

# Financial Results for the First Half Results (Apr. – Sep., 2013)

# Long-term Goals

By the fiscal year ending March 2018

Net sales:	excess of JPY600 billion
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Operating income:	excess of JPY40 billion
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ROE:	excess of 9%
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# Consolidated Balance Sheet

(million yen)

	As of Sep. 30, 2013	As of Sep. 30, 2012	Change	Major factors
<b>Assets</b>				<b>Assets</b>
Current assets	232,084	239,318	-7,234	Cash and cash equivalents +3,538
Noncurrent assets				Notes receivable, trade and accounts receivable, trade -25,300
Property, plant and equipment	170,078	165,552	4,526	Inventories +11,170
Intangible assets	44,625	44,762	-137	Other current assets +3,345
Investment and other assets	117,931	101,767	16,164	Property, plant and equipment +4,526
Total noncurrent assets	332,635	312,081	20,554	Investment securities +14,642
Deffered assets	0	532	-532	<b>Liabilities</b>
Total assets	564,719	551,933	12,786	Notes and accounts payable, trade -6,336
<b>Liabilities</b>				Short-term bank loans +3,985
Current liabilities	181,757	188,406	-6,649	Current portion of corporate bond -11,133
Noncurrent liabilities	125,669	120,903	4,766	Other current liabilities +7,854
Total liabilities	307,427	309,309	-1,882	Accrued severance benefits -2,287
<b>Net assets</b>				Other long-term liabilities +6,235
Shareholders' equity	185,529	188,410	-2,881	<b>Net assets</b>
Accumulated other comprehensive	39,493	20,964	18,529	Retained earnings -2,870
Subscription rights to shares	251	282	-31	Net unrealized gain on available-for-sale securities +9,027
Minority interests	32,018	32,966	-948	Foreign currency translation adjustments +9,673
Total net assets	257,292	242,623	14,669	
<b>Total liabilities and net assets</b>	<b>564,719</b>	<b>551,933</b>	<b>12,786</b>	
Shareholders' equity ratio (Excludes subscription rights to shares and minority interest)	39.8%	37.9%	1.9%	

# The 1<sup>st</sup> half results (Results/Forecast)

(million yen)

	Apr.-Sep. 2013		Change	Major factors	Change
	Results	Forecast			
Net sales	218,929	210,000	8,929	Increase in overseas business on brake segment	+4,807
				Increase in electronics segment sales (Japan Radio and New Japan Radio)	+2,810
				Other segment	+1,312
Operating income	-880	-700	-180	Decrease in electronics segment (Nagano Japan Radio)	-331
				Other segment	+151
Ordinary income	3,528	800	2,728	Decrease in operating income	-180
				Exchange profit	+831
				Equity in earnings of affiliages	+959
				Other non-operating income	+1,118
Net income	-1,560	-7,000	5,440	Decrease in ordinary income	+2,728
				Lower than forecast in extraordinary charge (Japan Radio Co.)	+1,751
				Other extraordinary income and charge	-123
				Income taxes	+1,402
				Minority interests (loss) in net income	-318

# The 1<sup>st</sup> half results (yr/yr)

(million yen)

	Results in Apr.-Sep.		Change	y/y ratio	Major factors	Change
	2013	2012				
Net sales	218,929	208,354	10,575	5.1%	Increase in overseas business on brake segment	+11,007
					Increase in electronics segment sales (Japan Radio and New Japan Radio)	+4,488
					Other segment	-4,920
Operating income	-880	4,197	-5,078	—	Real estate (Large-scale land sales in the previous term)	-5,185
					Other segment	+107
Ordinary income	3,528	4,887	-1,359	-27.8%	Operating income	-5,078
					Exchange profit/loss	+1,259
					Equity in earnings of affiliages	+1,601
					Other non-operating income	+859
Net income	-1,560	369	-1,930	—	Ordinary income	-1,359
					Increase in extraordinary charge (Reforming Japan Radio Co.)	-3,948
					Increase in extraordinary charge (Early redemption of TMD bond)	-1,146
					Other extraordinary income and charge	-89
					Income taxes	+2,943
					Minority interests (loss) in net income	+1,669

# The 1<sup>st</sup> half results by segment (Results/Forecast, yr/yr)

(million yen)

Business segment		Apr. - Sep. 2013		Apr. - Sep. 2012
		Results	Forecast	Results
Textiles	Net sales	25,410	24,600	26,440
	Operating income	309	300	195
Brakes	Net sales	72,307	67,500	61,299
	Operating income	-1,165	-1,000	-1,637
Papers	Net sales	14,803	14,500	14,640
	Operating income	-179	0	210
Precision instruments	Net sales	13,773	13,600	11,710
	Operating income	445	350	-199
Chemicals	Net sales	4,190	4,700	3,928
	Operating income	-20	150	-102
Electronics	Net sales	70,310	67,500	65,821
	Operating income	-2,031	-1,700	-1,296
Real estate	Net sales	4,952	4,300	10,640
	Operating income	3,669	3,100	8,854
Others	Net sales	13,181	13,300	13,872
	Operating income	-24	200	330
Sub-total	Net sales	218,929	210,000	208,354
	Operating income	1,000	1,400	6,356
Corporate/Eliminations	Net sales	0	0	0
	Operating income	-1,880	-2,100	-2,158
Total	Net sales	218,929	210,000	208,354
	Operating income	-880	-700	4,197
	Ordinary income	3,528	800	4,887
	Net income	-1,560	-7,000	369

# Textiles

(million yen)

Textiles		Apr.-Sep. 2013 Results		Apr.-Sep.2013 Forecast		Apr.-Sep.2012 Results		Apr.2013-Mar.2014 Forecast as of Oct 30		Apr.2013-Mar.2014 Forecast as of May 10		Apr.2012-Mar.2013 Results	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Domestic	Nisshinbo Textile	10,639	37	10,100	-80	11,596	-144	22,000	250	22,000	250	22,293	-11
	CHOYA	3,203	-137	3,100	20	3,220	10	6,200	-400	6,100	0	6,394	-83
	Other subsidiaries	9,660	124	10,000	130	11,105	229	19,600	240	20,700	300	21,209	381
	Sub-total	23,502	24	23,200	70	25,921	95	47,800	90	48,800	550	49,896	287
Overseas	Brazil	2,412	267	2,100	220	1,990	10	4,700	400	4,200	400	3,929	284
	Indonesia	5,657	71	5,100	50	5,048	-85	11,500	230	10,600	300	9,500	-175
	China and others	1,415	12	1,400	10	1,185	20	3,200	0	3,000	30	2,334	17
	Sub-total	9,484	350	8,600	280	8,223	-55	19,400	630	17,800	730	15,763	126
Total/Domestic and Overseas		32,986	374	31,800	350	34,144	40	67,200	720	66,600	1,280	65,659	413
Eliminations		-7,576	-65	-7,200	-50	-7,704	155	-15,400	-20	-15,600	-80	-14,886	161
Total		25,410	309	24,600	300	26,440	195	51,800	700	51,000	1,200	50,773	574



CHOYA shop in Osaka



APOLLOCOT

# Automobile Brakes

(million yen)

Automobile brakes	Apr.-Sep. 2013 Results		Apr.-Sep.2013 Forecast		Apr.-Sep.2012 Results		Apr.2013-Mar.2014 Forecast as of Oct 30		Apr.2013-Mar.2014 Forecast as of May 10		Apr.2012-Mar.2013 Results		
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	
Domestic Nisshinbo Brake (NISB)	13,663	686	13,600	900	14,245	1,157	27,500	1,500	27,600	1,900	27,434	1,732	
Overseas	NISB group	17,848	1,997	17,600	1,500	13,777	900	39,500	4,350	35,700	2,700	27,806	2,158
	TMD group	43,288	-948	38,900	-650	35,676	-1,331	88,400	-1,850	78,100	-1,900	67,988	-3,487
	Sub-total	61,136	1,049	56,500	850	49,453	-431	127,900	2,500	113,800	800	95,794	-1,329
Total/Domestic and Overseas	74,799	1,735	70,100	1,750	63,698	726	155,400	4,000	141,400	2,700	123,228	403	
Eliminations	-2,492	-2,899	-2,600	-2,750	-2,399	-2,362	-5,900	-5,900	-5,400	-5,700	-4,379	-4,704	
Total	72,307	-1,165	67,500	-1,000	61,299	-1,637	149,500	-1,900	136,000	-3,000	118,849	-4,301	

Breakdown of operating income of TMD	Apr.-Sep. 2013 Results		Apr.-Sep.2013 Forecast		Apr.-Sep.2012 Results		Apr.2013-Mar.2014 Forecast as of Oct 30		Apr.2013-Mar.2014 Forecast as of May 10		Apr.2012-Mar.2013 Results	
		Operating income		Operating income		Operating income		Operating income		Operating income		Operating income
a) Earning before goodwill amortization		587		800		-118		1,350		1,200		-988
b) Accounting standard adjustment		-1,535		-1,450		-1,213		-3,200		-3,100		-2,499
Sub-total (=TMD operating income)		-948		-650		-1,331		-1,850		-1,900		-3,487
c) Goodwill amortization *		-2,879		-2,800		-2,375		-5,900		-5,700		-4,737
d) Others		-20		50		13		0		0		33
Sub-total (=Eliminations)		-2,899		-2,750		-2,362		-5,900		-5,700		-4,704
Exchange rate (EUR/JPY)		125.79		125		103.76		130		125		103.46

\* Goodwill is amortized over five years (2012-2016).





# Papers

(million yen)

Papers	Apr.-Sep. 2013 Results		Apr.-Sep.2013 Forecast		Apr.-Sep.2012 Results		Apr.2013-Mar.2014 Forecast as of Oct 30		Apr.2013-Mar.2014 Forecast as of May 10		Apr.2012-Mar.2013 Results		
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	
Household papers	9,616	-146	9,400	-100	9,234	-44	20,000	-100	19,600	-40	18,885	92	
Fine papers *	Nisshinbo Paper Products	4,302	151	4,400	190	4,425	291	9,000	250	9,100	420	9,183	648
	Subsidiaries	3,685	-150	3,650	-80	3,978	-35	8,000	-50	8,000	-50	8,130	-30
	Sub-total	7,987	1	8,050	110	8,403	256	17,000	200	17,100	370	17,313	618
Sub-total/Household and fine papers	17,603	-145	17,450	10	17,637	212	37,000	100	36,700	330	36,198	710	
Eliminations	-2,800	-34	-2,950	-10	-2,997	-2	-5,900	0	-5,700	170	-5,674	-1	
Total	14,803	-179	14,500	0	14,640	210	31,100	100	31,000	500	30,524	709	

\* Including processed paper products



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# Precision Instruments

(million yen)

Precision instruments		Apr.-Sep. 2013 Results		Apr.-Sep.2013 Forecast		Apr.-Sep.2012 Results		Apr.2013-Mar.2014 Forecast as of Oct 30		Apr.2013-Mar.2014 Forecast as of May 10		Apr.2012-Mar.2013 Results	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Mechatronics	Nisshibno Mechatronics	4,750	-127	5,000	-120	3,289	-474	11,400	300	10,600	350	8,563	-455
	Subsidiaries	1,756	23	1,850	-30	1,723	-110	3,600	-100	4,300	0	3,480	-335
	Eliminations	-1,296	0	-1,100	0	-825	-1	-1,400	0	-1,300	-100	-1,654	-15
	Sub-total	5,210	-104	5,750	-150	4,187	-585	13,600	200	13,600	250	10,389	-805
Prastic molding	Nisshibno Mechatronics	2,847	131	2,600	80	3,012	101	5,000	50	4,750	40	5,745	150
	Subsidiaries	6,595	458	6,050	400	5,228	281	12,100	750	11,700	700	9,933	539
	Eliminations	-879	-40	-800	20	-717	4	-1,600	0	-1,050	10	-1,547	-31
	Sub-total	8,563	549	7,850	500	7,523	386	15,500	800	15,400	750	14,131	658
Total		13,773	445	13,600	350	11,710	-199	29,100	1,000	29,000	1,000	24,520	-146



Mega solar power plant  
in Tokushima business site

# Chemicals

(million yen)

Chemicals	Apr.-Sep. 2013 Results		Apr.-Sep.2013 Forecast		Apr.-Sep.2012 Results		Apr.2013-Mar.2014 Forecast as of Oct 30		Apr.2013-Mar.2014 Forecast as of May 10		Apr.2012-Mar.2013 Results	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Environmental and energy business *	1,447	-464	1,760	-270	1,280	-467	3,100	-800	4,200	-250	2,629	-761
Urethane etc.	2,617	423	2,880	410	2,634	341	5,500	850	5,900	900	5,443	823
Sub-total	4,064	-41	4,640	140	3,914	-126	8,600	50	10,100	650	8,072	62
Subsidiaries	276	14	270	10	266	22	580	60	580	70	567	60
Eliminations	-150	7	-210	0	-252	2	-180	90	-680	-20	-489	10
<b>Total</b>	<b>4,190</b>	<b>-20</b>	<b>4,700</b>	<b>150</b>	<b>3,928</b>	<b>-102</b>	<b>9,000</b>	<b>200</b>	<b>10,000</b>	<b>700</b>	<b>8,150</b>	<b>132</b>

\* Bipolar plates for fuel cells, functional chemical "Cabodilite" and electric double-layer capacitors



# Electronics

(million yen)

Electronics	Apr.-Sep. 2013 Results		Apr.-Sep.2013 Forecast		Apr.-Sep.2012 Results		Apr.2013-Mar.2014 Forecast as of Oct 30		Apr.2013-Mar.2014 Forecast as of May 10		Apr.2012-Mar.2013 Results	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Japan Radio Co., Ltd.	35,772	-2,296	33,100	-3,500	33,250	-2,590	110,000	4,500	110,000	4,000	109,158	3,919
New Japan Radio Co., Ltd.	20,413	926	20,000	850	18,444	464	42,000	2,500	42,000	2,500	36,417	1,470
Nagano Japan Radio Co., Ltd.	13,109	-1,350	13,500	270	13,485	257	29,500	-1,450	32,000	1,000	28,971	864
Ueda Japan Radio Co., Ltd.	5,631	76	6,000	100	5,026	87	13,500	400	13,500	400	11,861	330
Sub-total	74,925	-2,644	72,600	-2,280	70,205	-1,782	195,000	5,950	197,500	7,900	186,407	6,583
Electronics	-4,615	613	-5,100	580	-4,384	486	-11,000	2,050	-12,500	2,100	-11,100	1,205
Total	70,310	-2,031	67,500	-1,700	65,821	-1,296	184,000	8,000	185,000	10,000	175,307	7,788



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# Real Estate

(million yen)

Real estate	Apr.-Sep. 2013 Results		Apr.-Sep.2013 Forecast		Apr.-Sep.2012 Results		Apr.2013-Mar.2014 Forecast as of Oct 30		Apr.2013-Mar.2014 Forecast as of May 10		Apr.2012-Mar.2013 Results	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Nisshinbo HD	5,695	3,585	5,200	3,050	11,434	8,770	11,730	7,300	11,730	7,000	16,957	12,108
Subsidiaries	738	85	700	50	729	84	1,460	130	1,400	100	1,454	182
Sub-total	6,433	3,670	5,900	3,100	12,163	8,854	13,190	7,430	13,130	7,100	18,411	12,290
Eliminations	-1,481	-1	-1,600	0	-1,523	0	-3,190	-30	-3,130	0	-3,045	-1
Total	4,952	3,669	4,300	3,100	10,640	8,854	10,000	7,400	10,000	7,100	15,366	12,289



Redevelopment area in former Harisaki plant in Okazaki-shi, Aichi



Redevelopment area in former Kawagoe plant in Kawagoe-shi, Saitama



Redevelopment area in former Nishi-Arai plant in Adachi-ku, Tokyo

# Return to Shareholders

## Long-term Dividend policy

Stable annual dividend of JPY15 per share, while also working to increase returns for shareholders in line with efforts to boost earnings.

Fiscal year ending March 2014	
Interim dividend	JPY7.5/share
Year-end dividend (expected)	JPY7.5/share
Annual dividend (expected)	JPY15/share

# Business Forecast by Segment

(million yen)

Business segment		Apr. 2013 – Mar. 2014			Apr. 2012 – Mar. 2013	
		Forecast		2Q Results	Results	2Q Results
		As of Oct. 30	As of May 10			
Textiles	Net sales	51,800	51,000	25,410	50,773	26,440
	Operating income	700	1,200	309	574	195
Brakes	Net sales	149,500	136,000	72,307	118,849	61,299
	Operating income	-1,900	-3,000	-1,165	-4,301	-1,637
Papers	Net sales	31,100	31,000	14,803	30,524	14,640
	Operating income	100	500	-179	709	210
Precision instruments	Net sales	29,100	29,000	13,773	24,520	11,710
	Operating income	1,000	1,000	445	-146	-199
Chemicals	Net sales	9,000	10,000	4,190	8,150	3,928
	Operating income	200	700	-20	132	-102
Electronics	Net sales	184,000	185,000	70,310	175,307	65,821
	Operating income	8,000	10,000	-2,031	7,788	-1,296
Real estate	Net sales	10,000	10,000	4,952	15,366	10,640
	Operating income	7,400	7,100	3,669	12,289	8,854
Others	Net sales	25,500	28,000	13,181	27,201	13,872
	Operating income	400	400	-24	262	330
Sub-total	Net sales	490,000	480,000	218,929	450,693	208,354
	Operating income	15,900	17,900	1,000	17,309	6,356
Corporate/Eliminations	Net sales	0	0	0	0	0
	Operating income	-3,900	-3,900	-1,880	-3,915	-2,158
Total	Net sales	490,000	480,000	218,929	450,693	208,354
	Operating income	12,000	14,000	-880	13,393	4,197
	Ordinary income	17,000	16,000	3,528	17,686	4,887
	Net income	5,000	1,000	-1,560	6,418	369

\* Predicted exchange rate: USD1=JPY95 (same as 1st half) , EUR1=JPY130 (JPY125 in 1st half)

## Explanation of appropriate use of performance forecasts and other special items

This document contains forecasts of performance and other projections based on information currently available and certain assumptions judged by Nisshinbo to be reasonable. Actual performance may materially differ from these projections as a result of changes in the economic environment and other risks and uncertainties.