

Nippon Manufacturing Service Corporation (nms) Consolidated Fact Sheet 3Q FY2012

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

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

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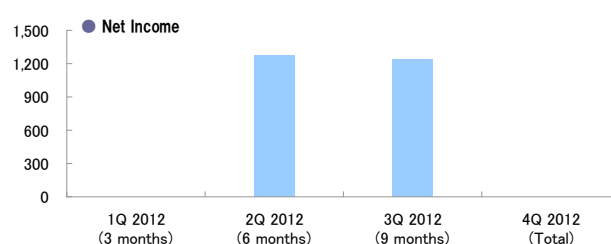
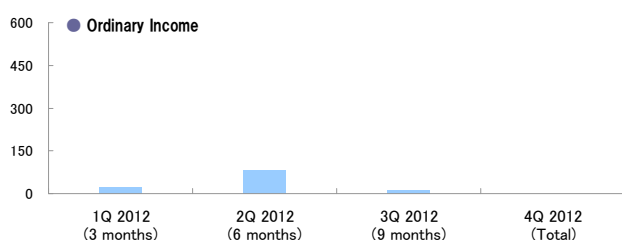
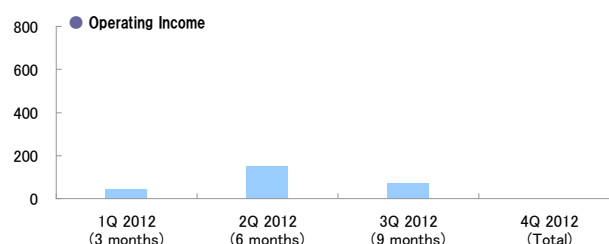
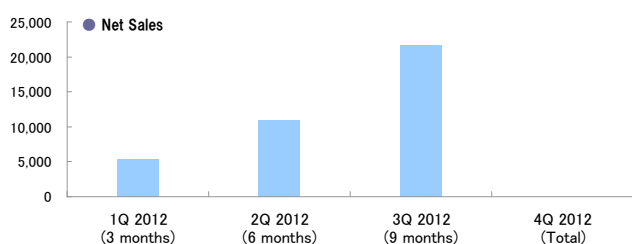
nms is the leading manufacturing outsourcing company in Japan, and expanding our business globally and helps to preserve and pass down Japan's exceptional, world-renowned capabilities for Monozukuri. We will provide a one-stop service for Monozukuri in the form of "neo EMS" that handles everything from 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	
Operating Income	45	149	70	
Ordinary Income	22	83	11	
Net Income	-1	1,273	1,242	
Net Income per share (JPY)	—	12,796.05	12,455.45	
[Financial Data]				
Operating income ratio (%)	0.8	1.3	0.3	

[Performance Graph] (Million JPY)



Results of operations

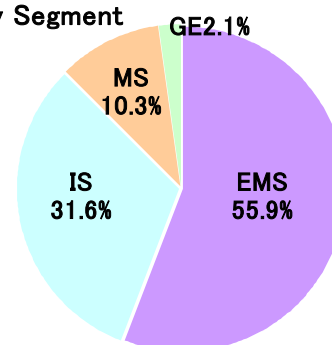
Order situation in our industry has reached its recovery trend as production at manufacturers recovers from the Great East Japan Earthquake aftermath. However, impacts from the natural disasters have provided manufacturers an opportunity to review their production system in a medium- and long-term standpoint. Some manufacturers have started considering overseas transfer at a speed far beyond the industry expectation. Moreover, although the market volume is in balanced contraction, recruitment continues to be an issue, and even leading manufacturers with competitive advantage have a difficulty securing enough employees to satisfy their clients' demand. Therefore, costs for securing human resources such as recruitment cost are on the rise.

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

The unprecedented natural disasters including the Great East Japan Earthquake and Thailand floods have impacted the Group's earnings to no small extent.

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>

The Group has been rapidly expanding group manufacturing bases both domestically and internationally and results for TKR Corporation ("TKR Group") along 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.

As a result, in the period under review, sales revenue increased 44.8 percent on the year to 21,685 million yen, but operating income declined 84.0 percent to 70 million yen and ordinary income fell 97.2 percent to 11 million yen. Net income for the period totaled 1,242 million yen (+43.6 % on the year).

TOPICS

● New Medium-Term Business Plan Set-Becoming the No.1 Player in the Manufacturing Outsourcing Services Industry in Asia (December 5, 2011)

Our News Release: http://www.n-ms.co.jp/english/ir/pdf/ir20111208_e.pdf

● 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

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 52% 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.

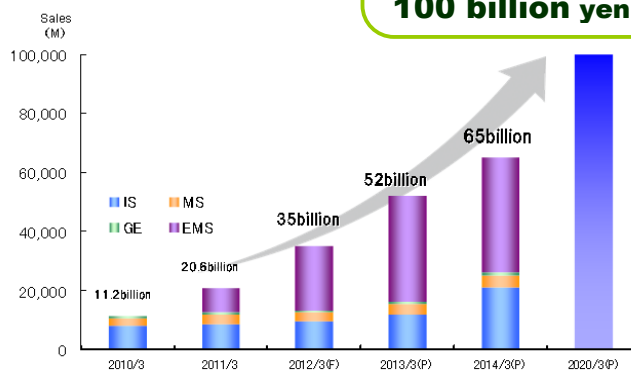
In Vietnam, meanwhile, the Group has also launched contract manufacturing operations. nms Group will precisely read the outsourcing needs of the various Japanese-affiliated manufacturers and expand its business.

(Million yen)

Numerical Targets	FY ended March 2011 (actual)	FY ending March 2012 (forecast)	FY ending March 2013 (target)	FY ending March 2014 (target)
Net sales	20,675	35,000	52,000	65,000
Growth in net sales compared to FY ended March 2011	—	169.3%	251.5%	314.4%
Operating income	602	750	1,000	1,800
Overseas sales as % of total net sales	35.5%	45.5%	46.0%	52.1%

Expand with a goal of 100 billion yen in net sales

Target: Consolidated sales 100 billion yen



Net Sales(m)	YE2010	YE2011	YE2012(F)	YE2013(P)	YE2014(P)
IS incl. China, Vietnam	7,936	8,516	9,400	11,800	20,800
MS	2,526	3,173	3,000	3,500	4,300
GE	762	689	600	700	900
EMS	-	8,297	22,000	36,000	39,000
Total	11,224	20,675	35,000	52,000	65,000

Performance Information

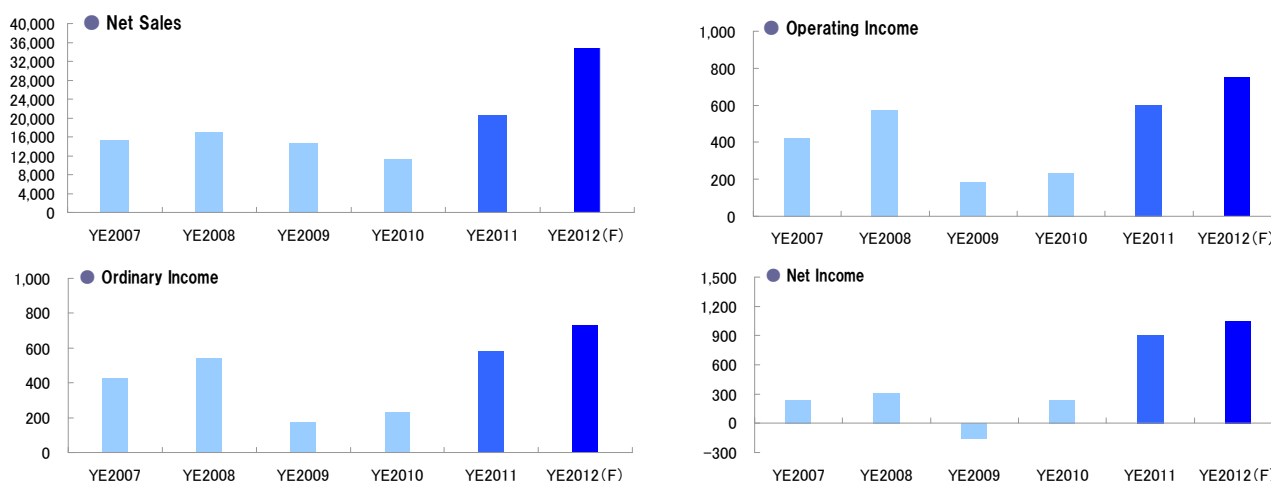
(Million JPY)

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	10,548.52
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 December 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
• Officers	Capital 500,600,000yen President : Fumiaki Ono Executive Managing Director : Hidehisa Fukumoto Executive Director : Norihiko Suehiro

Stock Information (As of December 31, 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	2,122
	• 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.	2,532	2.34
Hidehisa Fukumoto	2,200	2.03
Employee Stock Ownership	2,022	1.87
Osaka Securities Finance Company, Ltd.	1,641	1.51
JAFCO Buyout NO.2 Investment Limited Partnership (Cayman) L.P.	1,610	1.48
Fumiya Yamada	1,350	1.24
Treasury Stock	7,695	7.12

Share price/Market Value

JPY [Closing price, February 14, 2011] / JPY [Consolidated]

42,900 / 4,636 mil
4.07

Forward P/E