



The Financial Statement Briefing For the Year Ended March 31, 2013

May 7, 2013

JASDAQ: 6467

NICHIDAI CORPORATION

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



Introduction of Business

Net-Shape Business

Non-consolidated

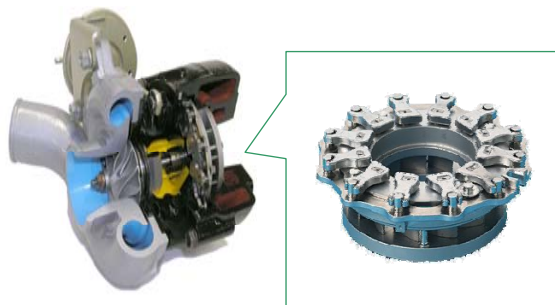
NICHIDAI CORPORATION



Precision forging dies

Assembly Business

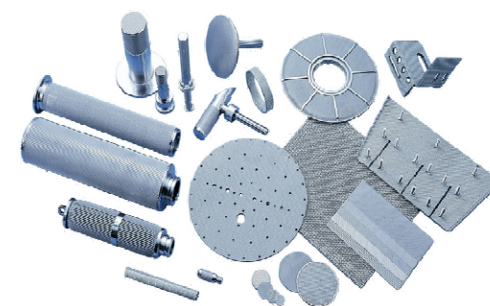
NICHIDAI PRECISION CORPORATION (NPC)



VG turbo charger parts

Filter Business

NICHIDAI FILTER CORPORATION (NFC)



Lamination sintered wire mesh filters

Overseas

NICHIDAI ASIA CO., LTD. (NDA)

◆ Sales base of dies established in Thailand.

NICHIDAI U.S.A. CORPORATION (NUC)

◆ Die sales base in Ohio, USA.

NICHIDAI (THAILAND) LTD. (NDT)

◆ Production base of VG turbo charger parts in the suburbs of Bangkok, Thailand.



Precision- forged scroll

◆ Mass production of scroll forged goods started since 2012 at NDT.

THAI SINTERED MESH CO., LTD. (TSM)

◆ Filters production base in the suburbs of Chiang Mai, Thailand.



I . Financial Results for the Year Ended March 31, 2013



I . Financial Results for the Year Ended March 31, 2013

- P/L: Sales and Profit -

Millions of Yen

	12/3 Results 11/4-12/3	13/3 Plan 12/4-13/3	13/3 Results 12/4-13/3	Groth Rate
Net Sales	12,524	13,500	13,154	5.0%
Gross income sales	2,402	2,740	2,612	8.7%
S.G&A.expense	1,562	1,670	1,719	10.0%
Operationg income	840	1,070	893	6.3%
Non-Operationg income	15	70	△ 137	-
Ordinary income	824	1,000	1,030	25.0%
Net income	468	560	561	19.9%

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2013

- Trend in operating results on quarter basis -

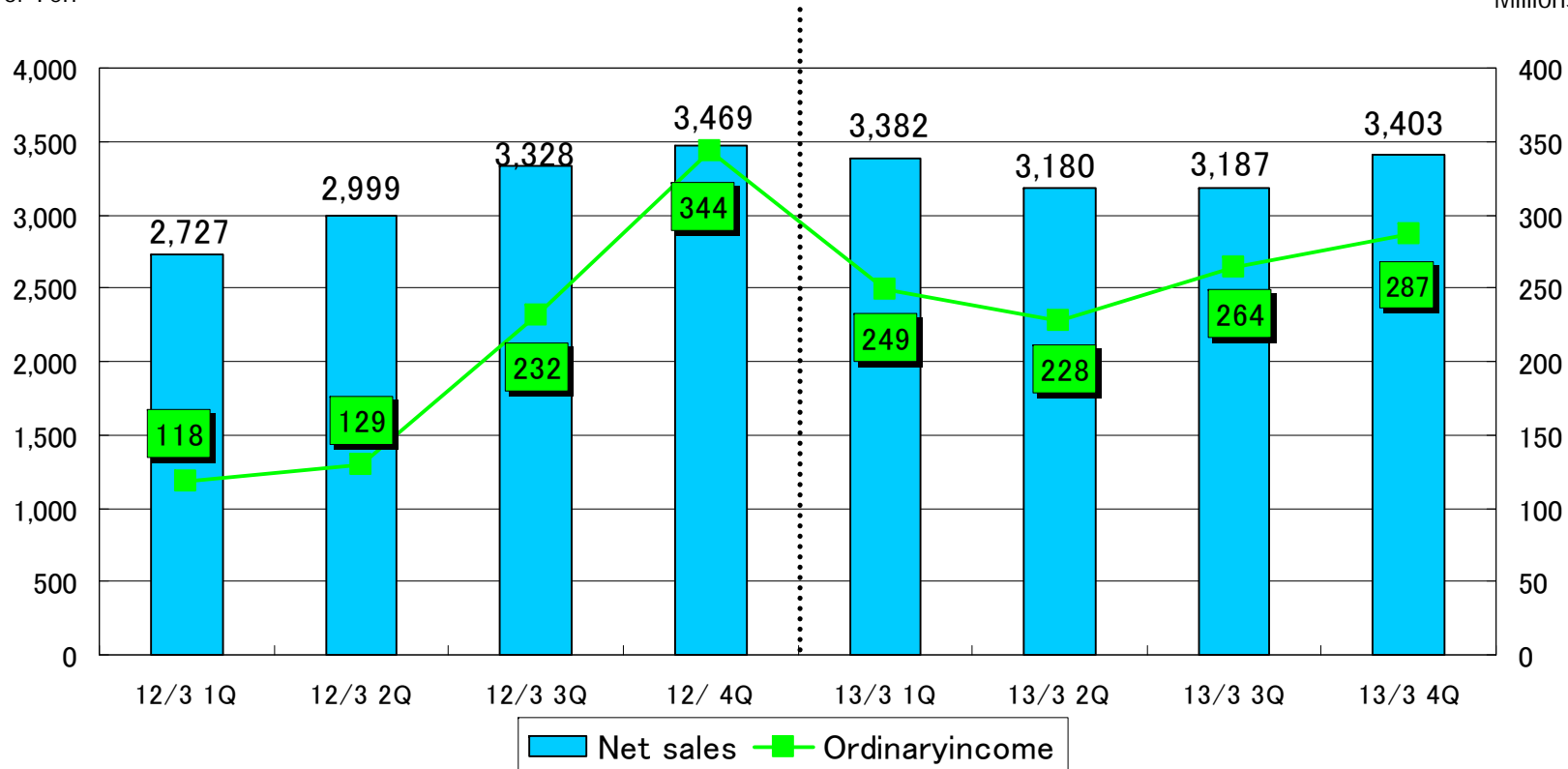
- Record-high sales were achieved owing to steady performance throughout the year.
- An increase in exchange gain due to exchange rate fluctuations continuing from the end of 2012 pushed up ordinary income substantially.

Sales (Left axis)

Millions of Yen

Ordinary Income(Right Axis)

Millions of Yen





I . Financial Results for the Year Ended March 31, 2013

- Segment Net Sales -

Consolidated

Millions of Yen

Business	12/3 Results 11/4-12/3	13/3 Plan 12/4-13/3	13/3 Results 12/4-13/3	Growth Rate
Net-Shape	5,937	6,500	6,118	3.1%
Assembly	5,230	5,500	5,578	6.7%
Filter	1,356	1,500	1,456	7.4%
Consolidated Total	12,524	13,500	13,154	5.0%

➤ Modest recovery of the domestic market and healthy sales for Southeast Asia were sales boosters.

➤ Sales increased due partly to the restored production at NDT.

➤ Products for specific industries went well.

* Rounded down to the nearest million yen

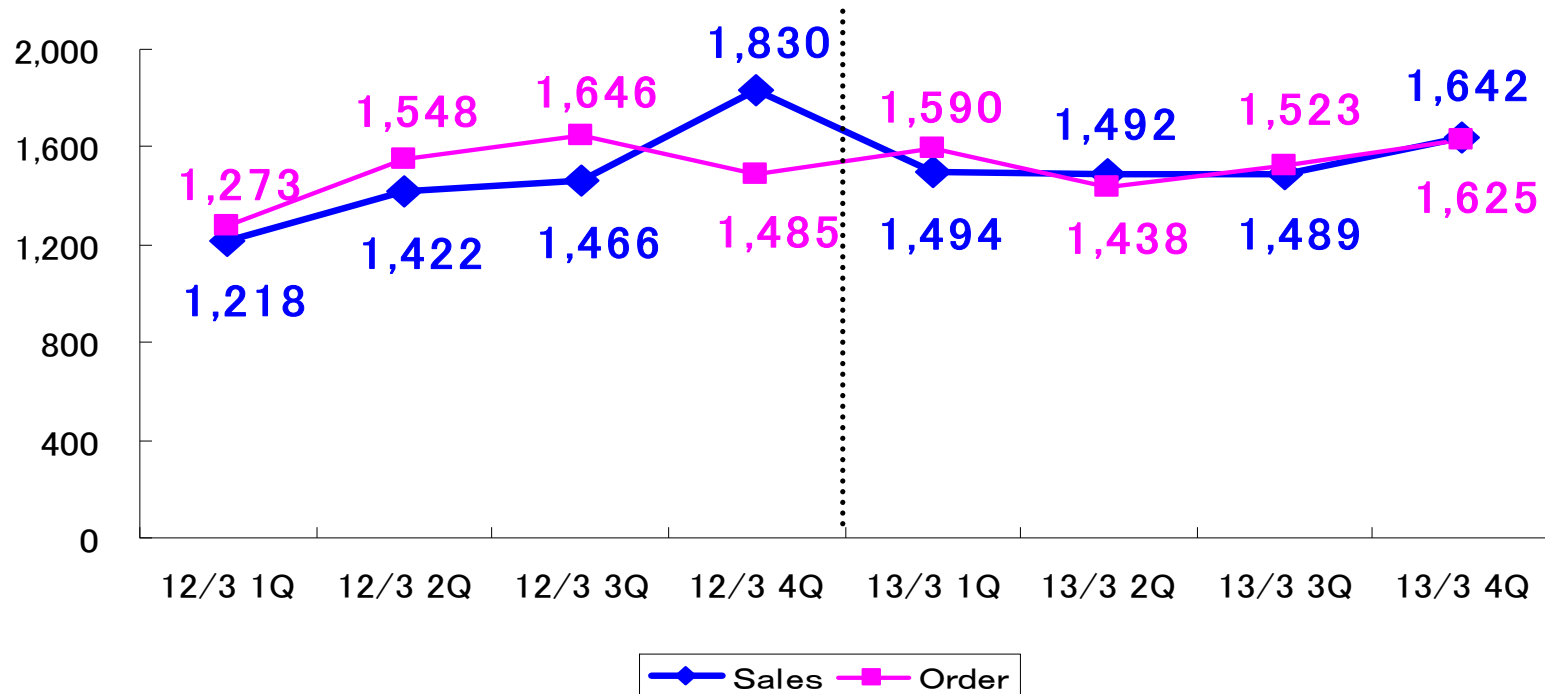
I . Financial Results for the Year Ended March 31, 2013

- Overview of the Net-Shape Business -

- **Forging Die Division:** Similarly as the production trend of the Japanese finished car manufacturers, sales were stable throughout the year. Compared with the FY2012 4Q, during which sales grew owing to the restored production after the earthquake and Thai flooding, sales were sluggish.
- **Precision-forged Goods Division:** Sales of forged scrolls were stagnant in the domestic market.

Millions of Yen

Trend in order and sales of Net-Shape business



I . Financial Results for the Year Ended March 31, 2013

- Overview of the Net-Shape Business –Sales by Region -

Non-Consolidated	Millions of Yen		
	12/3 Results	13/3 Results	Groth
Domestic	4,095	4,146	1.2%
Overseas total	739	867	17.3%
Asia	645	732	13.5%
North America	84	104	24.2%
Others	9	29	213.1%
Forging Dies	4,834	5,013	3.7%
Precision forged goods	1,103	1,105	0.2%
Net-Shape Business total	5,937	6,118	3.1%

■ Japan

- Sales showed a gradual recovery from the plunge registered in the previous year under the influence of the earthquake.
- The effect of the stagnant Indonesian motorcycle market is partly included.

■ Overseas

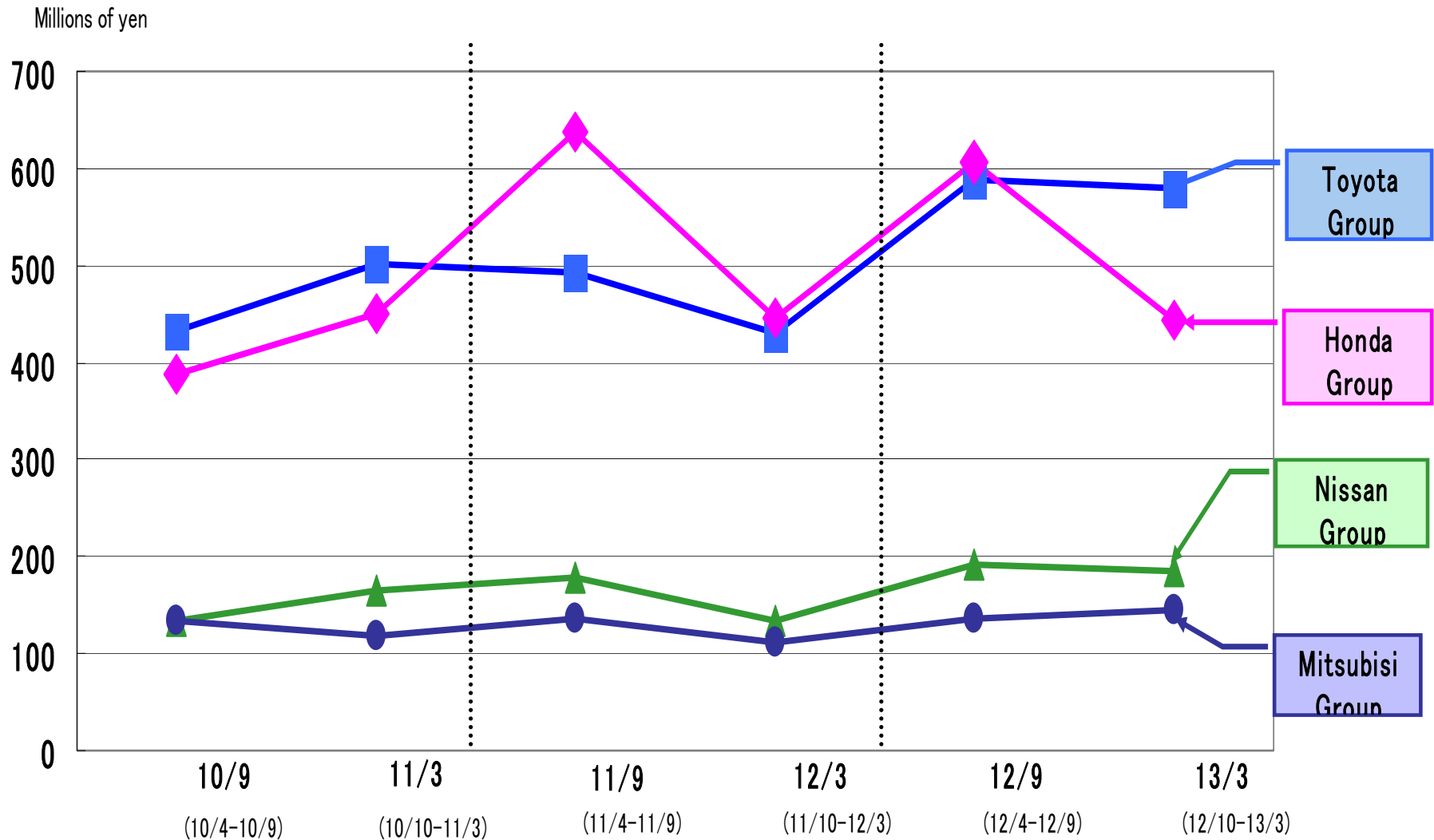
- Sales for the Japanese manufacturers operating in Southeast Asia were steady.

■ Precision-forged goods

- Sales of forged scrolls were stagnant in the domestic market.
- Overseas, mass production of forged scrolls started.

I . Financial Results for the Year Ended March 31, 2013

- Overview of the Net-Shape Business –Trend in sales in customer -





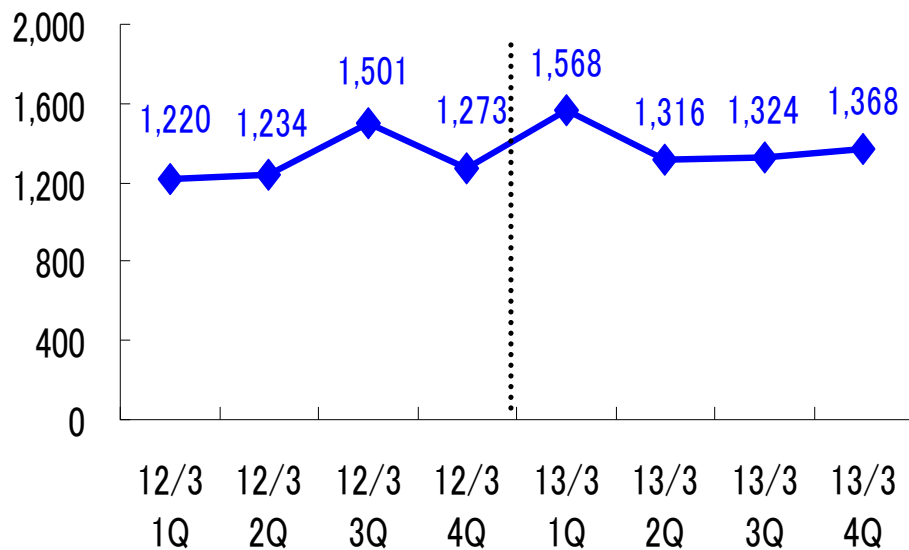
I . Financial Results for the Year Ended March 31, 2013

- Overview of the Assembly Business -

- Domestic sales declined partly affected by the stagnant European automobile market.
- In the first half year, NICHIDAI (THAILAND) LTD., our overseas base, increased sales substantially due partly to the restored production to eliminate order backlog which had caused by the Thai flooding.

Millions of Yen

Trend in sales of Assembly business



Change in Domestic/Overseas Sales

Millions of Yen

	12/3 Results	13/3 Results	Growth Rate
Domestic	2,557	2,485	△ 2.8%
Overseas	2,673	3,093	15.7%
Total	5,230	5,578	6.7%

* Rounded down to the nearest million yen

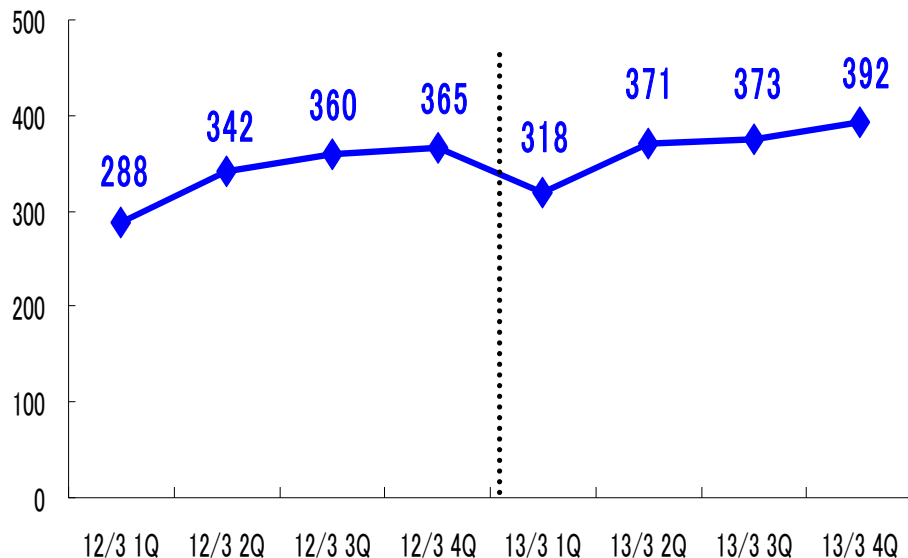
I . Financial Results for the Year Ended March 31, 2013

- Overview of the Filter Business -

- Sales rose driven by products for the healthcare and some other markets.
- Overseas, sales grew for filter products other than oil drilling filters manufactured at THAI SINTERED MESH CO., LTD.

Millions of Yen

Trend in sales of filter business



Change in Domestic/Overseas Sales

Millions of Yen

	12/3 Results	13/3 Results	Growth Rate
Domestic	970	1,055	8.8%
Overseas	386	401	3.9%
Total	1,356	1,456	7.4%

* Rounded down to the nearest million yen



I . Financial Results for the Year Ended March 31, 2013

- Segment P/L -

Consolidated

Millions of Yen

	12/3			13/3		
	Sales	Ordinary Income	Profit Rate	Sales	Ordinary Income	Profit Rate
Net-Shape	5,937	334	5.6%	6,118	349	5.7%
Assembly	5,230	284	5.4%	5,578	396	7.1%
Filter	1,356	205	15.2%	1,456	284	19.5%
Consolidated total	12,524	824	6.6%	13,154	1,030	7.8%

- Sales increased from the same period of last year, during which the effects of the earthquake were felt.
- There is influence of exchange rate fluctuations continuing from the end of 2012.
- Influence of the start of forged scroll production at NDT is included.

- Production boost at NDT pushed up profits.
- Influence of exchange rate fluctuations is included.

- Profits increased in both Japan and overseas.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2013

- Cost of Sales -

Consolidated

Millions of Yen

	12/3		13/3	
	Results	Ratio	Results	Ratio
Net sales	12,524	100.0%	13,154	100.0%
Material cost	5,045	40.3%	5,561	42.3%
Purchase of products	645	5.2%	556	4.2%
Subcontract processing	1,273	10.2%	1,275	9.7%
Subsidiary material cost	477	3.8%	416	3.2%
Labor cost	2,215	17.7%	2,306	17.5%
Depreciation	462	3.7%	530	4.0%
Change in inventory	531	4.2%	616	4.7%
Others	533	4.3%	511	3.9%
Cost of sales	10,122	80.8%	10,542	80.1%
Gross income from sales	2,402	19.2%	2,612	19.9%

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2013

- SG&A Expenses -

Consolidated

Millions of Yen

	12/3		13/3	
	Results	Ratio	Results	Ratio
Net Sales	12,524	100.0%	13,154	100.0%
Packaging/Freight	182	1.5%	217	1.7%
Transportation	88	0.7%	105	0.8%
Labor cost	789	6.3%	807	6.1%
Depreciation	76	0.6%	72	0.6%
Rent	41	0.3%	44	0.3%
Others	384	3.1%	472	3.6%
SG&A Expenses	1,562	12.5%	1,719	13.1%

Packaging/Freight

➤ Influence of additional expenses incurred from the Thai flooding in the Assembly Business still remained in the first half year.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2013

- B/S: Assets -

Consolidated

Millions of Yen

	12/3 Results	13/3 Results	Change
Cash and deposit	1,852	1,743	△ 109
Notes receivable	1,072	740	△ 331
Accounts receivable	2,689	2,747	57
Inventory	2,122	2,091	△ 30
Others	318	325	7
Allowance for bad debts	△ 4	△ 4	0
Total current assets	8,051	7,644	△ 406
Tangible fixed assets	4,978	6,111	1,132
Intangible fixed assets	149	99	△ 49
Investment and other assets	617	509	△ 108
Total fixed assets	5,745	6,720	974
Total assets	13,797	14,365	568

Increase in Tangible Fixed Assembly

➤ Attributable to an increase in the amount of investments.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2013

- B/S: Liabilities and Net Assets -

Consolidated

Millions of Yen

	12/3 Results	13/3 Results	Change
Accounts payable	1,582	1,328	△ 254
Short-term debt	1,979	2,201	222
Current portion of bonds	1,000	0	△ 1,000
Accrued income tax	136	110	△ 26
Allowance for bonus payable	131	137	5
Others	501	751	249
Total current liabilities	5,331	4,529	△ 802
Long-term debt	1,127	1,369	241
Others	103	528	424
Total fixed liabilities	1,231	1,897	666
Total liabilities	6,562	6,427	△ 135
Capital	1,429	1,429	0
Capital surplus	1,192	1,192	0
Retained earnings	4,456	4,891	435
Minority interest	325	472	146
Others	△ 170	△ 48	121
Total net assets	7,234	7,938	703
Total liabilities and net assets	13,797	14,365	568

Increase in Fixed Liabilities and Other

➤ Attributable to an increase in lease obligations.

I . Financial Results for the Year Ended March 31, 2013

- Cash Flows(CF) -

Consolidated

Millions of Yen

	12/3	13/3	Change
Cash flows from operating activities	529	1,608	1,079
Cash flows from investing activities	△ 549	△ 1,005	△ 456
Cash flows from financing activities	194	△ 743	△ 937
Amount of increase in cash and cash equivalents	155	△ 112	△ 267
Cash and cash equivalents balance at beginning of term	1,344	1,500	155
Cash and cash equivalents balance at end of term	1,500	1,387	△ 112
FCF	△ 20	602	623

Cash flows from operating activities

Changes in trade receivables
 FY2012: ¥- 685 million
 FY2013: ¥309 million
 Changes in inventory assets
 FY2012: ¥-589 million
 FY2013: ¥94 million

Cash flows from investing activities

Attributable to an increase in the amount of investments.

Cash flows from financing activities

Attributable to the redemption of 1 billion yen of corporate bonds.

*Rounded down to the nearest million yen

Ⅱ .Progress of Medium-Term Management Plan

II. Progress of Medium-Term Management Plan – Die Production in Thailand

- Die production started at NICHIDAI (THAILAND) LTD.
- In the background, the Japanese automobile parts manufacturers, or our primary customers, have been foraying into overseas markets centering on Asia.
- With NICHIDAI (THAILAND) LTD. positioned as our strategic base, we will work to provide forging dies to users in Thailand and neighboring areas.

Outline

- ✓ Production start the plan : Oct 2013
- ✓ Investment : The forecast of First year is 114 million yen consolidated
(The building was expanded in the 2013 fiscal year.)
- ✓ Sales : The forecast of 50 million yen in the 2013 fiscal year, 170 million yen in the 2014 fiscal year



NICHIDAI (THAILAND)LTD. (NDT)

- ✓ Production base of VG turbo charger parts in the suburbs of Bangkok, Thailand.
- ✓ Assembles turbocharger parts and manufacturers forged scrolls. A strategic base in Asia spanning the Net-Shape Business and Assembly Business.
- ✓ A joint venture company of Nichidai, NPC and Mitsubishi Turbocharger Asia Co., Ltd. (MTA).

Ⅲ. Plan for the Year Ended March 31, 2014



Ⅲ. Plan for the Year Ended March 31, 2014 - Forecasts of Each Business -

Net-Shape Business

- ✓ Forging Die Division: Japanese finished car manufacturers' production is expected to increase mainly overseas. We will ensure meeting the die demand that is forecast to grow.
- ✓ From the next fiscal year, our two sales bases – NICHIDAI U.S.A. CORPORATION in North America and NICHIDAI ASIA CO., LTD. in Thailand – will be included in the scope of consolidation.
- ✓ Precision-forged Goods Division: Mass production of forged scrolls will go into full swing at NDT.

Assembly Business

- ✓ Stagnant car sales in Europe, as well as getting to the time for the changeover of VG turbocharger parts that accompanies the enforcement of new European environmental regulations, will reduce the production of such parts at both Japanese and Thai bases.

Filter Business

- ✓ Products intended for new customers are expected to contribute to sales growth.
- ✓ Sales will expand in Asia centering on our overseas production base THAI SINTERED MESH CO., LTD.



Ⅲ. Plan for the Year Ended March 31, 2014 - Segment Net Sales -

Consolidated		Millions of Yen	
Business	13/3 Results 12/4-13/3	14/3 Plan 13/4-14/3	Growth Rate
Net-Shape	6,118	6,930	13.3%
Assembly	5,578	4,950	△ 11.3%
Filter	1,456	1,620	11.2%
Consolidated total	13,154	13,500	2.6%

➤ Forging Die Division:
We will ensure meeting the die demand growth of which is expected in both Japan and overseas.

➤ Precision-forged Goods Division: Mass production of forged scrolls will go into full swing at NDT.

➤ Production will be reduced at both Japanese and overseas bases.

➤ New products are projected contribute to sales grown.

➤ Sales for Asia are expected to expand.

* Rounded down to the nearest million yen

Ⅲ. Plan for the Year Ended March 31, 2014 - P/L: Sales and Profit -

Consolidated

Millions of Yen

	13/3 Results 12/4-13/3	14/3 Plan 13/4-14/3	Growth Rate
Net sales	13,154	13,500	2.6%
Gross income from sales	2,612	2,820	7.9%
S.G.&A. expense	1,719	1,820	5.9%
Operating income	893	1,000	12.0%
Non-operating income	△ 137	50	-
Ordinary income	1,030	950	△ 7.9%
Net income	561	520	△ 7.4%

Net Sales

➤ We will make up for the plunge in sales of the Assembly Business with sales growth of the Net-Shape Business and the Filter Business, aiming to increase overall sales.

Operating income

➤ We will seek growth on an operating income basis.

Ordinary income

➤ The decrease in ordinary income for FY2014 is mainly attributable to an increase in exchange gain for FY2013.
➤ Assumed exchange rates:
1 US Dollar = ¥93 1 Baht = ¥3

* Rounded down to the nearest million yen

Ⅲ. Plan for the Year Ended March 31, 2014 - Capital Investment/Depreciation-

Consolidated

Millions of Yen

	08/3 Results	09/3 Results	10/3 Results	11/3 Results	12/3 Results	13/3 Results	14/3 Plan
Capital expenditures	765	524	434	372	627	1,605	1,100
Depreciation	624	633	557	532	539	602	800

* Rounded down to the nearest million yen

Ⅲ. Forecasts for the Year Ended March 31, 2014 - Dividends -

	End of Interim Period	Year End	Full Year
	Yen Sen	Yen Sen	Yen Sen
FY2010	0.00	0.00	0.00
FY2011	3.00	6.00	9.00
FY2012	6.00	6.00	12.00
FY2013(Plan)	8.00	8.00	16.00
FY2014(Plan)	8.00	8.00	16.00

Thank you very much for coming today.

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

Strategic Point	Action Assignment	Progress Situation
Enhancing product competitiveness by QDC improvement	<ul style="list-style-type: none"> ✓ Aim to drastically improve QDC and then enhance product competitiveness by reviewing the entire value chain from design, production to sales. 	<ul style="list-style-type: none"> ✓ The lead time shortening project has continuously been promoted. ✓ Capital investment aiming for lead time shortening is being made.
Promoting technological development and pioneering new business field	<ul style="list-style-type: none"> ✓ Aiming to further strengthen precision-forged goods business, set up Engineering & Development Department. ✓ Advance development of new precision-forging methods and products, and look for applications in various industries. 	<ul style="list-style-type: none"> ✓ We will continue to strive for commercialization of small-sized electric-generating motor components. ✓ We will strive for commercialization of STRECON.
Responding to overseas business development	<ul style="list-style-type: none"> ✓ With our eyes set on the Japanese key customers' entering foreign markets, strengthen international collaboration in sales activities. ✓ Promote Asian strategy keeping in mind our production bases for forging dies and mass production. 	<ul style="list-style-type: none"> ✓ Production of dies will start in NDT on October 2014

Appendix . Progress Situation of the Medium-term Management Plan - The Assembly Business -

Strategic Point	Action Assignment	Progress Situation
Enhancing product competitiveness by QDC improvement	<ul style="list-style-type: none"> ✓ Reinforce supply chain management to shorten lead time and raise efficiency. 	<ul style="list-style-type: none"> ✓ Efforts to improve inventory turnover through reinforcement of supply chain are being made. ✓ Cost reduction measures using plastic forming technology have been implemented.
Promoting technological development and pioneering new business field	<ul style="list-style-type: none"> ✓ Clarify the role of NICHIDAI PRECISION CORPORATION, our Japanese subsidiary, as our R&D base. 	<ul style="list-style-type: none"> ✓ Collaboration with the technological development division of the Net-Shape Business is being forced for parts development and creation of new products.
Responding to overseas business development	<ul style="list-style-type: none"> ✓ Advance local procurement at NDT of Thailand. ✓ Clarify NDT' s role as our mass production base. 	<ul style="list-style-type: none"> ✓ Localization of material procurement and other measures have continuously been implemented.

Strategic Point	Action Assignment	Progress Situation
<p>Promoting technological development and pioneering new business field</p>	<ul style="list-style-type: none"> ✓ Expand sales of new products, such as ozone decomposing filters. ✓ Broaden sintering technology applicable areas, thereby establish new applications and new markets for products other than filter products. 	<ul style="list-style-type: none"> ✓ Efforts to find new customers have been continuing. ✓ Also, sintering technology for new materials is being developed to explore new applications.
<p>Responding to overseas business development</p>	<ul style="list-style-type: none"> ✓ Establish a filter production system other than oil drilling filters at Thai TSM. ✓ TSM should assume a role as our mass production and Asian market development base. 	<ul style="list-style-type: none"> ✓ Efforts to expand sales of filter products for the Asian market are being made centering on TSM. Manufacturing of filter products other than oil drilling filters is expanding at TSM.