



Summary of Consolidated Financial Results For the year ended March 31, 2006

April 26, 2006

Company name Nichidai Corporation
 Securities Code 6467
 (URL <http://www.nichidai.jp>)
 Company Representative Motonobu Furuya, President & CEO
 Contact Information Mitsuhiro Fujimoto, Managing Director

Listed Stock Exchange JASDAQ
 Headquarters Kyoto

TEL(0774)62 — 3481

Board of Directors Meeting April 26, 2006

Adoption of US generally accepted accounting principles and practices N/A

1. Consolidated Financial Results for the year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)

(1) Consolidate Operating Results

(Rounded down to the nearest million yen)

	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the fiscal year						
Ended March 31, 2006	10,795	(21.4)	885	(Δ 0.7)	802	(Δ 3.6)
Ended March 31, 2005	8,894	(4.7)	891	(34.8)	832	(50.2)

	Net Income		EPS	Diluted EPS	Return on Equity	Rate of ordinary income on total asset	Rate of ordinary income to net sales
	Millions of Yen	%	Yen	Yen	%	%	%
For the fiscal year							
Ended March 31, 2006	369	(3.8)	45.56	45.13	7.8	7.3	7.4
Ended March 31, 2005	355	(212.3)	44.11	43.96	8.0	8.0	9.4

1. Gain or loss on investment by equity method:

FY Ended March 31, 2006 – million yen FY Ended March 31, 2005 – million yen

2. Average number of outstanding shares during the period (consolidated):

FY Ended March 31, 2006: 7,989,850 FY Ended March 31, 2005: 7,835,328

3. Change in accounting method: N/A

4. Percentage indicates changes in net sales, operating income,
 ordinary income and net income compared with the previous year.

(2) Financial Position (Consolidated)

(Rounded down to the nearest million yen)

	Total Asset	Shareholders' Equity	Shareholders' Equity Ratio	BPS
	Millions of Yen	Millions of Yen	%	Yen
For the fiscal year				
Ended March 31, 2006	11,277	4,904	43.5	612.66
Ended March 31, 2005	10,742	4,575	42.6	578.20

Notes: Outstanding shares at the end of the year (consolidated):

FY Ended March 31, 2006: 7,997,308 FY Ended March 31, 2005: 7,895,308

(3) Consolidated Statements of Cash Flows

(Rounded down to the nearest million yen)

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at the end of the period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the fiscal year				
Ended March 31, 2006	398	Δ 840	424	385
Ended March 31, 2005	405	Δ 419	Δ 22	410

(4) Scope of consolidation and equity method

Number of consolidated subsidiaries: 2

Number of unconsolidated subsidiaries accounted for by the equity method: --

Number of affiliates accounted for by the equity method: --

(5) Changes in scope of consolidation and equity method

Consolidated subsidiaries: (newly included) -- (excluded) --

Subsidiaries and affiliates accounted for by the equity method: (newly included) -- (excluded) --

2. Consolidated Forecast for the Fiscal Year 2007 (From April 1, 2006 to March 31, 2007)

	Net Sales	Ordinary Income	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen
Interim period	5,809	543	327
Full Year	11,650	1,120	667

(Ref) Forecast of net income per share for the year ending March 31, 2007 (full year): 83.40 Yen

*Forecast for business results shown above is based on information available at the time of its disclosure. Actual results may differ from the forecast numeric values due to a wide variety of factors.

1. Nichidai Group

Nichidai Group (Nichidai and its affiliates) consists of three corporations, namely, Nichidai Corporation and its subsidiaries: NICHIDAI AMERICA CORPORATION and Nichidai Filter Corporation.

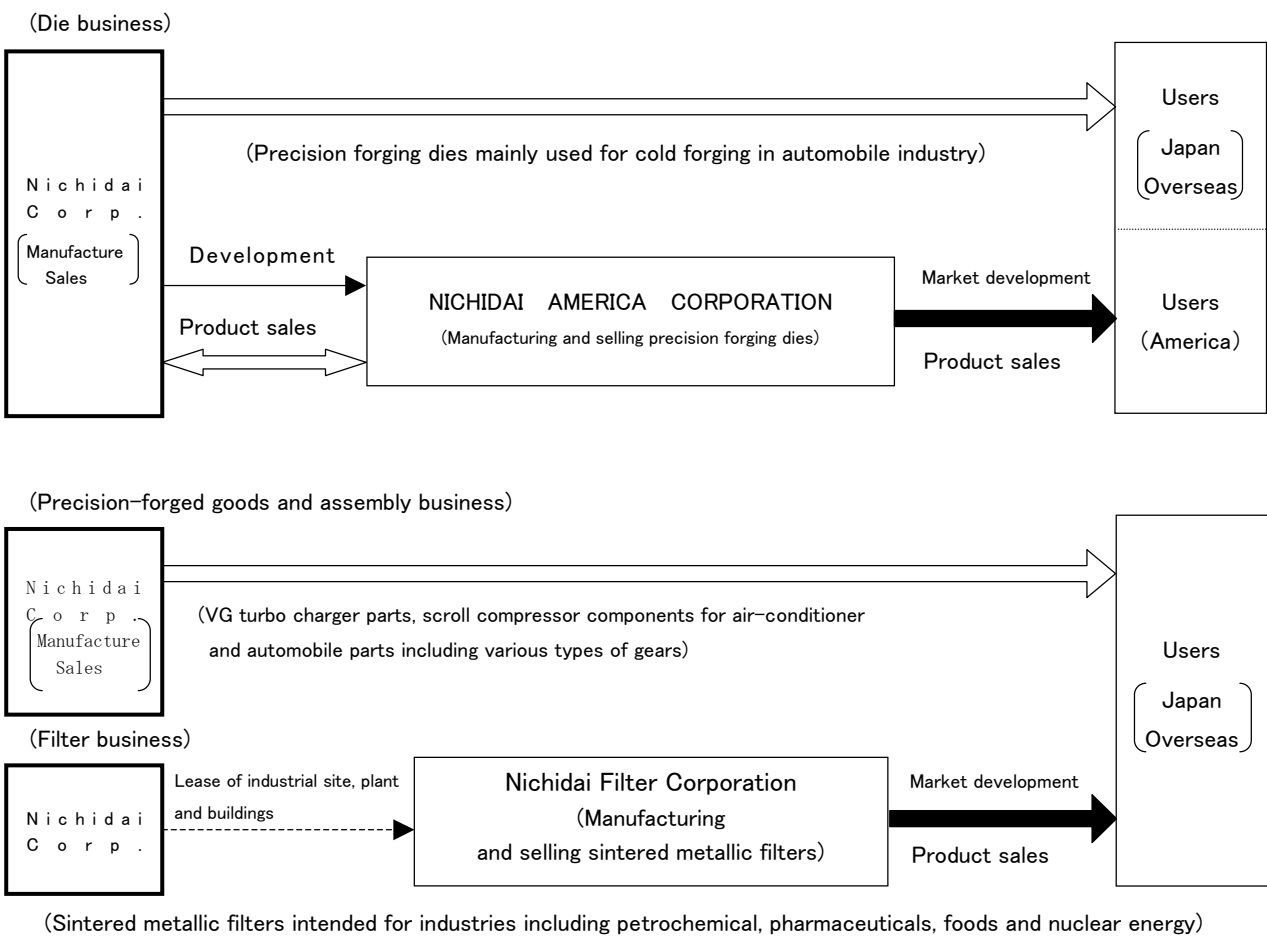
The line of business is same as its business segment by category. Here is our business diagram.

<Nichidai Corporation>

Nichidai Corporation manufactures and sells precision forging dies, precision forged goods and assembly.

<Consolidated Subsidiaries>

- NICHIDAI AMERICA CORPORATION manufactures and sells precision forging dies in the United States.
- Nichidai Filter Corporation manufactures and sells sintered metallic filters.



2. Management Policy

(1) Basic Management Policy

The basic policy of Nichidai Group is achieving at a high level and permanently improving “3S”—“Customer Satisfaction,” “Investor Satisfaction,” and “Employee Satisfaction”—to attain the goal of “higher corporate value” under its “Free, Fair, Global” principle. The Group is committed to three businesses leveraging its competitive edge of “the products other companies cannot copy and high technology that has no equal.”

In forging die business, Nichidai’s core, our goal is “Net Shape All-Round Manufacturing Service” based on the total engineering competitiveness with the precision forging capacity for technological development and collective strength in die technology as its center.

As for the components business, while aiming for synergy with the die business through production of precision-forged goods, we are pushing forward assembly components business derived from our proprietary technology.

In the filter business, we are working towards a “leading manufacturer of sintered wire mesh filter” with the application of heat treatment technology.

(Note) Net Shape: Forging process of parts by a precision die without machining

(2) Basic Policy on Dividend Distribution of Corporate Profit

Nichidai positions the distribution of profit to our shareholders as the key management policy. It is our basic policy to continually deliver stable dividend while at the same time securing internal reserves necessary for future business development and reinforcement of business structure.

(3) Philosophy and Policy on Lowering Investment Unit

Nichidai embraces the basic policy of timely review of the stock investment unit for the purpose of increasing liquidity in stock market to facilitate an environment where our shareholders can easily invest.

(4) Target Management Benchmark

The Group thinks highly of achieving continual growth for “higher corporate value”, and thus has proposed to ourselves securing 10% growth in net sales and more than 10% of rate of ordinary income to net sales.

(5) Nichidai’s Challenges to Address and Medium-Term Management Plan

The Group has put a focus on “enhancement of existing businesses” and “business development through overseas market exploration” based on the keywords “growth and change.”

<Enhancement of existing businesses>

The Group seeks to bolster competency by responding to ever sophisticating customer needs. This will be achieved by employing Net Shape technology to hard-to-fabricate materials and complex shaped-parts, which is, integration of forging die production technology and precision forging technology. We also ensure an increase of sales and profit in assembly business by strengthening management of procured parts and quality control and by improving productivity, responding to an upsurge in production of VG turbo charger parts for diesel engine intended for the European market.

In filter business, we put great efforts into getting new user-customers in the automobile industry and reinforcing order intake for sophisticated film production facilities catering for flat-screen TVs.

<Business development through overseas market exploration>

The global strategy is the key factor for growth to every corporation in the automobile industry, or our major customers.

In the U.S. market, via NICHIDAI AMERICA CORPORATION, we work to realize continual or even enhanced profitability by cost reduction resulting from increased sales and productivity through strengthened approach to automobile parts manufacturers with a central focus on Japanese makers.

While in the Asian market, where a steep rise in car production unit is being predicted, we strive to take in new customers through provision of total engineering that includes know-how of precision forging along with the supply of precision forging dies.

(6) Items Regarding Parent Company

N/A

(7) Establishment/Operation Status of Inner Management Structure and Year-to-Date Implementation Status of Approach for Enhancement of the Structure

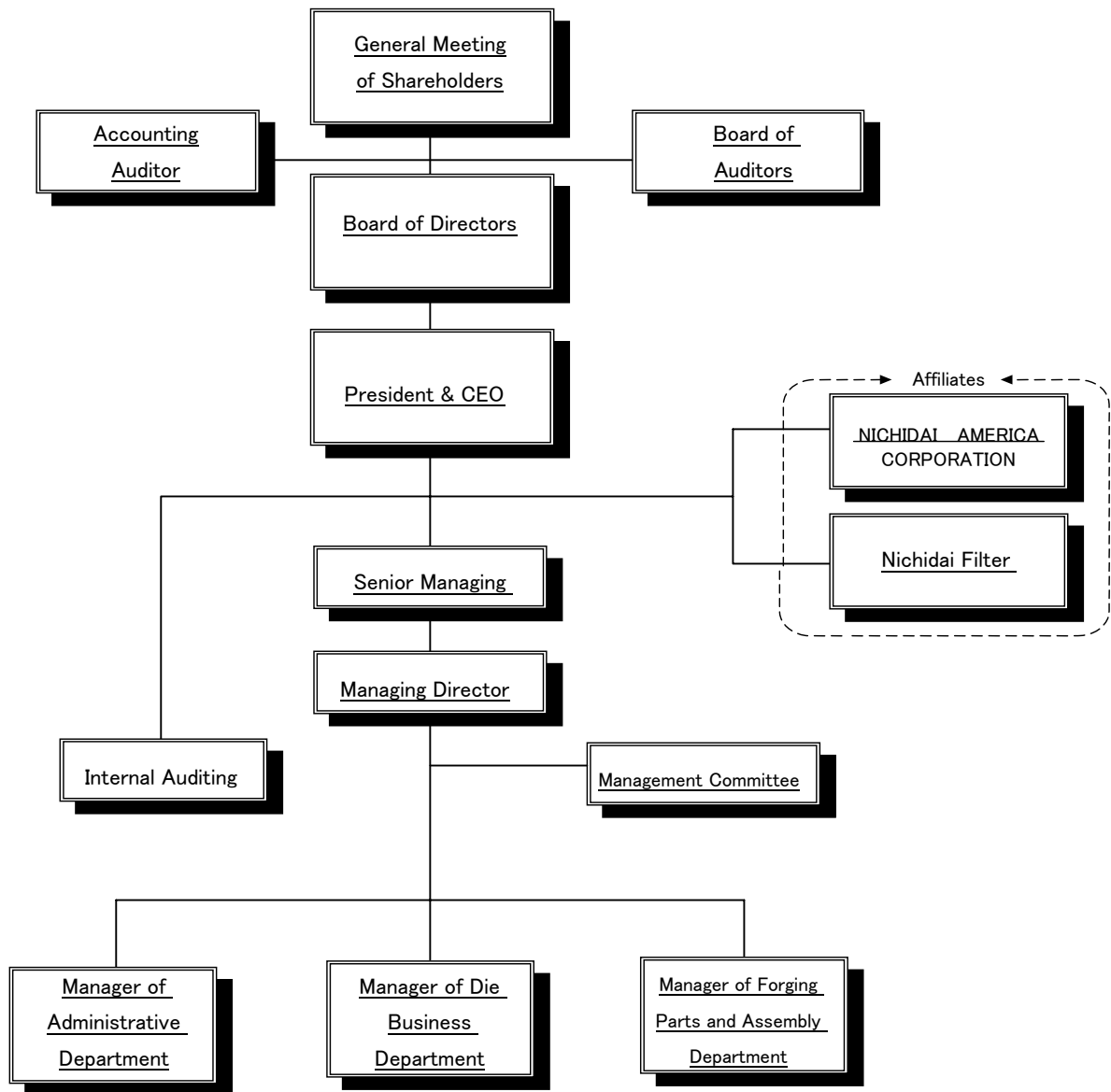
At Nichidai, as an operating officer system-based form, we have appointed Directors to the Managers of Die Business Department and Forging Parts and Assembly Department and to the Manager of Administrative Department that controls and checks each business unit; this should function as internal control at the managerial level. At the same time, based on this structure that will allow appropriate and timely disclosure of information, we devote ourselves to compliance with the law in business execution and to prevention of accounting irregularities as well as the reinforcement of directors' performance checking function by President, Senior Managing Director and Managing Director.

Over the past year, we have appointed Director and General Manager, General Affairs to the head of Administration Department (on and after April 1, Manager of Administrative Department) as an approach toward the enhancement of inner management structure. To this end, our efforts have also been made to the improved and strengthened Investor Relations (IR) activities and control of compliance-related activities through deepened interdepartmental ties between General Affairs, Accounting, Public Relations and System Group.

Nichidai is scheduled to submit "Report on Corporate Governance" to Jasdq Securities Exchange, Inc. by the end of May, 2006.

The diagram of Nichidai's inner control structure is as follows.

As of April 1, 2006



3. Operating Results and Financial Position

(1) Operating Results

During the fiscal year under review, Japanese automobile manufacturers have further bolstered offshore production in the North American and Asian markets despite the plight of American counterparts in the North America. As Japanese automobile parts manufacturers, our primary customers, are following suit, the industry is also booming.

In the die business, we posted sales of 6.235 billion yen (up 3.1% year-on-year). Although sales to Ford and GM-related American automobile parts manufacturers in the North America and sales of dies for the European market turned flat, we were able to achieve sales virtually according to plan in the domestic market —namely Kanto, Chubu, Kansai and Kyushu regions—and Asian market. Operating income grew to 682 million yen (up 4.0% year-on-year). The influence of massive hike in the price of steel products was curbed by the reduced deficit and other factors as NICHIDAI AMERICA CORPORATION moved into the black in the latter half of the year.

Looking at the components business, sales of VG turbo charger parts for diesel engine, which started full-fledged mass production during the fiscal year under review, surged 81.5% year-on-year amounting to 3.645 billion yen due partly to the broader range of models of cars in which they are employed. Nevertheless, income of the VG turbo charger parts fell to well below the plan because of unavoidable disposal of useless parts after the changes in their standard and design have been made. This was caused by the rise of necessity for improvement and partial design change with one of the two kinds of VG turbo charger parts at the stage of putting VG turbo for the European market into practice. Additionally, review of the standard was done with the other. As a result, we struggled to improve the components together with the turbo charger manufacturer.

The filter business posted sales of 914 million yen (up 9.5% year-on-year). The primary drivers were increased demand in filters for Europe, centered around the pharmaceutical industry, and for oil drilling, and increased sales of filters for plasma and LCD TV production facilities.

Consequently, consolidated net sales of the current period broke the 10 billion yen mark for the first time in the history of Nichidai, recording 10.795 billion yen (up 21.4% year-on-year). But ordinary income declined to 802 million yen (down 3.6% year-on-year) due to the drop in income of the components business. Net income posted 369 million yen (up 3.8% year-on-year) favorably affected by the decrease in income tax, inhabitant tax and corporate tax despite of impairment loss of 70 million yen based on asset-impairment accounting.

(2) Financial Position

Cash and cash equivalents (hereinafter “cash”) at the end of the current consolidated financial year decreased 24 million yen from a year earlier to 385 million yen.

(Cash Flows from Operating Activities)

Net cash provided by operations decreased 7 million yen from a year earlier amounting to 398 million yen. The decrease was driven primarily by increase in notes and accounts receivable and increase in inventory resulted from mass production of VG turbo charger parts.

(Cash Flows from Investing Activities)

Net cash expenditures in investment increased 420 million yen from a year earlier amounting to 840 million yen due primarily to the acquisition of tangible fixed asset that includes upgrading of production facilities.

(Cash Flows from Financing Activities)

Net cash provided by financing activities were 424 million yen (22 million yen in FY2005) due mainly to the increased short-term debt.

Trend of Cash Flow Indexes is as below.

	Year Ended March 31, 2005	Year Ended March 31, 2006
Year Ended March 31, 2006	42.6	43.5
Equity Ratio Based on Current Value (%)	53.1	89.4
Years of Amortization	11.1	12.6
Interest Coverage Ratio	4.4	3.8

- Equity Ratio: Equity / Total asset

- Equity Ratio Based on Current Value: Total market value of shares / Total asset

- Years of Amortization: Interest-bearing debts / Cash flows from operations

- Interest Coverage Ratio: Cash flows from operating activities / Interest

1. Each index is calculated based on the consolidated financial numeric values.

2. Cash flows from operations adopt Cash Flows from Operating Activities in the Consolidated Statement of Cash Flows. Interest-bearing debts refer to the debts interest of which is being paid out of the debts posted in the Consolidated Balance Sheet. Interest adopts the amount of interest in the Consolidated Statement of Cash Flows.

(3) Business Risks

The major risks that may affect the Group's operating results and financial position are described as below. Items about future events are based on the determination of the Group as of the day that this summary was released.

High Dependence on Specific Industry and Customer

The primary market of our dies and precision forged-products is automobile-related industry represented by automobile parts manufacturer. Although we do not belong to any corporate group of specific finished car manufacturers or automobile parts manufacturers, our sales to this industry in the current consolidate fiscal year accounts for 79.1% of the total. This indicates the possibility that our business results may be affected by the production trend of car manufacturers around the world and overseas strategy and other factors of Japanese car manufacturers.

Additionally, our VG (Variable Geometry) turbo charger parts for diesel engine, continued substantial sales increase of which is being prospected in the components business, are intended for specific customers. Consequently, our future business results may be affected by the trend of the customers' strategy on VG turbo charger for diesel engine, plus the trend of VG turbo charger mounting on diesel engine cars that will be accelerated by the emission control in the European market.

(4) Forward-Looking Statement for FY2007

As automobile parts manufacturers promote sourcing materials locally in the process of their expanding business overseas, their urging for steep price reduction, according to their local procurement-based cost cutting policy, and for countermeasures to die life is becoming the issues for us to address. We need to embark on Asia-focused strategy in the light of the relation between order volume increase in dies used for locally produced parts, continued production hike of which is being prospected, and virtual cost reduction through measures against prices or forging die life. In the assembly business with enhanced production potential, we will work on the optimal control of increasing procurement parts as well as improvement in productivity towards buildup of a solid profit making structure.

In the filter business, we will commit ourselves to advance the approach toward automobile-related industry and reinforcement of operation in order to acquire orders for the filters for sophisticated film production facilities, production hike of which is forecasted, and filters for oil drilling.

We will also strive to realize profitability of NICHIDAI AMERICA CORPORATION, who moved into the black in the latter half of FY2006, on the full-year base, and to garner orders from Japanese automobile parts manufacturers in the North America.

On the ground of these efforts, we forecast 11.65 billion yen (up 7.9% year-on-year) of net sales and 1.12 billion yen (up 39.5% year-on-year) of ordinary income for FY 2007.

FY2007 (2006/4/1~2007/3/31)

consolidate forecast

(Millions of Yen)

	Interim		Full year	
		C h a n g e		C h a n g e
S a l e s	5,809	11.5%	11,650	7.9%
Operating income	579	26.3%	1,214	37.1%
Ordinary income	543	28.8%	1,120	39.5%
N e t i n c o m e	327	108.6%	667	80.8%

Non-consolidated forecast

(Millions of Yen)

	Interim		Full year	
		C h a n g e		C h a n g e
S a l e s	5,220	13.4%	10,400	6.6%
Operating income	517	6.7%	1,072	24.0%
Ordinary income	491	7.2%	1,000	24.5%
N e t i n c o m e	295	34.9%	587	40.7%