

Nippon Manufacturing Service Corporation (nms) Fact Sheet FY2011

Stock exchange listings : JASDAQ Securities Exchange
Stock code : 2162

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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.

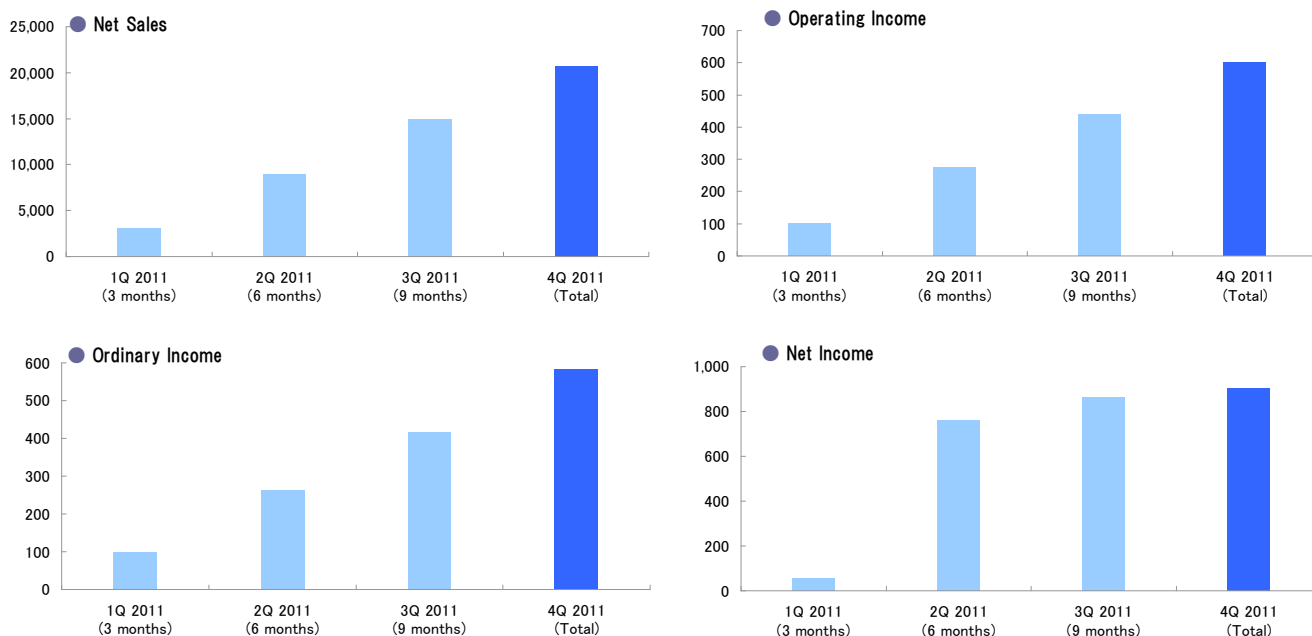
We will provide a one-stop service for Monozukuri in the form of "neo EMS" that handles everything from design and development to repairs and customer service both in Japan and abroad. We are the first Japanese company to acquire licenses in Vietnam for in-plant contract manufacturing and contract manufacturing 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 2011 (3 months)	2Q 2011 (6 months)	3Q 2011 (9 months)	4Q 2011 (Total)
Net Sales	3,044	8,983	14,974	20,675
Operating Income	99	276	440	602
Ordinary Income	98	265	417	584
Net Income	57	764	865	907
Net Income per share (JPY)	2,877.13	38,428.46	43,453.08	45,595.87
[Financial Data]				
Operating income ratio (%)	3.3	3.1	2.9	2.9

[Performance Graph] (Million JPY)



Results of operations

During the fiscal year under review the Japanese economy continued to gradually recover due to economic growth in Asian countries such as China, but economic conditions were thrown into uncertainty as a result of the unprecedented Great East Japan Earthquake that hit right before the end of the fiscal year. The earthquake not only had an extensive and major impact itself but also created a secondary disaster, the accidents at the nuclear power plant. Along with the appreciation of the yen, deflationary pressures, and the troubling financial condition of the Japanese government, which must be improved, these disasters have cast a pall on future economic growth. Problems such as the destruction of social infrastructure in the Tohoku region, power shortages due to troubles at the nuclear power plant, and damage caused by rumors have had a substantial negative impact on various industries in Japan including the manufacturing industry, and economic conditions are extremely bleak with no sign of when relief efforts targeting victims of the disaster and reconstruction will be completed.

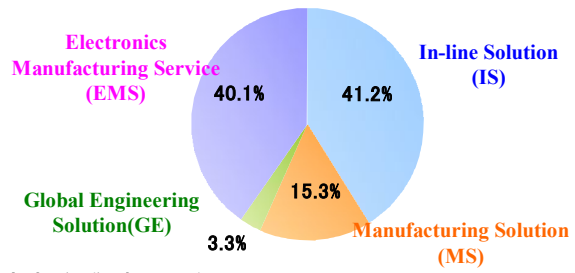
Under these conditions, within the industry, some manufacturers had experienced a firm recovery in earnings until the earthquake, and the dispatch of manufacturing workers and contract manufacturing services had been recovering even though the economic outlook had not been very strong. However, manufacturers and companies in this industry were faced with the challenge of maintaining their system of domestic production. In particular, manufacturers are confronted with numerous difficult problems including physical damage to plants and equipment, deterioration in logistics capabilities as a result of the destruction of social infrastructure, partial disruption to the supply chain for parts and materials, damage from rumors related to various issues such as radioactive contamination of parts due to accidents at the nuclear power plant, unstable production as a result of power shortages, and maintaining employment when plants are closed.

Occasioned by these developments, 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:

- Raise the competitive strength of Inline Solutions (IS) operations, the Group’s core business
- Expand Manufacturing Solution (MS) operations, a business with growth potential
- Improve business systems in Global Engineering (GE) operations, indispensable for the “neo EMS” one-stop service concept
- Establish a business platform for Electronics Manufacturing Service (EMS) operations, necessary for gaining greater manufacturing prowess

The earthquake has had a major impact on the Group’s earnings. Although none of the Group’s employees, fortunately, were injured, the Group has been saddled with greater-than-expected costs, including those related to damaged buildings and structures, compensation paid to employees when plants were not operating, and transportation of relief goods to damaged areas.

nms four types of business solution in various combinations to satisfy our customer’ needs.



Go for details of our services

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

The Group recorded 94 million yen in disaster related expenses under extraordinary losses. Based on the foregoing, for the period under review, the Group reported revenues of 20,675 million yen, operating income of 602 million yen, ordinary income of 584 million yen, and net income of 907 million yen.

TOPICS

Increased Investment in nms’ Vietnamese Subsidiary (March 24, 2011)

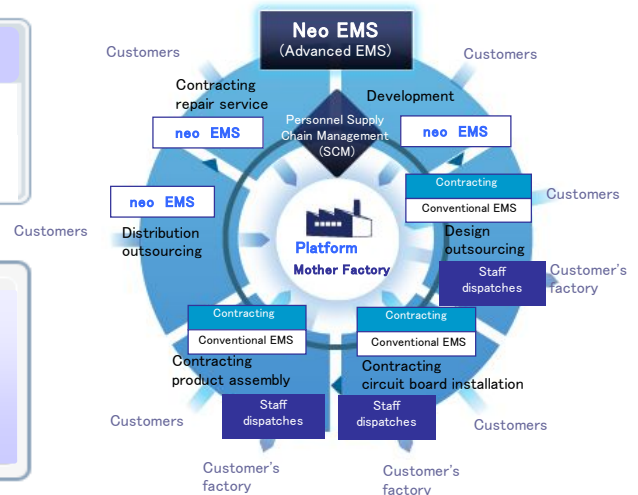
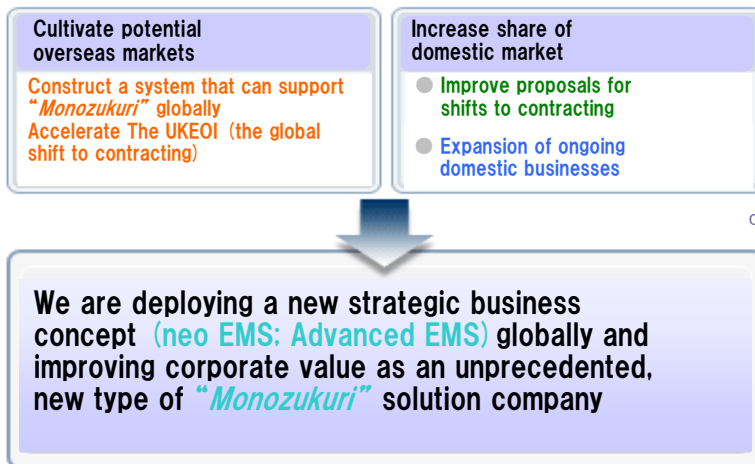
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Next Solution

Mid-Term Business Plan

Seeking to achieve synergy between nms’ “Monozukuri” capabilities (extensive contracting capacity) and SHIMA Electronic Industry Co., Ltd. – the subsidiary acquired in July 2010 engaged in EMS overseas – we have deployed our neo EMS (Advanced EMS) solution globally in our capacity as an unprecedented, new type of “Monozukuri” solution company.

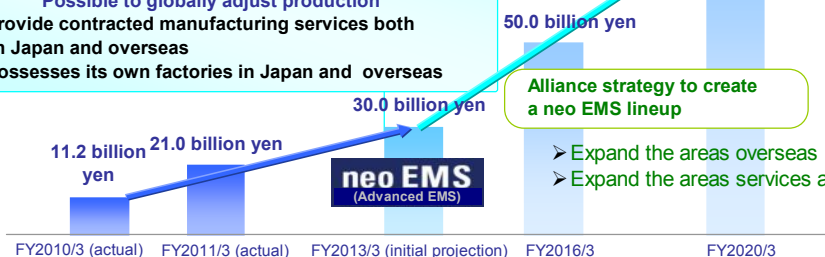
Through these efforts, we are working to expand the overseas market by getting manufacturer demand for overseas expansion, to increase domestic market share, and to improve corporate value.



Expand with a goal of 100 billion yen in net sales

Medium-term nms Group Consolidated Earnings targets	
Net sales	30.0 billion yen
Operating income	1.0 billion yen
"Possible to globally adjust production"	
<ul style="list-style-type: none"> • Provide contracted manufacturing services both in Japan and overseas • Possesses its own factories in Japan and overseas 	

Target: Consolidated sales 100 billion yen



Alliance strategy to create a neo EMS lineup

- Expand the areas overseas
- Expand the areas services are provided

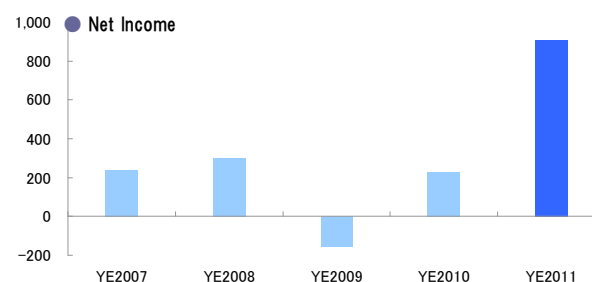
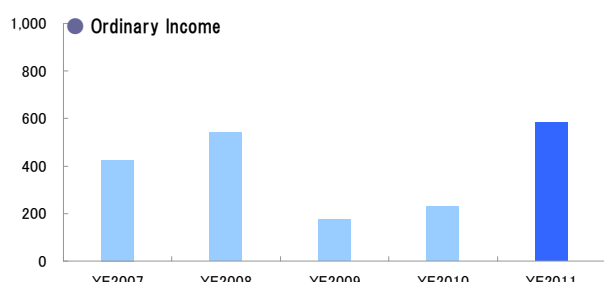
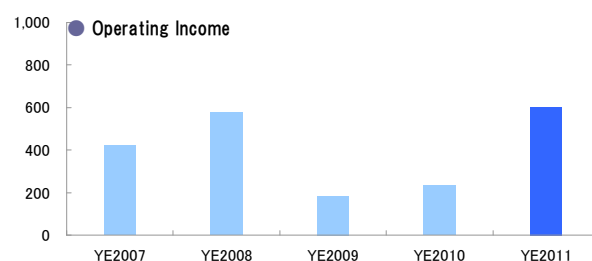
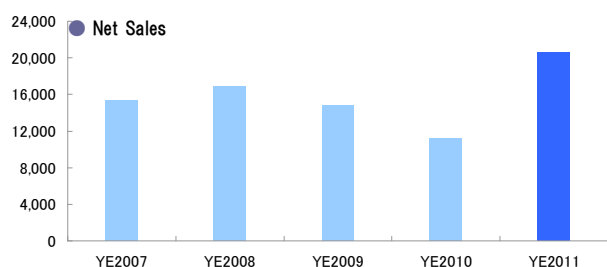
■ Performance Information

(Million JPY)

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

※Since YE2011 is the first year that consolidated financial statements have been created, figures in consolidated financial statements for the fiscal year are stated.

[Performance Graph] (Million JPY)



■ Basic Information (As of March 31, 2011)

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
Capital	500,600,000yen
Officers	President : Fumiaki Ono Executive Managing Director : Hidehisa Fukumoto Executive Director : Norihiko Suehiro

■ Stock Information (As of March 31, 2011)

Basic Information

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	82,400 shares
Number of shares issued	21,611 shares
Number of shareholders	1,529

Major Shareholders

Shareholder name	Stock Holdings	Stock Holding Ratio
JUFCO Buyout No.2 Investment Limited Partnership	7,738	35.80
Fumiaki Ono	3,640	16.84
Kyouji Hasegawa	528	2.44
Employee Stock Ownership	482	2.23
Hidehisa Fukumoto	440	2.03
Nomura Securities Co., Ltd.	343	1.58
JAFCO Buyout NO.2 Investment Limited Partnership(Cayman) L.P.	322	1.48
Fumiya Yamada	270	1.24
Osaka Securities Finance Company, Ltd.	265	1.22
Treasury Stock	1,703	7.88

Share price/Market Value
Forward P/E

JPY [Closing price , May 13, 2011] / JPY 63,300 / 6,840 mil ※ 5-for-1 stock split (Apr 1, 2011)
[Consolidated] 17.03