

Nippon Manufacturing Service Corporation (nms) Consolidated Fact Sheet 2Q FY2012

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

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

Contact : nms-ir@n-ms.co.jp

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.

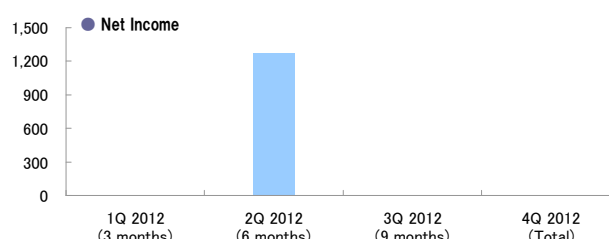
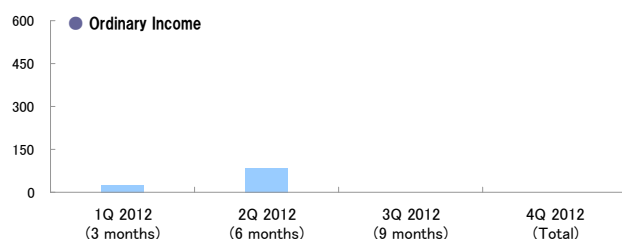
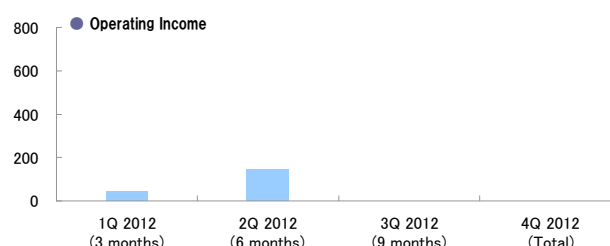
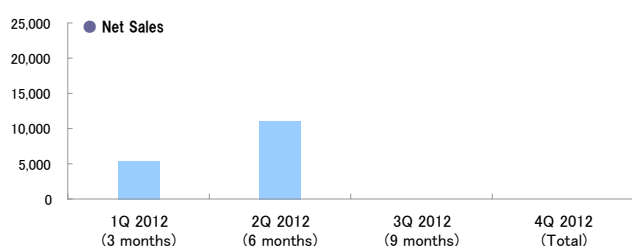
We will provide a one-stop service for Monozukuri in the form of "neo EMS" that handles everything from design and development to repairs and customer service both in Japan and abroad. We are the first Japanese company to acquire licenses in Vietnam for in-plant contract manufacturing and contract manufacturing 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 2012 (3 months)	2Q 2012 (6 months)	3Q 2012 (9 months)	4Q 2012 (Total)
Net Sales	5,347	11,006		
Operating Income	45	149		
Ordinary Income	22	83		
Net Income	-1	1,273		
Net Income per share (JPY)	-	12,796.05		
[Financial Data]				
Operating income ratio (%)	0.8	1.3		

[Performance Graph] (Million JPY)



Results of operations

Production at manufacturers in our industry has started to recover faster than previously expected after the Great East Japan Earthquake. With the supply chain recovering at a considerable speed and each company swiftly facilitating readjustment of their production systems in fears of the power supply shortage during the summer, we were able to restore a stable production status.

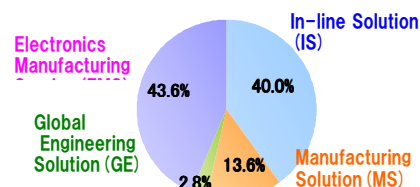
However, situations in which manufacturers keep domestic production remain difficult due to obstacles such as high corporation tax rates and the signs of long-term strong yen. In mid-and-long term, shifting manufacturing bases overseas is unavoidable.

Occasioned by these circumstances, 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

Especially in EMS operations, due to the management integration of TKR Corporation by purchasing more than half of its shares in July 2011, nms constructed the framework to promote EMS operations with TKR Corporation and its subsidiaries in Japan (3 corporations), Malaysia (2 corporations), Hong Kong (2 corporations) and China (1 corporation) along with the SHIMA Electronic Industry Group, which was turned into a subsidiary last year.

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



Go for details of our services

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

The earthquake has impacted also the Group's earnings to no small extent. In spite of this, results have been ahead of expectations, as the Group has frequently been nominated as a service provider by Group clients whose production shifted into higher gear to cover inventory shortages. Also, with the management integration of TKR Corporation, goodwill expenses of approximately 1.2 billion yen were recorded in the Group's consolidated financial statements at the end of September.

As a result, for the second quarter sales revenue increased 22.5 percent on the year to 11,006 million yen, but operating income declined 46.0 percent to 149 million yen and ordinary income fell 68.3 percent to 83 million yen. Net income for the period totaled 1,273 million yen (+66.5 % on the year).

TOPICS

Nippon Manufacturing Service Corporation Announces Capital and Business Alliance with NetRecorder Solutions Inc. (September 29, 2011)

NetRecorder Solutions' self-developed system product "NetRecorder" converts data, such as in-house manuals, into electronic manuals (electronic books) and then distributes the converted data. It is also compatible with mobile environments such as i-Pad2 and Android.

nms sells "NetRecorder," and offers services to shift manufacturers' production bases overseas such as creating video manuals for work carried out at our customers' manufacturing sites (operating procedures, operating instructions, etc.) and developing educational tools that support local languages for overseas manufacturing sites.

At the same time, by becoming thoroughly familiar with our customers' manufacturing sites through the provision of these services, we plan to expand domestic and overseas business in the areas of staff dispatch and contract manufacturing.

北京中基樂合國際技術服務有限公司 Establishes Wuxi Branch Office (November 1, 2011)

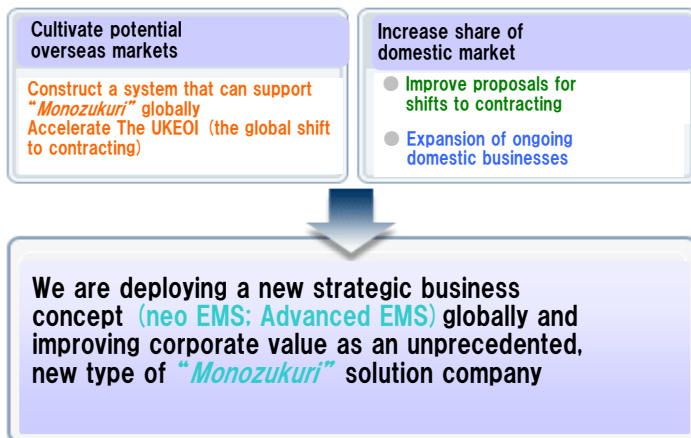
http://www.n-ms.co.jp/english/ir/pdf/ir20111104_e.pdf

Next Solution

Mid-Term Business Plan

Seeking to achieve synergy between nms' "Monozukuri" capabilities (extensive contracting capacity) and SHIMA Electronic Industry and TKR 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.

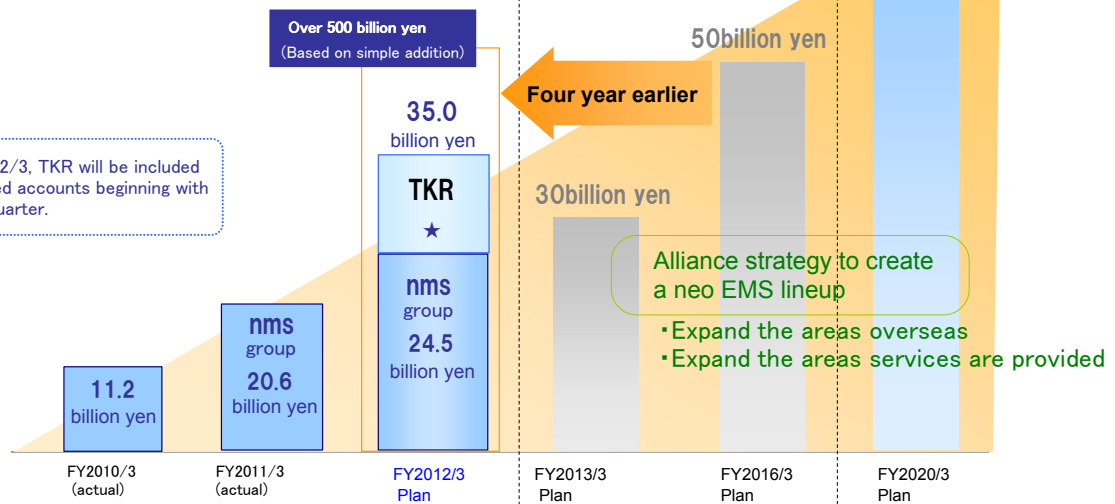
Through these efforts, we are working to expand the overseas market by getting manufacturer demand for overseas expansion, to increase domestic market share, and to improve corporate value



Expand with a goal of 100 billion yen in net sales

Thanks to the management integration with TKR Corporation, the sales target for FY2016/3 released on May 23, 2011, will almost be reached already in FY2012/3, four years earlier than planned.

(★) In FY2012/3, TKR will be included in consolidated accounts beginning with the second quarter.



Performance Information

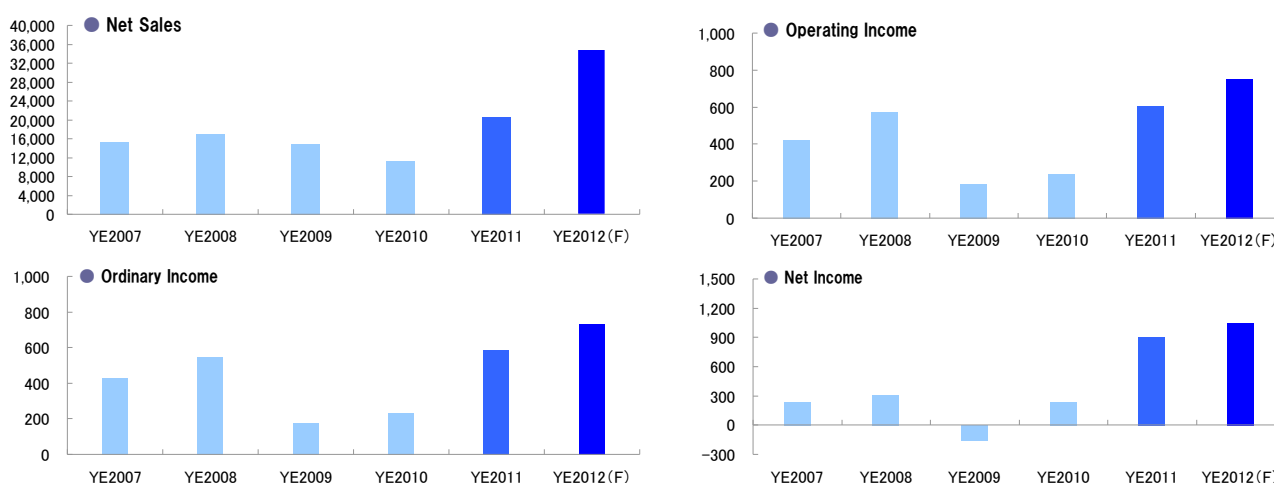
(Million JPY)

Operational Results	YE2007	YE2008	YE2009	YE2010	YE2011	YE2012(F)
Net Sales	15,322	16,963	14,822	11,224	20,675	35,000
Operating Income	423	576	184	234	602	750
Ordinary Income	427	542	174	230	584	730
Net Income	234	302	-152	230	907	1,050
Net Income per share (JPY)	11,371.51	14,352.31	-7,143.89	11,497.36	45,595.87	10,548.20
Dividends per share (JPY)	-	-	-	500	2,000	300
Net Sales by Business Segment	YE2007	YE2008	YE2009	YE2010	YE2011	YE2012(F)
In-line Solutions (IS)	12,452	13,552	11,097	7,936	8,516	9,400
Manufacturing Solutions (MS)	1,718	1,956	2,276	2,526	3,173	3,000
Global Engineering (GE)	1,151	1,454	1,449	762	689	600
Electronics Manufacturing Service (EMS)	-	-	-	-	8,297	22,000
Total assets/Net assets/Equity ratio	YE2007	YE2008	YE2009	YE2010	YE2011	YE2012(F)
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	YE2007	YE2008	YE2009	YE2010	YE2011	YE2012(F)
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	YE2012(F)
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	

※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 September 30, 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
• Officers	President : Fumiaki Ono Executive Managing Director : Hidehisa Fukumoto Executive Director : Norihiko Suehiro
	• Capital 500,600,000yen

Stock Information (As of September 30, 2011)

• 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	2,120
	• Number of shares issued 108,055 shares

Major Shareholders

Shareholder name	Stock Holdings*	Stock Holding Ratio
JUFCO Buyout No.2 Investment Limited Partnership	38,690	35.80
Fumiaki Ono	18,200	16.84
Kyouji Hasegawa	2,590	2.40
Nomura Securities Co., Ltd.	2,540	2.35
Hidehisa Fukumoto	2,200	2.04
Employee Stock Ownership	2,032	1.88
JAFCO Buyout NO.2 Investment Limited Partnership (Cayman) L.P.	1,610	1.49
Osaka Securities Finance Company, Ltd.	1,409	1.30
Fumiya Yamada	1,350	1.25
Treasury Stock	8,300	7.68

Share price/Market Value JPY [Closing price, November 14, 2011] 53,100 / 5,738 mil

Forward P/E [Consolidated] 5.03