

Increased Investment in nms' Vietnamese Subsidiary

Nippon Manufacturing Service Corporation (nms) has decided to increase its investment in NMS International Vietnam Company Limited, its Vietnamese subsidiary. Details are provided below.

1. Goal of raising nms' investment

As part of its overseas growth strategy, nms is expanding its dispatch of manufacturing workers and contract manufacturing operations mainly in Asia. These efforts have included establishing NMS International Vietnam Company Limited, a Vietnamese subsidiary with a business license for in-plant contract manufacturing (the first such license issued to a Japanese-affiliated company in Vietnam) on August 1, 2010, and moving forward with preparations for providing contract manufacturing services. Japanese manufacturers are examining and actually establishing operations not only in China but also in ASEAN countries with the goal of reinforcing and expanding their businesses, particularly in emerging market countries. nms expects to see an increase in demand for its contract manufacturing services in Vietnam.

The followings outlines the actual progress in developing the business since establishing the local subsidiary

- Consulted and held discussions with existing client companies in Japan regarding transferring operations to Vietnam
- Consulted and held discussions regarding the advantages for manufacturers who have already expanded into countries other than Vietnam, particularly China, of transferring operations to Vietnam
- Handled inquiries from Japanese manufacturers who have already expanded into Vietnam regarding nms' contract manufacturing services (including education)
- Discussed jointly sponsoring seminars to attract Japanese companies with local governments in Vietnam (assuming nms provides contract manufacturing services)

The company will start providing in-plant contract manufacturing services at the client's plant in June 2011, and the goal is to have around 500 workers by December 2011 and 1,500 by December 2012. The additional investment is being undertaken to prepare for business expansion like that discussed above and the future increase in demand for contracted manufacturing and to invest in education and improve services in order to raise the quality of services provided by nms.

2. Corporate Profile of Subsidiary

- (1) Company name: NMS International Vietnam Company Limited
(The Japanese name is NMS インターナショナル ベトナム有限会社)
- (2) Headquarters: Ho Chi Minh City, Socialist Republic of Vietnam
- (3) Date founded: August 1, 2010
(Date business license obtained (approved) : July 5, 2010)
- (4) Business activities: in-plant contract manufacturing and other contract manufacturing
- (5) Capital: 100,000 USD (before increase)
- (6) Investor Nippon Manufacturing Service Corporation (President Fumiaki Ono)
- (7) President: Kouji Kantou

3. Capital increase

- (1) Date : March 24, 2011
- (2) Amount : 200,000 USD
- (3) Capital after increase : 300,000 USD

4. Outlook

This capital increase will have no impact on nms' earnings.

**Inquiries regarding this press release should be directed to:
Nippon Manufacturing Service Corporation
PR and IR Group, Administration Department, Corporate Division, Headquarters
TEL: +81-3-5333-1711 / FAX: +81-3-5333-1712 / E-mail: k_yanase@n-ms.co.jp**