

Financial Results for the Second Quarter Ended September 30, 2011

November 4, 2011

Junya Suzuki
President and CEO
Nissha Printing Co., Ltd.

- Notes: 1. In this presentation, "fiscal 2012" or "FY2012" refers to the year ending March 31, 2012.
2. All amounts are rounded down to the nearest million yen.
3. The forecast of financial results is based on certain information available to Nissha at the time of announcement on November 4, 2011 and actual operating result may differ from the forecast due to various factors.

Nissha Confidential Proprietary

1



FY2012 Q2 Results: Landed as forecasted

FY2012 Q2 (from April to September) Results

(Millions of Yen)

	FY2011 H1 Result	FY2012 H1 Forecast (released on Sept. 16, 2011)	FY2012 H1 Result	YoY	vs. forecast
Net sales	54,553	42,500	44,087	-19.2%	+3.7%
OPM	-1,020	-4,800	-4,181	-	-
OPM/Sales	-1.9%	-11.3%	-9.5%	-7.6pt	+1.8pt
Ordinary Income	-1,441	-5,400	-4,808	-	-
Net Income	-1,103	-21,000	※ -19,603	-	-

※Extraordinary loss of ¥10,846 mil. including ¥9,678 mil. of business structure improvement expenses were recorded.

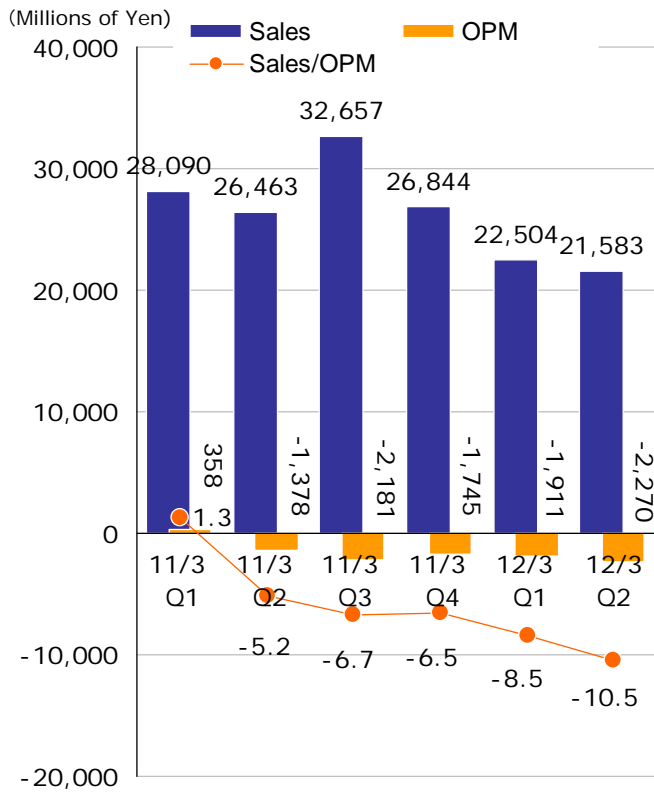
Net Sales by Business Segments	Industrial Materials	23,478	19,500	20,957	-10.7%	+7.5%
	Devices	21,715	14,500	14,485	-33.3%	-0.1%
	Information and Communication and Others	9,359	8,500	8,643	-7.7%	+1.7%
OPM by Business Segments	Industrial Materials	3,004	-	-110	-	-
	Devices	-914	-	-1,441	-	-
	Information and Communication and Others	-104	-	14	-	-
	Corporate and Elimination	-3,006	-	-2,643	-	-

Nissha Confidential Proprietary

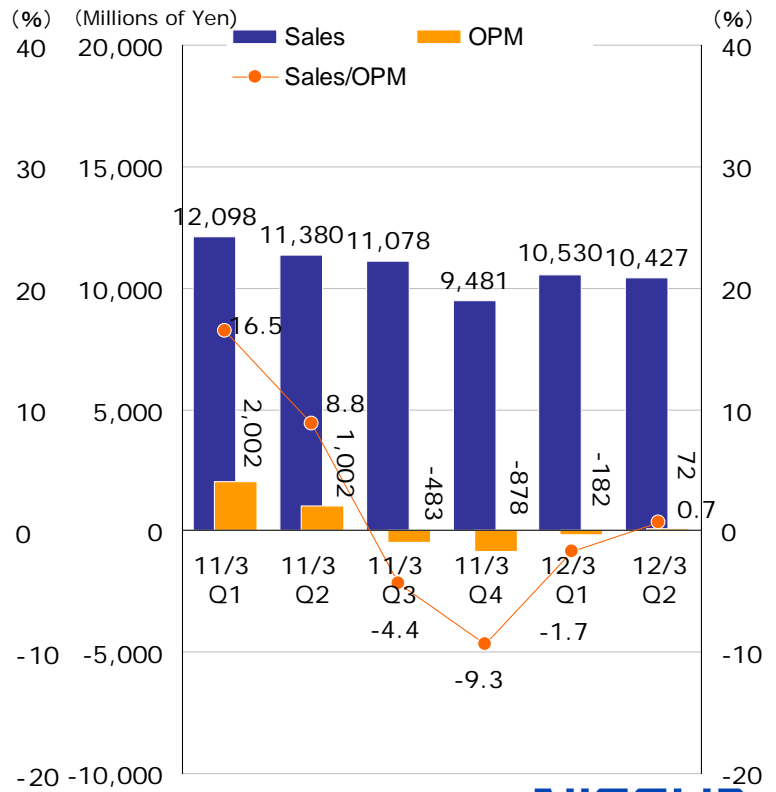
2

Industrial Materials: Improvement in profit

Corporate Trend of sales and OPM

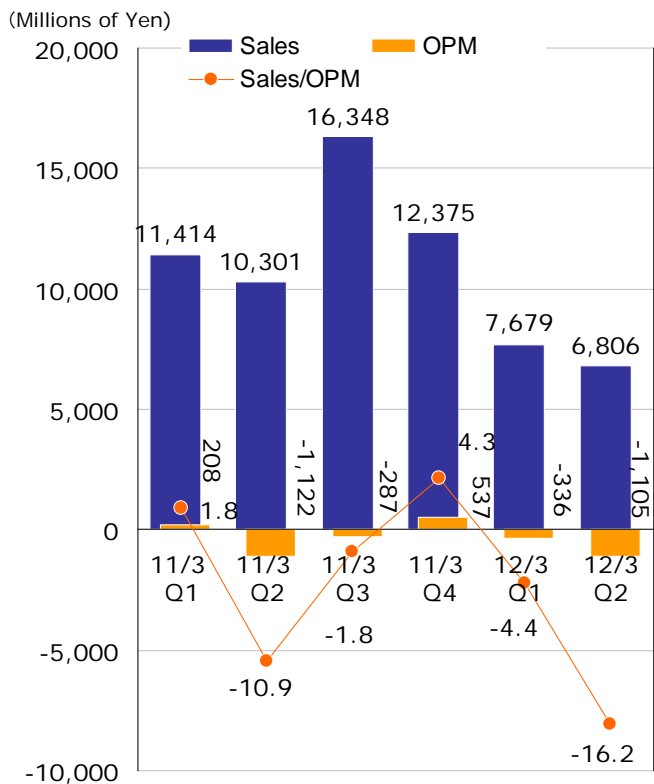


Industrial Materials

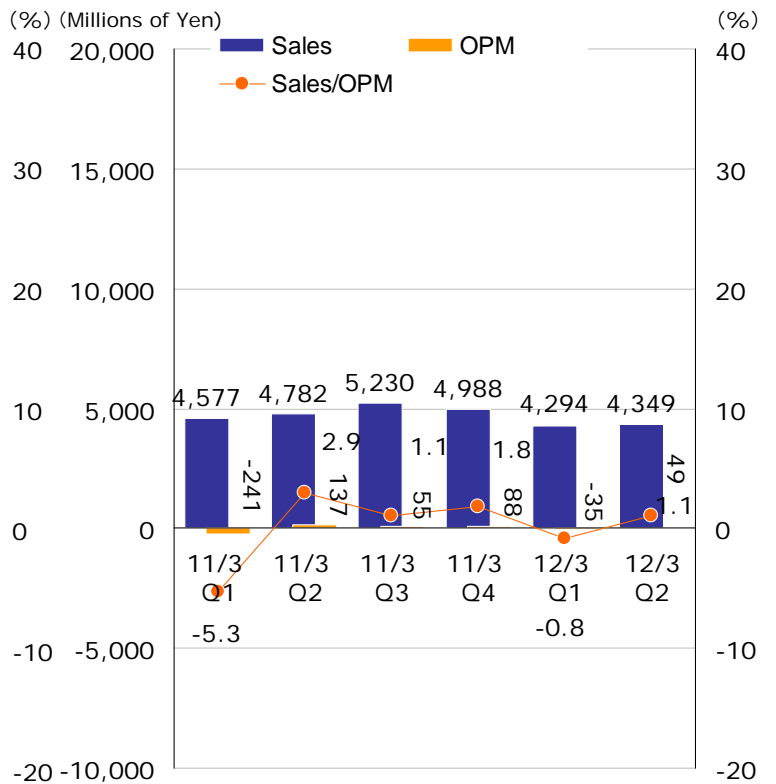


Devices: Remain lower volume in sales

Devices



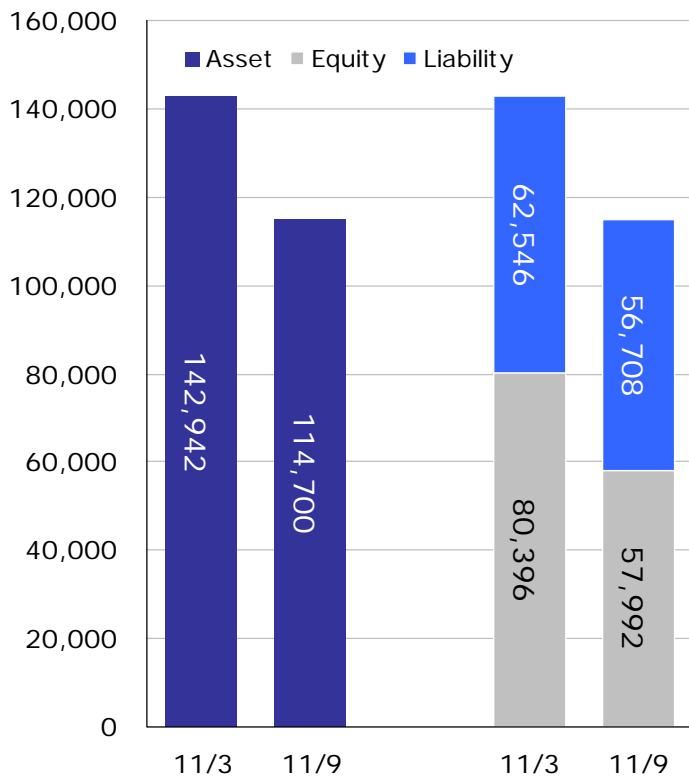
Information and Communication and Others



FY2012 Q2 B/S

Asset, liability and equity (comparing to the end of March 2011)

(Millions of Yen)



● Asset

● Notes and account receivable	-6,625
● Inventories	-3,590
● Property, plant and equipment (impairment loss, etc.)	-7,986
● Deferred tax assets (fixed)	-4,634
● Investment securities	-3,639

● Liability

● Notes and account payable	-7,532
● Reserve for business structure improvement	+3,150

● Equity

● Retained earnings	-20,569
● Valuation difference on Available-for-sale securities	-2,182

NISEHA

5

Nissha Confidential Proprietary

FY2012 Q3 C/F

Summary of C/F

(Millions of Yen)

	FY2011 H1 Result	FY2012 H1 Result	YoY	FY2012 H1 summary
Net cash provided by (used in) operating activities	778	7,149	+6,371	<ul style="list-style-type: none"> ● Loss before tax -15,486 ● Depreciation +4,487 ● Business structure improvement expenses +9,678 ● Decrease in operating capital +2,667 ● Refunded tax +2,632
Net cash provided by (used in) investing activities	-5,535	-1,210	+4,325	<ul style="list-style-type: none"> ● Purchases of PP&E and intangible assets -3,123
Free cash flow	-4,757	5,939	+10,696	
Net cash provided by (used in) financing activities	1,159	-1,591	-2,750	<ul style="list-style-type: none"> ● Short-term borrowings -303 ● Lease liabilities -324 ● Dividends paid -962
Net cash & equivalents	21,390	21,058	-332	

NISEHA

6

Nissha Confidential Proprietary

FY2012 Forecast: As released on Sept. 16, 2011

FY2012 Forecast

(Millions of Yen)

	FY2011 Result	FY2012 Original forecast (released on May 12, 2011)	FY2012 Revised forecast (released on Sept. 16, 2011)	YoY	vs. original forecast
Net Sales	114,054	118,000	80,000	-29.9%	-32.2%
OPM	-4,946	300	-11,000	-	-
OPM/Sales	-4.3%	0.3%	-13.8%	-9.5pt	-14.1pt
Ordinary Income	-5,396	500	-11,300	-	-
Net Income	-2,464	250	-27,000	-	-

Net Sales by Business Segments		FY2011 Result	FY2012 Original forecast (released on May 12, 2011)	FY2012 Revised forecast (released on Sept. 16, 2011)	YoY	vs. original forecast
Industrial Materials		44,037	45,000	34,700	-21.2%	-22.9%
Devices		50,438	53,000	26,500	-47.5%	-50.0%
Information and Communication and Others		19,577	20,000	18,800	-4.0%	-6.0%

NISEHA

7

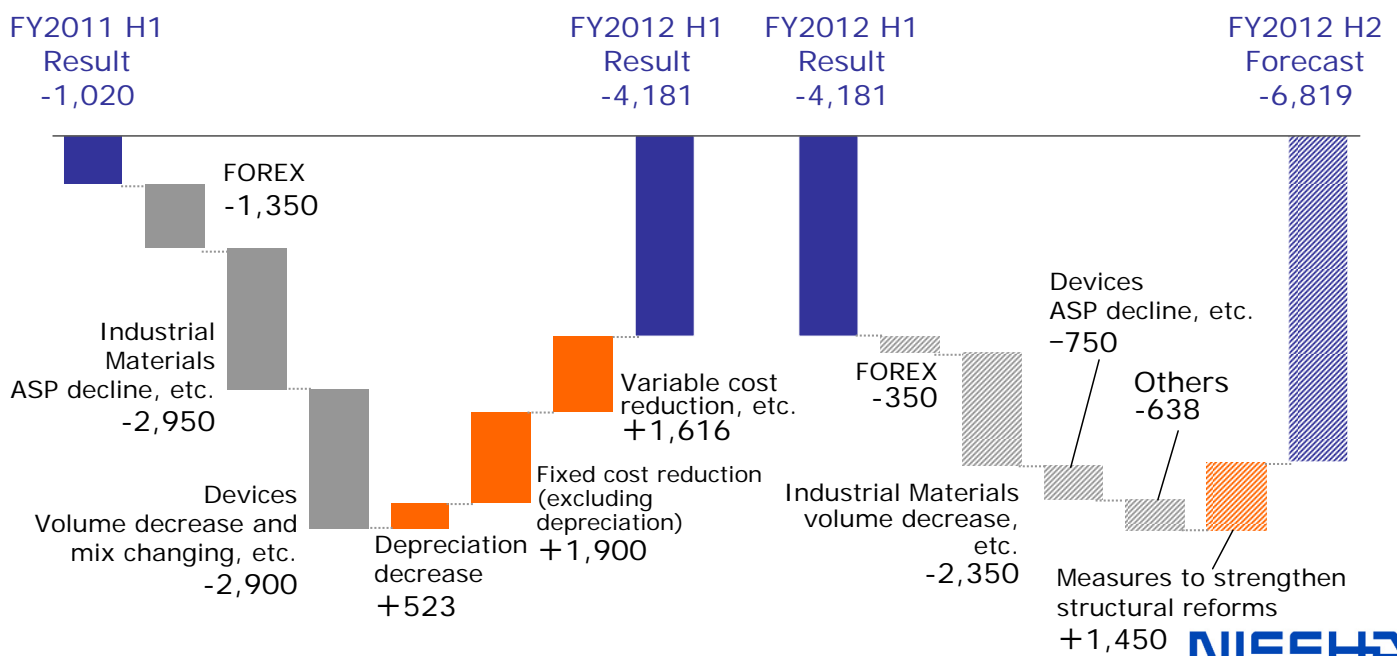
Nissha Confidential Proprietary

Analysis of OPM

FY2011 H1 → FY2012 H1 FY2012 H1 → FY2012 H2

FOREX
 FY2011 average: ¥89/\$
 FY2012 average: ¥80/\$
 FY2012 H2 assumed: ¥77/\$

(Millions of Yen)

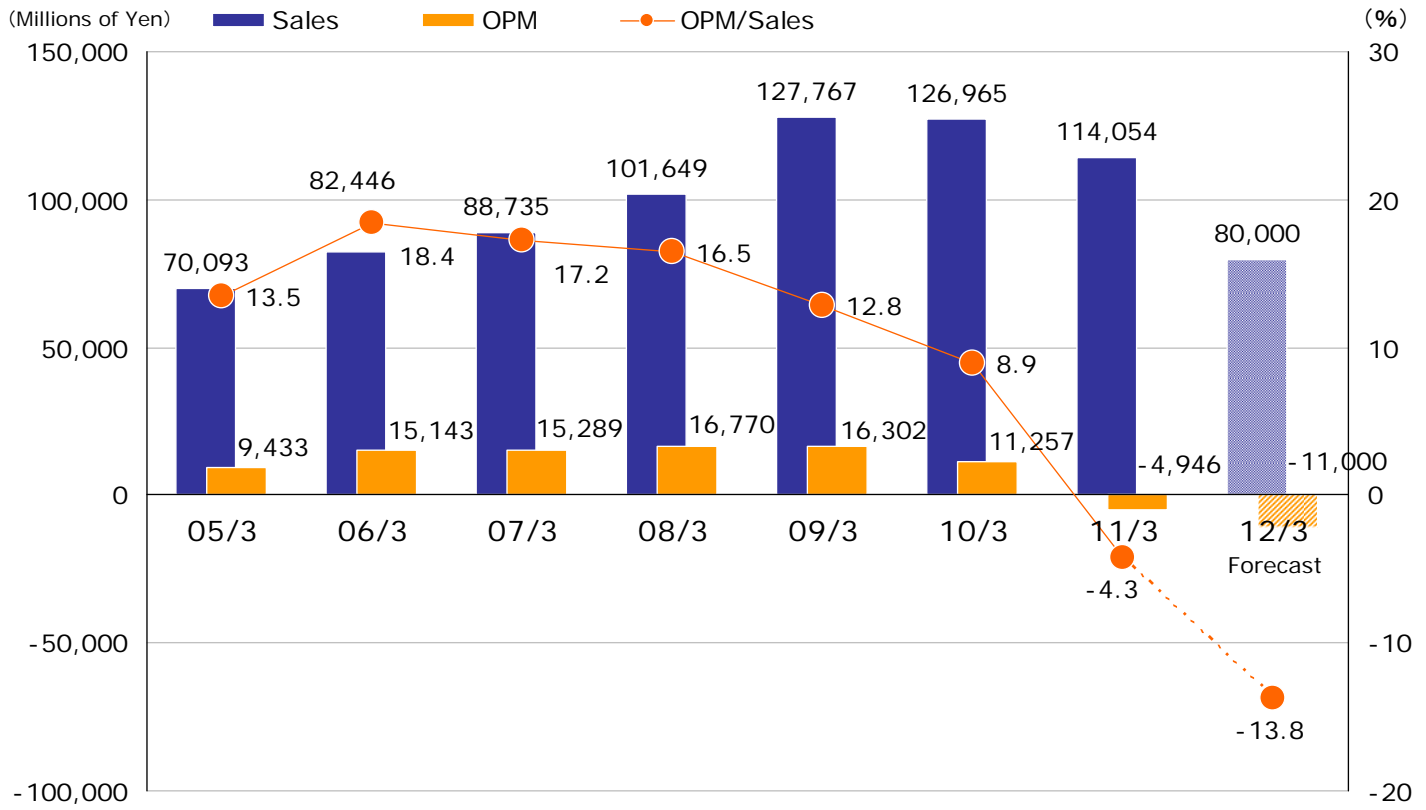


8

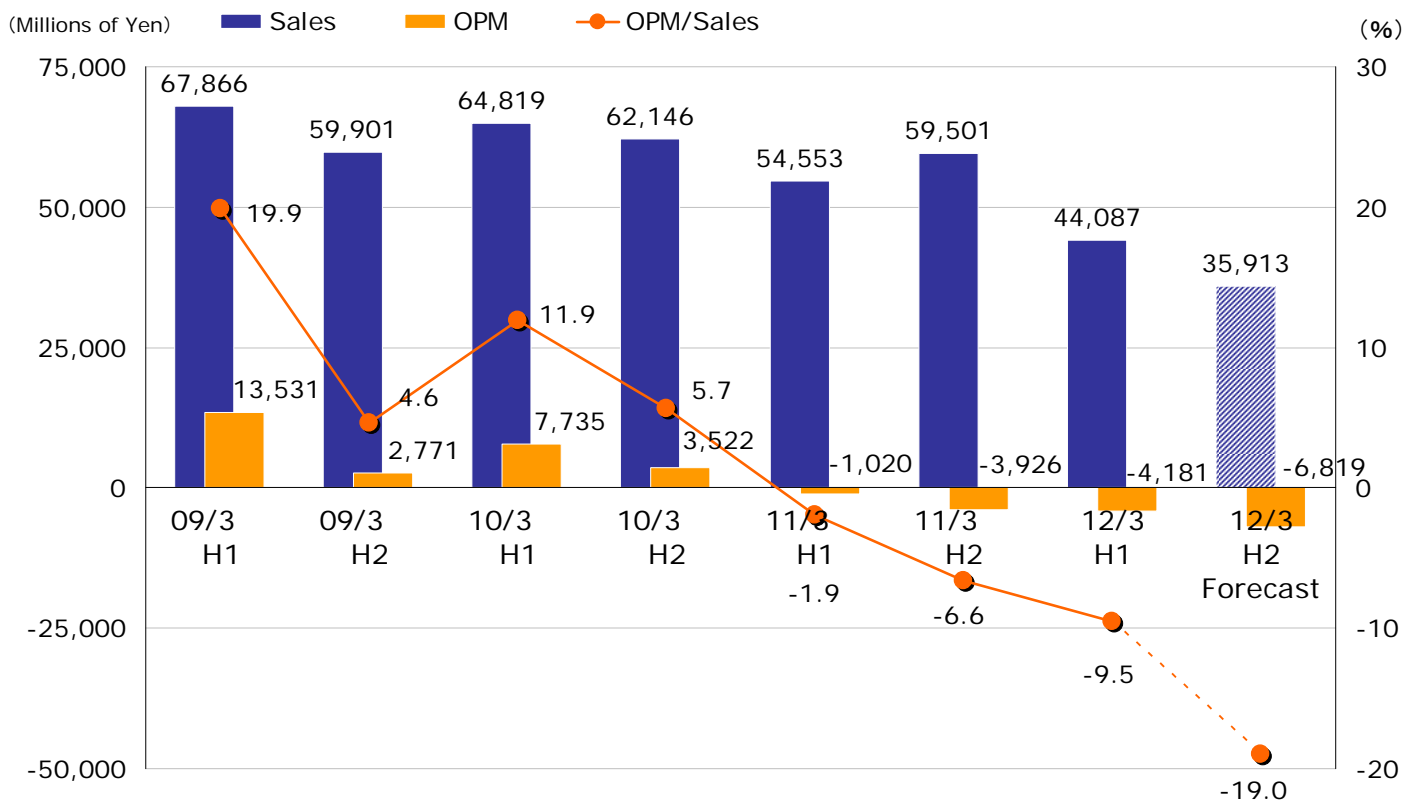
Nissha Confidential Proprietary

NISEHA

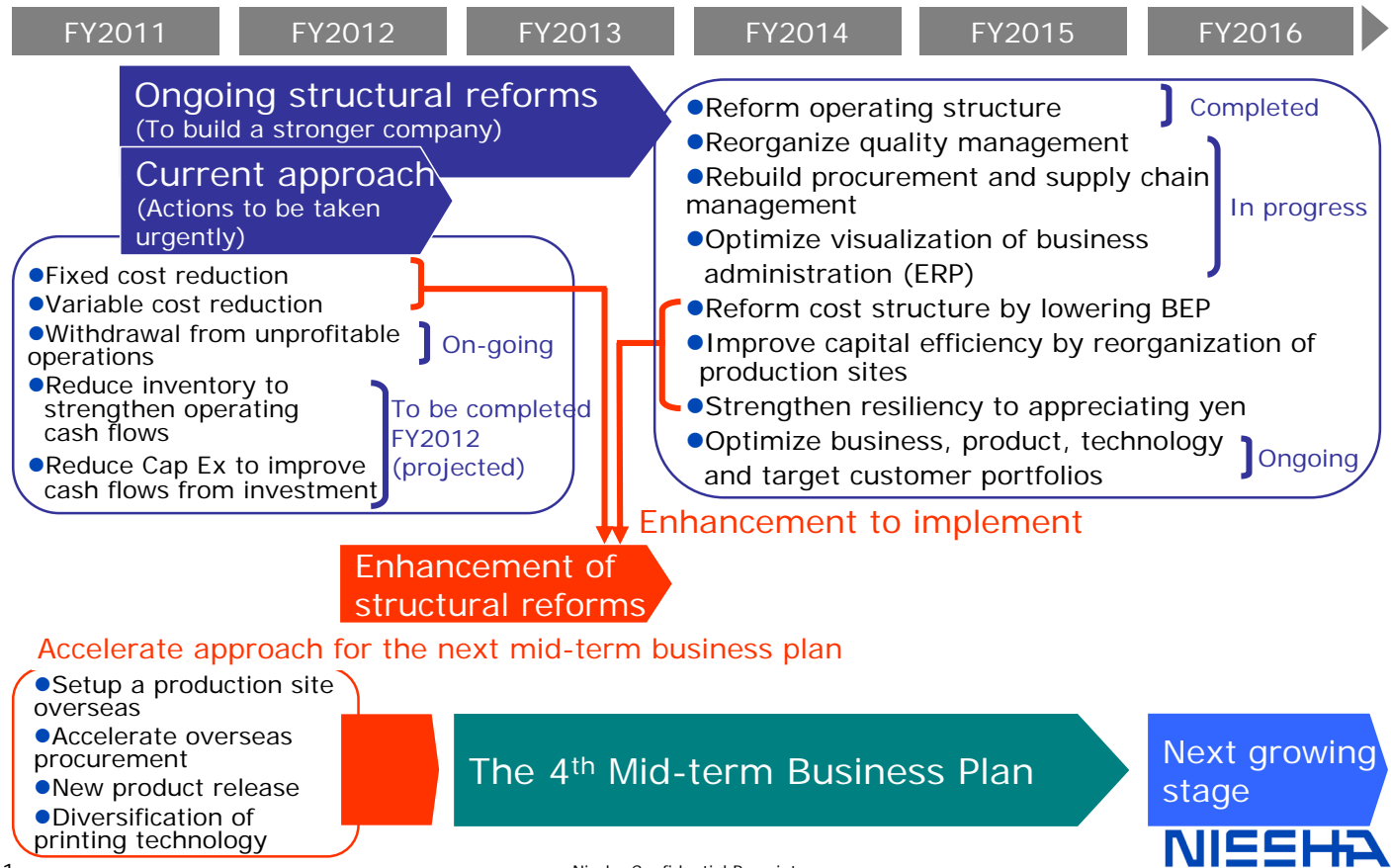
Business Performance Trend (full year)



Business Performance Trend (half year)



Solid implementation of structural reforms and designing next mid-term business plan



11

Nissha Confidential Proprietary

Enhancement of structural reforms target and costs

Cost reduction (by the end of FY2013)		Approx. JPY 9.0 bil.
Fixed cost reduction	<ul style="list-style-type: none"> ● Depreciation decreasing <ul style="list-style-type: none"> ● Impairment/retirement of plants and facilities ● Labor cost reduction <ul style="list-style-type: none"> ● Reduce director's remuneration and manager's salaries and bonuses ● Voluntary retirement of regular employees Domestic about 400 people ● Contract termination of temporary workers About 300 people ● Cost reduction 	Approx. JPY 6.3 bil.
Variable cost reduction	<ul style="list-style-type: none"> ● Yield improvement ● Material cost reduction ● Reduction of outsourcing fee, self-manufacturing 	Approx. JPY 2.7 bil.
Structural reforms cost (extraordinary loss in FY2012)		Approx. JPY 10.4 bil.*
Impairment loss on fixed assets		Approx. JPY 7.25 bil.
Cost of benefit package for voluntary retirement and job-placement assistance program		Approx. JPY 3.15 bil.

*Including business structure improvement expenses 9,678 million yen and loss on disposal of fixed assets

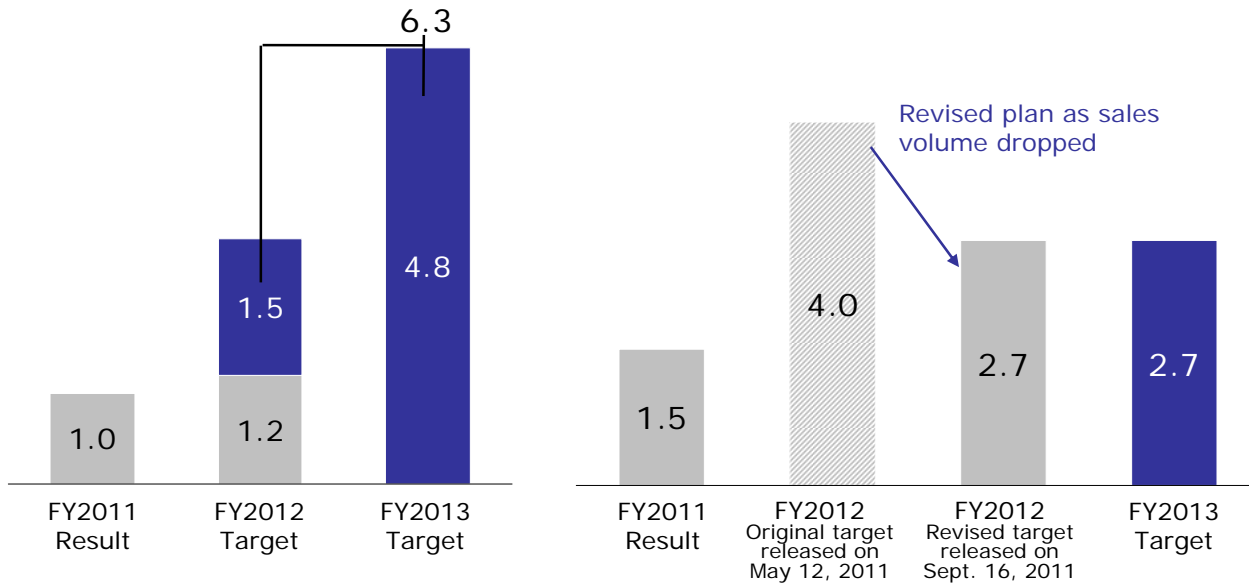
12

Nissha Confidential Proprietary

Cost reduction effect

Fixed cost reduction Variable cost reduction

- Reduction by enhanced structural reforms
 - Reduction by current approach (Actions to be taken urgently)
- (billions of Yen)



Reduction effect: based on the previous year's result

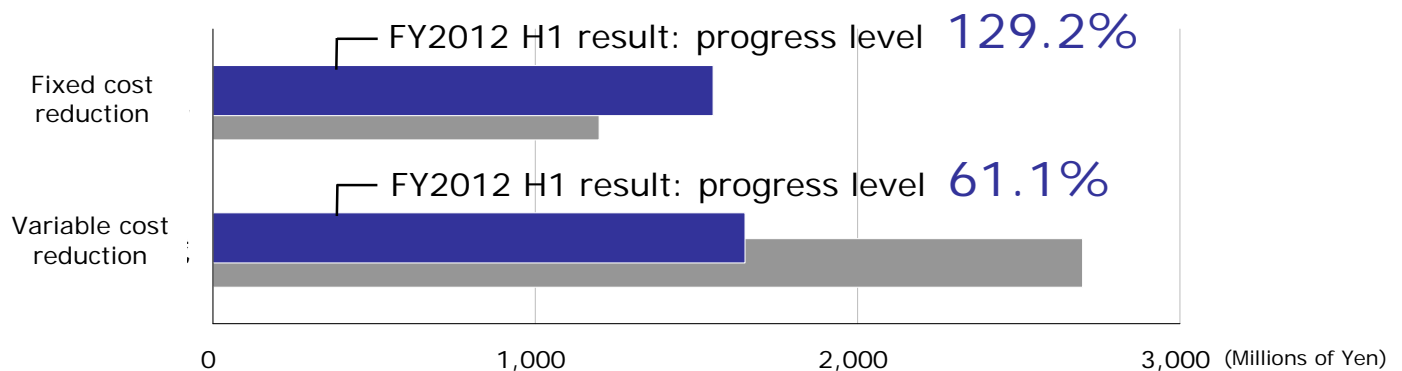
Nissha Confidential Proprietary



Progress of fixed/variable costs reduction

Current approach (Actions to be taken urgently) target and result

	Items	FY2012 Target	FY2012 H1 Result
Fixed cost reduction	<ul style="list-style-type: none"> ● Labor cost ● Corporate expenses ● Depreciation decreasing 	JPY 1,200 mil.	Approx. JPY 1,550 mil.
Variable cost reduction	<ul style="list-style-type: none"> ● Yield improvement ● Reduction of outsourcing fee and material cost 	JPY 2,700 mil.	Approx. JPY 1,650 mil.



Progress of cash flow improvement



Current approach (to build a stronger company) target and result

	FY2012 Target (as of the end of March 2012)	FY2012 H1 Result (as of the end of Sept. 2011)
Inventory reduction (improvement of operating cash flow)	Maintain lower level than the end of FY2011 Inventory: as of Mar. 2011: approx. ¥15,200 mil. as of Sep. 2010: approx. ¥20,900 mil.	Reduced approx. ¥3,600 mil. comparing to the end of FY2011 Inventory: as of Sept. 2011: approx. ¥11,600 mil.
Suppressing Cap Ex (improvement of cash flow from investment)	Reduction ¥4,000 mil. (comparing to FY2011)	Progress as scheduled

Industrial Materials Strategies



- ASP decline of notebook PC, our mainstay product
- Weak price competition due to yen appreciation
- Sluggish sales of our main customers by economic slump in Europe and U.S markets, etc.
- Lowering productivity on some challenging product specification

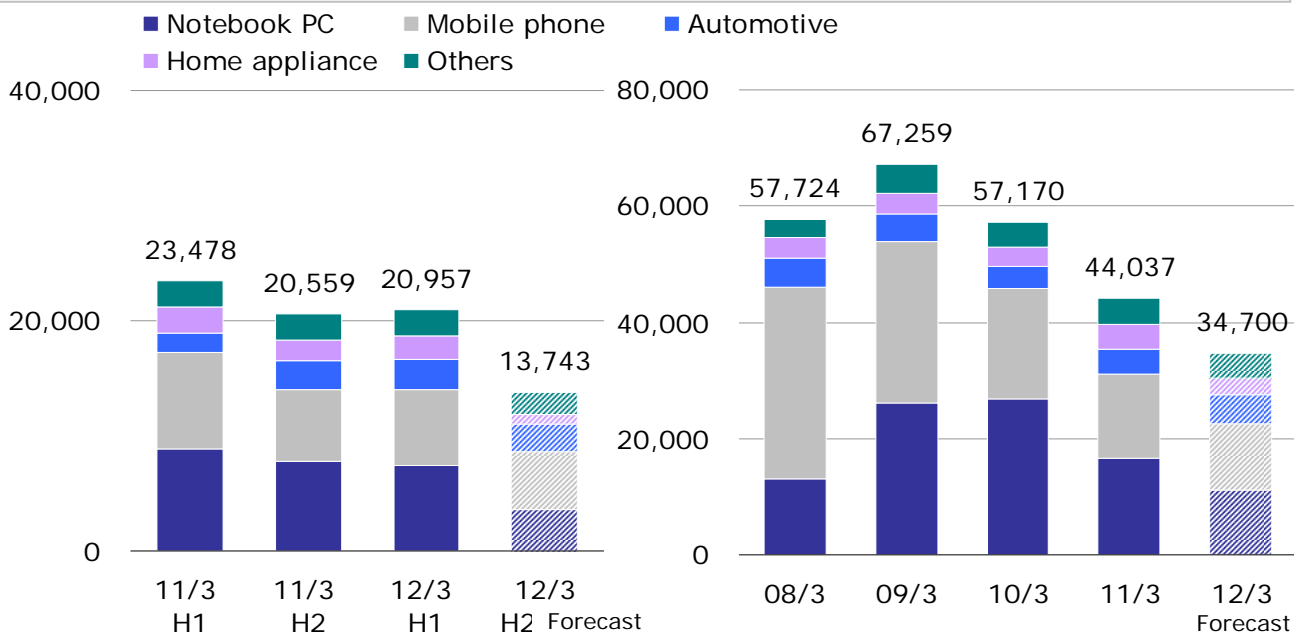


- Capture design trend in advance and expand order volume and share
- Increase order for low-cost and high-volume products and recover factory utilization by cost reduction
- Production and material cost reduction by design optimization
- Fixed cost reduction by consolidation of production sites
- Introduction of new technologies
 - Decoration on metal substrate (target on 2012 year model, set up prototype line in China)
- Introduction of new products
 - Functional films (release film, hard-coat film, etc.)
 - Decoration on environment-conforming resin

FY2012 Industrial Materials: Sharp decline on sales for notebook PC

Industrial Materials sales trend by application

(Millions of Yen)



Application	11/3 H1	11/3 H2	12/3 H1	12/3 H2 Forecast	08/3	09/3	10/3	11/3	12/3 Forecast
Notebook PC	8,803	7,739	7,464	3,636	13,104	26,231	26,775	16,542	11,100
Mobile phone	8,388	6,254	6,521	4,979	32,834	27,606	18,996	14,642	11,500
Automotive	1,672	2,500	2,631	2,369	5,032	4,822	3,938	4,172	5,000
Home appliance	2,387	1,867	2,072	828	3,522	3,532	3,176	4,254	2,900
Others	2,229	2,199	2,271	1,929	3,232	5,068	4,285	4,427	4,200

Devices Strategies

Shift to value-added business that earns high profit

- ASP decline and heavier competition for smart phone film sensor
- Weak price competitiveness due to yen appreciation
- Sluggish sales of our main customers by economic slump in Europe and U.S markets, etc.



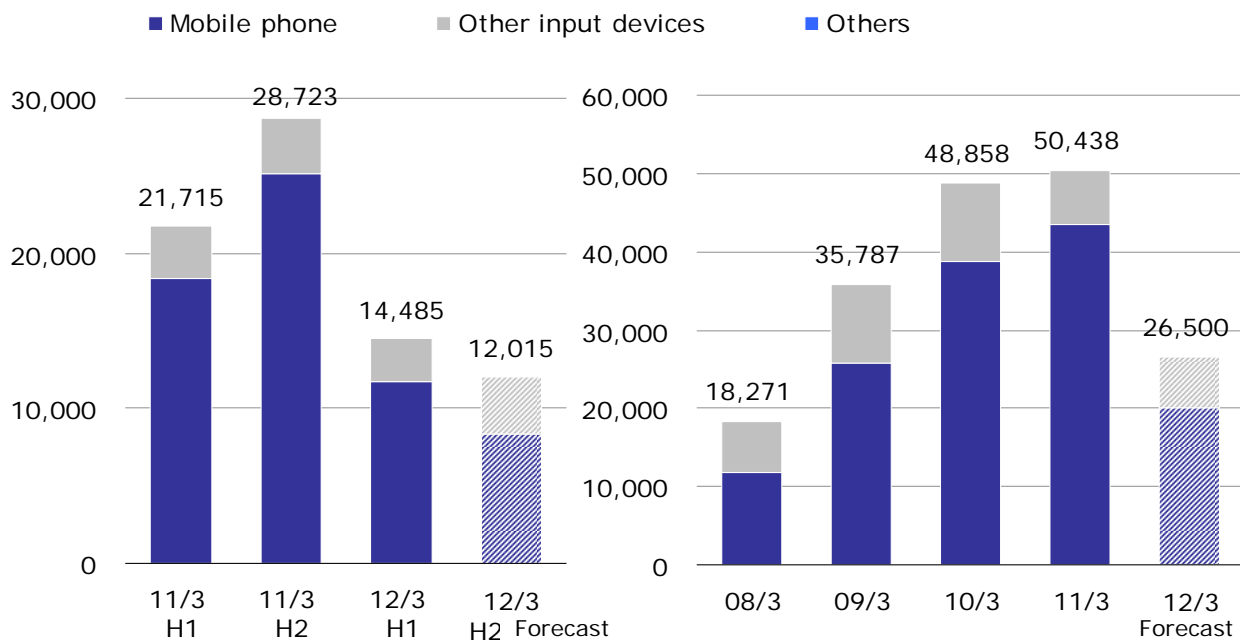
- Utilize advantages of film sensor against glass sensor
 - Thin, light, break-proof, flexible to three dimensional shape and high productivity on module process; differentiate from glass sensor
 - Established fine line technology equivalent to glass (enhancement of Himeji Factory)
- Focus on business for automotive
- Diversification of raw materials
 - World's first production with silver nano-wire based touch sensor film
 - Introducing film materials with better optical property

FY2012 Devices

Sharp decline in sales for smart phone

Devises sales trend by application

(Millions of Yen)



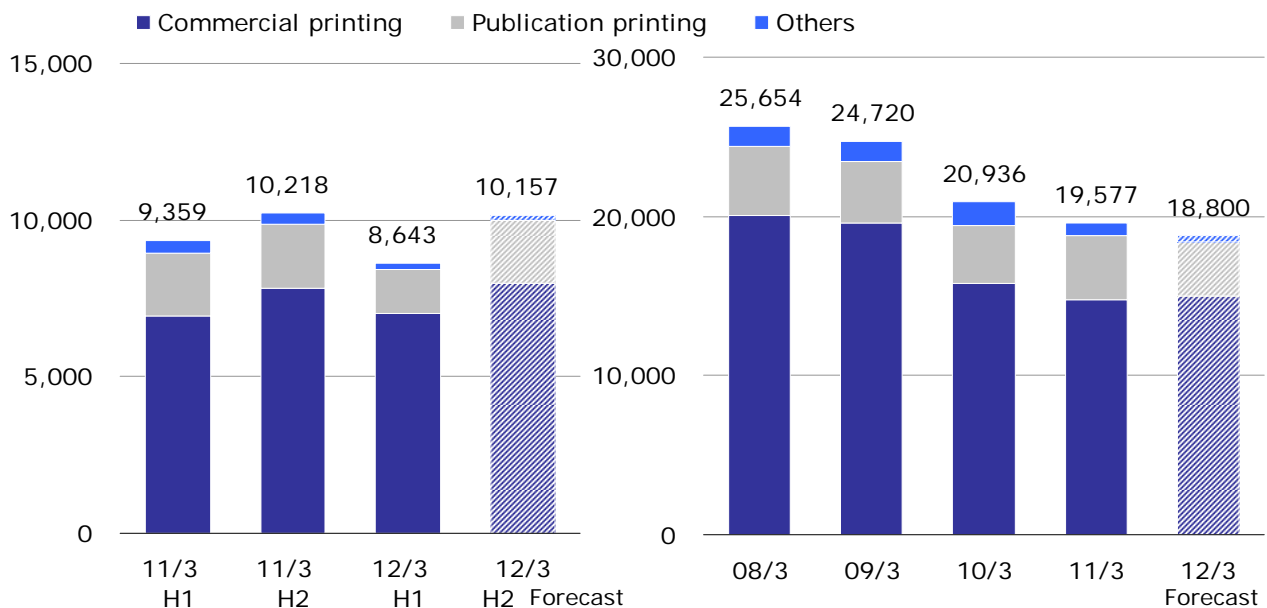
Mobile phone	18,426	25,114	11,700	8,300	11,769	25,803	38,813	43,540	20,000
Other input devices (gaming gear, etc.)	3,290	3,609	2,786	3,714	6,438	9,984	10,046	6,898	6,500
Others	0	0	0	0	64	0	0	0	0

FY2012 Information and Communication and Others

Maintain sales volume in each field

Information and Communication and Others sales trend by application

(Millions of Yen)

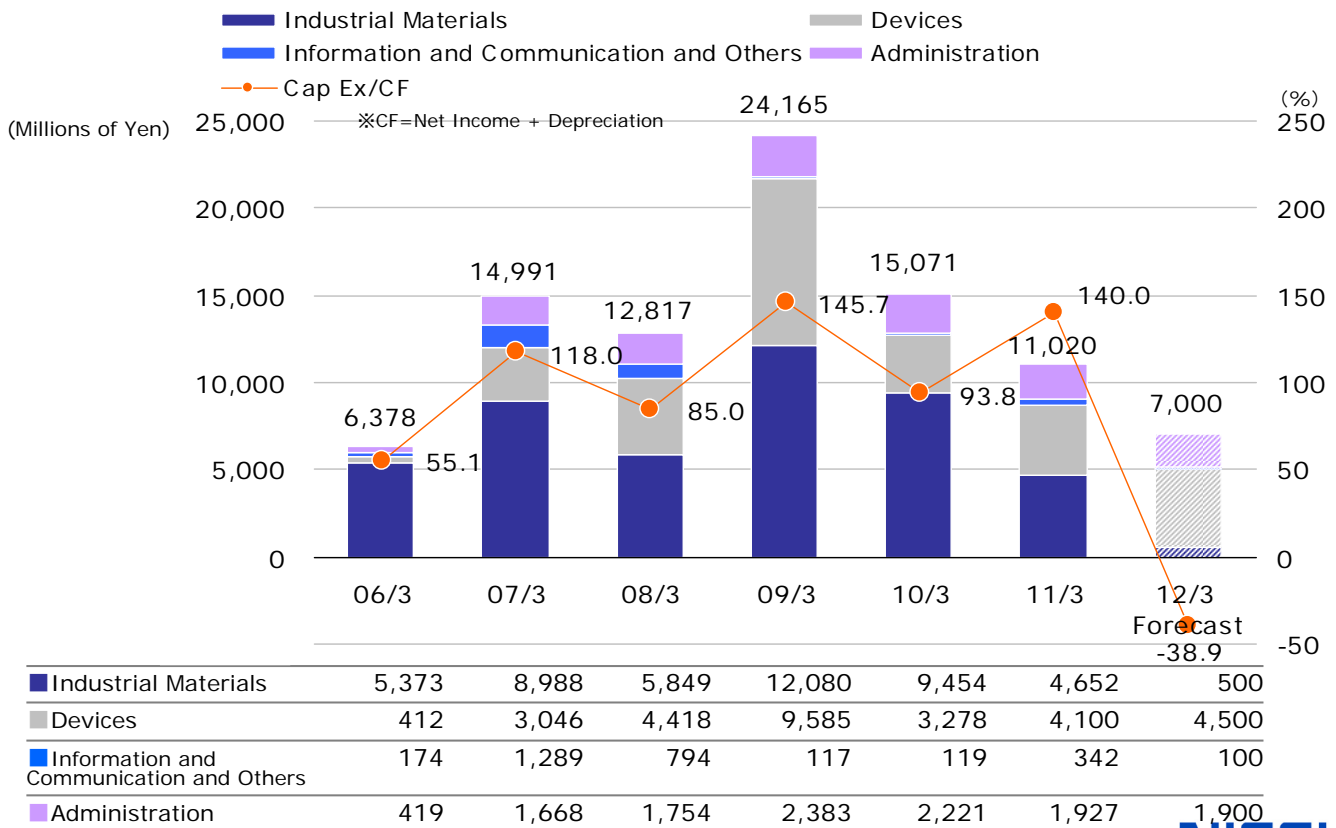


Commercial	6,924	7,839	7,001	7,999	20,033	19,573	15,817	14,763	15,000
Publication	2,007	2,015	1,418	1,982	4,343	3,858	3,641	4,022	3,400
Others	428	364	224	176	1,278	1,290	1,479	792	400

Note: Others are mainly real-estate and personnel-service business, not included to Information and Communication.

Set back Cap Ex in FY2012

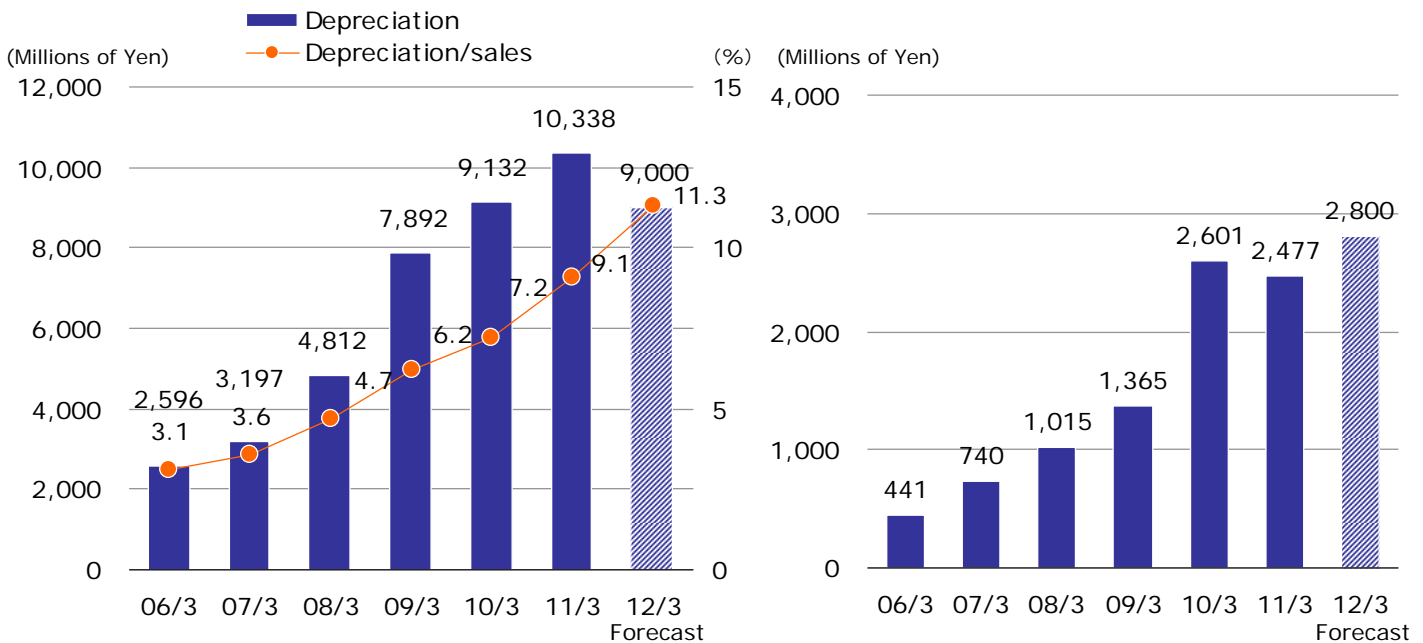
Trend of Cap Ex by business segment



Depreciation peaked out in FY2011

Depreciation

R&D expenses



To become profitable in FY2013

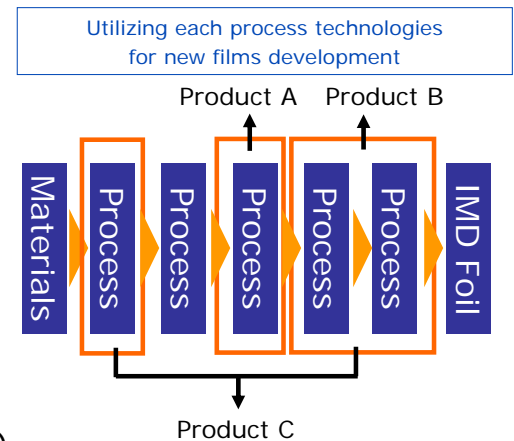
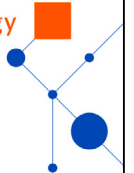


1. Strengthen cost structure

- Solid implementation of measures to strengthen structural reforms
 - Reduce assets proportional to our sales volume
- Against yen appreciation
 - Expand overseas procurement (target 30%)
 - Accelerate production of mainstay products in overseas
- Productivity improvement (focus on Industrial Materials)

2. Expansion of top line

- Industrial Materials business that doesn't only focus in IMD
 - Development of new functional/decoration films utilizing each process technologies on IMD film production
- Devices business that doesn't only focus on touch panel
 - Antenna-functional film (for wireless recharging)
- Business portfolio that doesn't put too much emphasis on IT market
 - Balanced business portfolio

Thank you

Contact:

Tetsuya Taniguchi

General Manager

Corporate Communications & Investor Relations

Nissha Printing Co., Ltd.

T +81 75 823 5144

Business Areas

Printing Technologies

Industrial Materials **Decoration technology on product surface**

- IMD: Simultaneous molding and printing system to decorate three dimensional plastic surface
- IML: Decoration by film overlay technology
- Other decorative films and functional films



Devices **Touch input devices**

- Traditional resistive-type FineTouch "*Classic*"
- Decorated resistive-type FineTouch "*TouchWindow*"
- Capacitive-type FineTouch "*Capacitive*"
 - Sensor, sensor module
 - A-cover module



Information and Communication

One-stop solution for customers' communication strategies

- Communication design
- Commercial printing, sales promotion
- Printing and publishing, art solution, digital archive

Disclaimer

These presentation materials include statements and data that show future forecasts related to the results, strategies, business plans, etc., of Nissha Printing Co., Ltd.

These statements and data related to future forecasts are not actual facts of the past, but rather forecasts that Nissha has judged based on the information available at the time of presentation.

In addition, these presentation materials also include potential risks and uncertain factors such as economic trends and the competitive situation with other companies. Consequently, please be aware that it is possible actual results, business developments and the company's financial situation may differ greatly from the future forecasts included in this presentation due to future economic trends, competition in the industry, market demand, and various other factors such as the economic, social and political climate.