October 27, 2006

Summary of Consolidated Financial Results

For the Six-month Period Ended September 30, 2006

Nichidai Corporation

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

Listed stock exchange: JASDAQ

Headquarters: Kyoto

Securities Code: 6467

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1. Consolidated Financial Results for the Six-month Period ended September 30, 2006.

(1) Consolidated Operating Results

(Rounded to millions of Japanese Yen)

	Net Sales		Operating Income		Ordinary Income	
For the Six-month Period	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Ended Sept.30, 2006	6,006	(15.3)	502	(9.5)	461	(9.6)
Ended Sept.30, 2005	5,207	(31.6)	458	(45.3)	421	(38.4)
(Ref) March 31,2006	10,795	(21.4)	885	(△0.7)	802	(△3.6)

	Net Asset		EPS	Adjusted EPS
For the Six-month Period	Millions of Yen	%	Yen	Yen
Ended Sept.30, 2006	266	(69.8)	31.24	30.98
Ended Sept.30, 2005	156	(43.1)	19.64	19.51
(Ref) March 31,2006	369	(3.8)	45.56	45.13

Notes: 1.Equity in earnings of affiliates: Current interim period: - Preceding interim period: -

2.Average number of outstanding shares during the period (consolidated):

Current interim period: 8,517,670 Preceding interim period: 7,982,433 Last fiscal year:7,989,850

3.Changes in accounting policies: N/A

4.Percentage indicates changes in net sales, operating income, ordinary income and net income compared with preceding interim period.

(2) Financial Position (Consolidated)

	Total Asset	Net Asset	Shareholder's Equity Ratio	BPS
For the Six-month Period	Millions of Yen	Millions of Yen	%	Yen
Ended Sept.30, 2006	11,811	6,159	52.1	681.25
Ended Sept.30, 2005	11,209	4,668	41.6	583.76
(Ref) March 31,2006	11,277	4,904	43.5	612.66

Notes: 1.Number of outstanding shares at the end of the period (Common Stock)

Current interim period: 9,041,308 Preceding interim period: 7,997,308 Last fiscal year: 7,997,308

(3) Consolidated Statements of Cash Flows

	Operating Activities	Investment Activities	Financing Activities	Cash & Cash Equivalents at the end of the period
For the Six-month Period	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Ended Sept.30, 2006	855	△ 313	△ 2	924
Ended Sept.30, 2005	63	△ 468	291	278
(Ref)March 31,2006	398	△ 840	424	385

(4) Number of consolidated subsidiaries and companies accounted for by the equity method

Consolidated subsidiaries: 2

Unconsolidated subsidiaries and affiliates(accounted for by equity method): none

(5) Increase and Decrease in the number of consolidated subsidiaries

Consolidated subsidiaries: (increase) none (decrease) none

Affiliated companies accounted for by equity method: (increase) none (decrease) none

2. Consolidated Earnings Forecast for the Fiscal Year Ending March31, 2007

	Net Sales	Ordinary Income	Net Income
For the fiscal year ending	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2007	12,000	1,050	610

(Ref) Forecast of Net Income per share for the year ending March 31, 2007: 67.47 Yen.

- Forward-Looking Statements

The information on future performance (forward-looking statements) is based on information available to management at the time of its disclosure. Accordingly, readers are advised that actual results may differ from forward-looking statements due to a wide variety of factors.

3. Operating Results and Financial Position

(1) Operating Results

During the consolidated interim period under review, while Japan's automobile industry boosted automobile production units both in domestic and overseas markets, some manufacturers reduced production. As such, the situation of the automobile industry is causing regional disparity in the production trends of Japanese automobile parts manufacturers, our primary customers.

Amid such conditions, die business sales decreased year-on-year due to a sales decline in the Chubu region, despite the fact that the sales goals were achieved in other domestic markets. The sales decline in the Chubu region is attributable to continued inventory adjustment, a decrease in plans to develop new car parts, and the affect on our customers of the aforementioned production cutbacks by manufacturers.

Meanwhile, overseas markets enjoyed sales increases thanks to robust business from local users in China and South Korea and from Japanese manufacturers in North America. However, consolidated net sales of the die business decreased to 3,014 million yen (down 2.4% year-on-year), due to the sales decline in the Chubu region.

In the precision-forged goods and assembly business, a steep rise in production substantially boosted sales, amounting to 2,524 million yen (up 55.2% year-on-year). The major factors of this upsurge in production were increased production models of the VG turbo charger components, and additional production to meet the delivery requirements for model design, the standard of which was changed in the previous term.

The filter business performed almost exactly according to plan, posting an operating profit of 467 million yen (down 4.9% year-on-year). Delayed confirmation of orders of filters for oil drilling was offset by growth in high performance film manufacturing equipment and exports to the Asian market.

As a result, consolidated net sales of the current consolidated interim period totaled 6,006 million yen (up 15.3% year-on-year).

Taking a look at the income side, consolidated ordinary income rose to 461 million yen (up 9.6% year-on-year) and consolidated interim net income jumped to 266 million yen (up 69.8% year-on-year). Despite the impact of the decline in domestic die sales, die material price was stabilized, our U.S. subsidiary was able to return to profit through increased in-house production, and a production hike in VG turbo charger components in the precision-forged goods and assembly business contributed to income growth.

(2) Financial Position

Cash and cash equivalents (hereinafter "cash") during the consolidated interim period under review increased 646 million yen from a year earlier to 924 million yen.

(Cash Flows from Operating Activities)

Net cash provided by operations increased 792 million yen from a year earlier, amounting to 855 million yen. The increase resulted from posting an interim net income before taxation of 458 million yen and allocating a depreciation allowance of 298 million yen.

(Cash Flows from Investment Activities)

Net cash expenditures in investment decreased 155 million yen from a year earlier amounting to 313 million yen, primarily due to the acquisition of tangible fixed assets, including the upgrading of production facilities.

(Cash Flows from Financing Activities)

Net cash expenditures in financing activities were 2 million yen (291 million yen a year earlier) due mainly to posting 1,120 million yen in proceeds from issuing stocks and loan repayments of 992 million yen.

Cash Flow Index Trends of the Nichidai Group.

	Six-month Period Ended September 30, 2005	Six-month Period Ended September 30, 2006	Previous Financial Period
Equity Ratio (%)	41.6	52.1	43.5
Equity Ratio Based on Current Value (%)	61.4	74.3	89.4
Years of Amortization (Year)	38.4	2.3	12.6
Interest Coverage Ratio (Times)	1.3	17.9	3.8

- Equity Ratio: Equity / Total asset
- Equity Ratio Based on Current Value: Total market value of shares / Total asset
- Years of Amortization: Interest-bearing debts / Cash flow from operating activities

(For interim periods, cash flow amounts for operating activities are doubled to produce an annual amount.)

- Interest Coverage Ratio: Cash flow from operating activities / Interest

1. Each index is calculated based on consolidated financial values.
2. Cash flow from operations adopts Cash Flows from Operating Activities in the Consolidated Statement of Cash Flows. Interest-bearing debts refer to debts of which debit interest is being paid among debts posted in the Consolidated Balance Sheet.

(3) Preview of FY2007

Despite the emerging disparity in production and sales volumes among domestic automobile manufacturers, global production seems to be continuing to increase and overseas local production and procurement is also likely to continue to grow at an accelerated rate.

Under such conditions, as with the domestic die business, inventory adjustment in the Chubu region is nearing an end, and automobile parts makers are launching new development plans.

Whereas in overseas markets, the die business for South Korea and China is expected to enjoy healthy sales in a continuation of the first half of the year. Additionally, in the United States, Japanese automobile makers and automobile parts manufacturers have started to further accelerate local procurement.

In the precision-forged goods and assembly business, as order receipt for meeting the delivery time that we experienced in the first half completed, production volume and sales is likely to return to normal in the second half.

In the filter business, a boom in orders of filters for oil drilling and food packaging film will enable both sales and income to continue to do well in the second half.

As stated above, while an increase in the depreciation allowance is expected to result from more equipment investment than during the first half, additional favorable factors such as stabilized material prices and recovery of the die business are expected to lift the second half. Consequently, for the Nichidai Group's consolidated financial results for FY2007, we forecast consolidated net sales of 12 billion yen, a consolidated ordinary income of 1.05 billion yen and a consolidated net income of 610 million yen.

FY2007 (April 1, 2006 – March 31, 2007)

Consolidated Forecast

	Results of the Six-Month Period Under Review		Full-Year Forecast	
		change over the previous year(%)		change over the previous year(%)
Net Sales (Millions of Yen)	6,006	15.3	12,000	11.2
Operating Income (Millions of Yen)	502	9.5	1,145	29.3
Ordinary Income (Millions of Yen)	461	9.6	1,050	30.8
Net Income (Millions of Yen)	266	69.8	610	65.3

Non-Consolidated Forecast

	Results of the Six-Month Period Under Review		Full-Year Forecast	
		change over the previous year(%)		change over the previous year(%)
Net Sales (Millions of Yen)	5,361	16.4	10,640	9.0
Operating Income (Millions of Yen)	432	△10.9	1,030	19.1
Ordinary Income (Millions of Yen)	395	△13.7	940	17.0
Net Income (Millions of Yen)	224	2.6	555	33.0

(4) Business Risks

The major risks that may affect the Group's operating results and financial position are described below.

Items involving future events are based on the determination of the Group as of the day that this summary was released.

a) High dependence on specific industries

The primary market of dies and precision forged-products of the Nichidai Group is the automobile-related industry represented by automobile parts manufacturers. Although the Nichidai Group does not belong to any specific corporate group of finished car manufacturers or automobile parts manufacturers, our sales to this industry in the current consolidated interim period accounts for 81% of total sales. This indicates the possibility that our business results may be affected by the production trends of car manufacturers around the world as well as new development trends, communization and overseas local procurement of automobile parts.

b) High dependence on specific customers

In the precision-forged goods and assembly business, our VG turbo charger components for diesel engines are sold to specific customers. Consequently, our future business results may be affected by the trends of customers' strategies on VG turbo chargers for diesel engines, and the trends of mounting VG turbo chargers in diesel engine cars in compliance with the emission controls of the European market.

c) Concentration of the production base

The domestic production base of the Nichidai Group is concentrated in the Ujitawara Plant. Thus, in cases where a natural disaster or other unforeseeable event occurs, it may have a significant adverse affect on production and may hurt business results.

d) Dependence on interest-bearing debt

For the interest-bearing debt of the Nichidai Group, if interest rates rise, the resulting higher interest costs may hurt business results.