



Financial Results for the First Quarter Ended June 30, 2013

August 6, 2013

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Notes: 1. In this presentation, "FY2014" refers to the year ended March 31, 2014.
2. The results and forecast presented on these materials are all consolidated basis except as otherwise noted.

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Highlights



FY2014 Q1 Results

- Sales and profit exceeded the original projection, though decreased largely QonQ.
- Devices (photolithography process): Demand for tablet declined significantly QonQ (within the scope of the assumption).
- Devices (printing process): For mobile game consoles exceeded the projection.
- Industrial Materials: Demand for notebook PC were sluggish.

From FY2014 Q2

- Devices (photolithography process): Respond to increasing volume by launch of Kaga Factory (from July).
- Devices (printing process): For mobile game consoles progress steadily due to demand season.
- Industrial Materials: Accelerate the market launch of glass transfer and 3D transfer for ultrabook and smartphones to counter demand decline for notebook PC.

Toward FY2015

- Devices: Accelerate the modification of customer portfolio for photolithography process and the launch of new technologies.
- Industrial Materials: Continue to focus on sales promotion of new products and technologies.

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FY2014 Q1 Demand decline for Devices affected

FY2014 Q1 (April to June) Results

(Millions of Yen)

| | | FY2013 Q1 Result | FY2013 Q4 Result | FY2014 Q1 Result | YoY (vs. FY2013 Q1) | QoQ (vs. FY2013 Q4) |
|---|--|---------------------|---------------------|---------------------|---------------------------|---------------------------|
| Net Sales | | 16,336 | 25,060 | 17,504 | +7.1% | -30.2% |
| Operating Income | | -2,923 | -1,750 | -3,650 | - | - |
| OPM | | -17.9% | -7.0% | -20.9% | -3.0pt | -13.9pt |
| Ordinary Income | | -3,304 | -371 | -2,367 | - | - |
| Net Income | | -3,484 | -569 | -2,704 | - | - |
| Net Sales by Business Segments | Industrial Materials | 7,769 | 6,517 | 5,998 | -22.8% | -8.0% |
| | Devices | 4,301 | 13,699 | 7,331 | +70.4% | -46.5% |
| | Information and Communication and Others | 4,264 | 4,844 | 4,174 | -2.1% | -13.8% |
| Operating Income by Business Segments | Industrial Materials | -15 | -949 | -467 | - | - |
| | Devices | -1,638 | 744 | -2,076 | - | - |
| | Information and Communication and Others | 9 | 125 | -118 | - | - |
| | Reconciliations | -1,278 | -1,669 | -988 | - | - |

*Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.

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Measure the segment profitability more adequately ~re-examine the allocation of expenses

- Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.

FY2014 Q1

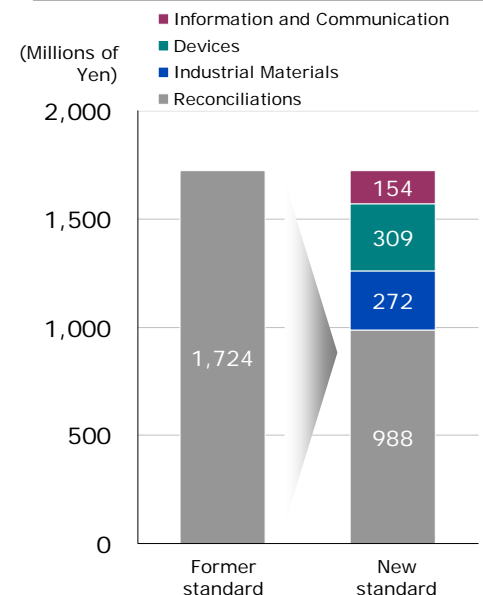
(Millions of Yen)

| | Former standard | New standard |
|--|--------------------|--------------|
| Industrial Materials Operating Income | -195 | -467 |
| Devices Operating Income | -1,767 | -2,076 |
| Information and Communication and Others Operating Income | 36 | -118 |
| Reconciliations | -1,724 | -988 |

● 9.8% of net sales
 ● R&D, IT related and administration expenses

● 5.6% of net sales
 ● R&D and IT related expenses

Allocation to business segments (FY2014 Q1)

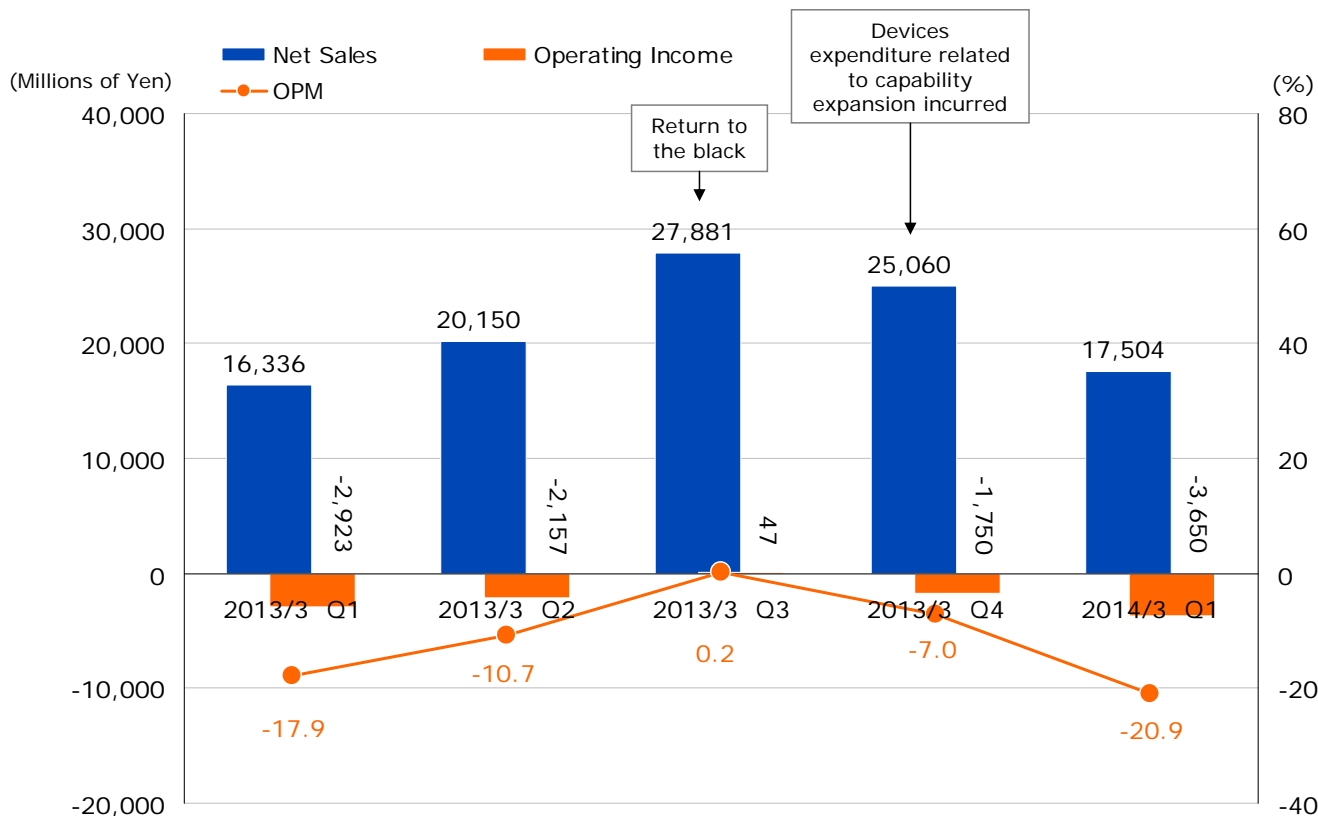


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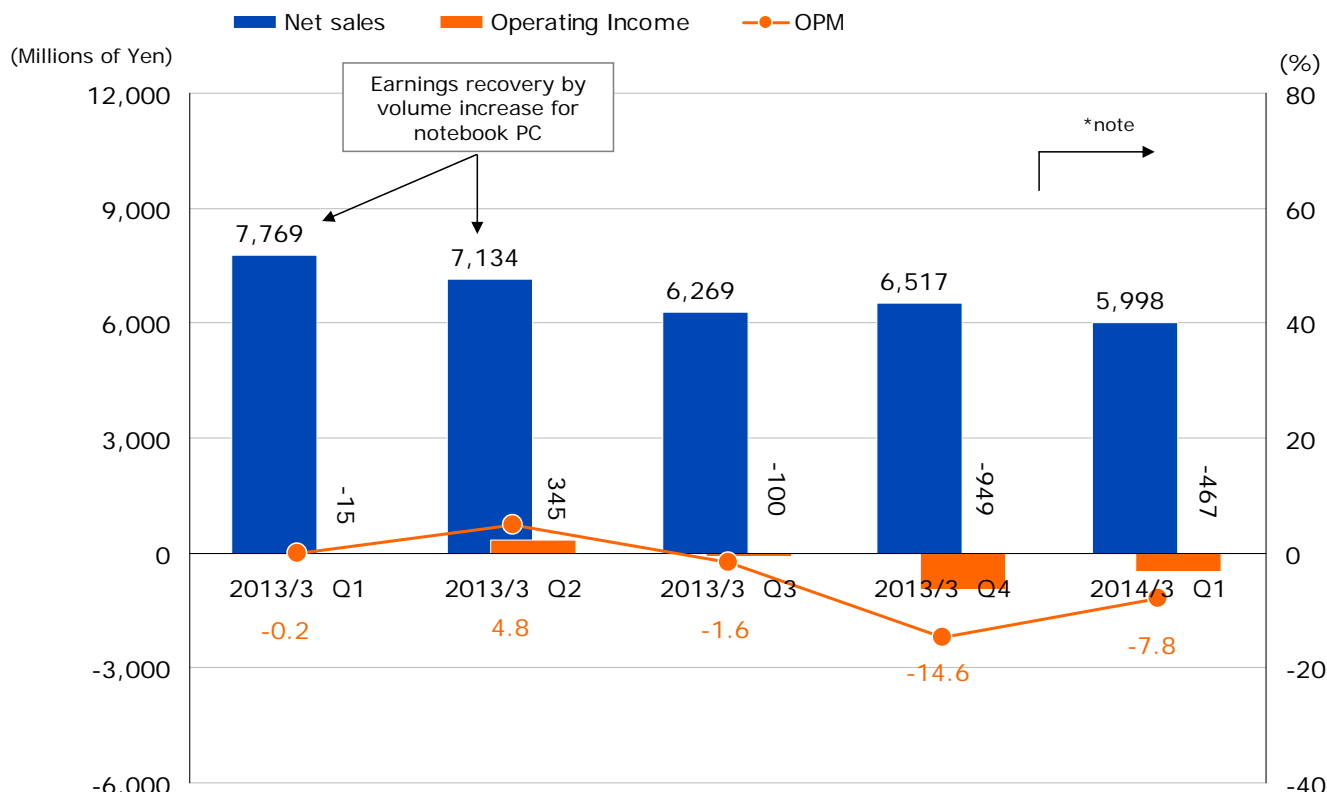
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Quarterly Trend



Industrial Materials Quarterly Trend

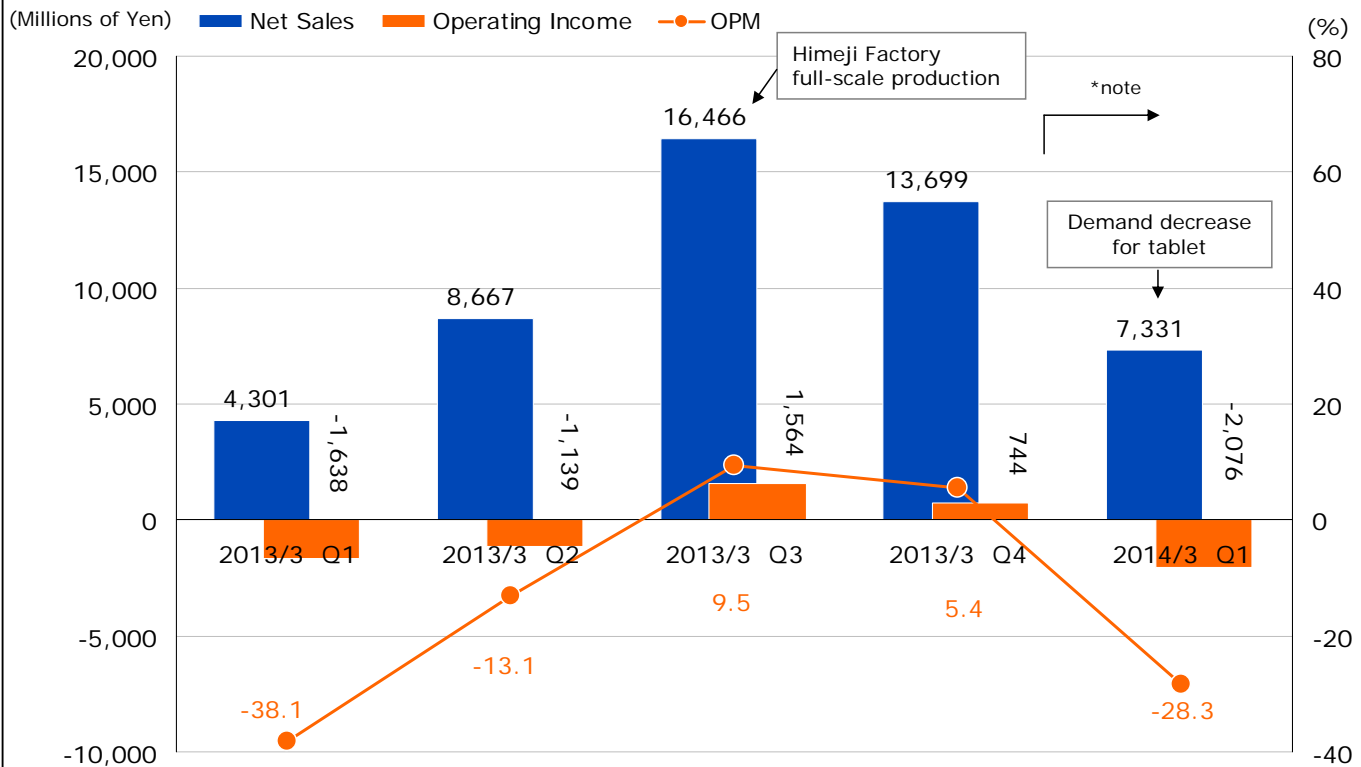


*Note: Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.
 (on former standard: FY2014 Q1 operating income ¥-195 mil., OPM -3.3%)





Devices Quarterly Trend



*Note: Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.

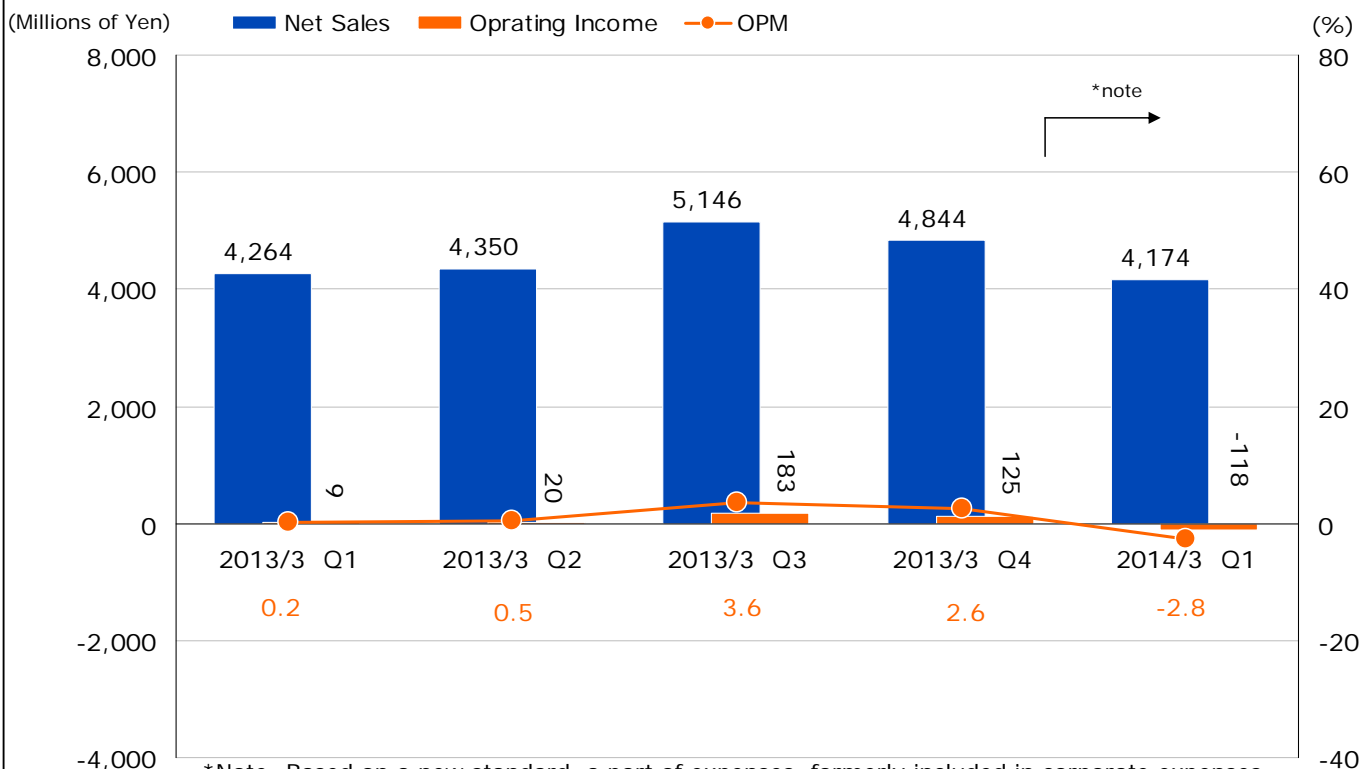
(on former standard: FY2014 Q1 operating income ¥-1,767 mil., OPM -24.1%)

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Information and Communication and Others Quarterly Trend



*Note: Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.

(on former standard: FY2014 Q1 operating income ¥36 mil., OPM 0.9%)

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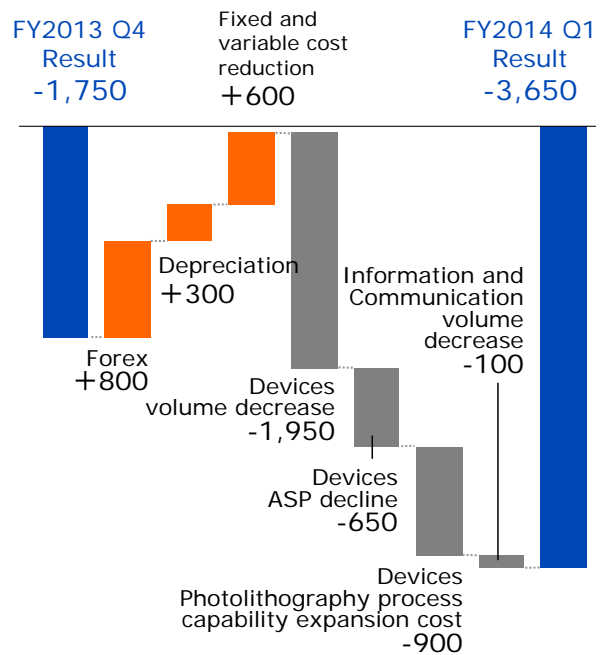
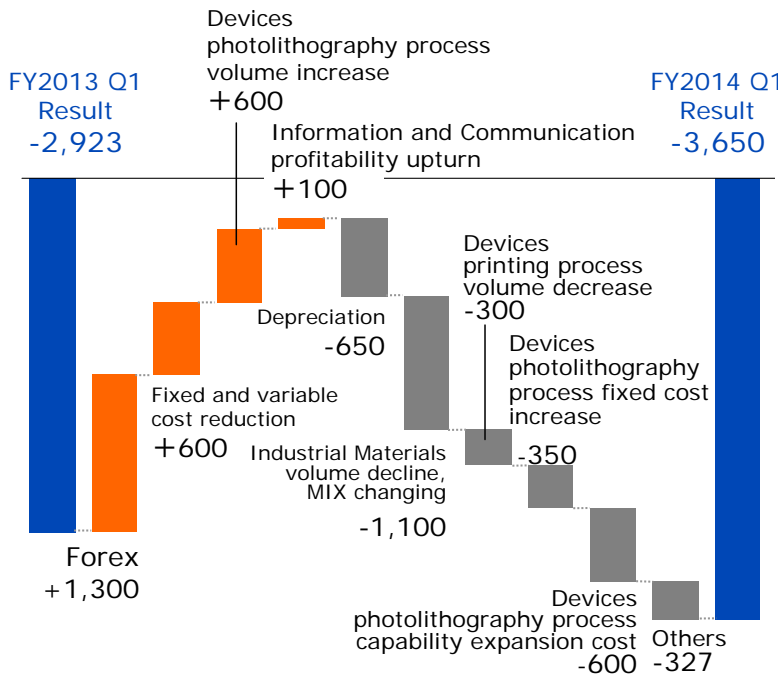
Analysis of OPM



(Millions of Yen)

YoY (FY2013 Q1 → FY2014 Q1)

QoQ (FY2013 Q4 → FY2014 Q1)



FOREX FY2013 Q1 average: ¥80/\$
 FY2013 Q4 average: ¥87/\$
 FY2014 Q1 average: ¥98/\$



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FY2014 Devices leads earnings recovery in H2



FY2014 Forecast

(Millions of Yen)

| | FY2013 Result | FY2014 H1 Forecast | FY2014 H2 Forecast | FY2014 Forecast (assumption ¥95/\$) | YoY |
|------------------|---------------|--------------------|--------------------|-------------------------------------|---------|
| Net Sales | 89,427 | 53,000 | 77,000 | 130,000 | +45.4% |
| Operating Income | -6,783 | -3,500 | 7,500 | 4,000 | - |
| OPM | -7.6% | -6.6% | 9.7% | 3.1% | +10.7pt |
| Ordinary Income | -4,643 | -3,300 | 7,700 | 4,400 | - |
| Net Income | -5,438 | -4,000 | 7,000 | 3,000 | - |

| Net sales by business segment | FY2013 Result | FY2014 Forecast | YoY |
|--|---------------|-----------------|--------|
| Industrial Materials | 27,689 | 28,500 | +2.9% |
| Devices | 43,133 | 82,500 | +91.3% |
| Information and Communication and Others | 18,604 | 19,000 | +2.1% |



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Thank you.

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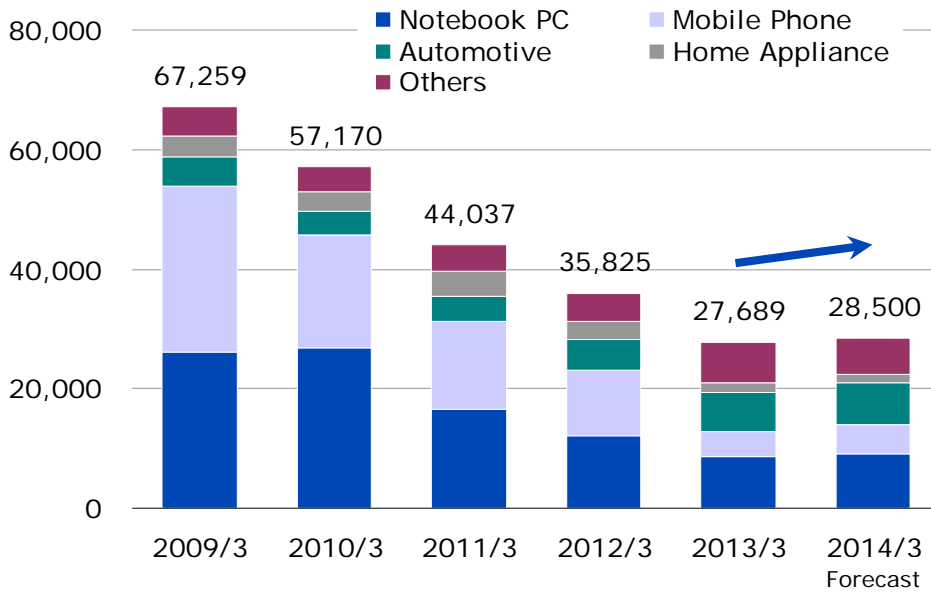
Appendix
(from the materials released on May 10, 2013)

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Industrial Materials: Bottom out by new technology input

Industrial Materials sales trend by application (Millions of Yen)



FY2014

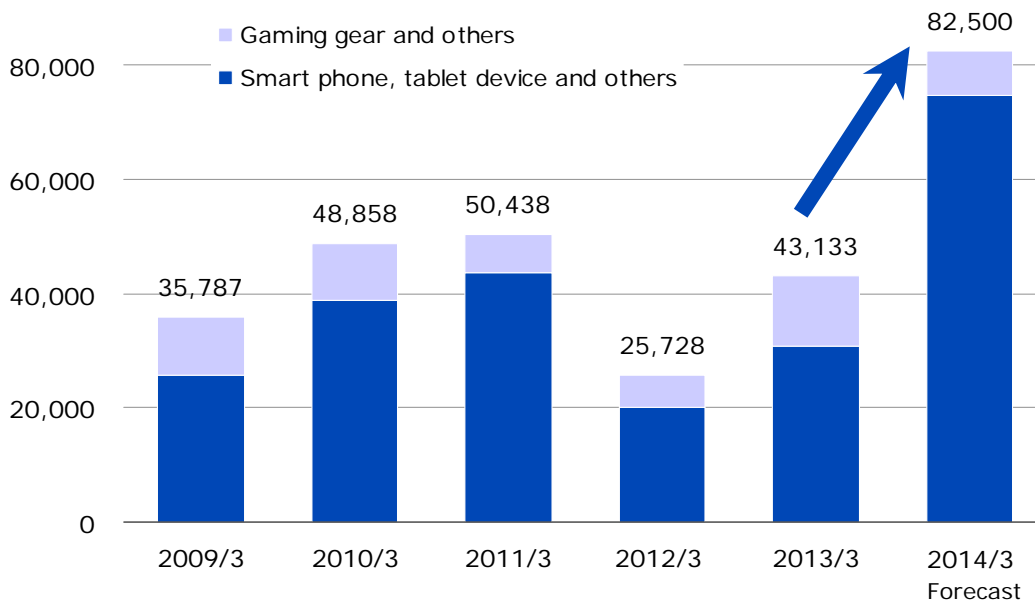
- Notebook PC: Gain order for metal housing by 3D transfer.
- Mobile phone: Gain order by glass transfer.

| | 2009/3 | 2010/3 | 2011/3 | 2012/3 | 2013/3 | 2014/3 Forecast |
|------------------|--------|--------|--------|--------|--------|-----------------|
| ■ Notebook PC | 26,231 | 26,775 | 16,542 | 12,231 | 8,617 | 9,200 |
| ■ Mobile Phone | 27,606 | 18,996 | 14,642 | 10,838 | 4,265 | 4,700 |
| ■ Automotive | 4,822 | 3,938 | 4,172 | 5,109 | 6,571 | 7,000 |
| ■ Home Appliance | 3,532 | 3,176 | 4,254 | 3,025 | 1,559 | 1,600 |
| ■ Others | 5,068 | 4,285 | 4,427 | 4,624 | 6,678 | 6,000 |



Devices: Volume increased for photolithography process

Devices sales trend by application (Millions of Yen)



| | 2009/3 | 2010/3 | 2011/3 | 2012/3 | 2013/3 | 2014/3 Forecast |
|--|--------|--------|--------|--------|--------|-----------------|
| ■ Smart phone, tablet devices ant others | 25,803 | 38,813 | 43,542 | 20,200 | 30,887 | 74,700 |
| ■ Gaming gear and others | 9,984 | 10,046 | 6,897 | 5,530 | 12,245 | 7,800 |

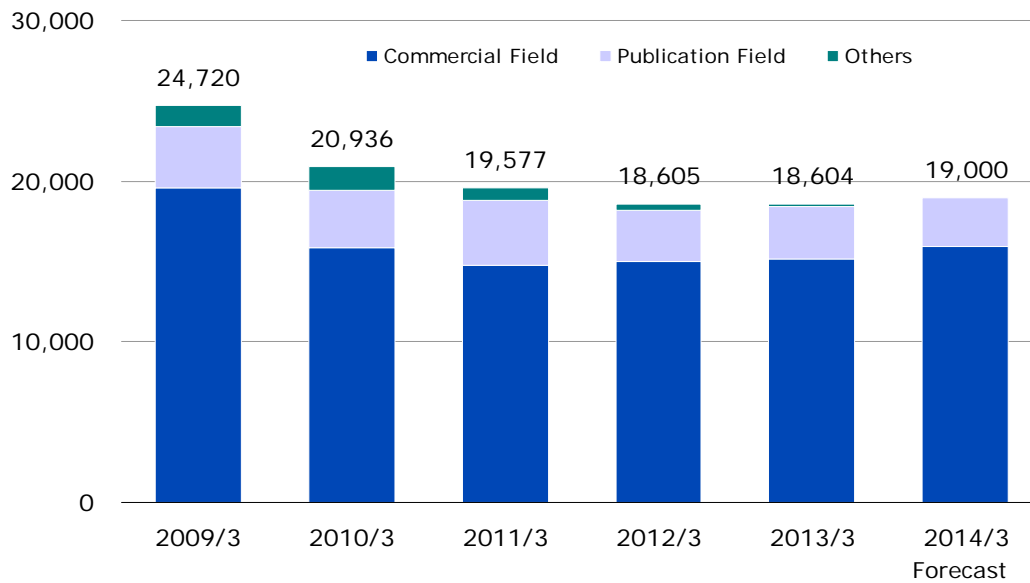




Information and Communication: Remain steadily

Information and Communication and Others sales trend by field

(Millions of Yen)



| | | | | | | |
|-------------------|--------|--------|--------|--------|--------|--------|
| Commercial Field | 19,573 | 15,817 | 14,763 | 14,999 | 15,193 | 15,900 |
| Publication Field | 3,858 | 3,641 | 4,022 | 3,196 | 3,223 | 3,060 |
| Others | 1,290 | 1,479 | 792 | 411 | 190 | 40 |

*Others contains such as real-estate and personnel-service business that are not included in Information and Communication business.

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