



The Financial Statement Briefing For the Year Ended March 31, 2010

May 6, 2010

JASDAQ: 6467

NICHIDAI CORPORATION

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

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 forging dies



Precision-forged scroll

NICHIDAI ASIA CO.,Ltd. (NDA)

- ◆ Sales base of dies established in Thailand.

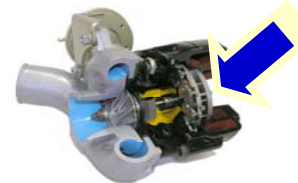
NICHIDAI USA CORPORATION(NUC)

- ◆ 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.

Overseas

I . Financial Results for the Year Ended March 31, 2010



I . Financial Results for the Year Ended March 31, 2010

- P/L: Sales and Profit -

Millions of Yen

	09/3 Results 08/4-09/3	10/3 Plan 09/4-10/3	10/3 Results 09/4-10/3	Growth Rate	Plan Ratio	
Non- consolidated	Net sales	5,904	4,000	4,103	△ 30.5%	2.6%
	Gross income from sales	1,310	540	556	△ 57.6%	3.0%
	S.G. & A. expense	1,132	1,000	884	△ 21.9%	△ 11.6%
	Operating income	177	△ 460	△ 327	—	—
	Non-operating income	△ 87	△ 100	△ 14	—	—
	Ordinary income	89	△ 560	△ 342	—	—
	Net income	173	△ 345	△ 359	—	—
Consolidated	Net sales	10,394	7,500	6,887	△ 33.7%	△ 8.2%
	Gross income from sales	1,999	980	923	△ 53.8%	△ 5.8%
	S.G. & A. expense	1,683	1,470	1,336	△ 20.6%	△ 9.1%
	Operating income	315	△ 490	△ 412	—	—
	Non-operating income	△ 124	△ 120	△ 6	—	—
	Ordinary income	190	△ 610	△ 419	—	—
	Net income	205	△ 400	△ 450	—	—

* Rounded down to the nearest million yen



I . Financial Results for the Year Ended March 31, 2010

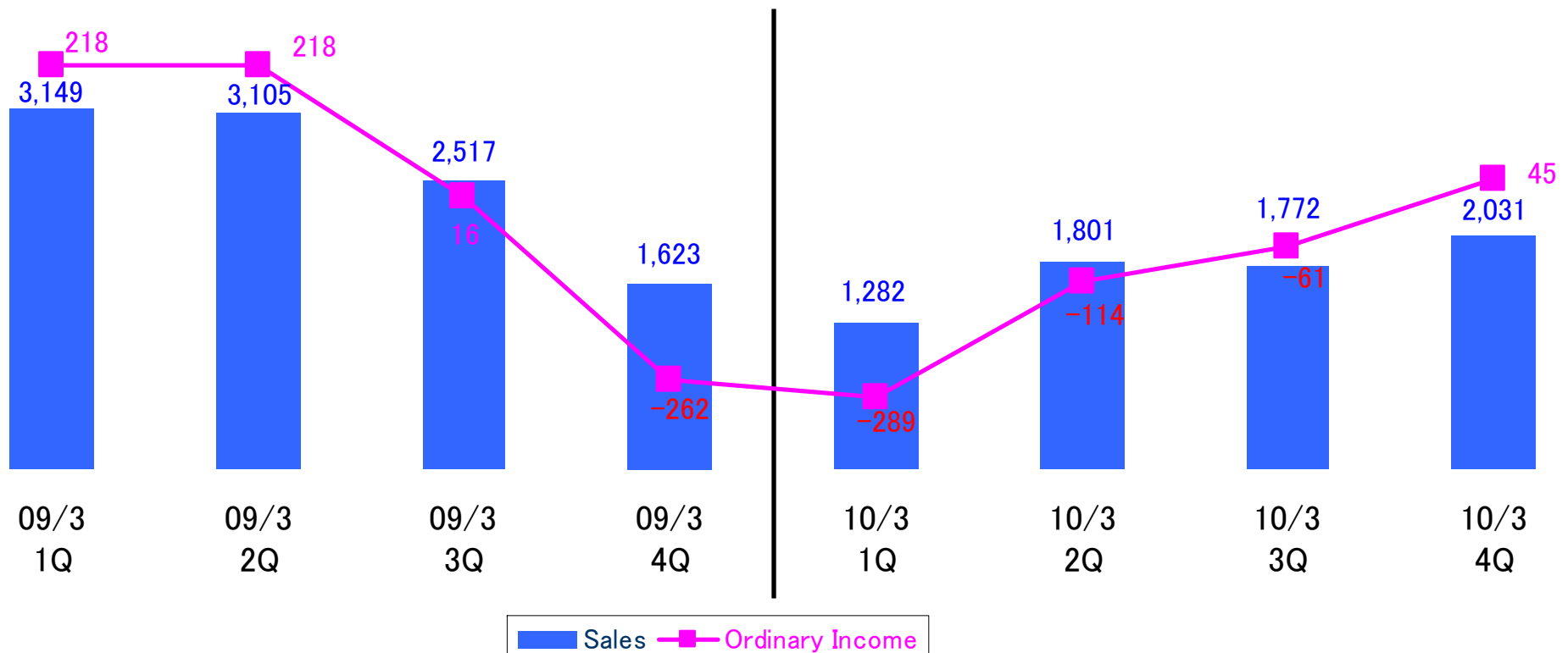
- Trend in operating results on quarter basis -

- ✓ Earnings have improved after hitting bottom in 1Q of the year ended March 2010, with increase in both sales and ordinary income from 2Q to 4Q.

Consolidated

Sales (Left axis)
Millions of Yen

Ordinary Income (Right Axis)
Millions of Yen





I . Financial Results for the Year Ended March 31, 2010

- Segment Net Sales -

Consolidated		Millions of Yen			
Business	09/3 Full Year Results 08/4-09/3	10/3 Plan For Full Year 09/4-10/3	10/3 Full Year Results 09/4-10/3	Growth Rate	Plan Ratio
Net-Shape	6,232	4,000	4,103	△ 34.2%	2.6%
Assembly	2,811	2,280	1,847	△ 34.3%	△ 19.0%
Filter	1,350	1,220	937	△ 30.6%	△ 23.2%
Consolidated total	10,394	7,500	6,887	△ 33.7%	△ 8.2%

➤ Sales of both dies and precision-forged goods increased in the 2nd half year.

➤ Continued from the previous term, sales were affected by the slumping European automobile market.

➤ Despite increase for new products, sales dropped by the diminishing Japanese private sector's investment appetite and the sluggish oil development market.

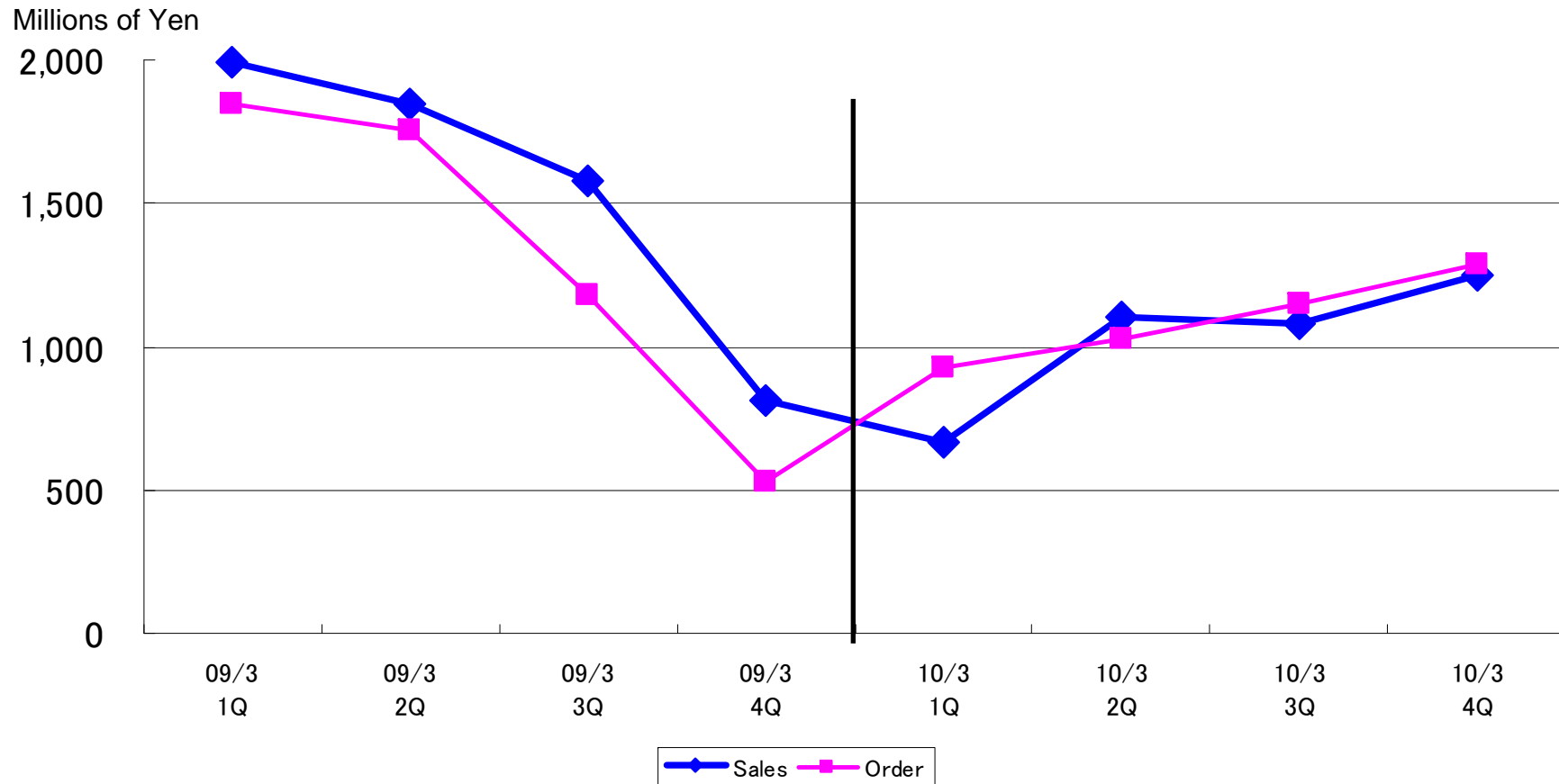
* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2010

- Overview of the Net Shape Business -

- After experiencing decline due to the worsening business of the automobile industry, sales bottomed out and started on a recover track in 1Q.
- Both Forging Die Division and Precision-Forged Goods Division show similar trends.

Trend in order and sales of Net-shape business

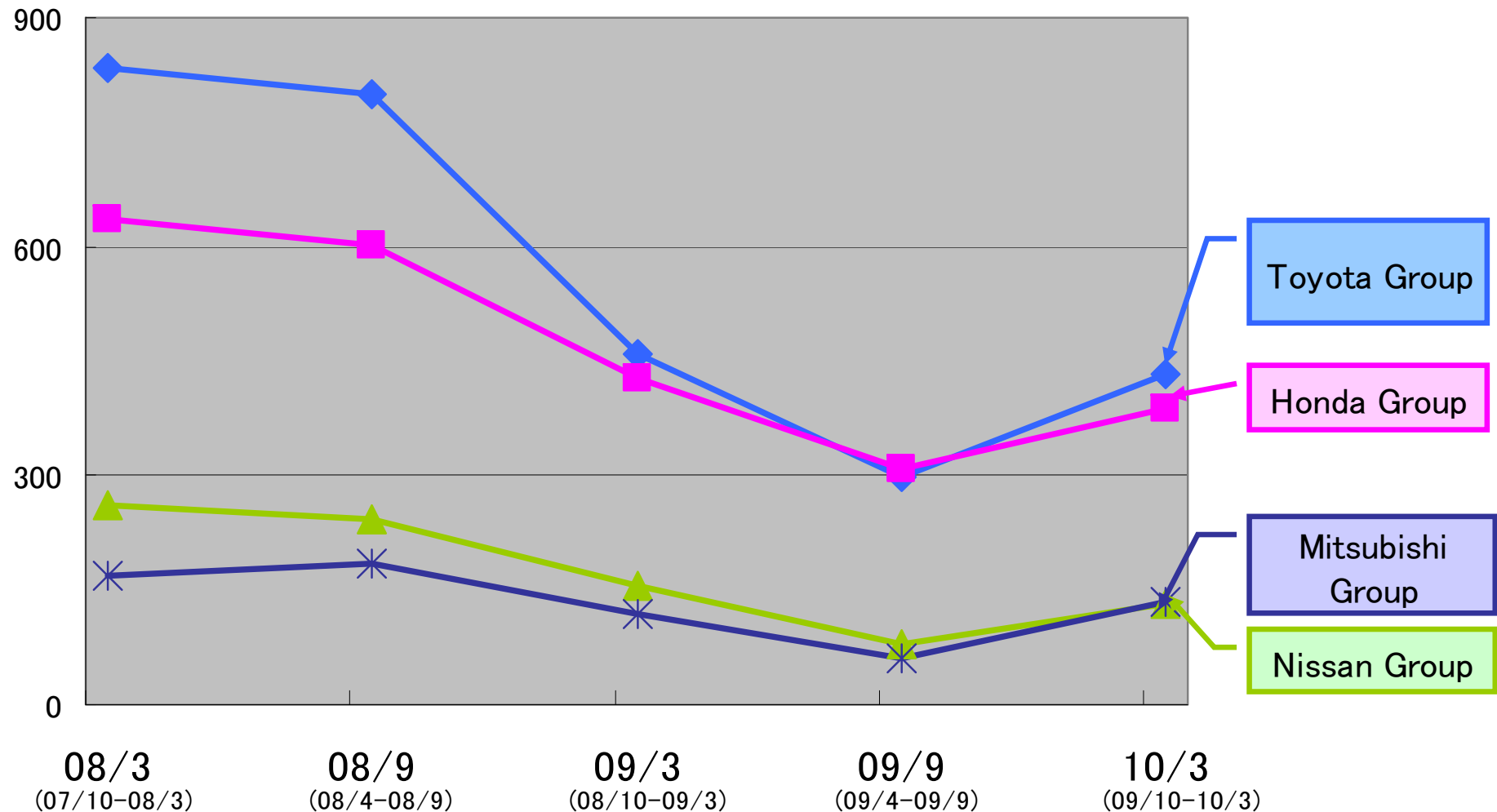


I . Financial Results for the Year Ended March 31, 2010

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

- ✓ Japanese main users changes to an increase in the 2nd half year, and it becomes a sales increase for each manufacturer.

(Millions Yen)





I . Financial Results for the Year Ended March 31, 2010

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

Millions of Yen

	09/3 Results	10/3 Results	Growth Rate
Domestic	4,365	2,886	△ 33.9%
Overseas total	897	651	△ 27.4%
Asia	442	547	23.8%
North America	434	88	△ 79.6%
Others	21	15	△ 29.1%
Forging Dies	5,262	3,537	△ 32.8%
Precision forged goods	969	566	△ 41.6%
Net-Shape business total	6,232	4,103	△ 34.2%

■ Japan

➤ Increases in the number of cars sold thanks to the tax cuts for eco-car after 3Q and forging dies exported to the emerging nations boosted sales of Japanese primary users.

■ Overseas

➤ Sales to the Asian region, specifically Chinese and Korean manufacturers, increased.
➤ Sales decline in North America is attributable to the last year's withdrawal of NICHIDAI AMERICA.

■ Precision-forged Goods

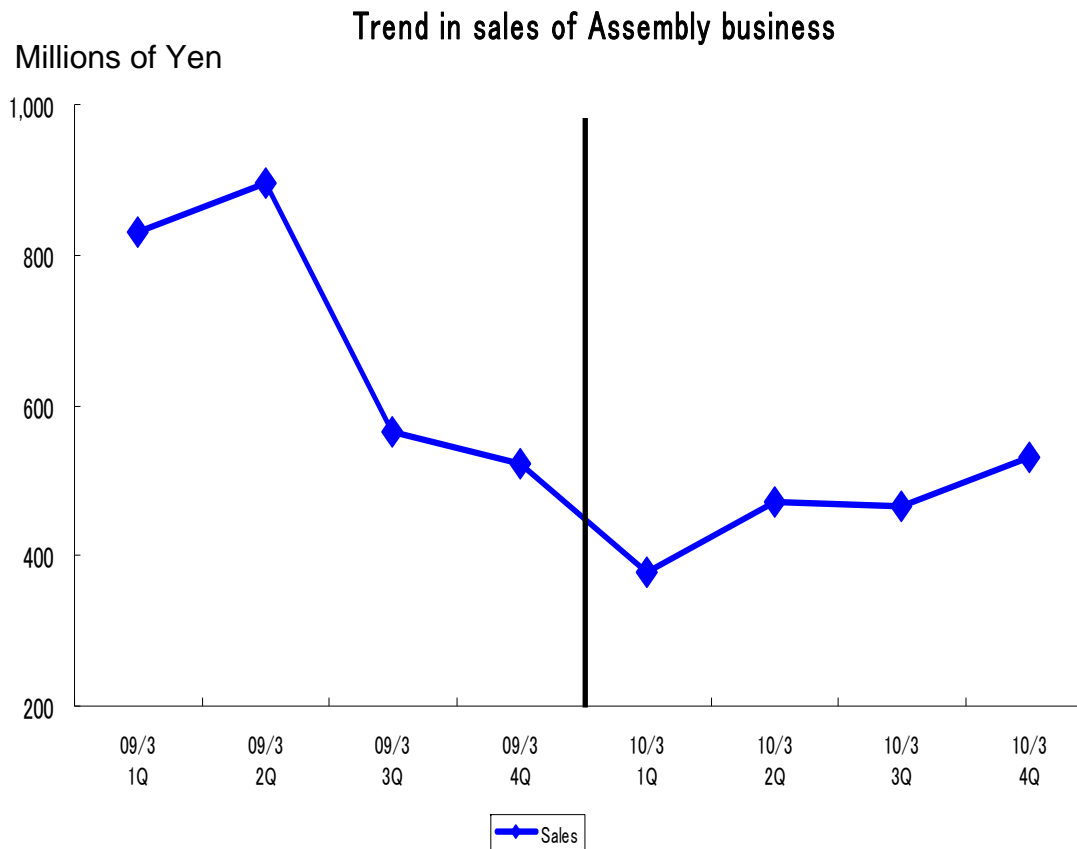
➤ Sales recovered slowly after the 2nd half year.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2010

- Overview of the Assembly Business -

- Although sales bottomed out and started on a recovery trend in 1Q, VG turbocharger parts grow at a sluggish pace under the influence of the downturn in the European automobile market.
- NICHIDAI (THAILAND) LTD. started mass production as scheduled in 4Q.



Change in Domestic/Overseas Sales

Millions of Yen

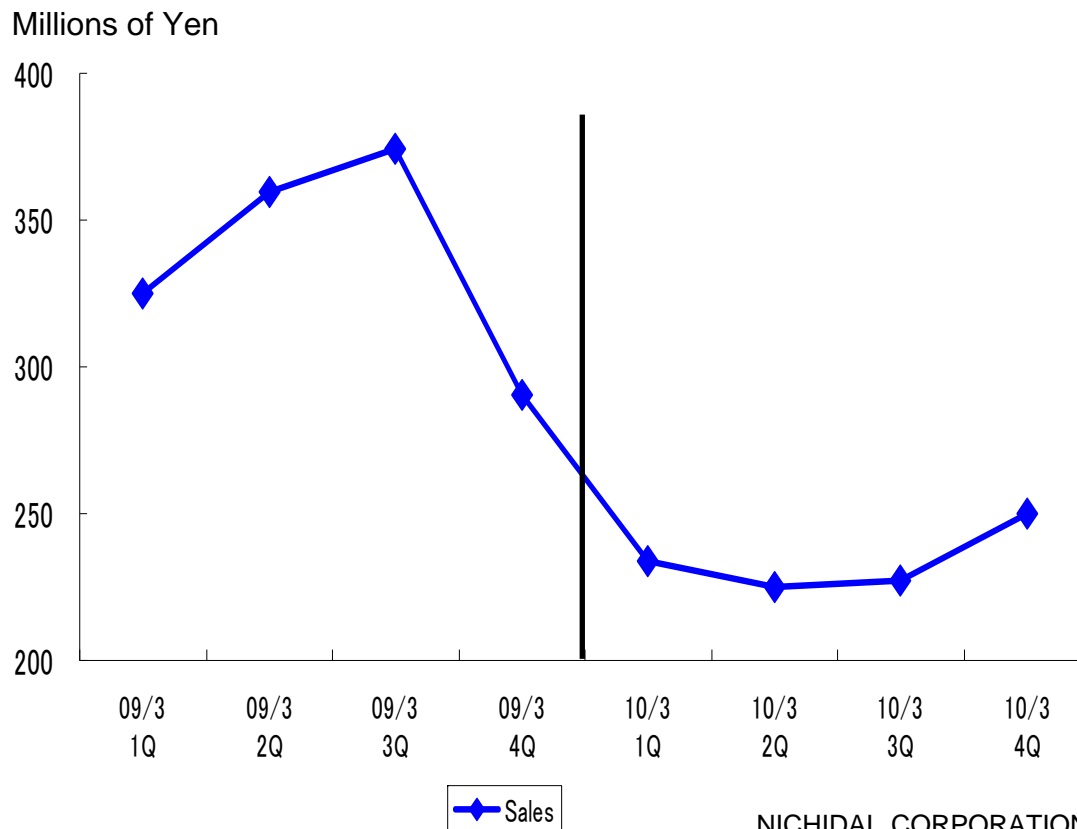
	09/3 Results	10/3 Results	Growth Rate
Domestic	2,811	1,730	△ 38.5%
Overseas	-	116	-
Total	2,811	1,847	△ 34.3%

I . Financial Results for the Year Ended March 31, 2010

- Overview of the Filter Business -

- Despite the contribution of sales growth of new products for the healthcare industry and others, the continuing harsh investment environment pushed down domestic sales.
- Overseas, THAI SINTERED MESH CO., LTD. reported decrease in sales of oil drilling filters adversely due to the stagnant oil drilling market.

Trend in sales of the Filter business



Change in

Domestic/Overseas Sales

Millions of Yen

	09/3 Results	10/3 Results	Growth Rate
Domestic	900	730	△ 18.9%
Overseas	450	207	△ 54.0%
Total	1,350	937	△ 30.6%



I . Financial Results for the Year Ended March 31, 2010

- Segment P/L -

	Millions of Yen					
	09/3			10/3		
	Sales	Operating income	Profit Rate	Sales	Operating income	Profit Rate
Net-Shape	6,232	117	1.9%	4,103	△ 327	△ 8.0%
Assembly	2,811	68	2.4%	1,847	△ 131	△ 7.1%
Filter	1,350	129	9.6%	937	46	4.9%
Cosolidated Total	10,394	315	3.0%	6,887	△ 412	△ 6.0%

➤ Sales decline resulted in a considerable operating loss.
 ➤ Sales recovery after the 2nd half year helped move back to operating profit in 4Q.

➤ Steep loss was posted due to the sluggish European automobile market.

➤ Slowdown in the Japanese market and lower sales of oil drilling filters resulted in substantial income decrease.

* Rounded down to the nearest million yen



I . Financial Results for the Year Ended March 31, 2010

- Cost of Sales -

Consolidated

Millions of Yen

	09/3 Results	Ratio	10/3 Results	Ratio
Net sales	10,394	100.0%	6,887	100.0%
Material cost	2,746	26.4%	1,815	26.4%
Purchase of products	505	4.9%	355	5.2%
Subcontract processing	1,183	11.4%	713	10.4%
Subsidiary material cost	362	3.5%	307	4.5%
Labor cost	1,998	19.2%	1,690	24.5%
Depreciation	532	5.1%	470	6.8%
Change in inventory	△ 349	△ 3.4%	△ 106	△ 1.5%
Others	716	6.9%	504	7.3%
Cost of Sales	8,395	80.8%	5,963	86.6%
Gross income from sales	1,999	19.2%	923	13.4%

Decrease in labor cost

➤ Attributable to the emergency cost-cutting measures.

Decrease in others

➤ Attributable to various cost-cutting measures.

* Rounded down to the nearest million yen

NICHIDAI CORPORATION

I . Financial Results for the Year Ended March 31, 2010

- SG&A Expenses -

Consolidated

Millions of Yen

	09/3		10/3	
	Results	Ratio	Results	Ratio
Net Sales	10,394	100.0%	6,887	100.0%
Packaging/Freight	107	1.0%	88	1.3%
Transportation	112	1.1%	88	1.3%
Labor cost	842	8.1%	680	9.9%
Depreciation	100	1.0%	87	1.3%
Rent	51	0.5%	40	0.6%
Others	469	4.5%	351	5.1%
SG&A Expenses	1,683	16.2%	1,336	19.4%

Decrease in labor cost

➤ Attributable to the emergency cost-cutting measures.

Decrease in others

➤ Attributable to various cost-cutting measures.

* Rounded down to the nearest million yen



I . Financial Results for the Year Ended March 31, 2010

- B/S: Assets -

Consolidated

Millions of Yen

	09/3 Results	10/3 Results	Change
Cash and deposit	1,670	1,413	△ 256
Notes receivable	728	632	△ 96
Accounts receivable	1,361	1,769	407
Inventory	1,146	1,167	20
Others	500	160	△ 340
Allowance for bad debts	△ 3	△ 3	0
Total current assets	5,404	5,139	△ 264
Tangible fixed assets	5,282	5,170	△ 112
Intangible fixed assets	31	61	29
Investment and other assets	795	833	37
Total fixed assets	6,110	6,064	△ 45
Total deferred assets	8	1	△ 6
Total assets	11,522	11,205	△ 317

Increase in accounts receivable

➤ Attributable to the phased increase of sales from 09/3 4Q to the end of 10/3.

Decrease in others of current assets

➤ 09/3 results include interim corporate tax payment return and accounts due from the transfer of NICHIDAI AMERICA.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2010

- B/S: Liabilities and Net Assets -

Consolidated

Millions of Yen

	09/3 Results	10/3 Results	Change
Accounts payable	231	607	376
Short-term debt	1,228	1,687	458
Accrued income tax	56	40	△ 15
Allowance for bonus payable	111	115	3
Others	420	321	△ 98
Total current liabilities	2,047	2,771	724
Corporate bond	1,000	1,000	0
Long-term debt	1,525	891	△ 633
Others	101	97	△ 4
Total fixed liabilities	2,626	1,988	△ 638
Total liabilities	4,674	4,760	85
Capital	1,429	1,429	0
Capital surplus	1,192	1,192	0
Retained earnings	4,078	3,627	△ 450
Minority interest	257	264	7
Others	△ 110	△ 70	39
Total net assets	6,848	6,444	△ 403
Total liabilities and net assets	11,522	11,205	△ 317

Increase in accounts payable

➤ Attributable to the phased increase in orders and sales from 09/3 4Q to the end of 10/3.

* Rounded down to the nearest million yen

I . Financial Results for the Year Ended March 31, 2010

- Cash Flows (CF) -

Consolidated

Millions of Yen

	09/3	10/3	Change
Cash flows from operating activities	1,033	270	△ 763
Cash flows from investing activities	△ 632	△ 321	310
Cash flows from financing activities	395	△ 230	△ 625
Amount of increase incash and cash equivalents	661	△ 259	△ 921
Cash and cash equivalentsbalance at beginning of term	658	1,320	661
Cash and cash equivalentsbalance at end of term	1,320	1,060	△ 259
FCF	401	△ 51	△ 452

Cash flows from operating activities

- A substantial loss was recorded for 10/3.
- Decrease is attributable to the increase/decrease in accounts receivable.
- Corporate tax payment return is reflected.

Cash flows from investing activities

- Attributable to the restrained capital investment.

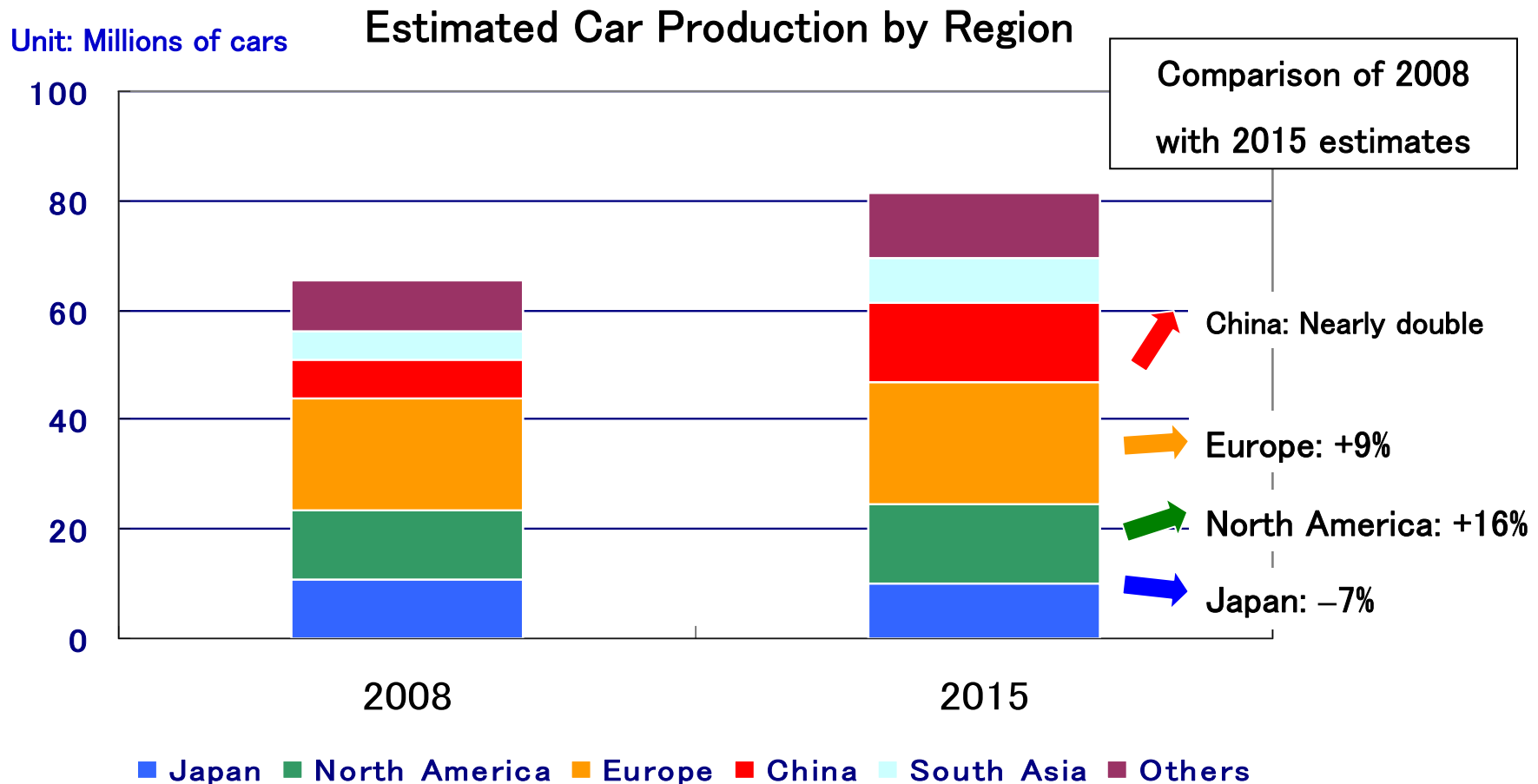
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II . Corporate Strategy

II. Corporate Strategy

- Recognition of Environmental Changes -

- ✓ Environmental changes in the automobile industry after the Lehman Shock.
Shrinking existing markets and rapidly growing China and other emerging markets.

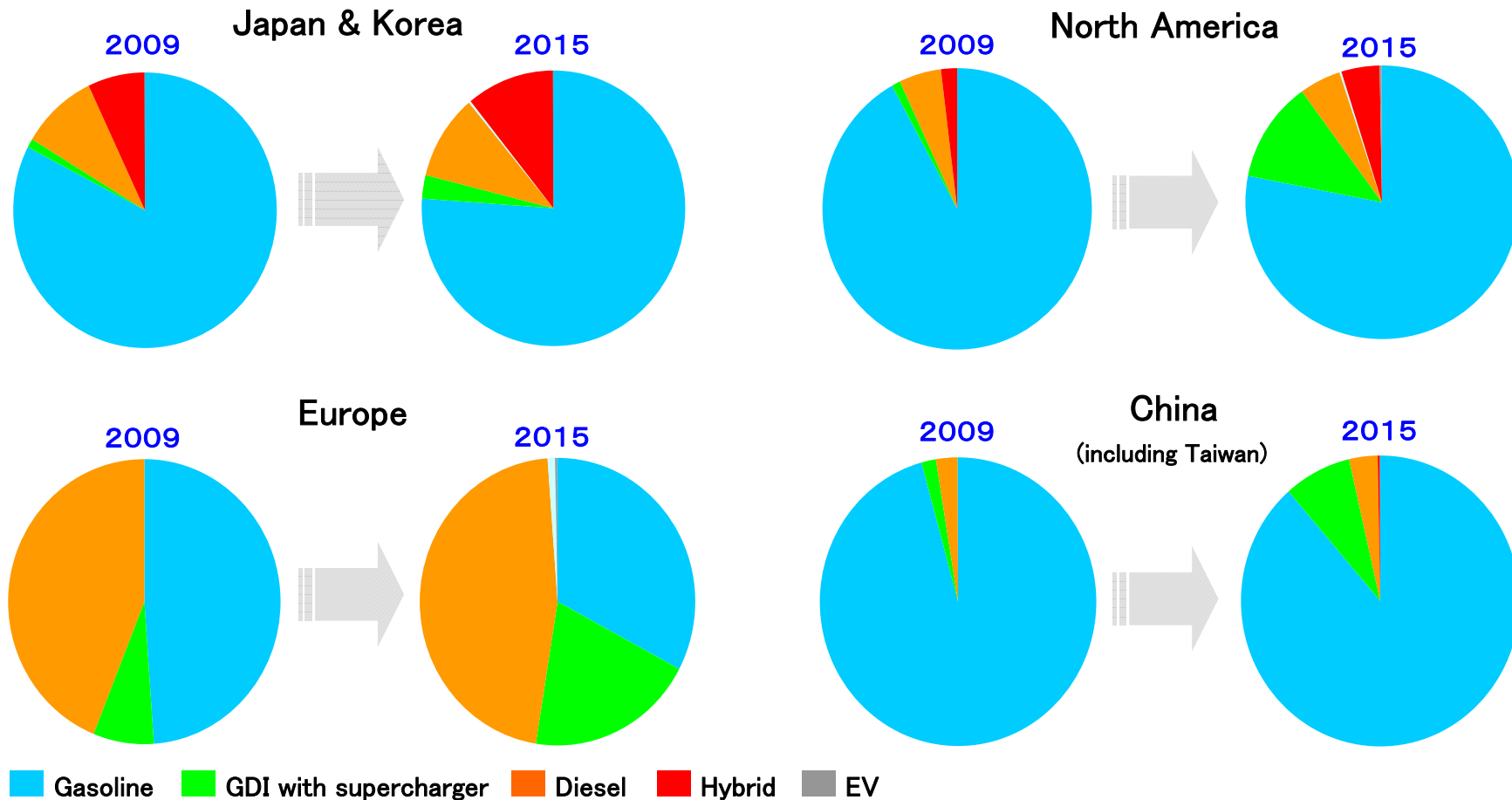


Source: Automobile Industry Forecast Report 2010–2015 by Nikkei BP

II. Corporate Strategy - Recognition of Environmental Changes -

- ✓ Environmental changes in the automobile industry after the Lehman Shock.
Rapid changes of power train in each region.

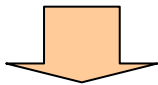
Engine Penetration Rate by Region



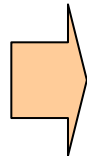
Source: Automobile Industry Forecast Report 2010–2015 by Nikkei BP

Changes in the industrial environment

- ✓ Rapid growth of the emerging markets.
- ✓ Changes of power train.



Considerable changes in customer needs are expected also in our product area.



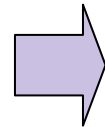
Management Policy

“Thoroughgoing Customer Satisfaction”

- ✓ For 3 years starting this fiscal year, pursue “Thoroughgoing customer satisfaction” to meet rapidly changing customer needs.
- ✓ For this purpose, drive forward the strategy to visualize the effects of corporate overhaul, e.g. directors, positions and personnel reorganization.
- ✓ To begin with, push through reorganization with a focus on the Net-Shape Business, or our core business. Then, in order to achieve swift management decision and streamlined business, transform Nichidai to a company comprising business groups under the direct control of the president starting from FY2010 (Announced at a press conference on March 18, 2010.).

Business Environment

- Environment-compliant hybrid and EV related products are increasing.
- Existing markets are shrinking due to the slowdown of car production in Japan for the domestic market and export to the North America and other overseas markets.
- China, India and other Asian markets are growing.



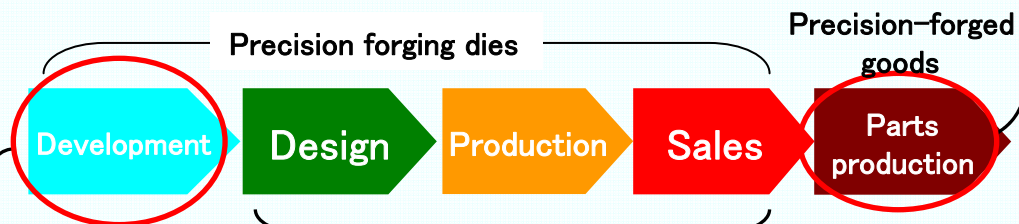
Business Strategy

- ✓ Pursue growth strategy with the precision forging-related technology, including mass production of precision-forged parts, as the core.
⇒ Launch of precision-forged goods mass production business.



Precision-forged goods

Value Chain of the Net-Shape Business



- ✓ Improve QCD by reviewing the entire value chain relating to precision forging dies. ⇒ Eye the overseas business development.



Precision forging dies

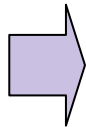
- ✓ Establish a precision forging die market by setting the EV market and markets other than automobile segments as the target. ⇒ Newly set up Development Department this year to strengthen development ability.

II. Corporate Strategy

- Strategy of the Assembly Business -

Business Environment

- Ratio of diesel engine cars in Europe is expected to remain around 50%.
- Downsizing trend is pushing up demand for turbochargers for gasoline-powered cars.
- Demand for turbochargers for emerging nations is also growing.



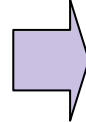
Business Strategy

- ✓ Collaborate with NPC (NICHIDAI PRECISION CORPORATION) and clarify role sharing as mass production base shifts to NDT (NICHIDAI (THAILAND) LTD.).
⇒ Positioning of domestic bases as the bases for new business development.
- ✓ Enhance supply chain management with an aim to reduce costs and inventories.
- ✓ Develop a plastic forming-based method for turbocharger parts.

Business Environment

Difficult investment environment is forecast to continue in Japan.

- Considerable rise in demand is not expected in the oil drilling market as well.
- Demand is forecast to rise in the emerging markets.



Business Strategy

- ✓ Develop new products, new applications and new markets.
⇒ Support for exhaust gas filters etc.

- ✓ Push ahead with the Asia strategy with TSM (THAI SINTERED MESH CO., LTD.) as the base.
⇒ Expansion of products other than oil drilling filters.

Ⅲ. Plan for the Year Ending March 31, 2011

Ⅲ. Plan for the Year Ending March 31, 2011

- P/L : Sales and Profit -

Millions of Yen

	09/3 Results 08/4-09/3	10/3 Results 09/4-10/3	11/3 Plan 10/4-11/3	Growth Rate
Non- consolidated				
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Operating income	177	△ 327	230	-
Non-operating income	△ 87	△ 14	△ 80	-
Ordinary income	89	△ 342	150	-
Net income	173	△ 359	130	-
Consolidated				
Net sales	10,394	6,887	9,000	30.7%
Gross income from sales	1,999	923	1,750	89.4%
S.G. & A. expense	1,683	1,336	1,450	8.5%
Operating income	315	△ 412	300	-
Non-operating income	△ 124	△ 6	△ 100	-
Ordinary income	190	△ 419	200	-
Net income	205	△ 450	150	-

* Rounded down to the nearest million yen

III. Plan for the Year Ending March 31, 2011 - Segment net sales -

Consolidated		Millions of Yen			
Business	09/3 Full Year Results 08/4-09/3	10/3 Full Year Results 09/4-10/3	11/3 Plan For Full Year 10/4-11/3	Growth Rate	
Net-Shape	6,232	4,103	5,300	29.1%	
Assembly	2,811	1,847	2,750	48.9%	
Filter	1,350	937	950	1.4%	
Consolidated total	10,394	6,887	9,000	30.7%	

- Full-scale recovery in demand of the primary users after the 2nd half year is expected in the Forging Die Division.
- Mass production of precision-forged goods for American parts manufacturers will start.

- Sales growth backed by recovery of the European automobile market and rising demand for the emerging nations is expected.
- NDT will begin full-scale mass production.

- Severe domestic investment environment and the stagnant oil drilling market are forecast to continue.
- New product and application development will make up for decrease.

* Rounded down to the nearest million yen

Ⅲ. Plan for the Year Ending March 31, 2011

- Cost of Sales -

	Millions of Yen			
	10/3 Results	Ratio	11/3 Plan	Ratio
Consolidated				
Net sales	6,887	100.0%	9,000	100.0%
Material cost	1,815	26.4%	2,182	24.2%
Purchase of products	355	5.2%	963	10.7%
Subcontract processing	713	10.4%	882	9.8%
Subsidiary material cost	307	4.5%	283	3.1%
Labor cost	1,690	24.5%	1,940	21.6%
Depreciation	470	6.8%	465	5.2%
Change in inventory	△ 106	△ 1.5%	122	1.4%
Others	504	7.3%	657	7.3%
Cost of Sales	5,963	86.6%	7,250	80.6%
Gross income from sales	923	13.4%	1,750	19.4%

Increase in labor cost

➤ Termination of the emergency cost-cutting measures is anticipated.

Increase in others

➤ Increases in research & development cost and other costs are anticipated.

* Rounded down to the nearest million yen

III. Plan for the Year Ending March 31, 2011 - SG&A Expenses -

Consolidated

Millions of Yen

	10/3 Results	Ratio	11/3 Plan	Ratio
Net Sales	6,887	100.0%	9,000	100.0%
Packaging/Freight	88	1.3%	122	1.4%
Transportation	88	1.3%	96	1.1%
Labor cost	680	9.9%	727	8.1%
Depreciation	87	1.3%	87	1.0%
Rent	40	0.6%	49	0.5%
Others	351	5.1%	369	4.1%
SG&A Expenses	1,336	19.4%	1,450	16.1%

Increase in labor cost

➤ Termination of the emergency cost-cutting measures is anticipated.

* Rounded down to the nearest million yen

Ⅲ. Plan for the Year Ending March 31, 2011 - Capital Investment・Depreciation -

Consolidated

Millions of Yen

	07/3	08/3	09/3	10/3	11/3
	Results	Results	Results	Results	Plan
Amount of capital investment	581	759	524	426	360
Depreciation	617	625	633	557	552

* Rounded down to the nearest million yen

Ⅲ. Plan for the Year Ending March 31, 2011

- Dividends -

	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 (Forecast)	3.00	3.00	6.00

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.

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