchase along with the increased sales.

Corporate bonds

➤ Current portion of bonds were posted as current liabilities.

* Rounded down to the nearest million yen

- Cash Flows(CF) -

Consolidated

Millions of Yen

	11/3	12/3	Change
Cash flows from operating activities	514	529	14
Cash flows from investing activities	△ 358	△ 549	△ 191
Cash flows from financing activities	129	194	65
Amount of increase in cash and cash equivalents	283	155	△ 128
Cash and cash equivalents balance at beginning of term	1,060	1,344	283
Cash and cash equivalents balance at end of term	1,344	1,500	155
FCF	156	△ 20	△ 176

Cash flows from investing activities

➤ Attributable to increase in Capital expenditures
 FY2011 372 millions of Yen
 FY2012 627 millions of Yen

*Rounded down to the nearest million yen

Ⅱ .Progress of Medium-Term Management Plan

II . Progress of Medium-Term Management Plan - The situation in Thailand -

With NDT positioned as a key base to promote our Asian strategy involving both the Net-Shape Business and the Assembly Business, the factory is being expanded.

	Action Assignment	Progress Situation
Net-Shape	Promote Asian strategy keeping in mind our production bases for forging dies and mass production.	Launching mass production of forged scrolls in Thailand was determined for the end of 2012.
Assembly	Clarify NDT' s role as our mass production base.	Expansion of NDT factory is enhancing production capacity.



NICHIDAI (THAILAND)LTD. (NDT) Factory rendering

*See Appendix for the details of the progress status of our Medium-term Management Plan.

Regarding the influence of the Thai flooding

Although the confusion in supply chain affected the performance of the Assembly Business in the second half of the year ended March 2012, at present it has almost recovered to a normal level.

Ⅲ. Plan for the Year Ended March 31, 2013

Ⅲ. Plan for the Year Ended March 31, 2013

- P/L: Sales and Profit -

Consolidated

Millions of Yen

	12/3 Results 11/4-12/3	13/3 Plan 12/4-13/3	Growth Rate
Net sales	12,524	13,500	7.8%
Gross income from sales	2,402	2,740	14.0%
S.G.&A. expense	1,562	1,670	6.9%
Operating income	840	1,070	27.4%
Non-operating income	15	70	—
Ordinary income	824	1,000	21.3%
Net income	468	560	19.5%

* Rounded down to the nearest million yen

Ⅲ. Plan for the Year Ended March 31, 2013

- Segment Net Sales -

Consolidated

Millions of Yen

Business	12/3	13/3	Growth Rate
	Results 11/4-12/3	Plan 12/4-13/3	
Net-Shape	5,937	6,500	9.5%
Assembly	5,230	5,500	5.1%
Filter	1,356	1,500	10.6%
Consolidated total	12,524	13,500	7.8%

➤ In anticipation of an upward trend for the output of Japanese finished car manufacturers, we aim to provide forging dies stably.

➤ We forecast the demand for turbocharger parts will remain healthy.

➤ Demand for filter products for the domestic market is expected to be steady.

➤ Demand for filter products are expected to grow overseas as well.

* Rounded down to the nearest million yen

Ⅲ. Plan for the Year Ended March 31, 2013 - Capital Investment/Depreciation-

Consolidated

Millions of Yen

	08/3	09/3	10/3	11/3	12/3	13/3
	Results	Results	Results	Results	Results	Plan
Capital expenditures	765	524	434	372	627	1,152
Depreciation	624	633	557	532	539	618

* Rounded down to the nearest million yen

Ⅲ. Forecasts for the Year Ended March 31, 2013 - Dividends -

	End of Interim Period	Year End	Full Year
	Yen Sen	Yen Sen	Yen Sen
FY2010	0.00	0.00	0.00
FY2011	3.00	6.00	9.00
FY2012(Plan)	6.00	6.00	12.00
FY2013(Plan)	8.00	8.00	16.00

Thank you very much for coming today.

NICHIDAI CORPORATION

- This document has been prepared based on the judgments and assumptions made through information available for our company at this time.
- Therefore, actual operating results may differ from forecasts due to intrinsic uncertainties.

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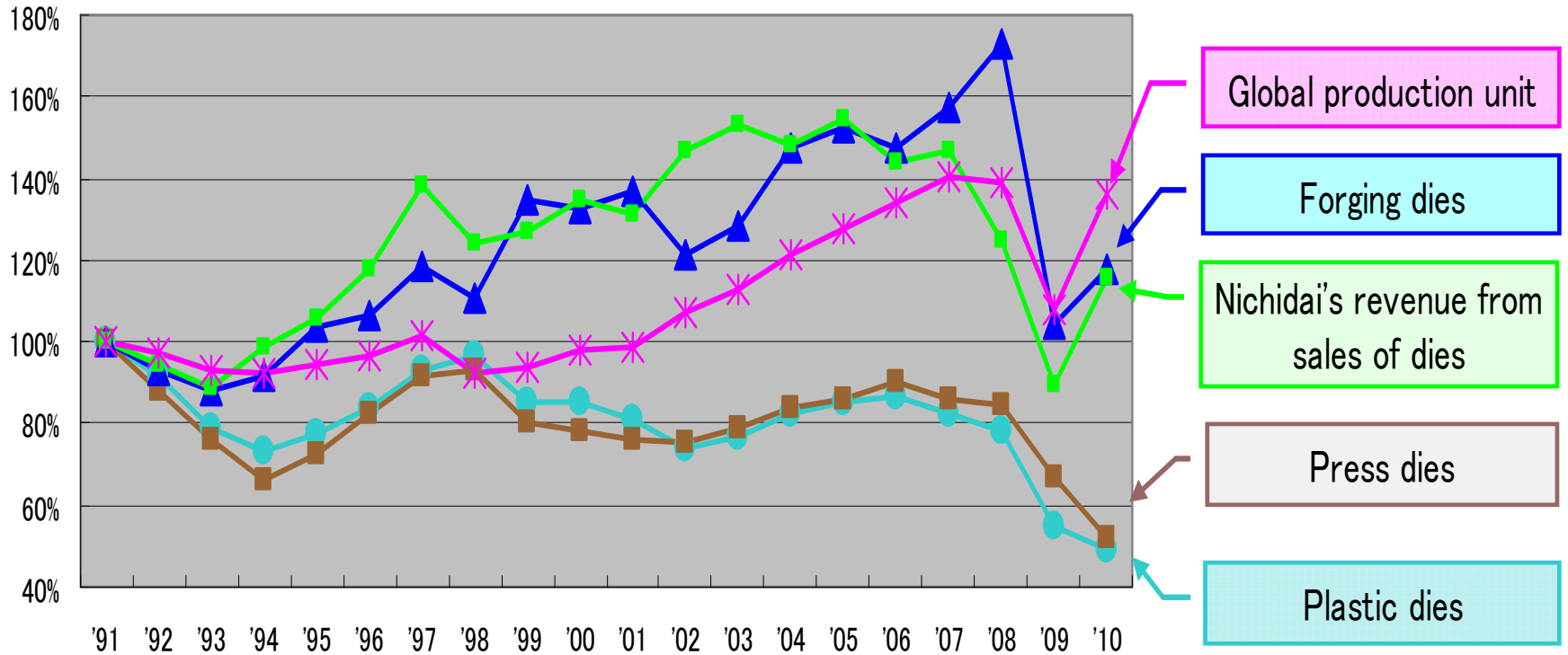
Strategic Point	Action Assignment	Progress Situation
Enhancing product competitiveness by QDC improvement	<ul style="list-style-type: none"> ✓ Aim to drastically improve QDC and then enhance product competitiveness by reviewing the entire value chain from design, production to sales. 	<ul style="list-style-type: none"> ✓ Lead time shortening project has been promoted. ✓ Capital investment is being made with an aim to shorten the bottleneck processing time.
Promoting technological development and pioneering new business field	<ul style="list-style-type: none"> ✓ Aiming to further strengthen precision-forged goods business, set up Engineering & Development Department. ✓ Advance development of new precision-forging methods and products, and look for applications in various industries. 	<ul style="list-style-type: none"> ✓ We will continue to strive for commercialization of small-sized electric-generating motor components. ✓ We will strive for commercialization of STRECON.
Responding to overseas business development	<ul style="list-style-type: none"> ✓ With our eyes set on the Japanese key customers' entering foreign markets, strengthen international collaboration in sales activities. ✓ Promote Asian strategy keeping in mind our production bases for forging dies and mass production. 	<ul style="list-style-type: none"> ✓ Building expansion and installation of pressing machines at NDT to start mass production of forged scrolls are going well. ✓ Asian strategy with forging die production bases in mind is being pursued.

Strategic Point	Action Assignment	Progress Situation
Enhancing product competitiveness by QDC improvement	<ul style="list-style-type: none"> ✓ Reinforce supply chain management to shorten lead time and raise efficiency. 	<ul style="list-style-type: none"> ✓ Continuous efforts to reduce net processing time in surface treatment are being made. ✓ Consideration of cost reduction measures using plastic forming technology has started.
Promoting technological development and pioneering new business field	<ul style="list-style-type: none"> ✓ Clarify the role of NICHIDAI PRECISION CORPORATION, our Japanese subsidiary, as our R&D base. 	<ul style="list-style-type: none"> ✓ Trial production division is being reinforced. ✓ Response to next-generation environmental regulations is being strengthened.
Responding to overseas business development	<ul style="list-style-type: none"> ✓ Advance local procurement at NDT of Thailand. ✓ Clarify NDT' s role as our mass production base. 	<ul style="list-style-type: none"> ✓ Localization of material procurement and parts processing is being promoted. ✓ Production capacity is being enhanced by factory expansion at NDT.

Strategic Point	Action Assignment	Progress Situation
<p>Promoting technological development and pioneering new business field</p>	<ul style="list-style-type: none"> ✓ Expand sales of new products, such as ozone decomposing filters. ✓ Broaden sintering technology applicable areas, thereby establish new applications and new markets for products other than filter products. 	<ul style="list-style-type: none"> ✓ The efforts to sell ozone decomposing filter are still continuing. ✓ New customers are also being developed.
<p>Responding to overseas business development</p>	<ul style="list-style-type: none"> ✓ Establish a filter production system other than oil drilling filters at Thai TSM. ✓ TSM should assume a role as our mass production and Asian market development base. 	<ul style="list-style-type: none"> ✓ Activities to expand sales of filter products in the Asian market have been continuing. ✓ Production of filter products other than oil drilling filters has started at TSM.

Trend of the indexes

(Value of production by model, Revenue from sale of dies, Global production unit)
 (Based on the value of 1991 as 100)



Source ; Dies output (Data ; Industrial statistics by Ministry of Economy, Trade and Industry)
 Global production Unit(Japan Automobile Manufacturers Association, Total number of units produced at domestic and oversea by Japanese automobile manufacturers.)