

BEST PARTNER of "NET Shape"

FY05 1st half Financial Results Presentation

October 27 2004

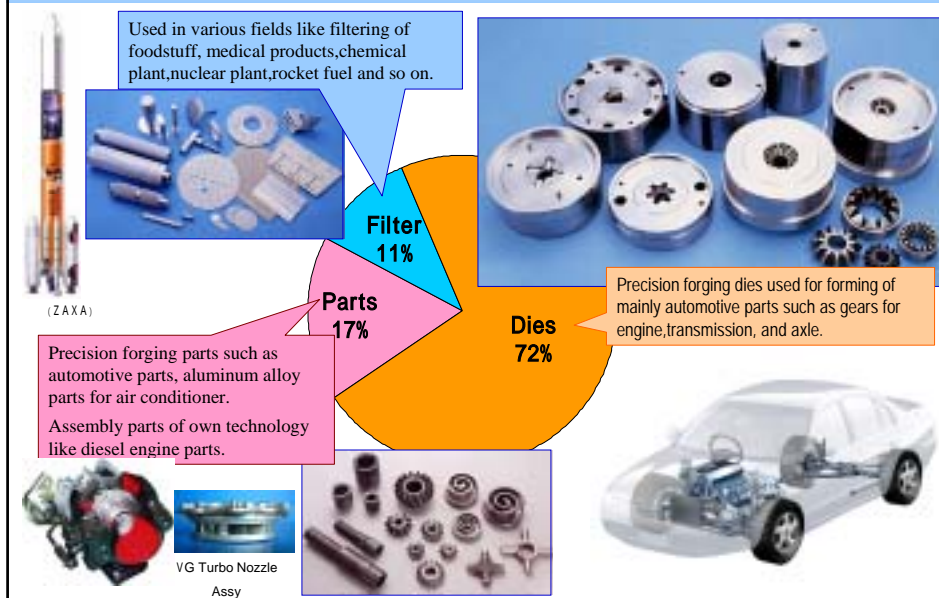
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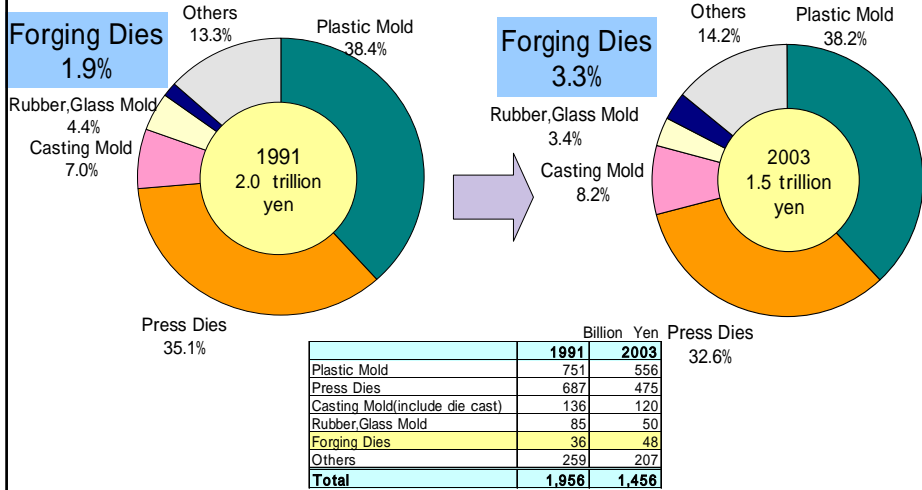
<http://www.nichidai.jp/>

. The Features of the Business

. The Features of the Business - Sales by Segment(September '04) -



.The Features of the Business - Trend in Die Production by classification -

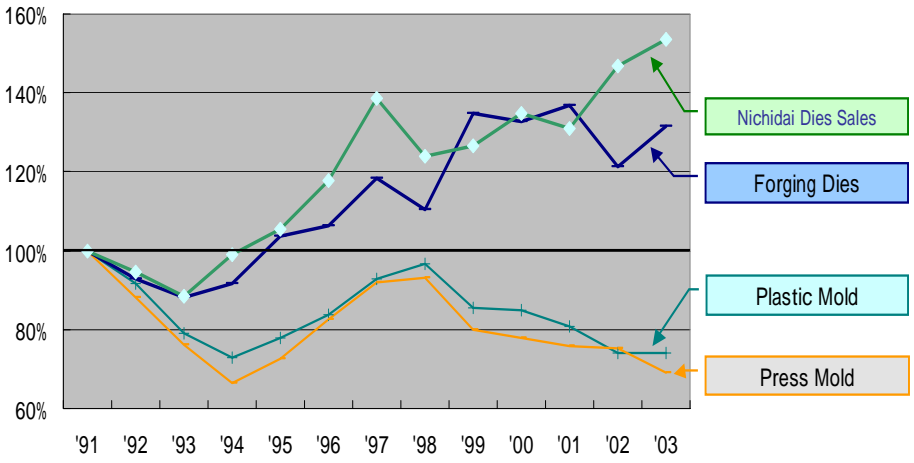


	Billion Yen	
	1991	2003
Plastic Mold	751	556
Press Dies	687	475
Casting Mold(include die cast)	136	120
Rubber.Glass Mold	85	50
Forging Dies	36	48
Others	259	207
Total	1,956	1,456

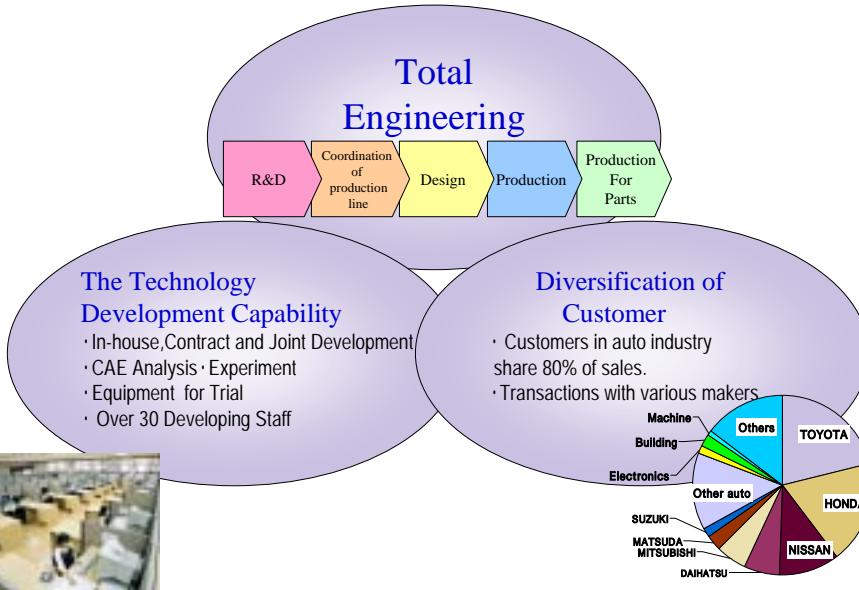
Source: Ministry of Economy, Trade and Industry Statistics
(year 2003 is estimated by Nichidai Corporation.)

.The Features of the Business - Expansion of Forging Dies Market -

Trend in Classification Production Amount Index
(Production in 1991 is set at 100.)



.The Features of the Business - The strength of die business -



. Highlights of FY05 1st half results

. Highlights of FY05 1st half results - Dies Business -

■ Environment

- ✓ Japanese components maker accelerated their global activity. After Japanese car maker entering the market, production in the Asia area was active.
- ✓ Conversion of the CVT, 6-speed automatic transmission etc, to parts which improve fuel efficiency progressed.

- ✓ **Die sets* for overseas sales increased dramatically, which contribute to creation of dies demand.**
- ✓ **Increased sales for Korea manufactures of transmissions and clutch gear.**
- ✓ **Declined system products sales, which had increased in previous year. (within plan)**
- ✓ **Mitsubishi Motor production decrease was limited to minimum impact.**



Precision forging dies



Die set

* Die set

Equipment to install dies in press machine. (NICHIDAI designs and products.)

. Highlights of FY05 1st half results - Components Business -

■ Environment

- ✓ Sales declined for scroll forged parts for Mitsubishi Heavy Industry's main customer.
- ✓ By reinforcing emission control in Europe, the demand for small turbo chargers for diesel cars increased. Mitsubishi Heavy Industry expanded its production capacity strategically.

- ✓ **Scroll forged parts for car air conditioner sales were down about 35% a year ago.**
- ✓ **Stopped producing one item of consignment products. (within plan)**
- ✓ **In September 2004, mass production of VG turbo nozzle assy for Euro diesel car was launched.**



VG turbo nozzle assy



Scroll forged parts

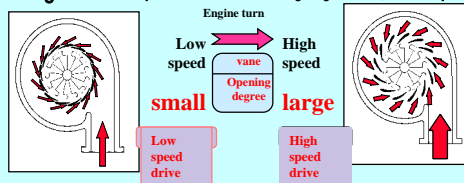
. Highlights of FY05 1st half results - VG Turbo Nozzle Assy -

● Background

- ✓ Diesel car market in Europe is expanding.
- ✓ By reinforcing emission control (Nox,PM etc), the development for environment related technology is progressing.
- ✓ VG (Variable-Geometry) turbo charger is one example of environment related technology

● The character of VG turbo charger Vane open and close matching engine turn, control quantity of air.

- ✓ Fuel lower, exhaust gas clear, smoother acceleration



- ✓ Developed distinctive production line by collaborating with MHI (Mitsubishi Heavy Industry) , the supplier of the turbo charger. NICHIDAI produces the nozzle assy.
- ✓ Main suppliers except MHI are Garrett(USA),KKK (Germany), and IHI.
- ✓ Target in Euro passenger car segment ,by appealing improved low torque.

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. Highlights of FY05 1st half results - Filter Business -

■ Environment

- ✓ Filter demand increased, matching economy recovery.
- ✓ Drastic increase in Plasma TV etc digital electric appliances.

- ✓ Spin-off N F C (NICHIDAI FILTER CORPORATION) in April 2004. By integrating sales, production and engineering, efficiency enhanced.
- ✓ New demand for manufactures of digital electric appliances is emergent.
- ✓ Increased sales for food industry(drink) .
- ✓ Increased sales for Asian areas(China and Korea) .



Filter products

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. Highlight of FY05 1st half results - NAC -

■ Environment

- ✓ Japanese car maker's sales were brisk in North American market.
- ✓ Japanese parts maker's sales to American car makers continue to be upward.

- ✓ Sales for both Japanese and American companies increased.
- ✓ Sales for Japanese companies were below plan.
- ✓ Deficit decreased by sales increasing.(44millions yen down)
- ✓ Problem is inter-production ratio up.
- ✓ Reinforcing with support by NICHIDAI JAPAN.(Instruction of manufacturing engineering, CAM)
- ✓ Strengthening policy to build the institution for conversion to NAC products.



NAC Kentucky Factory



Precision forging dies

. FY05 1st half Financial Results

. FY05 1st half Financial Results - P/L:Situation of sales,profit -

Consolidated		Million Yen			
		03/9 Results	04/9 Plan	04/9 Results	change from the previous year
Non-Consolidated	Net Sales	4,109	3,638	3,444	16.2%
	Ordinary Income	487	397	369	24.2%
NFC	Net Sales	(354)	376	423	19.4%
	Ordinary Income	-	24	47	-
Subtotal	Net Sales	4,109	4,014	3,867	5.9%
	Ordinary Income	487	421	417	14.4%
N A C	Net Sales	173	240	199	14.7%
	Ordinary Income	160	101	116	27.4%
Consolidated	Net Sales	4,213	4,164	3,956	6.1%
	Gross Profit	1,169	1,136	1,107	5.3%
	SG & A Expenses	795	779	791	0.5%
	Operating Income	373	357	315	15.5%
	Non-operating Income(loss)	51	37	11	78.5%
	Ordinary Income	322	320	304	5.4%
	Net Income	114	120	109	4.5%

* NFC (NICHIDA FILTER CORPORATION) is the subsidiary of NICHIDAI. (established in April)

* NFC's results in Sep. 2003 is the department at record in NICHIDAI.

. FY05 1st half Financial Results - Situation of sales by segments -

Consolidated		Million Yen			
		03/9 Results	04/9 Plan	04/9 Results	change from the previous year
Japan		2,488	2,502	2,453	1.4%
Overseas		526	253	303	42.3%
Sales for NAC		(68)	(90)	(101)	(47.8%)
Dies		3,015	2,755	2,757	8.5%
(System Products)		(356)	(40)	(38)	(89.3%)
Precision Forged Parts		560	498	411	26.7%
Assembly		178	385	275	54.2%
Parts		739	883	686	7.1%
Filter		354	-	-	-
Non-Consolidated		4,109	3,638	3,444	16.2%
NFC		(354)	376	423	(19.4%)
N A C (USA Subsidiary)		173	240	198	14.7%
Consolidated		4,213	4,164	3,956	6.1%

System products sales decreased.

Dies sales except system products were up 2.2% from a year ago.

Scroll forged parts(for car air conditioners)sales declined sharply.

Sales for VG turbo nozzle assy mass trial products.

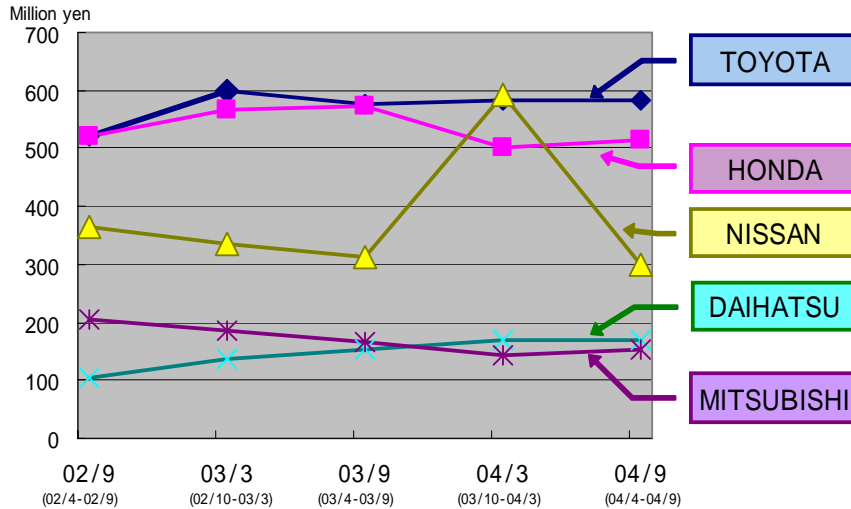
Sales increased by new demand for manufacturing equipment of digital electric appliances .

Sales for USA company increased.

* Figures less than 1 million yen have been omitted. NFC's results in Sep. 2003 is the department sales.

FY05 1st half Financial Results - Dies Business: Situation of sales by fields -

Non-Consolidated



FY05 1st half Financial Results - P/L by Segment -

Consolidated

Million Yen

	03/9			04/9		
	Net Sales	Operating Income	Operating Income/Net Sales	Net Sales	Operating Income	Operating Income/Net Sales
Dies	3,119	349	11.2%	2,846	270	9.5%
Parts	739	21	2.9%	686	7	1.1%
Filter	354	2	0.8%	423	52	12.5%
Total	4,213	373	8.9%	3,956	315	8.0%

Increased cost for raw material and outsourcing service of surface treatment of dies for overseas.

Scroll forged parts sales down and expensed VG turbo nozzle assy start-up cost

Sales increase and in-house production ratio up.

* Figures less than 1 million yen have been omitted.

. FY05 1st half Financial Results - Cost of sales -

Consolidated		Million Yen		
	03/9 Results	Ratio	04/9 Results	
Net Sales	4,213	100.0%	3,956	
Material	604	14.3%	691	Material increase ➢ Iron for Dies price up and VG turbo production launched.
Purchased Finished Good	652	15.5%	308	Purchased Finished goods decrease ➢ System products sales declined.
Outside Services	307	7.3%	361	Outside service increase ➢ VG turbo production launched and Dies for overseas need surface treatment by outsourcing service.
Sub-material	149	3.6%	157	
Labor Cost	915	21.7%	947	
Depreciation	197	4.7%	214	
Inventory (+/-)	101	2.4%	193	Inventory Increase ➢ VG turbo mass production parts increase.
Others	319	7.6%	362	
Cost of sales	3,044	72.2%	2,849	
Gross Profit	1,169	27.8%	1,107	

* Figures less than 1 million yen have been omitted.

. FY05 1st half Financial Results - SG & A Expenses -

Consolidated		Million Yen			
	03/9 Results	Ratio	04/9 Results	Ratio	
Net Sales	4,213	100.0%	3,956	100.0%	
Freight	53	1.3%	57	1.5%	
Travel Expenses	53	1.3%	49	1.3%	
Personnel expenses	418	9.9%	420	10.6%	
Depreciation	40	1.0%	39	1.0%	
Lease	25	0.6%	27	0.7%	
Others	205	4.9%	196	5.0%	
SG & A Expenses	795	18.9%	791	20.0%	

* Figures less than 1 million yen have been omitted.

. FY05 1st half Financial Results - B/S:Assets -

Consolidated	Million Yen		
	03/9	04/9	Increase and decrease
Cash and Deposits	1,102	993	108
Notes receivable	714	908	194
Accounts receivable	1,891	1,582	309
Inventories	512	718	205
Others	183	152	31
Allowance for doubtful accounts	29	38	8
Total current assets	4,375	4,317	58
Tangible fixed assets	5,799	5,667	132
Intangible fixed assets	37	53	15
Investment and other assets	331	332	1
Total fixed assets	6,169	6,053	116
Total Assets	10,545	10,370	174

* Figures less than 1 million yen have been omitted.

Notes receivable

➤ Liquidation of notes decrease.
(NICHIDAI FILTER)

Accounts receivable

➤ Accounts receivable of system products was included in the previous balance.

Inventories

➤ Materials and work-in-process increased by launching VG turbo nozzle assy.

Tangible fixed assets

➤ Depreciation of building and structures.

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. FY05 1st half Financial Results - B/S:Liabilities and Capitals -

Consolidated	Million Yen		
	03/9	04/9	Increase and decrease
Notes and accounts payable	387	366	20
Short-term loans	1,735	1,438	297
Accrued taxes on income	240	227	13
Accrued taxes on income	208	206	2
Other	457	371	86
Total current liabilities	3,029	2,610	419
Bonds	2,000	2,080	80
Long-term loans	1,164	1,330	165
Other	47	63	16
Total long-term liabilities	3,212	3,474	261
Total liabilities	6,241	6,084	157
Common stock	809	812	2
Additional paid-in capital	573	576	2
Retained earnings	2,954	2,943	11
Other	35	44	9
Total shareholder's equity	4,303	4,286	16
Total liabilities and equities	10,545	10,370	174

* Figures less than 1 million yen have been omitted.

Short-term loans decreased
Long-term loans increased

➤ Conversion from short-term loans to long-term loans.

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. FY05/3 Financial Forecast

. FY05/3 Financial Forecast - FY05/3 Sales Outlook -

	Consolidated					Million Yen	
	04/9 Plan	04/9 Results	04/3 Results	05/3 PLAN	05/3 Outlook		
	(AS of April,26 2004)			(AS of April,26 2004)			
	04/4-04/9	04/4-04/9	03/04-04/03	04/04-05/03	04/04-05/03		
Japan	2,502	2,453	5,202	5,130	5,140		
Overseas	253	303	860	670	700		
(Sales for NAC)	(90)	(101)	(142)	(170)	(180)		
Dies	2,755	2,757	6,063	5,800	5,840		
(System Products)	(40)	(38)	(769)	(170)	(160)		
Precision Forged Parts	498	411	1,143	990	755		
Assembly	385	275	391	1,040	1,175		
Parts	883	686	1,535	2,030	1,930		
Filter	-	-	704	-	-		
Non-Consolidated	3,638	3,444	8,303	7,830	7,770		
NFC	376	423	(704)	810	860		
NAC (USA Subsidiary)	240	198	333	540	400		
Consolidated	4,164	3,956	8,494	9,010	8,850		

* Figures less than 1 million yen have been omitted. NFC's results in Sep. 2003 is the department sales.

. FY05/3 Financial Forecast - FY05/3 Outlook -

Consolidated

Million Yen

	04/9 Plan <small>(AS of April,26 2004)</small> 04/4-04/9	04/9 Results <small>(AS of April,26 2004)</small> 04/4-04/9	04/3 Results <small>(AS of April,26 2004)</small> 03/4-04/03	05/3 PLAN <small>(AS of April,26 2004)</small> 04/04-05/03	05/3 Outlook <small>(AS of April,26 2004)</small> 04/04-05/03
	Net Sales	4,164	3,956	8,494	9,010
Gross Profit	1,136	1,107	2,276	2,506	2,430
SG & A Expenses	779	791	1,615	1,603	1,550
Operating Income	357	315	661	903	880
Non-operating Income(loss)	37	11	106	73	50
Ordinary Income	320	304	554	830	830
Net Income	120	109	113	336	336

* Figures less than 1 million yen have been omitted.

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Thank you

BEST PARTNER of "NET Shape"

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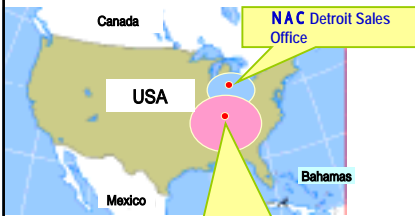
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Ref.Mid-term Management Strategy

Ref.Mid-term Management Strategy - Mid-term management plan(as of April 2004) -

Consolidated	Million Yen			
	04/3 Results	Mid-term plan		
		05/3	06/3	07/3
Net sales	8,494	9,010	10,100	11,100
Dies	6,254	6,170	6,550	6,940
Precision Forged Parts	1,143	990	1,020	1,080
Assembly	391	1,040	1,650	2,150
Filter	704	810	880	930
Ordinary income	554	830	1,155	1,370
Net income	113	336	600	730
Shareholders' equity	4,296	4,510	4,980	5,580
Total assets	9,942	10,040	10,120	10,200
Ordinary income/Net sales	6.5%	9.2%	11.4%	12.3%
ROE	2.7%	7.6%	12.6%	13.8%
ROA	1.1%	3.4%	6.0%	7.2%

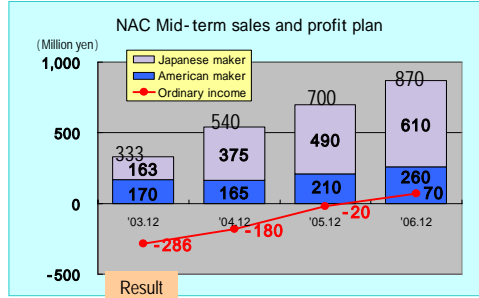
Ref.Mid-term Management Strategy-Progress of Dies business in USA -



NAC Kentucky factory

~ Richmond, KY ~

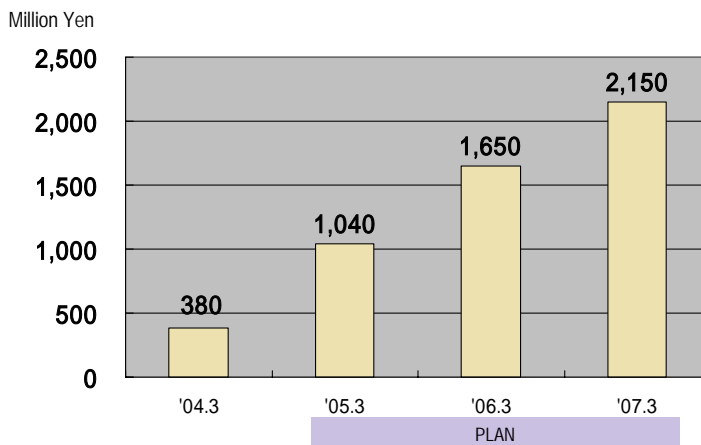
➤ Launched production dies in Jan,2003 .



☀ Actions to be taken

- Subsidiary employees' skill improvement.
- Manufacturing super hard dies. Improvement of In-house production ratio improvement.
- Quality/Delivery control/productivity improvement.
- Progress in Local purchasing after evaluating NAC.
- Further approach to Japanese auto-parts maker.

Ref.Mid-term Management Strategy-Assembly Business;Mid-term sales plan -



Started new assembly parts' mass production in July,2004