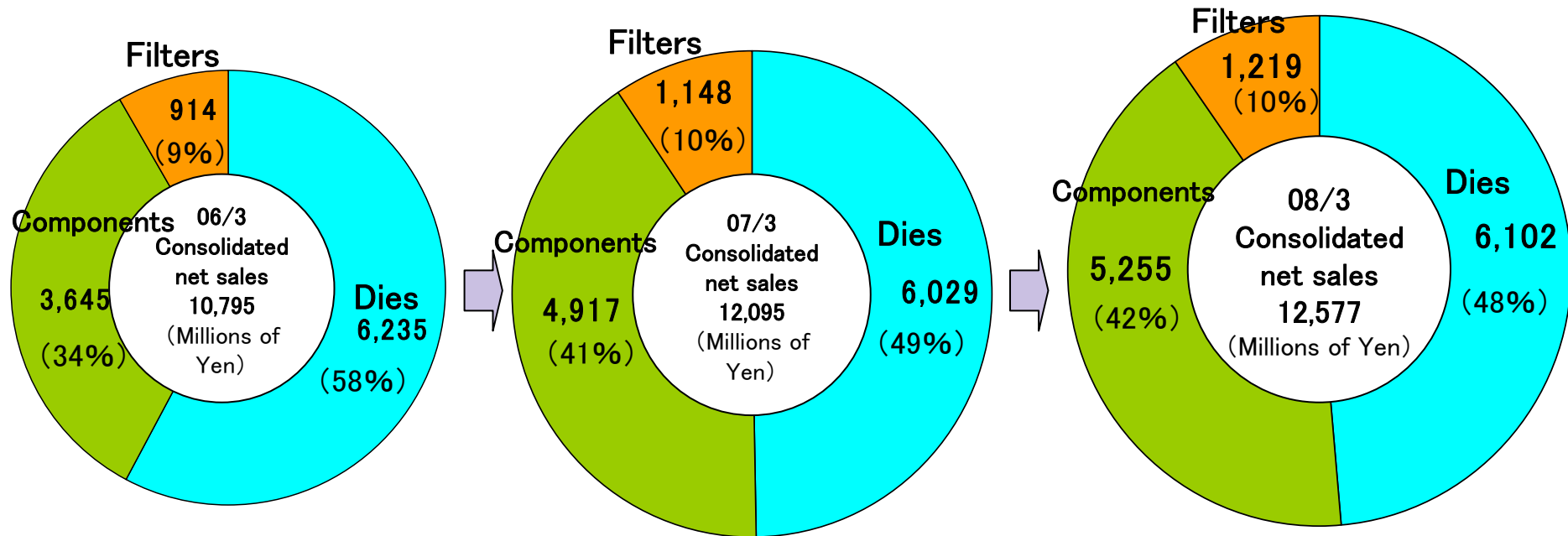


Medium-Term Management Policy

II. Medium-Term Management Policy - Changes in Business Composition



II. Medium-Term Management Policy

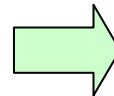
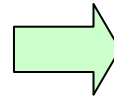
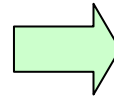
- Business Environment and Management Policy

Business Environment

Accelerating globalization in the Japanese automobile industry, our key customer

Rise of emerging markets in the automobile industry

Progress in development of automobile industry-related new technologies, such as environment-responsive technology



Management Policy

➤ Reform of business portfolio aiming to strengthen inter-business synergy

➤ Promotion of overseas operations
~ Establishment of overseas base in Asia centering on Thailand

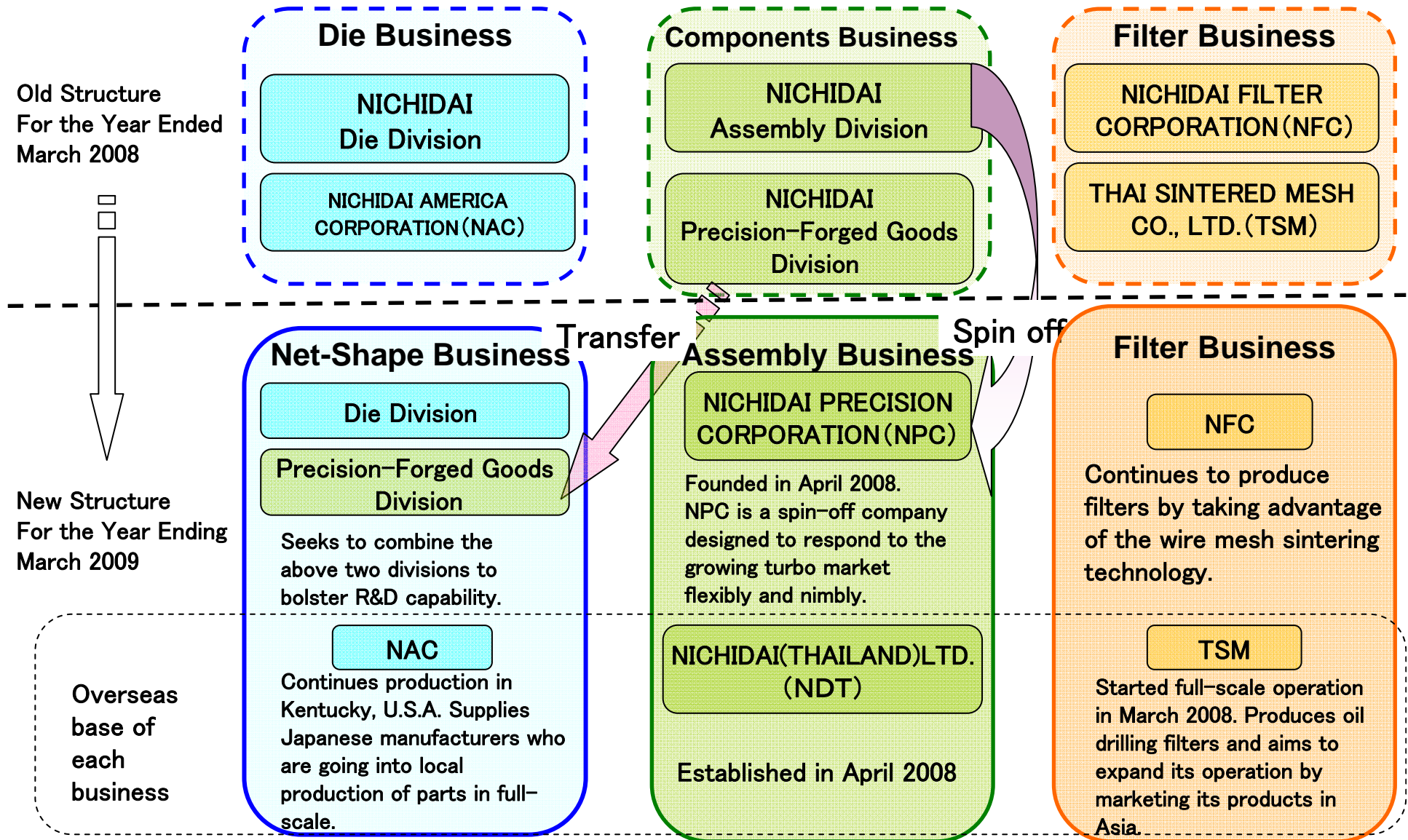
➤ Enhancement of capacity in technological development for creating new applications

- **Promote technological development and creation of new application which tightens inter-business relationship**
- **Promote global operations by establishing overseas bases**



II. Medium-Term Management Policy - Organizational Restructuring

➤ Restructuring in view of inter-business synergy and stepped-up of global deployment



II. Medium-Term Management Policy

- Asian Strategy: Foundation of NICHIDAI (THAILAND) LTD.

Objectives:

- To boost production capacity of VG turbo charger parts to cope with the rising demand ahead of the enforcement of the EURO 5.
- To make an important Asian strategic base including net-shape business

Corporate Profile

Location: Amatanakon Industrial Park, Chonburi Province, Thailand

Shareholder Composition: NICHIDAI

PRECISION CORPORATION 100%

Investment Amount: Approx. 700 million yen (plan)

Time Schedule

Year	2008	2009	2010
Schedule	08/4 Incorporation	08/12 Factory completion	09/6 Prototype production
Net Sales	-	250 million yen	1.5 billion yen
No. of employees	-	-	Planned to hire 70 persons.



Amatanakon Industrial Park, Chonburi Province

One of the biggest industrial parks in Thailand located in the suburb of Bangkok (approx. 60 km).

A number of Japanese companies have been operating here.

Rendering of NICHIDAI (THAILAND) LTD.



II. Medium-Term Management Policy - Strengthening of Technological Development

➤ Promotion of technological development related to environment-responsive products against the backdrop of rising oil prices is required.

