



**Summary of Consolidated Financial Results**  
**For the six-month Period Ended September 30, 2007**

October 30, 2007

Company name: Nichidai Corporation

Listed Stock Exchange: JASDAQ

Code number: 6467

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

Company Representative: Motonobu Furuya, President &amp; CEO

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Reporting date of financial statements for the half year: November 27, 2007

Commencement date of dividend payment: December 3, 2007

(Rounded down to the nearest million yen.)

## 1. Consolidated Financial Results for the six-month Period Ended September 30, 2007 (From April 1, 2007 to September 30, 2007)

## (1) Consolidated Operating Results

(Percentage indicates changes in net sales, operating income, etc 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 six-month Ended Sept.30,2007	6,148	2.4	568	13.3	512	10.9	266	0.3
Ended Sept.30,2006	6,006	15.3	502	9.5	461	9.6	266	69.8
(Ref) FY2007	12,095	-	1,139	-	1,046	-	543	-

	EPS		Adjusted EPS	
	Yen	Sen	Yen	Sen
For the six-month Ended Sept.30,2007	29	50	29	45
Ended Sept.30,2006	31	24	30	98
(Ref) FY2007	61	84	61	48

(Ref.) Gain or loss on investment by equity method

For the six-month Ended Sept.30,2007 —million yen For the six-month Ended Sept.30,2006 —million yen  
 FY2007 —million yen

## (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	BPS	
	Millions of Yen	Millions of Yen	%	Yen	Sen
For the six-month Ended Sept.30,2007	13,401	6,677	49.1	726	72
Ended Sept.30,2006	11,811	6,159	52.1	681	25
(Ref) FY2007	12,060	6,413	52.8	703	22

(Ref.) Shareholders' Equity

For the six-month Ended Sept.30,2007 6,576million yen

For the six-month Ended Sept.30,2006 6,159million yen

FY2007 6,363million yen

## (3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at the end of the period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the six-month Ended Sept.30,2007	972	△1,853	931	907
Ended Sept.30,2006	855	△313	△2	924
(Ref) FY2007	799	△399	45	829

## 2. Dividends

(Record Date)	Dividends per Share									
	End of 1 <sup>st</sup> Quarter		End of Interim Period		End of 3 <sup>rd</sup> Quarter		Year End		Full Year	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
FY 2007	—	—	10	00	—	—	10	00	20	00
FY 2008	0	00	8	00	—	—	—	—	—	—
FY2008 (Forecast)	—	—	—	—	0	00	8	00	16	00

(Note) Breakdown of dividends at the end of FY 2007 Ordinary dividends 15 yen Commemorative dividends 5 yen

## 3. Consolidated Forecast for the Year Ending March 2008 (From April 1, 2007 to March 31, 2008)

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

Full Year	Net sales		Operating Income		Ordinary Income		Net Income		EPS	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	Sen
	12,500	3.3	1,180	3.6	1,080	3.2	570	5.0	62	98

## 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) Changes in accounting principle, procedure or method associated with preparing the consolidated financial results for the interim settlement (to be stated in the changes of important items that form the basis of the consolidated financial results for the interim settlement)

① Changes resulting from revision of accounting policy Applicable

② Changes other than ① N/A

(3) Number of outstanding shares (ordinary shares)

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

For the six-month Ended Sept.30,2007 9,051,300 shares For the six-month Ended Sept.30,2006 9,042,800 shares  
FY2007 9,050,300 shares

② Number of treasury stocks at the end of the term

For the six-month Ended Sept.30,2007 1,492 shares For the six-month Ended Sept.30,2006 1,492 shares  
FY2007 1,492 shares

(Ref.) Overview of non-consolidated operating results

1. Non-Consolidated Operating Results for the six-month Ended Sept.30,2007 (From April 1, 2007 to September 30, 2007)

(1) Non-Consolidated Operating Results

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

For the six-month Ended Sept.30,2007	Net sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Ended Sept.30,2007	5,383	0.4	492	14.0	440	11.4	190	△15.1
Ended Sept.30,2006	5,361	16.4	432	△10.9	395	△13.7	224	2.6
(Ref) FY2007	10,619	—	1,002	—	883	—	△372	—

For the six-month Ended Sept.30,2007	EPS	
	Yen	Sen
Ended Sept.30,2007	21	05
Ended Sept.30,2006	26	33
(Ref) FY2007	△42	38

## (2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	BPS	
For the six-month Ended Sept.30,2007	Millions of Yen 12,296	Millions of Yen 6,237	% 50.7	Yen 689	Sen 29
Ended Sept.30,2006	11,876	6,829	57.5	755	40
(Ref) FY2007	11,127	6,143	55.2	678	98

## (Ref.) Shareholders' Equity

For the six-month Ended Sept.30,2007 6,237 million yen For the six-month Ended Sept.30,2006 6,829 million yen  
FY2007 6,143 million yen

## 2. Non-Consolidated Forecast for the Year Ending 2008 (From April 1, 2007 to March 31, 2008)

(Percentage indicates changes compared with the previous year for full year.)

	Net sales		Operating Income		Ordinary Income		Net Income		EPS	
Full Year	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	Sen
	10,900	2.6	1,095	9.2	1,000	13.2	465	—	51	38

\* Explanation of appropriate use of the forecast 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.

## 1. Operating Results

## (1) Analysis on the Operating Results

During the consolidated interim period under review, domestic automobile industry, or our key customers, has suffered from weak domestic sales with light motor vehicle turning downward despite its strong performance until the previous year. Domestic production unit remained virtually at the same level as the previous year. Meanwhile, overseas production unit continued to grow, slightly boosting global production unit including Japan.

In these circumstances, domestic forging die business ended on a low note with year-on-year sales decline, affected by continuing sluggish demand due to decreased new projects in the Chubu and Kansai regions.

Overseas, despite the growth in the India region, where a great many Japanese companies have entered, sales turned flat in other Asian regions. In the North America region, although NICHIDAI AMERICA CORPORATION has continued to pump up sales, with a large amount for Japanese users posted since the 2<sup>nd</sup> quarter, sales were lower than the previous year in the interim period.

As a result, consolidated sales of forging die business amounted to 2,835 million yen (down 5.9% over the corresponding period of a year earlier).

Precision-forged goods and assembly businesses posted sales of 2,667 million yen (up 5.7%) thanks to the increased VG turbo charger parts models and increased production of precision-forged scroll.

Filter business remained strong in food and aerospace fields as well as oil drilling, substantially boosting sales to 645 million yen (up 38.1%).

As a result, consolidated net sales totaled 6,148 million yen (up 2.4%).

On an income front, the forging die business recorded decrease in operating income due to the deficit of NICHIDAI AMERICA CORPORATION and weak sales of the domestic forging die business.

Meanwhile, the precision-forged goods and assembly businesses succeeded in reducing cost through increased production of VG turbo charger parts along with enhanced production control. The filter business had a high-level capacity utilization driven by rising demand. For these reasons, the interim period recorded consolidated operating income of 568 million yen (up 13.3%), consolidated ordinary income of 512 million yen (up 10.9%) and consolidated interim net income of 266 million yen (up 0.3%).

Forward-looking statement for the full year is as follows.

This year, although domestic production unit by Japanese automobile manufacturers will be nearly flat, overseas production is expected to continue to increase with subsequent production hike by automobile parts manufacturers.

Under such circumstance, in the forging die business, domestic sales will grow supported by the anticipated rise in demand for new projects in the Chubu region from the 2<sup>nd</sup> half onward as well as scheduled production hike by primary users in the Chubu and

Kanto regions. Overseas, sales are also expected to exceed the level during the 1<sup>st</sup> half. We see that new projects brought by the Japanese manufacturers doing operation in the India region will contribute to the sales growth. While in the North America region, NICHIDAI AMERICA CORPORATION expects to reduce the deficit in the 2<sup>nd</sup> half through improvement in production efficiency, which is to be realized by nurturing multi-talented workers, and sales of mass production goods for Japanese manufacturers.

From October, the forging die business starts “Manufacturing Project” aiming for enhancement of precision forging die production. We will strive for greater quality, cost competitiveness and capability of meeting delivery date through production system enhancement in order to reinforce our business operation.

As for the precision-forged goods and assembly businesses, sales will slightly drop in the 2<sup>nd</sup> half compared to the 1<sup>st</sup> half due to the delayed launch of new models in VG turbo charger parts assembling which was scheduled in the 2<sup>nd</sup> half.

In the filter business THAI SINTERED MESH CO., LTD. will start operation in November, and production will be expanded sequentially. Sales will achieve an almost planned level because oil drilling filter is expected to grow in the 2<sup>nd</sup> half.

As a result, we forecast, without any change to our initial forecast, net sales of 12,500 million yen (up 3.3%), operating income of 1,180 million yen (up 3.6%), ordinary income of 1,080 million yen (up 3.2%) and net income of 570 million yen (up 5.0%) for the full year.