

Summary of Consolidated Financial Results [Japan GAAP] for First Half of Fiscal Year Ending March 31, 2012

(The figures are rounded down to the nearest million yen.)

1. Consolidated Financial Results for First Half of FY2011 (April 1 to September 30, 2011)

(1) Consolidated financial results

(The percentages denote year-on-year change.)

	Net sales		Operating profit		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Half FY2011	57,156	-5.9	5,001	-30.7	4,496	-34.0	2,646	-41.9
First Half FY2010	60,713	25.2	7,213	302.9	6,812	397.9	4,555	733.1

Note: Comprehensive income

First Half of FY2011

3,195 million yen (16.2%)

First Half of FY2010

2,748 million yen (- %)

	Net income per share		Diluted net income per share	
	Yen		Yen	
First Half FY2011	49.53		49.53	
First Half FY2010	85.36		85.33	

(2) Consolidated financial position

	Total assets		Net assets		Shareholders' equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
First Half FY2011	126,090		81,973		63.7		1,503.91	
FY2010	127,925		81,439		61.6		1,473.85	

Reference: Equity capital

First Half of FY2011

80,374 million yen

FY2010

78,755 million yen

2. Dividends

	Annual dividend				
	At end of first quarter	At end of second quarter	At end of third quarter	Fiscal year-end	Annual dividend
	Yen				
FY2010	-	20.00	-	25.00	45.00
FY2011	-	22.00	-	-	-
FY2011(forecast)	-	-	-	23.00	45.00

Note: Revision to dividend forecast in the quarter under review: Yes

3. Forecasts for FY2011 (April 1, 2011 to March 31, 2012)

(The percentages denote year-on-year change.)

	Net sales		Operating profit		Recurring profit		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
FY2011	120,000	-0.4	11,000	-16.0	10,500	-16.2	6,800	-9.7	127.25

Note: Revision to earnings forecast in the quarter under review: Yes

4. Others

(1) Changes in principal subsidiaries during the quarter under review (changes in specific subsidiaries which involve changes in the scope of consolidation): None

(2) Application of specified accounting treatment in the preparation of quarterly consolidated financial statements: Yes

- (3) Changes in accounting policies, changes in accounting estimates and corrections of prior period errors
 - 1) Changes in accounting policies following revisions of accounting standards: None
 - 2) Changes in accounting policies besides those described above in 1): None
 - 3) Changes in accounting estimates: None
 - 4) Corrections of prior period errors: None
- (4) Number of shares outstanding (common stocks)
 - 1) The number of shares outstanding at the end of the period (including treasury stocks):
 - 53,754,477 in first half of FY2011
 - 53,754,477 in FY2010
 - 2) The number of treasury stocks at the end of the period:
 - 310,813 in first half of FY2011
 - 319,126 in FY2010
 - 3) The average number of shares outstanding (consolidated quarterly period (YTD)):
 - 53,439,765 in first half of FY2011
 - 53,372,177 in first half of FY2010

* Presentation of implementation status of quarterly review procedures

This Summary of Financial Results is not subject to quarterly financial report review procedures under the Financial Instruments and Exchange Law. At the time of this document's release, the quarterly financial report review procedures under the said law had not been completed.

* Proper use of forecasts and other special instructions

Forward-looking statements or projections included in this document, including earnings projections, are based on currently available information and certain premises that are judged to be rational at the time of this writing. Actual results may differ greatly from the forecast figures depending on various factors. For the assumptions used in earnings projections and notes for using earnings projections, please refer to "Qualitative Information Regarding Consolidated Earnings Forecast" on page 6 of Attachment.

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1. Qualitative Information Regarding Consolidated Financial Results for First Half Under Review

1) Qualitative Information Regarding Consolidated Business Results

During the first half period of the consolidated fiscal year under review, the outlook of the Japanese economy remained uncertain due to the progress of rapid appreciation of the yen and debt problems in Europe, although it showed signs of gradual recovery from the damages caused by the Great East Japan Earthquake.

Production at Japanese automobile manufacturers, the Nifco Group's major customers, started at last to rebound from the slump at the beginning of the term, and production at Korean automobile makers grew. However, recovery was modest on the whole.

Under such economic circumstances, the consolidated net sales of the Group during the first half of the consolidated fiscal year under review decreased by 5.9% y-o-y to 57,156 million yen.

On the profit front, although we took action to reduce cost and made efforts to cut down on fixed cost, profit decreased due to the decline in sales. As a result, consolidated operating profit for the first half period of the fiscal year under review decreased by 30.7% y-o-y to 5,001 million yen. Consolidated recurring profit decreased 34.0% y-o-y to 4,496 million yen, and consolidated net income declined 41.9% y-o-y to 2,646 million yen.

Business results by main business segment are as follows.

(i) Industrial Plastic Parts and Components Business

In the industrial plastic parts and components business, sales grew due the improvement of business at Korean automobile manufacturers, but Japanese automobile manufacturers were generally affected by declines in capacity utilization rates after the earthquake. As a result, sales in the business for the first half of the fiscal year under review decreased 7.5% y-o-y to 49,000 million yen. Operating profit declined 26.9% y-o-y to 6,218 million yen due to the decrease in profit with the fall in sales and the expense for launching a new operations base.

(ii) Bedding and Furniture Business

The bedding and furniture business remained robust both domestically and abroad as Simmons had taken hold as a luxury bedding brand. As a result, sales for the first half period of the fiscal year under review increased 6.6% y-o-y to 7,090 million yen. Operating profit grew 28.4% y-o-y to 723 million yen due to an increase in profit with the boost in sales and efforts for improving production domestically.

(iii) Other Business

Other businesses consist mainly of newspaper and publishing businesses. Net sales from other businesses declined 2.5% y-o-y to 1,065 million yen for the first half period under review, and operating loss was 163 million yen.

2) Qualitative Information Regarding Consolidated Financial Position

(i) Status of assets, liabilities and net assets

Total assets at the end of the first half period under review decreased 1,834 million yen from the end of the previous consolidated fiscal year to 126,090 million yen. This is mainly attributable to the decrease of 4,700 million yen in cash and bank deposits due to the repayment of borrowings and payment of year-end dividends and income taxes.

Current assets at the end of the first half period of the fiscal year under review decreased 2,779 million yen from the end of the consolidated fiscal year to 77,764 million yen. This is primarily due to the decrease in cash and bank deposits of 4,700 million yen, although notes and accounts receivable increased 1,296 million yen.

Fixed assets at the end of the first half period of the fiscal year under review increased 945 million yen from the end of the previous consolidated fiscal year to 48,326 million yen. This is chiefly because tangible fixed assets rose 2,593 million yen although investment securities decreased 1,808 million yen.

Total liabilities at the end of the first half period of the fiscal year under review declined 2,368 million yen from the end of the previous consolidated fiscal year to 44,117 million yen. This is primarily attributable to decreases in current maturities of long-term indebtedness within one year of 1,087 million yen, long-term indebtedness of 714 million yen and income taxes payable of 656 million yen.

Total net assets at the end of the first half period of the fiscal year under review increased 534 million yen from the end of the previous consolidated fiscal year to 81,973 million yen. This is mainly attributable to increases in retained earnings of 1,307 million yen and foreign currency translation adjustments of 566 million yen despite the decrease in minority shareholders' interests of 1,084 million yen.

As a result, the shareholders' equity ratio for the first half period of the fiscal year under review rose 2.1 percentage points from the end of the previous consolidated fiscal year to 63.7%.

(ii) Status of cash flow

1. Cash flow from operating activities

Cash flow from operating activities during the second quarter of the term under review was 2,776 million yen. This mainly reflects increased funds from net income before income taxes of 4,223 million yen and a depreciation of 2,897 million yen, although funds decreased due to the payment of corporate taxes of 1,997 million yen and increase in accounts receivable of 1,108 million yen.

2. Cash flow from investing activities

Cash flow used in investing activities during the period was 4,922 million yen. This is primarily attributable to the expenditure to acquire tangible fixed assets of 5,499 million yen, including capital expenditure to newly-established overseas operation base.

3. Cash flow from financing activities

Cash flow used in financing activities during the period was 3,256 million yen. This was primarily attributable to repayment of long-term debt of 1,926 million yen and expense of a dividend payment of 1,335 million yen.

As a result of the above, the balance of cash and cash equivalents at the end of the first half period under review decreased 5,584 million yen from the end of the previous fiscal year to 33,417 million yen.

3) Qualitative Information Regarding Consolidated Earnings Forecast

Earnings projections for the full fiscal year

	Net sales	Operating profit	Recurring profit	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced earnings projections (A) announced on June 23, 2011	115,000	10,000	9,500	6,000	112.29
Revised earnings projections (B)	120,000	11,000	10,500	6,800	127.25
Amount of change (B-A)	5,000	1,000	1,000	800	-
Percentage change (%)	4.3	10.0	10.5	13.3	-
(Reference) Results of the previous fiscal year (FY2010)	120,574	13,106	12,541	7,531	141.05

Reasons for revisions to consolidated earnings forecast for the full fiscal year

Nifco has revised its consolidated earnings forecast for the full fiscal year ending March 2012 because sales in its mainstay industrial plastic parts and components business for automobiles are expected to exceed the initial plan, although there will be effects from the flooding in Thailand, and profits are projected to increase as a result of a boost in sales and actions for reducing cost.

2. Matters concerning the summary information (others)

1) Changes in principal subsidiaries during the first half period of the fiscal year under review

None

2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements

Income taxes were computed by multiplying consolidated income before income taxes by a rational estimate of the effective tax rate on consolidated income before income taxes for the fiscal year including the first half under review after adjustments for the application of tax-effect accounting.

3) Changes in accounting policies, changes in accounting estimates and corrections of prior period errors

None

3. Consolidated Financial Statements

1) Consolidated Balance Sheets for First Half of FY2011

(Unit: Millions of yen)

	FY2010 (As of March 31, 2011)	At the end of the first half of FY2011 (September 30, 2011)
Assets		
Current Assets		
Cash and deposits	39,228	34,527
Notes and accounts receivable	23,052	24,349
Marketable securities	3,879	2,739
Merchandise and finished goods	6,780	6,829
Work in process	1,526	1,606
Raw materials and supplies	2,666	3,173
Deferred tax assets	829	1,034
Others	2,646	3,575
Allowance for doubtful accounts	(65)	(71)
Total Current Assets	80,543	77,764
Fixed Assets		
Tangible fixed assets		
Buildings and structures (net base)	12,814	13,602
Machinery, equipment and vehicles (net base)	5,084	5,548
Molds (net base)	2,249	2,279
Tools, furniture and fixtures (net base)	1,865	1,903
Land	12,726	13,215
Construction in progress	2,972	3,728
Others (net base)	169	197
Total Tangible Fixed Assets	37,882	40,475
Intangible fixed assets		
Goodwill	324	347
Others	544	474
Total Intangible Fixed Assets	869	821
Investments and other assets		
Investment securities	6,847	5,038
Deferred tax assets	649	725
Others	1,349	1,473
Allowance for doubtful accounts	(217)	(207)
Total Investments and Other Assets	8,629	7,029
Total Fixed Assets	47,381	48,326
Total Assets	127,925	126,090

(Unit: Millions of yen)

	FY2010 (As of March 31, 2011)	At the end of the first half of FY2011 (September 30, 2011)
Liabilities		
Current Liabilities		
Notes and accounts payable	12,219	11,744
Other payables	2,004	1,915
Income taxes payable	1,844	1,188
Accrued bonuses	1,263	1,275
Others	6,179	5,288
Total Current Liabilities	23,512	21,412
Long-term Liabilities		
Bonds payable	15,000	15,000
Long-term indebtedness	5,255	4,540
Deferred tax liabilities	544	859
Liability for severance and retirement benefits	1,756	1,909
Others	416	394
Total Long-term Liabilities	22,973	22,704
Total Liabilities	46,486	44,117
Net Assets		
Shareholders' Equity		
Common stock	7,290	7,290
Additional paid-in capital	11,651	11,651
Retained earnings	70,263	71,571
Treasury stocks	(748)	(734)
Total Shareholders' Equity	88,456	89,778
Valuation, Translation Adjustments and Others		
Net unrealized gain on securities	213	(55)
Revaluation reserve for land	(79)	(79)
Foreign currency translation adjustments	(9,835)	(9,269)
Total Accumulated other comprehensive income	(9,701)	(9,404)
Minority Shareholders' Interests	2,683	1,598
Total Net Assets	81,439	81,973
Total Liabilities and Net Assets	127,925	126,090

2) Consolidated Statements of Income and Accumulated Other Comprehensive Income for First Half of FY2011

(First half of FY2011)

(Unit: Millions of yen)

	First Half FY2010 (April 1 to September 30, 2010)	First Half FY2011 (April 1 to September 30, 2011)
Net sales	60,713	57,156
Cost of sales	40,745	39,098
Gross profit	19,968	18,057
Selling, general and administrative expenses	12,755	13,055
Operating profit	7,213	5,001
Non-operating profits		
Interest income	128	146
Others	188	168
Total non-operating profits	317	314
Non-operating expenses		
Foreign exchange losses	476	500
Others	241	319
Total non-operating expenses	718	819
Recurring profit	6,812	4,496
Extraordinary profits		
Gains on negative goodwill	0	174
Others	26	93
Total extraordinary profits	27	267
Extraordinary losses		
Variance in capacity utilization due to the earthquake	-	505
Others	222	35
Total extraordinary losses	222	540
Income before income taxes	6,617	4,223
Corporate taxes	1,809	1,306
Income before minority interests	4,808	2,917
Minority interests	252	270
Net income	4,555	2,646
Minority interests	252	270
Income before minority interests	4,808	2,917
Other comprehensive income		
Net unrealized gain on securities	(232)	(269)
Foreign currency translation adjustments	(1,827)	545
Share in comprehensive income of equity-method affiliates	(0)	1
Total other comprehensive income	(2,059)	277
Comprehensive income	2,748	3,195
(Breakdown)		
Comprehensive income attributable to the shareholders of the parent company	2,513	2,944
Comprehensive income attributable to the minority shareholders	235	251

3) Consolidated Statement of Cash Flows for First Half of FY2011

(Unit: Millions of yen)

	First Half FY2010 (April 1 to September 30, 2010)	First Half FY2011 (April 1 to September 30, 2011)
Cash Flows from Operating Activities		
Income before income taxes	6,617	4,223
Depreciation	2,796	2,897
Amortization of goodwill	22	21
Increase (decrease) in allowance for doubtful accounts	134	(4)
Increase (decrease) in accrued bonuses	108	11
Increase (decrease) in retirement allowances	241	150
Interest income and dividends received	(156)	(173)
Interest expenses	154	152
Foreign currency exchange (gains) loss	325	263
Investment (gains) loss on equity method	(3)	1
(Gains) loss on sales of fixed assets	(26)	(5)
(Gains) loss on revaluation of investment securities	-	18
(Increase) decrease in trade receivables	(533)	(1,108)
(Increase) decrease in inventories	(562)	(638)
(Increase) decrease in other assets	(690)	(728)
Increase (decrease) in trade payables	23	(513)
Decrease / increase in consumption taxes receivable / payable	(170)	(114)
Increase (decrease) in other liabilities	(20)	168
Others	251	137
Subtotal	8,512	4,760
Interest income and dividends received	154	176
Interest paid	(156)	(163)
Corporate taxes refund (paid)	(2,208)	(1,997)
Net cash provided by operating activities	6,301	2,776
Cash Flows from Investing Activities		
Increase in time deposits	(1,455)	(703)
Decrease in time deposits	2,243	743
Expenditures for purchase of marketable securities	(673)	(606)
Proceeds from sales and redemption of marketable securities	2,535	2,239
Expenditures for fixed assets	(4,406)	(5,499)
Proceeds from sales of fixed assets	42	27
Expenditures for purchases of investment securities	(3,022)	(83)
Proceeds from sales of investment securities	6	91
Payment for loans receivable	(25)	(35)
Proceeds from collection of loans receivable	24	23

(Unit: Millions of yen)

	First Half FY2010 (April 1 to September 30, 2010)	First Half FY2011 (April 1 to September 30, 2011)
Payments for acquisition of shares of subsidiary	(1)	(1,009)
Others	(69)	(110)
Net cash provided by (used in) investing activities	(4,802)	(4,922)
Cash Flows from Financing Activities		
Proceeds from short-term borrowings	68	2,748
Repayments of short-term borrowings	(85)	(2,698)
Repayments of liabilities for finance leases	(10)	(3)
Proceeds from long-term loans payable	274	163
Repayments of long-term indebtedness	(164)	(1,926)
Proceeds from sales of treasury stocks	221	10
Expenditures for purchases of treasury stocks	(3)	(0)
Cash dividends	(1,066)	(1,335)
Cash dividends to minority shareholders	(166)	(216)
Net cash provided by (used in) financing activities	(931)	(3,256)
Foreign exchange rate adjustment	(867)	(182)
Net increase (decrease) in cash and cash equivalents	(300)	(5,584)
Cash and cash equivalents - beginning balance	34,108	39,002
Cash and cash equivalents - ending balance	33,807	33,417

4) Going concern issues

None

5) Segment Information**Business segment information****I. For the consolidated First Half of FY2010 (April 1 to September 30, 2010)****1. Information about net sales, profit or loss for each reported segment**

(Unit: Millions of yen)

	Reported segments			Other (Note1)	Adjustments (Note2)	Amount on consolidated financial statements (Note3)
	Industrial plastic parts & components	Bedding & furniture	Total			
Net sales						
Sales to customers	52,968	6,651	59,620	1,093	-	60,713
Inter-segment sales or transferred amount	0	0	0	33	(34)	-
Total	52,969	6,651	59,620	1,127	(34)	60,713
Segment profit (loss)	8,510	563	9,073	(180)	(1,679)	7,213

Notes: 1. "Other" includes newspapers and publishing business, etc.

2. Adjustments to the segment loss of 1,679 million yen reflect company-wide costs of 1,744 million yen and transactions eliminated between segments totaling 65 million yen. Company-wide costs mainly refer to general and administrative expenses that do not belong to reported segments.

3. Segment profit (loss) is adjusted by taking into account operating profit of consolidated financial statements.

(Reference)

Geographic segment information

(Unit: Millions of yen)

	Japan	Asia	North America	Europe	Total	Elimination & corporate expenses	Consolidated figures
Net sales							
(1) Sales to customers	33,361	17,801	6,432	3,118	60,713	-	60,713
(2) Inter-segment sales amount	2,170	1,247	2	0	3,421	(3,421)	-
Total	35,531	19,049	6,435	3,119	64,135	(3,421)	60,713
Operating profit	4,474	3,347	429	280	8,532	(1,319)	7,213

(Related information)

Information on sales by region

(Unit: Millions of yen)

	Japan	South Korea	Asia (Note 2)	North America	Europe	Others	Total
Net sales (Note 1)	33,101	6,743	11,125	6,703	2,999	39	60,713

Notes: 1. Net sales are recorded in locations of customers and defined by country or region.

2. Net sales in Asia do not include sales made in South Korea.

II. For the consolidated First Half of FY2011 (April 1 to September 30, 2011)

1. Information about net sales, profit or loss for each reported segment

(Unit: Millions of yen)

	Reported segments			Other (Note1)	Adjustments (Note2)	Amount on consolidated financial statements (Note3)
	Industrial plastic parts & components	Bedding & furniture	Total			
Net sales						
Sales to customers	49,000	7,090	56,090	1,065	-	57,156
Inter-segment sales or transferred amount	1	0	1	46	(48)	-
Total	49,001	7,090	56,092	1,112	(48)	57,156
Segment profit (loss)	6,218	723	6,941	(163)	(1,777)	5,001

Notes: 1. "Others" include newspaper and publishing businesses, etc.

2. Adjustments to segment loss of 1,777 million yen reflect company-wide costs of 1,840 million yen and transactions eliminated between segments totaling 63 million yen. Company-wide costs mainly refer to general and administrative expenses that do not belong to reported segments.

3. Segment profit (loss) is adjusted by taking into account operating profit of quarterly financial statements.

(Reference)

Geographic segment information

(Unit: Millions of yen)

	Japan	Asia	North America	Europe	Total	Elimination & corporate expenses	Consolidated figures
Net sales							
(1) Sales to customers	29,315	18,376	6,060	3,403	57,156	-	57,156
(2) Inter-segment sales amount	2,296	1,290	4	28	3,620	(3,620)	-
Total	31,611	19,667	6,065	3,432	60,777	(3,620)	57,156
Operating profit	3,147	2,737	383	185	6,454	(1,452)	5,001

(Related information)

Information on sales by region

(Unit: Millions of yen)

	Japan	South Korea	Asia (Note 2)	North America	Europe	Others	Total
Net sales (Note 1)	29,053	7,728	10,773	6,313	3,239	48	57,156

Notes: 1. Net sales are recorded in locations of customers and defined by country or region.

2. Net sales in Asia do not include sales made in South Korea.

6) Notes when there are significant changes in shareholders' equity

None