



Financial Results for the Second Quarter Ended September 30, 2012

November 9, 2012

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President and CEO
Nissha Printing Co., Ltd.

- Notes: 1. In this presentation, "FY2013" refers to the year ended March 31, 2013.
2. All amounts are rounded down to the nearest million yen.
3. The results and forecast presented on these materials are all consolidated basis except as otherwise noted.

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Highlights

FY2013 H1 Results

- Sales did not achieve the target, operating loss landed as forecasted.
 - Devices: Deficit due to delayed ramp-up (2 months) of Himeji Factory, while demand for gaming gear is strong.
 - Industrial Materials: Turned into black by PC demand increasing

FY2013 H2 Forecast

- Full-scale operation at Himeji. Film sensors become the main stream.
 - Enhance production capacity at Himeji Factory (30% increase)
 - Convert Kaga Factory into Himeji process
- Turning into the black will not to be achieved in FY2013 H2.
 - Yen appreciation, lower demand for Industrial Materials.
 - Up-front expenditure for Devices' production capability expansion incurred.

Toward FY2014

- Devices' growth will be a driver for sales and profit increasing. Turning into black in FY2014 is in sight.
 - Respond to the demand expansion with two factories (Himeji and Kaga).
 - Industrial Materials and Information & Communication pursue the lean structure.
- Expand the new products and businesses by generating the cash with existing businesses.

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FY2013 Q2 Results: Devices in slump

FY2012 Q2 accumulated (April-September) results

(Millions of Yen)

	FY2012 H1 Result	FY2013 H1 Forecast	FY2013 H1 Result	YoY	Vs. forecast
Net Sales	44,087	38,500	36,486	-17.2%	-5.2%
Operating Income	-4,181	-5,000	-5,080	—	—
OPM	-9.5%	-13.0%	-13.9%	-4.4pt	-0.9pt
Ordinary Income	-4,808	-5,000	-5,870	—	—
New Income	-19,603	-5,000	-6,320	—	—
Net Sales by Business Segments					
Industrial Materials	20,957	—	14,903	-28.9%	—
Devices	14,485	—	12,968	-10.5%	—
Information and Communication and Others	8,643	—	8,614	-0.3%	—
Operating Income by Business Segments					
Industrial Materials	-110	—	330	—	—
Devices	-1,441	—	-2,777	—	—
Information and Communication and Others	14	—	29	+107.1%	—
Administration and R&D	-2,643	—	-2,662	—	—

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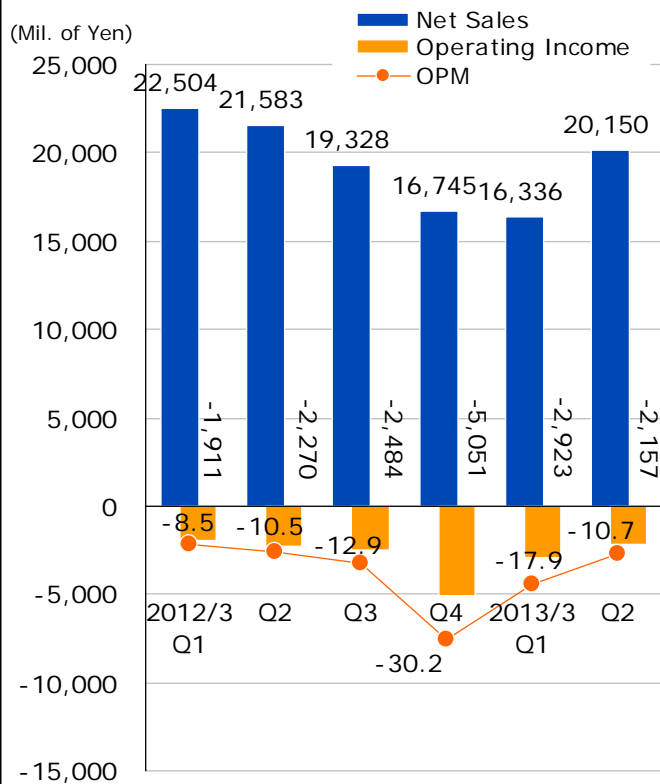
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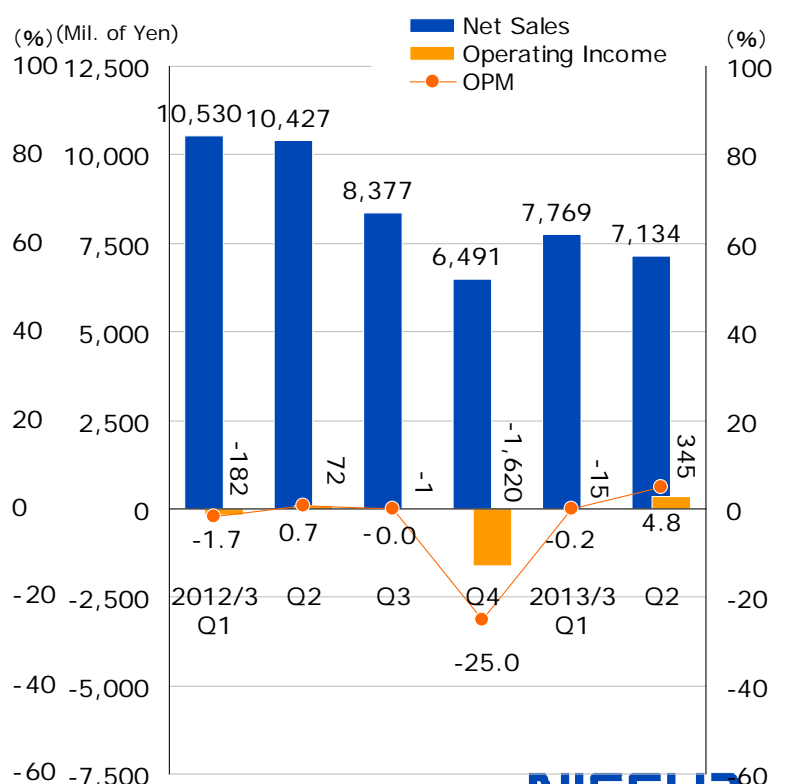


Quarterly Trend

Corporate



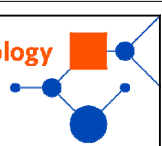
Industrial Materials



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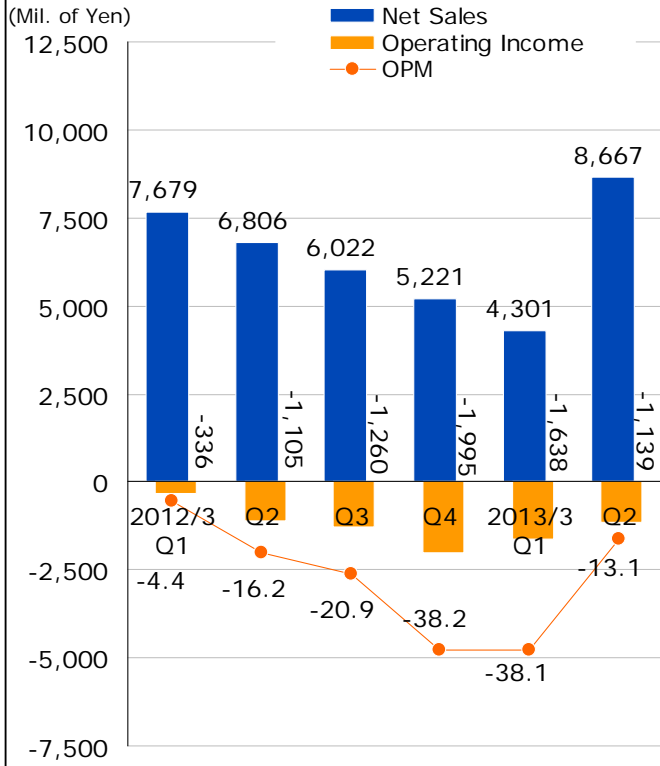
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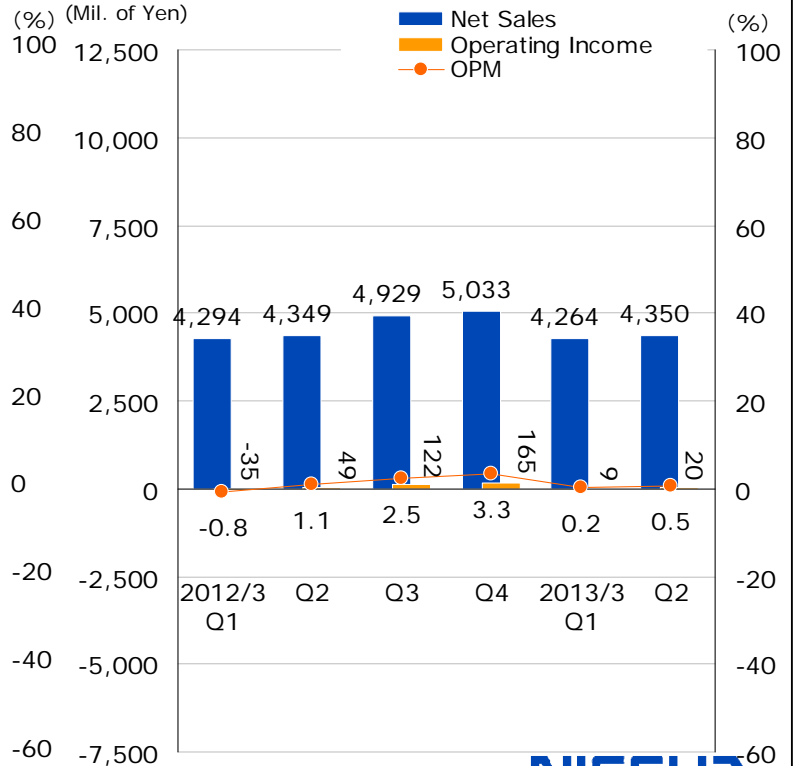


Quarterly Trend

Devices



Information and Communication and Others



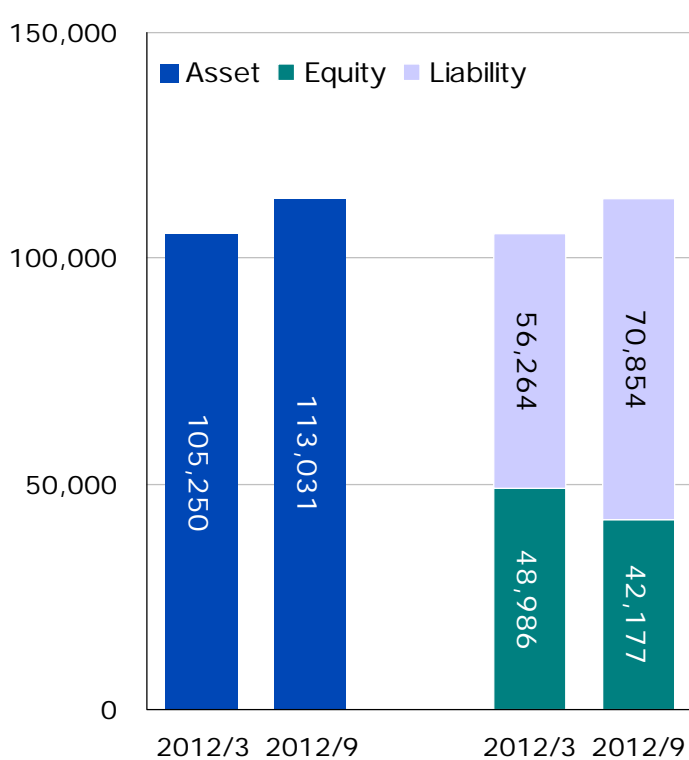
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FY2013 Q2 B/S

Asset, liability and equity comparing to the end of March 2012

(Millions of Yen)



- Asset
 - Cash equivalent +3,929
 - Notes and account receivable +4,431
 - Property, plant and equipment +3,203
- Liability
 - Notes and account payable +3,340
 - Other current liabilities +11,693
- Equity
 - Retained earnings -6,320



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FY2013 Q2 C/F

Summary of C/F

(Millions of Yen)

	FY2012 H1 Result	FY2013 H1 Result	YoY	Summary of FY2013 H1
Net cash provided by (used in) operating activities	7,148	6,273	-875	<ul style="list-style-type: none"> ● Depreciation +4,048 ● Accounts payable +3,310 ● Others +9,263
Net cash provided by (used in) investing activities	-1,209	-1,813	-604	<ul style="list-style-type: none"> ● Purchases of Tangible and intangible assets -3,483 ● Repayment of the time deposit +1,500
(Free cash flow)	5,939	4,460	-1,479	
Net cash provided by (used in) financing activities	-1,591	-313	+1,278	<ul style="list-style-type: none"> ● Lease obligations -311
Net cash and cash equivalents	21,058	23,416	+2,358	

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FY2013 forecast revised downward

FY2013 Forecast

(Millions of Yen)

	FY2012 Result	FY2013 Original forecast (released on May 11)	FY2013		FY2013 Revised forecast (released on November 9)	YoY	Vs. original forecast
			FY2013 H1 Result	FY2013 H2 Forecast			
Net Sales	80,160	97,000	36,486	48,514	85,000	+6.0%	-12.4%
Operating Income	-11,716	-3,800	-5,080	-4,320	-9,400	—	—
OPM	-14.6%	-3.9%	-13.9%	-8.9%	-11.1%	+3.5pt	-7.2pt
Ordinary Income	-11,320	-3,800	-5,870	-4,330	-10,200	—	—
Net Income	-28,684	-3,800	-6,320	-5,080	-11,400	—	—

(Net Sales by Segments)

Industrial Materials	35,825	25,000	14,903	10,097	25,000	-30.2%	±0.0%
Devices	25,728	53,000	12,968	28,532	41,500	+61.3%	-21.7%
Information & Communication and Others	18,605	19,000	8,614	9,886	18,500	-0.6%	-2.6%

Factors for revision of operating income

(Millions of Yen)

1. Yen appreciation	-900
2. Sluggish demand of existing products	-2,000
3. Slow ramp-up at Himeji Factory	-1,000
4. Up-front expenditure for new type capacitive sensor (Himeji and Kaga)	-1,700
Total:	-5,600 (-3,800 → -9,400)

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Operating Income Analysis (FY2013 revised forecast)



FY2013 original forecast → revised forecast

(Millions of Yen)

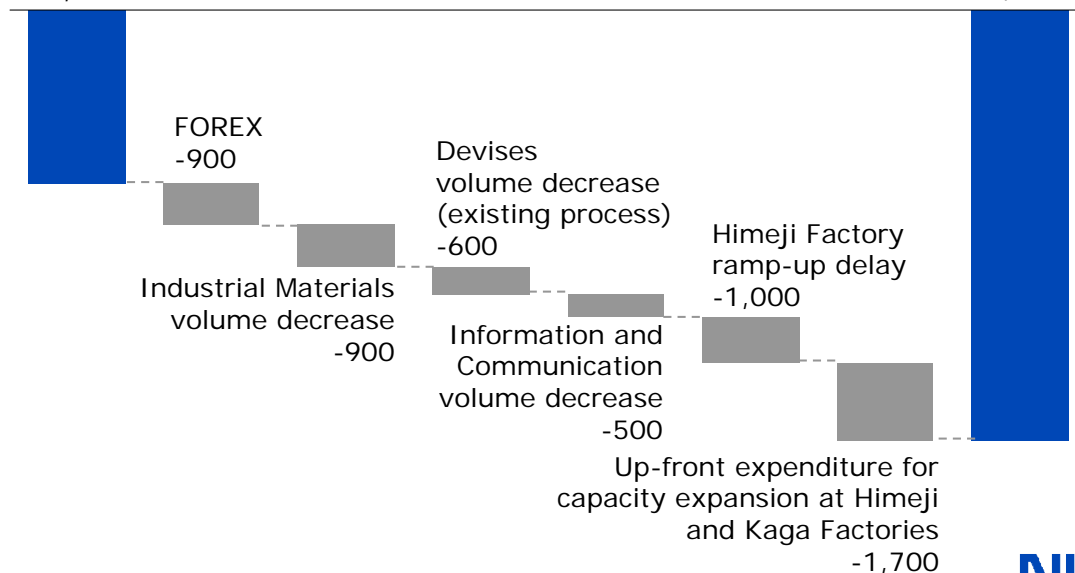
Exchange rate:

FY2013 assumption (original): ¥80/\$

FY2013 assumption (revised): ¥78/\$

FY2013 Original
Forecast
-3,800

FY2013 Revised
Forecast
-9,400



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Operating Income Analysis (H1 results and H2 forecast)



(Millions of Yen)

FY2012 H1 → FY2013 H1

FY2013 H1 → FY2013 H2

Exchange rate:

FY2012 H1 average: ¥80/\$

FY2013 H1 average: ¥79/\$

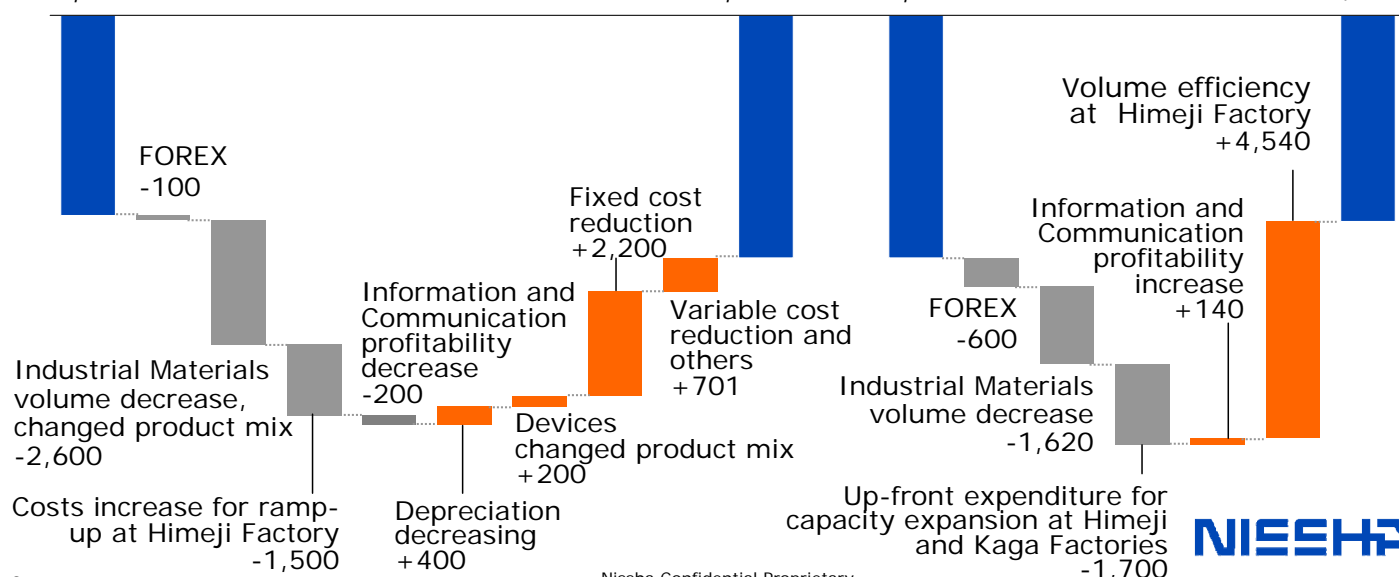
FY2013 H2 assumption: ¥77/\$

FY2012 H1
Result
-4,181

FY2013 H1
Result
-5,080

FY2013 H1
Result
-5,080

FY2013 H2
Forecast
-4,320



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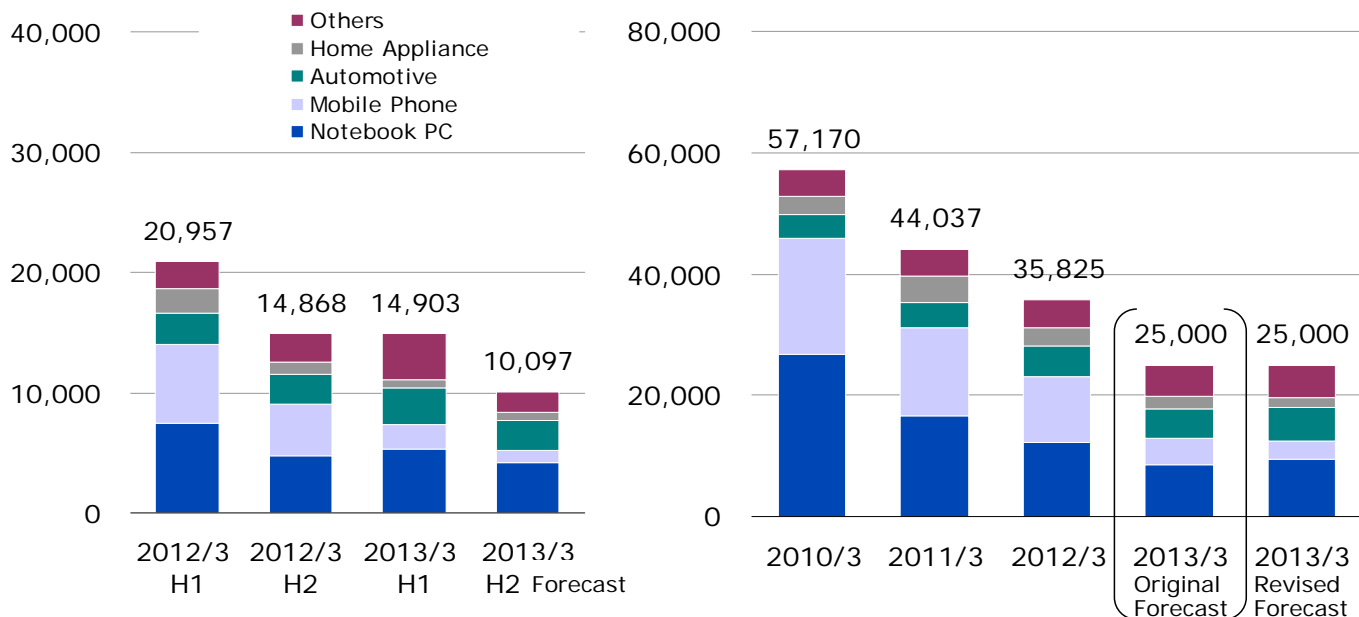


Industrial Materials

Notebook PC stalling in H2

Sales trend by application

(Millions of Yen)



Application	2012/3 H1	2012/3 H2	2013/3 H1	2013/3 H2 Forecast	2010/3	2011/3	2012/3	2013/3 Original Forecast	2013/3 Revised Forecast
Notebook PC	7,464	4,767	5,336	4,164	26,775	16,542	12,231	8,500	9,500
Mobile Phone	6,521	4,317	1,960	1,040	18,996	14,642	10,838	4,300	3,000
Automotive	2,631	2,478	3,046	2,454	3,938	4,172	5,109	5,000	5,500
Home Appliance	2,072	953	781	719	3,176	4,254	3,025	2,000	1,500
Others	2,271	2,353	3,781	1,719	4,285	4,427	4,624	5,200	5,500

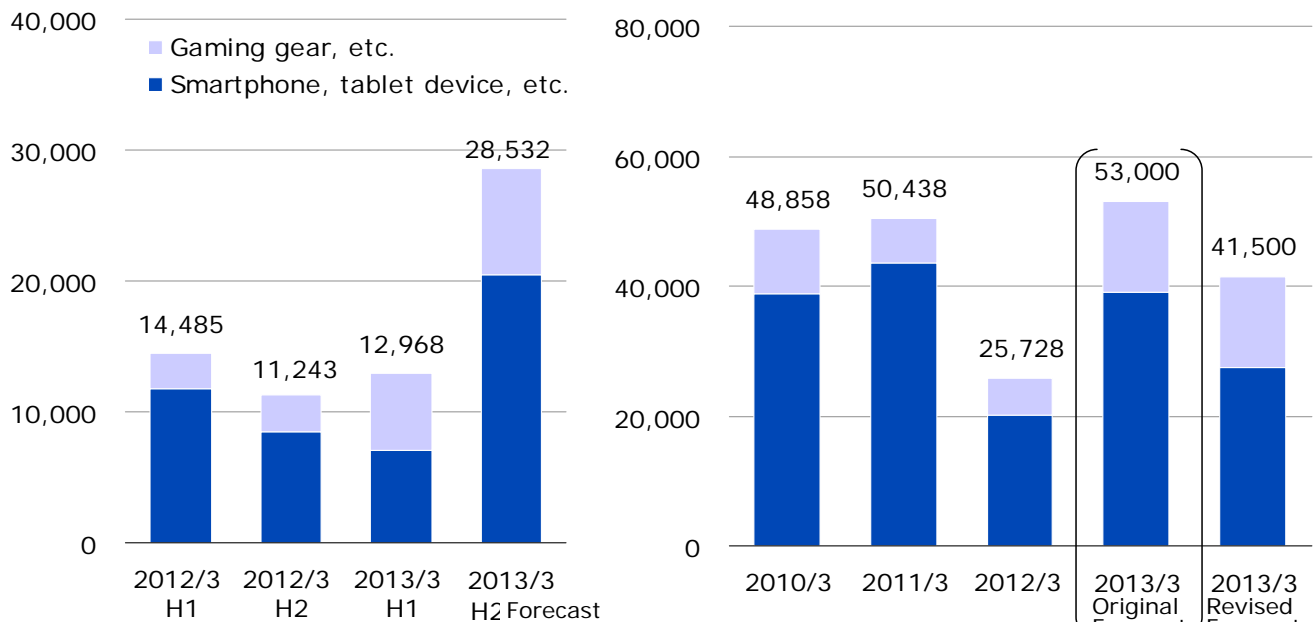


Devices

Himeji Factory: Ramp-up delayed in H1 and full-scale production in H2

Sales trend by application

(Millions of Yen)



Application	2012/3 H1	2012/3 H2	2013/3 H1	2013/3 H2 Forecast	2010/3	2011/3	2012/3	2013/3 Original Forecast	2013/3 Revised Forecast
Smartphone, tablet device, etc.	11,729	8,470	7,056	20,444	38,813	43,542	20,200	39,000	27,500
Gaming gear, etc.	2,757	2,773	5,912	8,088	10,046	6,897	5,530	14,000	14,000



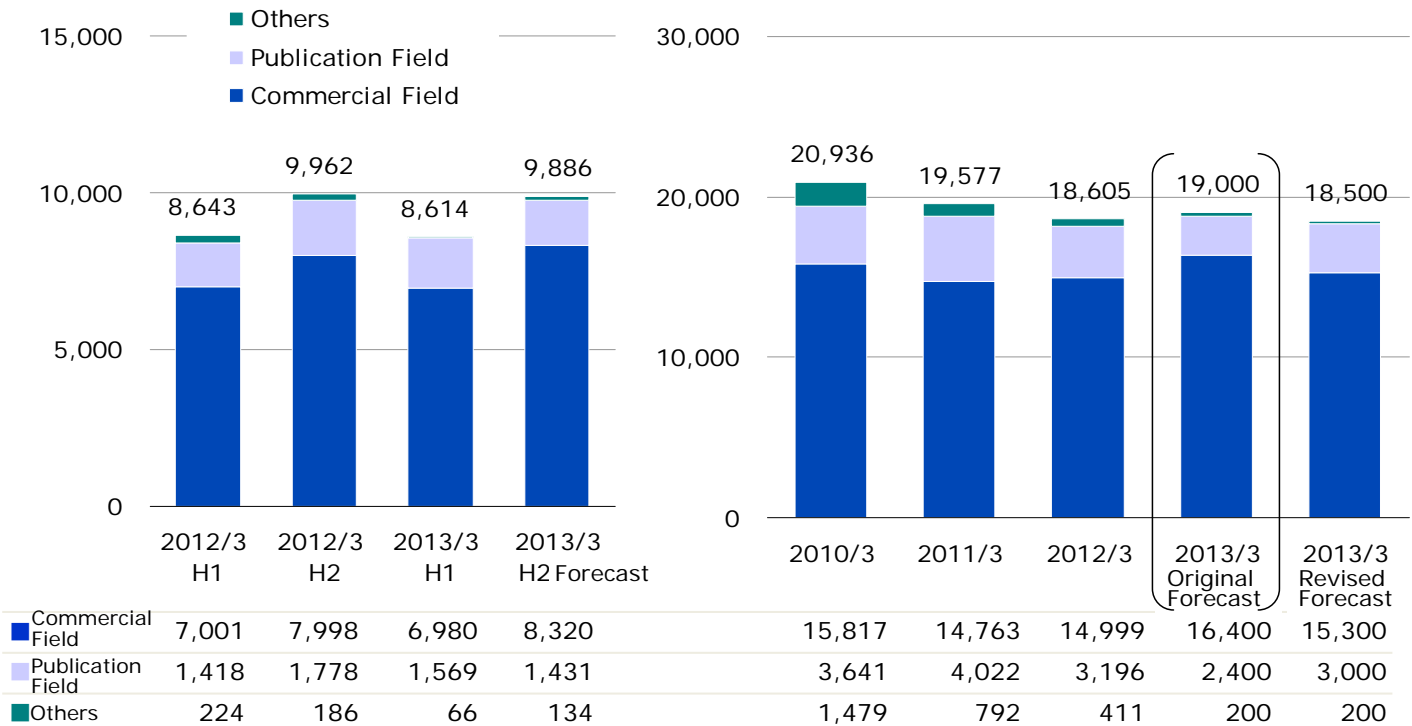


Information and Communication

Focus on commercial field in H2

Sales trend by business field

(Millions of Yen)



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



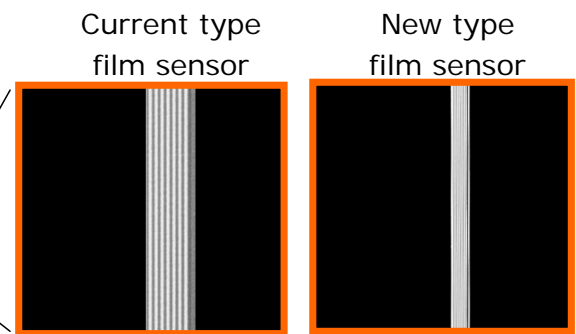
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Himeji Process

(New type of capacitive film sensor)

- Becoming the main stream with superiority over glass sensor
 - Narrow frame (fine line)
 - Thin, light, break-proof
 - Same level on transparency and price with glass sensor



Fine line
Less than 50%
comparing to the
current type

【Comparison with glass sensor as 100】 ※per 1 sensor

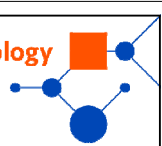
	Glass sensor	New type film sensor
Thickness	100	Less than 61
Specific gravity	100	Less than 56
Weight	100	Less than 34

Less than approx. 60%
comparing to glass sensor

Less than approx. one-third
comparing to glass sensor



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Enhance production capacity of Himeji process responding to the demand

- Himeji Factory: Full-scale production from the end of September 2012
- Further expansion of capacity
 - Current capacity: 16,000 thousand/month, converted into 4 inch smartphone size
 - Enhancement of Himeji Factory (30% increased)
 - Installation of Himeji process lines into Kaga Factory and aim for its regrowth
 - Transferring ramp up know-how from Himeji, start up at Kaga Factory vertically
 - Shifting strategic assets, such as workforce, to Himeji process



Himeji Factory
(Nitec Precision and Technologies, Inc.)

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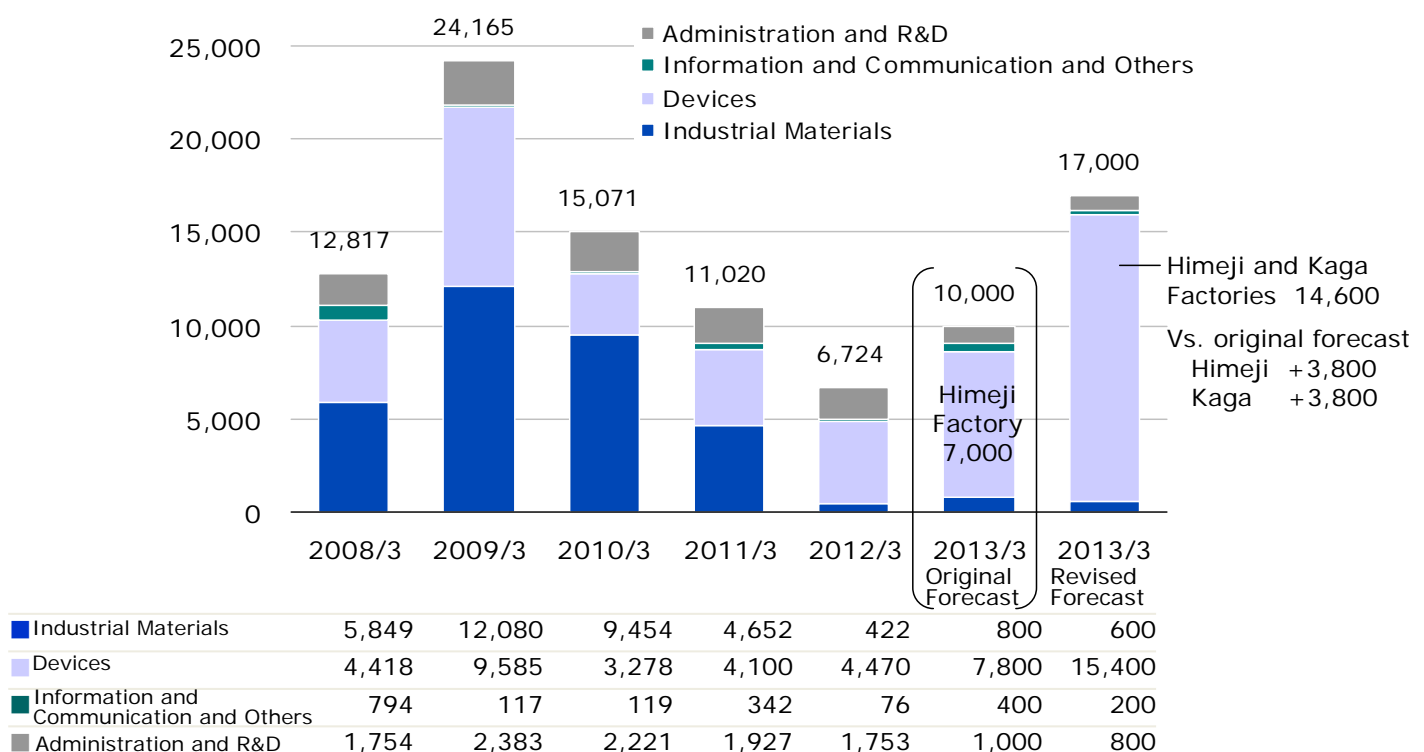
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Moved up capital investment program scheduled in FY2014

Trend of CAPEX

(Millions of Yen)



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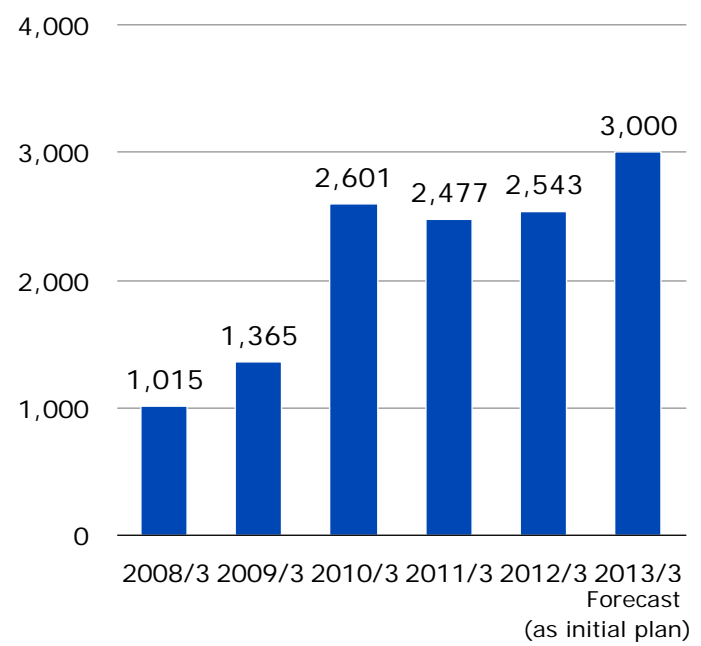
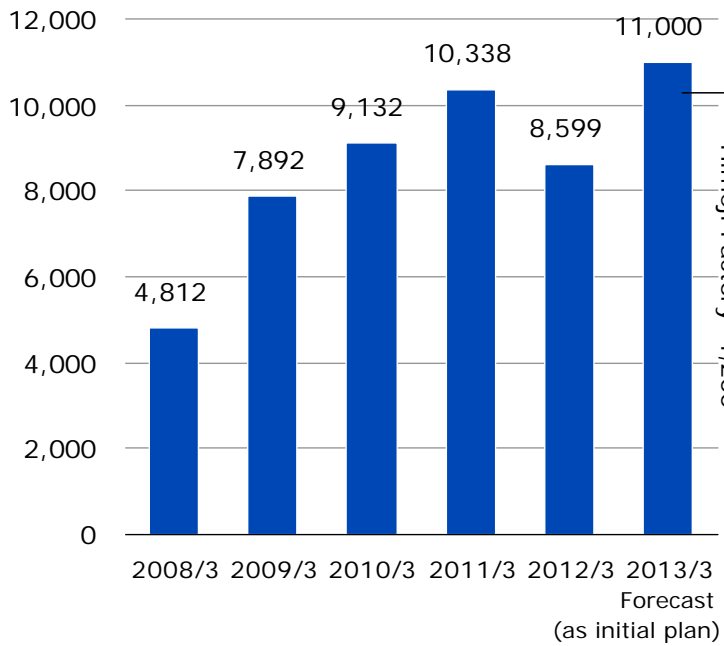
Depreciation and R&D Expenses

Depreciation

(Millions of Yen)

R&D Expenses

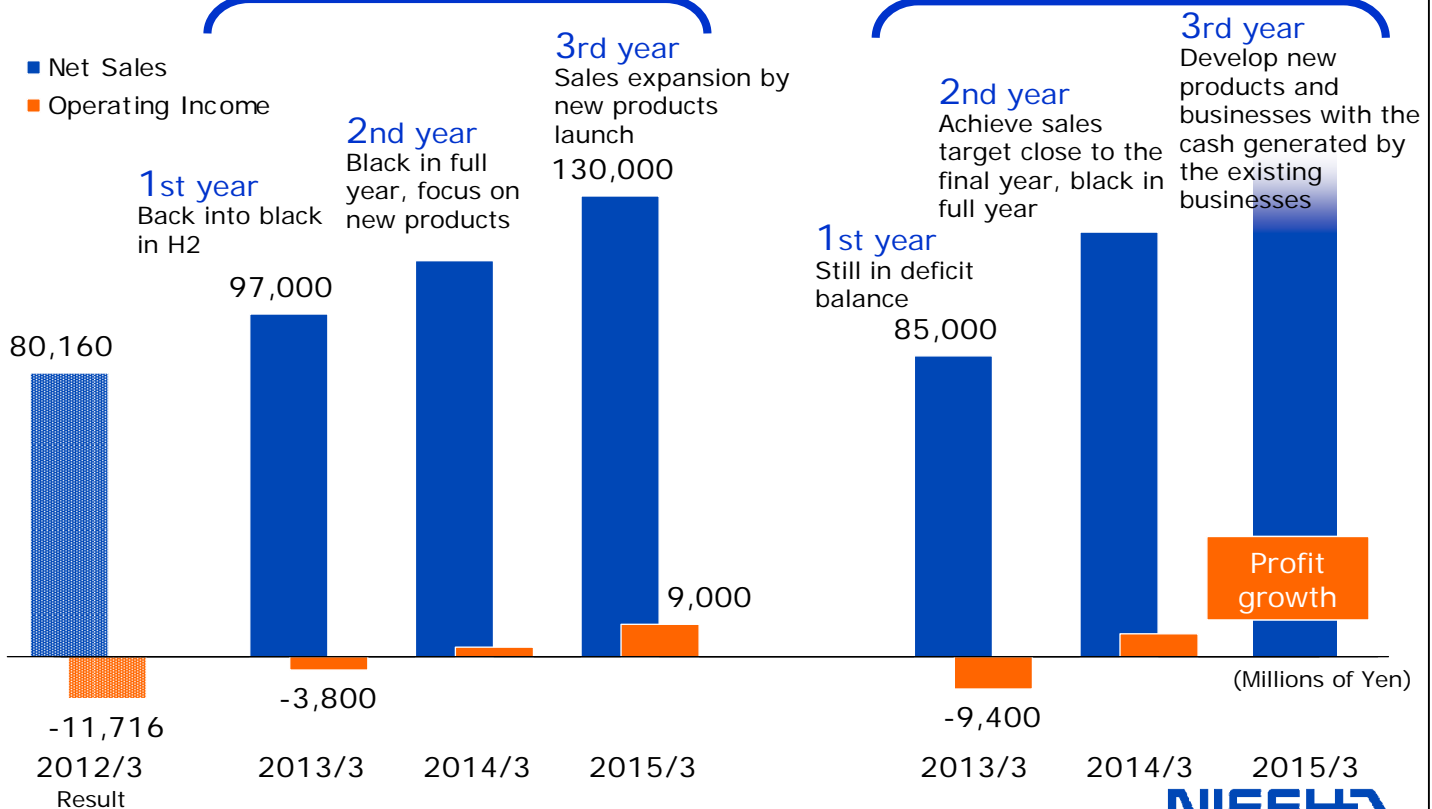
(Millions of Yen)

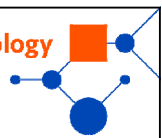


Accelerate the progress of Medium-term Plan in FY2014 by sales expansion and back into the black

The Fourth Medium-term Business Plan (initial assumption)

The Fourth Medium-term Business Plan (revised assumption)





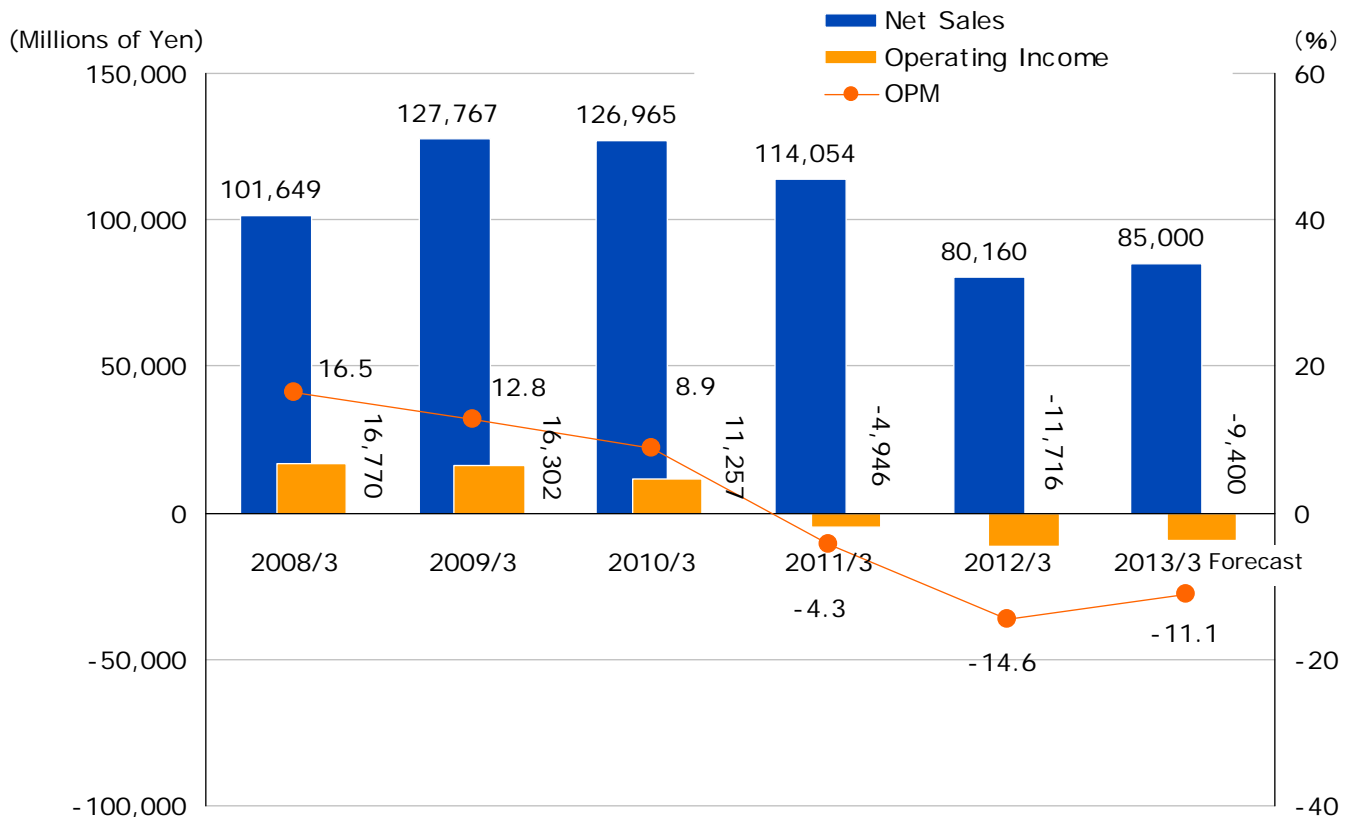
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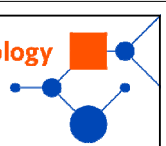
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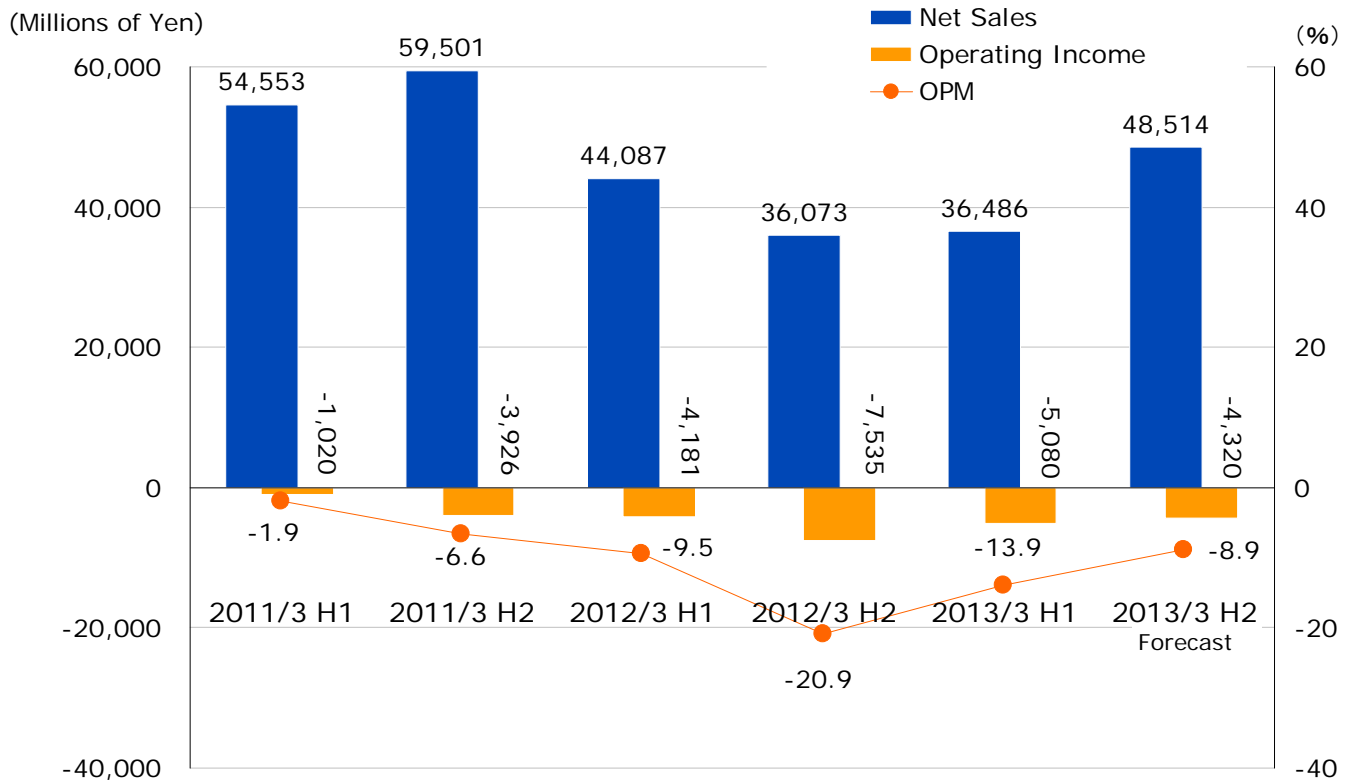


Appendix: Performance trends (full year)





Appendix: Performance trends (half year)




Disclaimer

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