



**Consolidated Financial Results**  
**for the Three Months Ended June 30, 2012**  
**[Japanese GAAP]**

August 3, 2012

Company name: Nissha Printing Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange, Osaka Securities Exchange

Code number: 7915

URL: <http://www.nissha.co.jp/english/index.html>

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Scheduled date of filing quarterly securities report: August 10, 2012

Scheduled date of commencing dividend payments: –

Availability of supplementary briefing material on quarterly financial results: Not available

Schedule of quarterly financial results briefing session: Scheduled (telephone conference call for institutional investors)

(Amounts of less than one million yen are rounded down)

**1. Consolidated Financial Results for the Three Months Ended June 30, 2012 (April 1, 2012 to June 30, 2012)**

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2012	16,336	(27.4)	(2,923)	—	(3,304)	—	(3,484)	—
Three months ended June 30, 2011	22,504	(19.9)	(1,911)	—	(1,936)	—	(1,432)	—

(Note) Comprehensive income: Three months ended June 30, 2012: ¥(3,516) million (–%)

Three months ended June 30, 2011: ¥(2,231) million (–%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2012	(81.20)	—
Three months ended June 30, 2011	(33.38)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2012	102,685	45,464	44.3
As of March 31, 2012	105,250	48,986	46.5

(Reference) Equity: As of June 30, 2012: ¥45,464 million

As of March 31, 2012: ¥48,986 million

## 2. Dividends

	Annual Dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2012	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2013	—				
Fiscal year ending March 31, 2013 (Forecast)		0.00	—	—	—

(Note) Revision of cash dividend forecast: No

Year-end dividends for the fiscal year ending March 31, 2013 (Forecast) remain undecided.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half (cumulative total)	38,500	(12.7)	(5,000)	—	(5,000)	—	(5,000)	—	(116.51)
Full year	97,000	21.0	(3,800)	—	(3,800)	—	(3,800)	—	(88.55)

(Note) Revision of consolidated financial results forecast: No

### Notes:

(1) Changes in significant subsidiaries during the period under review: No

(Changes in specified subsidiaries resulting in changes in scope of consolidation):

New: – ( ), Exclusion: – ( )

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes

For details, please see “2. Matters regarding the Summary Information (Notes) (2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements” on page 6 of the appendix.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Any changes other than 1) above: No

3) Changes in accounting estimates: Yes

4) Restatements: No

(Note) Effective from the first quarter ended June 30, 2012, we have revised depreciation methods. This corresponds to “cases where changes in accounting policies are difficult to differentiate from changes in accounting estimates.” For details, please see “2. Matters regarding the Summary Information (Notes) (3) Changes in accounting policies, changes in accounting estimates, and restatement” on page 6 of the appendix.

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

As of June 30, 2012	45,029,493 shares
As of March 31, 2012	45,029,493 shares

2) Total number of treasury stock at the end of the period:

As of June 30, 2012	2,113,825 shares
As of March 31, 2012	2,113,731 shares

3) Average number of shares during the period (cumulative total):

Three months ended June 30, 2012	42,915,679 shares
Three months ended June 30, 2011	42,916,089 shares

\* Presentation regarding the implementation status of the quarterly review process

This report on quarterly financial results is exempted from quarterly review process under the Financial Instruments and Exchange Act. Review process for quarterly financial statements under the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this report.

\* Explanation of the proper use of financial results forecast and other notes

The performance forecasts and other forward-looking statements contained in this report are based on information available to the Company on the date of this report's release and certain premises that the Company deems to be reasonable. Therefore, the Company has not prepared these descriptions with intent to commit to realize them. Actual results, etc. may differ from the forecasts, however, as a consequence of various factors in the future. For details on the premises of the performance forecasts of the Company and the points to note when using the performance forecasts, please see "(3) Qualitative information on consolidated financial forecasts" on page 5 of the appendix.

We are scheduled to hold a telephone conference call for institutional investors on Friday, August 3, 2012. Reference materials for the telephone conference call are scheduled to be posted on our website.

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## **1. Qualitative Information on Consolidated Financial Results for the Period under Review**

### **(1) Qualitative information on consolidated operating results**

In the global economy for the first quarter ended June 30, 2012, the economic recovery in the US remained moderate and the economic stagnancy in Europe spread further due to the impacts of the European financial crisis. Meanwhile, the economies of China and other emerging countries also continued to lose momentum. The Japanese economy is still beset with future uncertainties such as the persistent rise of the yen, though it showed gradual recovery mainly driven by domestic demand.

Under these circumstances, the Company Group launched its Fourth Medium-term Business Plan (from Fiscal 2013 to Fiscal 2015) in April 2012 with the aim of achieving an earlier return to positive figures and a growth path. The Company Group makes concerted efforts to realize its Mid-term Vision: Nissha develops cutting-edge printing technologies and creates an array of exceptional products that fundamentally redefines value for our customers. In addition, we have already begun focused on improving profitability by curtailing fixed costs and variable costs as measures to strengthen structural reform.

Yet in PCs, smartphones, and other consumer electronics, the areas the Company Group regards as its core markets, rapid fluctuations in demand volumes and lower price points on products and services are still intensifying. These factors led to unstable productivity and price-cutting pressure, and inflicted a serious impact on our sales and profits. Ultimately, we were unable to achieve a recovery of business results.

As a result of these business developments, net sales for the first quarter ended June 30, 2012 were ¥16,336 million (a decrease of 27.4% as compared to the same period of the previous year). For income, operating loss was ¥2,923 million (operating loss of ¥1,911 million in the same period of the previous year), ordinary loss was ¥3,304 million (ordinary loss of ¥1,936 million in the same period of the previous year), and quarterly net loss was ¥3,484 million (quarterly net loss of ¥1,432 million in the same period of the previous year).

Following is an overview by business segment.

#### **Industrial Materials**

In the Industrial Materials segment, the Company Group mainly offers technologies that enable customers to incorporate decorative designs on the surfaces of plastic products, while at the same time promoting the development of functional film products and putting this business into the expansion mode. IMD, which facilitates simultaneous molding and printing of plastic products with decorative designs, is extensively adopted in notebook PCs, mobile phones, automotive interior components, and home appliances.

During the first quarter ended June 30, 2012, demand for mainstay consumer notebook PCs gradually recovered, while demand for mobile phones remained sluggish.

As a result, segment sales for the first quarter ended June 30, 2012 were ¥7,769 million, a decrease of 26.2% as compared to the same period of the previous year.

## Devices

In the Devices segment, the Company Group produces devices that pursue precision and functionality, including its mainstay, the FineTouch touch input device. These devices are adopted mainly in smartphones and mobile game consoles in global markets.

During the first quarter ended June 30, 2012, sales of capacitive-type touch panels for smartphones remained sluggish due to persistently steep competition.

As a result, segment sales for the first quarter ended June 30, 2012 were ¥4,301 million, a decrease of 44.0% as compared to the same period of the previous year.

## Information and Communication

In the Information and Communication segment, the Company Group offers its customers a wide range of professional services to assist a host of communication activities relating to advertising and sales, mainly services for sales promotion, web solutions, commercial printing, and publication printing, along with digital archiving services for cultural assets.

During the first quarter ended June 30, 2012, commercial printing operation, the key product in this segment, was affected by a reduction in corporate advertising budgets under the domestic economic slump and a decrease in the volume of printed materials due to the shift to Internet media. These aspects led the market into a highly competitive climate.

As a result, segment sales for the first quarter ended June 30, 2012 were ¥4,243 million, an increase of 0.3% as compared to the same period of the previous year.

## **(2) Qualitative information on consolidated financial position**

Total assets at the end of the first quarter ended June 30, 2012 decreased by ¥2,564 million from the end of the previous year (the fiscal year ended March 31, 2012) to ¥102,685 million.

Current assets decreased by ¥3,174 million from the end of the previous year to ¥44,875 million. This was mainly because consumption taxes receivable included in the “other” item decreased by ¥1,647 million and cash and deposits decreased by ¥1,149 million.

Noncurrent assets increased by ¥609 million from the end of the previous year to ¥57,809 million. This was mainly because a ¥2,070 million increase of property, plant and equipment outweighed a ¥1,258 million decrease of investment securities mainly brought about by changes in fair value.

Total liabilities at the end of the first quarter ended June 30, 2012 increased by ¥956 million from the end of the previous year to ¥57,221 million.

Current liabilities increased by ¥1,430 million from the end of the previous year to ¥47,834 million. This was mainly because accounts payable-facilities included in the “other” item increased by ¥1,279 million.

Noncurrent liabilities decreased by ¥473 million from the end of the previous year to ¥9,386 million. This was mainly because deferred tax liabilities included in the “other” item decreased by ¥349 million chiefly because of changes in the fair value of investment securities.

Net assets at the end of the first quarter ended June 30, 2012 decreased by ¥3,521 million from the end of the previous year to ¥45,464 million.

### Analysis of Cash Flows

The balance of cash and cash equivalents (the “funds”) on a consolidated basis at the end of the first quarter ended June 30, 2012 was ¥18,318 million, a decrease of ¥1,172 million compared to the end of the previous year.

The following describes the conditions of each cash flow and the underlying causes for the first quarter ended June 30, 2012.

#### (Net Cash Provided by (Used in) Operating Activities)

Funds provided by operating activities amounted to ¥794 million. The main factors responsible for the increase were the booking of depreciation and amortization at ¥1,879 million and an increase of ¥1,286 million in the “other, net” item chiefly associated with consumption taxes refunded. Meanwhile, the factors responsible for the decrease included the booking of loss before income taxes and minority interests at ¥3,269 million during the first quarter ended June 30, 2012.

#### (Net Cash Provided by (Used in) Investing Activities)

Funds used in investing activities amounted to ¥2,092 million. This was mainly attributable to the purchase of property, plant and equipment and intangible assets of ¥2,180 million during the first quarter ended June 30, 2012.

(Net Cash Provided by (Used in) Financing Activities)

Funds used in financing activities amounted to ¥156 million. This was mainly attributable to the repayments of lease obligations of ¥156 million.

**(3) Qualitative information on consolidated financial forecasts**

The consolidated financial forecasts for the six months ending September 30, 2012 and the fiscal year ending March 31, 2013 remain the same as those announced on May 11, 2012.



## **2. Matters regarding the Summary Information (Notes)**

(1) Changes in significant subsidiaries during the period under review  
Not applicable.

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements  
a. Calculation of tax expense

When calculating tax expense, we reasonably estimate the effective tax rate after applying tax-effect accounting for income (loss) before income taxes in the fiscal year, including the first quarter ended June 30, 2012. We then calculate the tax expense by multiplying income (loss) before income taxes by the estimated effective tax rate. We use the statutory effective tax rate, however, if the estimated effective tax rate is unavailable.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(Changes in accounting policies difficult to differentiate from changes in accounting estimates)

In accordance with the revision of the Corporation Tax Act, the Company and its domestic consolidated subsidiaries adopted a new method of depreciation and amortization under the revised Corporation Tax Act for property, plant and equipment acquired on or after April 1, 2012, effective from the first quarter ended June 30, 2012.

This change has no significant impact on profit and loss in the first quarter ended June 30, 2012.

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

(Million yen)

	As of March 31, 2011	As of June 30, 2012
Assets		
Current assets		
Cash and deposits	19,735	18,585
Notes and accounts receivable-trade	17,034	16,858
Merchandise and finished goods	3,744	3,260
Work in process	3,018	3,297
Raw materials and supplies	1,609	1,762
Other	3,098	1,292
Allowance for doubtful accounts	(190)	(181)
Total current assets	48,050	44,875
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,755	18,313
Machinery, equipment and vehicles, net	10,789	10,404
Tools, furniture and fixtures, net	1,496	1,389
Land	6,387	6,327
Lease assets, net	2,965	2,817
Construction in progress	3,130	6,342
Total property, plant and equipment	43,524	45,595
Intangible assets		
Goodwill	58	43
Software	4,348	4,085
Other	187	260
Total intangible assets	4,593	4,389
Investments and other assets		
Investment securities	6,661	5,402
Other	2,855	2,858
Allowance for doubtful accounts	(434)	(436)
Total investments and other assets	9,081	7,824
Total noncurrent assets	57,200	57,809
Total assets	105,250	102,685

(Million yen)

	As of March 31, 2011	As of June 30, 2012
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	13,556	13,578
Short-term loans payable	25,094	25,094
Income taxes payable	148	70
Provision for bonuses	967	1,346
Other	6,638	7,744
<b>Total current liabilities</b>	<b>46,404</b>	<b>47,834</b>
<b>Noncurrent liabilities</b>		
Provision for retirement benefits	5,734	5,786
Other	4,125	3,600
<b>Total noncurrent liabilities</b>	<b>9,859</b>	<b>9,386</b>
<b>Total liabilities</b>	<b>56,264</b>	<b>57,221</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	5,684	5,684
Capital surplus	7,355	7,355
Retained earnings	38,029	34,538
Treasury stock	(2,925)	(2,926)
<b>Total shareholders' equity</b>	<b>48,143</b>	<b>44,653</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,807	2,151
Foreign currency translation adjustment	(1,964)	(1,340)
<b>Total accumulated other comprehensive income</b>	<b>842</b>	<b>811</b>
<b>Total net assets</b>	<b>48,986</b>	<b>45,464</b>
<b>Total liabilities and net assets</b>	<b>105,250</b>	<b>102,685</b>

**(2) Consolidated statements of operations and comprehensive loss**

## Consolidated statements of operations

(Million yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Net sales	22,504	16,336
Cost of sales	21,404	16,409
Gross profit (loss)	1,100	(73)
Selling, general and administrative expenses	3,012	2,849
Operating loss	(1,911)	(2,923)
Non-operating income		
Interest income	13	20
Dividends income	118	58
Other	95	41
Total non-operating income	227	120
Non-operating expenses		
Interest expenses	32	38
Loss on valuation of investment securities	1	198
Foreign exchange losses	212	256
Other	6	7
Total non-operating expenses	252	501
Ordinary loss	(1,936)	(3,304)
Extraordinary income		
Gain on sales of noncurrent assets	7	38
Gain on sales of investment securities	—	9
State subsidy	59	59
Total extraordinary income	67	107
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	0	13
Loss on reduction of noncurrent assets	59	59
Loss on liquidation of subsidiaries and affiliates	209	—
Total extraordinary losses	270	73
Loss before income taxes and minority interests	(2,139)	(3,269)
Income taxes	(707)	215
Loss before minority interests	(1,432)	(3,484)
Net loss	(1,432)	(3,484)

Consolidated statements of comprehensive loss

(Million yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Loss before minority interests	(1,432)	(3,484)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,323)	(655)
Foreign currency translation adjustment	524	624
Total other comprehensive income	(798)	(31)
Comprehensive income	(2,231)	(3,516)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(2,231)	(3,516)
Comprehensive income attributable to minority interests	—	—

**(3) Consolidated statements of cash flows**

(Million yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(2,139)	(3,269)
Depreciation and amortization	2,228	1,879
Amortization of goodwill	14	14
Increase (decrease) in provision for bonuses	775	377
Increase (decrease) in provision for directors' bonuses	(46)	—
Increase (decrease) in provision for retirement benefits	87	51
Increase (decrease) in allowance for doubtful accounts	(30)	(8)
Interest and dividends income	(131)	(78)
Interest expenses	32	38
Foreign exchange losses (gains)	78	111
Loss (gain) on sales and retirement of noncurrent assets	(6)	(24)
Loss (gain) on sales of investment securities	—	(9)
Loss (gain) on valuation of investment securities	1	198
Loss (gain) on liquidation of subsidiaries and affiliates	209	—
Decrease (increase) in notes and accounts receivable-trade	5,332	297
Decrease (increase) in inventories	1,256	126
Increase (decrease) in notes and accounts payable-trade	(5,749)	(82)
Other, net	2,523	1,286
Subtotal	4,436	906
Interest and dividends income received	130	78
Interest expenses paid	(32)	(38)
Income taxes paid	(162)	(184)
Income taxes refund	979	32
Net cash provided by (used in) operating activities	5,351	794
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(1,914)	(2,180)
Proceeds from sales of property, plant and equipment and intangible assets	207	33
Purchase of investment securities	(3)	(2)
Proceeds from sales of investment securities	1	54
Collection of loans receivable	3	2
Net cash provided by (used in) investing activities	(1,705)	(2,092)

(Million yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(191)	—
Repayment of long-term loans payable	(0)	—
Repayments of lease obligations	(166)	(156)
Purchases of treasury stock-net	(0)	(0)
Cash dividends paid	(871)	—
Net cash provided by (used in) financing activities	(1,230)	(156)
Effect of exchange rate change on cash and cash equivalents	146	282
Net increase (decrease) in cash and cash equivalents	2,561	(1,172)
Cash and cash equivalents at beginning of period	17,107	19,490
Cash and cash equivalents at end of period	19,668	18,318

**(4) Notes to going concern assumptions**

The first quarter ended June 30, 2012 (April 1, 2012 to June 30, 2012)

Not applicable.

**(5) Segment information, etc.**

[Segment information]

I. The first quarter ended June 30, 2011 (April 1, 2011 to June 30, 2011)

1. Information about sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment					Reconciliations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Information & Communication	Other (Note 1)	Total		
Sales							
Sales to external customers	10,530	7,679	4,232	62	22,504	—	22,504
Inter-segment sales or transfers	6	—	—	269	276	(276)	—
Total	10,537	7,679	4,232	331	22,780	(276)	22,504
Segment income (loss)	(182)	(336)	(91)	56	(555)	(1,356)	(1,911)

(Notes) 1. The “Other” segment consists of real estate leasing and worker dispatch business.

2. Reconciliations (negative ¥1,356 million) of segment income (loss) include unallocated corporate expenses, etc.

Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.

3. Segment income (loss) is reconciled with operating loss in the Consolidated statements of operations.

2. Information about impairment loss and goodwill, etc. by reportable segment

Not applicable.



II. The first quarter ended June 30, 2012 (April 1, 2012 to June 30, 2012)

1. Information about sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment					Reconciliations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Information & Communication	Other (Note 1)	Total		
Sales							
Sales to external customers	7,769	4,301	4,243	21	16,336	—	16,336
Inter-segment sales or transfers	—	—	—	245	245	(245)	—
Total	7,769	4,301	4,243	266	16,581	(245)	16,336
Segment income (loss)	(15)	(1,638)	(62)	71	(1,645)	(1,278)	(2,923)

(Notes) 1. The “Other” segment consists of real estate leasing and worker dispatch business.

2. Reconciliations (negative ¥1,278 million) of segment income (loss) include unallocated corporate expenses, etc.

Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.

3. Segment income (loss) is reconciled with operating loss in the Consolidated statements of operations.

2. Information about impairment loss and goodwill, etc. by reportable segment

Not applicable.

**(6) Notes to material changes in shareholders’ equity**

The first quarter ended June 30, 2012 (April 1, 2012 to June 30, 2012)

Not applicable.