



The Financial Statement Briefing For the Year Ended March 31, 2011

May 13, 2011

JASDAQ: 6467

NICHIDAI CORPORATION

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

Overseas

Net-Shape Business

NICHIDAI CORPORATION Non-consolidated

- ◆ Produces precision forging dies used mainly for forging of car parts, such as engine, transmission and driving mechanisms.
- ◆ Net-Shape, a forging process without cutting is the core technology.
- ◆ Mass-produces precision-forged goods, such as automobile parts and aluminum alloy air-conditioner parts (precision-forged scrolls).
- ◆ Has an advantage of total engineering capability not only in the production but also development of dies as well as production of parts.



Precision-forged scroll



Precision forging dies

NICHIDAI ASIA CO., Ltd. (NDA)

- ◆ Sales base of dies established in Thailand.

NICHIDAI U.S.A. CORPORATION (NUC)

- ◆ Die sales base in Ohio, USA.

Assembly Business

NICHIDAI PRECISION CORPORATION (NPC)

- ◆ Assembly VG turbo charger parts for diesel engine.



VG turbo charger parts

NICHIDAI (THAILAND) LTD. (NDT)

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

Filter Business

NICHIDAI FILTER CORPORATION (NFC)

- ◆ Produces lamination sintered wire mesh filters used in a variety of industries, such as food, pharmaceutical, nuclear energy and aerospace.



Lamination sintered wire mesh filters

THAI SINTERED MESH CO., LTD. (TSM)

- ◆ Oil drilling filters production base in the suburbs of Chiang Mai, Thailand.

I . Financial Results for the Year Ended March 31, 2011



I . Financial Results for the Year Ended March 31, 2011

- P/L: Sales and Profit -

Millions of Yen

	10/3 Results 09/4-10/3	11/3 Original Plan 10/4-11/3 Announced 10/4	11/3 Revisional Plan 10/4-11/3 Announced 11/2	11/3 Results 10/4-11/3	Growth Rate	
Non- consolidated	Net sales	4,103	5,300	5,250	5,415	32.0%
	Gross income from sales	556	1,244	1,170	1,220	119.5%
	S.G. & A. expense	884	1,014	920	936	6.0%
	Operating income	△ 327	230	250	283	—
	Non-operating income	△ 14	△ 80	△ 30	△ 12	—
	Ordinary income	△ 342	150	220	271	—
	Net income	△ 359	130	165	209	—
	Consolidated	Net sales	6,887	9,000	10,000	10,301
Gross income from sales		923	1,750	2,030	2,181	136.1%
S.G. & A. expense		1,336	1,450	1,450	1,478	10.6%
Operating income		△ 412	300	580	703	—
Non-operating income		△ 6	△ 100	△ 30	△ 21	—
Ordinary income		△ 419	200	550	681	—
Net income		△ 450	150	380	495	—

* Rounded down to the nearest million yen

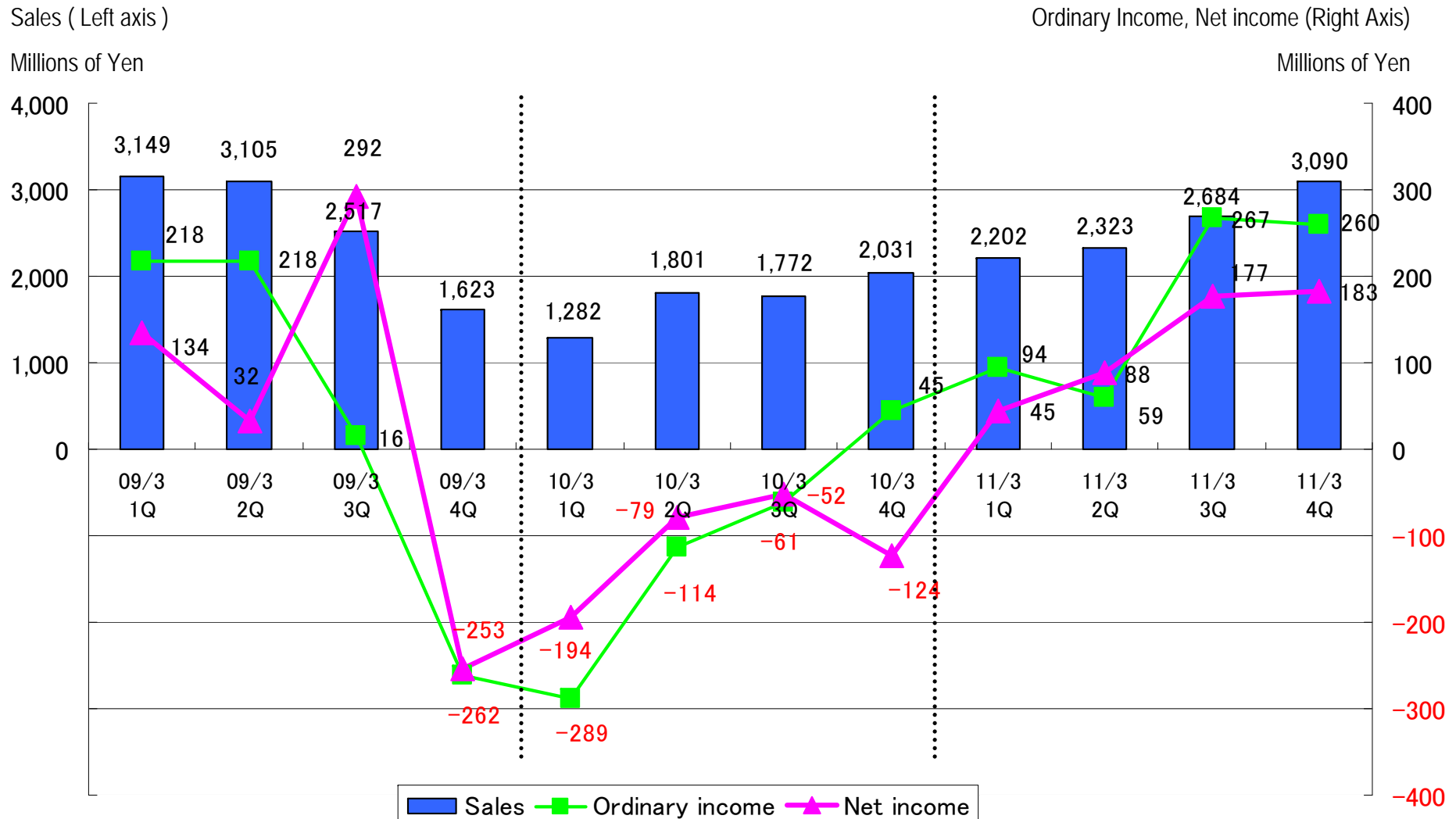
NICHIDAI CORPORATION



I . Financial Results for the Year Ended March 31, 2011

- Trend in operating results on quarter basis -

- Entering FY March 2011, performance improved gradually.
- In the 2nd half year, business recovered to the pre-Lehman Shock level.



* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2011

- Segment Net Sales -

Consolidated

Millions of Yen

Business	10/3 Results 09/4-10/3	11/3 Original Plan 10/4-11/3 Announced 10/4	11/3 Revisonal Plan 10/4-11/3 Announced 11/2	11/3 Results 10/4-11/3	Growth Rate
Net-Shape	4,103	5,300	5,250	5,415	32.0%
Assembly	1,847	2,750	3,660	3,749	103.0%
Filter	937	950	1,090	1,136	21.3%
Consolidated total	6,887	9,000	10,000	10,301	49.6%

➤ Sales of the Forging Die Division increased.

➤ Sales surged at both Japanese and Thai bases.

➤ Oil drilling filter sales at TSM were stagnant but covered by filters destined for Japan.

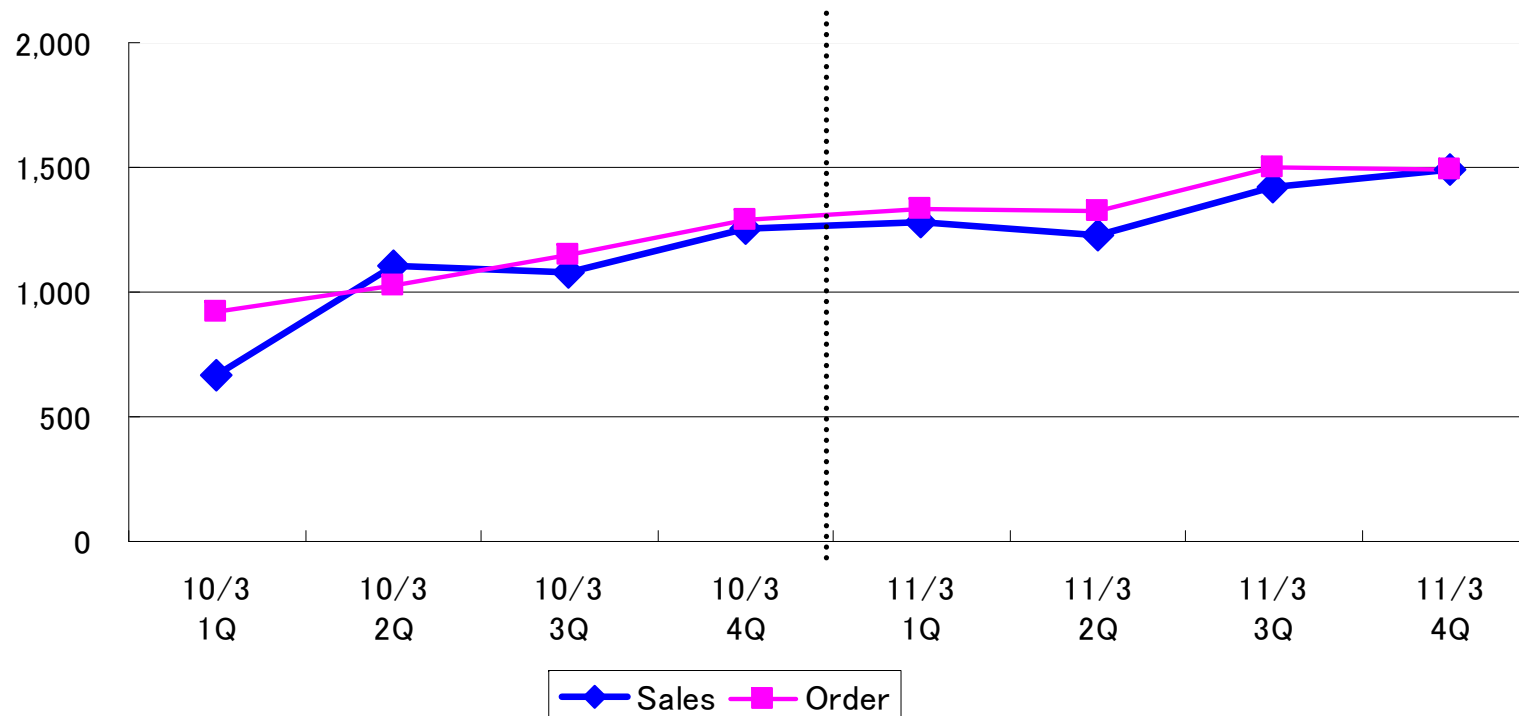
* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2011

- Overview of the Net-Shape Business -

- Forging Die Division: Business recovered slowly. In the 2nd half year, rising demand for dies resulting from Japanese parts manufacturers' entering overseas markets became a driving force for the sales increase.
- Precision-forged Goods Division: Substantial postponement in mass production for American parts manufacturers caused performance fell far below the plan.

Millions of Yen Trend in order and sales of Net-Shape business





I . Financial Results for the Year Ended March 31, 2011

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

Consolidated

Millions of Yen

	10/3 Results	11/3 Results	Growth Rate
Domestic	2,886	4,027	39.6%
Overseas total	651	549	△ 15.6%
Asia	547	429	△ 21.5%
North America	88	112	26.5%
Others	15	7	△ 50.8%
Forging Dies	3,537	4,577	29.4%
Precision forged goods	566	838	48.1%
Net-Shape business total	4,103	5,415	32.0%

■ Domestic

- Positive growth is owing to the recovery in demand for dies.
- In the 2nd half year, demand for dies increased in concert with our customers' business expansion overseas.

■ Asia

- Sales for the previous year include that of die sets.

■ North America

- As the economy recovered, sales improved.

■ Precision-forged Goods

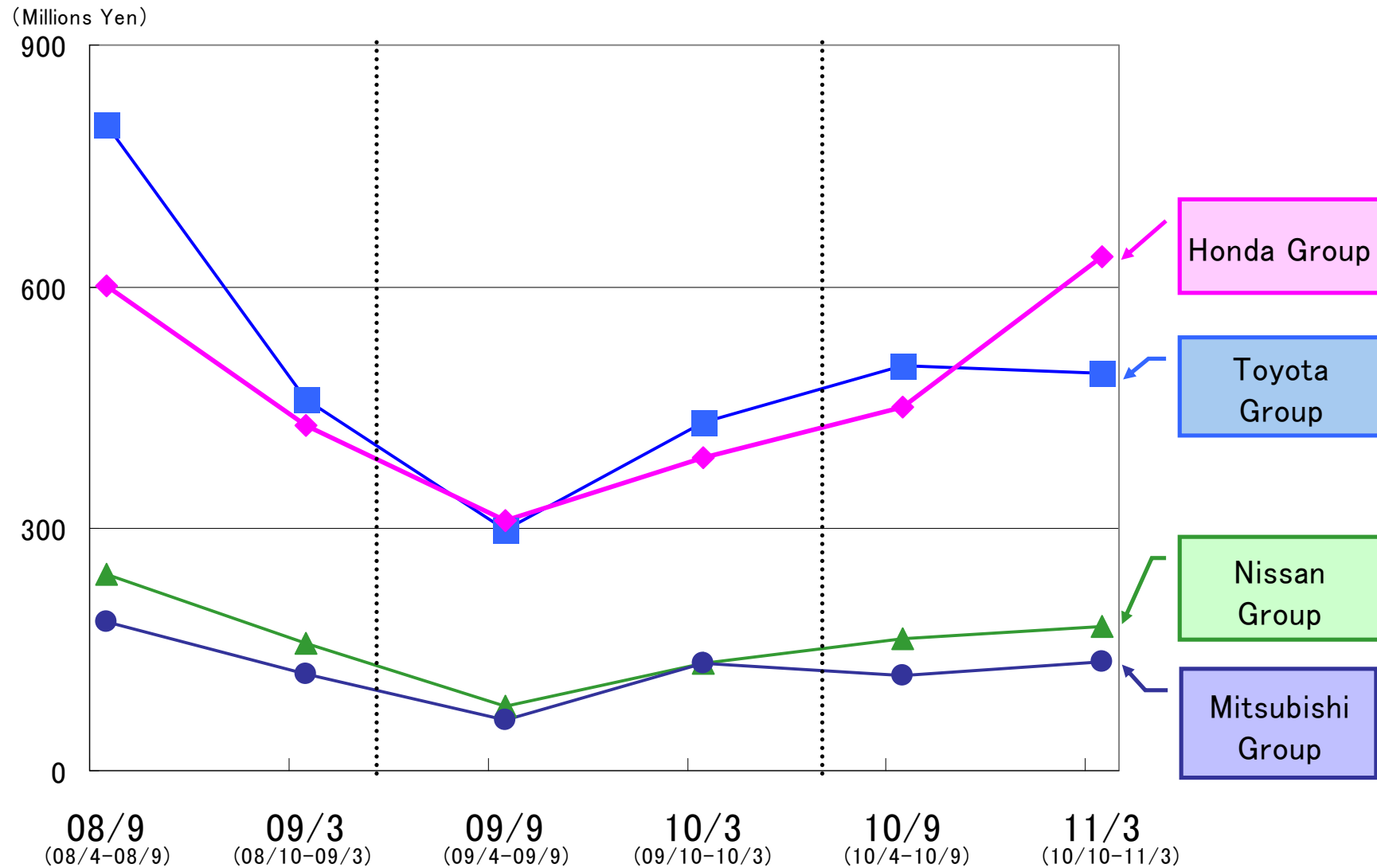
- There was a substantial postponement in mass production for American parts manufacturers. Sales of other mass produced goods increased.

* Rounded down to the nearest million yen

NICHIDAI CORPORATION

I . Financial Results for the Year Ended March 31, 2011

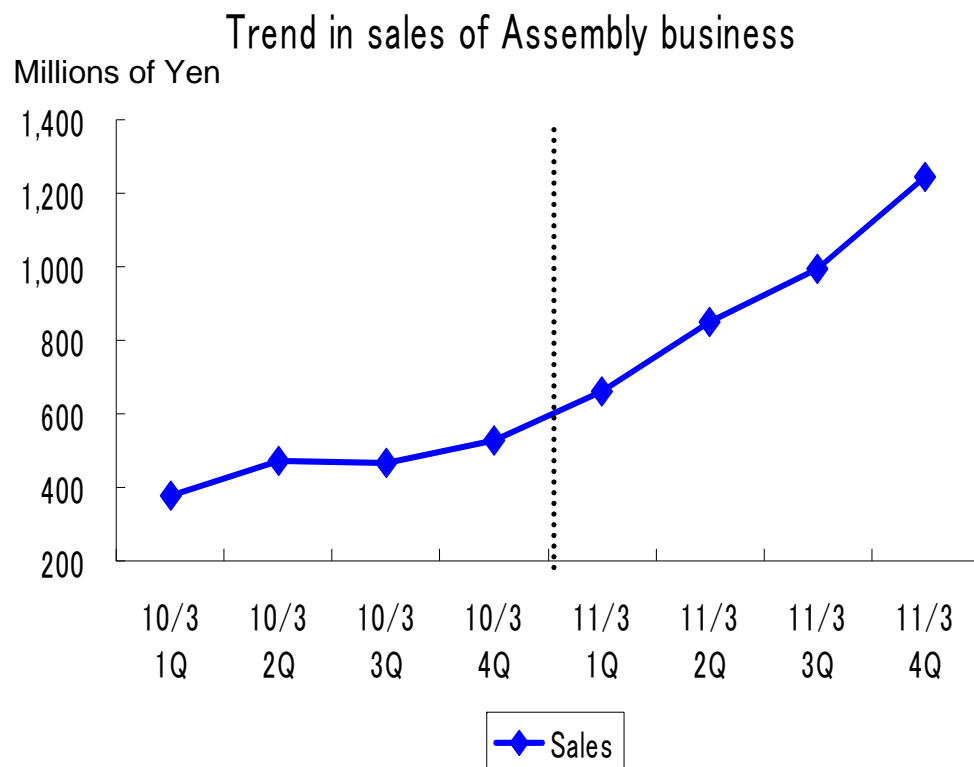
- Overview of the Net-Shape Business -Trend in Sales by Customer -



I . Financial Results for the Year Ended March 31, 2011

- Overview of the Assembly Business -

- Demand for turbocharger parts for the European automobile market rose substantially.
- Successful launch of mass production at NDT, our Thai production base, pushed up sales dramatically.



Change in Domestic/Overseas Sales

Millions of Yen

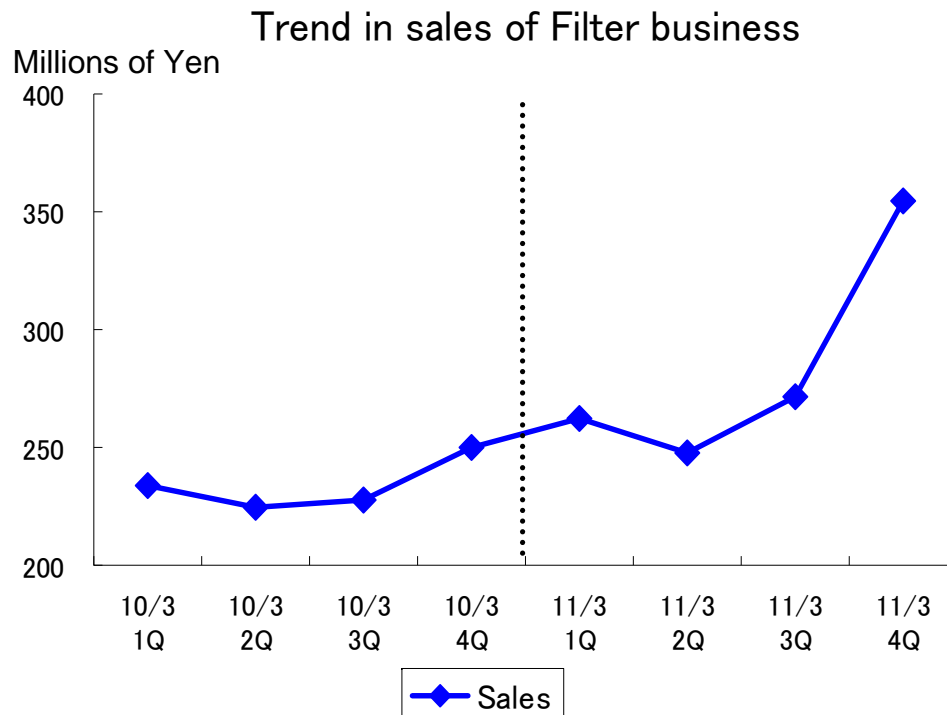
	10/3 Results	11/3 Results	Growth Rate
Domestic	1,730	2,099	21.3%
Overseas	116	1,649	1313.5%
Total	1,847	3,749	103.0%

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2011

- Overview of the Filter Business -

- Increasing desire for capital investment in Japan gave a boost to domestic sales.
- Oil drilling filters produced at TSM, our Thai production base, remained sluggish. Sales began to grow after 4Q.
- Export increased with overseas sales exceeding those of a year ago.



Change in Domestic/Overseas Sales

Millions of Yen

	10/3 Results	11/3 Results	Growth Rate
Domestic	730	825	13.1%
Overseas	207	311	50.3%
Total	937	1,136	21.3%

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2011

- Segment P/L -

Millions of Yen

	10/3			11/3		
	Sales	Ordinary Income	Profit Rate	Sales	Ordinary Income	Profit Rate
Net-Shape	4,103	△ 342	△ 8.4%	5,415	271	5.0%
Assembly	1,847	△ 137	△ 7.5%	3,749	300	8.0%
Filter	937	61	6.6%	1,136	109	9.6%
Consolidated total	6,887	△ 419	△ 6.1%	10,301	681	6.6%

➤ The postponement in mass production of precision-forged goods for American parts manufacturers affected the result.

➤ Profits of the Forging Die Division improved significantly.

➤ Production increase both at Japanese and Thai bases raised profitability.

➤ Impact of TSM's weak performance was made up by the Japanese bases.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2011

- Cost of Sales -

Consolidated

Millions of Yen

	10/3		11/3	
	Results	Ratio	Results	Ratio
Net sales	6,887	100.0%	10,301	100.0%
Material cost	1,815	26.4%	3,520	34.2%
Purchase of products	355	5.2%	434	4.2%
Subcontract processing	713	10.4%	976	9.5%
Subsidiary material cost	307	4.5%	400	3.9%
Labor cost	1,690	24.5%	2,012	19.5%
Depreciation	470	6.8%	451	4.4%
Change in inventory	△ 106	△ 1.5%	195	1.9%
Others	504	7.3%	520	5.0%
Cost of sales	5,963	86.6%	8,120	78.8%
Gross income from sales	923	13.4%	2,181	21.2%

Material cost

➤ Increase in sales of the Assembly Business raised the material cost ratio.

Increase in labor cost

➤ Emergency cost-control measures were taken last year.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2011

- SG&A Expenses -

Consolidated

Millions of Yen

	10/3		11/3	
	Results	Ratio	Results	Ratio
Net sales	6,887	100.0%	10,301	100.0%
Packaging/Freight	88	1.3%	132	1.3%
Transportation	88	1.3%	85	0.8%
Labor cost	680	9.9%	751	7.3%
Depreciation	87	1.3%	81	0.8%
Rent	40	0.6%	39	0.4%
Others	351	5.1%	388	3.8%
SG&A Expenses	1,336	19.4%	1,478	14.3%

Increase in labor cost

➤ Emergency cost-control measures were taken last year.

Increase in others

➤ Attributable to increase in donations expenses etc.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2011

- B/S: Assets -

Consolidated

Millions of Yen

	10/3 Results	11/3 Results	Change
Cash and deposit	1,413	1,697	284
Notes receivable	632	932	299
Accounts receivable	1,769	2,173	404
Inventory	1,167	1,563	396
Others	160	181	20
Allowance for bad debts	△ 3	△ 4	0
Total current assets	5,139	6,543	1,404
Tangible fixed assets	5,170	4,931	△ 238
Intangible fixed assets	61	99	38
Investment and other assets	833	796	△ 36
Total fixed assets	6,064	5,826	△ 237
Total deferred assets	1	0	△ 1
Total assets	11,205	12,370	1,165

Accounts receivable and Inventory

➤ Attributable to increase in sales.

Decrease in tangible fixed assets

➤ Attributable to restraint of capital investment

* Rounded down to the nearest million yen

* Change is the difference between 10/3 results and 11/3 results.

I . Financial Results for the Year Ended March 31, 2011

- B/S: Liabilities and Net Assets -

Consolidated

Millions of Yen

	10/3 Results	11/3 Results	Change
Accounts payable	607	881	273
Short-term debt	1,687	2,216	529
Accrued income tax	40	60	19
Allowance for bonus payable	115	132	17
Others	321	502	181
Total current liabilities	2,771	3,793	1,021
Corporate bond	1,000	1,000	0
Long-term debt	891	550	△ 341
Others	97	78	△ 18
Total fixed liabilities	1,988	1,628	△ 359
Total liabilities	4,760	5,422	662
Capital	1,429	1,429	0
Capital surplus	1,192	1,192	0
Retained earnings	3,627	4,096	468
Minority interest	264	328	63
Others	△ 70	△ 99	△ 28
Total net assets	6,444	6,948	503
Total liabilities and net assets	11,205	12,370	1,165

Increase in accounts payable

➤ Attributable to increase in sales.

Increase in others

➤ Attributable to increases in accrued liability, accrued consumption tax, etc.

* Rounded down to the nearest million yen

* Change is the difference between 10/3 results and 11/3 results.

I . Financial Results for the Year Ended March 31, 2011

- Cash Flows (CF) -

Consolidated

Millions of Yen

	10/3	11/3	Change
Cash flows from operating activities	270	514	243
Cash flows from investing activities	△ 321	△ 358	△ 36
Cash flows from financing activities	△ 230	129	359
Amount of increase in cash and cash equivalents	△ 259	283	543
Cash and cash equivalents balance at beginning of term	1,320	1,060	△ 259
Cash and cash equivalents balance at end of term	1,060	1,344	283
FCF	△ 51	156	207

Cash flows from operating activities

➤ Positive result is due to substantial increase in profits, rebounding from a loss of a year earlier.

* Rounded down to the nearest million yen

* Change is the difference between 10/3 results and 11/3 results.

I . Financial Results for the Year Ended March 31, 2011

- Capital Investment/Depreciation-

Consolidated

Millions of Yen

	08/3 Results	09/3 Results	10/3 Results	11/3 Results
Capital expenditures	759	524	426	370
Depreciation	625	633	557	532

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2011

- Dividends -

➤ Year-end dividend was revised to 6 yen from the initial forecast of 3 yen. 9 yen of full-year dividend has been scheduled.

	End of Interim Period	Year End	Full Year
	Yen Sen	Yen Sen	Yen Sen
FY2009	8.00	0.00	8.00
FY2010	0.00	0.00	0.00
FY2011	3.00	6.00	9.00

- In the Japanese automobile market, or our primary customer industry, the March 2011 Great East Japan Earthquake has been extraordinarily interrupting finished car manufacturers' production activities, making rational calculations of impacts on the NICHIDAI Group difficult at present.
- For this reason, performance projections for the next fiscal year have not been set yet. We will continuously devote ourselves to collect, prudently scrutinize information and announce the projections as soon as possible.
- We will announce the dividend forecast for the fiscal year ending March 31, 2012 with the projections.

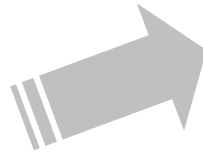
Ⅱ . Medium-Term Management Plan

II . Medium-Term Management Plan - 3-Year Goal -

3 Years Later

Now (FY March 2011 Results)

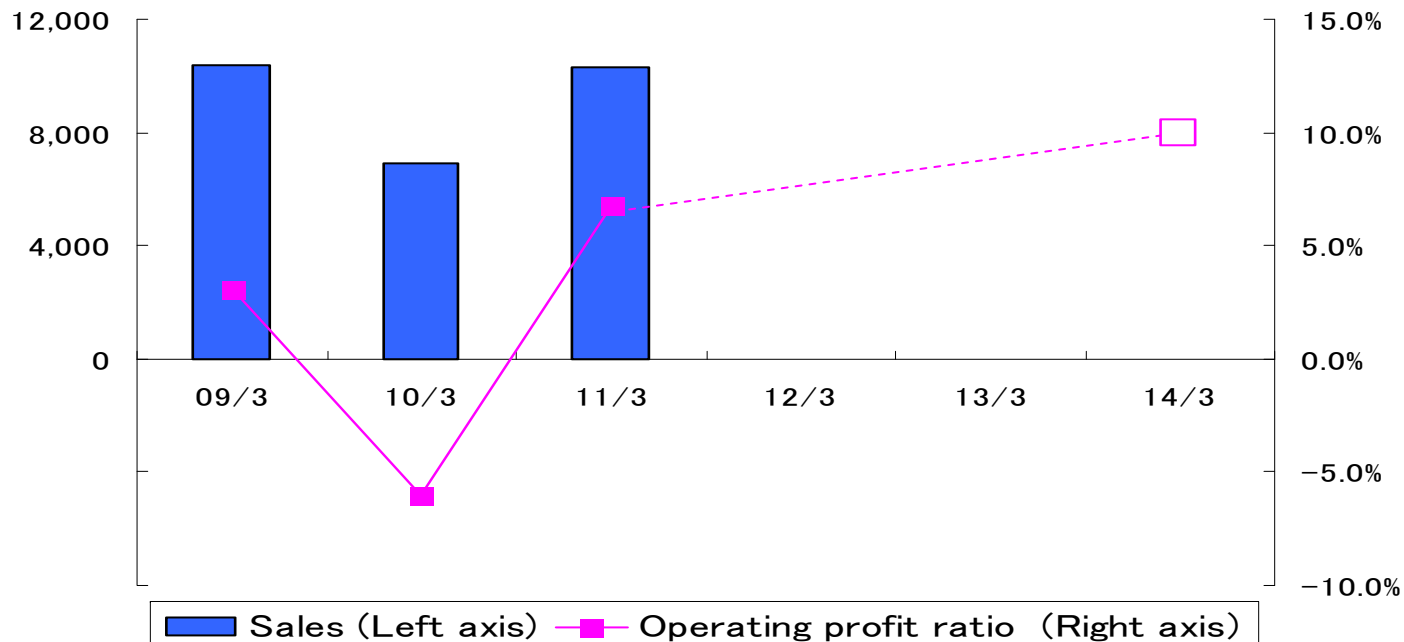
Sales: 10.3 billion yen
Operating income ratio: 6.8%
Overseas sales ratio: 24.6%



Goal

- **Achieving 10% of operating income on sales**
- **Achieving overseas sales ratio to 30% or over**
- **Creating new business in 3 years**

Millions of Yen



Ⅱ . Medium-Term Management Plan

- Responding to overseas business development -

➤ Strategic Point (1) Responding to overseas business development

Our Japanese key customers are pushing forward with further overseas business development centering on the Asian region. How to keep pace with them is the challenge to be addressed.

Net-Shape Business

- 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.

Assembly Business

- Advance local procurement at NDT of Thailand.
- Clarify NDT's role as our mass production base.



← NICHIDAI(THAILAND)LTD. (NDT)

↓ THAI SINTERD MESH CO.,LTD. (TSM)



Filter Business

- 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.

II . Medium-Term Management Plan

- Promoting technological development and pioneering new business field -

➤ Strategic Point (2) Promoting technological development and pioneering new business field

Seek for "products that cannot be made by other companies and unrivaled high technological skills" to create a new market.

Net-Shape Business

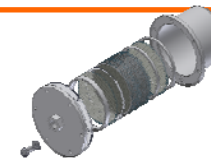
- Aiming to further strengthen precision-forged goods business, set up Engineering & Development Department.
- Advance development of new precision-forging methods and products, and look for applications in various industries.

Assembly Business

- Clarify the role of NICHIDAI PRECISION CORPORATION, our Japanese subsidiary, as our R&D base.

Filter Business

- 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.



← Ozone decomposing filter

II . Medium-Term Management Plan

- Enhancing product competitiveness by QDC improvement -

➤ Strategic Point (3) Enhancing product competitiveness by QDC improvement

In the Japanese market where slowdown in growth is expected, improve product added value and "customer satisfaction" to capture demand.

Net-Shape Business

- Aim to drastically improve QDC and then enhance product competitiveness by reviewing the entire value chain from design, production to sales.



Value Chain of the Net-Shape Business

Assembly Business

- Reinforce supply chain management to shorten lead time and raise efficiency.

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.

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