



The Financial Statement Briefing For Q2 of the Year Ending March 31, 2011

November 8, 2010

JASDAQ: 6467

NICHIDAI CORPORATION

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

Introduction of Business

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.



Precision-forged scroll



Precision forging dies

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.



VG turbo charger parts

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 . Interim Results

for the Year Ending March 2011



I . Interim Results for the Year Ending March 2011

- P/L : Sales and Profit -

Millions yen

		10/3	10/3	11/3	11/3	11/3	Growth Rate
		1st Half Results 09/4-09/9	2nd Half Results 09/10-10/3	1st Half Plan (Original) 10/4-10/9 Announced 10/4	1st Half Plan (Revision) 10/4-10/9 Announced 10/11	1st Half Results 10/4-10/9	
Non-consolidated	Net sales	1,773	2,330	2,500	2,550	2,506	41.3%
	Gross income from sales	119	436	550	570	500	319.5%
	S.G. & A. expense	437	446	490	480	451	3.2%
	Operating income	△ 318	△ 9	60	90	48	—
	Non-operating income	△ 7	△ 7	△ 40	△ 30	1	—
	Ordinary income	△ 325	△ 16	20	60	49	—
	Net income	△ 200	△ 158	30	65	65	—
Consolidated	Net sales	3,084	3,803	4,220	4,400	4,526	46.8%
	Gross income from sales	241	682	770	870	864	258.6%
	S.G. & A. expense	653	683	700	720	706	8.1%
	Operating income	△ 412	0	70	150	158	—
	Non-operating income	9	△ 15	△ 50	△ 30	△ 4	—
	Ordinary income	△ 403	△ 16	20	120	153	—
	Net income	△ 274	△ 176	10	100	134	—

* Rounded down to the nearest million yen.

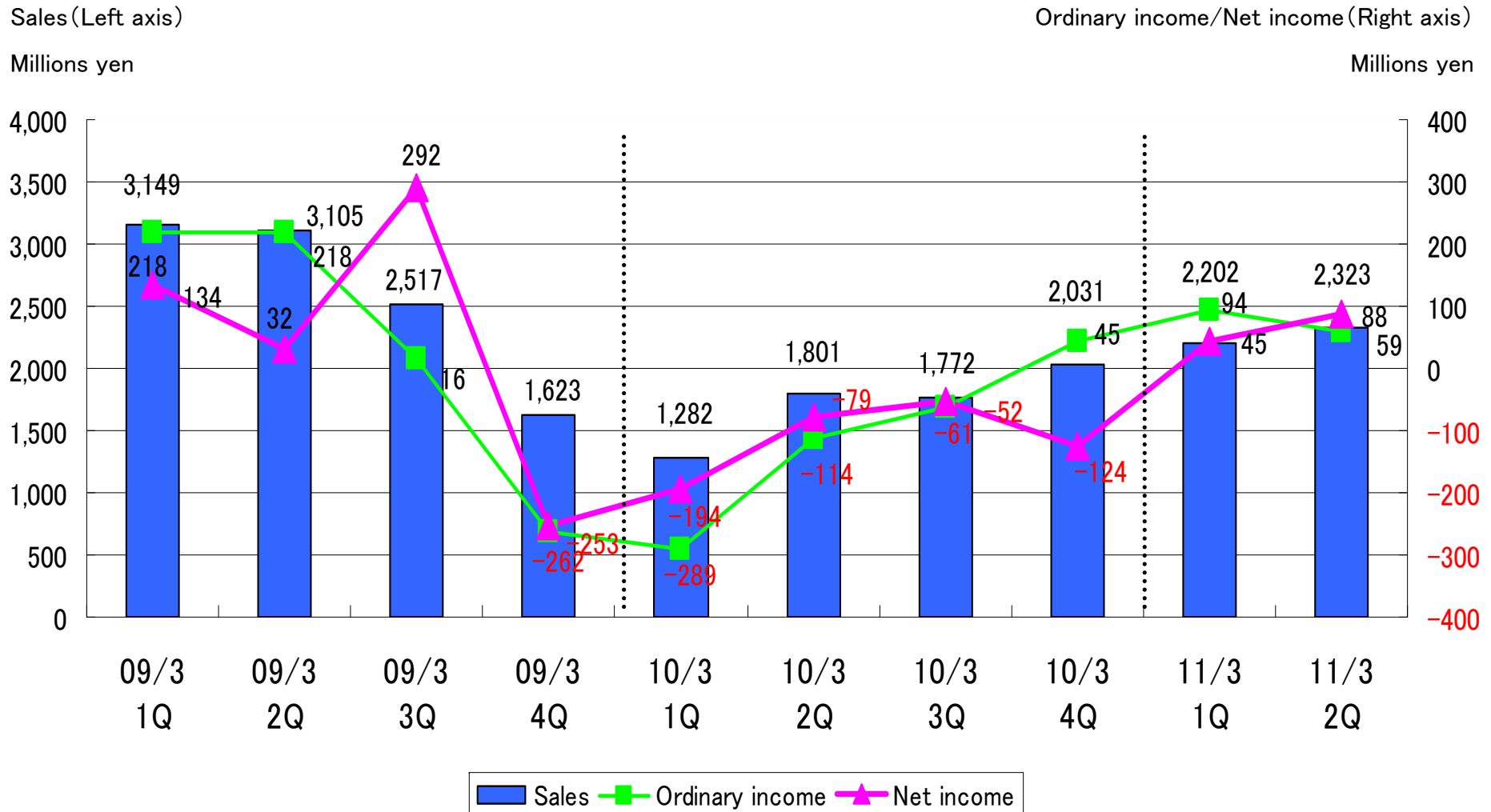
NICHIDAI CORPORATION



I . Interim Results for the Year Ending March 2011

- Trends in operating results on quarters basis -

➤ This year, sales are recovering gradually in each business segment. Increased sales led to ordinary income higher than the plan.





I . Interim Results for the Year Ending March 2011

- Segment Net Sales -

Consolidated		Millions yen			
Business	09/9 Results	10/9 Original Plan <small>Announced 10/4</small>	10/9 Revisional Plan <small>Announced 10/11</small>	10/9 Results	Growth Rate
Net-Shape	1,773	2,500	2,550	2,506	41.3%
Assembly	851	1,250	1,350	1,510	77.4%
Filter	459	470	500	509	10.9%
Consolidated Total	3,084	4,220	4,400	4,526	46.8%

➤ Impact of a substantial postponement in mass production of precision-forged goods for American parts manufacturers was compensated by strong performance of other precision-forged goods and Forging Die Division.

➤ Demand for turbocharger parts improved compared to the previous term. Production at NICHIDAI THAILAND (NDT) is going smoothly.

➤ Overseas markets are sluggish, but demand is recovering in Japan.

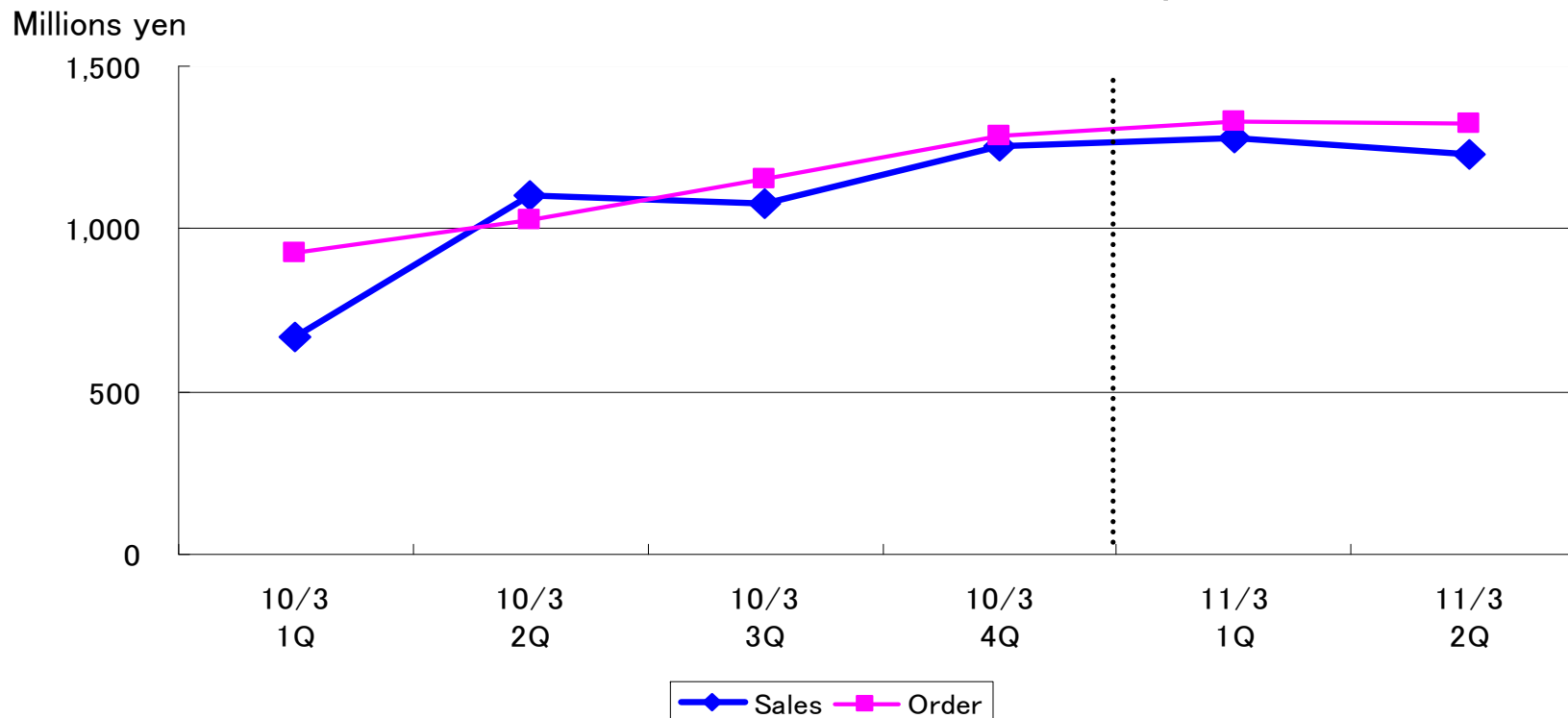
* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2011

- Overview of the Net Shape Business -

- Forging Die Division: Business, mainly with Japanese manufacturers, has been steadily recovering since last year and remains healthy.
- Precision-forged Goods Division: There is a substantial postponement in mass production of precision-forged goods for American parts manufacturers. Other precision-forged goods are performing well according to the plan.

Trend in order and sales of Net-shape business



* Rounded down to the nearest million yen.



I . Interim Results for the Year Ending March 2011

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

Consolidated

Millions yen

	09/9 Results	10/9 Results	Growth Rate
Domestic total	1,176	1,872	59.1%
Overseas total	341	251	△ 26.3%
Asia	302	193	△ 36.2%
North America	31	53	69.2%
Others	7	5	△ 26.9%
Forging Dies	1,517	2,123	39.9%
Precision-forged goods	255	382	49.8%
Net-Shape Business total	1,773	2,506	41.3%

■ Japan

➤ Business is steadily recovering and doing well.

■ Asia

➤ Sales for the previous year include that of die sets.

■ North America

➤ Sales for Japanese manufacturers increased.

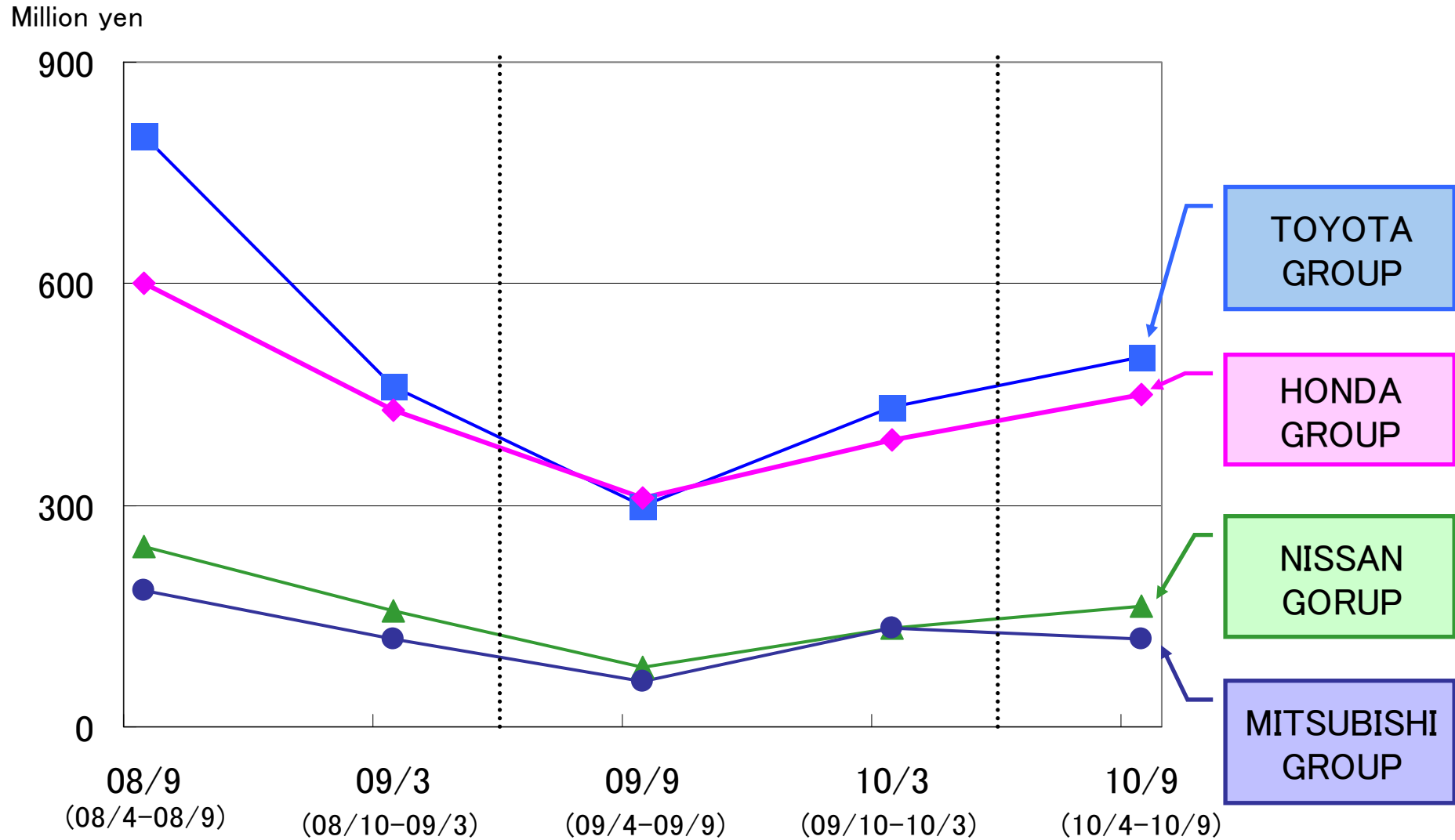
■ Precision-forged goods

➤ The growth is attributable to an increase in sales of scrolls etc.

* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2011

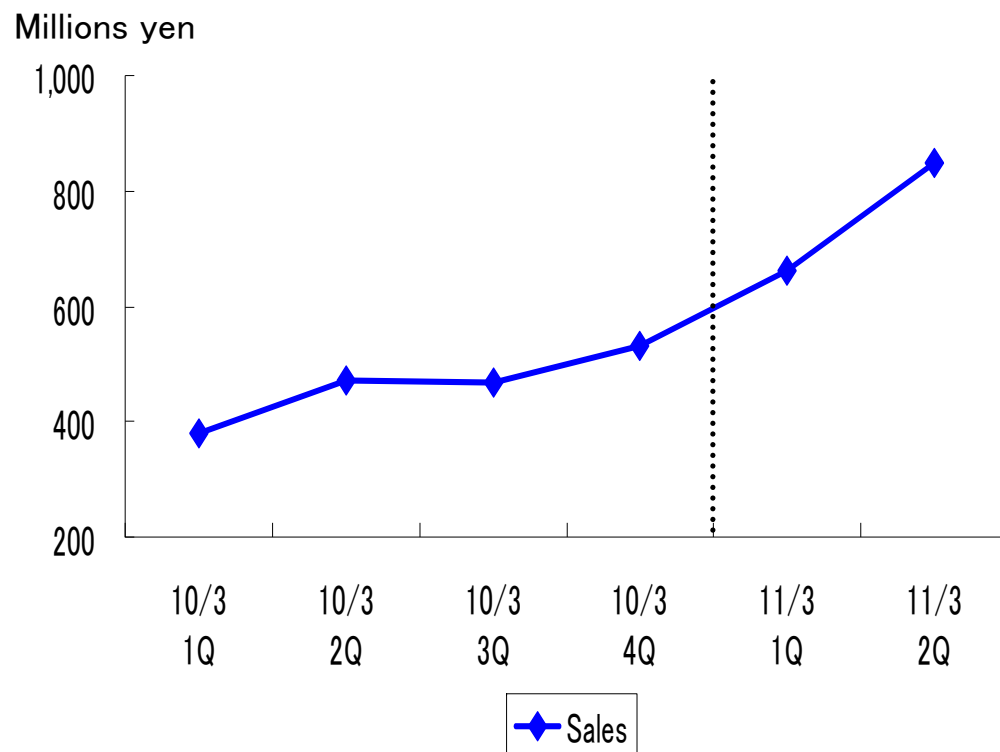
- Overview of the Net Shape Business-Trend in Sales by Customer -



I . Interim Results for the Year Ending March 2011 - Overview of the Assembly Business -

- Demand for turbocharger parts for Europe revived. 1Q and 2Q posted large sales increases.
- Production at NICHIDAI THAILAND (NDT) is going well.

Trend in orders and sales of Assembly business



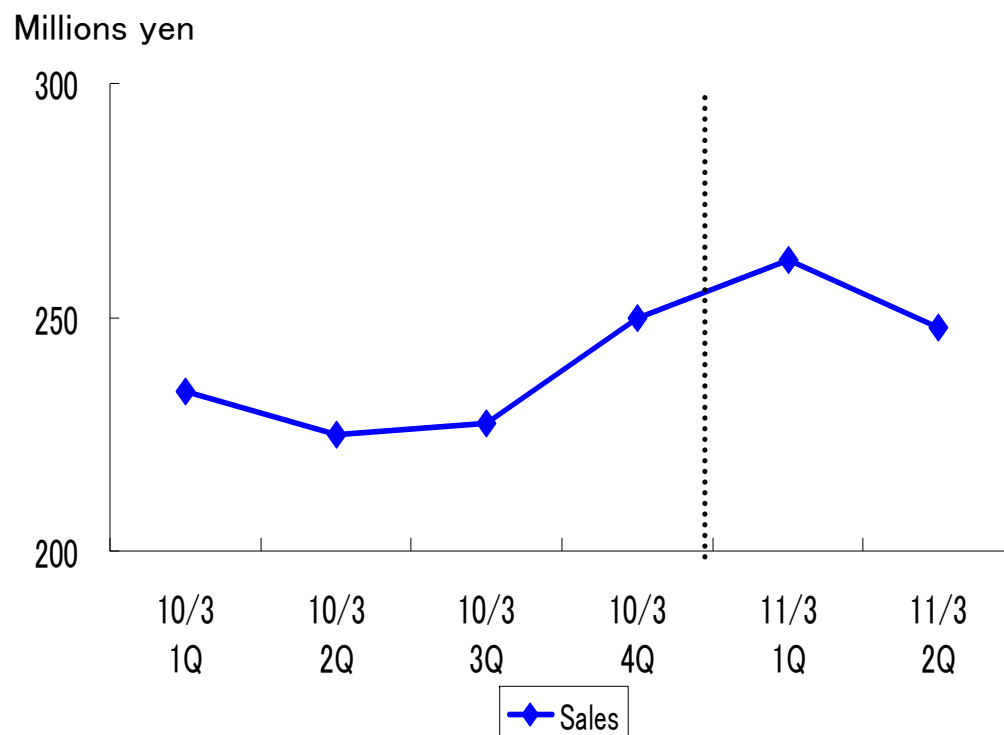
Change in Domestic/Overseas Sales

	Millions yen		
	09/9 Results	10/9 Results	Growth Rate
Domestic	851	1,012	19.0%
Overseas	-	497	-
Total	851	1,510	77.4%

I . Interim Results for the Year Ending March 2011 - Overview of the Filter Business -

- Recovery in domestic capital investment gave a boost to filter demand.
- Oil drilling filters produced at THAI SINTERED MESH (TSM) remains at a low level.

Trend in orders and sales of the Filter business



Change in Domestic/Overseas Sales

Millions yen

	09/9 Results	10/9 Results	Growth Rate
Domestic	349	395	13.1%
Overseas	110	114	4.0%
Total	459	509	10.9%

I . Interim Results for the Year Ending March 2011

- Segment P/L -

Millions yen

	09/9			10/9		
	Sales	Ordinary Income	Profit Rate	Sales	Ordinary Income	Profit Rate
Net-Shape	1,773	△ 325	△ 18.3%	2,506	49	2.0%
Assembly	851	△ 87	△ 10.3%	1,510	68	4.5%
Filter	459	9	2.1%	509	35	6.9%
Consolidated						
Total	3,084	△ 403	△ 13.1%	4,526	153	3.4%

➤ Forging Die Division's sales increase, mainly in the Japanese market, became a factor to achieve ordinary income higher than the plan.
 ➤ There is an effect of substantial postponement in mass production of precision-forged goods for American parts manufacturers.

➤ Both domestic and overseas businesses recorded profit higher than the plan.

➤ An overseas loss was covered by domestic profit, resulting in ordinary income higher than the plan.

* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2011

- Cost of Sales -

Consolidated

Millions yen

	09/9 Results	Ratio	10/9 Results	Ratio
Net sales	3,084	100.0%	4,526	100.0%
Material cost	866	28.1%	1,463	32.3%
Purchase of products	159	5.2%	187	4.2%
Subcontract processing	321	10.4%	468	10.3%
Subsidiary material cost	120	3.9%	196	4.3%
Labor cost	826	26.8%	959	21.2%
Depreciation	220	7.2%	214	4.7%
Change in inventory	△ 56	△ 1.8%	116	2.6%
Others	271	8.8%	288	6.4%
Cost of sales	2,842	92.2%	3,661	80.9%
Gross income from sales	241	7.8%	864	19.1%

Increase in material cost

➤ Attributable to the increased sales of the Assembly Business.

Increase in labor cost

➤ Emergency cost-control measures were taken last year.

* Rounded down to the nearest million yen.



I . Interim Results for the Year Ending March 2011 - SG&A Expenses -

Consolidated

Millions yen

	09/9 Results	Ratio	10/9 Results	Ratio
Net sales	3,084	100.0%	4,526	100.0%
Packaging/Freight	33	1.1%	63	1.4%
Transportation	41	1.3%	39	0.9%
Labor cost	336	10.9%	368	8.1%
Depreciation	43	1.4%	39	0.9%
Rent	20	0.7%	20	0.5%
Others	178	5.8%	174	3.9%
SG&A Expenses	653	21.2%	706	15.6%

* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2011

- B/S: Assets -

Consolidated

Millions yen

	09/9 Results	10/3 Results	10/9 Results	Change
Cash and deposit	1,947	1,413	1,491	△ 456
Notes receivable	429	632	755	325
Accounts receivable	1,346	1,769	1,765	418
Inventory	1,048	1,167	1,366	317
Others	119	160	160	41
Allowance for bad debts	△ 5	△ 3	△ 3	1
Total current assets	4,886	5,139	5,534	647
Tangible fixed assets	5,372	5,170	5,045	△ 326
Intangible fixed assets	41	61	79	37
Investment and other assets	954	833	799	△ 155
Total fixed assets	6,368	6,064	5,924	△ 444
Total deferred assets	4	1	0	△ 4
Total assets	11,260	11,205	11,459	198

Increase in accounts receivable

➤ Attributable to the increase in sales.

Increase in inventories

➤ Attributable to increases in order backlog and inventories in conjunction with recovery in performance throughout the business segments.

* Rounded down to the nearest million yen.

* Change is the difference 10/3 results and 10/9 results.

I . Interim Results for the Year Ending March 2011

- B/S: Liabilities and Net Assets -

Consolidated

Millions yen

	09/9 Results	10/3 Results	10/9 Results	Change
Accounts payable	324	607	503	178
Short-term debt	1,370	1,687	1,958	587
Accrued income tax	9	40	39	30
Allowance for bonus payable	130	115	173	42
Others	353	321	382	29
Total current liabilities	2,188	2,771	3,057	869
Corporate bond	1,000	1,000	1,000	0
Long-term debt	1,325	891	745	△ 580
Others	108	97	85	△ 22
Total fixed liabilities	2,433	1,988	1,831	△ 602
Total liabilities	4,621	4,760	4,888	266
Capital	1,429	1,429	1,429	0
Capital surplus	1,192	1,192	1,192	0
Retained earnings	3,803	3,627	3,762	△ 41
Minority interest	275	264	280	4
Others	△ 64	△ 70	△ 95	△ 31
Total net assets	6,638	6,444	6,570	△ 67
Total liabilities and net assets	11,260	11,205	11,459	198

* Rounded down to the nearest million yen.

* Change is the difference 10/3 results and 10/9 results.

I . Interim Results for the Year Ending March 2011

- Cash Flows (CF) -

Consolidated

Millions yen

	09/9	10/9	Change
Cash flows from operating activities	518	105	△ 412
Cash flows from investing activities	△ 159	△ 123	35
Cash flows from financing activities	△ 100	108	209
Amount of increase incash and cash equivalents	277	77	△ 199
Cash and cash equivalentsbalance at beginning of term	1,320	1,060	△ 259
Cash and cash equivalentsbalance at end of term	1,597	1,138	△ 459
FCF	359	△ 17	△ 377

Cash flows from operating activities

➤ The decrease is due to increases in accounts receivable and inventories.

Ⅱ . Full-Year Forecast for the Year Ending March 31, 2011



II . Full-Year Forecast for the Year Ending March 31, 2011 - P/L: Sales and Profit -

Millions yen

	11/3 1st Half Results 10/4-10/9	10/3 Full Year Results 09/4-10/3	11/3 Full Year Plan (Original) 10/4-11/3 Announced 10/4	11/3 Full Year Plan (Revision) 10/4-11/3 Announced 10/11	Change
Non-consolidated					
Net sales	2,506	4,103	5,300	5,100	24.3%
Gross income from sales	500	556	1,244	1,070	92.4%
S.G. & A. expense	451	884	1,014	940	6.3%
Operating income	48	△ 327	230	130	—
Non-operating income	1	△ 14	△ 80	△ 30	—
Ordinary income	49	△ 342	150	100	—
Net income	65	△ 359	130	90	—
Consolidated					
Net sales	4,526	6,887	9,000	9,550	38.7%
Gross income from sales	864	923	1,750	1,820	97.0%
S.G. & A. expense	706	1,336	1,450	1,450	8.5%
Operating income	158	△ 412	300	370	—
Non-operating income	△ 4	△ 6	△ 100	△ 50	—
Ordinary income	153	△ 419	200	320	—
Net income	134	△ 450	150	220	—

* Rounded down to the nearest million yen.



II . Full-Year Forecast for the Year Ending March 31, 2011 - Segment Net Sales -

Consolidated

Millions yen

Business	11/3	10/3	11/3	11/3	Growth Rate
	1st Half Results 10/4-10/9	Full Year Results 09/4-10/3	Full Year Plan (Original) 10/4-11/3 <small>Announced 10/4</small>	Full Year Plan (Revision) 10/4-11/3 <small>Announced 10/11</small>	
Net-Shape	2,506	4,103	5,300	5,100	24.3%
Assembly	1,510	1,847	2,750	3,390	83.5%
Filter	509	937	950	1,060	13.1%
Consolidated Total	4,526	6,887	9,000	9,550	38.7%

➤ Forging Die Division: There is a partial impact of the termination of the eco-car subsidiary program. Sales of new-model dies, launched in tandem with customers' entering overseas markets, will increase.

➤ Precision-forged Goods Division: There is an impact of the substantial postponement in mass production of precision-forged goods for American parts manufacturers.

➤ Demand for VG turbocharger parts in Europe will continue to rise. Sales are projected to grow higher than the original plan domestic and overseas.

➤ Japan: Following the first half year, investment projects are expected.
➤ Thailand: Recovery of oil drilling filters will lead to sales according to the original plan.

* Rounded down to the nearest million yen.

II . Full-Year Forecast for the Year Ending March 31, 2011 - Cost of Sales -

Consolidated

Millions yen

	10/3 Results	Ratio	11/3 Plan	Ratio
Net sales	6,887	100.0%	9,550	100.0%
Material cost	1,815	26.4%	3,220	33.7%
Purchase of products	355	5.2%	320	3.4%
Subcontract processing	713	10.4%	975	10.2%
Subsidiary material cost	307	4.5%	400	4.2%
Labor cost	1,690	24.5%	1,930	20.2%
Depreciation	470	6.8%	470	4.9%
Change in inventory	△ 106	△ 1.5%	180	1.9%
Others	504	7.3%	595	6.2%
Cost of sales	5,963	86.6%	7,730	80.9%
Gross income from sales	923	13.4%	1,820	19.1%

Increase in material cost

➤ Attributable to the increased sales of the Assembly Business.

Increase in labor cost

➤ Emergency cost-cutting measures were taken last year.

* Rounded down to the nearest million yen.



II . Full-Year Forecast for the Year Ending March 31, 2011 - SG&A Expenses -

Consolidated

Millions yen

	10/3 Results	Ratio	11/3 Plan	Ratio
Net sales	6,887	100.0%	9,550	100.0%
Packaging/Freight	88	1.3%	135	1.4%
Transportation	88	1.3%	85	0.9%
Labor cost	680	9.9%	735	7.7%
Depreciation	87	1.3%	90	0.9%
Rent	40	0.6%	45	0.5%
Others	351	5.1%	360	3.8%
SG&A Expenses	1,336	19.4%	1,450	15.2%

* Rounded down to the nearest million yen.

II . Full-Year Forecast for the Year Ending March 31, 2011

- Dividends -

	End of Interim Period	Year End	Full Year
	Yen Sen	Yen Sen	Yen Sen
FY2009	8.00	0.00	8.00
FY2010	0.00	0.00	0.00
FY2011 (Forecast)	3.00	(Forecast) 3.00	(Forecast) 6.00

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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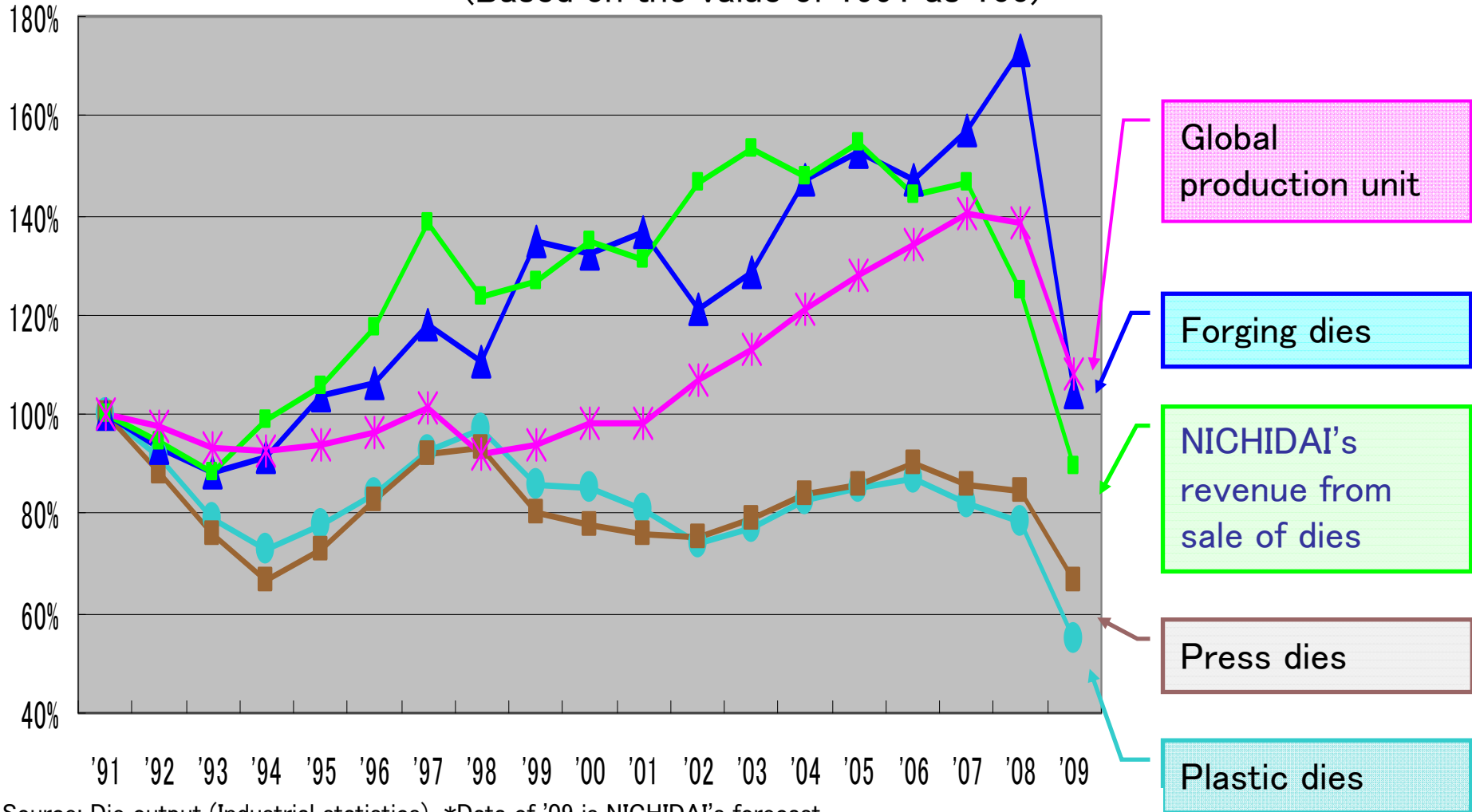
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Reference data

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: Die output (Industrial statistics) *Data of '09 is NICHIDAI's forecast.

Global production unit (Japan Automobile Manufacturers Association, Total number of units produced at home and abroad by Japanese automobile manufacturers)