

NICHIDAI CORPORATION
Summary of Consolidated Financial Results
For the 1st Quarter Ended June 30,2006

July 28, 2006

Nichidai Corporation

(JASDAQ・Securities Code: 6467)

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

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1. Important notes for the Quarterly Settlement

- ① The simplified method applied for accounting: none
- ② Change made in accounting methods used since most recent fiscal year : none
- ③ Change to the scope of consolidation or application of the equity method :none

2. Financial Results for the 1st Quarter Ended June 30,2006.

(1) Consolidated Operating Results

(Rounded to millions of Japanese Yen)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the 1 st Quarter Ended June.30, 2006	2,947	(17.8)	279	(30.9)	253	(36.4)	139	(249.1)
Ended June.30, 2005	2,501	(33.3)	213	(89.3)	185	(60.4)	39	(16.3)
(Ref) FY2006	10,795	(21.4)	885	(△0.7)	802	(△3.6)	369	(3.8)

	E	P	S	Adjusted EPS
	Yen			Yen
For the 1 st Quarter Ended June.30, 2006	17.42			17.23
Ended June.30, 2005	5.01			4.98
(Ref) FY2006	45.56			45.13

Notes: 1.Percentage indicates changes in net sales, operating income, etc compared with preceding same period.

2.Average number of outstanding shares during the period:

Current the 1st quarter period: 7,997,308 Preceding the 1st quarter period: 7,967,395

Last fiscal year: 7,989,850

[Qualitative information on the progress of operation results (consolidated)]

As automotive manufactures, our key customer industry, are continually expanding overseas production, domestic automotive parts manufactures are following suit, further advancing local procurement abroad.

Under these circumstances, forging die business did well with overseas sales jumped 75.1% from the same period of the prior year due mainly to the increased sales to local parts manufactures in Asia and also to Japanese parts makers in the North American region. However, looking at domestic performance, despite that sales targets were attained in most of the regions except the Chubu region, total forging die sales in domestic and overseas markets dropped 2.7% from the prior year to 1,468 million yen adversely affected by the major users' implementation of inventory curtailment in the first quarter in the Chubu region.

In precision-forged parts and assembly business, the production output surged substantially to attain the sales of 1,253 million yen (up 62.7% year-on-year) driven by the increased new production models based on the turbo charger makers' aggressive European strategy and VG strategy, and also by the stabilized assembly line of VG turbocharger components.

Meanwhile, filter business recorded sales of 225 million yen (up 1.4% year-on-year), which is attributable to the robust sales for food industry and for thermal power generation on the back of economic expansion. Consolidated sales in the first quarter amounted to 2,947 million yen (up 17.8% year-on-year).

On the income front, we posted consolidated ordinary sales of 253 million yen (up 36.4% year-on-year) and consolidated net income for the first quarter of 139 million yen (up 249.1% year-on-year) favorably affected by the increased production and sales of VG turbocharger components and the U.S. subsidiary's restoring profitability.

(2) Financial Position (Consolidated)

	Total Asset	Shareholder's Equity	Shareholder's Equity Ratio	BPS
For the 1 st Quarter	Millions of Yen	Millions of Yen	%	Yen
Ended June.30, 2006	11,174	4,946	44.3	618.47
Ended June.30, 2005	10,759	4,543	42.2	568.08
(Ref) FY2006	11,277	4,904	43.5	612.66

[Qualitative information on the fluctuations in financial position (consolidated)]

Total assets at the end of the first quarter decreased 103 million yen from the end of the previous consolidated financial year to 11,174 million yen.

Taking a look at current assets, cash on hand and in banks decreased 99 million yen and notes receivable and accounts receivable decreased 154 million yen.

Taking a look at current liabilities, short-term debt decreased 179 million yen, while other liabilities rose 148 million yen because of increased payment due on equipment.

There are no major fluctuations to report with fixed assets and fixed liabilities.

In the first quarter, as a result of retained surplus growth due primarily to 139 million yen of net income, equity ratio rose by 0.8 point compared to the prior year to 44.3%, with total net assets amounting to 4,946 million yen.

<Ref>

Forecast for the fiscal year ending March 2007 (April 1, 2006-March 31, 2007)

There is no change with the forecast announced on April 26, 2006.

Consolidated Quarterly Financial Results

1. Consolidated Quarterly Financial Results

(Thousands of Yen / Rounded down to the 1,000 / %)

<div>Term</div> <div>Account Items</div>	Q1 Current Year (Ended June 30, 2006)		Q1 Previous Year (Ended June 30, 2005)		Change		Previous Consolidated Financial Year (Ended March 31, 2006)	
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	% Change	Amount	Composition Ratio
(ASSETS)								
I Current Assets								
1. Cash on hand and in banks	735,815		900,762		△164,947		835,677	
2. Notes receivable and accounts receivable	2,835,494		2,622,294		213,200		2,989,495	
3. Inventories	1,249,452		1,174,462		74,989		1,218,882	
4. Other current assets	95,562		85,551		10,011		98,195	
Allowance for bad debts	△37,226		△35,602		△1,624		△39,233	
Total current assets	4,879,098	43.7	4,747,468	44.1	131,630	2.8	5,103,016	45.3
II Fixed Assets								
(1) Tangible fixed assets								
1. Buildings and structures	1,975,823		2,048,387		△72,563		1,998,877	
2. Machines and vehicles	2,051,893		1,686,565		365,327		1,900,075	
3. Land	1,662,961		1,663,892		△931		1,663,105	
4. Other fixed assets	188,554		184,676		3,877		183,071	
Total tangible fixed assets	5,879,232	52.6	5,583,522	51.9	295,710	5.3	5,745,130	50.9
(2) Intangible fixed assets	54,932	0.5	48,787	0.5	6,145	12.6	57,791	0.5
(3) Investments and other assets	360,967		382,041		△21,074		371,509	
Allowance for bad debts	△91		△2,092		2,000		△91	
Total investments and other assets	360,875	3.2	379,949	3.5	△19,073	△5.0	371,418	3.3
Total fixed assets	6,295,040	56.3	6,012,258	55.9	282,781	4.7	6,174,339	54.7
Total Assets	11,174,138	100.0	10,759,726	100.0	414,411	3.9	11,277,356	100.0

(Thousands of Yen / Rounded down to the 1,000 / %)

Term Account Items	Q1 Current Year (Ended June 30, 2006)		Q1 Previous Year (Ended June 30, 2005)		Change		Previous Consolidated Financial Year (Ended March 31, 2006)	
	Amount	Composi tion Ratio	Amount	Composi tion Ratio	Amount	% Change	Amount	Composi tion Ratio
(LIABILITIES)								
I Current Liabilities								
1. Accounts payable	682,232		658,813		23,419		654,639	
2. Short-term debt	1,014,263		718,448		295,814		1,180,139	
3. Current installments of long-term debt	931,147		741,262		189,884		944,608	
4. Current portion of bonds	20,000		20,000		—		20,000	
5. Accrued income taxes	94,585		87,818		6,766		166,400	
6. Allowance for bonus	286,210		271,391		14,819		116,470	
7. Other current liabilities	518,526		397,652		120,873		370,107	
Total current liabilities	3,546,965	31.7	2,895,386	26.9	651,578	22.5	3,452,366	30.6
II Fixed Liabilities								
1. Bond payable	2,040,000		2,060,000		△20,000		2,050,000	
2. Long-term debt	597,584		1,196,747		△599,163		820,425	
3. Allowance for retirement benefits for employees	43,481		64,448		△20,966		49,951	
Total fixed liabilities	2,681,065	24.0	3,321,195	30.9	△640,130	△19.3	2,920,376	25.9
Total liabilities	6,228,030	55.7	6,216,582	57.8	11,448	0.2	6,372,742	56.5
(SHAREHOLDERS' EQUITY)								
I Common stock	—		860,190	8.0	—	—	860,190	7.6
II Capital surplus	—		624,010	5.8	—	—	624,010	5.6
III Retained surplus	—		3,100,902	28.8	—	—	3,429,997	30.4
IV Variance of the estimate on securities	—		11,871	0.1	—	—	23,190	0.2
V Foreign currency translation adjustment account	—		△52,863	△0.5	—	—	△31,809	△0.3
VI Treasury stock	—		△964	△0.0	—	—	△964	△0.0
Total shareholders' equity	—		4,543,144	42.2	—	—	4,904,613	43.5
Total liabilities and shareholders' equity			10,759,726	100.0			11,277,356	100.0

<div>Term</div> <div>Account Items</div>	Q1 Current Year (Ended June 30, 2006)		Q1 Previous Year (Ended June 30, 2005)		Change		Previous Consolidated Financial Year (Ended March 31, 2006)	
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	% Change	Amount	Composition Ratio
(NET ASSETS)								
I Shareholders' equity								
1. Common stock	860,190		—	—	—	—	—	—
2. Capital surplus	624,010		—	—	—	—	—	—
3. Retained surplus	3,474,346		—	—	—	—	—	—
4. Treasury stock	△964		—	—	—	—	—	—
Total shareholders' equity	4,957,581	44.4	—	—	—	—	—	—
II Differences of estimate/exchange								
1. Variance of the estimate on securities	16,025		—	—	—	—	—	—
2. Foreign currency translation adjustment account	△27,498		—	—	—	—	—	—
Total differences of estimate/exchange	△11,473	△0.1	—	—	—	—	—	—
Total net assets	4,946,107	44.3	—	—	—	—	—	—
Total liabilities and net assets	11,174,138	100.0	—	—	—	—	—	—

2. (Summary) Consolidated Quarterly Profit and Loss

(Thousands of Yen / Rounded down to the 1,000 / %)

Term Account Items	Q1 Current Year (April 1, 2006–June 30, 2006)		Q1 Previous Year (April 1, 2005–June 30, 2005)		Change		Previous Consolidated Financial Year (April 1, 2005–March 31, 2006)	
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	% Change	Amount	Composition Ratio
I Sales	2,947,028	100.0	2,501,200	100.0	445,827	17.8	10,795,260	100.0
II Cost of sales	2,256,904	76.6	1,874,174	74.9	382,730	20.4	8,297,133	76.9
Gross profit on sales	690,123	23.4	627,025	25.1	63,097	10.1	2,498,127	23.1
III Sales and general administrative expenses	410,989	13.9	413,815	16.6	△2,826	△0.7	1,612,633	14.9
Operating income	279,133	9.5	213,209	8.5	65,923	30.9	885,494	8.2
IV Non-operating income	3,679	0.1	4,864	0.2	△1,185	△24.4	29,845	0.3
V Non-operating expenses	29,729	1.0	32,566	1.3	△2,836	△8.7	112,716	1.1
Ordinary income	253,083	8.6	185,508	7.4	67,574	36.4	802,623	7.4
VI Extraordinary income	6,338	0.2	1,721	0.1	4,617	268.3	16,601	0.2
VII Extraordinary loss	8,287	0.3	70,605	2.8	△62,317	△88.3	82,057	0.8
Quarterly net income (current term) before taxation	251,135	8.5	116,625	4.7	134,509	115.3	737,167	6.8
Income tax, inhabitant tax & corporate tax	99,500	3.4	82,308	3.3	17,191	20.9	384,000	3.5
Income taxes, deferred	12,294	0.4	△5,592	△0.2	17,886	△319.8	△15,837	△0.1
Quarterly net income (current term)	139,340	4.7	39,909	1.6	99,431	249.1	369,004	3.4

Order and Sales Status (Consolidated)

1. Sales Performance

(Thousands of Yen)

<div style="text-align: center;">Description</div> <div style="text-align: center;">Business Segment</div>	1st Quarter			Quarter-to-date	
	Amount	% change over the previous year	% change over the previous quarter	Amount	
				Plan	Result
Forging die	1,468,484	97.3	88.1	1,550,000	1,468,484
Forging parts/assembly	1,253,156	162.7	124.9	1,132,000	1,253,156
Filter	225,387	101.4	97.0	213,000	225,387
Total	2,947,028	117.8	103.5	2,895,000	2,947,028

(Note) The amounts shown above do not include consumption taxes.

2. Order Status

(Thousands of Yen)

<div style="text-align: center;">Description</div> <div style="text-align: center;">Business Segment</div>	1st Quarter			Quarter-to-date	
	Amount	% change over the previous year	% change over the previous quarter	Amount	
				Plan	Result
Forging die	1,442,116	87.4	101.9	1,640,000	1,442,116
Forging parts/assembly	1,159,198	155.7	98.8	1,132,000	1,159,198
Filter	318,257	124.9	97.1	241,000	318,257
Total	2,919,572	110.2	100.1	3,013,000	2,919,572

(Note) 1. The amounts shown above do not include consumption taxes.

2. Order status of precision-forged goods/assembly includes amount of informal orders.

3. Order Balance

(Thousands of Yen)

<div style="text-align: center;">Description</div> <div style="text-align: center;">Business Segment</div>	1st Quarter		
	1st Quarter	% change over the previous year	% change over the previous quarter
Forging die	888,585	76.7	97.1
Forging parts/assembly	1,214,729	270.4	77.2
Filter	321,497	174.2	140.6
Total	2,424,811	135.2	89.2

(Note) 1. The amounts shown above do not include consumption taxes.

2. Order status of precision-forged parts/assembly includes amount of informal orders.