



The Financial Statement Briefing For Q2 of the Year Ending March 31, 2013

November 5, 2012

JASDAQ: 6467

株式会社 ニチダイ
NICHIDAI CORPORATION

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

Introduction of Business

Net-Shape Business

Non-consolidated

NICHIDAI CORPORATION

- ◆ 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)



Precision forging dies

Overseas

NICHIDAI ASIA CO., LTD. (NDA)

- ◆ Sales base of dies established in Thailand.

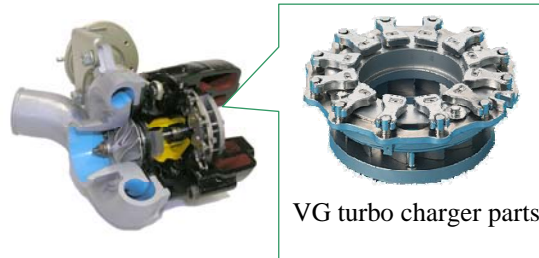
NICHIDAI U.S.A. CORPORATION (NUC)

- ◆ 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.



Precision-forged scroll

- ◆ Mass production of scroll forged goods will start this year at NDT.

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)

- ◆ Filters production base in the suburbs of Chiang Mai, Thailand.

I . Interim Results for the Year Ending March 2013

I . Interim Results for the Year Ending March 2013

- P/L : Sales and Profit -

Millions of Yen

	1st half results 11/4-11/9	2nd half results 11/10-12/3	1st half plan 12/4-12/9	1st half results 12/4-12/9	Growth Rate
Net sales	5,726	6,797	6,700	6,563	14.6%
Gross income from sales	1,029	1,372	1,345	1,332	29.4%
S.G.&A. expense	752	810	835	842	12.0%
Consolidated Operating income	277	562	510	489	76.5%
Non-operating income	30	△ 14	10	11	-
Ordinary income	247	577	500	478	93.3%
Net income	149	318	260	283	89.6%

* Rounded down to the nearest million yen

I . Interim Results for the Year Ending March 2013

- Trends in operating results on quarters basis -

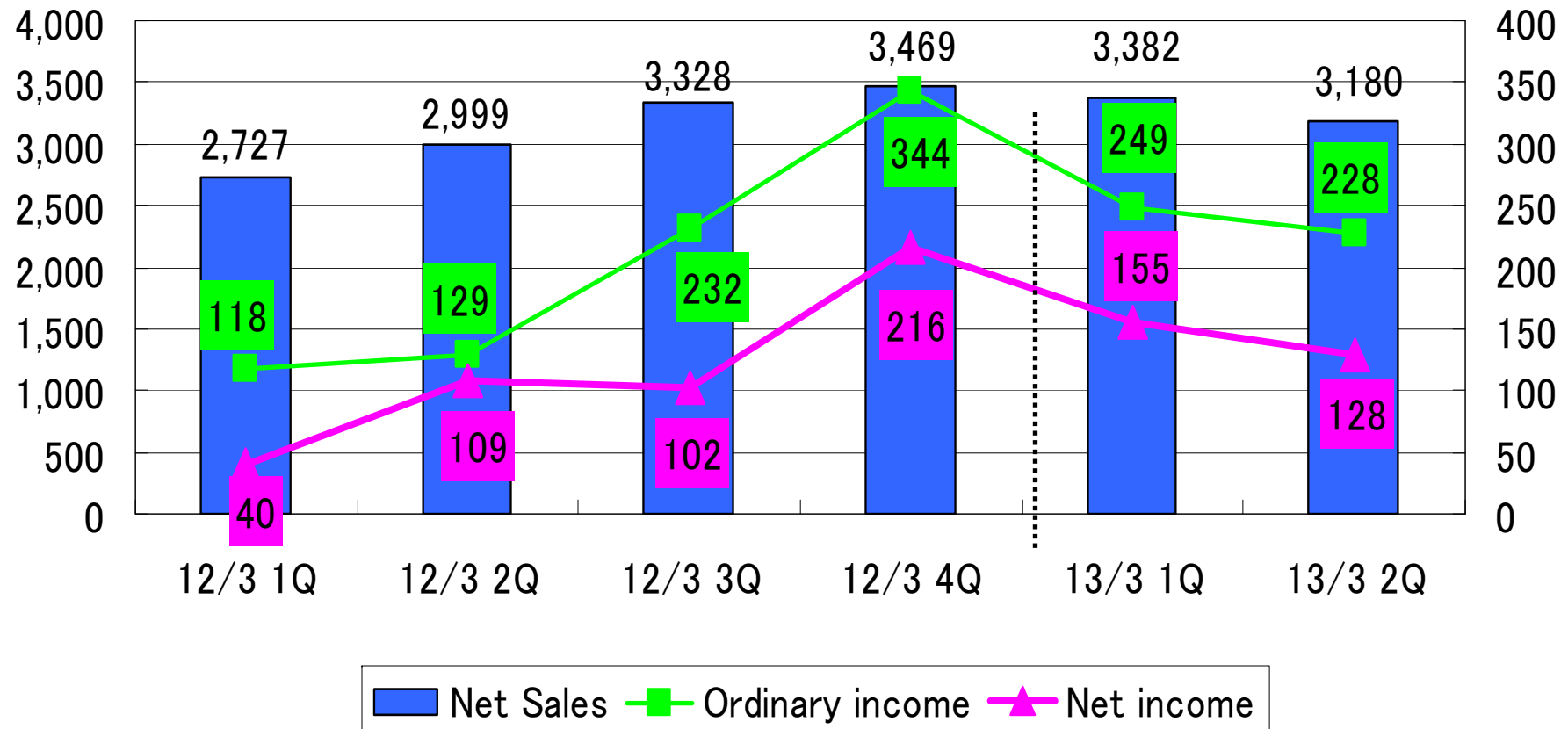
- From 4Q FY March 2012 to 1Q and 2Q FY March 2013, both sales and ordinary income declined.
- The worsening economy has affected each business.

Sales (Left axis)

Ordinary Income, Net income (Right Axis)

Millions of Yen

Millions of Yen



I . Interim Results for the Year Ending March 2013

- Segment Net Sales -

Consolidated

Millions of Yen

Business	12/3 1st Half Results 11/4-11/9	12/3 2nd Half Results 11/10-12/3	13/3 1st Half Plan 12/4-12/9	13/3 1st Half Results 12/4-12/9	Growth Rate
Net-Shape	2,640	3,296	3,190	2,987	13.1%
Assembly	2,455	2,775	2,800	2,885	17.5%
Filter	630	725	710	690	9.5%
Consolidated Total	5,726	6,797	6,700	6,563	14.6%

➤ Sales increased compared to the first half of the previous year during which a sharp decline was recorded due to the earthquake.
➤ However, sales decreased compared to the second half of the previous year.

➤ Sales increased as NICHIDAI(THAILAND) LTD. restored production after the Thai flooding

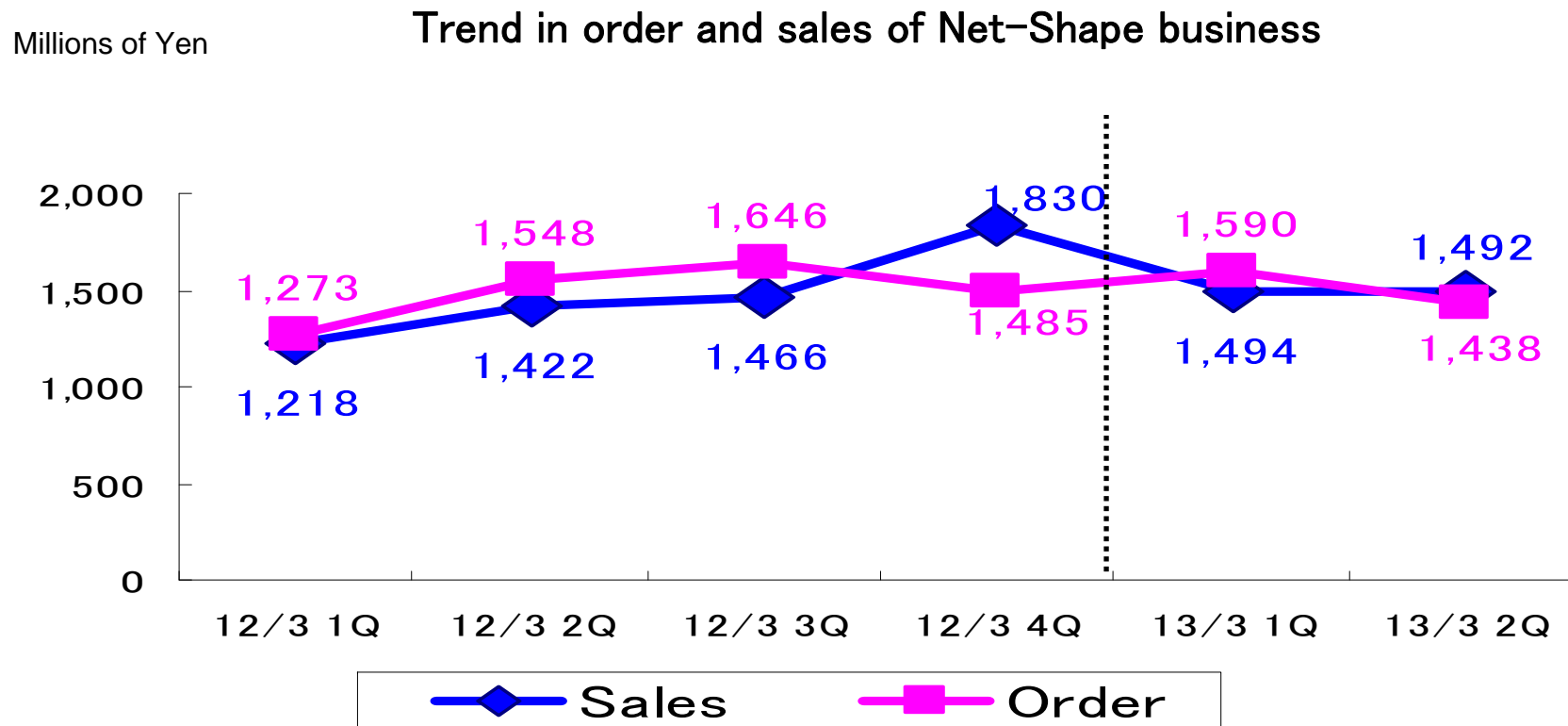
➤ Both domestic and overseas sales increased compared to the same period of last year

* Rounded down to the nearest million yen

I . Interim Results for the Year Ending March 2013

- Overview of the Net Shape Business -

- **Forging Die Division:** Sales have been declining after peaking in 4Q FY March 2012. Also, the number of automobiles produced by Japanese finished car manufactures, which rose substantially due to the restored production after the earthquake, bottomed out in this fiscal year. sales of the Forging Die Division is following the same trend.
- **Precision-forged Goods Division:** Sales of precision-forged goods dropped compared to the same period of last year.



* Rounded down to the nearest million yen

I . Interim Results for the Year Ending March 2013

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

Non-Consolidated

Millions of Yen

	11/9 Results	12/9 Results	Growth Rate
Domestic total	1,742	2,067	18.6%
Overseas total	327	382	16.8%
Asia	281	333	18.8%
North America	45	47	4.8%
Others	0	1	7.5%
Forging Dies	2,070	2,450	18.3%
Precision forged goods	570	537	△ 5.8%
Net-Shape Business total	2,640	2,987	13.1%

■ Japan

- Sales increased significantly compared to the same period of last year during which a sharp decline was recorded due to the earthquake.
- There was an influence of the stagnant Indonesian motorcycle market.

■ Overseas

- Sales for Southeast Asia rose substantially.

■ Precision-forged goods

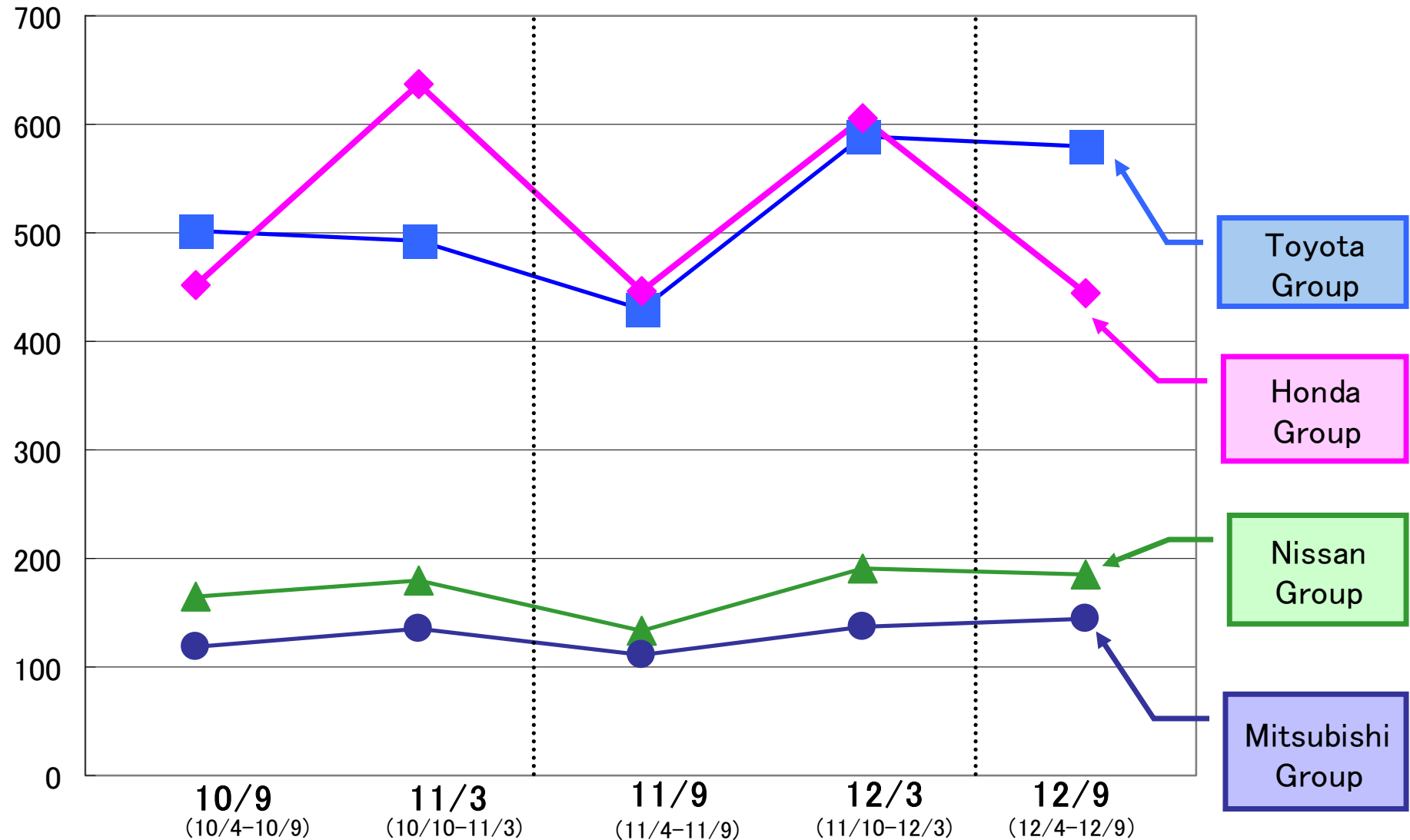
- Sales of various forged goods decreased.

* Rounded down to the nearest million yen

I . Interim Results for the Year Ending March 2013

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

Millions of Yen

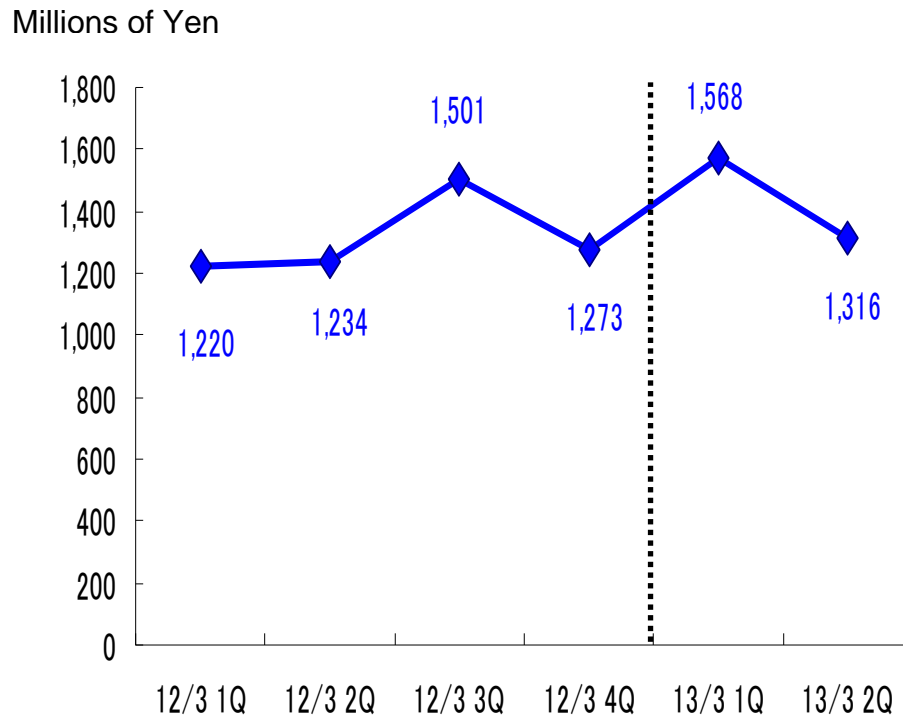




I . Interim Results for the Year Ending March 2013 - Overview of the Assembly Business -

- NICHIDAI(THAILAND)LTD. restored production to eliminate backlog caused by the Thai flooding.
- The sluggish European market and decelerating emerging markets began to have negative effect on some models of VG turbo charger components, causing inventory adjustments.

Trend in sales of Assembly business



* Rounded down to the nearest million yen

Change in Domestic/Overseas Sales

Millions of Yen

	11/9 Results	12/9 Results	Growth Rate
Domestic	1,150	1,237	7.5%
Overseas	1,304	1,648	26.3%
Total	2,455	2,885	17.5%

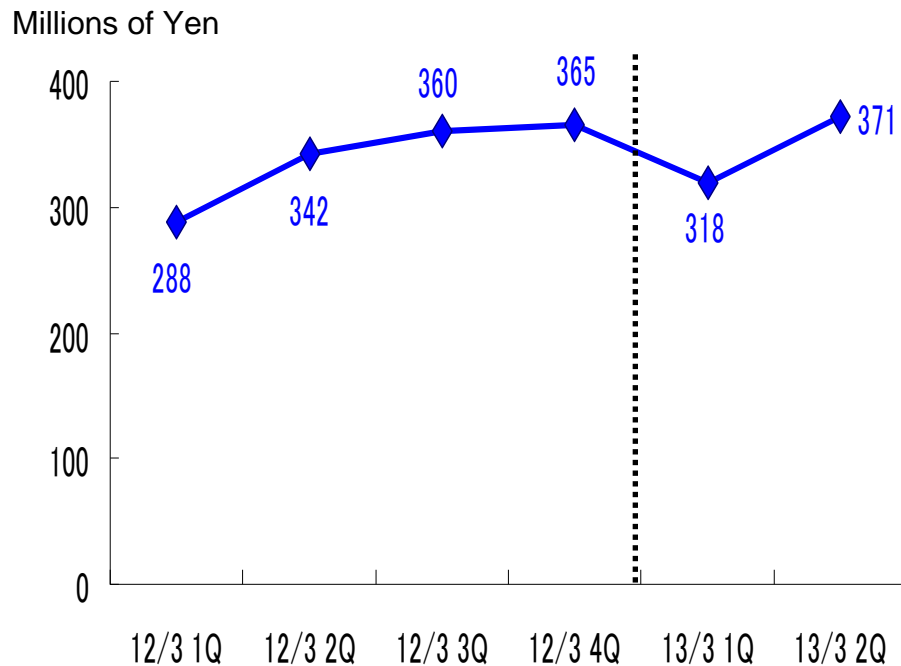
* Rounded down to the nearest million yen



I . Interim Results for the Year Ending March 2013 - Overview of the Filter Business -

- Products for some industries, such as healthcare, did well.
- Sales for other industries were slow adversely affected by a slump in demand for capital investment.
- Overseas, TSM increased sales of filter products.

Trend in sales of Filter business



* Rounded down to the nearest million yen

Change in Domestic/Overseas Sales

Millions of Yen			
	11/9 Results	12/9 Results	Growth Rate
Domestic	459	498	8.6%
Overseas	171	191	12.1%
Total	630	690	9.5%

* Rounded down to the nearest million yen



I . Interim Results for the Year Ending March 2013

- Segment P/L -

	Millions of Yen					
	11/9			12/9		
	Sales	Ordinary Income	Profit Rate	Sales	Ordinary Income	Profit Rate
Net-Shape	2,640	2	0.1%	2,987	159	5.3%
Assembly	2,455	160	6.5%	2,885	201	7.0%
Filter	630	84	13.3%	690	118	17.1%
Consolidated total	5,726	247	4.3%	6,563	478	7.3%

➤ Profit increased substantially compared to the same period of last year during which a sharp sales decline was recorded due to the earthquake

➤ Sales turned flat due party to the stagnant Indonesian motorcycle market, and profit was lower than the plan.

➤ Production hike at NICHIDAI(THAILAND)LTD. caused profit to increase.

➤ Transportation cost continued to affect profit.

➤ Profit grew both inside and outside Japan.

➤ Driven by sales for specific industries, the almost planned level of profit was achieved.

* Rounded down to the nearest million yen

I . Interim Results for the Year Ending March 2013

- Cost of Sales -

Consolidated

Millions of Yen

	11/9 Results	Ratio	12/9 Results	Ratio
Net sales	5,726	100.0%	6,563	100.0%
Material cost	2,316	40.5%	2,485	37.9%
Purchase of products	280	4.9%	226	3.5%
Subcontract processing	519	9.1%	578	8.8%
Subsidiary material cost	231	4.0%	215	3.3%
Labor cost	1,078	18.8%	1,170	17.8%
Depreciation	212	3.7%	239	3.6%
Change in inventory	219	3.8%	△ 47	△ 0.7%
Others	277	4.9%	267	4.1%
Cost of sales	4,696	82.0%	5,230	79.7%
Gross income from sales	1,029	18.0%	1,332	20.3%

* Rounded down to the nearest million yen

I . Interim Results for the Year Ending March 2013

- SG&A Expenses -

Consolidated

Millions of Yen

	11/9		12/9	
	Results	Ratio	Results	Ratio
Net Sales	5,726	100.0%	6,563	100.0%
Packaging/Freight	74	1.3%	121	1.9%
Transportation	40	0.7%	50	0.8%
Labor cost	389	6.8%	403	6.2%
Depreciation	37	0.6%	33	0.5%
Rent	20	0.4%	21	0.3%
Others	189	3.3%	211	3.2%
SG&A Expenses	752	13.1%	842	12.8%

Packaging/Freight

➤ This is resulted from the increase in transportation cost of the Assembly Business.

* Rounded down to the nearest million yen

I . Interim Results for the Year Ending March 2013

- B/S: Assets -

Consolidated

Millions of Yen

	11/9 Result	12/3 Result	12/9 Result	Change
Cash and deposit	1,905	1,852	1,887	34
Notes receivable	717	996	781	△ 214
Accounts receivable	2,247	2,765	2,458	△ 307
Inventory	1,851	2,122	2,079	△ 42
Others	238	318	409	90
Allowance for bad debts	△ 3	△ 4	△ 4	0
Total current assets	6,956	8,051	7,612	△ 439
Tangible fixed assets	4,956	4,978	5,285	306
Intangible fixed assets	114	149	172	23
Investment and other assets	777	617	533	△ 84
Total fixed assets	5,848	5,745	5,991	245
Total assets	12,805	13,797	13,603	△ 193

Decrease in trade receivables

➤ This is due to the decrease in sales of the Net-Shape Business from the second half of the previous fiscal year.

Increase in tangible fixed assets

➤ This is due to the increase in capital investment, such as building expansion at NICHIDAI(THAILAND)LTD .

*Rounded down to the nearest million yen

*Increase/decrease is the difference between results of March 2012 and those of September 2012.

I . Interim Results for the Year Ending March 2013

- B/S: Liabilities and Net Assets -

Consolidated

Millions of Yen

	11/9 Results	12/3 Results	12/9 Results	Change
Accounts payable	973	1,582	1,428	△ 154
Short-term debt	1,790	1,979	2,202	223
Current portion of bonds	1,000	1,000	-	△ 1,000
Accrued income tax	87	136	110	△ 25
Allowance for bonus payable	201	131	232	100
Others	467	501	497	△ 4
Total current liabilities	4,520	5,331	4,471	△ 859
Long-term debt	1,144	1,127	1,524	396
Others	106	103	103	0
Total fixed liabilities	1,250	1,231	1,627	396
Total liabilities	5,771	6,562	6,099	△ 463
Capital	1,429	1,429	1,429	0
Capital surplus	1,192	1,192	1,192	0
Retained earnings	4,191	4,456	4,685	229
Minority interest	344	325	380	54
Others	△ 124	△ 170	△ 184	△ 14
Total net assets	7,034	7,234	7,504	269
Total liabilities and net assets	12,805	13,797	13,603	△ 193

Interest-bearing debts

- Bonds were redeemed.
- Interest-bearing debts decreased in total.

*Rounded down to the nearest million yen

*Increase/decrease is the difference between results of March 2012 and those of September 2012.

I . Interim Results for the Year Ending March 2013

- Cash Flows (CF) -

Consolidated

Millions of Yen

	11/9	12/9	Change
Cash flows from operating activities	382	1,142	759
Cash flows from investing activities	△ 245	△ 754	△ 508
Cash flows from financing activities	96	△ 458	△ 554
Amount of increase in cash and cash equivalents	207	△ 67	△ 275
Cash and cash equivalents balance at beginning of term	1,344	1,500	155
Cash and cash equivalents balance at end of term	1,552	1,432	△ 119
FCF	136	387	251

Operating Cash Flows

➤ This is the result of leverage effect, the decrease in trade receivables and other factors.

Investing Cash Flows

➤ This is the result of the building expansion at NICHIDAI (THAILAND)LTD.

*Rounded down to the nearest million yen

Ⅱ .Full-Year Forecasts for the Fiscal Year Ending March 2013

II . Full-Year Forecasts for the Fiscal Year Ending March 2013 - P/L: Sales and Profit -

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%
Consolidated 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

Ⅱ . Full-Year Forecasts for the Fiscal Year Ending March 2013 - Forecasts of Each Business -

The Net Shape Business

- **Forging Dies** : Termination of the eco-car subsidy program, sales decline at a rapid pace in the Chinese market and other factors have made the future of the Japanese automobile industry uncertain. Sales of the Forging Die Division are likely to be affected by the trend of the automobile industry.
- **Precision-forged Goods Division** : Domestic sales of forged scrolls stay stagnant.

The Assembly Business

- Backlog at NICHIDAI(THAILAND)LTD. was eliminated.
- Outlook for the second half year is bleak due to the European financial turmoil and economic downturn in emerging nations.

The Filter Business

- Products for specific industries, such as healthcare, are expected to deliver strong results.



NICHIDAI(THAILAND)LTD.

Preparations for forged scroll production are going well at NICHIDAI(THAILAND)LTD. Having finished factory expansion work, production activities are continuing toward the start mass production scheduled at the end of this year.

Ⅱ . Full-Year Forecasts for the Fiscal Year Ending March 2013 - Capital Investment/Depreciation-

Consolidated

Millions of Yen

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

* Rounded down to the nearest million yen

Ⅱ . Full-Year Forecasts for the Fiscal Year Ending March 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	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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