



The Financial Statement Briefing For 2Q of the Year Ending March 31, 2024

Oct. 31, 2023

Standard: 6467

株式会社 ニチダイ
NICHIDAI CORPORATION

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

- 1) Business introduction**
- 2) Summary of Financial Results for the
FY24/3 2Q
- 3) Full year outlook for the FY24/3
- 4) Dividends

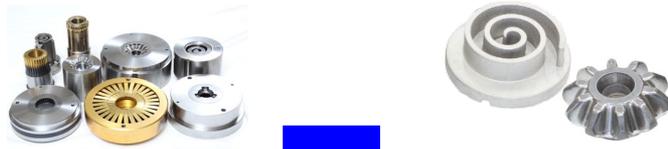
Business introduction

- Change in reporting segments -

From the fiscal year ending in March 2024, our company will implement the following changes to reporting segments

FY23/3

FY24/3



Precision die

Precision parts



Precision die

Net-shape Business

Precision Die Business



Turbocharger parts



Precision parts Turbocharger parts

Assembly Business

Precision Parts Business



Filter



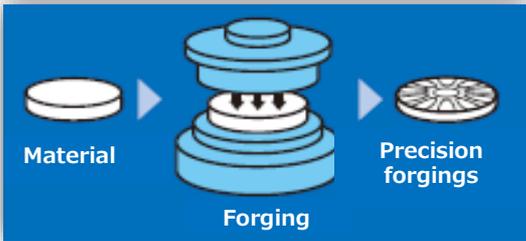
Filter

Filter Business

Filter Business

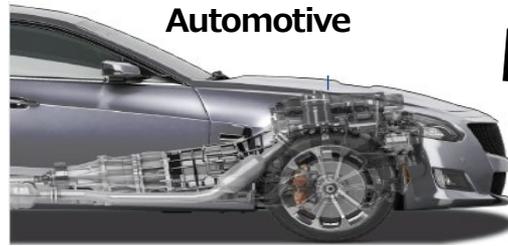
Precision Die Business

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



High-precision · Resource-saving · High strength

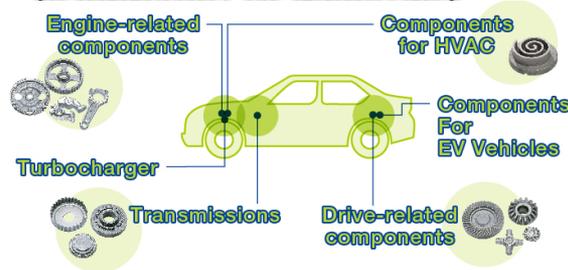
Automotive Precision Die Production



Automotive

Precision Parts Business

Utilizing die know-how, we can handle a wide range of precision parts from mass production to assembly



High quality · Automation · Bipolar production

Precision forging parts production and Assembly of VG turbocharger parts



Filter Business

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



High strength · Heat resistance · Oxidization resistance

Multi-layer sintered filters



Beverage



Health care



Aero space



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2) Summary of Financial Results for the FY24/3 2Q – Revision of Performance Forecast (October 31, 2023) –

Net Sales: The overseas sales of the filter business have decreased due to the impact of the economic downturn in China, among other factors.

Operating income: Due to the sluggish performance of the precision parts business and a decrease in the sales of the filter business compared to initial expectations, operating losses have increased.

Ordinary income: Due to the recognition of foreign exchange gains and the increased operating losses, the performance is below the planned expectations.

Millions of Yen

| | FY24/3 2Q Plan | FY24/3 2Q result | Increase And Decrease |
|--|-------------------|---------------------|-----------------------------|
| Net Sales | 5,620 | 5,426 | ▲193 |
| Operating income | ▲80 | ▲188 | ▲108 |
| Ordinary income | ▲75 | ▲119 | ▲44 |
| Net income Attributable to Owners of the Parent | ▲100 | ▲168 | ▲68 |

※Rounded down to the nearest million yen

| | | | |
|------------------------|-----|--------|--------|
| Exchange Rate (Yen) | USD | 130.00 | 135.99 |
| | THB | 3.80 | 3.95 |

※The exchange rates used for the 2Q plan of FY23/4 were based on the average rates from January to September 2023, while the exchange rates used for the 2Q result of FY24/3 were based on the average rates from January to September 2023.

2) Summary of Financial Results for the FY24/3 2Q

– Sales and income –

Net Sales: The Precision Die Business and Precision Parts Business have experienced an increase in sales compared to the previous period.

Operating income: Due to the decrease in sales of the Filter Business, losses have increased compared to the previous period.

Ordinary income: The increase in losses is attributed to a decrease in non-operating income.

Millions of Yen

| | 23/3 2Q Result | 24/3 2Q Result | Growth rate |
|---|----------------|----------------|-------------|
| Net Sales | 5,248 | 5,426 | +3.4% |
| Gross income from sales | 939 | 932 | ▲0.8% |
| S.G.&A expense | 1,083 | 1,120 | +3.5% |
| Operating income | ▲143 | ▲188 | – |
| Non-operating income | ▲118 | ▲68 | – |
| Ordinary income | ▲25 | ▲119 | – |
| Net income Attributable to Owners of the Parent | ▲151 | ▲168 | – |

※Rounded down to the nearest million yen

| | | | |
|------------------------|-----|--------|--------|
| Exchange Rate (Yen) | USD | 123.18 | 135.99 |
| | THB | 3.64 | 3.95 |

※The exchange rates used for the 2Q result of FY23/3 were based on the average rates from January to September 2023, while the exchange rates used for the 2Q result of FY24/3 were based on the average rates from January to September 2023.

2) Summary of Financial Results for the FY24/3 2Q

– Sales by business segment –

Precision Die Business: Due to the recovery in the automotive production situation and other factors, there is an increase compared to the previous period.

Precision Parts Business: The increase is attributed to a rise in new products in precision forging, resulting in growth compared to the previous period.

Filter Business: The robust demand for products aimed at overseas markets has subsided, leading to a decrease in sales.

Millions of yen

| Business segment | FY23/3 2Q Results | FY24/3 2Q Results | Growth Rate |
|--------------------------|----------------------|----------------------|----------------|
| Precision Die Business | 2,265 | 2,420 | +6.8% |
| Precision Parts Business | 1,749 | 1,826 | +4.4% |
| Filter Business | 1,233 | 1,179 | ▲4.3% |
| Consolidated total | 5,248 | 5,426 | +3.4% |

※Rounded down to the nearest million yen

2) Summary of Financial Results for the FY24/3 2Q

– Trend of Precision Die Business –

Sales:(Domestic) The recovery in production by Japanese automotive manufacturers, among other factors, has led to an increase in demand for dies.

(Overseas) There is an increase in demand for dies, particularly for the ASEAN market.

Ordinary income: Due to the increase in sales, ordinary losses have decreased.

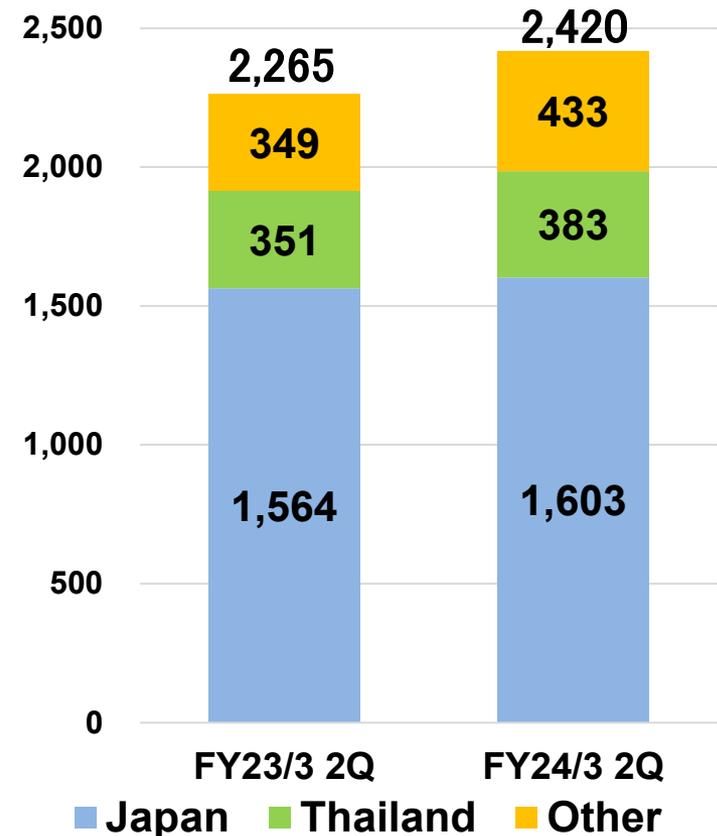
Domestic and Overseas Sales Revenue and Ordinary Income

Millions of Yen

| | 23/3 2Q Results | 24/3 2Q Results | Growth Rate |
|----------------------|-----------------|-----------------|--------------|
| Domestic | 1,564 | 1,603 | +2.5% |
| Overseas | 701 | 816 | +16.4% |
| Total sales | 2,265 | 2,420 | +6.8% |
| Ordinary income | ▲ 64 | ▲ 8 | — |
| Ordinary Income Rate | ▲ 2.8% | ▲ 0.4% | — |

Regional breakdown of net sales in the Precision Die Business

Millions of Yen



※Rounded down to the nearest million yen

2) Summary of Financial Results for the FY24/3 2Q

– Trend of Precision Parts Business –

Sales:(Domestic) Increased sales are attributed to a rise in new products in precision forging.

(Overseas) Sales have decreased due to a slump in demand for turbocharger parts.

Ordinary income: Decreased profitability is due to the continued sluggishness in sales and changes in product composition.

Domestic and Overseas Sales Revenue and Ordinary Income

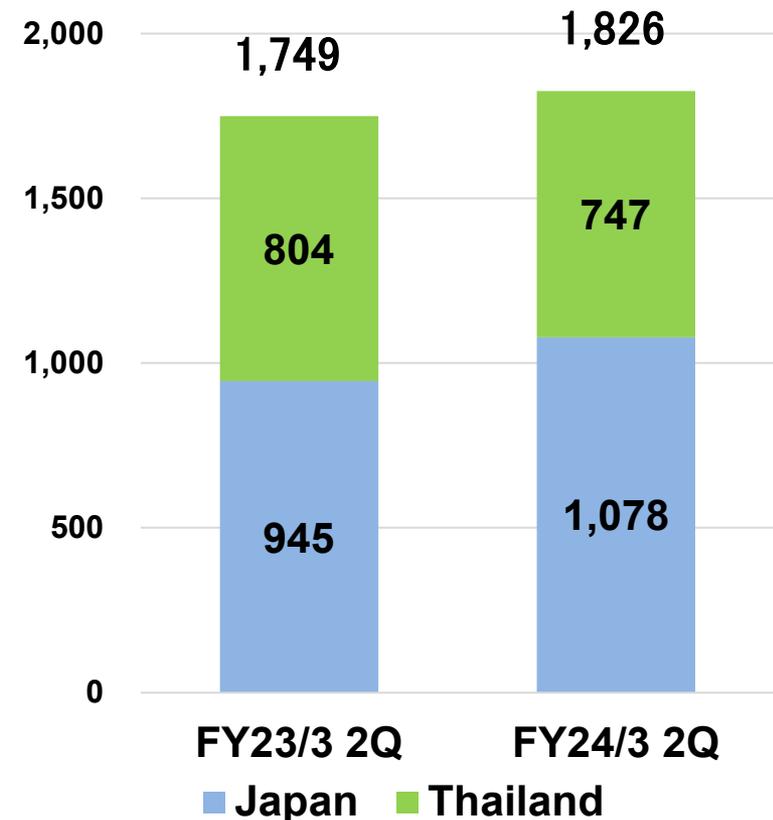
Millions of Yen

| | 23/3 2Q Results | 24/3 2Q Results | Growth Rate |
|----------------------|-----------------|-----------------|--------------|
| Domestic | 945 | 1,078 | +14.1% |
| Overseas | 804 | 747 | ▲7.0% |
| Total sales | 1,749 | 1,826 | +4.4% |
| Ordinary income | ▲102 | ▲127 | — |
| Ordinary Income Rate | ▲5.9% | ▲7.0% | — |

※Rounded down to the nearest million yen

Regional breakdown of net sales in the Precision Parts Business

Millions of Yen



2) Summary of Financial Results for the FY24/3 2Q

– Trend of Filter Business –

Sales: (Domestic) Strong performance in sales to key users has led to an increase.

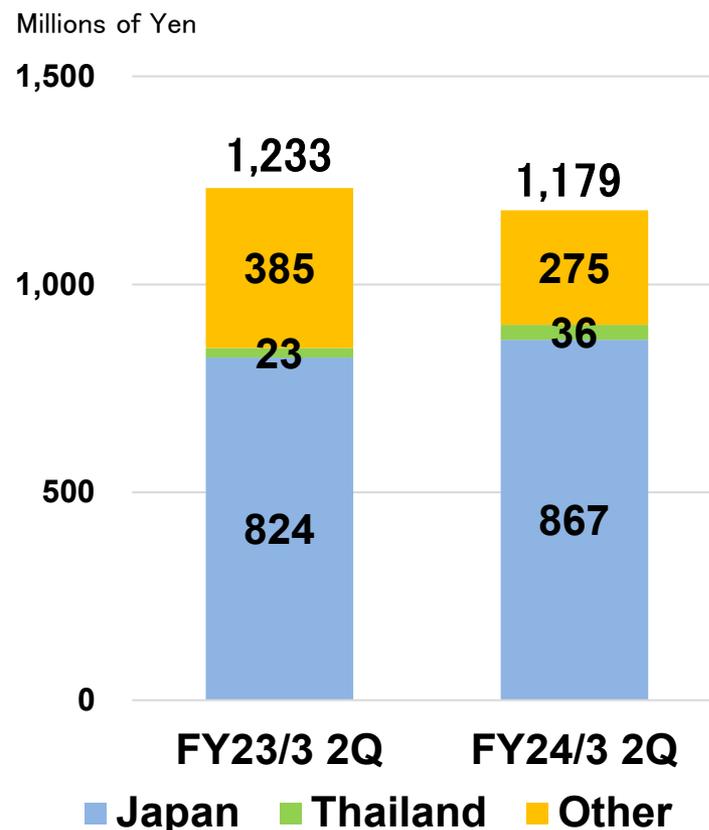
(Overseas) Robust demand for overseas markets has subsided, resulting in a significant decrease compared to the previous period.

Ordinary income: Decreased profitability is attributed to the decrease in sales and changes in product composition.

Domestic and Overseas Sales Revenue and Ordinary Income
Millions of Yen

| | 23/3 2Q Results | 24/3 2Q Results | Growth Rate |
|------------------------|-----------------|-----------------|----------------|
| Domestic | 824 | 867 | +5.3% |
| Overseas | 409 | 312 | ▲ 23.7% |
| Total sales | 1,233 | 1,179 | ▲ 4.3% |
| Ordinary income | 141 | 16 | ▲ 88.5% |
| Ordinary Income Rate | 11.5% | 1.4% | — |

Regional breakdown of net sales in the Filter Business



※Rounded down to the nearest million yen

2) Summary of Financial Results for the FY24/3 2Q

– Status of B/S : Assets –

Millions of Yen

| | FY23/3 Result | FY24/3 2Q Result | Increase/Decrease Amounts |
|------------------------------|------------------|---------------------|------------------------------|
| Cash and Cash Equivalents | 4,111 | 4,469 | +358 |
| Sales Receivables | 3,054 | 3,358 | +303 |
| Inventory | 2,074 | 1,960 | ▲114 |
| Other Current Assets | 192 | 229 | +37 |
| Other Current Assets | 9,432 | 10,018 | +585 |
| Tangible Fixed Assets | 4,867 | 4,884 | +17 |
| Intangible Assets | 498 | 472 | ▲25 |
| Investments and Other Assets | 575 | 505 | ▲70 |
| Total Fixed Assets | 5,941 | 5,863 | ▲78 |
| Total Assets | 15,374 | 15,881 | +507 |

※Rounded down to the nearest million yen

2) Summary of Financial Results for the FY24/3 2Q

– Status of B/S : Liabilities and equality –

Millions of Yen

| | FY23/3 Result | FY24/3 2Q Result | Increase/ Decrease Amounts |
|---|------------------|---------------------|-------------------------------|
| Accounts Payable | 965 | 1,023 | +58 |
| Short-Term Borrowings | 1,555 | 1,805 | +250 |
| Accrued Corporate Taxes | 57 | 25 | ▲32 |
| Bonus Accruals | 176 | 297 | +120 |
| Other Current Liabilities | 604 | 548 | ▲55 |
| Total Current Liabilities | 3,359 | 3,700 | +341 |
| Long-Term Borrowings | 616 | 644 | +27 |
| Other Long-Term Liabilities | 97 | 184 | +86 |
| Total Long-Term Liabilities | 714 | 828 | +114 |
| Total Liabilities | 4,073 | 4,529 | +455 |
| Shareholders' Equity | 9,435 | 9,248 | ▲186 |
| Accumulated Other Comprehensive Income | 712 | 900 | +187 |
| Non-controlling Interests | 1,152 | 1,203 | +50 |
| Total Equity | 11,301 | 11,352 | +51 |
| Total Assets | 15,374 | 15,881 | +507 |

※Rounded down to the nearest million yen

2) Summary of Financial Results for the FY24/3 2Q

– Cash Flows(CF) –

| | FY23/3 2Q Results | FY24/3 2Q Results | Increase/ Decrease Amounts |
|--|----------------------|----------------------|-------------------------------|
| Cash flows from operating activities | 190 | 184 | ▲6 |
| Cash flows from investing activities | ▲276 | ▲168 | +108 |
| Cash flows from financing activities | ▲89 | 220 | +309 |
| Amount of increase in cash and cash equivalents | 57 | 345 | +287 |
| Cash and cash equivalents balance at beginning of term | 3,767 | 3,800 | +32 |
| Cash and cash equivalents balance at end of term | 3,825 | 4,146 | +320 |
| FCF | ▲86 | 15 | +101 |

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3)FY 24/3 Full year outlook

- Revision of Performance Forecast (October 31, 2023) -

Net Sales:The overseas sales of the Filter Business continue to be sluggish, and it is anticipated that other businesses will fall below the initial plan. Therefore, a revision of the plan is expected.

Operating income:Due to the anticipated impact of the decrease in sales of the Filter Business and lower-than-expected revenue in the Precision Parts Business.

Ordinary income:A revision of the plan is expected because the operating profit is anticipated to decrease more than initially assumed.

Millions of Yen

| | FY24/3 Plan (Announced in May) | FY24/3 Revised Plan (Announced in Oct.) | Increase And Decrease |
|--|--------------------------------------|---|-----------------------------|
| Net Sales | 11,900 | 11,200 | ▲700 |
| Operating income | 170 | ▲330 | ▲500 |
| Ordinary income | 175 | ▲255 | ▲430 |
| Net income Attributable to Owners of the Parent | 115 | ▲300 | ▲415 |

※Rounded down to the nearest million yen

| | | | |
|------------------------|-----|--------|--------|
| Exchange Rate (Yen) | USD | 130.00 | 140.00 |
| | THB | 3.80 | 3.96 |

※The exchange rates used for the full-year forecast of the 24/3 term, our company utilized the projected exchange rates.

3)FY 24/3 Full year outlook - Sales and income -

Net Sales: The Precision Die Business and Precision Parts Business have experienced an increase in sales compared to the previous period due to increased demand.

Operating income: Due to the decrease in sales of the Filter Business and the impact of the Precision Parts Business, losses have increased compared to the previous period.

Ordinary income: With the increase in operating losses, overall losses have also increased.

Millions of Yen

| | FY23/3 Results | FY24/3 Revised Plan | Growth Rate |
|---|----------------|---------------------|-------------|
| Net Sales | 10,847 | 11,200 | +3.2% |
| Gross income from sales | 1,986 | 1,930 | ▲2.9% |
| S.G.&A expense | 2,188 | 2,260 | +3.3% |
| Operating income | ▲202 | ▲330 | — |
| Non-operating income | ▲136 | ▲75 | — |
| Ordinary income | ▲65 | ▲255 | — |
| Net income Attributable to Owners of the Parent | ▲484 | ▲300 | — |

※Rounded down to the nearest million yen

| | | | |
|---------------------|-----|--------|--------|
| Exchange Rate (Yen) | USD | 130.78 | 140.00 |
| | THB | 3.73 | 3.96 |

※The exchange rates used for the 23/3 term were based on the average rates from January to December 2022. For the full-year forecast of the 24/3 term, our company utilized the projected exchange rates.

3)FY 24/3 Full year outlook - Sales by business segment -

Precision Die Business: The overseas market is expected to fall below the initial plan.

Precision Parts Business: In the latter half of the year, precision forging products are expected to fall below the initial plan.

Filter Business: Following the first half of the year, a decrease in overseas sales is anticipated.

Millions of Yen

| Business segment | 23/3 Results | FY24/3 Plan (May. 2023) | FY24/3 Revised Plan (Oct. 2023) | Growth Rate |
|--------------------------|--------------|-------------------------|---------------------------------|-------------|
| Precision Die Business | 4,743 | 5,250 | 5,030 | +6.0% |
| Precision Parts Business | 3,597 | 3,970 | 3,840 | +6.8% |
| Filter Business | 2,506 | 2,680 | 2,330 | ▲ 7.0% |
| Consolidated total | 10,847 | 11,900 | 11,200 | +3.2% |

※Rounded down to the nearest million yen

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4) Dividends

- In accordance with our basic policy*1, we will proceed with the dividend for the second quarter as initially forecasted, at 4 yen per share.
- However, for the latter half of the fiscal year ending March 2024, it is anticipated that the performance of the Filter Business and Precision Parts Business will fall below expectations, leading to an uncertain outlook.
- Considering these circumstances, the forecast for year-end dividends is currently undetermined. We plan to promptly disclose any decisions once they are made, taking into account future management conditions, performance trends, and other comprehensive factors.

| | 2 nd Half | YEAR-END | Full-Year |
|------------------------------|----------------------|------------------|------------------|
| | Yen | Yen | Yen |
| FY21/3 | — | 4.00 | 4.00 |
| FY22/3 | 5.00 | 3.00 | 8.00 |
| FY23/3 | 4.00 | 2.00 | 6.00 |
| FY24/3 (Announced in May) | 4.00 (plan) | 4.00 (plan) | 8.00 (plan) |
| FY24/3 (Announced in May) | 4.00 | undecided | undecided |

*1: Dividend Policy: We position the return of profits to shareholders as a crucial policy in our management. Our fundamental policy is to ensure stable dividends while securing the necessary internal reserves for future business development and strengthening the financial foundation of the company.

Thank you very much

株式会社 ニチダイ 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