



# The Financial Statement Briefing For the Year Ended March 31, 2020

---

*May 15, 2020*

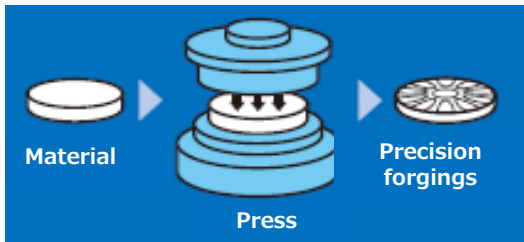
JASDAQ: 6467

**NICHIDAI CORPORATION**

<https://www.nichidai.jp/english/index.html>

## Net-Shape Business

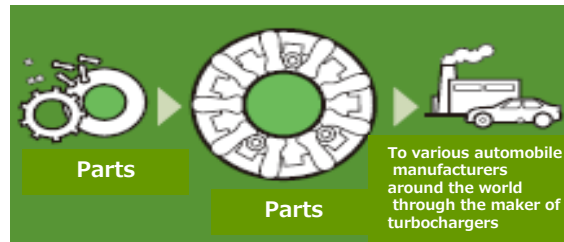
Total support dies for the Production of high-precision automotive parts



High-precision · Resource-saving · High strength

## Assembly Business

Assembles useful components for improving fuel economy and reducing exhausts



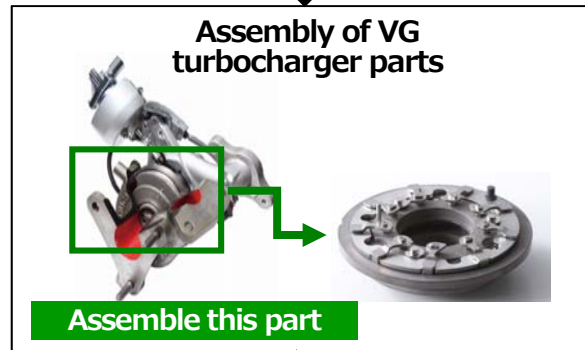
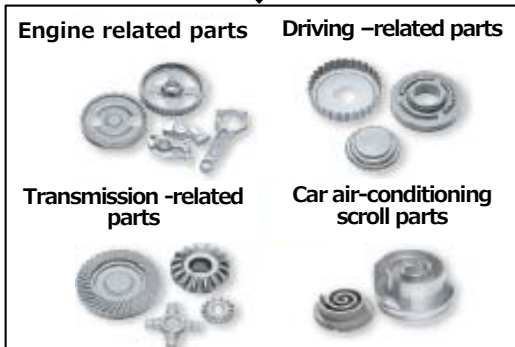
High quality · Automation · Bipolar production

## Filter Business

Providing metal filters that can be used under severe conditions to various industries



High strength · Heat resistance · Oxidization resistance



# Financial Results for the Year Ended March 31, 2020

---



# Financial Results for the Year Ended March 31, 2020

## - P/L: Sales and Profit -

- Compared to the record high of the fiscal year ending March 2019, consolidated sales and ordinary income have decreased significantly.
- Even the plan was not achieved. Announced revision of business forecast on April 28, 2020.

Millions of Yen

	19/3 Results 18/4-19/3	20/3 Revisional Plan 19/4-20/3 (Announced 19/5)	20/3 Results 19/4-20/3	Growth Rate
Net sales	17,416	15,500	14,774	△ 15.2%
Gross income from sales	3,753	3,290	2,948	△ 21.4%
S.G.&A. expense	2,366	2,290	2,235	△ 5.5%
Operating income	1,387	1,000	712	△ 48.6%
Non-operating income	△ 29	0	△ 30	-
Ordinary income	1,417	1,000	743	△ 47.5%
Net income Attributable to Owners of the Parent	968	660	477	△ 50.7%

\* Rounded down to the nearest million yen

### 【Exchange rate】

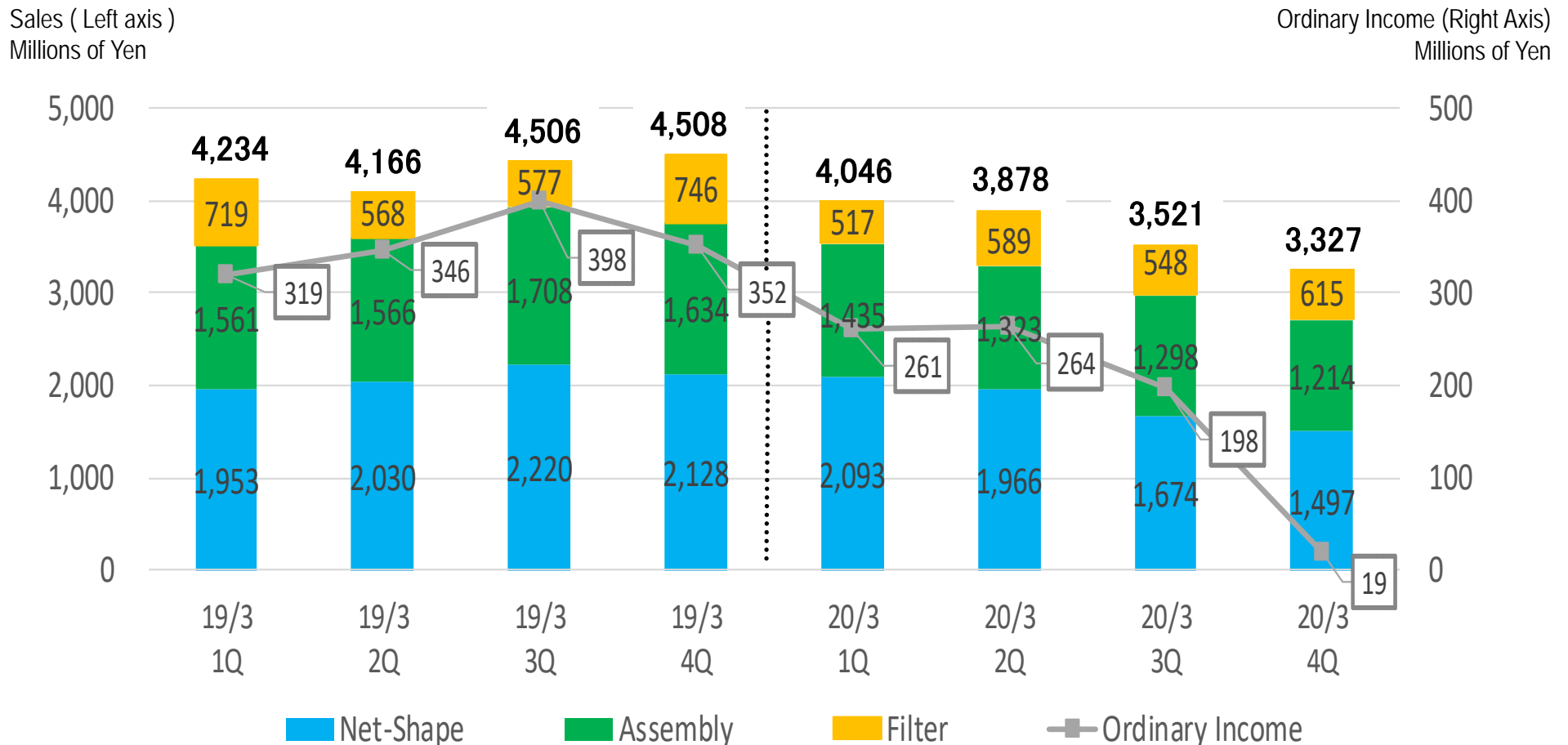
	19/3 Result	20/3 Plan	20/3 Result
USD	110.58yen	110yen	109.55yen
THB	3.42yen	3.4yen	3.63yen



# Financial Results for the Year Ended March 31, 2020

## - Trend in operating results on quarter basis -

- The background is the stagnation of the global auto market due to the impact of trade frictions between the U.S. and China.
- The impact of the COVID-19 began to appear in the fourth quarter, but the impact on the fiscal year ending March 2021 is under scrutiny.



※ Bar graph above figures, consolidated net sales



# Financial Results for the Year Ended March 31, 2020

## Segment Net Sales -

- Net-Shape business and Assembly business have not reached the initial plan.
- All businesses have decreased revenue, but the degree of impact on profits varies depending on the business.

Millions of Yen

Business	19/3 Results 18/4-19/3	20/3 Plan 19/4-20/3 (Announced 19/5)	20/3 Results 19/4-20/3	Growth Rate
Net-Shape	8,332	7,840	7,231	△ 13.2%
Assembly	6,471	5,440	5,272	△ 18.5%
Filter	2,611	2,220	2,270	△ 13.1%
Consolidated Total	17,416	15,500	14,774	△ 15.2%

\* Rounded down to the nearest million yen

# Financial Results for the Year Ended March 31, 2020

## Overview of the Net-Shape Business -

- **Forging Die Division:** Domestic sales remained sluggish. Overseas, increase in Thailand and North America.
- **Precision-forged Goods Division :** Sales of forged scroll products were sluggish at domestic and overseas bases. In particular, domestic scroll forgings were sluggish.
- **Ordinary income :** Profit decreased due to a decrease in sales in both the die and precision forged product divisions.

Millions of Yen

Net-Shape	19/3 Result	20/3 Result	Growth Rate
Domestic	5,905	4,666	△21.0%
Overseas	2,427	2,565	5.7%
Sales Total	8,332	7,231	△13.2%
Ordinary income (Ordinary income rate)	837	295	△64.6%
	10.0%	4.1%	—

\* Rounded down to the nearest million yen

# Financial Results for the Year Ended March 31, 2020

## - Overview of the Assembly Business -

- **Sales** : Sales of turbocharger parts decreased at both domestic and overseas bases.
- **Ordinary income** : Profit decreased due to the decrease in sales.

Millions of Yen

Assembly	19/3 Result	20/3 Result	Growth Rate
Domestic	3,234	2,789	△13.8%
Overseas	3,236	2,483	△23.3%
Sales Total	6,471	5,272	△18.5%
Ordinary income (Ordinary income rate)	346	137	△60.3%
	5.4%	2.6%	—



# Financial Results for the Year Ended March 31, 2020

## Overview of the Filter Business -

- **Sales**: Domestic sales decreased as there were no special demand projects for the electric power industry in the previous year. On the other hand, sales to main users have been strong.
- **Ordinary income**: Significant increase in profit due to the impact of changes in sales composition.

Millions of Yen

Filter	19/3 Result	20/3 Result	Growth Rate
<b>Domestic</b>	2,197	1,773	△19.3%
<b>Overseas</b>	414	497	20.0%
<b>Sales Total</b>	2,611	2,270	△13.1%
<b>Ordinary income</b> (Ordinary income rate)	233	310	33.1%
	8.9%	13.7%	—

# Financial Results for the Year Ended March 31, 2020

## - B/S: Assets -

Millions of Yen

	19/3 Results	20/3 Results	Change
Cash and deposit	2,798	3,664	866
Trade receivable	4,944	3,412	△ 1,532
Inventory	2,270	1,839	△ 431
Others	93	152	58
Allowance for bad debts	0	0	0
<b>Total current assets</b>	<b>10,107</b>	<b>9,068</b>	<b>△ 1,038</b>
Tangible fixed assets	6,409	6,526	116
Intangible fixed assets	344	483	138
Investment and other assets	321	306	△ 15
<b>Total fixed assets</b>	<b>7,076</b>	<b>7,315</b>	<b>239</b>
<b>Total assets</b>	<b>17,183</b>	<b>16,384</b>	<b>△ 798</b>

\* Rounded down to the nearest million yen

# Financial Results for the Year Ended March 31, 2020

## - B/S: Liabilities and Net Assets -

Millions of Yen

	19/3 Results	20/3 Results	Change
Accounts payable	1,905	1,224	△ 680
Short-term debt	1,416	781	△ 635
Accrued income tax	247	69	△ 177
Others	950	931	△ 18
<b>Total current liabilities</b>	<b>4,519</b>	<b>3,007</b>	<b>△ 1,512</b>
Long-term debt	577	722	145
Others	48	53	5
<b>Total fixed liabilities</b>	<b>625</b>	<b>776</b>	<b>150</b>
<b>Total liabilities</b>	<b>5,145</b>	<b>3,783</b>	<b>△ 1,362</b>
Capital	1,429	1,429	0
Capital surplus	1,192	1,192	0
Retained earnings	8,072	8,323	251
Minority interest	1,125	1,253	127
Others	216	401	184
<b>Total net assets</b>	<b>12,037</b>	<b>12,600</b>	<b>563</b>
<b>Total liabilities and net assets</b>	<b>17,183</b>	<b>16,384</b>	<b>△ 798</b>

\* Rounded down to the nearest million yen

# Plan for the Year Ended March 31, 2021

---

The spread of the COVID-19 infection has had a major impact on the global automobile industry, and finished vehicle manufacturers have stopped operating the plant.

Due to the uncertain outlook for production in the Japanese automobile industry, which is our main customer industry, it is currently difficult to reasonably calculate the business forecast for the fiscal year ending March 2021.

Therefore, we have not decided the financial forecast for the fiscal year ending March 2021.

We will announce it as soon as the business forecast can be reasonably calculated.

# Dividends

---

NICHIDAI considers returning its profit to its shareholders as its important business issue and is working toward constantly paying them stock dividends while securing internal reserves required for its future business development and stronger management culture.

The Company determines the dividend amount in view of the business environment, trend of operating results, dividend payout ratio and other indices.

## Dividends

- The year-end dividend for the fiscal year ending March 31, 2020 is planned to be 10 yen, as initially expected.
- As a result, it is expected to be 20 yen a year, including 10 yen for the interim period.
- The dividend forecast for the fiscal year ending March 2021 is undecided because it is difficult to forecast the performance at this point.

	End of Interim Period	Year End	Full Year
	Yen Sen	Yen Sen	Yen Sen
2017FY	10.00	10.00	20.00
2018FY	8.00	10.00 (Ordinary dividend 8.00) (Special dividend 2.00)	18.00 (Ordinary dividend 16.00) (Special dividend 2.00)
2019FY	10.00	15.00 (Ordinary dividend 10.00) (Special dividend 5.00)	25.00 (Ordinary dividend 20.00) (Special dividend 5.00)
2020FY	10.00	10.00(Plan)	20.00(Plan)
2021FY(Plan)	—	—	—



# Medium-term Management Strategies

---



# Challenges, Strategies and Initiatives in New Medium-term Management Strategies

In and after fiscal March 2019, we will push forward with the Medium-term Management Strategies based on the following challenges and strategies.

## 【Basic Strategy】

### Challenge 1: Challenge to adding resilience to existing business

#### Building unrivaled technological strength

- Make efforts to become a niche top company.
- Evolve and establish synergy-driven original technologies.

#### Further improvement of QDC

- Achieve various KPIs.
- Make steady efforts to reduce cost.

### Challenge 2: Challenge to the next generation

#### Further evolvement of overseas business

- Expand overseas ratio.
- Further enhance overseas bases.

#### Launch new businesses

- Respond to the next-generation vehicles.
- Make use of in-house seeds.

## 【Personal・Institutional strategy】

### Challenge 3: Challenge to a great place to work

#### Environment enabling self-fulfillment

- Mechanism that welcomes challenges.
- Mechanism allowing to have a picture of growth.

#### Enhancement of comfortable working environment

- Workstyle reform.
- Communication reform.

Regarding the medium-term management strategy, the spread of the new coronavirus infection has had a great influence on various places, and there are some points to be reconsidered.

We will continue to tackle the three challenges of the medium-term management strategy.

Although it is uncertain about the future, we plan to diligently promote measures that can be implemented.

**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.

IR Representative: Konno, Planning Section Office

Tel. 0774-62-3485      Fax. 0774-65-2301

E-mail: [konno@nichidai.co.jp](mailto:konno@nichidai.co.jp)

# Supplement Material



# Financial Results for the Year Ended March 31, 2020

## - Cost of Sales -

Millions of Yen

	19/3 Results	Ratio	20/3 Results	Ratio
Net sales	17,416	100.0%	14,774	100.0%
Material cost	6,064	34.8%	4,824	32.7%
Purchase of products	1,361	7.8%	735	5.0%
Subcontract processing	1,651	9.5%	1,314	8.9%
Subsidiary material cost	449	2.6%	439	3.0%
Labor cost	2,723	15.6%	2,716	18.4%
Depreciation	729	4.2%	717	4.9%
Change in inventory	44	0.3%	△ 355	△ 2.4%
Others	726	4.2%	722	4.9%
Cost of sales	13,662	78.4%	11,825	80.0%
Gross income from sales	3,753	21.6%	2,948	20.0%

\* Rounded down to the nearest million yen



# Financial Results for the Year Ended March 31, 2020

## - SG&A Expenses -

Millions of Yen

	<b>19/3 Results</b>	<b>Ratio</b>	<b>20/3 Results</b>	<b>Ratio</b>
<b>Net Sales</b>	17,416	100.0%	14,774	100.0%
Packaging/Freight	198	1.1%	175	1.2%
Transportation	131	0.8%	118	0.8%
Labor cost	1,127	7.1%	1,116	7.6%
Depreciation	129	0.8%	116	0.8%
Rent	60	0.4%	60	0.4%
Others	723	4.2%	648	4.4%
<b>SG&amp;A Expenses</b>	<b>2,366</b>	<b>14.4%</b>	<b>2,235</b>	<b>15.1%</b>

\* Rounded down to the nearest million yen

# Financial Results for the Year Ended March 31, 2020

## Cash Flows(CF) -

	Millions of Yen		
	19/3	20/3	Change
Cash flows from operating activities	1,304	2,263	959
Cash flows from investing activities	△ 830	△ 924	△ 93
Cash flows from financing activities	△ 428	△ 755	△ 326
Amount of increase in cash and cash equivalents	23	678	654
Cash and cash equivalents balance at beginning of term	2,665	2,689	23
Cash and cash equivalents balance at end of term	2,689	3,367	678
<b>FCF</b>	<b>473</b>	<b>1,339</b>	<b>865</b>

\*Rounded down to the nearest million yen





# Plan for the Year Ended March 31, 2020

## Capital Investment/Depreciation-

Millions of Yen

	15/3 Results	16/3 Results	17/3 Results	18/3 Results	19/3 Results	20/3 Results
Capital Investment	1,313	774	966	434	771	512
Depreciation	879	970	793	860	853	831

\* Rounded down to the nearest million yen