



The Financial Statement Briefing For the 1st Quarter Ended June 30,2020

August 3,2020

JASDAQ:6467

NICHIDAI CORPORATION

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

I) Business introduction

II) FY21/3 1st Quarter Financial Results Overview

III) FY21/3 full-year forecast

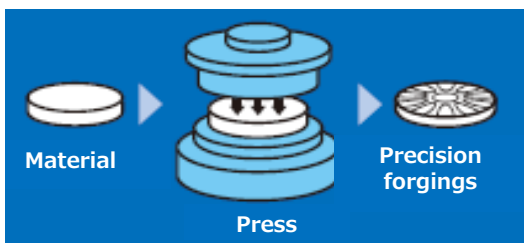
IV) Dividends



I) Business introduction

Net-Shape Business

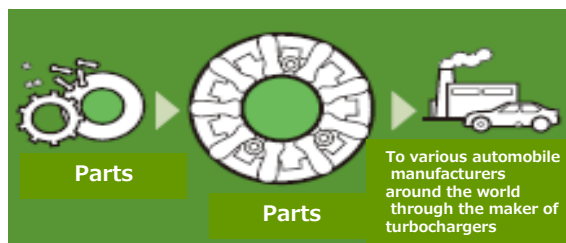
Total support dies for the Production of high-precision automotive parts



High-precision · Resource-saving · High strength

Assembly Business

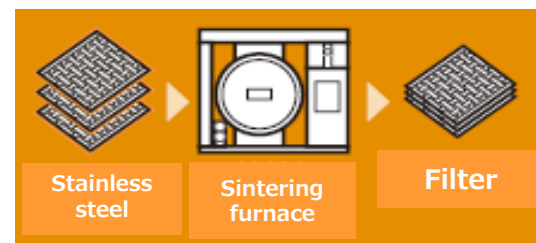
Assembles useful components for improving fuel economy and reducing exhausts



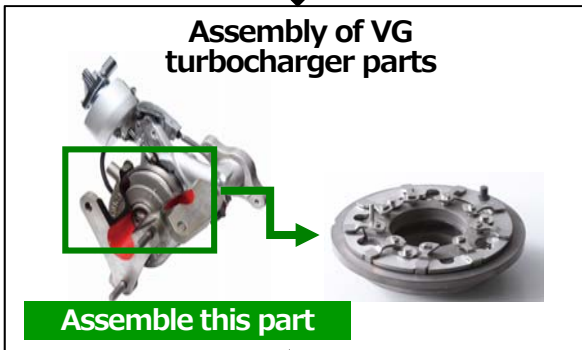
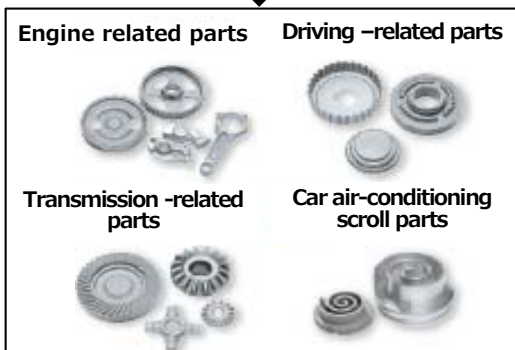
High quality · Automation · Bipolar production

Filter Business

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



High strength · Heat resistance · Oxidization resistance



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Financial Highlights

Performance

- **Net Sales** 2,172 Million of Yen (Growth Rate 33.0% Down)
- **Ordinary income** $\Delta 104$ Million of Yen (Profit of 261 million yen in the previous year)
- **Net income Attributable to Owners of the Parent** $\Delta 79$ Million of Yen (Profit of 175 million yen in the previous year)

Background

- The spread of the COVID-19 infection will affect the global automobile industry.
- Automobile production stagnated significantly, resulting in a significant decrease in Net Shape Business/Assembly Business sales.
- Filter Business remained strong, but could not cover it.

	20/3 1Q Results	21/3 1Q Plan	Growth Rate
Net Sales	4,046	2,712	△33.0%
Gross income from sales	835	365	△56.2%
S.G.&A expense	580	520	△10.3%
Operating income	255	△154	-
Non-operating income	△5	△50	-
Ordinary income	261	△104	-
Net income Attributable to Owners of the Parent	175	△79	-

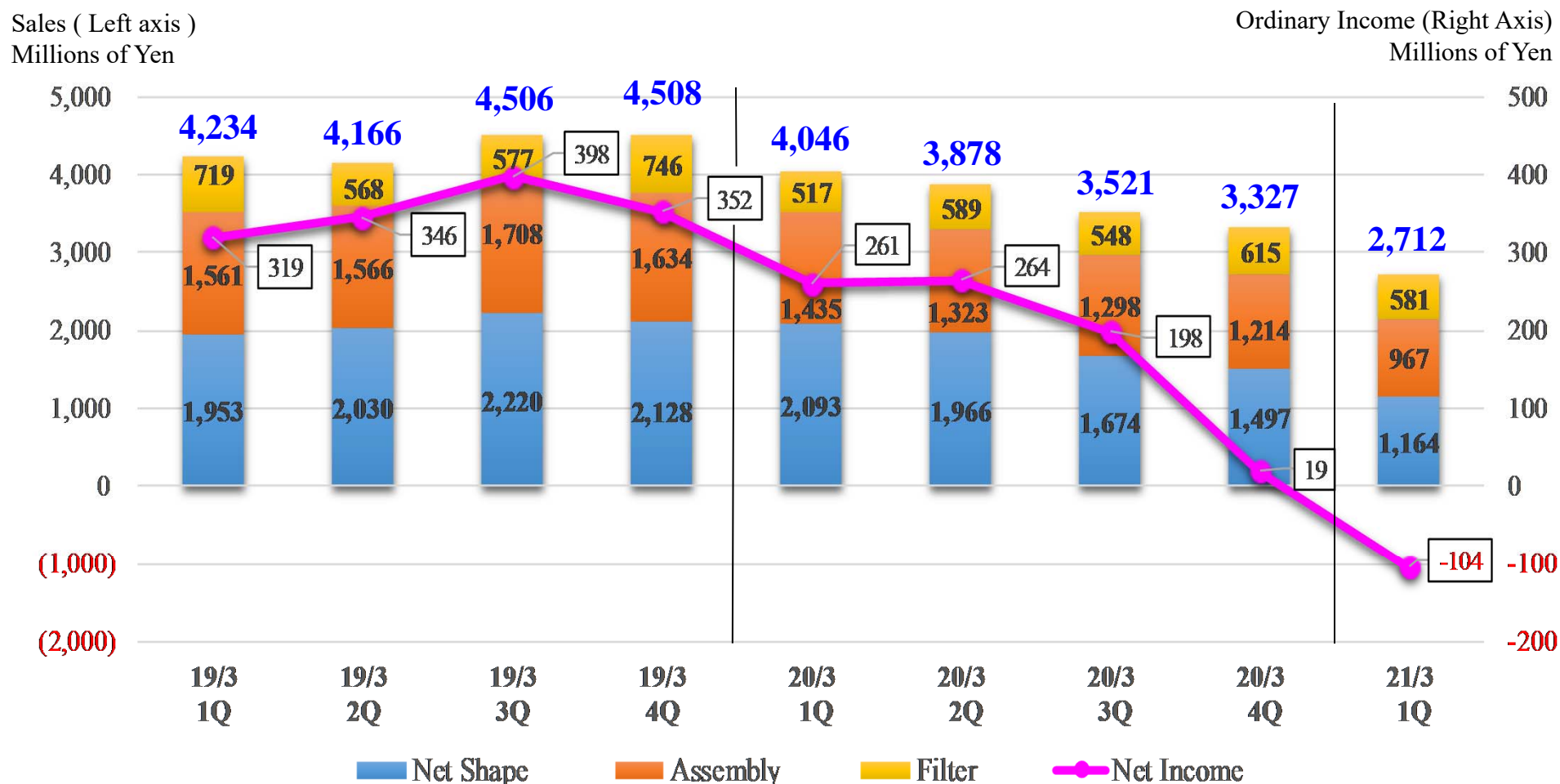
Exchange Rate	20/3 1Q Results	21/3 1Q Plan
USD	110.45Yen	109.10Yen
THB	3.48Yen	3.49Yen

Review of the previous term

- Decrease in sales
Sales of the Net Shape and Assembly Business, which are closely related to the automobile industry, saw a significant decrease in sales.
- Gross income from sales
Reduce costs by controlling overtime work.
- S.G.&A expense
Implement various cost control measures.
- Non-operating income
⇒ Subsidy income from temporary leave 56 million yen
⇒ Foreign exchange loss of 11 million yen (Profit of 0.4 million yen last year)

II) FY21/3 1st Quarter Financial Results Overview

- From the second half of the previous year, sales decreased due to the stagnation of the automobile industry due to US-China trade friction.
- In the current fiscal year, sales of Net Shape Business and Assembly Business have decreased significantly due to the spread of the COVID-19 infection.



II) FY21/3 1Q Results-Trend of Net-shape business—

【Factors for change in sales】

In addition to the US-China trade friction, the spread of the COVID-19 infection stagnates the automobile industry. Sales decreased both in the Forging Die Division and Precision-forged Goods Division in Japan and overseas.

【Factors for change in ordinary income】

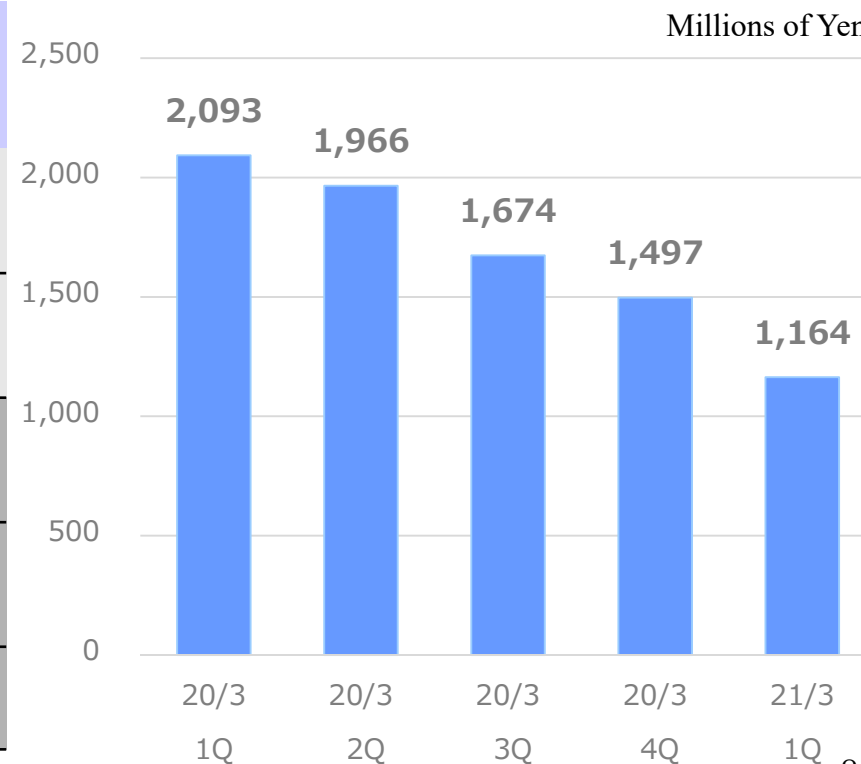
Although there were effects of cost control measures and subsidy income, a loss was recorded due to a decrease in sales.

	20/3 1 ^Q Results	21/3 1 ^Q Results	Growth Rate
Domestic	1,434	761	△46.9%
Overseas	658	402	△38.9%
Sales Total	2,093	1,164	△44.4%
Ordinary income (Ordinary income rate)	156	△139	—
	7.5%	△12.0%	—

* Rounded down to the nearest million yen

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《Quarterly Sales Trend》



II) FY21/3 1Q Results-Trend of Assembly business—

【Factors for change in sales】

As with the Net Shape Business, the stagnation of the automobile industry has an impact. Sales of turbocharger parts at home and abroad have dropped significantly.

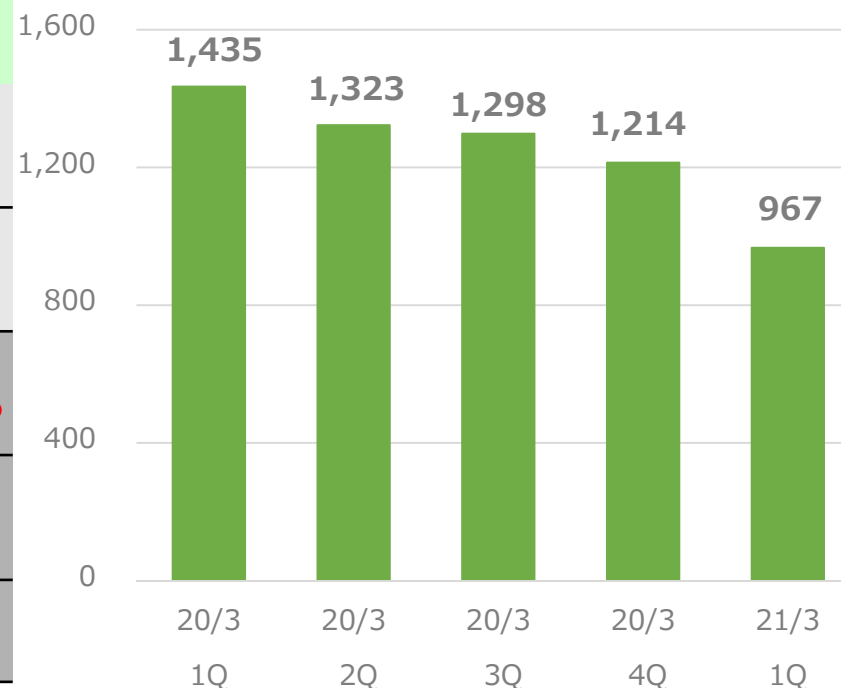
【Factors for change in ordinary income】

A loss will be recorded as sales decrease.

	20/3 1 ^Q Results	21/3 1 ^Q Results	Growth Rate
Domestic	710	435	△38.7%
Overseas	725	532	△26.6%
Sales Total	1,435	967	△32.6%
Ordinary income (Ordinary income rate)	47	△55	—
	3.3%	△5.8%	—

《Quarterly Sales Trend》

Millions of Yen



* Rounded down to the nearest million yen

II) FY21/3 1Q Results-Trend of Filter business—

【Factors for change in sales】

Sales were secured due to the fact that users are outside the automotive industry and are diversifying. Sales to main users remained strong.

【Factors for change in ordinary income】

Ordinary income increased due to the effect of increased sales and the impact of the product mix.

	20/3 1 ^Q Results	21/3 1 ^Q Results	Growth Rate
Domestic	375	425	13.6%
Overseas	142	155	9.1%
Sales Total	517	581	12.3%
Ordinary income (Ordinary income rate)	57	90	59.1%
	11.1%	15.7%	—



* Rounded down to the nearest million yen

Consolidated balance sheet

Millions of Yen

FY20/3 4Q

Total current assets 9,068	Total current liabilities 3,007
	Total fixed liabilities 776
Total net assets 12,600	
Total fixed assets 7,315	

FY21/3 1Q

Total current assets 8,809 (- 258)	Total current liabilities 3,034 (+26)
	Total fixed liabilities 859 (+83)
Total net assets 12,078 (- 522)	
Total fixed assets 7,162 (- 153)	

* Rounded down to the nearest million yen

Increase/decrease indication with 20/3

+ = increase, - = decrease

Total current assets:

Notes and accounts receivable (- 515 million yen), Sales record receivable (- 104 million yen)

⇒Receivables decreased due to a decrease in orders.

Cash and deposits (+ 313 million yen)

Total current liabilities:

Accounts payable (- 179 million yen) , Accounts payable (- 245 million yen)

Borrowings (+ 327 million yen) , Reserve for bonuses (+ 192 million yen)

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IV) Dividends

Regarding the business forecast for the second quarter of the fiscal year ending March 2021, although it has not been decided because it is difficult to reasonably calculate the effect of the new coronavirus, we have decided to calculate and publicize it based on the information currently available.

The full-year forecast is undecided because the trends in the automobile industry, which is our main customer industry, are still unclear. We will announce when rational calculation becomes possible.

III) FY21/3 Plan - First half sales and profit forecast-

Millions of Yen

	20/3 1st half results	21/3 1st half Plan	Growth Rate	Earnings forecast
Net Sales	7,925	4,970	△37.3%	
Gross income from sales	1,651	560	△66.1%	
S.G.&A expense	1,145	1,070	△6.5%	
Operating income	505	△490	—	
Non-operating income	△20	△170	—	
Ordinary income	526	△320	—	
Net income Attributable to Owners of the Parent	349	△240	—	
Exchange Rate	20/3 Result	21/3 Plan		
USA	110.11Yen	108Yen		
THB	3.48Yen	3.4Yen		

* Rounded down to the nearest million yen

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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 structure.

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

IV) Dividends

- The full-year earnings forecast has not been decided because the outlook for the automobile industry, which is the main customer industry, remains uncertain.
- Considering comprehensively the business environment, performance trends, and the current situation in which the full-year earnings forecast is undecided, we will postpone the dividend at the end of the second quarter, and the year-end dividend is undecided.
- Full-year dividend forecast will be announced when full-year earnings forecast becomes available.

	End of Interim Period	Year End	Full Year
	Yen Sen	Yen Sen	Yen Sen
2020FY	10.00	10.00	20.00
2021FY (Plan)	0.00	Undecided	Undecided

Thank you very much for coming today.

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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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