



The Financial Statement Briefing for the Year Ended March 31, 2008

May 2, 2008

JASDAQ:6467

株式会社 ニチダイ
NICHIDAI CORPORATION

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

Business Characteristics

Die Business

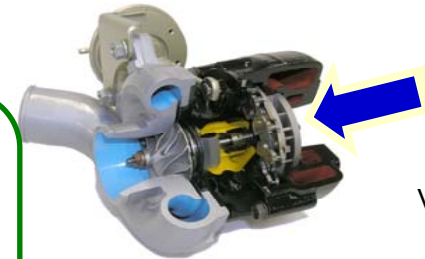
- ✓ Produces precision forging dies used mainly for forging of car parts, such as engine, transmission and driving mechanisms
- ✓ Net-shape, a forging process without cutting, is the core technology.
- ✓ Has an advantage of total engineering capability not only in the production but also development of dies as well as production of parts.
- ✓ Has NICHIDAI AMERICA CORPORATION as an overseas production base in Kentucky, U.S.A.



Precision forging dies



VG turbo charger parts



Precision-forged scroll

Components Business

- ✓ Assembles VG turbo charger parts for diesel engine.
- ✓ Mass-produces precision-forged goods, such as automobile parts and aluminum alloy air-conditioner parts (precision-forged scrolls).
- ✓ Mass-produced precision-forged goods make contribution to the total engineering capability of the die business.

Filter Business

- ✓ Produces lamination sintered wire mesh filters used in a variety of industries, such as food, pharmaceutical, nuclear energy and aerospace.
- ✓ THAI SINTERED MESH CO., LTD., located in Lampoon in northern Thailand, produces oil drilling filters.



Lamination sintered wire mesh filters

I. Financial Results for the Year Ended March 31, 2008

I. Financial Results for the Year Ended March 31, 2008

- P/L: Sales and Profit -

Millions of Yen

	07/3 Results 06/4-07/3	08/3 Forecast 07/4-08/3	08/3 Results 07/4-08/3	Growth Rate
Non-consolidated				
Net sales	10,619	10,900	11,050	4.1%
Gross income from sales	2,399	2,587	2,662	10.9%
S.G.&A.expence	1,397	1,492	1,550	11.0%
Operating income	1,002	1,095	1,111	10.9%
Non-operating income	△ 119	△ 95	△ 122	—
Ordinary income	883	1,000	989	12.0%
Net income	△ 372	315	315	—
Consolidated				
Net sales	12,095	12,500	12,577	4.0%
Gross income from sales	2,808	2,956	3,051	8.7%
S.G.&A.expence	1,669	1,776	1,845	10.6%
Operating income	1,139	1,180	1,205	5.8%
Non-operating income	△ 92	△ 100	△ 132	—
Ordinary income	1,046	1,080	1,073	2.6%
Net income	543	420	422	△ 22.2%

Posted 67 million yen of exchange loss due to higher yen.

Posted 202 million yen of extraordinary loss for withdrawal from the Japan Die & Mold Industry Pension Fund.

* Rounded down to the nearest million yen.

I. Financial Results for the Year Ended March 31, 2008

- Segment Net Sales -

Consolidated

Millions of Yen

	07/3 Results	08/3 Forecast	08/3 Results	Growth Rate
Domestic	4,861	5,000	4,979	2.4%
Overseas	840	900	815	△ 2.9%
NAC	622	600	533	△ 14.2%
Consolidated elimination	(295)	(200)	(226)	△ 23.1%
Dies	6,029	6,300	6,102	1.2%
(Products)	(143)	(100)	(122)	△ 15.2%
Components	4,917	5,000	5,255	6.9%
Filters	1,148	1,200	1,219	6.2%
Consolidated	12,095	12,500	12,577	4.0%

➤ Order receipts for domestic market increased since 2nd quarter.

➤ Sales increased in the India, but remained flat in other regions.

➤ Affected by lowdown in the economy of North America.

➤ Production of VG turbo charger parts have stabilized. Entrusted production and scroll production in the precision forging division also made contribution.

➤ Driven by filters for the aerospace industry and overseas.

* Rounded down to the nearest million yen.

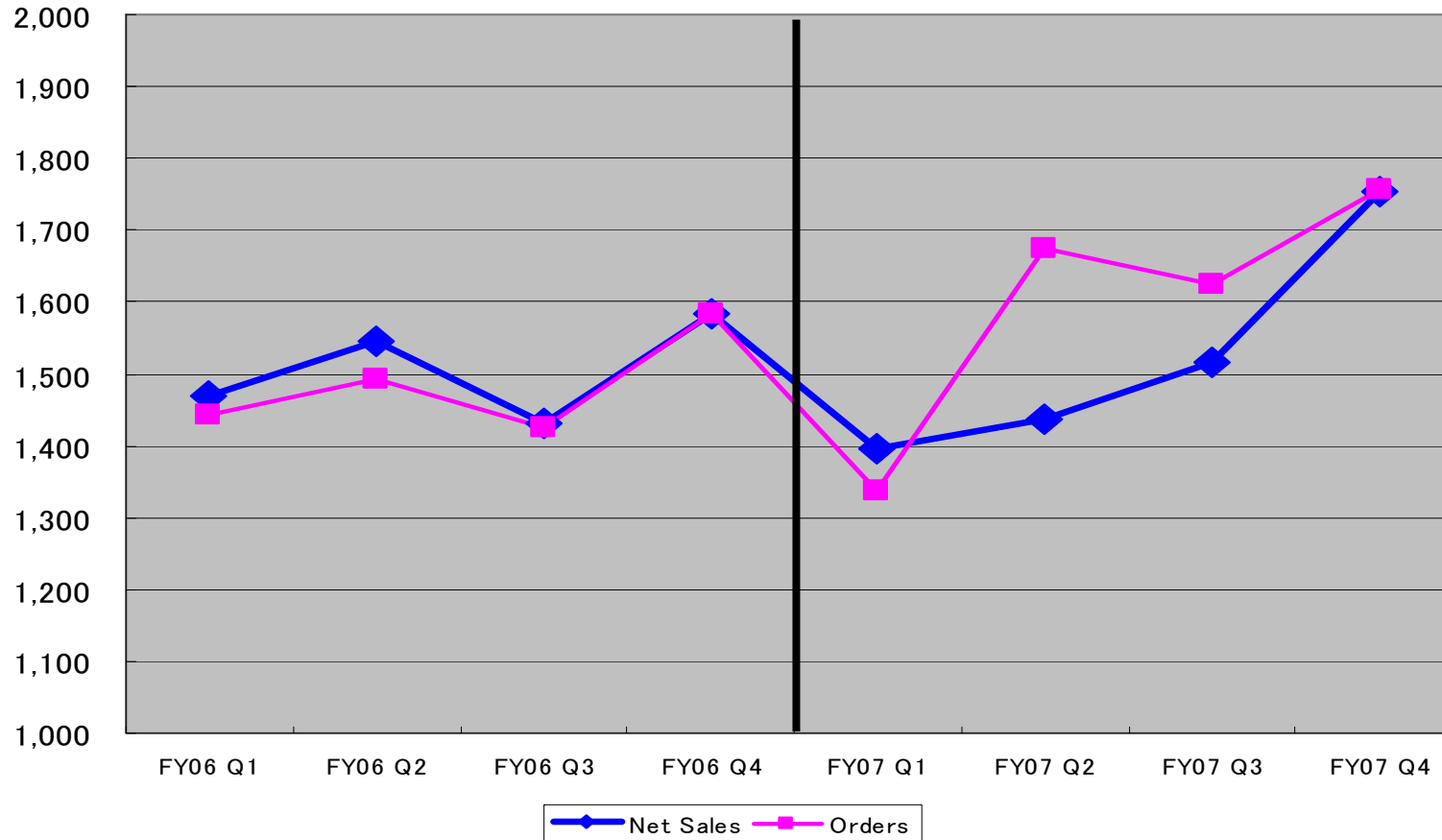


I. Financial Results for the Year Ended March 31, 2008 - Overview of the Die Business

- ✓ Since the 1st quarter of the year ended March 2008, both orders and net sales have been on an upward trend.
- ✓ Increase in sales of die set due to the rising demand from the key domestic users and orders received from new users were among the factors contributed to this trend.

Millions of Yen

Changes in Orders and Net Sales in the Die Business



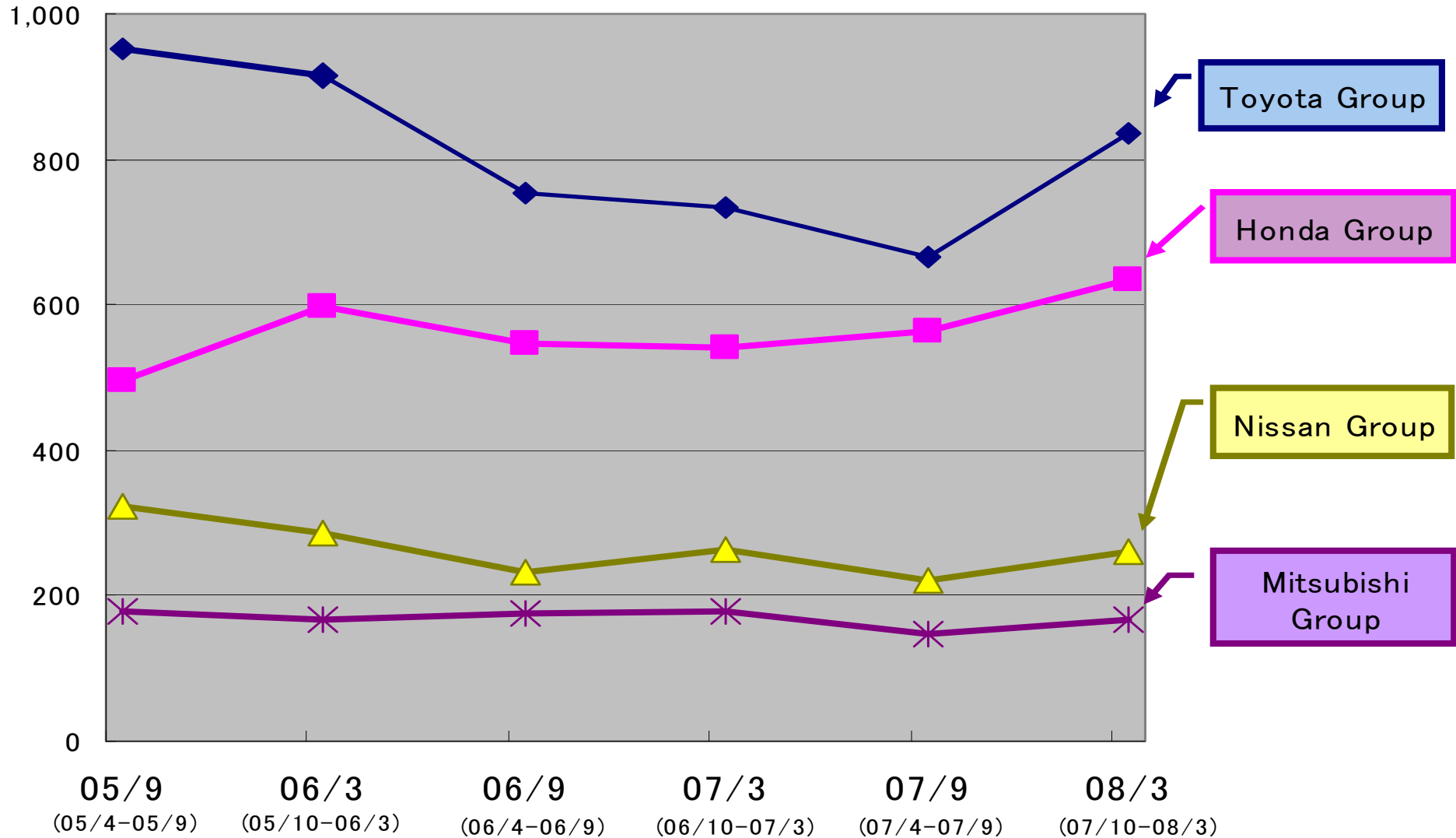


I. Financial Results for the Year Ended March 31, 2008

- Overview of the Die Business - Changes in Sales by User -

Non-consolidated

(Millions of Yen)



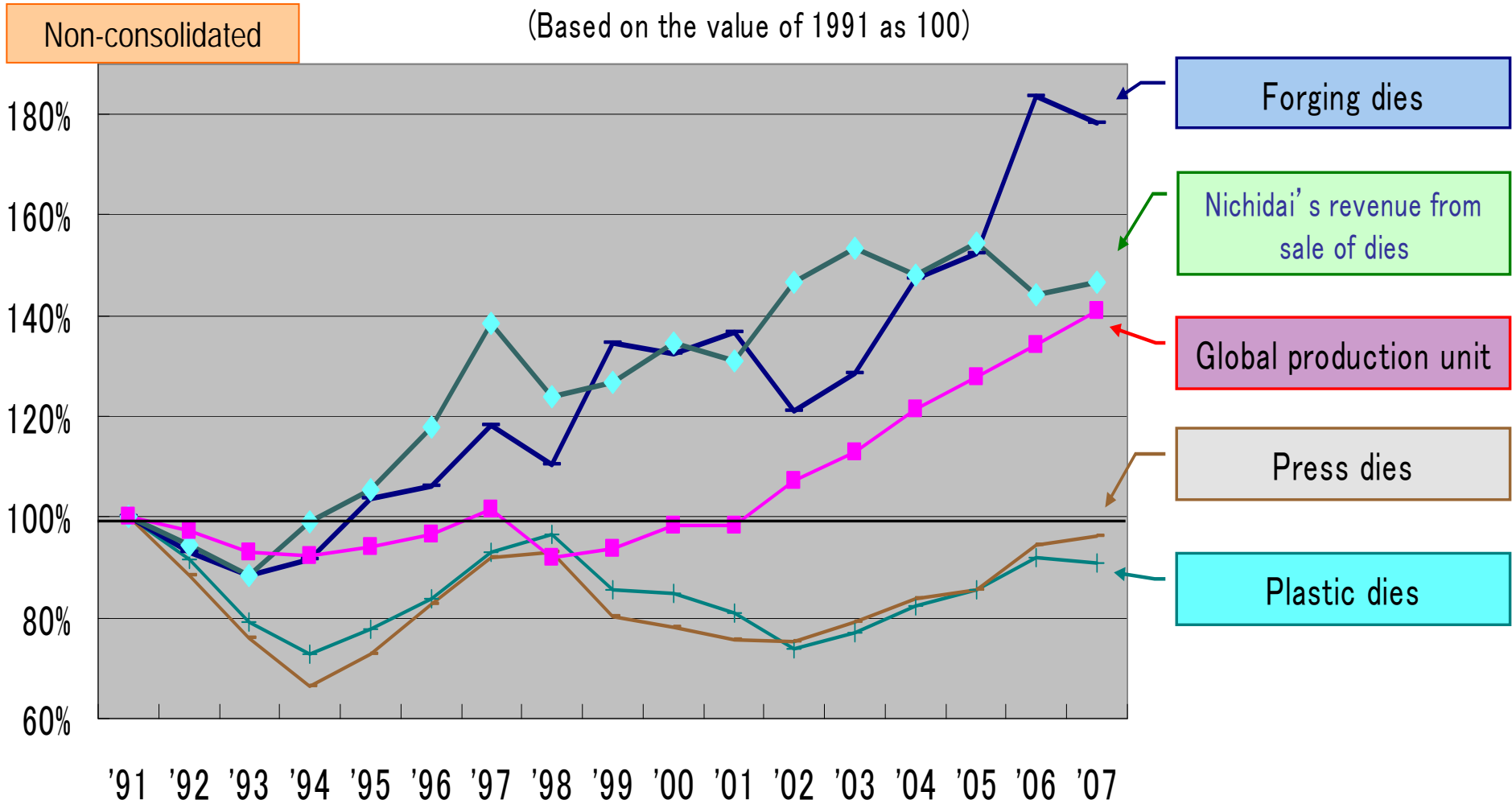
I. Financial Results for the Year Ended March 31, 2008

- Overview of the Forging Die - Trend of the Indexes

Trend of the Indexes

(Value of production by model, Revenue from sale of dies, Global production unit)

(Based on the value of 1991 as 100)



Source: Die output (Industrial statistics, Data of '06 and '07 are Nichidai's forecast.)

Global production unit (Japan Automobile Manufacturers Association, Total number of units produced at home and abroad by Japanese automobile manufacturers)



I. Financial Results for the Year Ended March 31, 2008

- Overview of the Forging Die - Overseas

Forging Die Sales by Region Millions of Yen

	07/3 Results	08/3 Results	Growth Rate
Domestic Total	4,861	4,979	2.4%
Overseas Total	1,167	1,122	△ 3.8%
Asia	578	575	△ 0.6%
North America	550	533	△ 3.0%
Others	37	13	△ 63.6%
Consolidated Total	6,029	6,102	1.2%

■ Asia
 ✓ Sales increased in India supported by the Japanese companies entering the market.
 ✓ Sales in other regions were sluggish.

Results of NICHIDAI AMERICA Millions of Yen

	06/12 Results 06/1-06/12	07/12 Results 07/1-07/12	Growth Rate
Net sales	622	533	△ 14.2%
Ordinary income	△ 64	△ 90	-

■ North America
 Affected by the economic slowdown, sales for American users decreased.

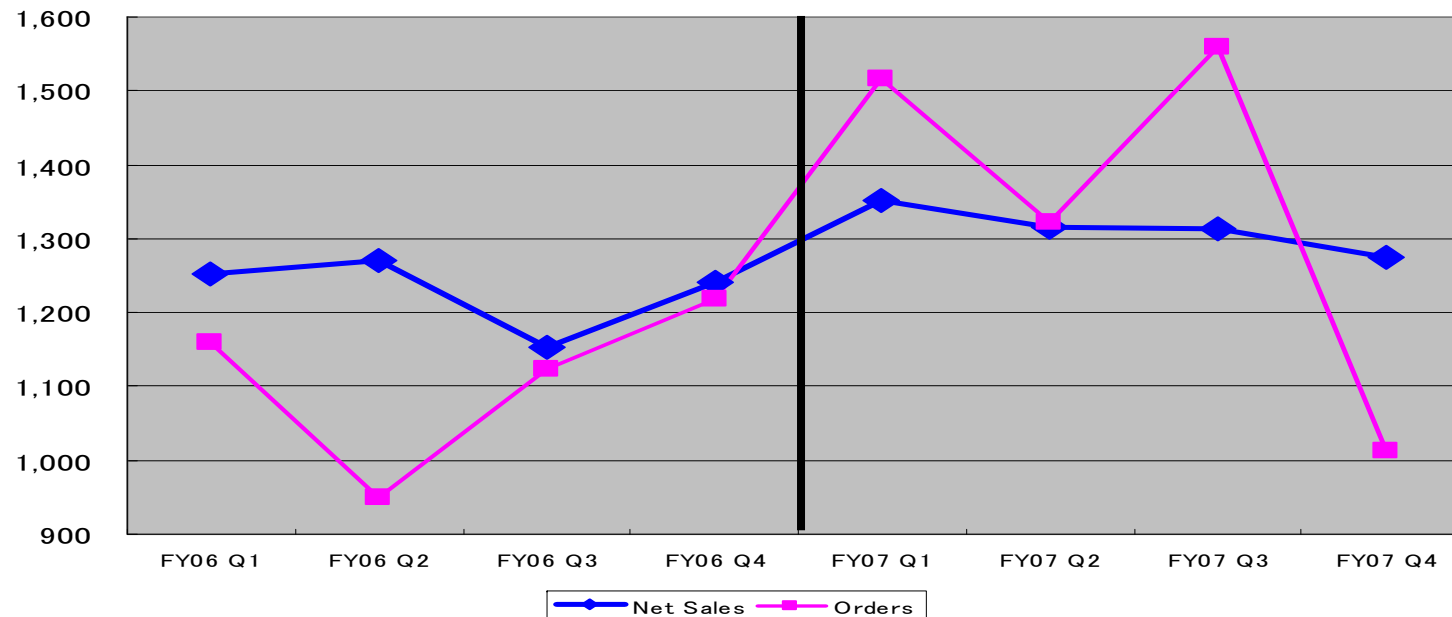
I. Financial Results for the Year Ended March 31, 2008

-Overview of the Components Business -

- Assembly Division
 - ✓ Production of VG turbo charger remained stable.
 - ✓ Orders dropped in the 4th quarter due to the switchover of product type.
- Precision Forged-goods Division
 - ✓ Entrusted production by automobile parts manufacturers increased.
 - ✓ Production of scrolls intended for domestic market increased.

Changes in Orders and Sales of the Components Business

Millions of Yen



I. Financial Results for the Year Ended March 31, 2008

-Overview of the Filter Business -

➤ NICHIDAI FILTER CORPORATION (NFC)

- ✓ Sales for the aerospace and food industries were healthy.
- ✓ Overseas, oil drilling filters for the Asian region, in particular, enjoyed brisk sales.

➤ THAI SINTERED MESH CO.,LTD. (TSM)

- ✓ Started full-scale production of oil drilling filters in March 2008.

Filter Business

Changes in Domestic/Overseas Sales

Millions of Yen

	07/3 Results	08/3 Results	Growth Rate
Domestic	952	1,003	5.4%
Overseas	196	215	10.0%
Grand Total	1,148	1,219	6.2%

I. Financial Results for the Year Ended March 31, 2008

-Segment P/L -

Consolidated

Millions of Yen

	07/3			08/3		
	Net sales	Operating income	Profit Ratio	Net sales	Operating income	Profit Ratio
Dies	6,029	510	8.5%	6,102	513	8.4%
Components	4,917	445	9.1%	5,255	537	10.2%
Filters	1,148	183	16.0%	1,219	154	12.7%
Consolidated Total	12,095	1,139	9.4%	12,577	1,205	9.6%

➤ Increase in income of domestic die business was offset by greater deficit of NAC, staying at the same level as in the previous year.

➤ Production of VG turbo charger parts remains stable.
➤ Increased sales of Precision Forging Division contributed to the income growth.

➤ NFC alone recorded income growth.
➤ Overall filter business marked lower income due to posting start-up cost for TSM and increase in office management expense.

* Rounded down to the nearest million yen.

I. Financial Results for the Year Ended March 31, 2008

-Cost of Sales -

Consolidated

Millions of Yen

	07/3 Results	Ratio	08/3 Results	Ratio
Net sales	12,095	100.0%	12,577	100.0%
Material cost	3,376	27.9%	3,577	28.4%
Purchase of products	631	5.2%	698	5.6%
Subcontract processing	1,565	12.9%	1,550	12.3%
Subsidiary material cost	388	3.2%	458	3.6%
Labor cost	2,056	17.0%	2,179	17.3%
Depreciation	528	4.4%	531	4.2%
Change in inventory	13	0.1%	196	1.6%
Others	752	6.2%	725	5.8%
Cost of Sales	9,286	76.8%	9,525	75.7%
Gross income from sales	2,808	23.2%	3,051	24.3%

Increase in labor cost

➤ Due to adding staff to Assembly Division.

Increase in inventory

➤ Due to the increase in inventory of the Die Business and Assembly Division.

* Rounded down to the nearest million yen.

I. Financial Results for the Year Ended March 31, 2008

-Sales and General Administrative Expenses -

Consolidated

Millions of Yen

	07/3 Results	Ratio	08/3 Results	Ratio
Net Sales	12,095	100.0%	12,577	100.0%
Packaging/Freight	128	1.1%	136	1.1%
Transportatio	112	0.9%	123	1.0%
Labor cost	806	6.7%	907	7.2%
Depreciation	88	0.7%	93	0.7%
Rent	60	0.5%	59	0.5%
Others	473	3.9%	525	4.2%
S. G. & A. Expenses	1,669	13.8%	1,845	14.7%

Increase in labor cost

- Due to adding staff to Assembly Division of Components Business for promoting overseas project.
- Due to adding administration staff for building up of internal control.

Increases in others

- Includes expense for building up of internal control.

* Rounded down to the nearest million yen.

I. Financial Results for the Year Ended March 31, 2008

-B/S: Assets -

Consolidated

Millions of Yen

	07/3 Results	08/3 Results	Change
Cash and deposit	1,179	1,008	△ 171
Notes receivable	700	585	△ 115
Accounts receivable	2,756	2,404	△ 352
Inventory	1,285	1,503	218
Others	111	127	16
Allowance for bad debts	△ 26	△ 23	2
Total current assets	6,007	5,605	△ 401
Tangible fixed assets	5,714	5,817	103
Intangible fixed assets	50	43	△ 6
Investment and other assets	279	252	△ 26
Total fixed assets	6,044	6,114	69
Total deferred assets	8	18	9
Total assets	12,060	11,738	△ 322

Decrease in accounts receivable

➤ Due to decreased accounts receivable of Assembly Division

Increase in inventory

➤ Due to increase in inventory of the Die Business and Assembly Division

* Rounded down to the nearest million yen.

I. Financial Results for the Year Ended March 31, 2008

-B/S: Liabilities and Net Assets -

Consolidated

Millions of Yen

	07/3 Results	08/3 Results	Change
Accounts payable	655	749	94
Short-term debt	1,352	1,406	54
Accrued income tax	288	210	△ 78
Allowance for bonus payable	120	133	12
Others	2,488	537	△ 1,951
Total current liabilities	4,905	3,037	△ 1,867
Corporate bond	30	1,010	980
Long-term debt	690	808	117
Others	20	144	123
Total fixed liabilities	741	1,962	1,221
Total liabilities	5,646	5,000	△ 646
Capital	1,429	1,429	0
Capital surplus	1,191	1,192	0
Retained earnings	3,757	4,017	259
Minority interest	50	100	49
Others	△ 15	△ 1	13
Total net assets	6,413	6,738	324
Total liabilities and net assets	12,060	11,738	△ 322

Increase in others

➤ Includes previous year's 2 billion yen-worth corporate bonds redeemed in November 2007.

Increase in corporate bond

➤ Due to the issue of 1 billion yen-worth unsecured corporate bonds.

* Rounded down to the nearest million yen.

I. Financial Results for the Year Ended March 31, 2008

-Cash Flows (CF) -

Consolidated

Millions of Yen

	07/3	08/3	Change
Cash flows from operating activities	799	1,389	589
Cash flows from investing activities	△ 399	△ 573	△ 174
Cash flows from financing activities	45	△ 981	△ 1,026
Amount of increase in cash and cash equivalents	444	△ 171	△ 615
Cash and cash equivalents balance at beginning of year	385	829	444
Cash and cash equivalents balance at end of year	829	658	△ 171
FCF	399	815	415

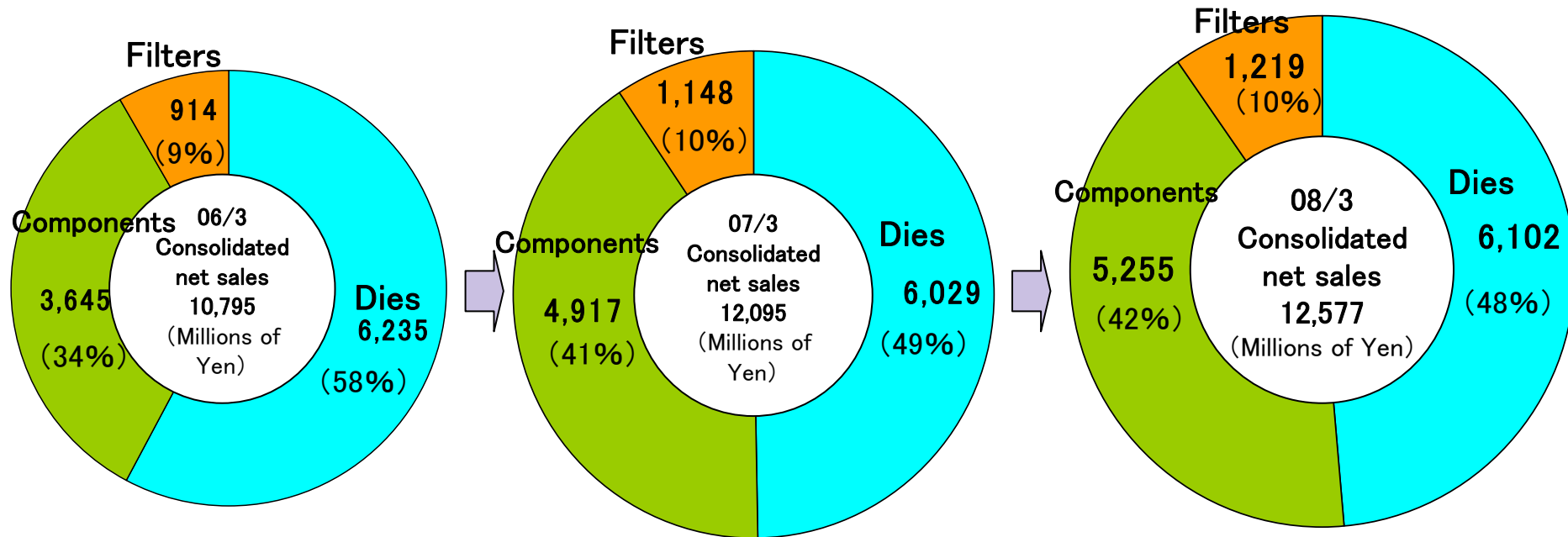
Cash flows from financing activities

➤ Due to the redemption of corporate bonds.

* Rounded down to the nearest million yen.

II. Medium-Term Management Policy

II. Medium-Term Management Policy - Changes in Business Composition



II. Medium-Term Management Policy

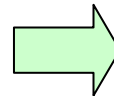
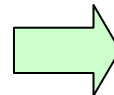
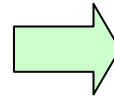
- Business Environment and Management Policy

Business Environment

Accelerating globalization in the Japanese automobile industry, our key customer

Rise of emerging markets in the automobile industry

Progress in development of automobile industry-related new technologies, such as environment-responsive technology



Management Policy

➤ Reform of business portfolio aiming to strengthen inter-business synergy

➤ Promotion of overseas operations
~ Establishment of overseas base in Asia centering on Thailand

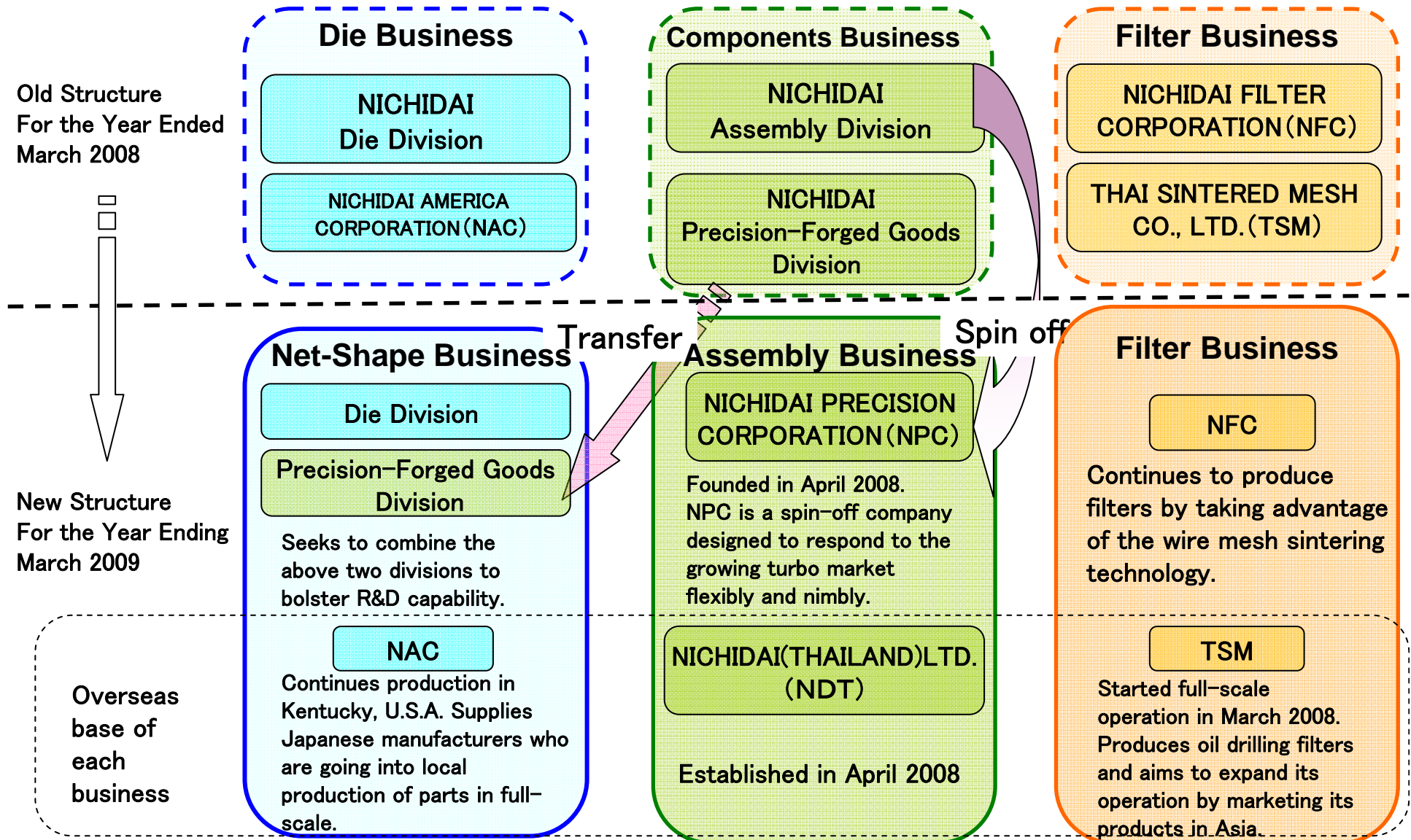
➤ Enhancement of capacity in technological development for creating new applications

- **Promote technological development and creation of new application which tightens inter-business relationship**
- **Promote global operations by establishing overseas bases**



II. Medium-Term Management Policy - Organizational Restructuring

➤ Restructuring in view of inter-business synergy and stepped-up of global deployment



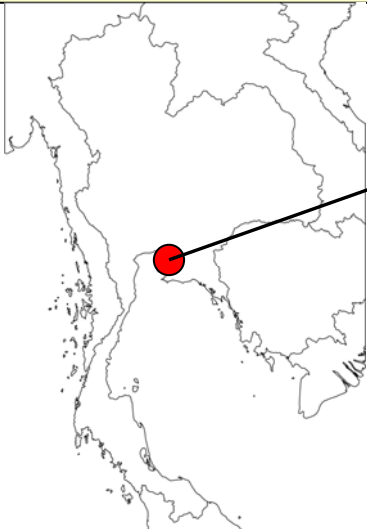
II. Medium-Term Management Policy

- Asian Strategy: Foundation of NICHIDAI (THAILAND) LTD.

Objectives:

- To boost production capacity of VG turbo charger parts to cope with the rising demand ahead of the enforcement of the EURO 5.
- To make an important Asian strategic base including net-shape business

Corporate Profile	Time Schedule			
	Year	2008	2009	2010
Location: Amatanakon Industrial Park, Chonburi Province, Thailand				
Shareholder Composition: NICHIDAI PRECISION CORPORATION 100%				
Investment Amount: Approx. 700 million yen (plan)				
Schedule	08/4 Incorporation	08/12 Factory completion	09/6 Prototype production	10/1 Full-scale production
Net Sales	-	250 million yen	1.5 billion yen	
No. of employees	-	-	Planned to hire 70 persons.	



Amatanakon Industrial Park, Chonburi Province

One of the biggest industrial parks in Thailand located in the suburb of Bangkok (approx. 60 km).

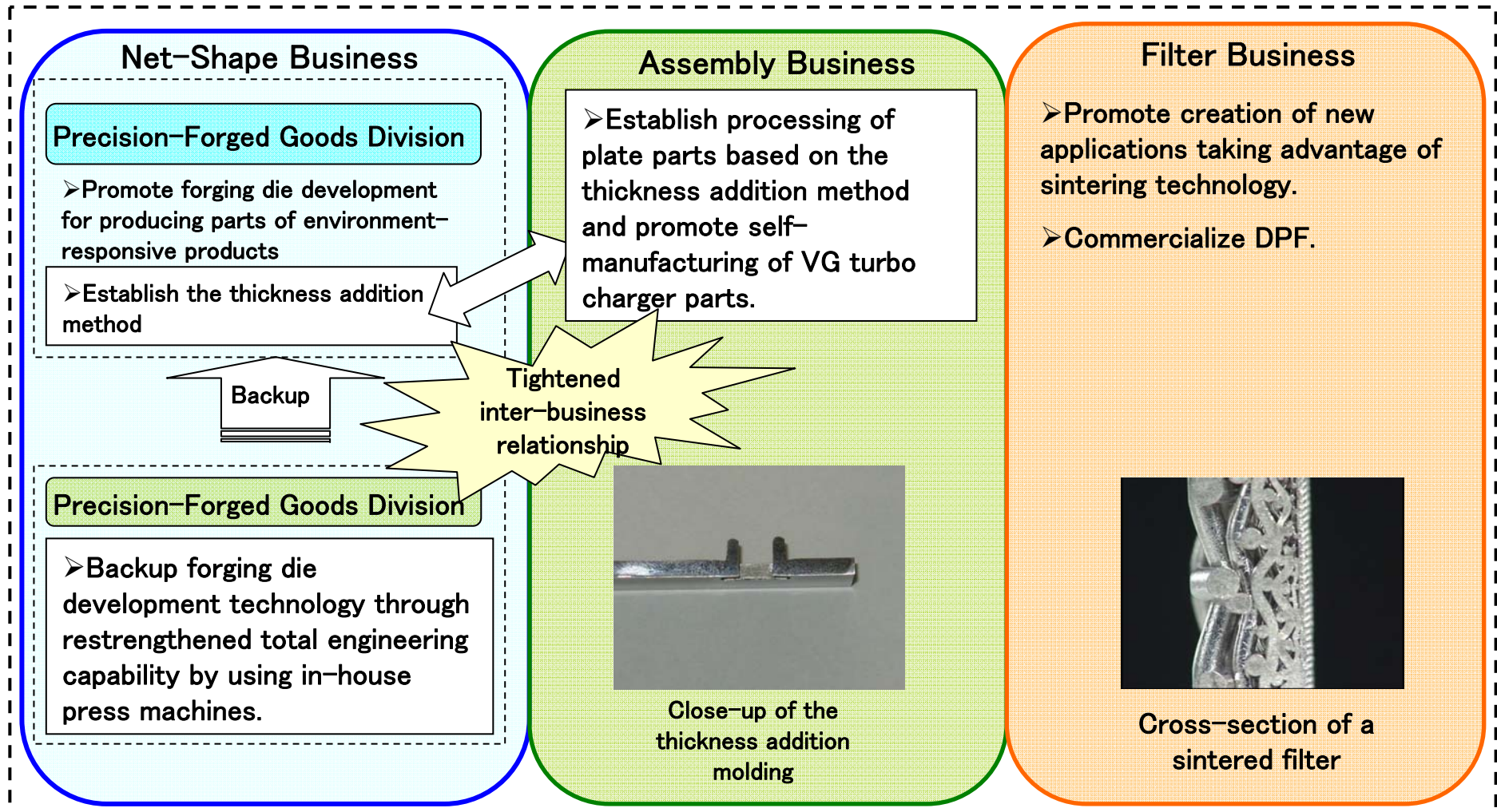
A number of Japanese companies have been operating here.

Rendering of NICHIDAI (THAILAND) LTD.



II. Medium-Term Management Policy - Strengthening of Technological Development

➤ Promotion of technological development related to environment-responsive products against the backdrop of rising oil prices is required.



III. Plan for the Year Ending March 31, 2009



III. Plan for the Year Ending March 31, 2009 - P/L: Sales and Profit

Millions of Yen

		08/3 Results 07/4-08/3	09/3 Plan 08/4-09/3	Growth Rate
Non-consolidated	Net sales	—	7,300	—
	Gross income from sales	—	2,180	—
	S. G. & A. expense	—	1,340	—
	Operating income	—	840	—
	Non-operating income	—	△ 90	—
	Ordinary income	—	750	—
	Net income	—	370	—
Consolidated	Net sales	12,577	12,900	2.6%
	Gross income from sales	3,051	3,120	2.2%
	S. G. & A. expense	1,845	1,910	3.5%
	Operating income	1,205	1,210	0.4%
	Non-operating income	△ 132	△ 110	—
	Ordinary income	1,073	1,100	2.4%
	Net income	422	560	32.6%

* Rounded down to the nearest million yen. Non-consolidated data for the year ending March 31, 2008 are not listed as the Assembly Division was spinned off as of April 1, 2008.

III. Plan for the Year Ending March 31, 2009 - Segment Net Sales -

Consolidated

Millions of Yen

Business	08/3 Results	09/3 Plan	Growth Rate
Net-Shape	7,548	7,620	1.0%
Assembly	3,809	3,680	△ 3.4%
Filter	1,219	1,600	31.2%
Total Consolidated	12,577	12,900	2.6%

➤ Aims to create new demand for dies leveraging collaboration with Die Division and Precision Forging Division both in domestic and overseas markets.

➤ Reduced production of VG turbo charger parts is anticipated in the first half year due to the specification renewal upon the enforcement of EURO 5.

➤ Full-scale operation of TSM is expected to push up sales.

* Rounded down to the nearest million yen.

III. Plan for the Year Ending March 31, 2009 - Outlook and Challenges for the Current Year ~ Net-Shape Business-

- Although the impact of rising raw material prices and the slowdown in the U.S. economy is foreseen, overseas production of automobile is likely to continue.
- Development of environment-related products in the automobile industry should be promoted.

Challenges

➤ Domestic

✓ Sales

Better meet new demand in collaboration with Die Division and Precision Forging Division.

- ✓ Better respond to the domestic mother factory.
- ✓ Strengthen relationship with material manufacturers and forming machine manufacturers.
- ✓ Develop environment-related products.

✓ Production

Reinforce production system in collaboration with the manufacturing reform project.

✓ Technology

Reinforce development system by combining Die Division and Precision Forging Division.

- ✓ Establish the thickness addition method.
- ✓ Step up development to deal with environment-related products.

➤ Overseas

Strengthen demand creation in a way to respond to different regional situations.

- ✓ Asia: Cope with local production which is expected to increase.
- ✓ North America: Cope with local production by Japanese manufacturers who are going into full-scale operation.

III. Plan for the Year Ending March 31, 2009 - Outlook and Challenges for the Current Year~ Assembly Business-

- Enforcement of the EURO 5 will expedite the move toward all-out popularization of VG turbo, such as switchover to the new specification.
- Turbo market is entering growth period, accelerating turbo charger makers' establishing overseas bases and other business developments. Building up a production capacity to meet the rising demand is required.

Challenges

➤NPC (NICHIDAI PRECISION CORPORATION)

- Reduced production of VG turbo charger parts is anticipated in the first half year due to the switchover to new specification toward the enforcement of EURO 5.
- From the second half year, production capacity should be enhanced to cope with production hike to be brought by increased product types.

➤NDT (NICHIDAI(THAILAND)LTD.)

- Early start-up is needed in view of full-scale operation after the next period.

III. Plan for the Year Ending March 31, 2009 - Outlook and Challenges for the Current Year~ Filter Business-

- Demand for oil drilling filter is expected to grow against the backdrop of rise in oil prices.
- Although domestic capital investment is in a difficult situation, business results are expected to be the same level with this year by finding new applications.

Challenges

- **NFC (NICHIDAI FILTER CORPORATION)**
Development of new markets and products
 - Find new applications and customers leveraging sintering technology.
 - Promote development of exhaust gas filter.
- **TSM (THAI SINTERED MESH CO., LTD.)**
Full-scale production of oil drilling filters is expected.
Profitability is expected from this period.

III. Plan for the Year Ending March 31, 2009 - Cost of Sales -

Consolidated

Millions of Yen

	08/3 Results	Ratio	09/3 Plan	Ratio
Net sales	12,577	100.0%	12,900	100.0%
Material cost	3,577	28.4%	3,644	28.2%
Purchase of products	698	5.6%	485	3.8%
Subcontract processing	1,550	12.3%	1,535	11.9%
Subsidiary material cost	458	3.6%	500	3.9%
Labor cost	2,179	17.3%	2,246	17.4%
Depreciation	531	4.2%	548	4.2%
Change in inventory	196	1.6%	0	0.0%
Others	725	5.8%	822	6.4%
Cost of Sales	9,525	75.7%	9,780	75.8%
Gross income from sales	3,051	24.3%	3,120	24.2%

Increase in labor cost and others

➤ Due to the full-scale operation of TSM, foundation of NDT, etc.

* Rounded down to the nearest million yen.



III. Plan for the Year Ending March 31, 2009 - Sales & General Administrative Expenses -

Consolidated

Millions of Yen

	08 / 3 Results	Ratio	09 / 3 Plan	Ratio
Net sales	12,577	100.0%	12,900	100.0%
Packaging/Freight	136	1.1%	143	1.1%
Transportation	123	1.0%	125	1.0%
Labor cost	907	7.2%	957	7.4%
Depreciation	93	0.7%	92	0.7%
Rent	59	0.5%	70	0.5%
Others	525	4.2%	523	4.1%
S. G. & A. Expenses	1,845	14.7%	1,910	14.8%

* Rounded down to the nearest million yen.

III. Plan for the Year Ending March 31, 2009 - Capital Investment / Depreciation -

Consolidated

Millions of Yen

	05/3	06/3	07/3	08/3	09/3
	Results	Results	Results	Results	Plan
Amount of capital investment	688	680	581	759	807
Depreciation	531	575	617	625	640

Status of capital investment

➤ Amount of investment increased due to the foundation of NDT.

* Rounded down to the nearest million yen.

Thank you very much for the time you've given us 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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