

Financial Results for FY2016 Q3 Ended December 31, 2015

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Highlights

FY2016 Q3 (October-December) Results

- Demand is front-loaded. Net Sales and income exceeded the forecast.
 - Net Sales: 34.4 billion yen, Operating Income: 5.3 billion yen, Ordinary Income: 5.6 billion yen, Net Income: 5.3 billion yen
- Industrial Materials: Demand for automobile has been firm. One month's performance of AR Metallizing was consolidated.
- Devices: Sales increased by front-loaded demand. (Q3⇒Q4)
- Information and Communication : Returned to black by the effect of split-off.
- The strategy for reorganization of business portfolio in Fifth Medium-term Business Plan progressed.
 - Acquisition of Málaga (Brazil) by AR Metallizing (Industrial Materials)
 - Production Tie-up with Kyodo Printing (Information and Communication)

FY2016 Full Year Outlook

- Forecast of FY2016 is not changed.
 - Net Sales: 119.0 billion yen, Operating Income: 9.0 billion yen, Ordinary Income: 8.9 billion yen, Net Income: 7.5 billion yen

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FY2016 Q3 (Nine Months) Results

FY2016 Q3 accumulated (April-December) results

(Millions of Yen)

	FY2015 Q3 Results (accumulated)	FY2016 Q3 Results (accumulated)	YoY
Net Sales	95,722	86,069	-10.1%
Industrial Materials	20,660	26,552	+28.5%
Devices	61,315	46,131	-24.8%
Life Innovation	-	911	-
Information and Communication	12,981	12,354	-4.8%
Others	765	118	-
Operating Income	10,359	8,345	-19.4%
OPM	10.8%	9.7%	-1.1pt
Ordinary Income	14,439	8,577	-40.6%
Net Income	12,442	7,625	-38.7%

FY2016 Q3 (accumulated)
Average rate: ¥120/\$

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FY2016 Q3 (Three Months) Results

FY2016 Q3 (October-December) results

(Millions of Yen)

	FY2015 Q3 Results	FY2016 Q2 Results	FY2016 Q3 Results	YoY	QoQ
Net Sales	40,600	30,320	34,469	-15.1%	+13.7%
Industrial Materials	8,022	8,692	9,316	16.1%	+7.2%
Devices	27,271	17,129	19,914	-27.0%	+16.3%
Life Innovation	-	308	325	-	+5.5%
Information and Communication	4,916	4,150	4,869	-1.0%	+17.3%
Others	391	40	45	-	+12.5%
Operating Income	7,541	3,213	5,397	-28.4%	+68.0%
OPM	18.6%	10.6%	15.7%	-2.9pt	+5.1pt
Ordinary Income	10,377	2,689	5,635	-45.7%	+109.6%
Net Income	9,230	2,205	5,357	-42.0%	+142.9%

FY2016 Q3
Average rate: ¥120/\$

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FY2016 forecast is not changed. Sales by business segment is revised.

FY2016 Forecast

(Millions of Yen)

	FY2015 Results	FY2016 Previous Forecast (11/9)	FY2016 Revised Forecast	YoY
Net Sales	118,775		119,000	0.2%
Industrial Materials	29,460	38,600	38,600	31.0%
Devices	70,266	61,200	61,900	▲11.9%
Life Innovation	-	1,550	1,350	-
Information and Communication	17,890	17,500	17,000	▲5.0%
Others	1,158	150	150	-
Operating Income	8,750		9,000	2.9%
OPM	7.4%		7.6%	+0.2pt
Ordinary Income	12,494		8,900	▲28.8%
Net Income	11,245		7,500	▲33.3%

FY2016 Assumed rate
¥118/\$ (Not Changed)

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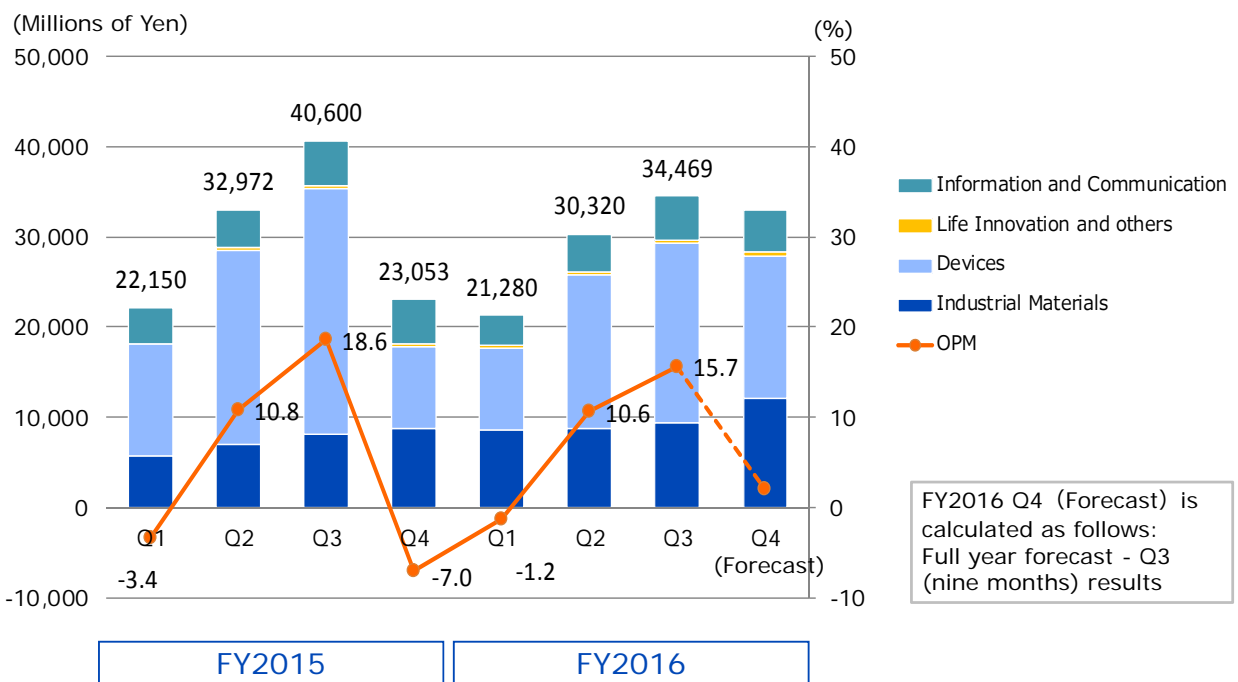
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Performance Trend

Net Sales by Business Segment and OPM



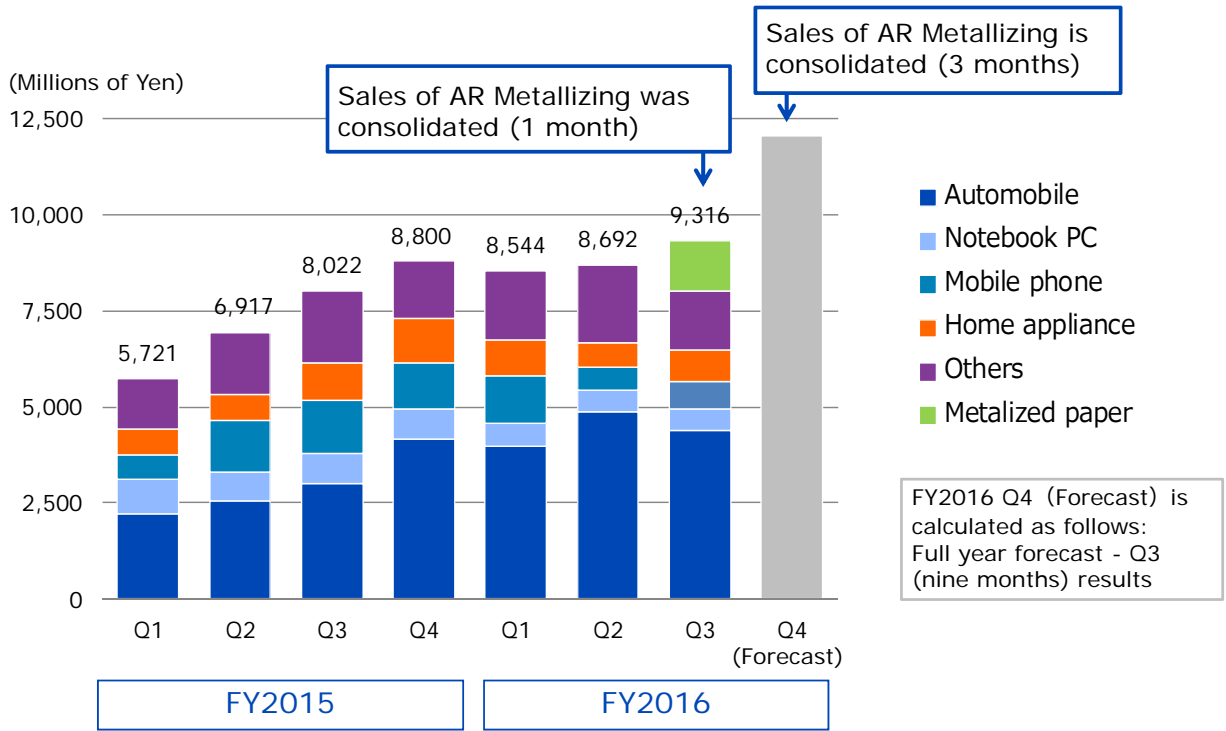
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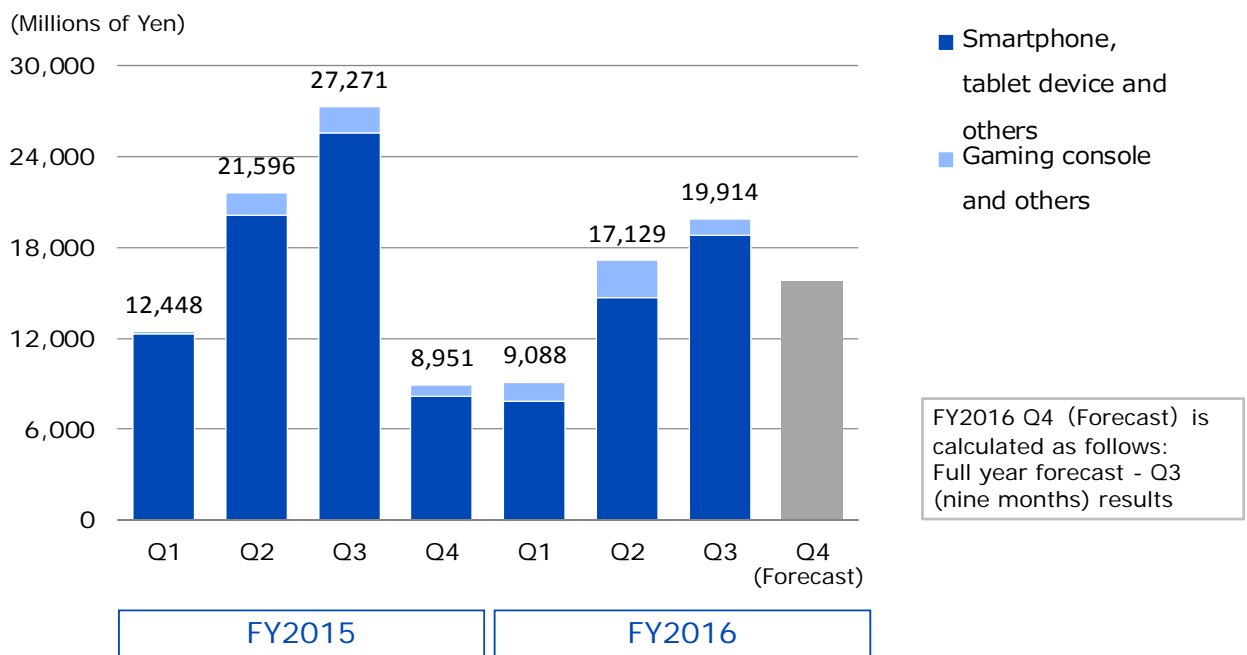
Industrial materials Sales Trend by Application



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Devices Sales Trend by Application

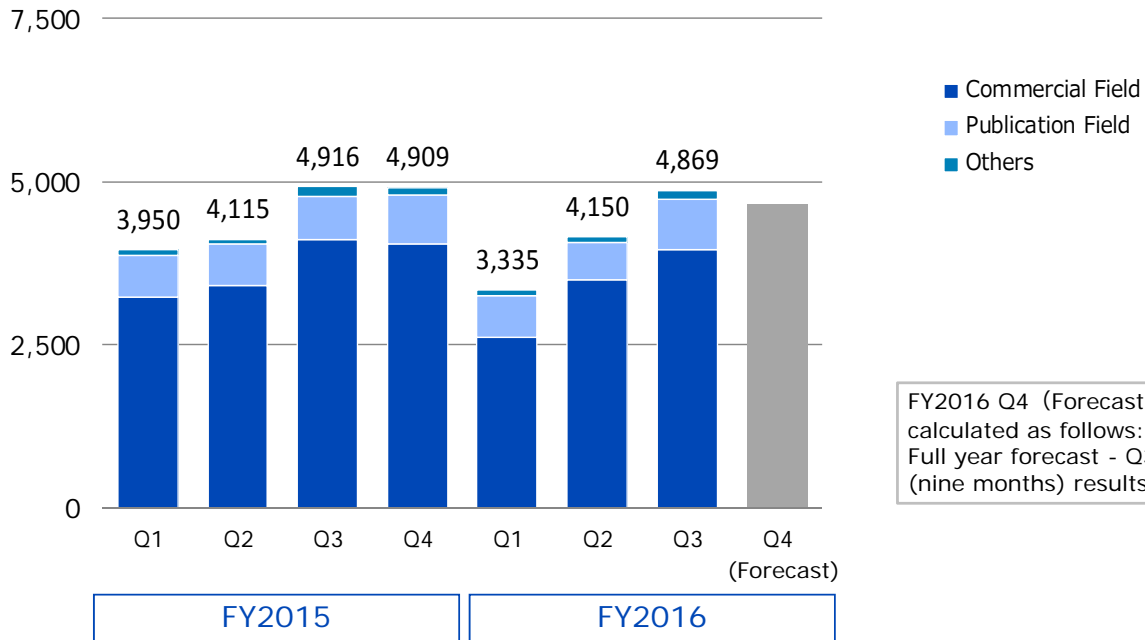


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Information and Communications Sales Trend by Application

(Millions of Yen)

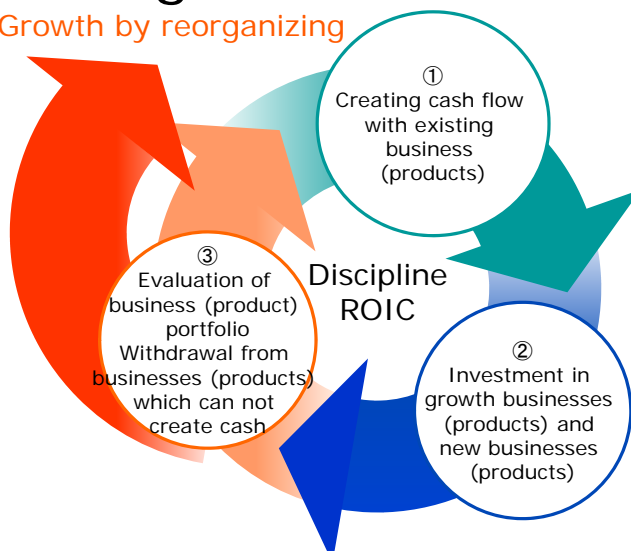


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Reorganization of Business Portfolio

Growth by reorganizing



- Acquisition of Málaga by AR Metallizing (Industrial Materials)
 - AR Metallizing: Top global metallized paper manufacture in Belgium (Acquired in August 2015)
 - Málaga: Metallized paper manufacture in Brazil
 - Acquire a sales network and production in the potential growth market of South America

- Production Tie-up with Kyodo Printing (Information and Communication)
 - Nissha outsource mass production of publication printing and commercial printing in Tokyo area to Kyodo Printing
 - Outsourcing will be started in April 2016 and expanded in phages
 - Reorganizing production scale appropriate to demand to address the contracting printing market
 - Reforming cost structure

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Thank you.

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