

# Nippon Manufacturing Service Corporation (nms) Consolidated Fact Sheet FY2012

Stock exchange listings : JASDAQ Securities Exchange (Stock code : 2162)

URL: <http://www.n-ms.co.jp>

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nms is the leading manufacturing outsourcing company in Japan, and expanding our business globally and helps to preserve and pass down Japan's exceptional, world-renowned capabilities for Monozukuri.

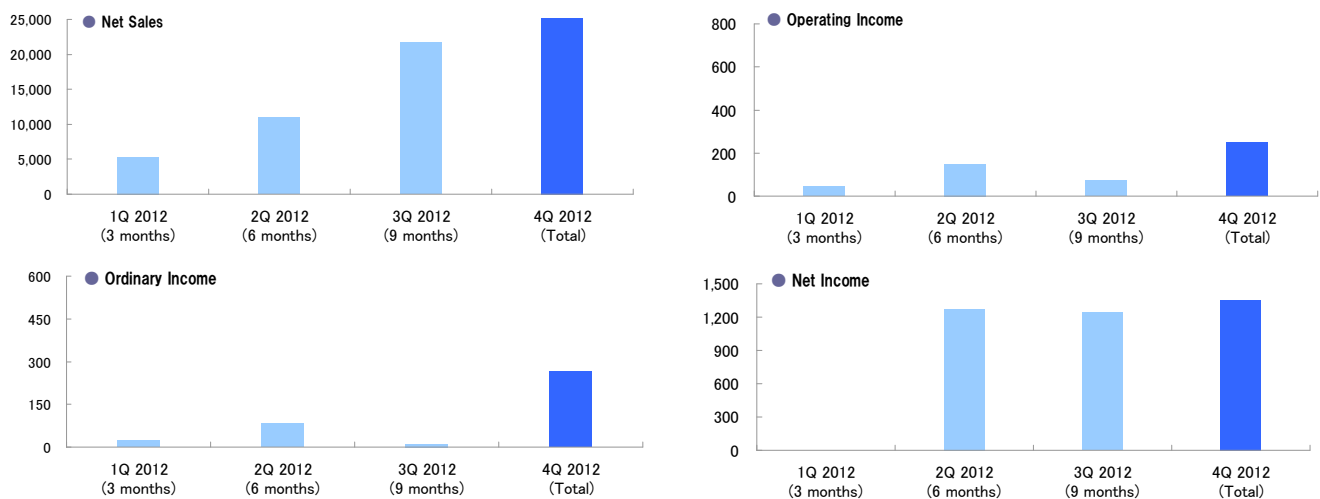
We will provide a one-stop service for Monozukuri in the form of "neo EMS" that handles everything from design and development to repairs and customer service both in Japan and abroad. We are the first Japanese company to acquire a license in Vietnam for in-plant contract manufacturing and contract manufacturing businesses and to receive a permit to provide dispatch labor services in China, the only manufacturing outsourcing company that makes it possible to do "Monozukuri" on the level that Japanese manufacturers want whether in Japan or overseas.

## Summary of Quarterly Financial Information

(Million JPY)

	1Q 2012 (3 months)	2Q 2012 (6 months)	3Q 2012 (9 months)	4Q 2012 (Total)
Net Sales	5,347	11,006	21,685	31,832
Operating Income	45	149	70	251
Ordinary Income	22	83	11	266
Net Income	-1	1,273	1,242	1,356
Net Income per share (JPY)	-	12,796.05	12,455.45	13,552.23
<b>[Financial Data]</b>				
Operating income ratio (%)	0.8	1.3	0.3	0.8

[Performance Graph] (Million JPY)



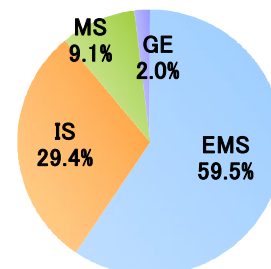
## Results of operations

nms Group (the Company and its consolidated subsidiaries) has formulated a new business strategy concept ("neo EMS") under which the Group will promote business initiatives that address key issues of the Group's individual operations. The Group has been successful to a certain degree in regard to these efforts. Specific measures include the following:

- IS operations: Raise the competitive strength of the Group's core business, and develop overseas market
- MS operations: Pursue high-margined business models, expand domestic operations, and make preparations to enter overseas market
- GE operations: Pursue synergies between operations, recognizing that such operations are indispensable for the "neo EMS"
- EMS operations: Aim for greater group manufacturing prowess and re-establish a business platform for domestic and overseas operations

The Great East Japan Earthquake and Thailand floods, both occurring during the consolidated fiscal year under review, have impacted the Group's earnings to a large extent. The Group has been seeking to expand group manufacturing bases both domestically and internationally and results for TKR Corporation ("TKR Group") also with the SHIMA Electronic Industry Co., Ltd. ("SHIMA Group") were more notably impacted than expected. In spite of this, downturn in results was minimized, as the Group has frequently been nominated as a service provider by Group clients whose production shifted into higher gear after the natural disasters.

### Net Sales by Segment



IS Manufacturing staff dispatch service, contracting service  
 MS Repair service  
 GE Engineer dispatch service  
 EMS Electronics Manufacturing service

<http://www.n-ms.co.jp/english/solution/index.html>

As a result, in the consolidated fiscal year under review, sales revenue increased 54.0 percent on the year to 31,832 million yen, but operating income declined 58.3 percent to 251 million yen and ordinary income fell 54.4 percent to 266 million yen. Net income for the period totaled 1,356 million yen (+49.4 % on the year).

## TOPICS

### ●北京中基衆合國際技術服務有限公司 Establishes Shenzhen Branch Office (January 4, 2012)

The Shenzhen branch office, the second after the Wuxi branch office set up in September 2011, was established for the following purposes.

- (1) Expansion of manufacturing worker dispatch in South China
- (2) Synergy effects with subsidiaries SHIMA Electronic Industry Co., Ltd. and TKR Corporation.  
Quality improvement of manufacturing worker dispatch and contracting services
- (3) Construction of a business platform for the business strategy concept "neo EMS"

Our News Release: [http://www.n-ms.co.jp/english/ir/pdf/ir20120116\\_e.pdf](http://www.n-ms.co.jp/english/ir/pdf/ir20120116_e.pdf)

## Mid-Term Business Plan

### "the No.1" Player in the Manufacturing Outsourcing Services Industry in Asia Expand business 3-fold compared to fiscal year ended March 2011 Raise overseas sales, particular those from China, to over 50% of total sales

nms Group will build a manufacturing and human resource supply system both within Japan and overseas in order to promptly respond to needs for manufacturing outsourcing services both in Japan and overseas and will strive to be the No. 1 player in the manufacturing outsourcing services industry in Asia.

### JAPAN

Within the Japanese outsourcing market, business will be limited to fields such as responding to domestic demand and repairs as manufacturers move production bases overseas. Improving the quality of nms Group's services and establishing a competitive advantage by using the manufacturing ("Monozukuri") prowess of SHIMA Electronic Industry and TKR, nms Group will secure profits to use as the source of funds for overseas business.

### CHINA / ASEAN

**In China,** nms Group possesses two manufacturing bases as well as the Group is the first Japanese-affiliated company to acquire the license for labor dispatch services. Making use of these advantages, the Group will expand its business through the following efforts: more rapidly expanding its business of dispatching manufacturing workers in China, which has a large human resource market; and developing its contract manufacturing business that the Group can demonstrate its manufacturing ("Monozukuri") prowess in. The Group has set a sales target of 8.5 billion yen in China for fiscal year ending March 2014.

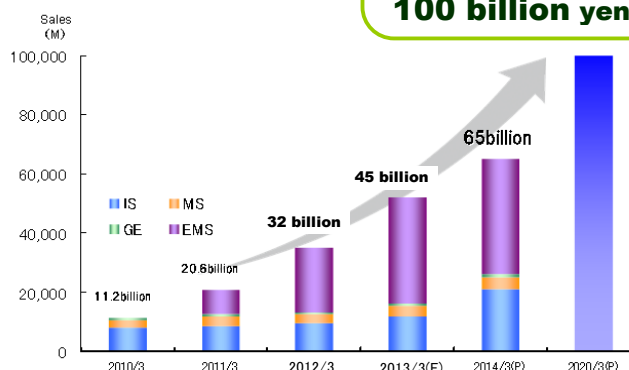
**In Vietnam,** meanwhile, the Group has also launched contract manufacturing operations. nms Group will precisely read the outsourcing needs of the various Japanese-affiliated manufacturers and expand its business.

(Million yen)

Numerical Targets	YE2011	YE2012	YE2013(F)	YE2014(P)
Net Sales	20,675	31,832	45,000	65,000
Operating Income	602	252	1,000	1,800
Overseas Sales as % of Total Net Sales	35.5%	42.2%	52.2%	52.1%

Expand with a goal of  
100 billion yen in net sales

Target:  
Consolidated sales  
100 billion yen



## Performance Information

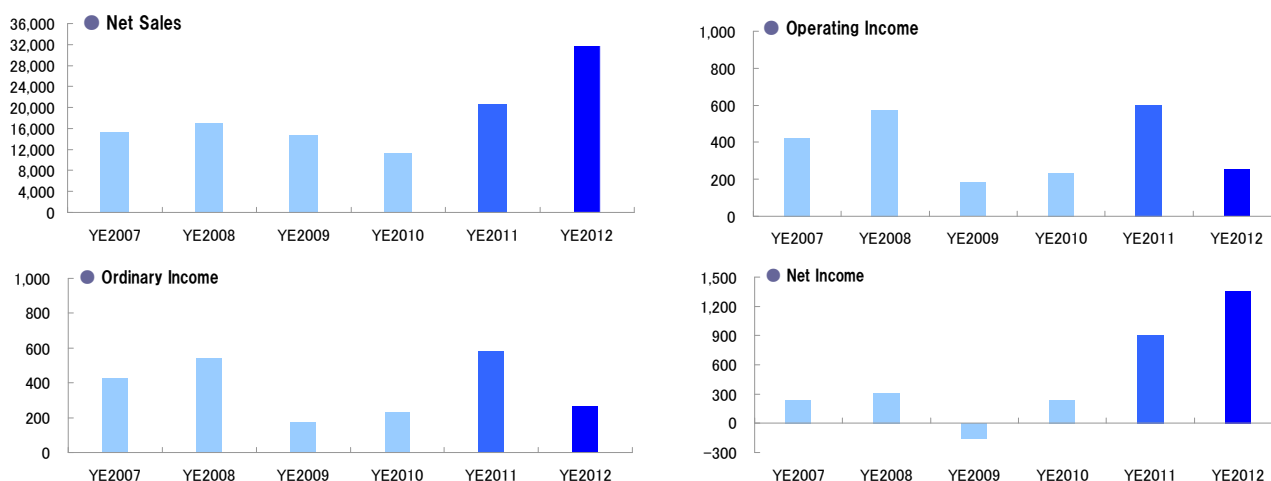
(Million JPY)

Operational Results	YE2007	YE2008	YE2009	YE2010	YE2011	YE2012
Net Sales	15,322	16,963	14,822	11,224	20,675	31,832
Operating Income	423	576	184	234	602	252
Ordinary Income	427	542	174	230	584	266
Net Income	234	302	-152	230	907	1,356
Net Income per share (JPY)	11,371.51	14,352.31	-7,143.89	11,497.36	45,595.87	13,552.23
Dividends per share (JPY)	-	-	-	500	2,000	400
Net Sales by Business Segment	YE2007	YE2008	YE2009	YE2010	YE2011	YE2012
In-line Solutions (IS)	12,452	13,552	11,097	7,936	8,516	9,371
Manufacturing Solutions (MS)	1,718	1,956	2,276	2,526	3,173	2,903
Global Engineering (GE)	1,151	1,454	1,449	762	689	628
Electronics Manufacturing Service (EMS)	-	-	-	-	8,297	18,950
Total assets/Net assets/Equity ratio	YE2007	YE2008	YE2009	YE2010	YE2011	YE2012
Total assets	3,937	4,218	2,832	3,117	7,362	18,709
Net assets	811	1,252	1,069	1,295	2,169	5,839
Equity ratio	20.6%	29.7%	37.8%	41.3%	29.2%	17.9%
Cash flow position	YE2007	YE2008	YE2009	YE2010	YE2011	YE2012
Cash flows from operating activities	311	80	-302	352	671	596
Cash flows from investing activities	-85	-71	-21	-80	-196	667
Cash flows from financing activities	-360	19	-132	-264	349	949
Financial Indicators	YE2007	YE2008	YE2009	YE2010	YE2011	YE2012
Operating income ratio (%)	2.8	3.2	1.2	2.1	2.9	0.8
ROE (%)	33.8	29.4	-	19.5	42.3	49.4
ROA (%)	11.4	13.3	4.9	7.7	7.9	2

\*The Company started preparing consolidated financial statements in FY2011/03. Up until that time, non-consolidated values were stated for reference.

\* On April 1, 2011, a 5-for-1 stock split was implemented.

### [Performance Graph] (Million JPY)



## Basic Information (As of March 31, 2012)

• Company Name	Nippon Manufacturing Service Corporation (nms)
• Head Office	Tokyo Opera City Tower 11F, 3-20-2 Nishi-shinjuku, Shinjuku-ku, Tokyo 163-1411, Japan
• Established/Incorporated	Sep-85/Aug-90
• Officers	President : Fumiaki Ono Executive Managing Director : Hidehisa Fukumoto Executive Director : Norihiko Suehiro
	• Capital 500,600,000yen

## Stock Information (As of March 31, 2012)

• Fiscal year end	31-March
• Date of ordinary general Shareholders' Meeting	June
• Record date	Year-end dividends: March 31/Interim dividends: September 30
• Number of shares constituting one unit	1share
• Number of shares authorized	412,000 shares
• Number of shareholders	2,155
	• Number of shares issued 108,055 shares

### Major Shareholders

Shareholder name	Stock Holdings*	Stock Holding Ratio
JAFCO Buyout No.2 Investment Limited Partnership	38,690	35.80
Fumiaki Ono	18,200	16.84
Kyouji Hasegawa	2,650	2.45
Nomura Securities Co., Ltd.	2,613	2.41
Hidehisa Fukumoto	2,200	2.03
Employee Stock Ownership	2,064	1.91
Fumiya Yamada	1,850	1.71
JAFCO Buyout NO.2 Investment Limited Partnership (Cayman) L.P.	1,610	1.48
Osaka Securities Finance Company, Ltd.	1,408	1.30
Norihiko Suehiro	1,275	1.17
Treasury Stock	5,815	5.38

Share price/Market Value	JPY [Closing price, May 15, 2012] / JPY	37,000/3,998M
Forward P/E	[Consolidated]	8.00