

Financial Results for FY2016 Ended March 31, 2016

May 12, 2016

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Highlights

FY2016 Results

- Net sales and operating income outperformed the forecast. (FOREX: ¥120/\$)
 - Net Sales: 119.2 billion yen, Operating Income: 10.5 billion yen, Ordinary Income: 9.2 billion yen, Net Income: 6.8 billion yen
- Industrial Materials: Demand for automotive interior decoration/touch sensor has been firm. For AR Metallizing 4 months of income statement has been consolidated.
- Devices: Demand in H2 has been firm. Cost control has been successful.
- Information and Communication: Return to black through the effect of split-off and following cost reduction.
- Reorganization strategy of the 5th Medium-term Business Plan has been progressed.
 - Acquisition of AR Metallizing and acquisition of Málaga (Brazil) by AR Metallizing
 - Split-off of Information and Communication, production consignment contract with Kyodo Printing Co., Ltd.
 - 20.0 billion yen growth fund acquired through the issuance of CB

FY2017 Outlook

- Plan to increase in sales and decrease in profits. (Estimated FOREX: ¥110/\$)
 - Net Sales: 129.0 billion yen, Operating Income: 7.0 billion yen, Ordinary Income: 6.8 billion yen, Net Income: 5.5 billion yen
 - Increase in sales through the consolidation of AR Metallizing, decrease in profits by appreciating yen

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FY2016 Results

FY2016 (April-March) Results

(Millions of Yen)

	FY2015 Results	FY2016 Previous Forecast (Feb. 2016)	FY2016 Results	YoY	Vs. Previous Forecast
Net Sales	118,775	119,000	119,222	+0.4%	+0.2%
Industrial Materials	29,460	38,600	39,095	+32.7%	+1.3%
Devices	70,266	61,900	61,912	-11.9%	+0.0%
Life Innovation	-	1,350	1,337	-	-1.0%
Information and Communication	17,890	17,000	16,709	-6.6%	-1.7%
Others	1,158	150	167	-	+11.3%
Operating Income	8,750	9,000	10,541	+20.5%	+17.1%
OPM	7.4%	7.6%	8.8%	+1.4pt	+1.2pt
Ordinary Income	12,494	8,900	9,237	-26.1%	+3.8%
Net Income	11,245	7,500	6,898	-38.7%	-8.0%

Average rate

¥107/\$

H2: ¥118/\$

¥120/\$

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FY2016 Q4 (Three Months) Results

FY2016 Q4 (January-March) Results

(Millions of Yen)

	FY2015 Q4 Results	FY2016 Q3 Results	FY2016 Q4 Results	YoY	QoQ
Net Sales	23,053	34,469	33,153	+43.8%	-3.8%
Industrial Materials	8,800	9,316	12,543	+42.5%	+34.6%
Devices	8,951	19,914	15,781	+76.3%	-20.8%
Life Innovation	-	325	426	-	+31.1%
Information and Communication	4,909	4,869	4,355	-11.3%	-10.6%
Others	393	45	49	-	+8.9%
Operating Income	-1,609	5,397	2,196	Return to Black	-59.3%
OPM	-7.0%	15.7%	6.6%	+13.6pt	-9.1pt

Average rate

¥118/\$

¥120/\$

¥117/\$

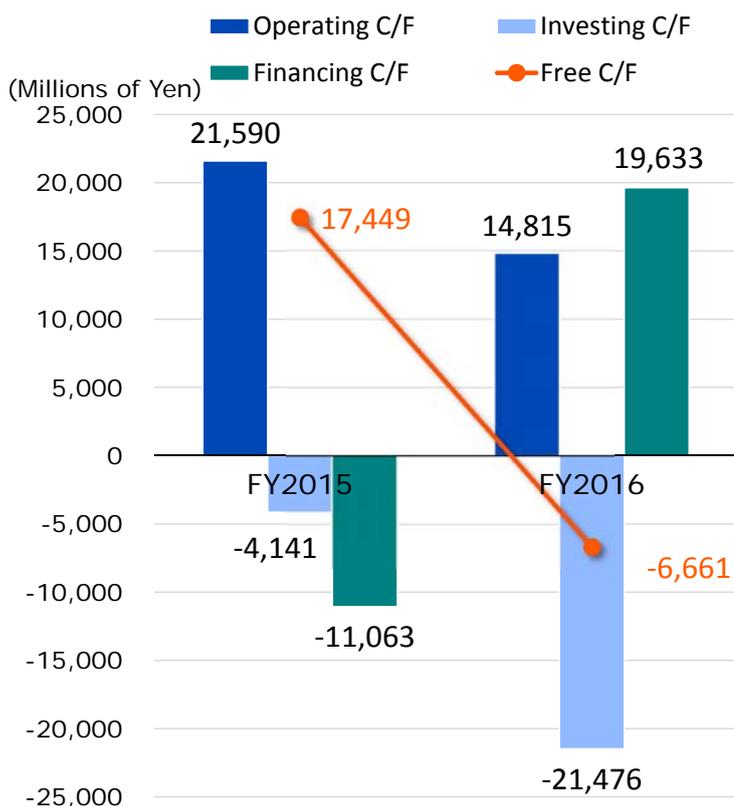
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C/F

Trend of C/F



Highlights of FY2016

- Operating C/F
 - Gain before tax: 7,883
 - Depreciation: 7,847
- Investing C/F
 - Purchase of investments in subsidiaries and others resulting in change in scope of consolidation: -15,672
 - Purchase of PP&E: -4,154
- Financing C/F
 - Issue of bonds: 19,986
 - Dividend: -1,284

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FY2017 Plan

FY2017 (April-March) Plan

(Millions of Yen)

	FY2016 Results	H1	H2	FY2017 Plan	YoY
Net Sales	119,222	56,000	73,000	129,000	+8.2%
Industrial Materials	39,095	26,100	25,400	51,500	+31.7%
Devices	61,912	20,900	36,300	57,200	-7.6%
Life Innovation	1,337	900	1,300	2,200	+64.5%
Information and Communication	16,709	8,050	9,950	18,000	+7.7%
Others	167	50	50	100	-40.1%
Operating Income	10,541	500	6,500	7,000	-33.6%
OPM	8.8%	0.9%	8.9%	5.4%	-3.4pt
Ordinary Income	9,237	400	6,400	6,800	-26.4%
Net Income	6,898	100	5,400	5,500	-20.3%

Average rate ¥120/\$

¥110/\$ (Assumed)

- FY2017 foreign exchange sensitivity: Approximately 550 millions of yen by ¥1/\$ change (Operating income)

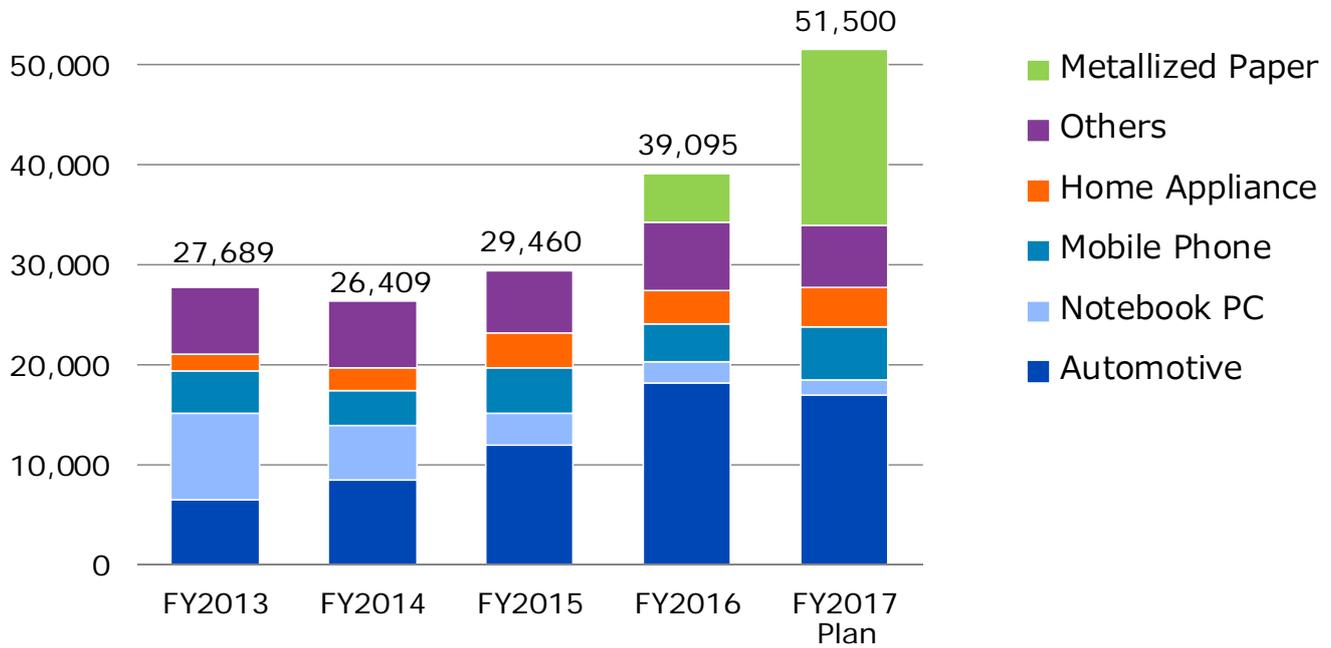
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Industrial Materials: Automotive and Metallized Paper Drive the Performance

Net Sales Trend by Application

(Millions of Yen)
60,000



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AR Metallizing Group Starts to Contribute in Net Sales and Operating Income

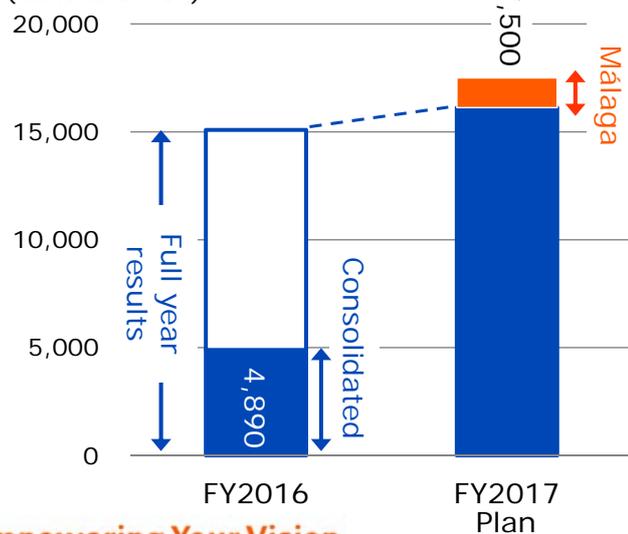
Net Sales

- FY2016: 4 months was consolidated
- FY2017: Full year is consolidated + Málaga

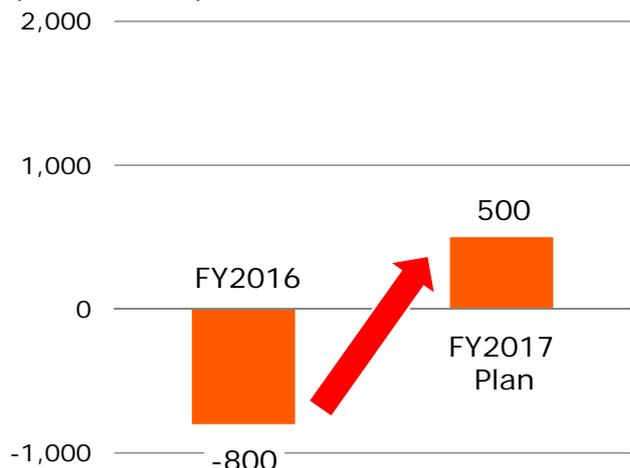
Impact to Consolidated Operating Income

- FY2016 : Acquisition related non-recurring expense was recorded
- FY2017 : Operating Income (After amortization of goodwill) is planed to be 0.5 billion yen

(Millions of Yen)



(Millions of Yen)



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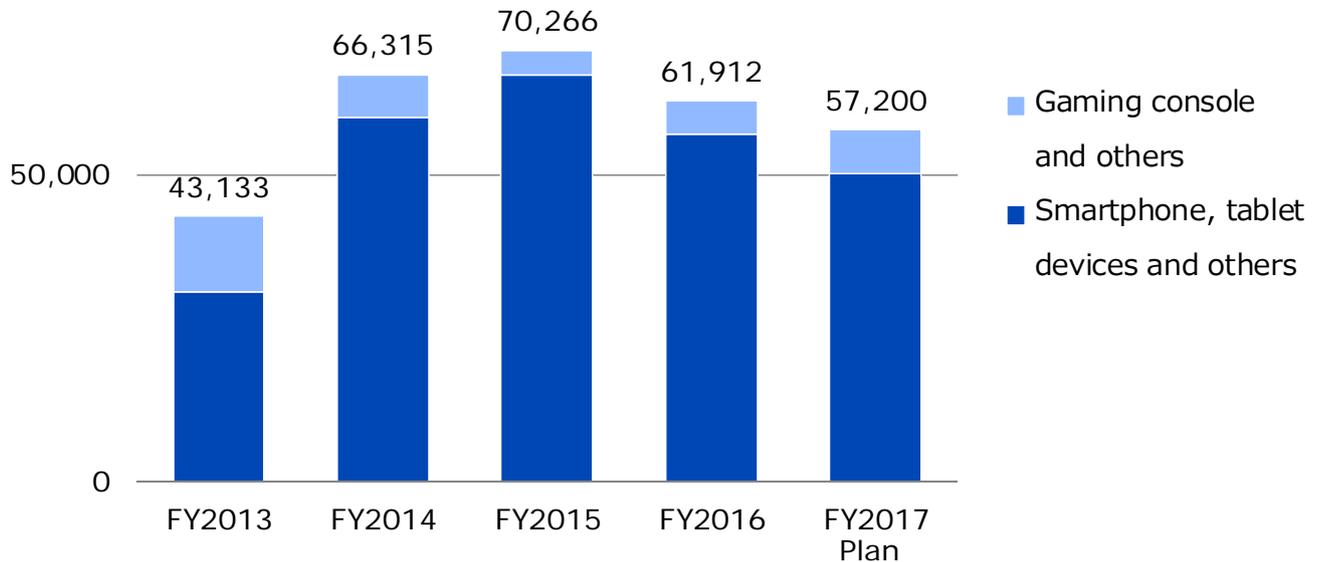


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Devices: Demand for Tablet Devices Declines

Net Sales Trend by Application

(Millions of Yen)
100,000

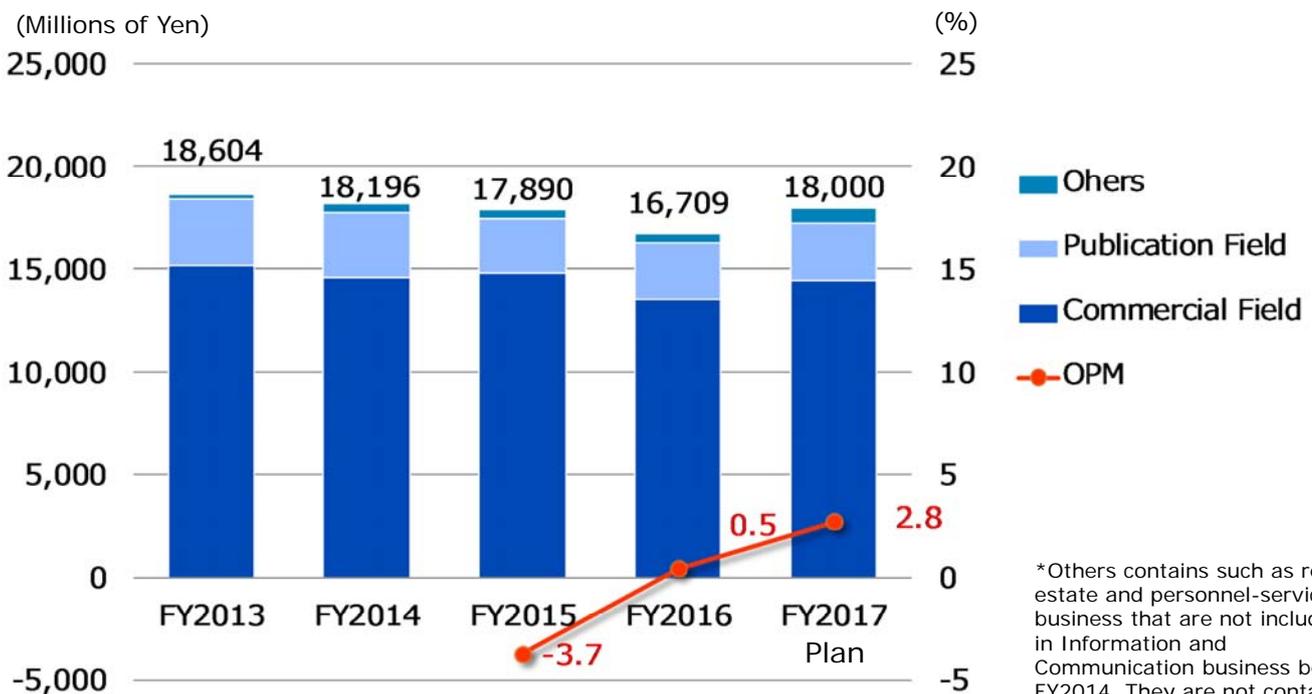


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Information and Communication: Returned to Black through the Effect of Spilt-off

Net Sales Trend by Field



*Others contains such as real-estate and personnel-service business that are not included in Information and Communication business before FY2014. They are not contained from FY2015.

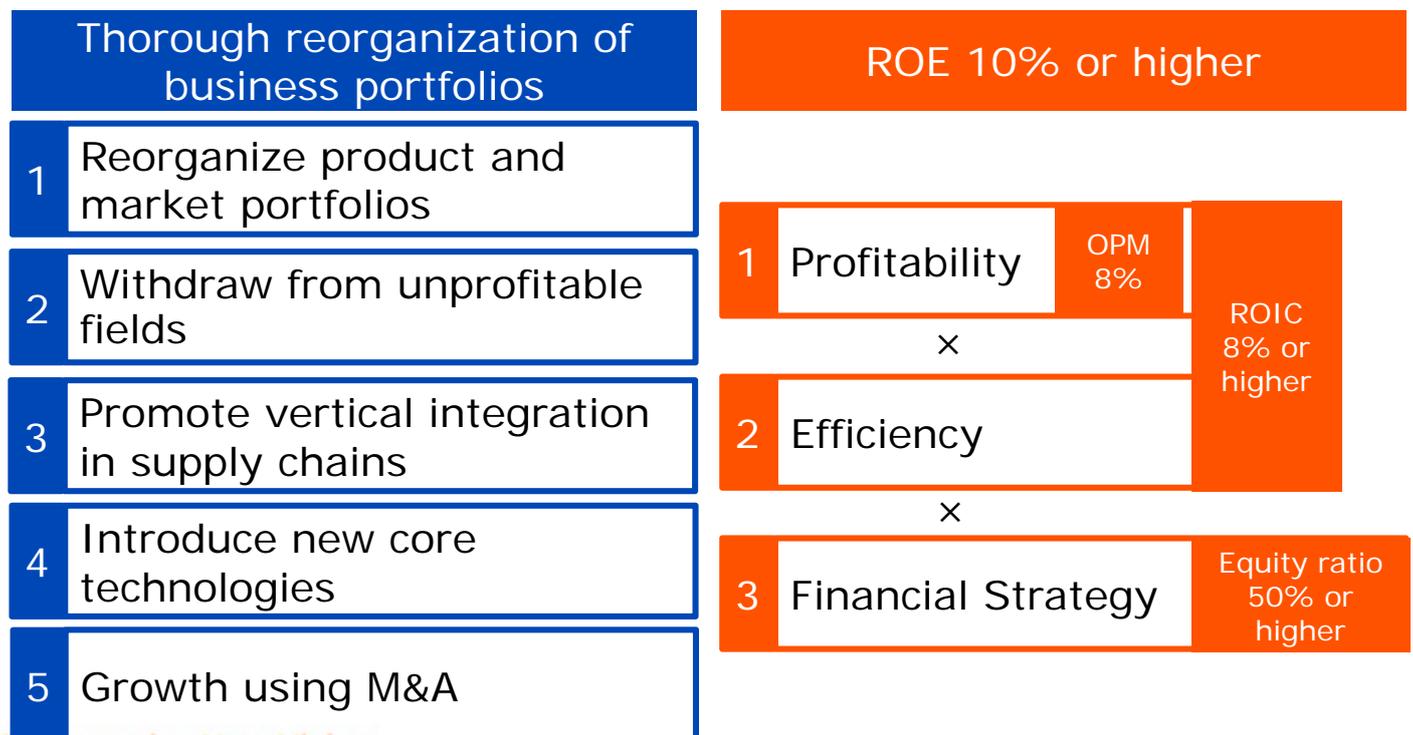
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Update on the 5th Medium-term Business Plan

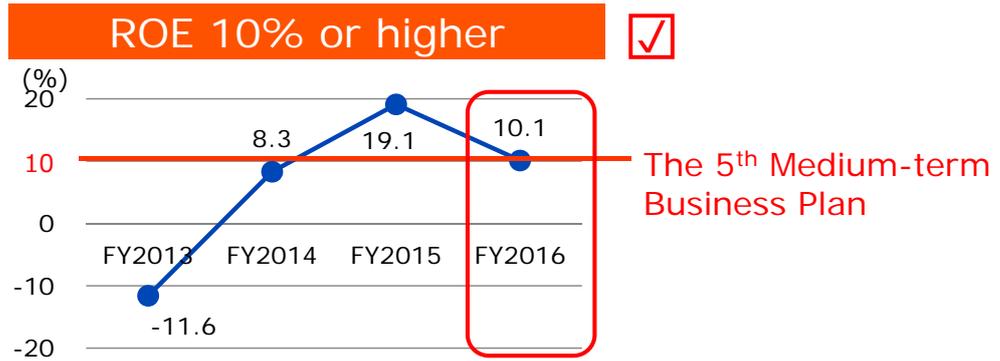
The Medium-term Vision and Strategies of the Fifth Medium-term Business Plan (Reproduced)

“We will acquire and merge new core technologies into printing technologies and completely reorganize our business portfolio in global growth markets.”

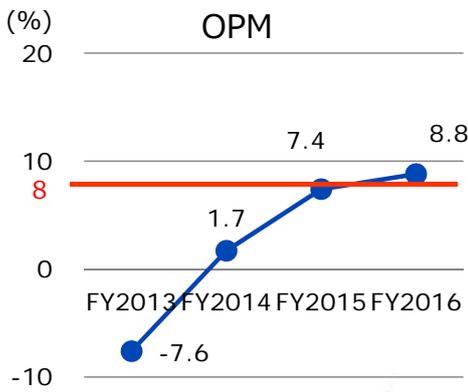


Invested Capital Increased through the Acquisition of AR Metallizing

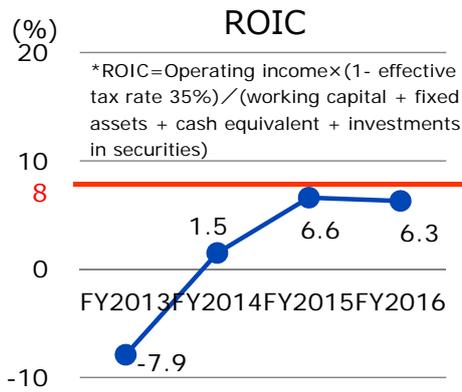
Net Sales and Profits Contribute in a Full Scale in FY2017



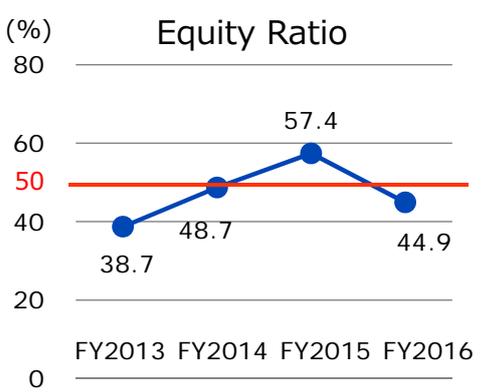
1 Profitability



2 Efficiency



3 Financial Strategy



Capex Increases

Growth Rate Will Expand through FY2018

Capex for three years

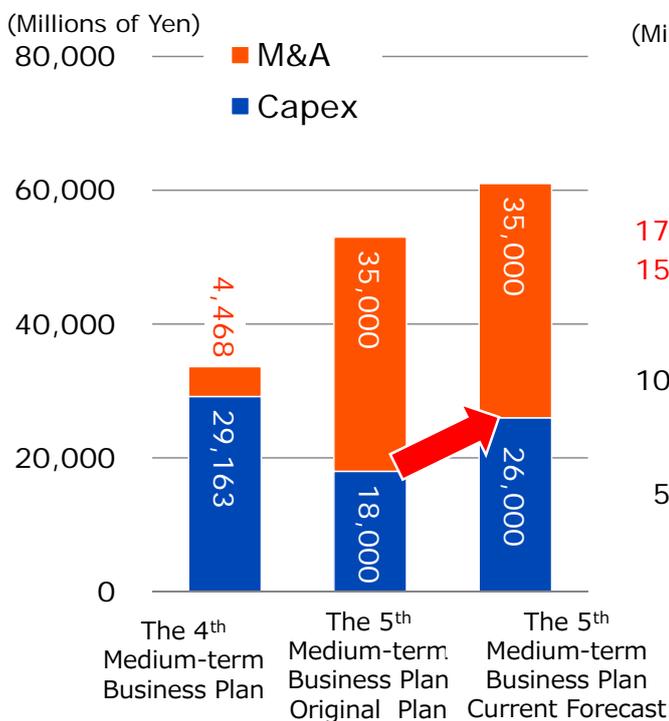
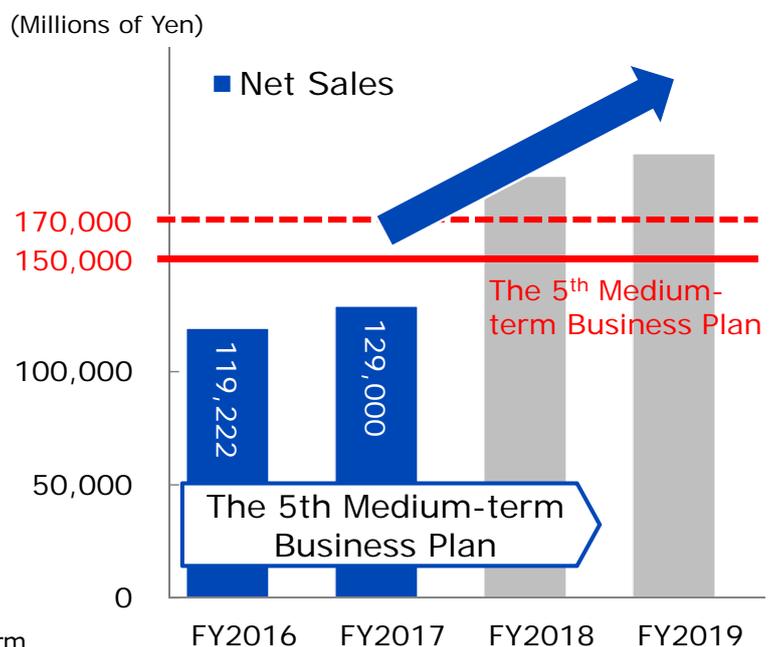
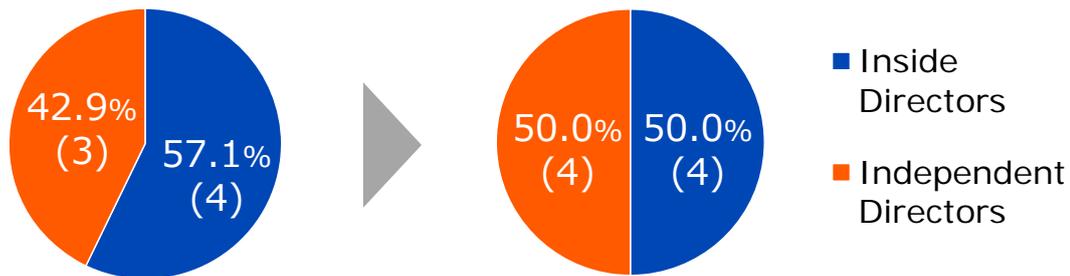


Image of Net Sales



Enhancing Corporate Value through Practice of Corporate Governance

- Release of "Corporate Governance Policy" (October, 2015)
- Establishment of the Nomination and Remuneration Committee (October, 2015)
- Start the evaluation of effectiveness of the Board of Directors (April, 2016)
- Increase in the number of independent directors (Planned in June, 2016)



- Introduction of stock compensation plan for member of the board and corporate officers (Planned from September, 2016)

Thank you.

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