



The Financial Statement Briefing For the Six-month Period Ended Sept. 30, 2007

October 31,2007

JASDAQ:6467

NICHIDAI CORPORATION

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

Business Composition

(Consolidated Net Sales for the six period Ended Sep.2007)

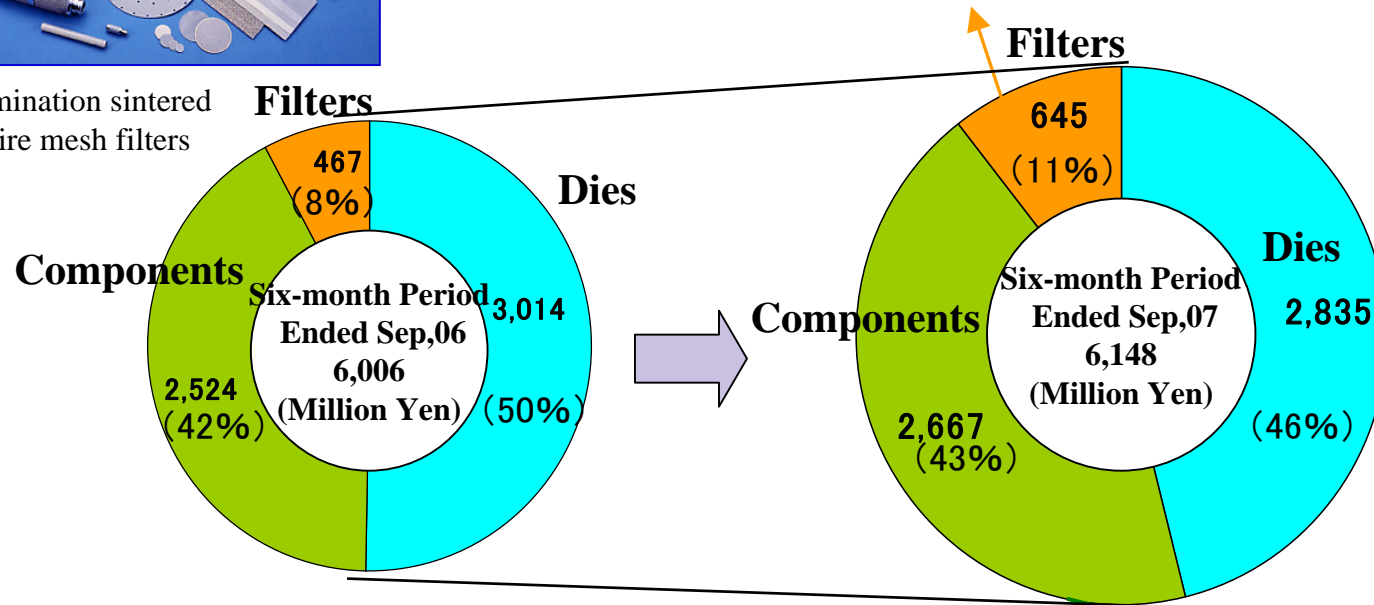


Lamination sintered wire mesh filters

Filtration for foods and pharmaceuticals. Lamination sintered wire mesh filters used in a broad area including chemical plant, nuclear plant, fuel system of rockets, etc.



Precision forging dies



Precision forging dies used mainly for forging car parts, such as gears for engine, transmission and driving mechanisms



Precision-forged scroll



VG turbo charger part

- Assembly of VG turbo charger parts for diesel engine
- Precision-forged goods such as automobile parts and aluminum alloy air-conditioner parts

I. Interim Results for the Year Ending March 2008

I . Interim Results for the Year Ending March 2008

— P/L: Sales and Profit—

Consolidated

Millions of Yen

		06/9 Results 06/4-06/9	07/9 Plan 07/4-07/9	07/9 Results 07/4-07/9	Year-on- Year Growth
Non- Consolidated	Net Sales	5,361	5,350	5,383	0.4%
	Gross income from sales	1,139	1,276	1,290	13.2%
	S.G&A. Expense	707	776	797	12.7%
	Operating income	432	500	492	14.0%
	Non-operating income	△ 37	△ 50	△ 52	—
	Ordinary Income	395	450	440	11.4%
	Net Income	224	206	190	△ 15.1%
Consolidated	Net Sales	6,006	6,100	6,148	2.4%
	Gross income from sales	1,336	1,445	1,511	13.1%
	S.G&A. Expense	834	915	942	13.0%
	Operating income	502	530	568	13.3%
	Non-operating income	△ 40	△ 50	△ 56	—
	Ordinary Income	461	480	512	10.9%
	Net Income	266	270	266	0.3%

* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2008

—Segment Net Sales—

Consolidated

Millions of Yen

	06/9 Results	07/9 Plan	07/9 Results	Year-on- Year Growth
Domestic	2,428	2,480	2,327	△ 4.2%
Overseas	408	420	388	△ 4.9%
NAC	337	250	243	△ 27.7%
Consolidated elimination	(159)	(100)	(124)	△ 22.0%
Forging dies	3,014	3,050	2,835	△ 5.9%
(products)	(84)	(30)	(18)	△ 77.8%
Components	2,524	2,450	2,667	5.7%
Filters	467	600	645	38.1%
Consolidated	6,006	6,100	6,148	2.4%

➤ Due to decrease in new projects.

➤ Despite sales growth for the India region, other regions saw sluggish growth.

➤ Sales decreased due to the concentration on in-house production suited for the U.S. factory.

➤ VG turbo charger parts: Changeover to new model went smoothly, realizing stable production.

➤ Sales achieved marked growth in both domestic and overseas markets.

* Rounded down to the nearest million yen. NAC stands for NICHIDAI AMERICA CORPORATION.



I . Interim Results for the Year Ending March 2008

—Overview of Forging Die Business—

Net Sales of Forging Die Business by Region

Millions of Yen

	06/9 Results	07/9 Results	Year-on- Year Growth
Domestic Total	2,428	2,327	△ 4.2%
Overseas Total	586	507	△ 13.4%
Asia	267	258	△ 3.6%
North America	294	243	△ 17.2%
Others	24	6	△ 75.0%
Consolidated Total	3,014	2,835	△ 5.9%

■ Domestic

Sales decline is attributable to the stagnant demand for new project mainly in Chubu and Kansai regions.

■ China, Korea

Business has been made mainly with local manufacturers. In Korea, sales remained virtually at the same level as a year earlier. In China, sales went down due to the less number of new projects from a year earlier.

■ Thailand

Business has been made with Japanese manufacturers. Sales achieved the almost same level as a year earlier.

■ India

Japanese manufacturers' moving into the market has brought investment projects on die sets and other products, pushing up sales compared to the previous year.

Business Results of NICHIDAI AMERICA

Millions of Yen

		06/6 Results 06/1-06/6	07/6 Plan 07/1-07/6	07/6 Results 07/1-07/6	Year-on- Year Growth
N A C	Net Sales	337	250	243	△ 27.7%
	Ordinary Income	3	△ 60	△ 57	—

■ North America

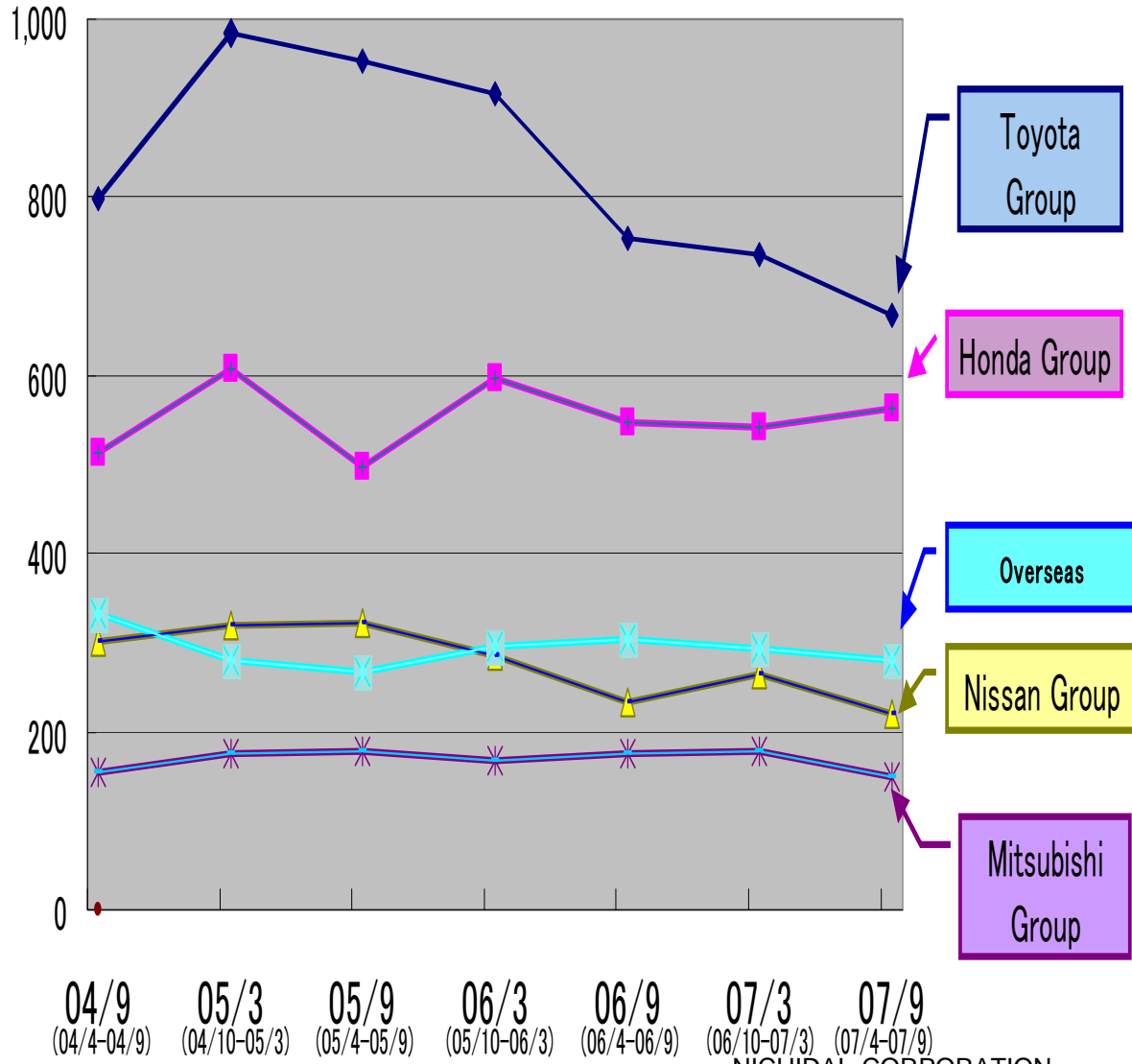
- Mass production for Japanese manufacturers started in the 2nd quarter, achieving sales virtually as planned.
- Sales decreased from the previous year, when OEM production aiming for establishing this year's mass production system had contributed to sales.
- Income is improving through streamlining production.

I . Interim Results for the Year Ending March 2008

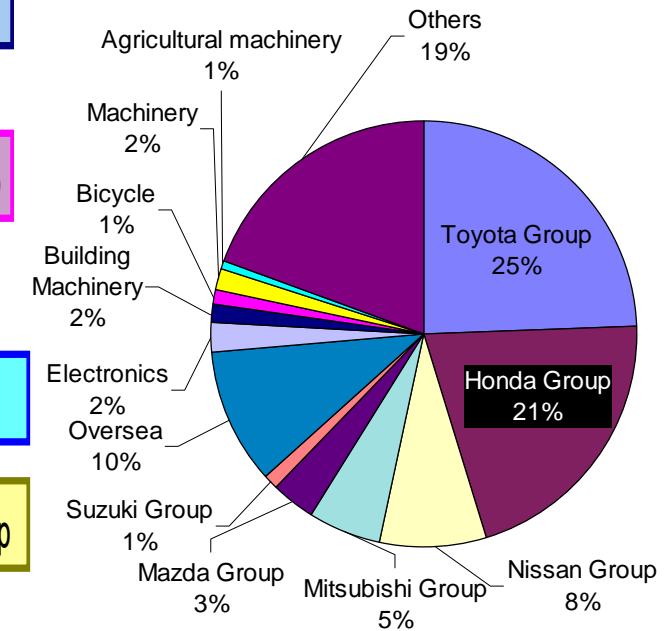
—Trend in Sales by Customer —

Non-consolidated

(Millions of Yen)



Sales Composition by Customer
Interim Results for the Year Ending March 2008



I . Interim Results for the Year Ending March 2008

—Overview of Components Business—

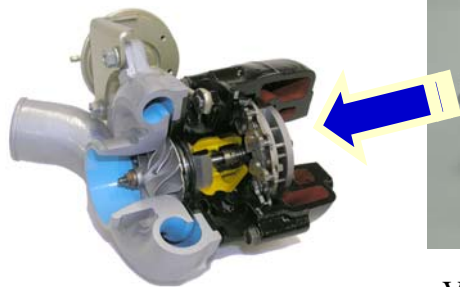
➤ Assembly Division

✓ Changeover to the new models of VG turbo charger parts went smoothly, realizing higher sales than a year earlier.

✓ VG turbo charger parts production remained stable, improving production efficiency. Income grew substantially as well.

➤ Precision Forging Division

✓ Manufacturing of new product categories of precision-forged scroll pushed up sales.



VG turbo charger parts



Precision-forged scroll

I . Interim Results for the Year Ending March 2008

—Overview of Filter Business—

➤ Domestic

✓ Due to steady performance of filters in every field, sales saw marked growth compared to a year earlier.

✓ Filters for food and aerospace industries, in particular, did well.

➤ Overseas

✓ Sales of filters for oil drilling rose substantially.

✓ Sales for the Taiwan region went strong as well.

✓ Increased capacity utilization ratio resulting from rising demand boosted profit ratio.

Filter Business: Domestic/Overseas Sales Results Millions of Yen

	06/9 Results	07/9 Results	Year-on-Year Growth
Domestic	402	537	33.8%
Overseas	65	107	65.1%
Total	467	645	38.1%

I . Interim Results for the Year Ending March 2008

—Segment P/L —

	06/9			07/9		
	Net sales	Operating income	Profit ratio	Net sales	Operating income	Profit ratio
Dies	3,014	261	8.7%	2,835	119	4.2%
Components	2,524	181	7.2%	2,667	321	12.0%
Filters	467	59	12.8%	645	127	19.7%
Consolidated total	6,006	502	8.4%	6,148	568	9.2%

Millions of Yen

Consolidated

➤ Lower income is attributable to the drop in sales of domestic forging die business.
➤ Due to lower income of NAC.

➤ Due to stable operation of VG turbo charger parts production.

➤ Due to marked growth in sales and high-level capacity utilization .

* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2008

—Trend in Cost of Sales—

Consolidated

Millions of Yen

	06/9		07/9	
	Results	Percentage	Results	Percentage
Net Sales	6,006	100.0%	6,148	100.0%
Material cost	1,742	29.0%	1,696	27.6%
Purchase of products	305	5.1%	247	4.0%
Subcontract processing	814	13.6%	751	12.2%
Subsidiary material cost	181	3.0%	228	3.7%
Labor cost	1,047	17.4%	1,067	17.4%
Depreciation	254	4.2%	256	4.2%
Change in inventory	67	1.1%	△ 1	△ 0.0%
Others	391	6.5%	386	6.3%
Cost of sales	4,670	77.8%	4,636	75.4%
Gross income from sales	1,336	22.2%	1,511	24.6%

Decrease in material cost and subcontract processing

➤ Due to stabled process and lowered fraction defective by enhancement of production control and quality control in VG turbo charger parts assembly

* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2008

—Trend in SG & A Expenses —

Consolidated

Millions of Yen

	06/9 Results	Percentage	07/9 Results	Percentage
Net sales	6,006	100.0%	6,148	100.0%
Packaging/Freight	65	1.1%	68	1.1%
Transportation	54	0.9%	59	1.0%
Labor cost	403	6.7%	456	7.4%
Dereciation	43	0.7%	43	0.7%
Rent	32	0.5%	31	0.5%
Others	233	3.9%	282	4.6%
S.G&A expence	834	13.9%	942	15.3%

Increase in labor cost

- Due to adding staff to Assembly Division, Components Business, for launching overseas project.
- Due to adding administration staff in step with building of internal control .

Increases in others

- Includes consulting service fee for building of internal control.

* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2008

—B/S: Trend in Assets—

Consolidated

Millions of Yen

	06/9 Results	07/9 Results	Change
Cash and deposit	1,274	2,757	1,483
Notes receivable	643	614	△ 28
Accounts receivable	2,190	2,499	308
Inventory	1,313	1,295	△ 17
Others	149	189	40
Allowance for bad debts	△ 25	△ 22	2
Total current assets	5,545	7,334	1,789
Tangible fixed assets	5,834	5,726	△ 107
Intangible fixed assets	54	44	△ 10
Investment and other assets	366	273	△ 93
Total fixed assets	6,255	6,044	△ 211
Total deferred assets	10	23	12
Total assets	11,811	13,401	1,590

Increase in cash and deposits

➤ Due to issuance of 1 billion yen-worth unsecured corporate bonds

* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2008

—B/S: Trend in Liabilities and Shareholders' Equity —

Consolidated

Millions of Yen

	06/9 Results	07/9 Results	Change
Accounts payable	791	648	△ 143
Short-term debt	1,521	1,208	△ 313
Accrued income tax	233	310	77
Allowance for bonus payable	204	236	32
Others	395	2,455	2,060
Total current liabilities	3,146	4,861	1,714
Bond payable	2,040	1,020	△ 1,020
Long-term debt	429	830	400
Others	35	12	△ 23
Total fixed liabilities	2,505	1,862	△ 642
Total liabilities	5,652	6,723	1,071
Shareholders' equity	1,426	1,429	2
Capital surplus	1,189	1,192	2
Retained surplus	3,571	3,934	363
Minority interest	—	101	101
Others	△ 28	20	48
Total net assets	6,159	6,677	518
Total liabilities and net assets	11,811	13,401	1,590

Increase in others

➤ Includes 2 billion yen-worth corporate bonds to be redeemed in November 2007.

Corporate bond

➤ 2 billion yen was transferred to the account of "Current portion of bonds (Others, Current assets)". 1 billion yen-worth unsecured corporate bonds were newly issued.

* Rounded down to the nearest million yen.

I . Interim Results for the Year Ending March 2008

—Trend in CF—

Consolidated

Millions of Yen

	06/9	07/9	Change
Cash flows from operating activities	855	972	116
Cash flows from investing activities	△ 313	△ 1,853	△ 1,539
Cash flows from financing activities	△ 2	931	933
Increase in cash and cash equivalents	538	77	△ 460
Cash and cash equivalents at the beginning of the period	385	829	444
Cash and cash equivalents at the end of the period	924	907	△ 16
FCF	542	△ 880	△ 1,423

Cash flows from investing activities

➤ Due to 1.8 billion yen-payment into time deposit to allocate for redemption proceeds of 2 billion yen-worth corporate bonds to be redeemed in November.

Cash flows from financing activities

➤ 1 billion yen-worth unsecured corporate bonds were issued.

* Rounded down to the nearest million yen.

II .Forecast for the Full Year Ending March 31, 2008

II .Forecast for the Full Year Ending March 31, 2008

—P/L: Sales and Profit—

Consolidated

Millions of Yen

	06/9 Results 06/4-06/9	07/9 Results 07/4-07/9	Year-on- Year Growth	07/3 Results 06/4-07/3	08/3 Forecast 07/4-08/3	Year-on- Year Growth
Non-Consolidated						
Net Sales	5,361	5,383	0.4%	10,619	10,900	2.6%
Gross income from sales	1,139	1,290	13.2%	2,399	2,587	7.8%
S.G&A. Expense	707	797	12.7%	1,397	1,492	6.8%
Operating income	432	492	14.0%	1,002	1,095	9.2%
Non-operating income	△ 37	△ 52	—	△ 119	△ 95	—
Ordinary Income	395	440	11.4%	883	1,000	13.2%
Net Income	224	190	△ 15.1%	△ 372	465	—
Consolidated						
Net Sales	6,006	6,148	2.4%	12,095	12,500	3.3%
Gross income from sales	1,336	1,511	13.1%	2,808	2,956	5.3%
S.G&A. Expense	834	942	13.0%	1,669	1,776	6.4%
Operating income	502	568	13.3%	1,139	1,180	3.6%
Non-operating income	△ 40	△ 56	—	△ 92	△ 100	—
Ordinary Income	461	512	10.9%	1,046	1,080	3.2%
Net Income	266	266	0.3%	543	570	5.0%

* Rounded down to the nearest million yen.

II .Forecast for the Full Year Ending March 31, 2008

—Outlook for the 2nd Half Year~Forging Die Business—

Challenges	Measures	2nd Half Summary and Status
<p>➤ Domestic</p> <ul style="list-style-type: none"> ✓ Keep up with the increase in parts production by primary users. ✓ Dig up new development projects. 	<ul style="list-style-type: none"> ✓ Review the structure of production management division and intensify shortening/management of delivery period. ✓ Promote proposal-oriented sales activities through strengthened marketing. 	<p>Production increase by primary parts manufacturers is expected.</p> <p>Demand increase for new project mainly in the Chubu region is anticipated.</p> <ul style="list-style-type: none"> ✓ “Manufacturing Project” aiming for QCD improvement has started. ✓ Manpower for domestic sales is being enhanced.
<p>➤ Overseas</p> <ul style="list-style-type: none"> ✓ China and South Korea: Strengthen sales in response to the request from local manufacturers. ✓ Thailand and India: Respond to Japanese firms aggressively establishing their presence. 	<ul style="list-style-type: none"> ✓ Enhance manpower for overseas sales. ✓ Enhance collaboration in information sharing with domestic sales division. ✓ Intensify technical support to new overseas projects by sales engineering division. 	<p>There is new investment project in the India region.</p> <ul style="list-style-type: none"> ✓ Manpower for overseas sales is scheduled in the 2nd half. ✓ Approach to mother factories in Japan is being strengthened.
<p>➤ NAC (North America)</p> <ul style="list-style-type: none"> ✓ Get ready for the full-fledged parts production by Japanese manufacturers. 	<ul style="list-style-type: none"> ✓ Build up an autonomous production system in order to raise QCD. 	<p>Full-fledged parts mass production by Japanese manufacturers.</p> <ul style="list-style-type: none"> ✓ Production efficiency is going up by nurturing multi-talented workers.
<p>➤ R&D</p>	<ul style="list-style-type: none"> ✓ Set up new technological development division aiming for R&D reinforcement. 	<ul style="list-style-type: none"> ✓ Multiple development projects, including those for industries other than automobile, are going on.

II .Forecast for the Full Year Ending March 31, 2008

—Outlook for the 2nd Half Year~Components Business—

<i>Challenges</i>	<i>Measures</i>	<i>2nd Half Summary and Status</i>
<p>Assembly Division</p>		<p>Due to the launch of the new models being behind the schedule, sales in the 2nd half is expected to fall short of the 1st half.</p>
<p>➤ Advance cost reduction.</p> <p>➤ Build up a new production system to cope with further production hike after the next fiscal year.</p>	<p>✓ Promote VA and VE.</p> <p>✓ Examine self-manufacturing of components.</p> <p>✓ Push ahead with a project for examining future overseas development.</p>	<p>✓ At the time of changeover to new models, design change whereby problems with the old models were solved was implemented.</p> <p>✓ Consideration for self-manufacturing of components continues in cooperation with Precision Forging Division and Technological Development Division.</p> <p>✓ Overseas project is under active consideration.</p>
<p>Precision Forging Division</p> <p>➤ Contribute to technological development using precision forging technologies.</p>	<p>✓ Strengthen cooperation with newly set up Technological Development Division.</p>	<p>✓ Precision Forging Division backup support system is being strengthened to promote technological development through change of organization.</p>

II .Forecast for the Full Year Ending March 31, 2008

—Outlook for the 2nd Half Year~Filters Business—

Challenges	Measures	2 nd Half Summary and Status
<ul style="list-style-type: none"> ➤ Develop new markets/products 	<ul style="list-style-type: none"> ✓ Expand sales of filters for high-performance film production. ✓ Develop exhaust gas filter products. 	<p>Filter business is expected to post sales virtually as planned thanks to the rising demand for oil drilling filters for overseas markets.</p> <ul style="list-style-type: none"> ✓ New type filters for polymer is being developed. ✓ From a long-term viewpoint, exhaust gas filter products are continually being developed.
<ul style="list-style-type: none"> ➤ Keep up with rising demand in overseas markets. 	<ul style="list-style-type: none"> ✓ Set up a joint venture in Thailand to cope with rising demand for oil drilling filters. 	<ul style="list-style-type: none"> ✓ THAI SINTERED MESH CO., LTD., a joint venture, will start operation in November. The production will be expanded sequentially.



Picture on the left (Full view and vacuum furnace of THAI SINTERED MESH CO., LTD.)

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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