



**NICHIDAI CORPORATION**

**Summary of Consolidated Financial Results for the 2<sup>nd</sup> Quarter Ended September 30, 2010**  
**[Japanese Standard] (Consolidated)**

November 5, 2010

Company name: NICHIDAI CORPORATION

Listed Stock Exchange: Osaka Securities Exchange

Code number: 6467

URL: <http://www.nichidai.jp>

Company Representative: Motonobu Furuya, President & CEO

Contact Information: Hirokazu Tsuji, Director Administrative Headquarters General Manager

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Reporting date of financial statements: November 12, 2010

Commencement date of dividend payment: December 1, 2010

(Rounded down to the nearest million yen.)

1. Consolidated Financial Results for the 2<sup>nd</sup> Quarter Ended September 30, 2010 (From April 1, 2010 to September 30, 2010)

(1) Consolidated Operating Results (Total)

(% indicates changes in net sales compared with preceding same period.)

	Net sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the 2 <sup>nd</sup> Quarter Ended Sept 30, 2010	4,526	46.8	158	—	153	—	134	—
Ended Sept 30, 2009	3,084	△50.7	△412	—	△403	—	△274	—

	EPS		Adjusted EPS	
	Yen	Sen	Yen	Sen
For the 2 <sup>nd</sup> Quarter Ended Sept 30, 2010	14	88	—	—
Ended Sept 30, 2009	△30	29	—	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	BPS	
	Millions of Yen	Millions of Yen	%	Yen	Sen
Ended Sept 30, 2010	11,459	6,570	54.9	694	90
FY 2010	11,205	6,444	55.2	682	72

(Ref.) Shareholders' Equity FY 2011 for the 2<sup>nd</sup> Quarter 6,289 million yen FY 2010 6,179 million yen

2. Dividends

	Dividends per Share									
	End of 1 <sup>st</sup> Quarter		End of 2 <sup>nd</sup> Quarter		End of 3 <sup>rd</sup> Quarter		Year End		Full Year	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
FY 2010	—	—	0	00	—	—	0	00	0	00
FY 2011	—	—	3	00	—	—	—	—	—	—
FY2011(Forecast)	—	—	—	—	—	—	3	00	6	00

(Note) Change made in forecast of dividends: N/A

3. Consolidated Forecast for the Year Ending March 2011 (From April 1, 2010 to March 31, 2011)

(% indicates changes in net sales, operating income, etc compared with preceding same period.)

	Net sales		Operating Income		Ordinary Income		Net Income		EPS	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	Sen
Full Year	9,550	38.7	370	—	320	—	220	—	24	31

(Note) Change made in Consolidated Forecast: Yes

#### 4. Others

(1) Changes of important subsidiaries during the period (changes in specified subsidiaries that involve changes in the scope of consolidation): N/A

(2) Adoption of any simplified way of accounting method or any accounting procedure specific to the preparation of quarterly financial statements: N/A

(3) Changes in accounting principle, procedure or method associated with preparing the consolidated of quarterly financial results

① Changes resulting from revision of accounting policy : Applicable

② Changes other than ① : Inapplicable

(4) Number of outstanding shares (ordinary shares)

① Number of outstanding shares at the end of the term (including treasury stocks)

Ended Sep. 30, 2010	9,053,300 shares	FY 2010	9,053,300 shares
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② Number of treasury stocks at the end of the term

Ended Sep. 30, 2010	1,701 shares	FY 2010	1,643 shares
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③ Average number of outstanding shares during the period

Ended Sep. 30, 2010	9,051,618 shares	Ended Sep. 30, 2009	9,051,657 shares
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※ Explanation regarding appropriate use of business forecasts and other special instructions

The above forecasts of operating results are based on the information available at the time this document was released, and actual operating results may differ from these forecasts due to various factors.

## Qualitative information regarding consolidated business results

### 1. Qualitative Information on Consolidated Business Results for the 2nd Quarter

#### (1) Qualitative information on consolidated business results

During the 2nd quarter consolidated accounting period under review, in the Japanese automobile industry, or our primary customer, while year-on-year hike in domestic production continued, there are growing concerns about decline in unit sales in conjunction with the termination of subsidy program, effect of exchange rate changes on export and other matters.

Amid such circumstances, in the Net-Shape Business, Forging Die Division achieved sales higher than the plan supported by robust sales of products for domestic users, despite a delay in delivery of some products destined for overseas manufacturers. Precision-forged Goods Division, meanwhile, posted sales below the plan because mass production of parts for American parts manufacturers was substantially postponed. As a consequence, overall segment sales amounted to 1,227 million yen (up 11.1% from the same period last year).

Sales of the Assembly Business soared to 848 million yen (up 79.9% from the same period last year), driven by increasing demand for turbocharger parts for the European market, along with steady production at NICHIDAI (THAILAND) LTD., one of our overseas production bases.

As for the Filter Business, although weak overseas sales continued due to the flagging oil drilling market, sales of filters for domestic facilities rose, resulting in overall segment sales of 247 million yen (up 9.8% from the same period last year).

As a result of the above, consolidated sales for the period totaled 2,323 million yen (up 29.0% from the same period last year).

On the income front, our ongoing cost-cutting efforts since last year paid off as an year-on-year increase in sales throughout our business segments, which led to operating income of 59 million yen (operating loss of 102 million yen for the same period last year), ordinary income of 59 million yen (ordinary loss of 114 million yen for the same period last year) and net income of 88 million yen (net loss of 79 million yen for the same period last year).

### 2. Qualitative information on consolidated financial position

#### [1] Summary of assets, liabilities and net assets

Total assets at the end of the 2nd quarter consolidated accounting period under review increased by 254 million yen from the end of the previous consolidated financial year to 11,459 million yen. The result is chiefly attributable to increases of 77 million yen in cash and deposits, 119 million yen in notes and accounts receivable, and 198 million yen in inventories. A decrease of 124 million yen in tangible fixed assets due to depreciation and other factors is also reflected.

Total liabilities increased by 128 million yen from the end of the previous consolidated financial year to 4,888 million yen. Primary factors contributing to the increase were 104 million yen of decrease in accounts payable, 124 million yen of increase in borrowings, 58 million yen of increase in allowance for bonus, and 61 million yen of increase in other current liabilities resulting from an increase in accrued consumption taxes.

Net assets increased by 125 million yen from the end of the previous consolidated financial year, reflecting net income of 134 million yen and other factors, to 6,570 million yen. Equity ratio was 54.9%.

#### [2] Summary of cash flows

Cash and cash equivalents (hereinafter, "cash") at the end of the 2nd quarter consolidated accounting period under review increased by 77 million yen from the end of the previous consolidated financial year to 1,138 million yen.

#### (Cash Flows from Operating Activities)

Net cash provided by operations amounted to 105 million yen (down 79.6% from the same period last year). This is the amount obtained after having deducted factors contributing to decreases which include: an increase of 121 million yen in accounts receivable, an increase of 200 million yen in inventories and a decrease of 103 million yen in accounts payable from factors contributing to increases which include: 150 million yen of net income before taxation, 254 million yen of depreciation, an increase of 58 million yen in allowance for bonus

and 79 million yen of others.

(Cash Flows from Investing Activities)

Net cash used in investment amounted to 123 million yen (down 22.2% from the same period last year). This is the amount obtained after having deducted factors contributing to decrease which include: expenditure of 140 million yen for acquisition of tangible fixed assets, such as replacement of facility at domestic production base from factors contributing to increase which include: 36 million yen gained from cancellation of insurance reserve fund.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to 108 million yen (100 million yen was used in the same period last year). This is the amount obtained after having deducted factors contributing to decrease which include: expenditure of 492 million yen for repayment of long-term debt from factors contributing to increases which include: 520 million yen of proceeds from long-term debt and an increase of 97 million yen in short-term debt.

(3) Qualitative information on consolidated business forecast

With regard to the future outlook, as a result of reviewing business performance of the 3rd quarter onwards based on information available at present, we have revised our forecast previously announced on August 6, 2010.