



The Financial Statement Briefing For 2Q of the Year Ending March 31, 2022

October 29, 2021

JASDAQ: 6467

株式会社 ニチダイ
NICHIDAI CORPORATION

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

- I) Business introduction**
- II) FY22/3 Summary of financial results
for the second quarter
- III) FY22/3 Full year outlook
- IV) Dividends
- V) Medium-term Management Strategies
- VI) Notification

I) Business introduction

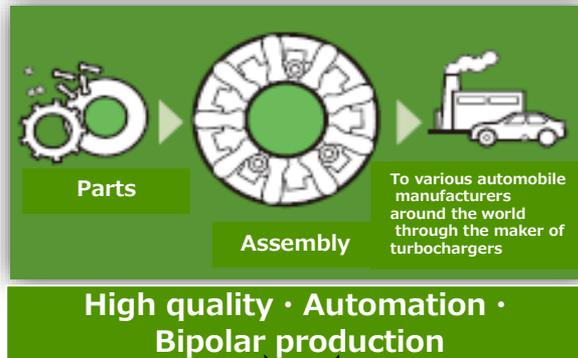
Net-Shape Business

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



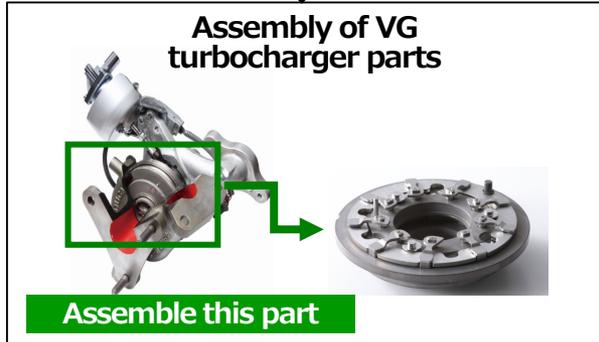
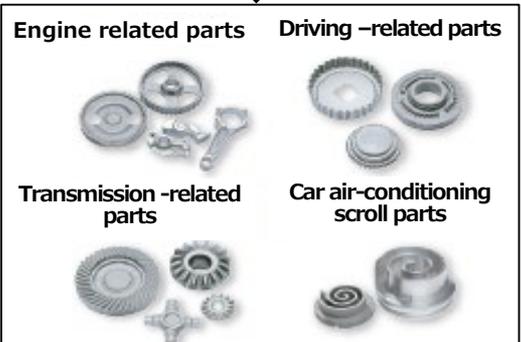
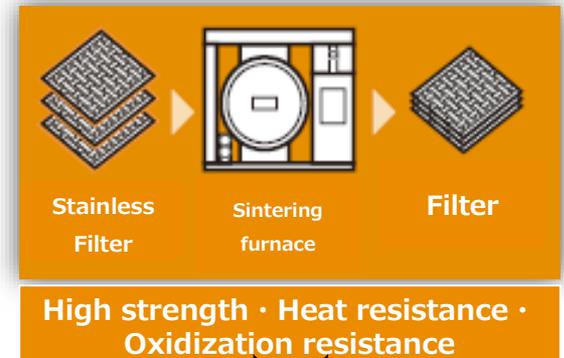
Assembly Business

Assembles useful components for improving fuel economy and reducing exhausts



Filter Business

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



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Upward revision of FY22/3 2Q earnings forecast

Millions of Yen

	FY22/3 2Q Plan	FY22/3 2Q Results	Increase And Decrease	Growth Rate
Net Sales	6,800	6,788	▲11	▲0.2%
Operating income	135	255	120	+89.2%
Ordinary income	145	250	105	+72.5%
Net income Attributable to Owners of the Parent	100	142	42	+42.1%

Comments

■ There is a difference between the forecast and actual results for the second quarter of the fiscal year ending March 2022 announced in July 2021.

■ Operating income, ordinary income, and net income attributable to owners of the parent increased more than planned as sales of Net-Shape Business and Filter Business exceeded the plan.

Ⅱ) FY 22/3 Summary of financial results for the second quarter – Sales and Profit –

Millions of Yen

	FY21/3 2Q Results	FY22/3 2Q Results	Growth Rate	FY22/3 2Q Plan
Net Sales	5,099	6,788	33.1%	6,800
Gross income from sales	587	1,338	127.9%	1,265
S.G.&A expense	986	1,082	9.8%	1,130
Operating income	▲399	255	–	135
Non-operating income	▲125	5	–	▲10
Ordinary income	▲273	250	–	145
Net income Attributable to Owners of the Parent	▲208	142	–	100

※Rounded down to the nearest million yen

Yen

Exchange Rate	FY21/3 2Q Results	FY22/3 2Q Results
USD	108.36	110.61
THB	3.44	3.49

Comments

■ Net Sales

Sales increased year-on-year in tandem with the recovery of the automobile industry.

■ Gross income from sales

Increased with increased sales.

■ Operating income, Ordinary income, Net income Attributable to Owners of the Parent Profit was recorded due to the increase in sales.

2)FY22/3 2Q Financial Highlights

-Net Sales by Business Segment-

Millions of yen

Business name	FY21/3 2Q Results	FY22/3 2Q Results	Growth Rate
Net-Shape Business	2,338	3,360	43.7%
Assembly Business	1,630	2,204	35.2%
Filter Business	1,130	1,222	8.1%
Consolidated total	5,099	6,788	33.1%

※Rounded down to the nearest million yen

Comments

■ Net-Shape Business

Sales increased as automobile production recovered.

■ Assembly Business

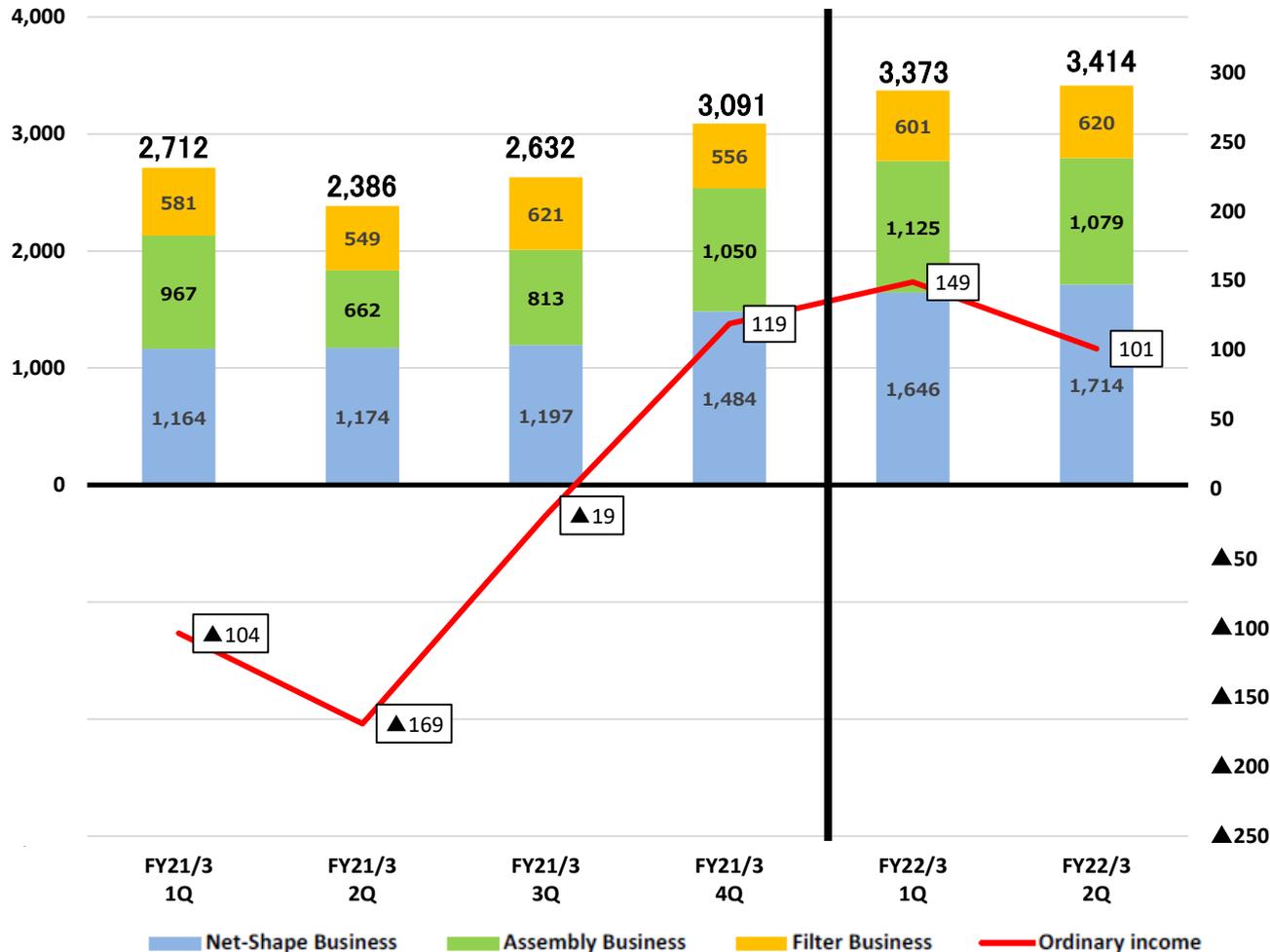
Similar to the Net-Shape Business, sales increased with the recovery of automobile production.

■ Filter Business

Increased year-on-year without breaking the steady pace.

Sales (Left axis)
Millions of Yen

Ordinary Income (Right Axis)
Millions of Yen



Comments

■ The Net-Shape Business has been on an upward trend since the previous year.

■ The impact of semiconductor shortages and parts shortages affected sales in the Assembly Business in the second quarter.

■ The Filter Business has performed steadily since the previous year.

※Rounded down to the nearest million yen

Graph upward: Total sales

Ⅱ) FY 22/3 Summary of financial results for the second quarter – Trend of Net-Shape Business –

《Domestic and overseas sales and ordinary income》

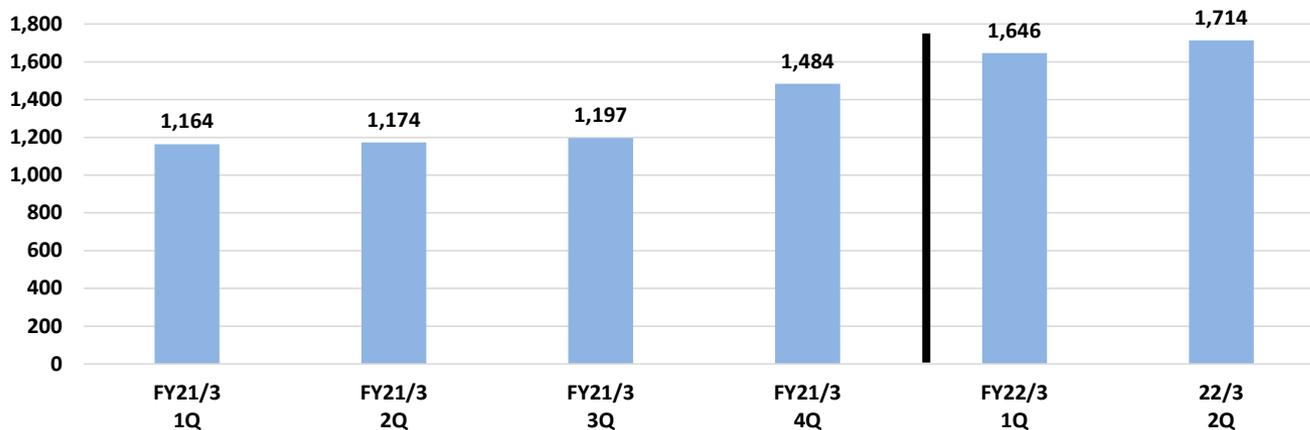
Millions of Yen

Net-Shape Business	FY21/3 2Q Results	FY22/3 2Q Results	Growth Rate
Domestic	1,470	2,092	42.3%
Overseas	868	1,268	46.1%
Total sales	2,338	3,360	43.7%
Ordinary income (Ordinary Income Rate)	▲308	87	–
	▲13.2%	2.6%	–

※Rounded down to the nearest million yen

Net-Shape Business

Millions of Yen



Comments

【Reasons for increase in sales】

In the Net-Shape Business, domestic and overseas sales are recovering along with the automobile industry.

【Reasons for increase in ordinary income】

Recorded ordinary income due to recovery in sales.

Ⅱ) FY 22/3 Summary of financial results for the second quarter – Trend of Assembly Business –

《Domestic and overseas sales and ordinary income》

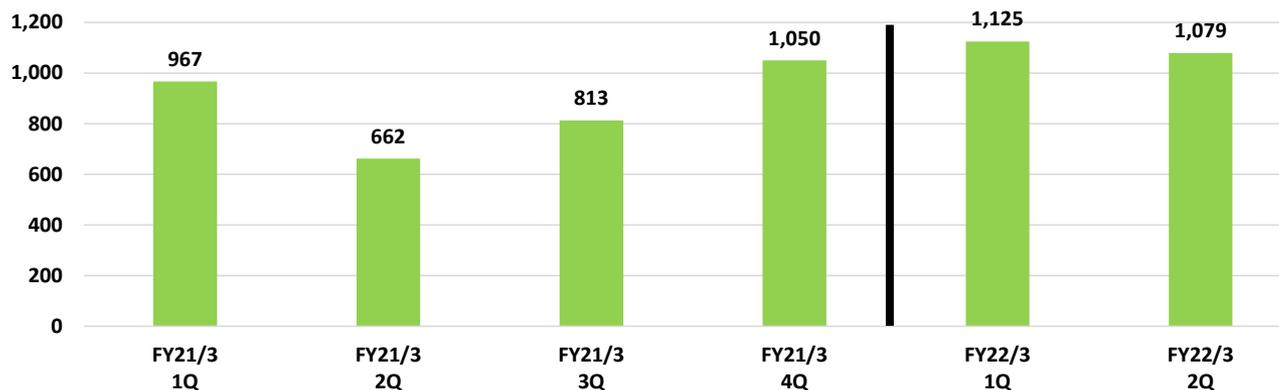
Millions of Yen

Assembly Business	FY21/3 2Q Results	FY22/3 2Q Results	Growth Rate
Domestic	959	943	▲ 1.7%
Overseas	670	1,261	88.1%
Total sales	1,630	2,204	35.2%
Ordinary income (Ordinary Income Rate)	▲ 125	0	–
	▲ 7.7%	0.0%	–

※Rounded down to the nearest million yen

Millions of Yen

Assembly Business



Comments

【Reasons for increase in sales】

- Demand for turbocharger parts has recovered due to the recovery in automobile production.

- Sales in 2Q decreased compared to 1Q due to the impact of a shortage of parts supply due to the re-expansion of the COVID-19 in Southeast Asia.

【Reasons for increase in ordinary income】

Ordinary income was recorded in 1Q, but ordinary loss was recorded in 2Q due to the impact of the decline in sales.

Ⅱ) FY 22/3 Summary of financial results for the second quarter

– Trend of Filter Business –

《Domestic and overseas sales and ordinary income》

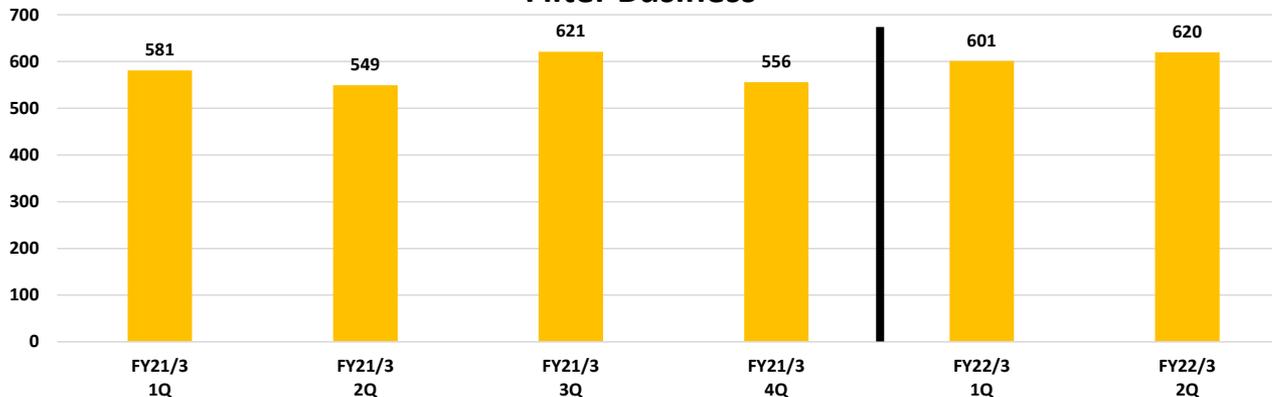
Millions of Yen

Filter Business	FY21/3 2Q Results	FY22/3 2Q Results	Growth Rate
Domestic	839	807	▲3.8%
Overseas	290	415	42.7%
Total sales	1,130	1,222	8.1%
Ordinary income (Ordinary Income Rate)	159	161	1.5%
	14.1%	13.3%	—

※Rounded down to the nearest million yen

Millions of Yen

Filter Business



Comments

【Reasons for increase in sales】

Maintained solid business performance and increased sales. In particular, overseas sales increased.

【Reasons for increase in ordinary income】

Sales were strong and ordinary income increased.

2)FY22/3 2Q Summary of financial

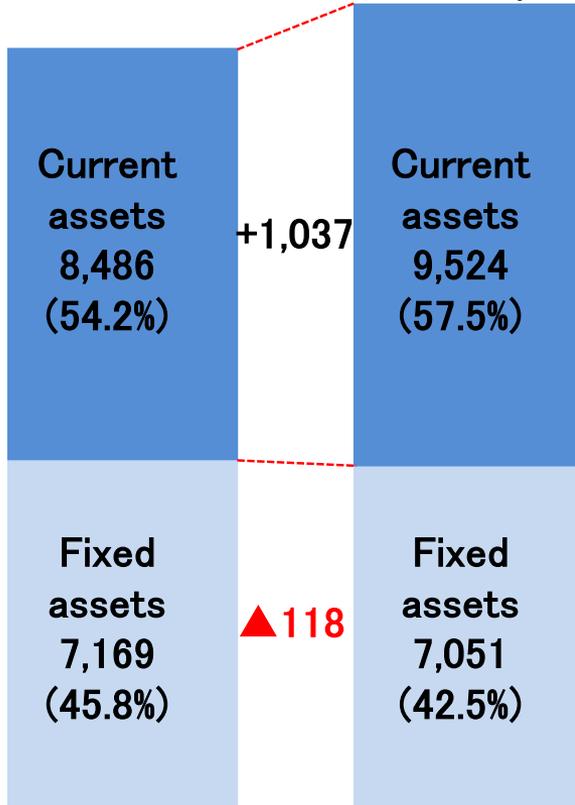
-Status of B/S-

FY21/3 4Q Total assets 15,656	+919 	FY22/3 2Q Total assets 16,575
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※Rounded down to the nearest million yen
 () Figures in parentheses are composition ratios.

Assets

Millions of yen

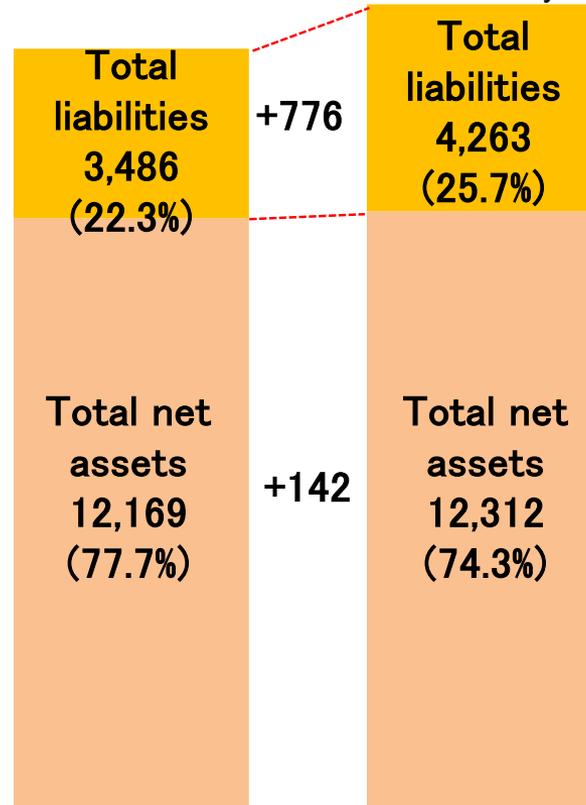


FY21/3

FY22/3 2Q

Liabilities

Millions of yen



FY21/3

FY22/3 2Q

Comments

■ Current assets

Increase in trade receivables (+392Millions)

Increase in inventory (+184Millions)

■ Total liabilities

Increase in accounts payable (+181Millions)

Increased lease debt (+400Millions)

■ Debt

FY21/3 4Q
1,361Millions

FY22/3 2Q

1,408Millions

Ⅱ)FY22/3 2Q Financial statements – Cash Flows(CF) –

Millions of Yen

	FY21/3 2Q Results	FY22/3 2Q Results	Increase And Decrease
Cash flows from operating activities	486	380	▲105
Cash flows from investing activities	▲435	▲310	125
Cash flows from financing activities	198	346	148
Amount of increase in cash and cash equivalents	183	429	245
Cash and cash equivalents balance at beginning of term	3,367	3,144	▲223
Cash and cash equivalents balance at end of term	3,551	3,573	22
FCF	50	70	20

※Rounded down to the nearest million yen

Comments

■ Main breakdown of CF due to Operating activities

Income before tax
adjustment quarterly net
income

FY21/3 2Q
(▲274Millions)

FY22/3 2Q
(224Millions)

Increase / decrease in
trade receivables

(▲ is increase)
FY21/3 2Q
(942Millions)

FY22/3 2Q
(▲391Millions)

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Ⅲ) FY21/3 Full year outlook

Millions of yen

Account Title	FY21/3 Results	FY22/3 Plan	Growth Rate
Net sales	10,823	13,600	25.7%
Gross profit	1,609	2,670	65.9%
SG&A expenses	1,949	2,270	16.5%
Operating income	▲339	400	—
Other Income and Expenses	▲165	▲30	—
Ordinary income	▲173	430	—
Profit attributable to owners of parent Net income	▲170	290	—

※Rounded down to the nearest million yen

Unit: yen

Exchange rate	FY21/3 Results	FY22/3 Plan
USD	103.52	104.00
THB	3.44	3.40

Comments

■FY22/3 Plan

Full-year earnings forecast unchanged.

■Reason for not changing

In the automobile industry, the production of finished vehicle manufacturers is stagnant due to the effects of semiconductor supply shortages and parts supply shortages. In addition, there is no prospect of convergence of the COVID-19, The uncertain future continues.

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In the first half of the year, profits exceeded the plan, but as explained earlier, the outlook for the automobile industry, which is a major customer industry, is uncertain, so we will leave the forecast for annual dividends unchanged.

	End of Interim Period	Year End	Full Year
	Yen Sen	Yen Sen	Yen Sen
FY20/3	10.00	10.00	20.00
FY21/3	—	4.00	4.00
FY22/3 (Plan)	5.00	5.00 (Plan)	10.00 (Plan)

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V)Medium-term Management Strategies

Since 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.

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

- Building unrivaled technological strength
- Further improvement of QDC

■ Creating synergies

We produce parts for turbochargers using precision forging technology, and promote in-house production of component parts and win orders through synergies between the Assembly Business and the Net-Shape Business.



Challenge 2: Challenge to the next generation

- Further evolvement of overseas business
- Launch new businesses

■ Expansion of Dies production in Thailand

Since last year, we have partnered with an Indian sales agent to strengthen overseas activities. Promote production transfer of high value-added Dies to our base in Thailand.



Challenge 3: Challenge to a great place to work

- Environment enabling self-fulfillment
- Enhancement of comfortable working environment

■ Renewal of the information system

Starting this year, we will start operating a new core system. It greatly contributes to the sophistication and efficiency of operations by further improving the accuracy of data contents and data linkage.



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Application for listing on the standard market

With the reorganization of the market segment of the Tokyo Stock Exchange in 2022, we have decided to apply for listing on the standard market from the conventional JASDAQ market.

Standard market concept

A market for companies that are committed to sustainable growth and medium- to long-term enhancement of corporate value while having sufficient liquidity and governance levels as investment targets in the open market.

We look forward to the continued support of our shareholders.

Thank you very much.

株式会社 ニチダイ
NICHIDAI CORPORATION

- This material has been prepared based on judgments, assumptions, etc. based on information currently available to us.
- Accordingly, various uncertainties are inherent and, as a result, actual results may differ from those projected.

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Supplementary material

Millions of Yen

	FY21/3 Results	Ratio	FY22/3 Results	Ratio
Net sales	5,099	100.0%	6,788	100.0%
Material cost	1,629	31.9%	2,399	35.3%
Purchase of products	280	5.5%	480	7.1%
Subcontract processing	492	9.7%	585	8.6%
Subsidiary material cost	174	3.4%	217	3.2%
Labor cost	1,236	24.2%	1,359	20.0%
Depreciation	331	6.5%	321	4.7%
Change in inventory	▲44	▲0.9%	205	3.0%
Others	322	6.3%	292	4.3%
Cost of sales	4,512	88.5%	5,450	80.3%
Gross income from sales	587	11.5%	1,338	19.7%

※Rounded down to the nearest million yen

Millions of Yen

	FY21/3 Results	Ratio	FY22/3 Results	Ratio
Net Sales	5,099	100.0%	6,788	100.0%
Packing/Freight	61	1.2%	83	1.2%
Transportation	20	0.4%	23	0.3%
Labor cost	535	10.5%	557	8.2%
Depreciation	54	1.1%	71	1.0%
Rent	31	0.6%	31	0.5%
Others	281	5.5%	315	4.6%
SG&A Expenses	986	19.3%	1,082	16.0%

※Rounded down to the nearest million yen