



**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2014
[Japanese GAAP]**

May 9, 2014

Company name: Nissha Printing Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7915
 URL: <http://www.nissha.com/english>
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 Scheduled date of Ordinary General Meeting of Shareholders: June 20, 2014
 Scheduled date of commencing dividend payments: June 23, 2014
 Scheduled date of filing annual securities report: June 20, 2014
 Availability of supplementary briefing material on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2014	110,922	24.0	1,935	—	5,182	—	3,967	—
Fiscal year ended March 31, 2013	89,427	11.6	(6,783)	—	(4,643)	—	(5,438)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2014: ¥7,172 million (—%)
 Fiscal year ended March 31, 2013: ¥(4,493) million (—%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2014	92.46	—	8.3	4.7	1.7
Fiscal year ended March 31, 2013	(126.72)	—	(11.6)	(4.2)	(7.6)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2014: ¥(323) million
 Fiscal year ended March 31, 2013: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2014	106,140	51,676	48.7	1,204.17
As of March 31, 2013	114,964	44,491	38.7	1,036.74

(Reference) Equity: As of March 31, 2014: ¥51,675 million
 As of March 31, 2013: ¥44,491 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2014	14,413	(16,149)	(4,634)	20,272
Fiscal year ended March 31, 2013	13,864	(7,206)	(4,677)	23,692

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2013	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2014	—	0.00	—	5.00	5.00	214	5.4	0.4
Fiscal year ending March 31, 2015 (Forecast)	—	5.00	—	5.00	10.00		9.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(% 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)	56,000	13.6	700	—	500	—	450	—	10.49
Full year	120,000	8.2	5,000	158.4	5,000	(3.5)	4,500	13.4	104.86

Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New: – (), Exclusion: 1 (Nitec Precision, Inc.)

(2) 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

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

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

As of March 31, 2014	45,029,493 shares
As of March 31, 2013	45,029,493 shares

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

As of March 31, 2014	2,115,557 shares
As of March 31, 2013	2,114,472 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2014	42,914,545 shares
Fiscal year ended March 31, 2013	42,915,356 shares

* Indication of audit procedures implementation status

This report on financial results is exempted from audit procedures under the Financial Instruments and Exchange Act. Audit procedures for 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.

We are scheduled to hold a financial results briefing session for institutional investors on Monday, May 12, 2014. Reference materials to be distributed at the briefing session are scheduled to be posted on our website on that day, as well.

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1. Analysis of Consolidated Operating Results and Financial Position

(1) Analysis of consolidated operating results

Overview of the term

Looking back over the global economy for the year ended March 31, 2014, the economic recovery in the US continued and the European economy showed signs of a bottoming out. Meanwhile, economic growth slowed down in China and other emerging countries. The Japanese economy remained on a moderate recovery trend, mainly buoyed by bold monetary easing and the ongoing trend of the weaker yen.

In smartphones, notebook PCs and other consumer electronics, the areas the Company Group has regarded as its core markets, rapid fluctuations in demand volumes and lower price points on products and services have become very common. These trends inflicted serious impact on our sales and profits. In response to these trends, the Company Group focused on measures to expand demand mainly by launching new products in the market while striving to control price declines and continuously improve productive efficiency and reduce costs across the board. Vigorous demand for the capacitive-type touch panels (photolithography process) in our core Devices segment significantly contributed to higher net sales and a return to profitability, backed by mass-volume production operations at our state-of-the-art Himeji Factory and Kaga Factory.

As a result, the net sales for the year ended March 31, 2014 were ¥110,922 million (an increase of 24.0% as compared to the previous year). For income, operating income was ¥1,935 million (operating loss of ¥6,783 million in the previous year), ordinary income was ¥5,182 million (ordinary loss of ¥4,643 million in the previous year), and net income was ¥3,967 million (net loss of ¥5,438 million in the previous year).

Following is an overview by business segment.

Industrial Materials

In the Industrial Materials segment, the Company Group mainly offers proprietary technologies that enable customers to incorporate decorative designs on the surfaces such as plastic, metal, and glass, while constantly promoting technology development attuned to market trends to make the business domain expand. IMD, which facilitates simultaneous molding and printing of plastic products, is extensively adopted in automotive interior components, notebook PCs, smartphones, and home appliances.

During the year ended March 31, 2014, demand for automotive interior components progressed steadily. On the other hand, demand for consumer notebook PCs remained sluggish.

As a result, segment sales for the year ended March 31, 2014 were ¥26,409 million, a decrease of 4.6% as compared to the previous year.

Devices

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

During the year ended March 31, 2014, demand for the capacitive-type touch panels (photolithography process) adopted to tablet devices increased and sales progressed steadily.

As a result, segment sales for the year ended March 31, 2014 were ¥66,315 million, an increase of 53.7% as compared to 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 year ended March 31, 2014, commercial field, the key product in this segment, was affected by a decrease in the volume of printed materials due to the diversification of information media. These movements led the market into a highly competitive climate.

As a result, segment sales for the year ended March 31, 2014 were ¥18,070 million, a decrease of 2.3% as compared to the previous year.

(2) Analysis of consolidated financial position

1) Assets, liabilities and net assets

Total assets at the end of the fiscal year ended March 31, 2014 decreased by ¥8,824 million from the end of the previous year (the fiscal year ended March 31, 2013) to ¥106,140 million.

Current assets decreased by ¥11,199 million from the end of the previous year to ¥48,081 million. This was mainly because notes and accounts receivable-trade decreased by ¥5,743 million and cash and deposits decreased by ¥3,702 million.

Non-current assets increased by ¥2,374 million from the end of the previous year to ¥58,058 million. This was mainly because investment securities increased by ¥2,386 million chiefly due to the purchase of shares of subsidiaries and associates and changes in fair value of available-for-sale securities and property, plant and equipment increased by ¥939 million due to capital investments.

Total liabilities at the end of the fiscal year ended March 31, 2014 decreased by ¥16,009 million from the end of the previous year to ¥54,463 million.

Current liabilities decreased by ¥16,331 million from the end of the previous year to ¥44,812 million. This was mainly because short-term loans payable decreased by ¥4,004 million, notes payable-facilities included in the “other” item decreased by ¥3,577 million, and notes and accounts payable-trade decreased by ¥3,886 million.

Non-current liabilities increased by ¥322 million from the end of the previous year to ¥9,650 million. This was mainly because deferred tax liabilities increased by ¥539 million chiefly due to changes in the fair value of investment securities.

Net assets at the end of the fiscal year ended March 31, 2014 increased by ¥7,184 million from the end of the previous year to ¥51,676 million.

2) Cash flows

The balance of cash and cash equivalents (the “funds”) on a consolidated basis at the end of the fiscal year ended March 31, 2014 was ¥20,272 million, a decrease of ¥3,419 million compared to the end of the previous year.

The following describes the conditions of each cash flow and the underlying causes for the fiscal year ended March 31, 2014.

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

Funds provided by operating activities amounted to ¥14,413 million. This was mainly because a ¥11,219 million of depreciation, a ¥6,165 million of a decrease in notes and accounts receivable-trade, and a ¥5,151 million of income before income taxes and minority interests outweighed a ¥3,752 million of a decrease in notes and accounts payable-trade.

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

Funds used in investing activities amounted to ¥16,149 million. This was mainly attributable to purchase of property, plant and equipment of ¥15,908 million.

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

Funds used in financing activities amounted to ¥4,634 million. This was mainly attributable to net decrease in short-term loans payable of ¥4,000 million.

2. Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	23,974	20,272
Notes and accounts receivable-trade	21,996	16,252
Merchandise and finished goods	5,041	4,148
Work in process	2,052	2,227
Raw materials and supplies	2,161	1,449
Deferred tax assets	598	97
Consumption taxes receivable	2,836	3,090
Other	834	699
Allowance for doubtful accounts	(215)	(156)
Total current assets	59,280	48,081
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,283	45,212
Accumulated depreciation	(19,167)	(21,605)
Buildings and structures, net	17,116	23,607
Machinery, equipment and vehicles	39,004	37,451
Accumulated depreciation	(22,453)	(24,643)
Machinery, equipment and vehicles, net	16,550	12,807
Tools, furniture and fixtures	7,307	6,798
Accumulated depreciation	(6,071)	(5,564)
Tools, furniture and fixtures, net	1,236	1,233
Land	6,175	6,082
Leased assets	4,111	4,253
Accumulated depreciation	(1,738)	(2,312)
Leased assets, net	2,372	1,940
Construction in progress	1,830	549
Total property, plant and equipment	45,282	46,221
Intangible assets		
Software	3,300	2,409
Other	402	468
Total intangible assets	3,702	2,877
Investments and other assets		
Investment securities	6,103	8,490
Deferred tax assets	173	65
Other	858	837
Allowance for doubtful accounts	(435)	(432)
Total investments and other assets	6,699	8,959
Total non-current assets	55,684	58,058
Total assets	114,964	106,140

(Million yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	24,663	20,776
Short-term loans payable	21,099	17,095
Lease obligations	621	642
Accrued expenses	3,186	2,837
Income taxes payable	68	288
Provision for bonuses	977	975
Other	10,527	2,196
Total current liabilities	61,144	44,812
Non-current liabilities		
Lease obligations	1,872	1,397
Deferred tax liabilities	1,326	1,866
Provision for retirement benefits	5,884	—
Net defined benefit liability	—	6,245
Other	244	141
Total non-current liabilities	9,328	9,650
Total liabilities	70,472	54,463
Net assets		
Shareholders' equity		
Capital stock	5,684	5,684
Capital surplus	7,355	7,355
Retained earnings	32,591	36,558
Treasury shares	(2,926)	(2,928)
Total shareholders' equity	42,704	46,670
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,483	3,379
Foreign currency translation adjustment	(696)	1,614
Remeasurements of defined benefit plans	—	11
Total accumulated other comprehensive income	1,786	5,004
Minority interests	—	1
Total net assets	44,491	51,676
Total liabilities and net assets	114,964	106,140

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

Consolidated statements of operations

(Million yen)

	Fiscal Year ended March 31, 2013	Fiscal Year ended March 31, 2014
Net sales	89,427	110,922
Cost of sales	83,508	93,898
Gross profit	5,918	17,024
Selling, general and administrative expenses	12,702	15,089
Operating income (loss)	(6,783)	1,935
Non-operating income		
Interest income	94	113
Dividend income	86	87
Foreign exchange gains	2,567	3,172
Other	215	398
Total non-operating income	2,963	3,771
Non-operating expenses		
Interest expenses	166	124
Share of loss of entities accounted for using equity method	—	323
Compensation expenses	440	—
Other	217	75
Total non-operating expenses	823	523
Ordinary income (loss)	(4,643)	5,182
Extraordinary income		
Gain on sales of non-current assets	1,594	417
Gain on sales of investment securities	9	—
State subsidy	159	159
Total extraordinary income	1,763	577
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,757	239
Loss on reduction of non-current assets	152	149
Impairment loss	220	—
Retirement benefit expenses	—	219
Total extraordinary losses	2,130	608
Income (loss) before income taxes and minority interests	(5,010)	5,151
Income taxes-current	270	492
Income taxes-deferred	156	692
Total income taxes	427	1,185
Income (loss) before minority interests	(5,438)	3,965
Minority interests in loss	—	(2)
Net income (loss)	(5,438)	3,967

Consolidated statements of comprehensive income (loss)

(Million yen)

	Fiscal Year ended March 31, 2013	Fiscal Year ended March 31, 2014
Income (loss) before minority interests	(5,438)	3,965
Other comprehensive income		
Valuation difference on available-for-sale securities	(323)	895
Foreign currency translation adjustment	1,268	2,157
Share of other comprehensive income of entities accounted for using equity method	—	153
Total other comprehensive income	944	3,206
Comprehensive income	(4,493)	7,172
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,493)	7,174
Comprehensive income attributable to minority interests	—	(2)

(3) Consolidated statements of cash flows

(Million yen)

	Fiscal Year ended March 31, 2013	Fiscal Year ended March 31, 2014
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(5,010)	5,151
Depreciation	9,530	11,219
Impairment loss	220	—
Amortization of goodwill	58	—
Increase (decrease) in provision for bonuses	6	(10)
Increase (decrease) in provision for retirement benefits	150	—
Increase (decrease) in net defined benefit liability	—	372
Increase (decrease) in allowance for doubtful accounts	22	(70)
Interest and dividend income	(180)	(200)
Interest expenses	166	124
Foreign exchange losses (gains)	(1,375)	(1,356)
Share of (profit) loss of entities accounted for using equity method	—	323
Loss (gain) on sales and retirement of non-current assets	163	(178)
Decrease (increase) in notes and accounts receivable-trade	(4,713)	6,165
Decrease (increase) in inventories	(734)	1,701
Increase (decrease) in notes and accounts payable-trade	10,110	(3,752)
Other, net	5,818	(4,871)
Subtotal	14,231	14,617
Interest and dividend income received	179	198
Interest expenses paid	(166)	(124)
Income taxes paid	(430)	(368)
Income taxes refund	49	90
Net cash provided by (used in) operating activities	13,864	14,413

(Million yen)

	Fiscal Year ended March 31, 2013	Fiscal Year ended March 31, 2014
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	1,500	320
Purchase of property, plant and equipment	(10,409)	(15,908)
Proceeds from sales of property, plant and equipment	2,170	964
Purchase of intangible assets	(485)	(257)
Proceeds from sales of intangible assets	0	—
Purchase of investment securities	(124)	(79)
Purchase of shares of subsidiaries and associates	—	(1,245)
Payments of loans receivable	(3)	(4)
Collection of loans receivable	15	13
Other, net	130	49
Net cash provided by (used in) investing activities	(7,206)	(16,149)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(4,000)	(4,000)
Repayment of long-term loans payable	(50)	—
Repayments of lease obligations	(622)	(629)
Purchases of treasury stock-net	(0)	(1)
Cash dividends paid	(4)	(6)
Proceeds from share issuance to minority shareholders	—	3
Net cash provided by (used in) financing activities	(4,677)	(4,634)
Effect of exchange rate change on cash and cash equivalents	2,221	2,951
Net increase (decrease) in cash and cash equivalents	4,201	(3,419)
Cash and cash equivalents at beginning of period	19,490	23,692
Cash and cash equivalents at end of period	23,692	20,272

(4) Segment information, etc.

[Segment information]

1. Description of reportable segments

The Company Group's reportable segments are those for which separate financial information is available and regular evaluation by the board of directors is being performed in order to decide the allocation of management resources and to review business results.

The Company Group sets up divisions by product or service. Each division draws up a plan for comprehensive strategies in Japan and overseas for the products and services it handles, and thereupon develops its business activities.

Accordingly, the Company Group consists of segments by product and service based on divisions, and the reportable segments are the Industrial Materials segment, Devices segment, Information & Communication segment, and Other segment.

The Industrial Materials segment manufactures and sells decorative films, molds, and molded plastic products. The Devices segment manufactures and sells touch input devices. The Information & Communication segment plans, manufactures, and sells products and services for commercial printing and publication printing. The Other segment consists of worker dispatch business, etc.

2. Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

The accounting methods for the reportable segments are generally those set forth in the "Basis for the preparation of the consolidated financial statements" disclosed in the latest annual securities report (June 21, 2013). Inter-segment sales or transfers are based on current market prices.

We have reconsidered the scope of expenses to be allocated to each reportable segment. As a result, we adopted a new method whereby a part of the corporate expenses formerly included in reconciliations was allocated to each reportable segment based on a certain allocation standard, effective from the fiscal year ended March 31, 2014.

This change was made in conjunction with a new review of performance management methods by the Company Group with a view to measuring profitability more appropriately on a business by segment basis.

As a result of the change from the previous to the new method, segment loss in the Industrial Materials for the fiscal year ended March 31, 2014 increased by ¥1,055 million, segment income in the Devices decreased by ¥1,236 million, and segment loss in the Information & Communication increased by ¥622 million.

3. Information about sales, profit (loss), assets, and other items by reportable segment

The fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Million yen)

	Reportable segment					Reconciliations (Note 1)	Consolidated (Note 2)
	Industrial Materials	Devices	Information & Communication	Other	Total		
Sales							
Sales to external customers	27,689	43,133	18,494	110	89,427	—	89,427
Inter-segment sales or transfers	—	—	—	743	743	(743)	—
Total	27,689	43,133	18,494	853	90,171	(743)	89,427
Segment income (loss)	(719)	(469)	183	154	(850)	(5,933)	(6,783)
Segment assets	28,337	37,615	7,298	421	73,673	41,291	114,964
Other							
Depreciation and amortization	3,131	4,578	253	14	7,978	1,552	9,530
Amortization of goodwill	58	—	—	—	58	—	58
Increase in property, plant and equipment and intangible assets	617	12,225	13	—	12,857	812	13,669

(Notes) 1. Reconciliations are as follows:

- (1) The negative ¥5,933 million of reconciliations in segment income (loss) includes unallocated corporate expenses, etc. Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.
 - (2) The positive ¥41,291 million of reconciliations in segment assets includes cash and deposits, investment securities, and corporate (administrative and indirect) non-current assets not allocated to reportable segments.
 - (3) The positive ¥1,552 million of reconciliation in depreciation and amortization relates to corporate (administrative and indirect) non-current assets.
 - (4) The positive ¥812 million of reconciliations in increase in property, plant and equipment and intangible assets is the amount of corporate (administrative and indirect) capital investment.
2. Segment income (loss) is reconciled with operating loss recorded in the consolidated statements of operations.

The fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Million yen)

	Reportable segment					Reconciliations (Note 1)	Consolidated (Note 2)
	Industrial Materials	Devices	Information & Communication	Other	Total		
Sales							
Sales to external customers	26,409	66,315	18,070	126	110,922	—	110,922
Inter-segment sales or transfers	—	27	—	651	679	(679)	—
Total	26,409	66,343	18,070	778	111,601	(679)	110,922
Segment income (loss)	(1,122)	7,440	(691)	(46)	5,580	(3,644)	1,935
Segment assets	26,467	34,643	6,622	443	68,176	37,963	106,140
Other							
Depreciation and amortization	2,731	6,653	222	19	9,627	1,592	11,219
Increase in property, plant and equipment and intangible assets	895	10,581	164	76	11,717	569	12,287

(Notes) 1. Reconciliations are as follows:

- (1) The negative ¥3,644 million of reconciliations in segment income (loss) includes unallocated corporate expenses, etc.
Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.
 - (2) The positive ¥37,963 million of reconciliations in segment assets includes cash and deposits, investment securities, and corporate (administrative and indirect) non-current assets not allocated to reportable segments.
 - (3) The positive ¥1,592 million of reconciliation in depreciation and amortization relates to corporate (administrative and indirect) non-current assets.
 - (4) The positive ¥569 million of reconciliations in increase in property, plant and equipment and intangible assets is the amount of corporate (administrative and indirect) capital investment.
2. Segment income (loss) is reconciled with operating loss recorded in the consolidated statements of operations.

(Information about impairment loss by reportable segment)

The fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

We decided to close down Nitec Mold Engineering, Inc. due to changes in the market environment and business structure. As a result, the book value of non-current assets not expected to be used in the future was reduced to a recoverable amount in the Industrial Materials segment, and the reduced amount was recorded as impairment loss. The impairment loss amounted to ¥220 million.

The fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

Not applicable.