



About Nissha

Overseas sales ratio of

76%

Nissha operates its businesses globally and provides a range of products and services to customers who represent the world's leading companies.

28 bases worldwide



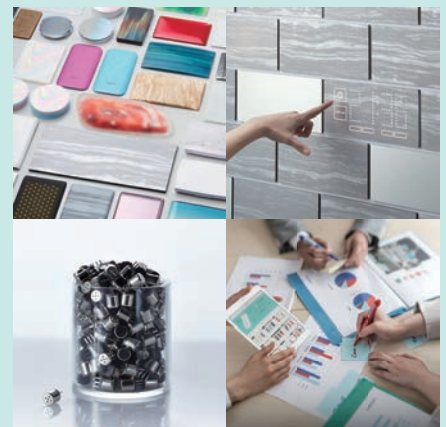
86 years
since founding

Since its founding in Kyoto in 1929, Nissha has developed businesses centered on printing technology and has consistently focused on manufacturing that is unmatched by its rivals.

Developing
4 business areas

Today, Nissha is engaged in the Industrial Materials business, Devices business, Life Innovation business, and Information & Communication business, with printing technology forming the core of its foundation.

→ Nissha's Businesses page 15



Outside Directors' ratio of

43%

Nissha is committed to strengthening corporate governance through a range of measures, including actively employing outside directors.

→ Nissha's Corporate Governance page 29

Net sales target for
Fiscal 2018, ending
March 31, 2018, of

150 Billion Yen

The target sales ratio
from new businesses
and new products is
a minimum of

35%

Nissha has set out a Medium-term Business Plan with restructuring of the business portfolio as its basic strategy and expansion of the Company's business domains as its aim.

→ The Fifth Medium-term Business Plan page 8



A History of Challenges



Establishment of Life Innovation business

2015

2014

Acquisition of gas sensor manufacturer



President and CEO Junya Suzuki

1998

Globalization

Acceleration of the overseas strategy "to become a truly global company" centered on the Industrial Materials business and Input Devices business. The IMD business achieved rapid growth in global markets with its unrivalled proprietary technologies acknowledged by the world's leading companies.



1983

Development of a simultaneous molding and decorative transfer system (IMD)



Birth of the current Industrial Materials business

1967

Nissha Patran, first wood-grain transfer foil made in Japan. Nissha Patran was used as a finishing for electrical appliances in the home, in response to the rapid spread of plastic products.



1949

Delivery of New Japan

Birth of the current Information & Communication business



Founder and first president Naoki Suzuki

1929

Period of Establishment

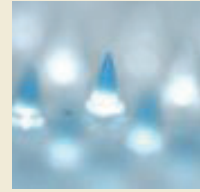
"We pursue fine artistic printing that no one can compete with, as anybody can be a typeset printer." Naoki Suzuki had high aspirations when he founded the Company at his home in Kyoto. The Company later received high praise for its quality, as demonstrated in the magazine New Japan, which introduced postwar Japan to the world and built Nissha's reputation for fine artistic printing.

Acquisition of top global metallized paper manufacturer



2013

Full-scale development of dissolving microneedle patch



2007

Second diversification stage

The Corporate Technology Research and Development Department was established aiming for generating the fourth and fifth new businesses. With the introduction of the term "open innovation," we are striving to advance R&D in the fields of energy, environment, biotechnology, medicine, and healthcare.

2007

Overseas sales ratio surpasses 50%



1990

Development of FineTouch (touch panel). FineTouch was used as a key component in hand-written electronic diaries, and became highly regarded in the field.

Birth of the current Devices business

1970

Participation in precision electronic components business. Nissha entered a new field by combining etching technology with state-of-the-art technology in the electronics industry.



1959

First diversification stage

Shozo Suzuki visited Europe and the U.S. upon realizing there were limits to growth in printing on paper only. He aspired to enter the new field of printing on curved surfaces, and he became the first person in Japan to produce a wood-grain transfer foil.



Second president Shozo Suzuki

The Company recognized that technological research and new product development were Nissha's starting points as a manufacture, so it expanded its business to new fields, current Industrial Materials and Devices.

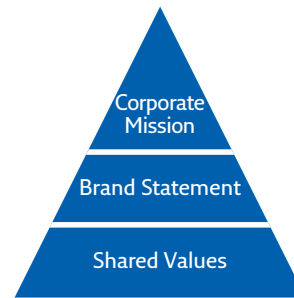
1948

Completion of Japanese dictionary Genrin. The dictionary was acclaimed as a great cultural work completed through cooperation between the publishers and Nissha.



Corporate Philosophy

Nissha has integrated its standards of thought, rules of conduct, and corporate mission—ideals held in high regard—into a Corporate Philosophy that is greatly valued.



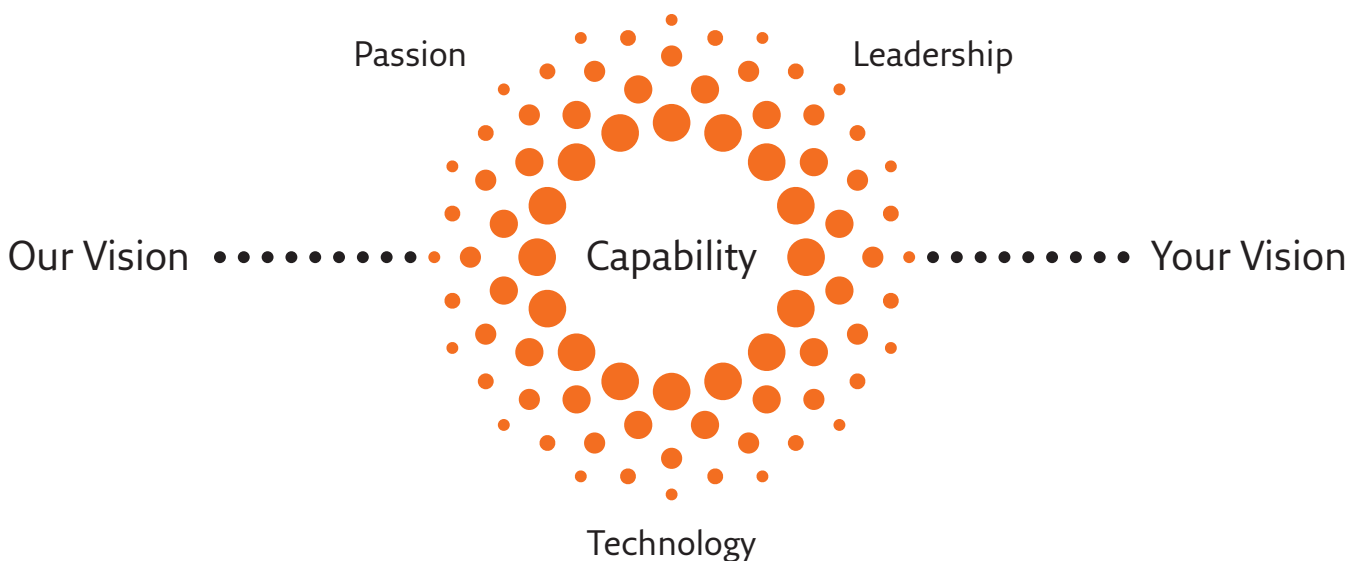
Corporate Mission

We are committed to pursuing a mutually trustful Co-existence with society through our business activities utilizing a unique technology development, based on Printing as a core.

Brand Statement

Empowering Your Vision

“Empowering Your Vision” expresses the relationship of Co-existence between Nissha and our stakeholders. Both we and our customers, shareholders, employees, suppliers, and society have visions, and we mutually affect each other toward realizing it. We maximize our capabilities driven by our technology, passion, and leadership, and with the energy infused in us by our stakeholders, together create value for the future.



Shared Values

Growth Based on Customer Satisfaction

We create new value for our customers and transform it into a driver of growth.

Commitment to Results

We set challenging goals for ourselves and deliver results.

Magnify Leadership

We exhibit leadership and resolve difficulties regardless of division or position.

Diverse Capabilities

We respect diversity that enhances our organizational capabilities and drives growth.

Sustainability Through Integrity

We value individual dignity and conduct fair business as a global corporate citizen.

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Cover photograph

Nissha's new Life Innovation business started in April 2015 along with the launch of the three-year Fifth Medium-term Business Plan. We seek to correct the overemphasis on certain markets (the IT market) in our business with the restructuring of the business portfolio as the basic strategy of the Plan. The Life Innovation business, which handles gas sensors and DDS (drug delivery systems), targets the fields of medicine and healthcare, new markets for the Company. We are continually pushing ahead with product development activities in order to apply our printing technologies to new areas and give Nissha a fresh image that represents a departure from the past.

Message from the CEO

The Fifth Medium-term Business Plan is under way.
We will accelerate the reorganization of our business portfolio for sustainable growth.

Junya Suzuki

President and CEO
 Chairman of the Board



We extend our sincere gratitude to all stakeholders for their continued support.

Now That Our Financial Strength Has Been Substantially Improved, We Are Putting into Action a Reorganization Strategy.

The three-year Fourth Medium-term Business Plan, implemented by the Nissha Group from fiscal 2013 to fiscal 2015, concluded in March 2015. After the global financial crisis (known as the “Lehman shock”) that occurred in the fall of 2008, the Company responded to the dramatic changes in its business environment by making the reorganization of businesses and products the central axis of the corporate strategy in the Fourth Medium-term Business Plan, including measures such as improving financial strength and correcting an overemphasis on the consumer electronics industry where demand fluctuates wildly. Since the 2000s, the Nissha Group has expanded the scale of its business by concentrating management resources in the consumer electronics industry for products such as mobile phones and notebook PCs, against the backdrop of market growth in these fields. However, following the Lehman shock, the market growth rate slowed, competition intensified, and prices for products and services decreased, while abrupt changes in product demand became the norm.

The table on the right shows the initial targets set out in the Fourth Medium-term Business Plan and actual results (FY2015).

Under the Fourth Medium-term Business Plan, net sales rebounded to surpass ¥100 billion, on a par with fiscal 2011 net sales, despite net sales and operating income falling short of initial targets. The operating income ratio, ROE, ROIC and equity ratio were above initial targets.

**The 4th Medium-term Business Plan
 Initial Targets and Results (FY2015)**

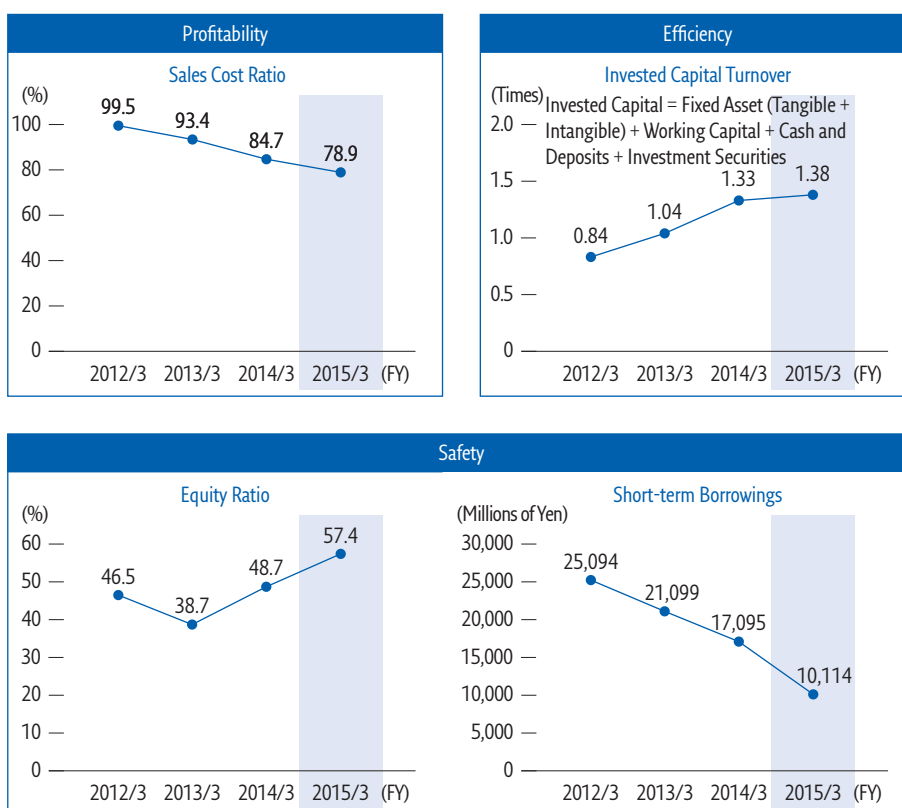
	Initial Targets	Results
Net Sales (Millions of Yen)	130,000	118,775
Operating Income (Millions of Yen)	9,000	8,750
Operating Income Ratio	6.9%	7.4%
ROE	10% or higher	19.1%
ROIC	6% or higher	6.6%
Equity Ratio	50% or higher	57.4%
Sales Ratio of New Businesses and New Products	25% or higher	5%

The Fourth Medium-term Business Plan was distinguished by the market launch of new capacitive-type touch panels introduced by our Devices business, which seized a market opportunity and made remarkable progress. Earnings were slow to recover in the Industrial Materials business and the Information & Communication business, and there were no significant results from launching new businesses. Even though performance at a company-wide level took a turn toward recovery, the composition lacked balance, with operating income for the Company as a whole entirely supported by the Devices business.

In fiscal 2015, the final year of the Fourth Medium-term Business Plan, some concrete results related to reorganization were seen. These include the transfer of the production facility to the partner in the notebook PC segment of the Industrial Materials business, which had fallen into unprofitability, although it was formerly a star driver of our performance; the acquisition of an automotive plastic molding plant in Mexico with a view to expansion in the automotive market; and the inclusion of a new gas sensing business in the Company. However, their contributions to results are limited at this point. This is illustrated by the sales ratio from new business/product development, which aimed at a target of 25% or higher, but ended up at 5%.

Meanwhile, the rebuilding of our financial structure under the Fourth Medium-term Business Plan progressed according to plan, reflecting an increase in results in the Devices business supported by robust demand, in addition to a tailwind from ongoing yen depreciation. The equity ratio, which indicates financial safety, surpassed the target of 50%. ROE (return on equity) and ROIC (return on invested capital) were above the targets, since the sales cost ratio, invested capital turnover, etc., were set as KPIs (key performance indicators). Accordingly, profitability and capital efficiency improved steadily.

Reforming of Financial Structure



Now that we have a financial foundation in place for the next stage of growth, we intend to shift our reorganization strategy into high gear under the Fifth Medium-term Business Plan* (from FY2016 to FY2018), which began in April 2015, and build a well-balanced business portfolio to realize sustained growth.

The targets of reorganization are wide-ranging, extending from businesses, target markets, and target areas, to technologies and products, but the most crucial of these

FY2015 Net Sales and Operating Income by Business Segment

(Millions of Yen)

	Net Sales	Operating Income
Industrial Materials	29,460	-235
Devices	70,266	13,594
Information & Communication	17,890	-657
Others	1,158	-284
Reconciliations		-3,666
Total	118,775	8,750

are strong awareness-raising and a capacity for action at both the business organization and individual levels. We are committed to the continued growth of the Company along with the growth of each and every employee, including the directors who guide its management and the corporate officers who undertake reform of the business.

* Please see page 8 for information regarding the Fifth Medium-term Business Plan.

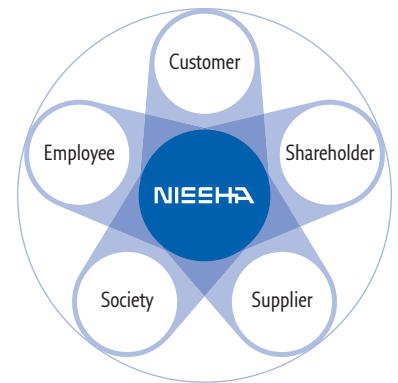


To Be a Company That Society Views as Necessary

Our business activities must create social value as well as economic growth for our own Company. This is truly what it means to realize the Co-existence that is stated in Nissha's corporate mission, and this is the social responsibility (CSR) we must fulfill as a corporation. Achievement of these aims depends on communication and cooperation with customers, as well as shareholders, employees, suppliers, and society.

The Co-existence stated in Nissha's corporate mission is expressed in our new brand statement "Empowering Your Vision." Nissha has its own clear vision, as does each of its stakeholders, and we have an effect on each other in the course of realizing those visions. While we act to realize the vision of each stakeholder, we also receive various kinds of input from society in order to make our own vision a reality. This is what Co-existence represents for us.

Nissha's Circle of Trust



Corporate Mission

We are committed to pursuing a mutually trustful Co-existence with society through our business activities utilizing a unique technology development, based on Printing as a core.

Brand Statement

Empowering Your Vision

The Fifth Medium-term Business Plan

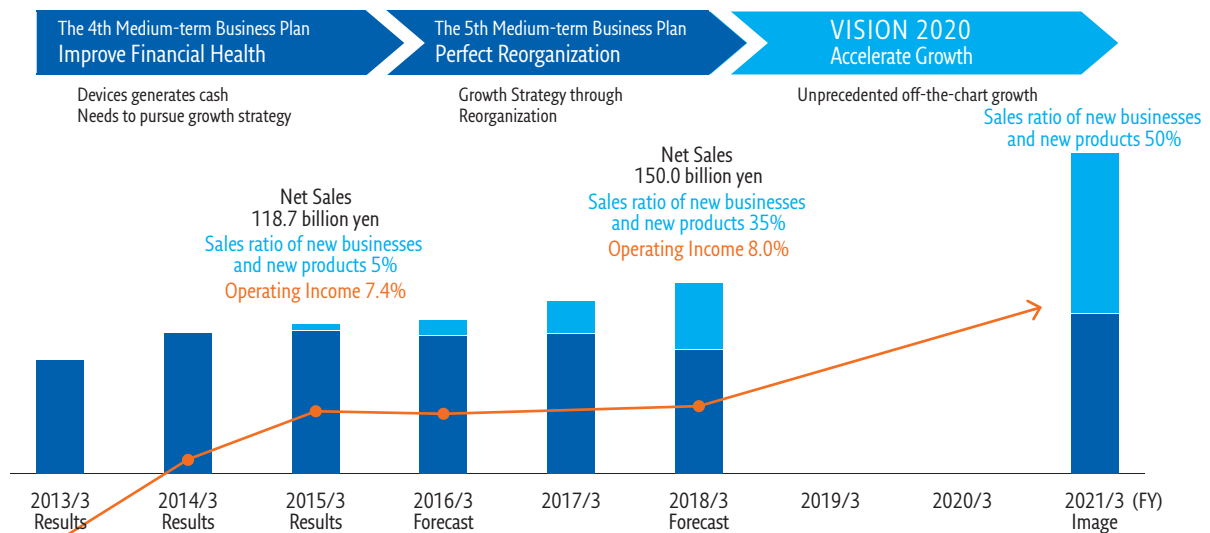
Over the next three years, we will press forward with development of new products and cultivation of new markets and establish a business base for the next leap forward.

The Nissha Group launched its Fifth Medium-term Business Plan on April 1, 2015, covering the three-year period from the fiscal year ending March 31, 2016 to the fiscal year ending March 31, 2018.

Nissha has to date created new businesses such as Industrial Materials and Devices by developing its printing technology. Since the 2000s, in particular, we have expanded the scale of our business along with the continued global growth of the consumer electronics industry. However, growth in these markets is showing signs of slowing. In order for the Company to grow sustainably in the future, it is necessary not only to dig deeper into existing businesses and products, but to accelerate new product development and cultivate new markets where global growth is anticipated. Having recognized these issues, we made “reorganization of our business portfolio” the basic strategy of the Fifth Medium-term Business Plan. We have also set as a target a sales ratio of at least 35% from new businesses and products. We intend to build a solid business base with a view to the next stage of growth in the coming three years.



Our Vision through the 5th Medium-term Business Plan



The medium-term vision and numerical targets of the Fifth Medium-term Business Plan are as follows:

Medium-term Vision

We will acquire and merge new core technologies into printing technologies and completely reorganize our business portfolio in global growth markets.

Numerical Targets (Fiscal year ending March 2018)

Consolidated sales: ¥150 billion

Consolidated operating income: ¥12 billion

ROE: 10 % or higher

ROIC: 8% or higher

At least 35% of sales ratio from new business/product development

Five Strategies to Achieve Reorganization of the Business Portfolio

The Nissha Group will implement the following five strategies in order to realize the medium-term vision of the Fifth Medium-term Business Plan.

1. Reorganize Product and Market Portfolios

The driving force of Nissha's business is currently the consumer electronics market, which has the attraction, on the one hand, of being a large market, but is characterized by a short product life cycle and sales prices that are prone to decline. The market growth rate is slowing, and it is believed to have entered the maturity stage. For that reason, we want to correct this overdependence on consumer electronics by expanding into new markets where growth is expected on a global basis.

Specifically, we seek expansion into markets that are expected to see stable growth into the future, such as the automobile, home appliance, and industrial equipment fields, along with the healthcare and medical markets.

2. Withdraw from Unprofitable Fields

We must launch new businesses and products as quickly as possible when putting "reorganization" into practice. But at the same time, it is important to make disciplined decisions to reduce or withdraw from businesses and products that are believed unlikely to generate cash. We will carefully examine the external environment surrounding businesses and products and allocate substantial management resources to fields with potential for greater growth.

3. Promote Vertical Integration in Supply Chains

In business expansion, it is also important to pay attention to the upstream and downstream domains of the Company's products. Whereas horizontal divisions of labor in the supply chain have taken hold in the consumer electronics market, they have not yet progressed completely in the fields of automobiles, home appliances, healthcare, and medical, which we have set as key markets. Some customers require a supply of module products rather than single parts. Nissha is considering entry into new growth markets by building a supply chain adapted to the particular features of target markets.

The Business Integration Strategies Office was established as a new body in April 2015 in order to accelerate these initiatives company-wide. Its job is to promote vertical integration of the supply chain under a system in which the corporate officers in charge exercise leadership on their own.

4. Introduce New Core Technologies

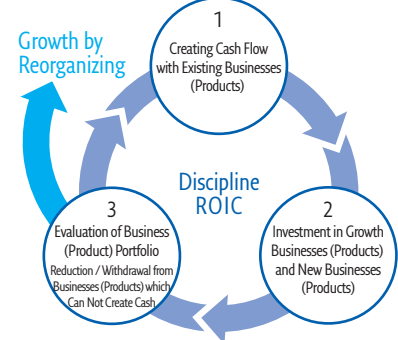
When developing new products, it is crucial to acquire new core technologies equal to the advanced printing technologies built up at Nissha and integrate these to create a unique technological base unrivalled by other companies. There surely exist technologies, even among ones that at first glance seem to have no relation to printing technology, that will bring to mind some connection with our printing technologies in the future.

5. Growth Using M&As

M&As are one effective way to swiftly implement measures aimed at the next stage of growth, such as acquiring sales channels in new markets, acquiring new core technologies, and promoting vertical integration. Under the Fifth Medium-term Business Plan, we will curtail capital expenditures in existing businesses to a certain level, while setting a budget of ¥35 billion for M&As over three years.

Assuming we carry out M&As in the amount of ¥35 billion, we expect to add ¥20 billion to ¥150 billion in consolidated net sales for the fiscal year ending March 31, 2018, not including M&As, bringing the forecast for consolidated net sales to ¥170 billion. As for operating income, we anticipate it to be at the same level as if M&As were not carried out due to an expected increase in amortization of goodwill.

Circle of Discipline to Achieve the Growth



Nissha's M&A Policy

- Matching Nissha's Corporate Philosophy and Shared Value
- Acquire Sales Channels for Growing Market
- Improve Products Line-ups
- Introduce New Core Technologies
- Economy of Scale (No.1 or No.2 Market Share)
- Brand Equity
- Acquire Talents to Carry out the Reorganization Strategy

Results and Forecast of Capex and M&A

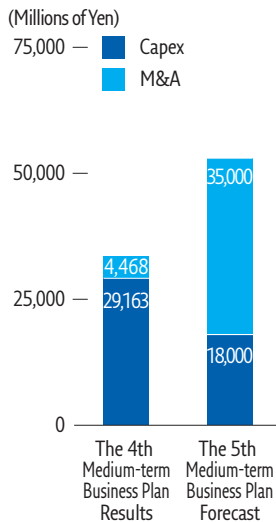
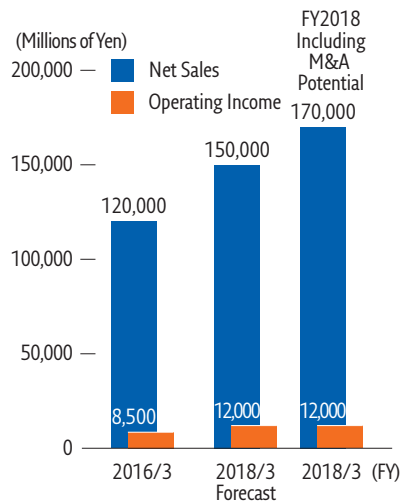


Image of Net Sales and Operating Income Including M&A Potential



Allocation of Management Resources Being Conscious of ROE and ROIC

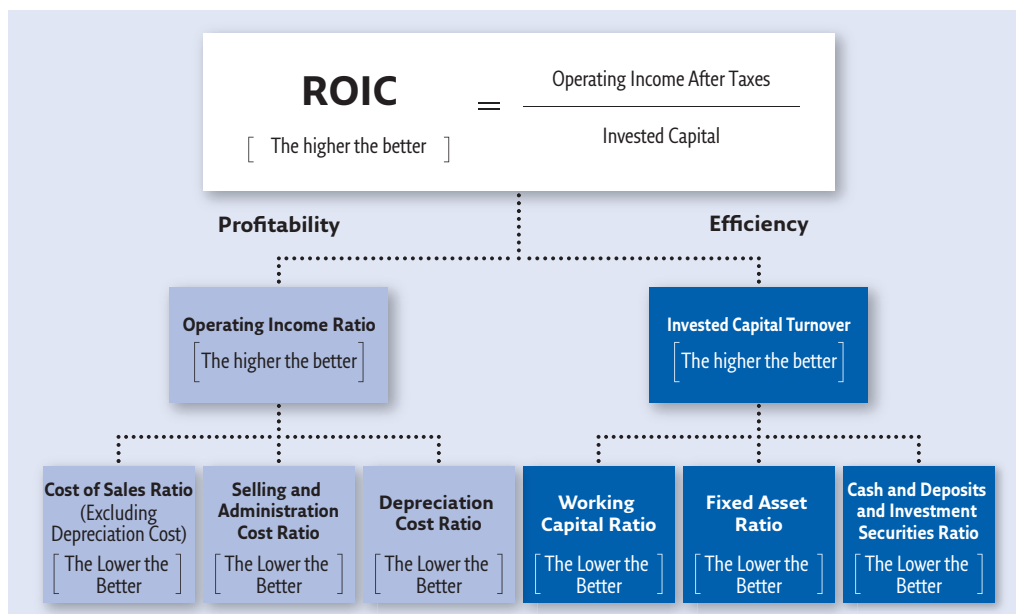
Nissha employs ROE (return on equity) and ROIC (return on invested capital) as management administration indicators to measure the results of the medium-term business plan.

ROE can be broken down into profitability, efficiency, and financial strategy (financial leverage). We emphasize a balance of capital efficiency and security in terms of financial strategy. Specifically, having set 50% as the equity ratio level we should have, our basic policy is to use reasonable leverage within the range that allows us to maintain an equity ratio at this level.

We also consider ROIC to be effective for understanding the profitability and efficiency of business activities. By breaking down ROIC into the “ROIC tree” in the diagram below, it is possible to trace our business from the point of view of profitability and efficiency. Profitability is broken down into operating income ratio at the top, followed by the cost of sales ratio, selling and administration cost ratio, and depreciation cost ratio. Efficiency is broken down into invested capital turnover at the top, followed by working capital ratio, and fixed asset ratio. It is therefore possible to use these indicators as KPIs that show the results of business activities. Breaking these KPIs down even further, initiatives that ultimately contribute to improvement of ROIC can be built in even at the level of organizational or individual targets.

ROIC Tree

We get a clear picture of which elements need to be improved and to what extent by understanding how the elements composing the ROIC tree are trending. We increase ROIC by setting specific numerical targets that we must meet in order to win, based on comparisons of Nissha’s figures with those of competitors.



Under the Fifth Medium-term Business Plan, allocation of management resources to each business is planned based on the concept of ROIC, taking into account the profitability and efficiency as well as potential for future growth of each business. The Industrial Materials business saw results bottom out before the last fiscal year (ended March 31, 2015). This segment is again at the stage where it will drive company growth, mainly in the automobile and home appliance fields, so the plan is to increase invested assets with a view to growth. A round of major capital expenditures was completed over the past three years in the Devices business. The focus will be on how to maximize earnings while making use of the facilities we have now.

We plan to grow net sales in the newly established Life Innovation business mainly in our developed products such as gas sensors and the dissolving microneedle patch. We will also increase invested assets.

We are speeding up the recovery of business profit in the Information & Communication business through structural transformation by separating the Information & Communication business segment and setting up a separate company under the Nissha Group.

Resource Management of the 5th Medium-term Business Plan

Shareholders Perspective				
ROE 10% or higher				
ROIC 8% or higher		Financial strategy		
Profitability	Efficiency			
<ul style="list-style-type: none"> • Balance Capital Efficiency and Financial Sustainability • Use Financial Leverage While Maintaining 50% of Equity Ratio 				
Business Perspective		* Trend from 4th to 5th Medium-term Business Plan		
	Stage	Net Sales	Profit	Invested Asset
Industrial Materials	Drive growth	Increase ↗	Increase ↗	Increase ↗
Devices	Maximize profit	Flat →	Slightly Increase →	Decrease ↘
Life Innovation	Launch stage	Increase ↗	Go to black	Increase ↗
Information & Communication	Restructuring	Flat →	Return to black	Decrease ↘

An Example of the Fifth Medium-term Business Plan in Action: The Acquisition of a Top Global Manufacturer in the Metallized Paper Industry

In August 2015, Nissha acquired AR Metallizing (ARM), the global top manufacturer in the metallized paper industry, headquartered in Belgium. ARM provides metallized paper with superior cosmetic appearance, functionality, and printing friendliness to approximately 300 printing companies and converters in 80 countries. These products are widely used in the labels and packaging of a variety of products, including beverages, food, and consumer products. Through this acquisition, the Company's Industrial Materials business will incorporate metallized paper into its product portfolio in domains related to printing and will capture new markets for beverages, food, and consumer products.

By this acquisition, we can expect synergies from geographical expansion and growth of target markets. In addition, we intend to accelerate development of new products and generation of new value in the medium to long term by integrating the technologies behind ARM's metallizing paper and Nissha's printing.

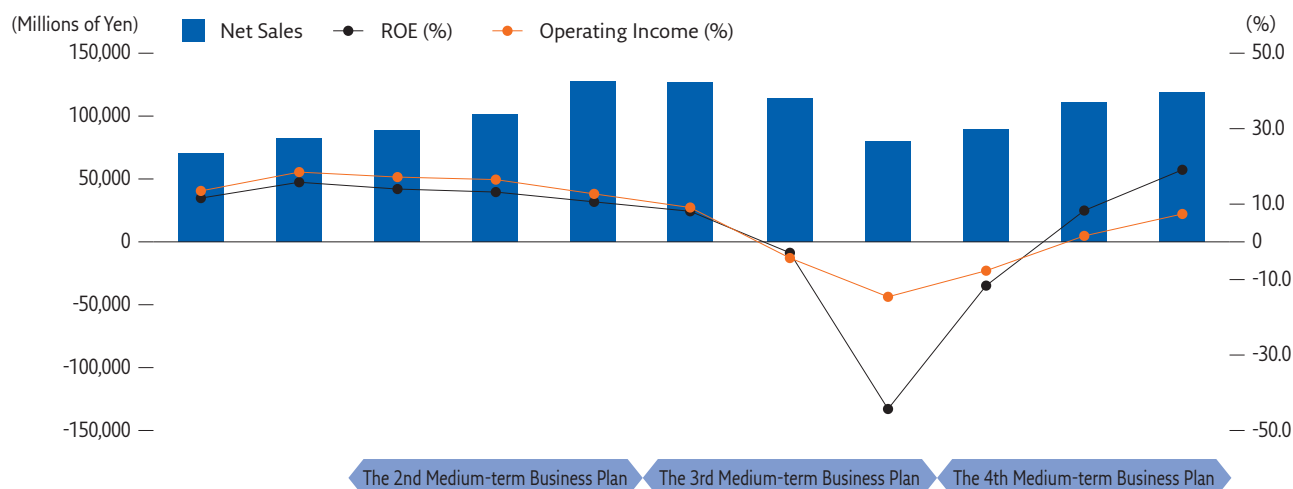
We will spur on reorganization of our business portfolio by promoting concrete initiatives like this one, in line with the strategies of the Fifth Medium-term Business Plan.



Junya Suzuki
President and CEO
Chairman of the Board

Developments in Medium-term Business Plan

Eleven-Year Financial Summary



	(Millions of Yen)										
(FY)	2005/3	2006/3	2007/3	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3
FOR THE YEAR:											
Net Sales	70,093	82,446	88,735	101,649	127,767	126,965	114,054	80,160	89,427	110,922	118,775
Sales in Japan	43,108	44,832	45,831	46,775	47,691	39,994	37,159	33,060	37,992	29,956	28,889
Sales outside Japan	26,984	37,613	42,904	54,874	80,075	86,972	76,895	47,100	51,435	80,966	89,885
Cost of Sales	51,918	58,493	63,202	72,828	97,223	101,600	104,864	79,759	83,508	93,898	93,713
Selling, General and Administrative Expenses	8,740	8,809	10,243	12,051	14,240	14,107	14,136	12,117	12,702	15,089	16,311
Operating Income	9,433	15,143	15,289	16,770	16,302	11,257	-4,946	-11,716	-6,783	1,935	8,750
Ordinary Income	9,989	15,942	16,313	15,580	15,494	12,061	-5,396	-11,320	-4,643	5,182	12,494
Income Before Income Taxes	9,925	15,536	17,142	17,530	15,542	11,840	-3,788	-22,243	-5,010	5,151	10,761
Income Taxes	4,249	6,556	7,638	7,254	6,853	4,911	-1,312	6,440	427	1,185	-482
Net Income	5,669	8,979	9,503	10,274	8,689	6,934	-2,464	-28,684	-5,438	3,967	11,245
Cash Flows from Operating Activities	8,158	11,628	7,589	11,647	17,043	18,601	-722	3,541	13,864	14,413	21,590
Cash Flows from Investing Activities	-529	-14,505	-8,884	207	-20,099	-12,841	-6,672	-4,277	-7,206	-16,149	-4,141
Cash Flows from Financing Activities	-6,589	-703	-806	-1,617	4,697	-3,471	-378	3,076	-4,677	-4,634	-11,063
Capital Expenditures	3,329	6,378	14,991	12,817	24,165	15,071	11,020	6,724	13,669	12,287	3,207
Depreciation	2,514	2,596	3,197	4,812	7,892	9,133	10,338	8,599	9,530	11,219	9,687
R&D expenses	386	441	740	1,015	1,365	2,601	2,477	2,543	2,699	2,351	2,334
AT YEAR-END:											
Net Assets	51,827	61,855	73,757	82,245	82,266	88,700	80,396	48,986	44,491	51,676	66,313
Total Assets	92,209	107,895	126,762	142,357	148,787	153,077	142,942	105,250	114,964	106,140	115,430
Cash and Deposits	18,557	15,362	13,489	22,938	22,761	25,473	17,107	19,490	23,692	20,272	29,484
Interest Bearing Liability	11,085	12,087	13,032	13,283	19,454	18,078	24,278	28,336	23,668	19,209	10,393
Stock Price (Yen)	1,715	4,430	3,120	4,890	3,130	3,650	1,795	1,083	1,663	1,359	2,195
Number of Employees (Number)	2,106	2,271	2,534	3,126	3,631	3,728	4,121	3,396	3,409	3,383	3,596
FINANCIAL INDICATORS											
Operating Income Ratio (%)	13.5	18.4	17.2	16.5	12.8	8.9	-4.3	-14.6	-7.6	1.7	7.4
ROA (Return on Assets) (%)	10.8	15.9	13.9	11.6	10.6	8.0	-3.6	-9.1	-4.2	4.7	11.3
ROE (Return on Equity) (%)	11.6	15.8	14.0	13.2	10.6	8.1	-2.9	-44.3	-11.6	8.3	19.1
ROIC (Return on Invested Capital) (%)	8.5	12.3	10.8	10.5	9.5	6.4	-4.4	-12.2	-7.9	1.5	6.6
Equity Ratio (%)	56.2	57.3	58.2	57.8	55.3	57.9	56.2	46.5	38.7	48.7	57.4
Debt Equity Ratio (%)	77.7	74.4	71.9	73.1	80.9	72.6	77.8	114.9	158.4	105.4	74.1
Current Ratio (%)	222.3	217.2	197.9	184.9	152.8	135.3	134.3	103.5	97.0	107.3	148.8
Fixed Ratio(%)	84.3	79.3	84.5	84.6	90.8	91.4	94.7	116.8	125.2	112.4	83.6
PER SHARE:											
Net Income per Share (Yen)	132.69	205.41	219.74	237.60	200.97	160.38	-57.25	-668.40	-126.72	92.46	262.05
Net Assets per Share (Yen)	1,195.65	1,428.00	1,705.46	1,901.87	1,902.12	2,051.09	1,873.34	1,141.45	1,036.74	1,204.17	1,545.30
Annual Cash Dividends (Yen)	24.00	34.00	40.00	45.00	45.00	45.00	45.00	0.00	0.00	5.00	20.00

Message from the CFO

Securing growth capital is the crux of our financial strategy in the Fifth Medium-term Business Plan. We aim to become a company with stable and high profitability by reorganizing our business portfolio.

Operating Results for Fiscal 2015

In fiscal 2015, ended March 31, 2015, Nissha saw substantial improvement on the profit front, with net sales amounting to ¥118,775 million (up 7.1% from the previous fiscal year), operating income of ¥8,750 million (an increase of 352.2%), ordinary income of ¥12,494 million (a rise of 141.1%), and record-high net income of ¥11,245 million (an increase of 183.4%). As a result, ROE rose 10.8 percentage points year on year to 19.1%. The reasons for the improvement in earnings were continued robust demand for capacitive-type touch panels in the Devices business and a significant improvement in production efficiency at the Himeji and Kaga factories. The effect of the weak yen also gave a major boost to ordinary income and net income.

Considering these results, we paid a year-end dividend of ¥15 per share for fiscal 2015, up ¥10 from the interim dividend of ¥5 per share.

Looking at actual results for fiscal 2015 by each of the three business segments, the Devices business performed favorably, while the Industrial Materials business and Information & Communication business remained in the red. However, the Industrial Materials business moved into the black in the second half of the fiscal year thanks to the contribution of structural reforms we worked on in fiscal 2014, and the segment appears to have bottomed out. Meanwhile, the Information & Communication business was split off into a separate company in July 2015, and we are working towards a speedy recovery in earnings under clearly defined empowerment and accountability.

The Company continues its aim of eliminating unprofitable businesses.

Financial Strategy of Fifth Medium-term Business Plan

The Company seeks to complete the reorganization of its business and product portfolio under its Fifth Medium-term Business Plan (from FY2016 to FY2018), which started in April 2015. However, in order to do so, we believe it is vitally important financially to secure growth capital (such as M&A and R&D funds).

Under the previous Fourth Medium-term Business Plan (from FY2013 to FY2015), improvement of financial strength was set as a target on the financial front. This target was set because the Company needs a strong financial foundation built on a high level of equity and ample cash in order to secure the growth capital needed to recover from the deteriorated financial position caused by three years of successive losses (from FY2011 to FY2013) and to improve the highly volatile and unstable business structure.

At Nissha, the key financial indicators used to gauge financial health are the equity ratio, the debt-to-equity ratio, and the current ratio.

We have made progress in reducing liabilities in order to improve these financial indicators. In fiscal 2015, we repaid ¥7,000 million in bank loans, and were able to reduce bank loans to approximately ¥10,000 million from a high of approximately ¥25,000 million in fiscal 2012. As a result, the equity ratio improved considerably, rising 8.7 percentage points year on year to 57.4%. We were thus able to achieve most of our current targets on the financial front, and the key issue for our financial strategy going forward will be how to secure growth capital while maintaining this level of financial health.



Hayato Nishihara

Director, Member of the Board
Senior Executive Vice President
Chief Financial Officer

Financial Management Going Forward

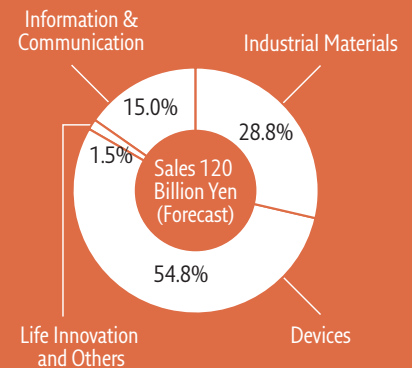
In Japan, the Stewardship Code was introduced in 2014, and the Corporate Governance Code in 2015. In the future, awareness of capital efficiency will be demanded more and more in financial management. At Nissha, we are committed to pursuing both safety (equity ratios, etc.) and efficiency (ROE, etc.).

We will maximize profit and use the resulting cash flow as growth capital for reorganization of the business and product portfolio, with the aim of becoming a company with stable and high profitability. This will increase EPS (earnings per share) and BPS (book value per share), and in turn improve shareholder value. In addition, we intend to repay shareholders for their support by distributing stable dividends on a continual basis.

Nissha's Businesses

Nissha is engaged in four businesses: Industrial Materials, Devices, Life Innovation, and Information & Communication.

Sales Breakdown by Business Areas for FY2016 (Forecast)



Industrial Materials

In the Industrial Materials segment, a mainstay product is IMD, a technology that facilitates simultaneous molding and printing to decorate three-dimensional plastic surfaces. IMD is used for a wide variety of products that include automobiles (for interiors), home appliances, and mobile phones. We have also developed proprietary technologies for adding design and function to not only plastic, but also materials such as metal and glass, on their surface.



Devices

Nissha has some of the world's leading technologies in the field of small to medium-sized touch panels. Its touch panels are used in various products including tablet devices, smartphones, and portable game consoles. We are also developing new products such as force sensors that detect the force of pressure.



Life Innovation

Life Innovation is a new business that aims to contribute to safe, secure, and healthy lifestyles. Currently, we provide gas sensors in this segment for the detection of gaseous bodies such as gas and exhaled air. We are also developing dissolving microneedle patch products with the aim of deploying a new DDS (drug delivery systems) business that covers pharmaceuticals and cosmetics.



Information & Communication

In the Information & Communication segment, Nissha is engaged in commercial printing to support businesses and organizations in their information distribution and communication; the production of various publications; and digital archiving to pass on cultural assets to future generations. Nissha works with customers as a partner to resolve various issues related to communication.



Industrial Materials



We are accelerating the establishment of a new business domain to rival the decorative field.

Trend for 4th to 5th Medium-term Business Plan

Stage	Net Sales	Profit	Invested Asset
Drive growth	Increase	Increase	Increase

Our Industrial Materials business features unique decorative technologies for adding design and function to plastic, metal, glass and other surfaces. We are working to expand our business domain through ongoing technological development in line with market trends. IMD (in-mold decoration) is a technology that enables simultaneous molding and printing to decorate plastic surfaces. It has earned high praise from customers around the world for its applicability to a spectrum of products, including automotive interior components, home appliances, smartphones, and notebook PCs.

This business segment achieved rapid growth in the early 2000s, fueled by tremendous demand in the consumer electronics field for products such as mobile phones and notebook PCs. But ever since the Lehman Shock, trends such as drastic fluctuations in product demand and low prices becoming the norm have taken hold in this field. In addition, with the transformation of mobile phones to smartphones with touch panels and the increasing presence displayed by tablet devices newly arising in the notebook PC field, a difficult operating environment continued for the Industrial Materials business segment where decorating cover parts had been a mainstay.

In response to these changes in the operating environment, reform efforts to generate stable earnings were implemented under the previous Fourth Medium-term Business Plan (the fiscal year ended March 31, 2013 to the fiscal year ended March 31, 2015). Specifically, the segment has achieved a healthier cost structure through production system revisions and continuous improvement in productivity. With a redirected emphasis on markets with stable growth potential, particularly the automobile and home appliance sectors, the segment has also developed a value chain that can provide products matched to respective market needs.

A trend has emerged among companies in the automobile and home appliance sectors—the new target markets for Industrial Materials—indicating supply chain formation in each geographical region. In response, Industrial Materials is working to develop products that meet the needs in the respective markets and put these products on the market in a timely fashion. At the same time, the segment is shifting toward a business model based on local production and consumption rather than exports, by implementing measures such as the acquisition of an automotive parts molding manufacturer in Mexico. In addition, an aggressive push is on to find partners outside the Nissha Group to facilitate operations overseas, given that single-handedly setting up a sales network and factory in each location would certainly erode competitiveness from the perspective of speed as well as cost. Recent steps to develop the business foundations for future growth include the acquisition of a printing company in the U.S. and the establishment of sales bases in Southeast Asia.



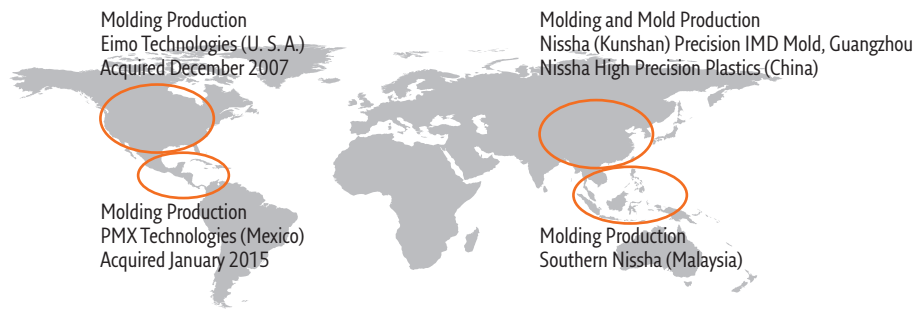
Kiyohiko Kato
Senior Executive Vice President
General Manager of Industrial Materials
Business Unit



PMX Technologies, S.A. de C.V., Acquired in January 2015

We aim to capture a significant share of the molding business and establish a local production and consumption supply chain in the automotive market in Mexico.

Building Foundation for the Business Model Based on Local Production and Consumption in Automotive and Home Appliance Fields

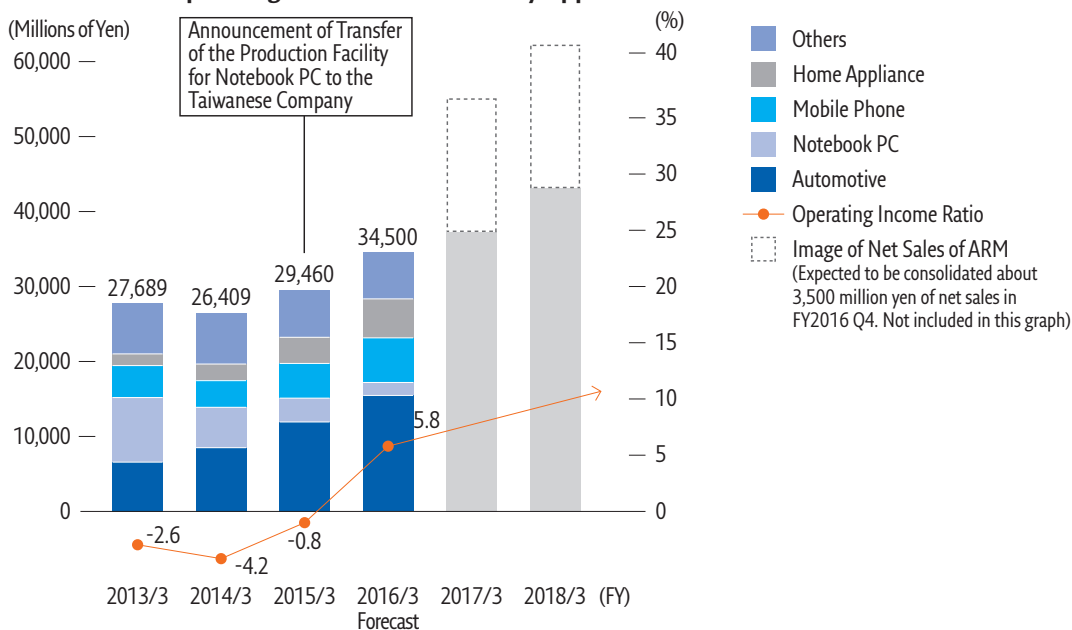


Under the Fifth Medium-term Business Plan launched in April 2015, Nissha aims to further accelerate these efforts and enhance decorative module solutions that provide modules including the decorative function that is the strength of the Industrial Materials business as well as additional functions. An example of such solutions is touch panel car modules that combine decorative parts for automotive interiors with touch panels that are provided by our Devices business segment. We will continue expanding our lineup of decorative products going forward in focus markets and in response to the needs of customers.

In addition to the existing decorative field, we will focus on the upstream domain of printing and decoration including printing materials, printing bases materials, and hardware to provide more general-purpose products and services as an aim for sustainable growth. One effective means of advancing into new fields is M&As. Nissha acquired a top global manufacturer in the metallized paper industry in August 2015. Through this acquisition, we incorporated metallized paper that is a field ancillary to Nissha's printing business in our product portfolio and expanded applications in new fields including beverages, food, and consumer products in global markets. By establishing an organization to promote new businesses in the business unit and acquiring necessary strategic assets such as products, technologies, and sales channels through M&As, we plan to build this field as a pillar for our business on the same level as the decorative field.

Through selection and concentration in the decorative field and expansion into new business domains, we will create scenarios for certain business growth during the period of the Fifth Medium-term Business Plan (the fiscal year ending March 31, 2016 to the fiscal year ending March 31, 2018).

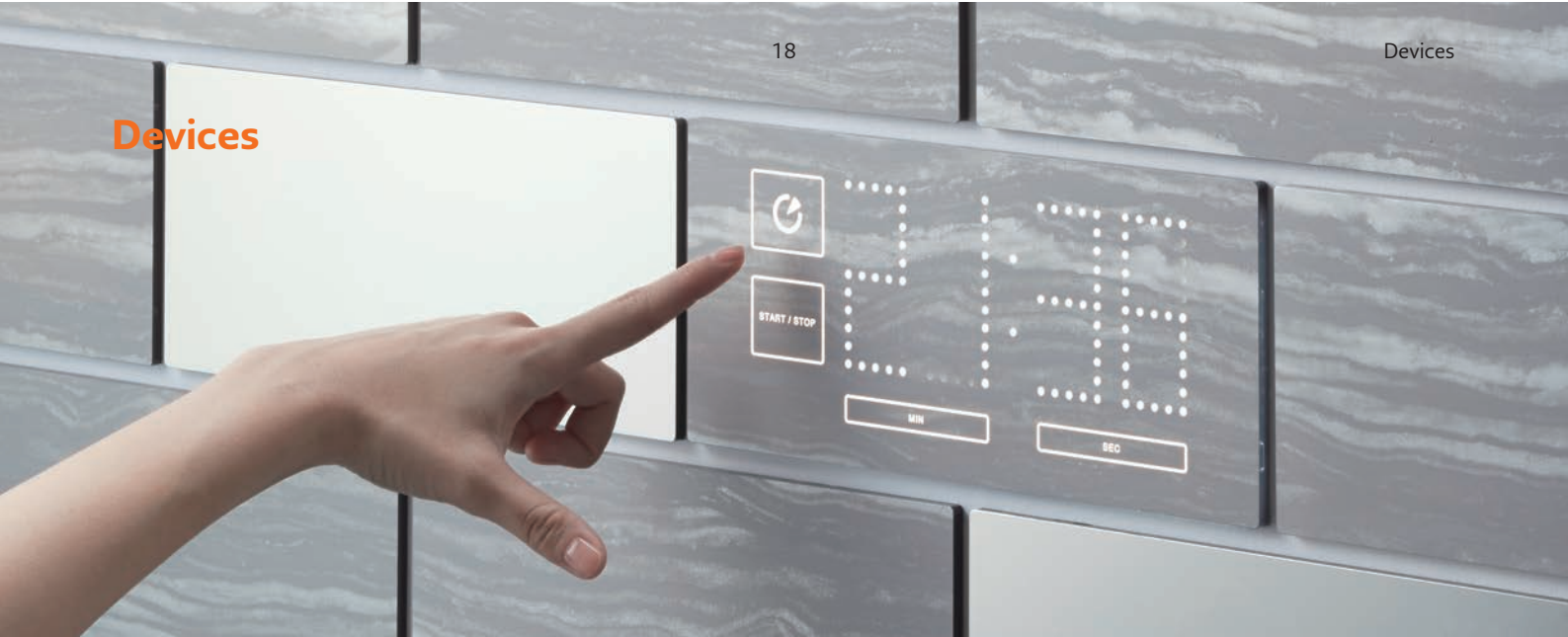
Net Sales and Operating Income Ratio Trend by Application



The Market Environment and Our Position

- Prospect for reducing scale of business for notebook PCs due in part to the contraction in the market for end products and low prices becoming the norm
- Expansion trend for automotive and consumer electronics applications underpinned by stable market growth for end products and the trends of weight reductions for automobiles and a design focus for household appliances
- Nissha's share of the automotive IMD market is approximately 30% (global base, Nissha's estimates)

Devices



We will develop unique products in anticipation of market needs.

Trend for 4th to 5th Medium-term Business Plan

Stage	Net Sales	Profit	Invested Asset
Maximize profit	Flat →	Slightly Increase →	Decrease ↓

The mainstay product in the Devices segment is FineTouch, a touch panel built around precision and functionality. These products are used in a wide variety of applications in the global market, including tablet devices, smartphones, and portable game consoles.

In the 1980s, Nissha applied its accumulated expertise in printing technology to develop a transparent, conductive film-based touch panel. This was followed by the launch of resistive-type touch panels in the 1990s and capacitive-type touch panels in the 2000s. The ongoing development of state-of-the-art touch panels has fueled the segment's growth.

In the electronic components industry, where technology quickly becomes obsolete, the ability to execute product and technology changeovers matched to different sets of market conditions is vital. In recent years, touch panel makers focusing on glass-based touch panels have acquired greater market share by drawing on the superior features of glass, namely, good optical characteristics and a slim border or narrow frame (fine line). Nissha, which had focused on film-based touch panels, introduced capacitive-type touch panels using a new process (a photolithography process) in the market in 2012 and established a competitive position over glass touch panels. This photolithography process utilizes the photoengraving technology that Nissha has accumulated and maintains the thin, lightweight and virtually breakproof qualities of film while achieving optical characteristics and narrow frames (fine lines) that rival glass touch panels. Production bases at the Himeji Factory in Hyogo Prefecture and the Kaga Factory in Ishikawa Prefecture have the world's highest production capacity and quality control capabilities. Accordingly, Devices has seen strong growth performance, fueled by robust demand.

On the other hand, one of the current issues for the business is the concentration of products and target markets in certain areas. In terms of products, capacitive-type touch panels using the photolithography process account for the majority of sales. In terms of target markets, there is too much reliance on the consumer electronics market in which demand for products is highly volatile and product life cycles are short.

For this reason, under the Fifth Medium-term Business Plan launched in April 2015 (the fiscal year ending March 31, 2016 to the fiscal year ending March 31, 2018), we plan to not only strengthen the sales promotion activities for capacitive-type touch panels using the photolithography process, but also to introduce unique touch panels



Daisuke Inoue

Executive Vice President
General Manager of Devices Business Unit

in the market by adding functions with added value such as force sensors (sensors that detect pressure) by advancing with the diversification of materials handled and processing methods. Furthermore, we will provide solutions in line with the needs of customers by going above and beyond touch panels to broadly cover input and output sensing. We have begun developing wireless sensor network-related products in anticipation of the expansion of the IoT (Internet of Things) market in the future. We will establish and propose integrated systems that combine energy harvesting technology, wireless communication technology, and various sensors including those for the detection of human motion, vibration, and gas.

We plan to expand target markets beyond the consumer electronics market to also include markets such as automobiles, industrial equipment, healthcare, and housing equipment. When moving into new markets, it is essential to both secure appropriate sales channels based on the characteristics of the target market and establish a value chain that is strategic on the global level through such means as the provision of products as modules.

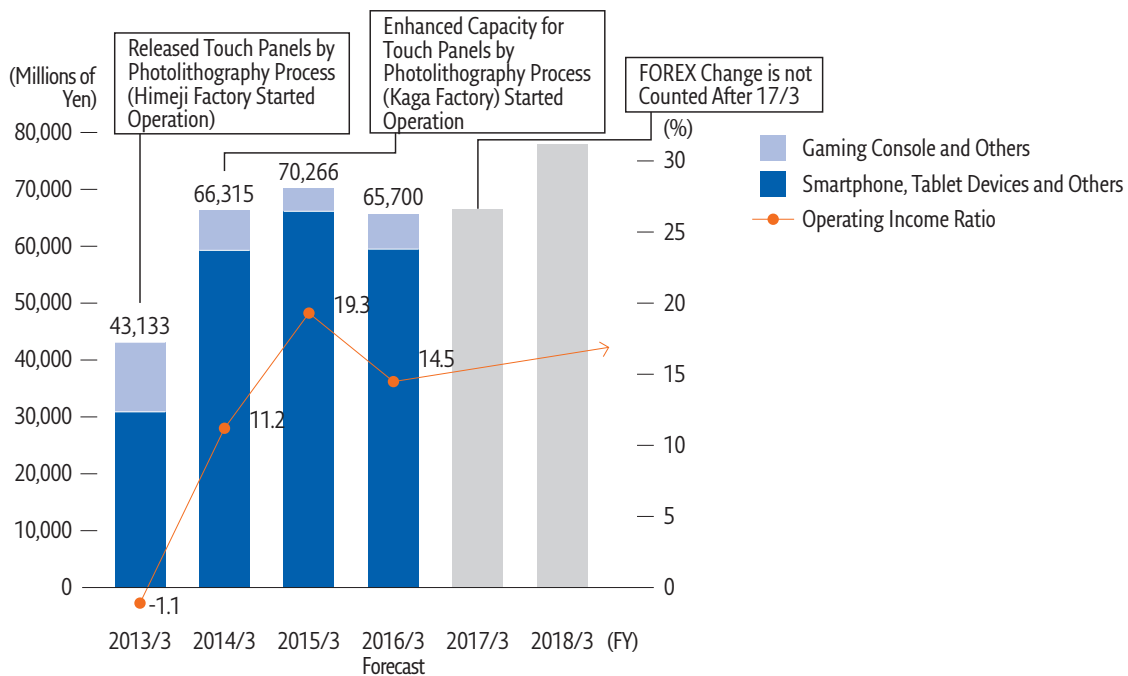
We aim to achieve sustainable growth while being sensitive to constantly changing market needs, expanding business through highly unique products, and the effective use of sales channels to a variety of markets.



Force sensors

Force sensors that detect the force of pressure are next-generation touch sensors with the potential for a wide range of applications. It is expected they will be used in a variety of industries.

Net Sales and Operating Income Ratio Trend by Application



The Market Environment and Our Position

- The market for touch panels for smartphones and tablets is becoming mature in developed countries and expanding mainly in developing countries
- Nissha's share of the market for touch panels for tablets is approximately 25% (global base, Nissha's estimates)

Life Innovation



We aim to launch new products for growth markets such as medical and healthcare.

Trend for 4th to 5th Medium-term Business Plan

Stage	Net Sales	Profit	Invested Asset
Launch stage	Increase	Go to black	Increase

The Life Innovation Business Unit is new, launched in the fiscal year ending March 31, 2016. It aims to contribute to healthy and enriched lifestyles of people around the world through innovation. Its mission is to promptly launch new products by developing them for growth markets such as medical and healthcare. We will be engaged in business activities over the near term in the gas sensor business, which has already been commercialized, and new DDSs* that are currently in the product development stage. *DDS is the abbreviation for drug delivery system. It refers to dosage forms of medication that include injections, pills, ointments, and adhesive patches. We are focusing on microneedle patch products as a new form of DDS.

Our gas sensor business, led by FIS Inc., which joined the Nissha Group in June 2014, produces gas sensors, module products embedded with gas sensors, and finished products. The functionality of gas sensors and applied equipment has improved in recent years, and it is being used for an increasingly wide range of applications. Gas sensors have until recently been used in safety equipment such as gas alarms, home appliances including air purifiers, breath alcohol checkers to prevent drunk driving, and healthcare products such as halitosis analyzers.

In addition to these applications, a hydrogen detector for hydrogen leaks was adopted during the fiscal year ended March 31, 2015, for fuel cell vehicles that use hydrogen fuel. Our hydrogen detector excels in hydrogen detection speed and durability. Growth can be expected for this product together with the future growth of a hydrogen-based society.

The advanced technologies that have been developed by FIS serve as the foundation for our gas sensor business. Under the Fifth Medium-term Business Plan (from fiscal 2016 to 2018), we plan to reinforce development facilities and work to acquire new technologies in order to maintain our technical superiority. Furthermore, our basic strategy is aimed at strengthening our product lineup and sales capabilities and increasing the sales ratio of module products and finished products with higher added value than gas sensors (standalone products), so that we can expand the scale of our business and improve profitability.

In the DDS business, we aim to realize an early market launch for dissolving microneedle patch products. A microneedle patch is a sheet-like patch formed of fine



Keiji Kishi

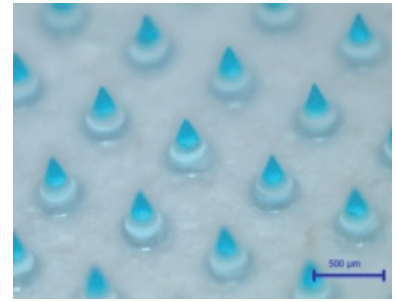
Senior Vice President
General Manager of Life Innovation
Business Unit

Main Application of Gas Sensor

Alarms	Gas Alarms, etc.
Home Appliance	Air Purifiers, Air Conditioners, Refrigerator, etc.
Healthcare	Breath Alcohol Checkers, Breath Odor Checkers, etc.
Environmental and Medical	Halitosis Analyzers, Sensor Gas Chromatograph, etc.
Fuel Cell	Fuel Cell Vehicle, etc.

needles, which are composed of ingredients that dissolve in vivo, such as hyaluronic acid and chondroitin sulfate. We have achieved these fine needle shapes by utilizing our core technologies, die machining technology and forming technology. With our microneedle patches, which hardly cause any pain when applied to skin, high efficiency can be expected because the ingredient can be directly replenished in the epidermis. Development is under way for products that may be used to deliver pharmaceutical preparations such as vaccines and skin care products formulated to penetrate into the skin.

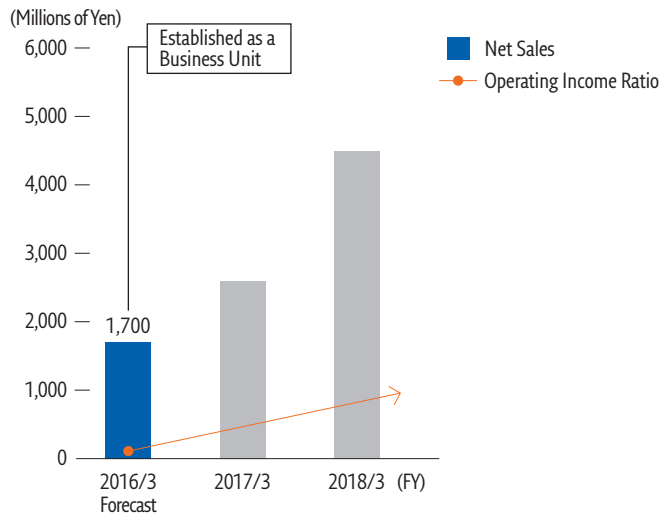
By launching microneedle patch products, we aim to advance into new fields including pharmaceuticals and cosmetics that we have not been involved with yet. It is essential to make efforts from a medium- to long-term perspective to achieve significant results in areas such as pharmaceuticals and cosmetics with high barriers to entry. The issues at hand are establishing production technologies and developing systems capable of conducting high levels of quality control required by industry.



Dissolving microneedle patch

The dissolving microneedle patch is being developed to achieve a new form of DDS (drug delivery system: a system for controlling the distribution of drugs within the body).

Net Sales and Operating Income Ratio Trend



The Market Environment and Our Position

- Nissha's share of the gas sensor market for air purifiers and breath alcohol checkers is approximately 70%, respectively (global base, Nissha's estimates)
- Fuel cells and POCT (point of care testing) are future growth markets for gas sensors
- Full-fledged diffusion to fuel-cell-related markets is expected starting from 2020

Information & Communication



We aim to improve value for customers through optimal communication design.

Trend for 4th to 5th Medium-term Business Plan

Stage	Net Sales	Profit	Invested Asset
Restructuring	Flat →	Return to black	Decrease ↓

Information & Communication offers various solutions, including commercial printing, which combine a diverse range of products and services to support businesses and organizations in their information distribution and communication strategies; production of various publications; and digital archiving to pass on cultural assets to future generations.

High-quality fine art printing was the starting point for the Information & Communication segment. Nissha's founder decided that the Company's road to success lay in high-quality fine art printing not being offered by any other company at the time. This focus led to amazing brand power. "Nissha" became synonymous with "high quality fine art printing." But in recent years, printing has become increasingly digitized, and the quality of publications alone is not enough to differentiate one company from another. So, Nissha took on the task of shifting to a different business model, one that would support customers' communication strategies, particularly advertising and sales promotion activities. The Company began offering high-quality production for commercial printing and sales promotion purposes and became involved in new media, such as web-based solutions.

Information & Communication targets the domestic market, but demand for traditional printed media, such as commercial printing and publishing, has been shrinking in Japan, mainly because of reduced corporate advertising budgets and the embrace of the Internet. Consequently, competition for orders continues to be extremely fierce and profitability has continued to decline as a result.

As represented by the birth of social media, the communication environment is constantly undergoing changes, and the means of communication are becoming more and more diversified. Against this backdrop, it is vital we understand the real issues that customers face, accurately identify particular features of media, and combine the best communication methods.

In this operating environment, under the Fifth Medium-term Business Plan launched in April 2015 (the fiscal year ending March 31, 2016) and running to the fiscal year ending March 31, 2018, we will manage profitability by project unit even more thoroughly than up until now and aim to further expand our solutions-based business that solves problems in the communication activities of client companies.



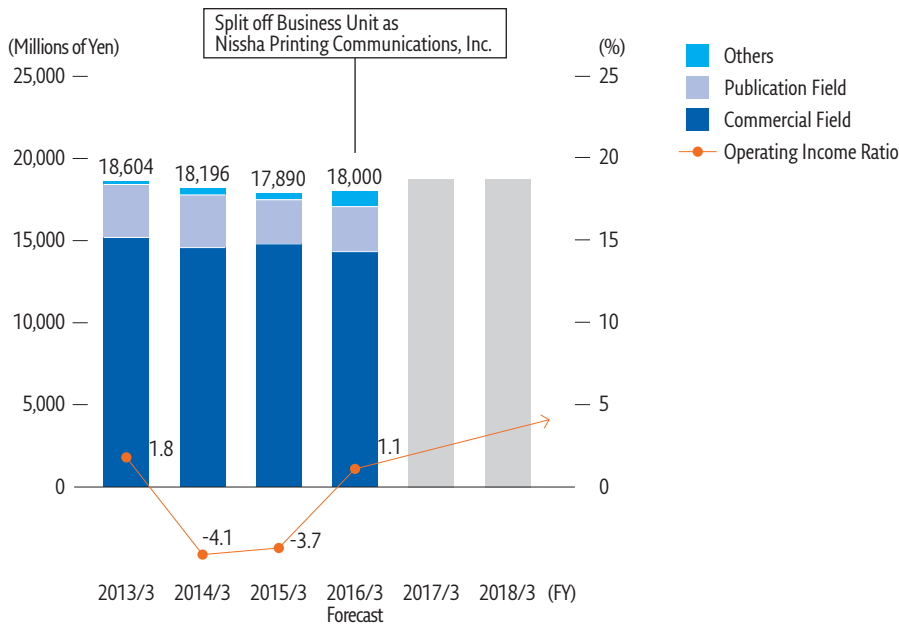
Kensuke Narita

Representative Director
Nissha Printing Communications, Inc.

To date, Nissha has developed products and services, such as promotion planning utilizing social media and platforms for communication using AR (augmented reality) technology and for e-commerce, as well as applications for iOS and Android. Going forward, Information & Communication will create structures for providing more upstream support for customer communication strategies through active partnerships with market consulting companies and research companies. We aim to improve value for customers by providing services ranging from strategic planning to promotion execution as a one-stop service.

In addition, the Information & Communication business segment was spun off to Nissha Printing Communications, Inc. on July 1, 2015. The purpose was to enable the execution of a flexible and bold strategy in response to the constantly changing market environment. We would like to achieve sustainable growth by carrying on the spirit from our foundation of providing products and services not offered by other companies and deploying business that promptly responds to changes in the environment.

Net Sales and Operating Income Ratio Trend by Application



The Market Environment and Our Position

- Contraction of the printing market in Japan
- Presence of opportunities for growth in the communication design and information processing markets due to factors including the birth of new forms of information media

Nissha's Technology

Nissha's corporate philosophy states that, "We are committed to pursuing a mutually trustful Co-existence with society through our business activities utilizing a unique technology development, based on Printing as a core." In accordance with this philosophy, we are a technology-oriented manufacturer with the mission of providing valuable products and services to society with our unique technologies.

Expansion of Business Domain through the Application of Printing Technology

It is said that when our founder, Naoki Suzuki, started his printing business, he had a belief stating, "We pursue high quality photographic printing no others can compete with, as anybody can be just a type-set printer." This attitude of pursuing differentiation from competitors through unique technologies continues on today as the core spirit of Nissha.

Printing technology is said to be a processing technology that creates various forms of added value by attaching something to something else. Such combinations are believed to be infinite, and this is an indication of the limitless possibilities of printing. The Company's second president, Shozo Suzuki, pursued the possibilities of printing technologies based on the principle of "printing on everything other than water and air." This served as the driving force that expanded our business domain.

General printing had originally been a basic area consisting of putting ink on paper. Our founder was able to move forward with high-quality printing, which he pursued in a way that no others could match. Nissha established a reputation for being strong in high-quality fine art printing. As the 1960s began, we expanded our technologies to printing on materials other than paper, and moved into the field of "special printing." We focused on printing on curved surfaces. We leveraged the gravure platemaking and rotogravure printing technologies we had fostered up until that time for the successful development of Nissha Pataran, the first wood-grain transfer foil in Japan. The wood-grain transfer foil was commonly adopted for plastic exteriors of home appliances such as televisions and air conditioning units due in part to the start of the rapid spread of plastic products in tandem with the development of the petrochemical industry. The Nissha Pataran subsequently evolved into IMD (in-mold decoration, a technology that facilitates simultaneous molding and printing to decorate three-dimensional plastic surfaces), which would become the flagship product in the current Industrial Materials business. It became widely adopted in products such as mobile phones and automotive interior components in global markets through various design expressions and the addition of functional value such as optical characteristics and abrasion resistance.



Nissha Pataran

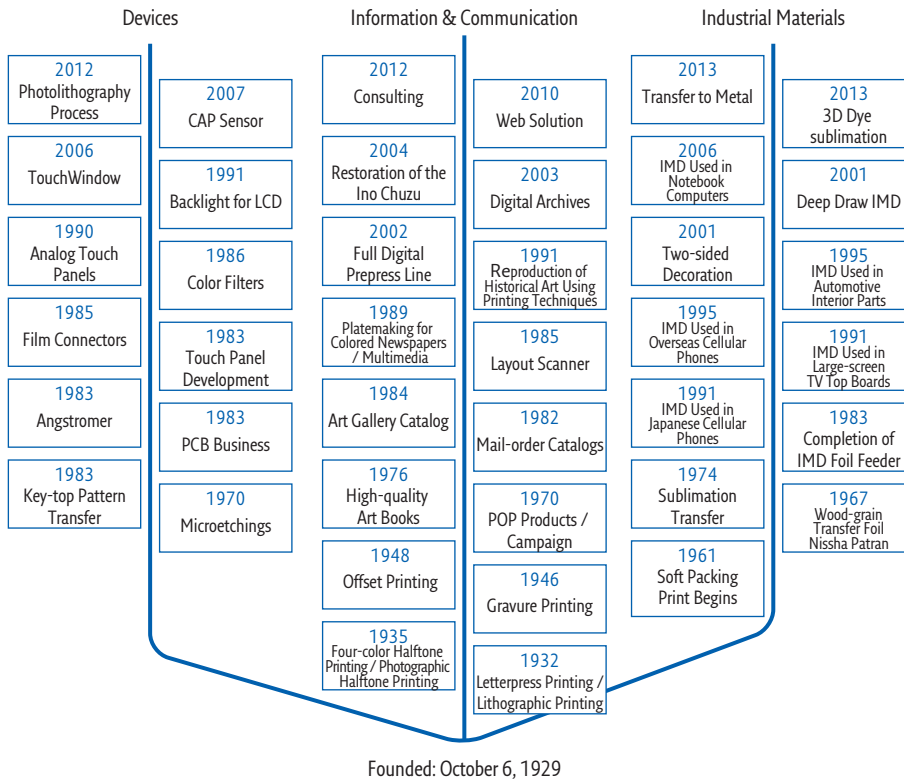
The 1970s saw full-scale efforts to produce electronic components that were functional products created through forming electrical circuits on various materials. We developed a series of products based on high-quality patterning technology such as print board, lead frames, key-top transcriptional machinery, high polymer thin film printing machine (angstromer), as well as transparent touch switches that served as the predecessors of touch panels that are flagship products in the current Devices business. In the 2000s, we have focused management resources on the touch panel segment, which is expected to experience future market growth. We have also been successful in developing markets such as mobile gaming consoles, smartphones, and tablet devices in response to growing needs for equipping personal devices with touch panels.



Touch Panel Development

Through these approaches, we have expanded our business domain through the evolution of our printing technology, the creation of high-value-added products, and the expansion of our target market. Our unique products are supported by advanced production technologies and quality control, which are key components that form our strengths.

History of Nissha's Technology



Aiming to Be a True Technology-oriented Company

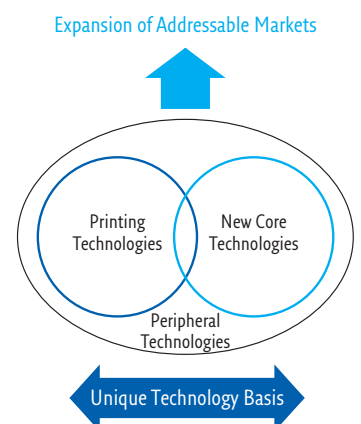
But in order for us to achieve sustainable growth in the future, it is necessary not only to cultivate our forte of printing technology, but also to identify the technologies required in future society and promote speedy technological development in line with market changes.

Our technological development structure consists of the technology development department in each business unit responsible for development to meet the needs of customers over the medium term and the Corporate Technology Research and Development Department that focuses on development from a more long-term perspective. (Please note that the Life Innovation business segment, which was started in April 2015, covers new products developed by the Corporate Technology Research and Development Department when the prospect of commercialization of those new products is realized. This business segment was established for the purpose of promptly launching such products.) The Corporate Technology Research and Development Department serves a wide variety of roles required for business development, including envisioning new products in response to market needs, processing design for development, and formulation of the supply chain. We approach development without being constrained by the principle of self-sufficiency. Instead, we promote open innovation through collaboration with the technologies of other companies and the research results of universities and other institutions in order to improve the speed of development.

Growth through the Acquisition of New Core Technologies

Under the Fifth Medium-term Business Plan that was started in April 2015, Nissha set forth the acquisition of new core technologies as a key strategy to achieve our fundamental strategy of reorganizing our business portfolio. We aim to create completely new value and products that are new to the world by incorporating new core technologies, in addition to fostering printing technologies we have been cultivating. When selecting core technologies that should be acquired, we focus on whether the technology is unique, whether it has a variety of applications, and the market potential that can be created with that technology. We also consider whether we can expect

Introduce New Core Technologies (Image)



synergies with our printing technology in the future. For the acquisition of new core technologies, we consider in-house development as well as the active utilization of external capabilities such as open innovation and M&As.

Systems and Initiatives for Creating and Passing down Technologies

The creation and passing down of technologies cannot be achieved overnight. So we have launched various initiatives aimed at promoting technological development.

Nissha Fellow System

We established the Nissha Fellow System in 2009. Employees who possess outstanding specialist skills or knowledge as technicians and have made significant achievements in technological development at Nissha are eligible to be appointed as fellows. Fellows lead research on themes selected by Nissha. We have to date appointed one fellow in the field of IMD in the Industrial Materials business.

Technology Education and Training

The Nissha Academy has been established as an in-house institute for fortifying advanced and specialized human resources. The MOT School was newly established in July 2014 as part of this program. This is a program mainly for young engineers who will lead the next generation for learning the skills for linking technology-based ideas to concrete business results.

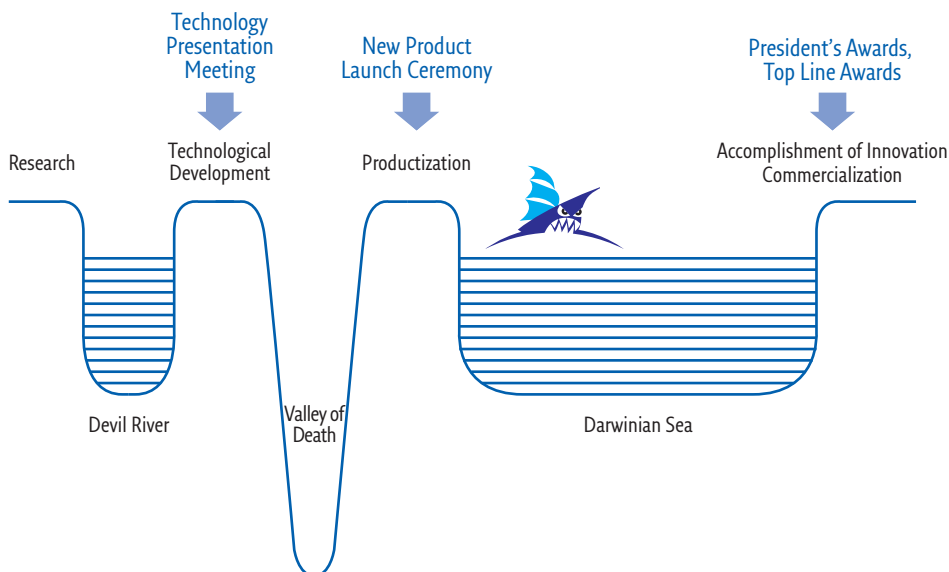
Technology Presentation Meetings and New Product Launch

We have established awarding systems that include the President's Awards and Top-Line Awards in recognition of employees who contribute to business results. We also hold in-house events including Technology Presentation Meetings and New Product Launch Ceremonies in order to motivate employees in the technological development phase. Technology Presentation Meetings are a forum for announcing the results of development that focuses on the uniqueness and innovativeness of the technology, regardless of business results. The New Product Inauguration Ceremonies are a forum for everyone involved to gather upon the launch of new products for which sales will be commenced in the market. The idea is to express a collective wish for the success of the new products.

New Product Launch Ceremony Logo



The logo is based on the image of a ship sailing purposefully through rough waves in Darwinian Sea (which symbolizes the market).



Directors, Audit & Supervisory Board Members and Corporate Officers

Kenji Kojima
Outside Board Member

Takao Hashimoto
Director, Member of the Board

Yoshiharu Tsuji
Director, Member of the Board

Hayato Nishihara
Director, Member of the Board

Sawako Nohara
Outside Board Member

Junya Suzuki
President and CEO,
Chairman of the Board

Tamio Kubota
Outside Board Member



Directors, Member of the Board

Junya Suzuki, MA

President and CEO,
Chairman of the Board

Takao Hashimoto

Director, Member of the Board

Hayato Nishihara

Director, Member of the Board

Yoshiharu Tsuji

Director, Member of the Board

Tamio Kubota, MBA

Outside Board Member

Kenji Kojima, MBA

Outside Board Member

Sawako Nohara

Outside Board Member

Audit & Supervisory Board Members

Hitoshi Konishi

Audit & Supervisory Board Member

Yasuro Nonaka

Audit & Supervisory Board Member

Shigeaki Momo-o

Outside Audit & Supervisory Board Member

Yusuke Nakano

Outside Audit & Supervisory Board Member

Corporate Officers

Takao Hashimoto

Senior Executive Vice President
Chief Technology Officer

Kiyohiko Kato

Senior Executive Vice President
General Manager of Industrial Materials Business Unit

Hayato Nishihara

Senior Executive Vice President
Chief Financial Officer
Senior Director of Human Resources,
General Affairs and Legal Affairs

Takuji Shibata

Executive Vice President
Chief Production Officer

Hisayuki Ito

Executive Vice President
Senior Director of Business Integration Strategies

Daisuke Inoue, MBA

Executive Vice President
General Manager of Devices Business Unit

Hidenori Yamaguchi, Ph.D.

Senior Vice President
Chief Quality Officer

Yoshitami Aoyama

Senior Vice President
Chief Information Officer
Senior Director of Corporate Supply Chain Management

Keiji Kishi

Senior Vice President
Senior Director of Corporate Technology Research and
Development
General Manager of Life Innovation Business Unit

Ryomei Omote

Senior Vice President
Senior Director of Devices Business Unit,
Development and Engineering

Masayuki Mitamura

Vice President
Senior Director of Industrial Materials Business Unit,
Customer Relationship Management

Nobuo Kubo

Vice President
Senior Director of Industrial Materials Business Unit,
Product & Business Development

Bart Devos, Ph.D., MBA

Vice President
Chief Executive Officer, AR Metallizing N.V.

Hisashi Iso

Vice President
Senior Director of Devices Business Unit,
Customer Relationship Management

Yutaka Nishimoto

Vice President
Senior Director of Devices Business Unit, Production
Representative Director, Nitec Precision and Technologies, Inc.

Atsushi Sugihara, MBA

Vice President
Senior Director of Industrial Materials Business Unit,
Business Strategy Planning and Business Promotion

Wataru Watanabe, MBA

Vice President
Senior Director of Global Business Strategy Planning
Senior Director of Investor Relations
Director of Corporate Strategy Planning
Director of Secretary's Office

Nissha's Corporate Governance

By strengthening corporate governance, we strive to ensure transparency, fairness, and efficiency in our business activities, with the aim of raising our corporate value on a continuous basis.

We at Nissha believe that fulfilling our responsibilities to society and building relationships of trust with our stakeholders contribute to raising our corporate value on a continuous basis. This idea is reflected in our corporate mission, which states: "We are committed to pursuing a mutually trustful Co-existence with society through our business activities utilizing a unique technology development, based on Printing as a core."

Recognizing this, we regard the enhancement of corporate governance as a crucial management priority and have worked to maintain and improve a structure to ensure transparency and fairness in our business activities. We are also working on the establishment of a structure that enables swift decision-making in accordance with changes in the business environment. Another effort is enhancing internal controls to improve management oversight functions and ensure the legality, appropriateness, and efficiency of business execution.

Strengthening Corporate Governance

*As of date of Ordinary General Meeting of Shareholders

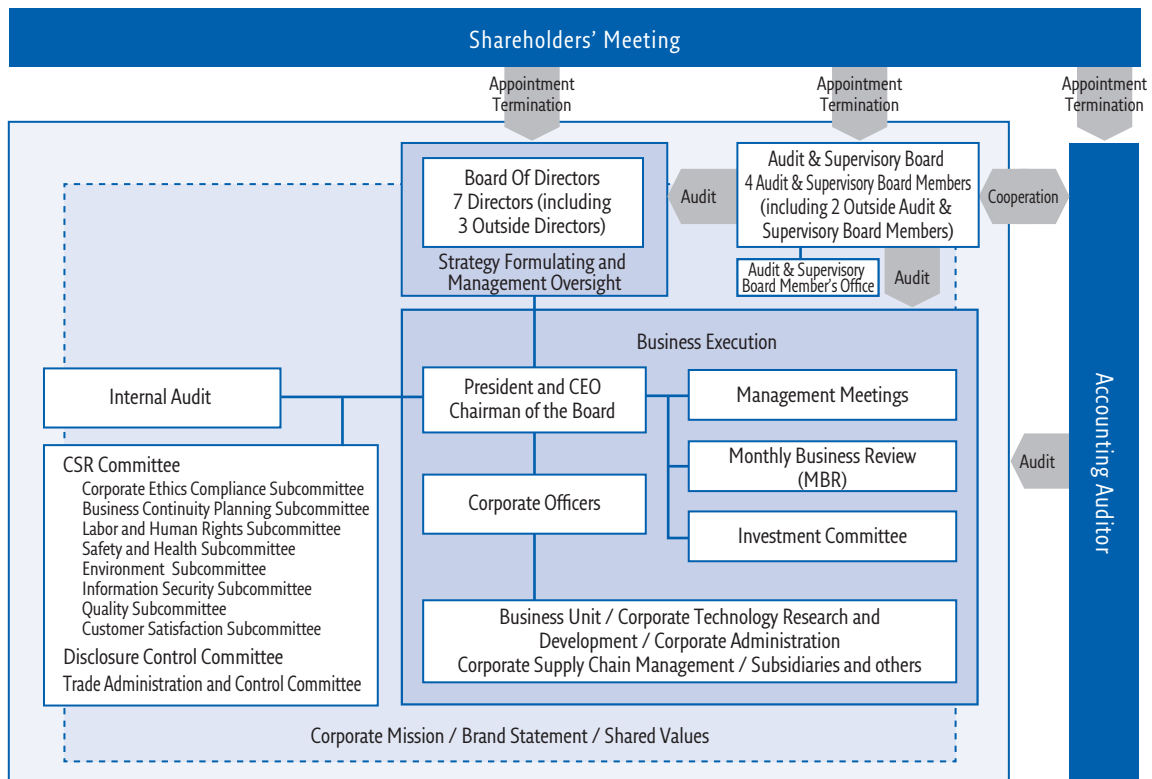
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Directors	14		→ 9			→ 7				→ 7
Outside Directors	0	1	2						→ 3	3
Audit & Supervisory Board Members	4									→ 4
Outside Audit & Supervisory Board Members	2									→ 2
Corporate Officers			17			→ 18	16		→ 15	18

(Number)

2008 Corporate officer system is adopted
 2014 First female board member is appointed
 2007 Junya Suzuki is appointed president
 Directors' term of office changes from two years to one year
 First outside director is appointed

As a company with an Audit & Supervisory Board, we have established a corporate governance structure as shown in the figure in next page.

Nissha's Management and Business Execution System



Since adopting the corporate officer system, we have segregated the strategy development and management oversight functions to be undertaken by the Board of Directors from the business execution function to be undertaken by the Corporate Officers. The aim is to improve the efficiency of management decision-making and mutual oversight functions by the Board of Directors, while enhancing and speeding up the business execution function by clarifying responsibilities of the Corporate Officers. The Audit & Supervisory Board conducts audits both of the Board of Directors and the business execution system.

The President and CEO organizes three meetings, namely the Management Meetings, Monthly Business Review (MBR), and Investment Committee, in order to implement appropriate and effective business execution. The Management Meetings include Inside Directors as core members and deliberate on matters relating to the direction of important managerial issues within the scope of the President's authority. The MBR is a meeting to determine the progress of business strategies based on KPI (Key Performance Indicators) and what actions to take over the short term. The purpose of the MBR is to oversee business execution by the Corporate Officers and to quickly respond to changes in the business environment. The Investment Committee reviews particularly important investment matters prior to submitting to the Board of Directors for approval.

The Board of Directors has formulated the Policy for Internal Control and supervises establishment and operation of the internal control system based on this Policy to enhance management oversight functions and ensure effective business execution. We have established the CSR Committee, Disclosure Control Committee, and Trade Administration and Control Committee to serve as organizations that perform leadership functions in responding to risks that disrupt legal and appropriate business execution. The Internal Audit, which is under the President's direct control, conducts audits of business activities by internal organizations including these committees. In addition, we have established the Audit & Supervisory Board Member's Office to ensure the objectivity and feasibility of audits by Audit & Supervisory Board Members and assigned dedicated employees who are independent from Directors. The Office supports auditing operations of Audit & Supervisory Board Members.

Our corporate governance structure as mentioned above is built on Nissha's philosophy integrating its mission, standards of thoughts and rules of conduct that are reflected in our Corporate Mission, Brand Statement, and Shared Values.

Directors and the Board of Directors

Our Board of Directors, currently consisting of seven members, receives reports on the execution of business activities and makes decisions on important matters. Chaired by the President and CEO, the Board of Directors holds regular meetings once a month and extraordinary meetings when necessary, where active and substantial discussions among Directors take place.

Of our seven Directors, three are Outside Directors with one being a woman (42.9% of the Directors are Outside Directors and 14.3% are women). We have appointed people as Outside Directors who have corporate management experience at other companies and are experts in corporate governance and corporate strategies. All the Outside Directors actively provide objective and professional advice and opinions from independent perspectives regarding our overall management at the Board of Directors meetings. Accordingly, the appointments of Outside Directors have contributed to increasing management transparency and enhancing the Board of Directors' oversight functions. The three Outside Directors are not applicable to any of the provisions stipulated in III 5. (3)-2 of the "Guidelines concerning Listed Company Compliance, etc." by the Tokyo Stock Exchange. Therefore, we have designated them as Independent Directors after determining they have sufficient independence and there is no risk of conflict of interest with general shareholders.

The term of office of Directors is set at one year so that we can respond flexibly to changes in the business environment and clarify management responsibilities for each fiscal year. Remuneration for Directors is determined within the upper limit of total remuneration approved at the General Meeting of Shareholders (not exceeding ¥430 million in total per year).

Remuneration for Directors consists of basic compensation and bonuses. The policy for determining the remuneration has been established by the Board of Directors. Basic compensation is set according to the scope of the role and position of each Director and determined by the President and CEO based on an evaluation of the Director's contribution and performance. Bonuses are determined by the President and CEO according to the degree of success that is assessed based on including consolidated net sales of the entire company and the business for which the Director is responsible, return on equity (ROE), and return on invested capital (ROIC). A fixed sum is determined for Outside Directors, taking into account the business experience of the Outside Director and other factors.

Audit & Supervisory Board Members and the Audit & Supervisory Board

Our Audit & Supervisory Board, currently consisting of four members, determines the duties of Audit & Supervisory Board Members, the audit structure, and the audit standards that describe the evaluation basis for audits and the action guidelines. In accordance with these, the Board develops auditing policies and auditing plans. Complying with these, each Member attends the meetings of the Board of Directors and other important meetings, reviews approval documents and other important documents, performs visiting audits at major offices and affiliated companies, and conducts audits by exchanging opinions regularly with the Representative Director, Directors, and General Managers. The Board holds regular meetings with the Accounting Auditor, Internal Audit, and corporate division including the Finance Department and Legal Affairs Department to closely cooperate with each other and increase the audits' efficiency. In addition, the Board regularly holds the Group Audit & Supervisory Board Meeting, consisting of full-time Audit & Supervisory Board Members of the Company and Audit & Supervisory Board Members of its affiliated companies, in order to strengthen and enhance audits throughout the whole Nissha Group.

Of four members, two are full-time Audit & Supervisory Board Members, and the others are Outside Audit & Supervisory Board Members. We aim to maintain and improve the corporate governance structure by appointing certified public accountants or attorneys as Outside Audit & Supervisory Board Members and utilizing their highly professional knowledge for audits. The two Outside Audit & Supervisory Board Members are not applicable to any of the provisions stipulated in III 5. (3)-2 of the "Guidelines concerning Listed Company Compliance, etc." by the Tokyo Stock Exchange. Therefore, we have designated them as Independent Audit & Supervisory Board

Members after determining they have sufficient independence and there is no risk of conflict of interest with general shareholders.

Remuneration for Audit & Supervisory Board Members is determined within the upper limit of total remuneration approved at the General Meeting of Shareholders (not exceeding ¥50 million in total per year) through discussions among Audit & Supervisory Board Members.

Total Remuneration and Number of Board Members

Title	Total Remuneration (Million yen)	Remuneration by Category (Million yen)		Number of Board Members
		Basic Compensation	Bonuses	
Directors (Excluding Outside Directors)	168	118	50	5
Audit & Supervisory Board Members (Excluding Outside Members)	21	21	-	3
Outside Directors and Outside Audit & Supervisory Board Members	33	33	-	5

Corporate Officers

We have appointed 17 Corporate Officers, including seven who were externally employed. (41.2% were hired mid-career.) As such, we promote diversity and create a structure to respond flexibly to changes in the business environment. The term of Corporate Officers is set at one year.

Internal Control System

We endeavor to raise our corporate value by having in place an internal control system to ensure the legality, appropriateness, and efficiency of business activities by each internal organization, based on the Policy for Internal Control established by the Board of Directors. As for the internal control system to ensure reliability of financial reports, we submit assessment results in the form of internal control reports to the Prime Minister of Japan and disclose the content to our shareholders and investors.

Risk Management

We have formulated the Basic Policy for Risk Management in order to cope with various risks that may have significant impact on our business activities and to sustain business and raise our corporate value. The risk management structure was established based on this Policy in order to control and avoid risks and to fully prepare to respond to emergencies. From the fiscal year ending March 31, 2016, we set up the CSR Committee, chaired by the President and CEO. Under the Committee, eight subcommittees including BCP, Corporate Ethics Compliance, and Labor and Human Rights are developing and operating management systems to respond to risks in their respective areas.

As for the risk management structure, the Emergency Response Regulations specify actions that must be taken in case of emergencies above a certain level, such as massive earthquakes and global pandemics of new strains of influenza viruses. Officers and employees are thoroughly informed of principles for actions and responses in case of disasters by participating in emergency drills and other activities. Moreover, we have established a business continuity plan (BCP) for the purpose of ensuring maximum services to our customers, securing the safety of our employees and their families, and contributing to the restoration of communities and society in the event of serious interruption of business due to emergencies. We regularly carry out on-desk training to identify issues and review BCP and related regulations.

With respect to corporate ethics and compliance, we have prepared the "Corporate Ethics and Code of Conduct" in Japanese, English and Chinese and make them thoroughly known through training programs, given the diversity of officers and employees by globalization. The Corporate Ethics and Compliance Subcommittee takes a leading role at training sessions. The instructors are Managers and Group Leaders in charge of promotion, who were assigned by each division of the Company and affiliated companies.

An in-house reporting system through which employees may directly provide

information has also been set up and is operating to properly address problems related to compliance.

With respect to internal control over affiliated companies, we have formulated the Affiliated Company Management Regulations. We ensure appropriate business execution throughout all Group companies by dispatching personnel from the Company to affiliated companies to serve as Directors and Audit & Supervisory Board Members. In addition, our corporate division provides instructions and advice to all Group companies when necessary.

Furthermore, the Disclosure Control Committee has been established to disclose corporate information on all Group companies with accuracy, fairness, and sustainability in a timely and appropriate manner. The Secretariat for the Disclosure Control Committee gathers internal information. The Disclosure Control Committee discusses and determines whether or not the information is applicable to timely disclosure matters. If deemed necessary, information is disclosed promptly after the approval of the Board of Directors.

Internal Audit

The Internal Audit, which is under the direct control of the President and CEO, works to maintain and improve discipline by analyzing and evaluating independently and objectively the status of the establishment and operation of our internal control system and by suggesting improvements.

The Internal Audit prepares annual auditing plans, conducts audits on whether business activities are carried out appropriately and efficiently, and provides advice and recommendations to internal organizations. As for findings, it conducts follow-up audits to determine the status of improvements. Reports and suggestions for the audit results are provided to the President and CEO at monthly meetings. Matters requiring special attention are reported to the Board of Directors. In addition, full-time Audit & Supervisory Board Members hold meetings with the Internal Audit every three months to ensure mutual cooperation. The Internal Audit, as a third party, also performs an independent assessment of financial reporting-related internal controls in response to the internal control reporting system prescribed by the Financial Instruments and Exchange Act.

Looking from the Outside In

Prepare a strong, outward-looking organization and structures without confining yourself to current limits. I would like you to take risks and carry out a reorganization of the business portfolio that displays both speed and scale.

Governance at Nissha – From an Organizational and Human Resources Perspective

I give a high rating to Nissha for the way in which the course of action of the Medium-term Business Plan is clearly indicated within the Company, thoroughly shared among officers and employees, and followed diligently by each and every employee in their work. Moreover, training on corporate governance and compliance is ample, and I feel that awareness is high among employees. In the future, I believe it will be even more necessary to consider the unique risks of each Business Unit or subsidiary and create and make use of more detailed measures, rather than uniformly applying a large-scale system from a company-wide perspective to the entire Group.

The Nissha organization is too finely subdivided, in contrast with the number of employees in the Company, and I have to say I get the impression that interorganizational barriers exist within the corporate structure. While I don't deny that job positions or titles can be an incentive for employees, I would suggest that a more horizontal organization might be better able to maintain the agility to deal with the dizzying pace of changes in the external environment. I also think it may be necessary to contrive ways to encourage free business activities outside one's division and the Company by introducing flexibility in terms of employees' working hours and workplaces, while reducing the time spent in meetings and other activities. This would enable employees to increase their capacity to expand their business activities beyond their own boundaries, without restrictions on their own area or being confined to the Kyoto region, but with an eye to the Company's stakeholders, companies or industries for other businesses, and society at large. Nissha has maintained its genetic heritage as a company from Kyoto, traditionally home to many outstanding manufacturing businesses. I look forward to seeing Nissha continue to overcome or break through the limits that lie immediately ahead and increase the power of its technological and business development capabilities.

Issues of the Fifth Medium-term Business Plan

It is self-evident that corporate growth requires both expansion of existing businesses and creation of new businesses. Without these, a company cannot continue to survive. As far as I can judge by looking at the results to date, I have to say that the speed of new business development at Nissha has been slow. As for the aim of reorganizing the business portfolio under the Fifth Medium-term Business Plan, I cannot deny the impression it has been too modest in scale.

In order to move ahead with new business expansion with speed and scale, we must make use of M&As. These contain unseen risks. Examples from other companies reveal numerous cases that appear to have ended in failure. However, if we react too conservatively, there is also the risk of falling behind and ending up unable to seize the fruits of growth. Risk and reward are always two sides of the same coin. In order to achieve growth, we have to take risks within the limits that will not threaten our financial strength, based on an assumption of the worst-case scenario.

Everyone knows it's best to avoid crossing dangerous bridges. But that doesn't mean it's safe to stand still when you are on one. Nissha may well have reached such a point when it comes to implementing its Fifth Medium-term Business Plan.



Tamio Kubota

Outside Board Member

Profile

- April 1972 Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Financial Group, Inc.)
- June 1979 Received Master's degree in Business Administration from Yale University, USA
- January 2001 General Manager, International Credit Supervision Department, The Dai-Ichi-Kangyo Bank, Limited
- April 2002 Joined Tokyo Leasing Co., Ltd. (currently Century Tokyo Leasing Corporation)
- June 2006 Representative Director and Senior Executive Officer, Tokyo Leasing
- June 2007 Senior Executive Officer, Tokyo Leasing
- June 2007 Outside Board Member, Nissha Printing Co., Ltd. (current position)
- June 2008 Outside Audit & Supervisory Board Member (full-time), Takashima & Co., Ltd.

Major Activities and Reason for Election

Mr. Tamio Kubota attended all of the 17 meetings of the Board of Directors held during the fiscal year ended March 31, 2015. He has given valuable advice and opinions from an independent point of view across the whole range of the Company's management, making the most of his international knowledge, broad experience as a manager or an auditor & supervisory board member in other companies and his excellent judgment gained through such experience. We put his name forward as an Outside Director, since we judged that he will continue to give his valuable counsel.

The insight and knowledge of Outside Directors are put to use for properly carrying out oversight of business execution. The key to achieving the reorganizing strategy is the ability of officers and employees to get things done. Speed and tenacity are required.

Governance at Nissha – The Role of Outside Directors

Reform of corporate governance at Japanese corporations is advancing. One aspect of the reform is to improve the effectiveness of the functions of the Board of Directors. The role played by Directors is to effectively fulfill the following three oversight functions.

The first is to oversee if the execution of business by the management team (Corporate Officers) efficiently increases the interests of stakeholders of each company, based on a clear division of business execution and oversight. The second is to oversee if the management team in charge of business execution conforms to laws and regulations and articles of incorporation. The third is to oversee if the management team fulfills its accountability to stakeholders by disclosing required information that meets a certain level of consistency, continuity, and transparency.

These oversight functions work effectively when the structure and operation of the Board of Directors can effectively coordinate the interests of stakeholders for the purpose of creating corporate value. The inclusion of highly independent Outside Directors in the makeup of the Board clarifies its original function and is linked to appropriately carrying out the oversight of business execution.

At Nissha, the Outside Directors place particular weight on the first of the oversight functions. We believe we are carrying out this function under a system that assigns us the appropriate roles. I believe that Nissha's management has in place a system that can fully utilize the knowledge and insight of its Outside Directors.

Issues of the Fifth Medium-term Business Plan

Nissha is at a new phase of corporate growth. It is necessary to make a sustained effort to implement drastic reforms suitably matched to the evolving corporate environment. To carry this out, a top priority is to use profits from existing businesses as the source of capital to quickly develop new businesses. The Fifth Medium-term Business Plan places reorganization of business portfolios at the heart of its corporate growth strategy. I give this point high marks.

But in order to effectively promote these strategies, it is necessary to further strengthen the Company's corporate organization, structures, and organizational capabilities to achieve stated performance targets. Details of growth strategies and their implementation methods must be fully disseminated at many levels, from middle management to employees on the frontlines in each business segment, to adequately shape issues and goals in tangible forms on an individual basis. It is also important to strengthen the ability of each individual to take prompt action and steadily achieve stated goals.

Furthermore, in order to realize our targets, it is essential to accurately foresee changes in the business environment and take swift and precise action to deal with them. To that end, we must enhance our administrative capabilities and organizational capacity to quickly and tenaciously drive forward business execution that implements strategies attuned to the evolving business environment. Directors and Corporate Officers must have a correct understanding of this point and make sincere efforts in improving the business execution skills of Corporate Officers and the supervision and checking skills of Directors through ascertaining



Kenji Kojima

Outside Board Member

Profile

- April 1970 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
- June 1975 Received Master of Business Administration from the Kellogg School of Management, Northwestern University, USA
- March 1979 Completed Doctoral program in Graduate School of Business Administration, Kobe University, Japan
- March 1985 Visiting Scholar, Yale School of Management, Yale University, USA
- September 1988 Visiting Scholar, School of Engineering, Stanford University, USA
- January 1993 Visiting Scholar, Department of Economics, Harvard University, USA
- May 1999 Professor, Research Institute for Economics & Business Administration, Kobe University
- June 2008 Outside Board Member, Nissha Printing Co., Ltd. (current position)
- April 2012 Specially Appointed Professor, Research Institute for Economics & Business Administration, Kobe University (current post)

Major Activities and Reason for Election

Mr. Kenji Kojima attended all of the 17 meetings of the Board of Directors held during the fiscal year ended March 31, 2015. He has given his valuable advice and opinions from an independent point of view across the whole range of the Company's management, which comes from his deep knowledge as a researcher in corporate governance and corporate strategy, and also his rich experience in developing businesspersons in the Kobe University Graduate School of Business Administration MBA program. We put his name forward as an Outside Director, since we judged that he will continue to give his valuable counsel.

Candid opinions are exchanged at Board of Directors' meetings. I will continue to make contributions from an independent standpoint. Taking advantage of M&As, acquiring and developing human resources, and innovative organization-building: these are the tasks that lie before us.

Governance at Nissha – Management of the Board of Directors

Nissha is working actively to strengthen its corporate governance. Long and vigorous discussions are held at the Board of Directors' meetings, where Directors and Audit & Supervisory Board Members from inside and outside the Company, along with Corporate Officers when necessary, come together to exchange candid opinions on a range of management issues. Explanations of agenda items are specific and detailed. There is little separation between top management and the front lines as the entire Company works as one on the issues.

However, when exchanges of opinion by Directors and Audit & Supervisory Board Members from inside and outside are held repeatedly over a long period of time, then the independent perspective of the outside officers is at risk of weakening. I will continue to strive to make objective comments from an outside viewpoint and the view of various stakeholders so as not to lose my independent perspective.

Issues of the Fifth Medium-term Business Plan

It has been over a year since I assumed the position of Outside Director. During this time, Nissha recorded its highest ever level of net income, with results driven by the business of touch input devices used in tablets and other terminals. At the same time, the Company has actively carried out initiatives in order to expand new business domains. These include the purchase of a manufacturer of molded automotive parts in Mexico so that the Company can put in place a framework for expanding the business domain aimed at the North American automotive market. The Company also acquired the top global metallized paper manufacturer in order to move into printing-related materials, and it set up the Life Innovation business to conduct product development aimed at growth markets including medicine and health care.

Then, the Fifth Medium-term Business Plan went into operation in April 2015 with the aim of reorganizing the business portfolio. Since its founding, Nissha has engaged in various endeavors with printing as its core technology. The Fifth Medium-term Business Plan, however, is not limited to printing technology. It also aims to acquire new core technologies through M&As, etc., develop new products, and proactively enter new business domains. Our goal is to have a sales ratio from new businesses and new products of 35% three years from now in the fiscal year ending March 31, 2018. We also want a sales ratio from new businesses and new products of 50% six years from now in the fiscal year ending March 31, 2021. I consider this a reasonable yet bold strategy based on accurate analysis of the current situation, and I evaluate it as aggressive target setting.

The key issues for achieving these goals are, I believe, the use of M&As, development of new technologies and new products, acquisition and development of new human resources related to new business domains, etc., and organization-building filled with a spirit of innovation.



Sawako Nohara

Outside Board Member

Profile

December 1988 Joined Living Science Institute, Inc.
 July 1995 Joined InfoCom Research, Inc.
 July 1998 Head of the E-Commerce Business Development Group, InfoCom Research, Inc.
 December 2000 Director, IPSe Marketing, Inc.
 December 2001 Representative Director, President of IPSe Marketing, Inc. (current position)
 June 2006 Outside Board Member, NEC Corporation
 November 2009 Project Professor, Keio University Graduate School of Media and Governance (current position)
 June 2012 Outside Auditor & Supervisory Board Member, Sompo Japan Insurance Inc.
 June 2013 Outside Board Member, NKSJ Holdings, Inc. (currently Sompo Japan Nipponkoa Holdings, Inc.) (current position)
 June 2014 Outside Board Member, Nissha Printing Co., Ltd. (current position)
 June 2014 Outside Board Member, Japan Post Bank Co., Ltd. (current position)

Major Activities and Reason for Election

Ms. Sawako Nohara attended all of the 14 meetings of the Board of Directors held during the fiscal year ended March 31, 2015, since assuming the position of Director in June 2014. She has given valuable advice and opinions from an independent point of view across the whole range of the Company's management, making the most of her profound knowledge of the Internet business, broad experience as a corporate manager, director, and an auditor & supervisory board member in other companies, and excellent judgment gained through such experience. We put her name forward as an Outside Director, since we judged that she will continue to give her valuable counsel.

Nissha's CSR

We promote CSR based on management systems so that we can be a company of value for all our stakeholders.

At Nissha, we are committed to pursuing our corporate mission of “Co-existence” founded on mutual trust in all of our relationships and on our unique printing technologies at the core of our business activities. We believe that it is our corporate social responsibility to meet the needs of the global community by building on our core competency—printing technology—to grow our operations and contribute to the well-being of all.

Nissha's Approach to CSR

Under the Fifth Medium-term Business Plan started in April 2015, Nissha aims to become a company that can generate lasting value. In the recognition that we must promote CSR management more than ever to achieve this, we have redefined our CSR in conjunction with the start of the Medium-term Business Plan and put in place a structure for its promotion.

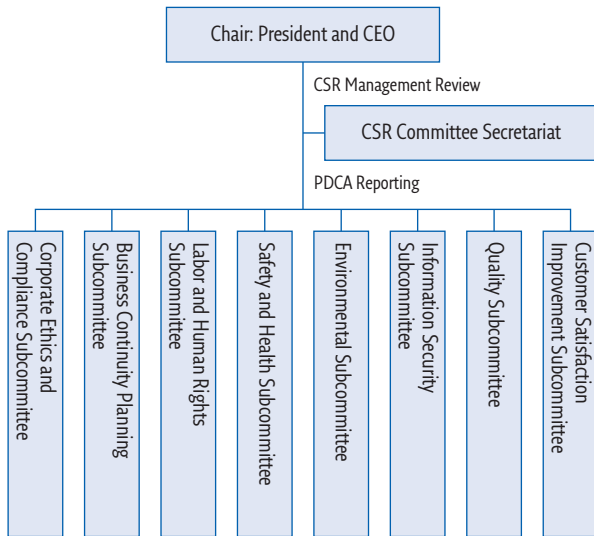
Nissha has defined CSR as “basic CSR” and “strategic CSR.” Basic CSR means reduction of CSR risks related to human rights, the environment, and other matters through compliance with global standards such as the United Nations Global Compact, ISO26000, and EICC (Electronic Industry Citizenship Coalition). These are essential conditions if a company is to be chosen by customers in the global market. Strategic CSR means balancing the Company's economic growth with the creation of social value by resolving social issues through our business activities and creating medium- to long-term corporate value while contributing to the realization of a sustainable society.

CSR Promotional Structure and Management Systems

We set up a new CSR Committee in April 2015 as a structure for the promotion of CSR. The Committee is chaired by the President and CEO with eight subcommittees dedicated to areas such as Labor and Human Rights, the Environment, and Safety and Health. The Committee and each of its subcommittees, as a rule, operate a management system. The Quality, Environmental, and Information Security subcommittees have already obtained ISO certification and succeeded in building and operating management systems at a high level, so they are currently working to make continuous improvements and further enhance performance. The Corporate Ethics and Compliance and Labor and Human Rights subcommittees began building management systems following a CSR audit conducted by our customers in the fiscal year ended March 31, 2015.

During the period covered by the Fifth Medium-term Business Plan, our goal is to build and operate management systems at a level that meets global standards such as EICC, not only at our domestic bases but also throughout the entire Nissha Group, including major overseas bases and suppliers, while at the same time aiming to promote strategic CSR.

CSR Committee Organization Chart



Seeking Co-existence with Stakeholders

We identify the stakeholders who support Nissha operations as our customers, shareholders, employees, suppliers and society. In April 2015, we established a new brand statement, “Empowering Your Vision”, which expresses our ideal relationship of co-existence with our stakeholders. The goal of Nissha’s CSR is to be a company of value to all our stakeholders by putting this brand statement into practice.

The following are specific examples of initiatives for each of our stakeholders.



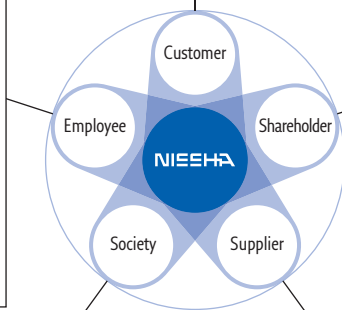
In-house Institute “Nissha Academy”

Winning the trust of customers
 Responding appropriately to requests to provide information related to CSR reviews by customers and information related to conflict minerals
 Receiving supplier responsibility (SR) audits by customers
Building a quality control system to realize customer satisfaction
 Continuous operation of small group activities and systems that propose improvements



Management Briefings For Shareholders

Respect for our employees’ human rights to meet global standards
 Establishment of basic policy on labor and human rights (June 2014)
Promoting the creation of safe, comfortable workplaces
 Ongoing implementation of education related to safety and health, prevention of lifestyle-related diseases, and mental health
Respect for diversity and support for diverse work styles
 Strengthening initiatives to promote women’s participation in business → page 39
Growth for both the Company and our employees
 Establishment of Nissha Academy, an in-house institute for fortifying advanced, specialized development of human resources (September 2014)



Encouraging dialogue with shareholders and investors
 Enhancement of IR activities and publication of IR policy stating appropriate disclosure of information (May 2015)
 Providing information for socially responsible investment (SRI) screening companies
Leverage feedback from shareholders and investors in management practice

Promotion of business activities with respect for the culture and climate of the regions where bases operate and communication with local communities
 Ongoing implementation of cleanup activities around production bases
Organizing social contribution activities with emphasis on environmental protection, support for the next generation, support and promotion of arts and culture, and humanitarian support activities
 Carrying out support for international arts exhibitions and other events in Kyoto
 Ongoing implementation of environmental education at elementary and nursery schools

Building partnerships of co-existence and co-prosperity with our suppliers
 Start of CSR auditing (July 2014) → page 39
Promotion of CSR procurement
 Ongoing organization of CSR procurement briefings



Environmental Workshops at Nursery Schools

- Initiatives to Expand Women's Participation in Business

The CSR Committee's Labor and Human Rights subcommittee has established an action program whose key topic is the expansion of women's participation in business. The program is aimed at actively recruiting women and creating an environment where they can prove themselves to their fullest.

In July 2014, we launched a project team led by the Human Resources Unit for expanding women's participation in business. Through interviews conducted at our Headquarters and bases in Japan, we have gained an understanding of female employees' thoughts and the issues they face with regard to work styles, careers, and the workplace environment. To expand women's participation in business, it is important to realize a work-life balance for both women and men. Acting on this belief, we created a Work-Life Balance Support Guidebook and distributed it to all employees of the Nissha Group in Japan. We also added to our intranet a NISSHINE section for communicating information on work-life balance support and expansion of women's participation in business. "NISSHINE" is a word coined by combining "Nissha" and "shine." It expresses our hope that all employees can approach their work with enthusiasm. The section provides information about various work-life balance support systems and stories from those who have used the system.

NISSHINE on intranet



- Start of CSR Supplier Audits

In July 2014, we started CSR supplier audits covering four areas—labor and human rights, safety and health, environmental protection, and ethics—drawing on the global template provided by the EICC and on our customers' own code of conduct based on this EICC template. In fiscal 2015, we carried out audits at a total of five major materials suppliers of the Devices business and companies that dispatch workers to our factories. In the event the audit uncovers any instances of noncompliance, the supplier is required to establish corrective action and preventive action on the findings, and we later check that these measures have been taken and that the issues have been corrected. From the fiscal year ending March 31, 2016 onward, we will expand the CSR audits to particularly important suppliers of all business units.

Leading CSR Initiatives

Nissha incorporates the principles, frameworks, and standards of global initiatives aimed at realizing a sustainable society into its activities to promote CSR. These elements guide the determination of materiality, promotion of activities, and reporting in our CSR.

- United Nations Global Compact

In April 2012, the President and CEO of Nissha signed the United Nations Global Compact and declared our commitment to the four areas of human rights, labor standards, environment, and anti-corruption.

- ISO26000

Nissha pursues initiatives with reference to ISO26000, an international CSR standard and handbook, and it uses the standard for composing reports.

- GRI (Global Reporting Initiative)

Nissha's annual CSR reports refer to the fourth edition of GRI (G4), an international guideline on sustainability reporting, and they include information on the required disclosure items.

- EICC (Electronic Industry Citizenship Coalition)

Nissha incorporates the EICC template, the code of conduct for the electronics industry, into our basic CSR activities. We operate management systems in the areas of labor, safety and health, environmental protection, and ethics, and we promote initiatives across the entire supply chain.

The United Nations Global Compact's Ten Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Financial Section

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The financial statements thereto in this section are the English translation of the Japanese original.
(Under Japanese GAAP)

Management's Discussion and Analysis

Actual Results for Fiscal 2015

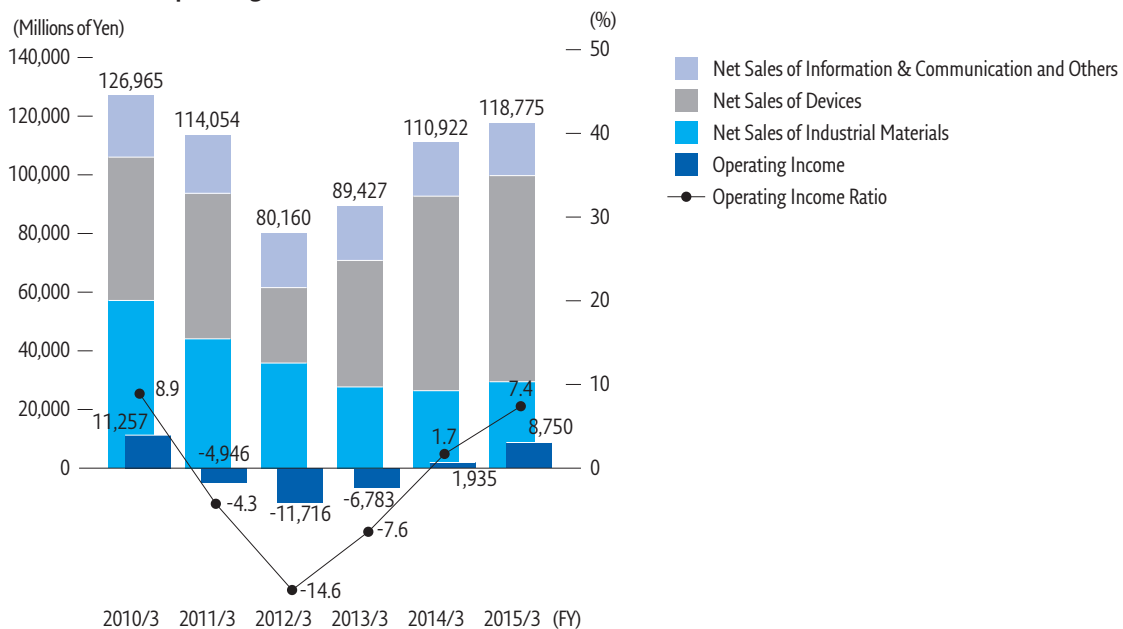
Economic Environment and Operating Results

Reflecting on the global economy in fiscal 2015, ended March 31, 2015, the United States saw ongoing recovery driven by consumer spending, while the sense of stagnation increased in Europe and growth slowed in emerging economies such as China. Resource-rich countries faced stronger uncertainty against a backdrop of plunging crude oil prices. As for Japan, exports picked up thanks to the steadily weakening yen, and capital expenditure has gradually increased amid enhanced corporate profits. Although improvements in consumer spending remain weak in some areas, the economy overall continues on a modest path to recovery.

Rapid fluctuations in demand and reductions in the price of products and services are becoming the norm in consumer electronics such as smartphones and tablet devices, a core field of the Nissha Group, affecting both our sales and profits to a considerable degree. In response to this issue, we have worked to speed up efforts to build a production structure that can adapt flexibly to product demand as well as improve productivity and pursue extensive cost reduction toward maximizing our cash flow.

As a result, the consolidated financial results for fiscal 2015 showed increases in both sales and profits year on year, and the Company achieved record-high net income. The average exchange rate for fiscal 2015 was ¥107 to the U.S. dollar (¥98 for the previous fiscal year).

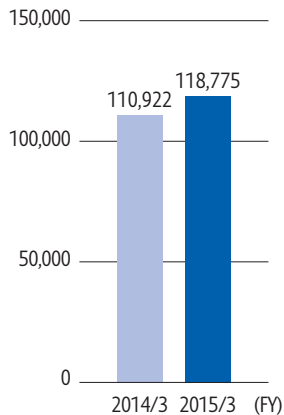
Net Sales and Operating Income



Consolidated Statement of Operations

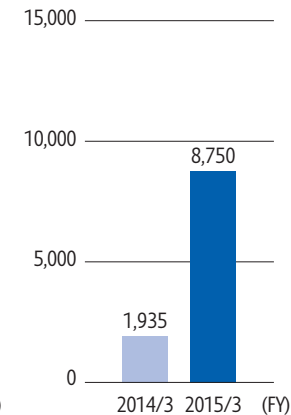
A Net Sales

(Millions of Yen)



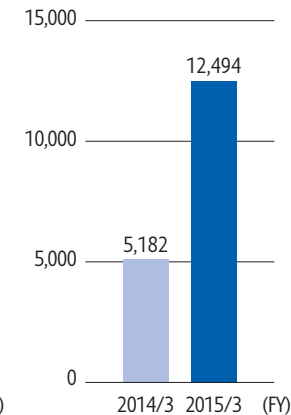
B Operating Income

(Millions of Yen)



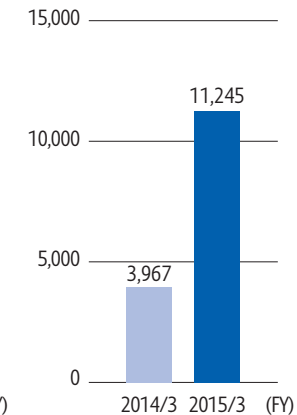
C Ordinary Income

(Millions of Yen)



D Net Income

(Millions of Yen)

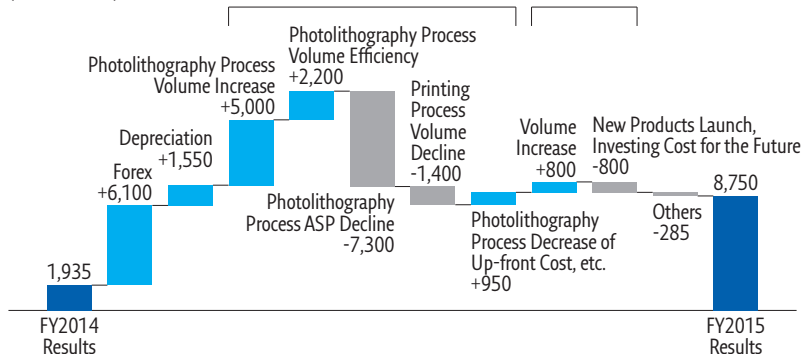


A Net sales for fiscal 2015 rose by 7.1% year on year to ¥118,775 million. Overseas net sales were ¥89,885 million, accounting for 75.7% of the consolidated net sales. Overseas sales were derived mainly from Industrial Materials and Devices.

B Operating income grew by 352.2% year on year to ¥8,750 million. The factors behind the changes from the operating income of the previous fiscal year were as follows:

Analysis of Operating Income

(Millions of Yen)



C As for non-operating income and loss, ¥3,771 million of non-operating income, mainly consisting of foreign exchange gains, was recorded, while ¥523 million of non-operating expenses, mainly consisting of share of loss of entities accounted for using equity method, was recorded for the previous fiscal year. For fiscal 2015, ¥5,093 million of non-operating income, mainly consisting of foreign exchange gains, was recorded, while ¥1,349 million of non-operating expenses, mainly consisting of share of loss of entities accounted for using equity method, was recorded.

As a result, ordinary income rose by 141.1% year on year to ¥12,494 million.

D As for extraordinary income and losses, ¥577 million of extraordinary income, mainly consisting of gain on sales of non-current assets, was recorded, while ¥608 million of extraordinary losses, mainly consisting of loss on sales and retirement of non-current assets, was recorded for the previous fiscal year. For fiscal 2015, ¥560 million of extraordinary income, mainly consisting of a state subsidy, was recorded, while ¥2,294 million of extraordinary losses, mainly consisting of impairment loss, was recorded.

As a result, net income grew by 183.4% year on year to ¥11,245 million. Net income per share increased by ¥169.59 year on year to ¥262.05.

The Company has a basic policy for the continual payment of stable dividends. We distribute profit after comprehensively considering our performance in the current fiscal year, expected performance in the future, the payment ratio, and financial soundness. Based on this policy, we decided to distribute ¥20 per share (up by ¥15 from the previous fiscal year) as the annual dividend for fiscal 2015.

Overview by Business Segment

• Industrial Materials

During the year ended March 31, 2015, demand progressed steadily for automotive interior components and home appliances, which are designated as a priority market.

As a result, segment sales for the year ended March 31, 2015 were ¥29,460 million, an increase of 11.6% as compared to the previous year. Segment loss (operating loss) was ¥235 million (¥1,122 million in fiscal 2014).

• Devices

During the year ended March 31, 2015, demand for the capacitive-type touch panels adopted to tablet devices progressed steadily.

As a result, segment sales for the year ended March 31, 2015 were ¥70,266 million, an increase of 6.0% as compared to the previous year. Segment income (operating income) was ¥13,594 million (82.7% higher than in fiscal 2014).

• Information & Communication

During the year ended March 31, 2015, the commercial field, the key product field in this segment, was affected by a cutback in corporate advertising budgets and a decrease in the volume of printed materials due to the diversification of information media. These movements led the market into a highly competitive climate.

As a result, segment sales for the year ended March 31, 2015 were ¥17,890 million, a decrease of 1.0% as compared to the previous year. Segment loss (operating loss) was ¥657 million (¥691 million in fiscal 2014).

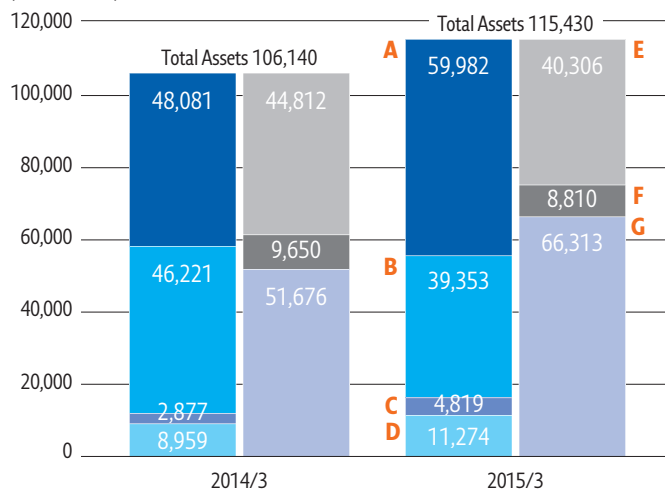
Assets, Liabilities and Net Assets

Total assets as of March 31, 2015 grew by ¥9,290 million year on year, to ¥115,430 million.

Assets, Liabilities and Net Assets

■ Current Assets ■ Property, Plant and Equipment ■ Intangible Assets ■ Investments and Other Assets
■ Current Liabilities ■ Non-current Liabilities ■ Net Assets

(Millions of Yen)



A Current assets grew mainly due to increases of ¥9,522 million in cash and deposits and ¥2,380 million in notes and accounts receivable-trade.

B Property, plant and equipment shrank mainly due to progressing depreciation of equipment.

C Intangible assets increased mainly because ¥2,263 million of goodwill was recorded, resulting from new consolidation.

D Investments and other assets increased mainly because investment securities grew by ¥1,935 million primarily due to changes in the market value of available-for-sale securities.

E Current liabilities fell because short-term loans payable decreased by ¥6,981 million, although income taxes payable increased by ¥1,388 million.

F Non-current liabilities shrank mainly because lease obligations decreased by ¥1,213 million.

G Net assets rose mainly due to an increase in retained earnings. Net assets per share were ¥1,545.30, as against ¥1,204.17 as of the end of the previous fiscal year.

Cash Flows

Consolidated cash and cash equivalents (the “funds”) as of March 31, 2015 grew by ¥9,212 million year on year to ¥29,484 million.

- Net Cash Provided by (Used in) Operating Activities

Funds provided by operating activities amounted to ¥21,590 million (increasing by 49.8% year on year). This was mainly because of ¥10,761 million of income before income taxes and minority interests and ¥9,687 million of depreciation.

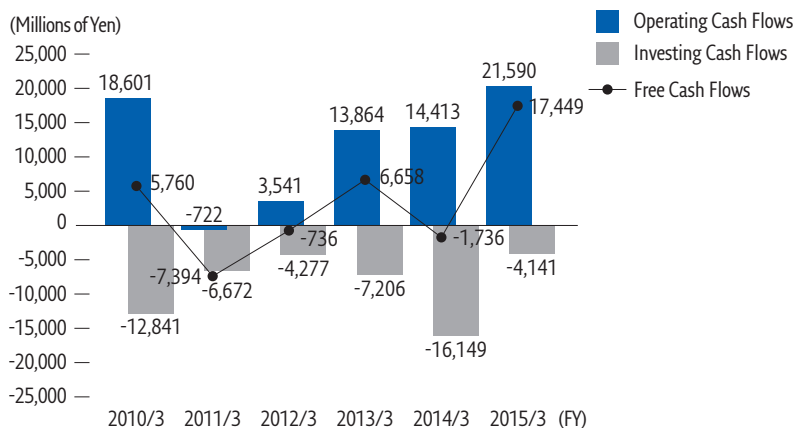
- Net Cash Provided by (Used in) Investing Activities

Funds used in investing activities amounted to ¥4,141 million (shrinking by 74.4% year on year). This is mainly attributable to cash outflows of ¥2,212 million for the purchase of property, plant and equipment and ¥2,039 million for the purchase of shares of subsidiaries resulting from new consolidation. Another factor was the completion of a round of large-scale capital investments by the previous fiscal year.

- Net Cash Provided by (Used in) Financing Activities

Funds used in financing activities amounted to ¥11,063 million (increasing by 138.7% year on year). This was mainly attributable to a net decrease in short-term loans payable of ¥7,099 million.

Cash Flows



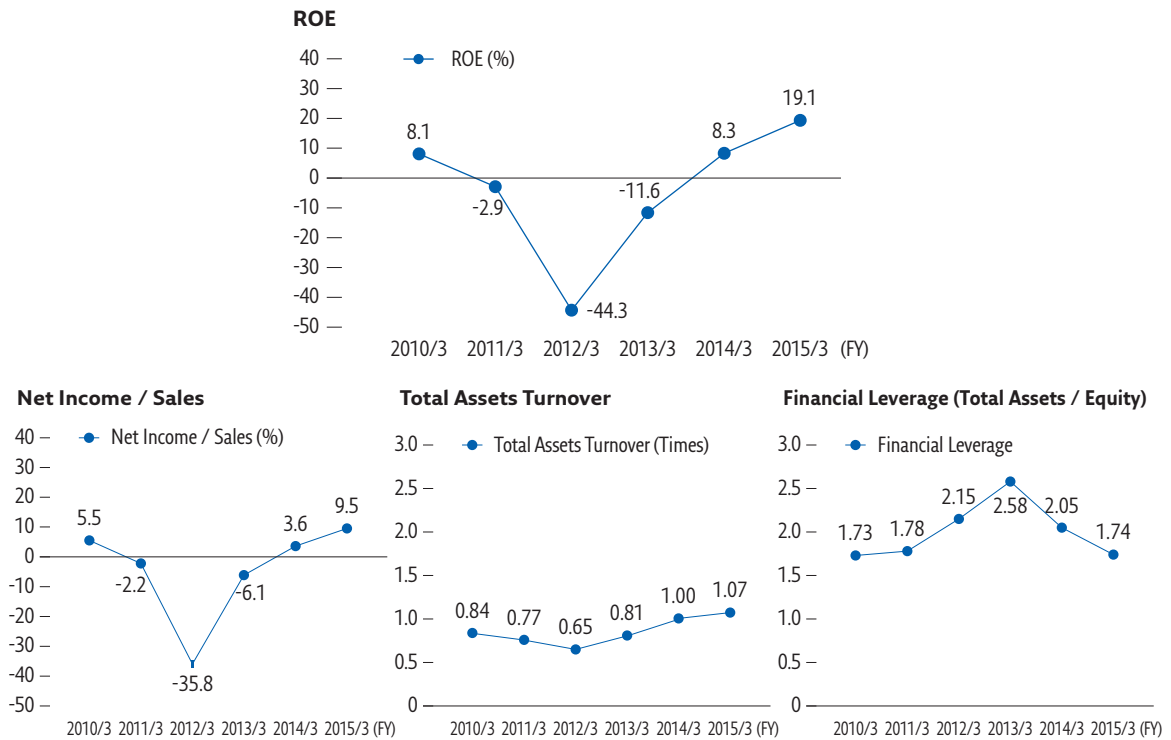
Major Management Indices

The Company uses ROE (return on equity) and ROIC (return on invested capital) as its management indices to measure the results of the Medium-term Business Plan.

ROE

The Company's ROE bottomed out during fiscal 2012, but has improved since then.

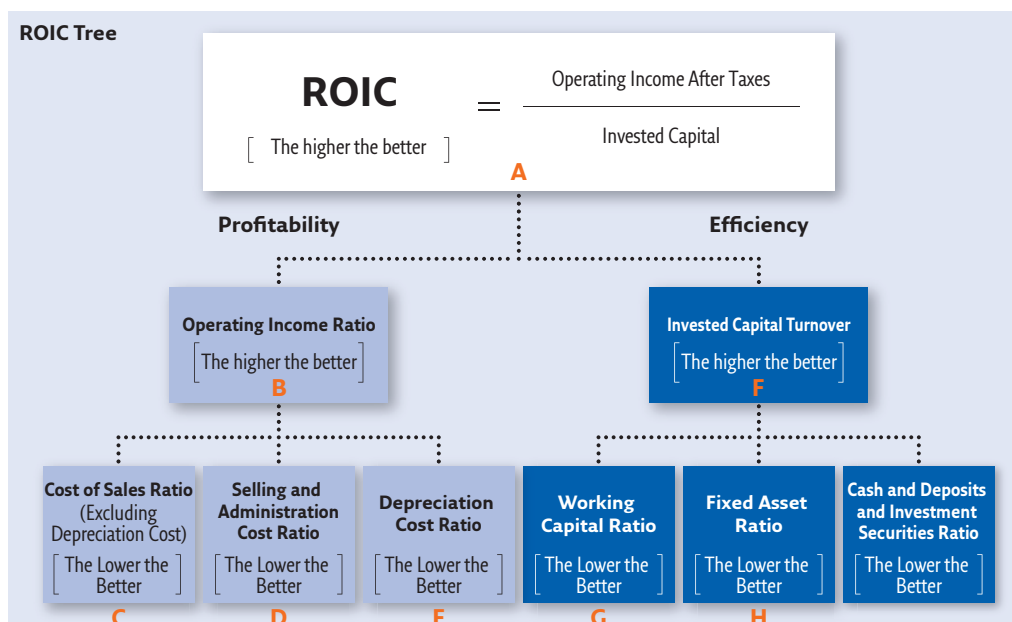
ROE can be broken down into the ratio of net income to net sales, the turnover of total assets, and the financial leverage (total assets/equity). Among these, the ratio of net income to net sales, which indicates profitability, bottomed out during fiscal 2012, but then continued to rise. The turnover of total assets, which indicates efficiency, improved for fiscal 2015, because net sales rose whereas there was an increase in total assets year on year. The financial leverage has been declining since fiscal 2013. This is based on our belief that an equity ratio of 50% or above is an appropriate level from the perspective of financial soundness, so, therefore, liabilities were reduced. This was offset by improvements in profitability and efficiency. ROE for fiscal 2015 rose dramatically to 19.1% from 8.3% for the previous fiscal year.



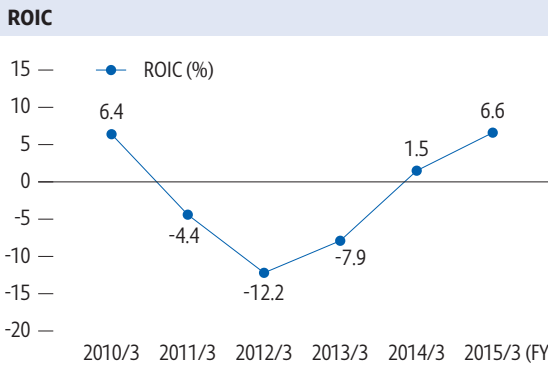
ROIC

The Company defines ROIC as follows: Operating income \times (1—Effective tax rate: 35%) / (Working capital + Property, plant and equipment + Intangible assets + Cash and deposits + Investment securities). Raising ROIC requires efforts to maximize the numerator, which is operating income after income taxes, and to minimize the denominator, which is invested capital. For this, the Company describes its logic using the “ROIC tree,” shown in the below chart, from the aspects of both profitability and efficiency. Our ROIC bottomed out during fiscal 2012. Since then, improvements have progressed from the aspects of both profitability and efficiency. ROIC exceeded the 6% level that the Company believes to be its cost of capital for the fiscal year ended March 31, 2015. Profitability can be broken down into the operating income margin on the top, the cost of sales ratio (excluding depreciation), the selling and administration cost ratio, the ratio of depreciation, etc. The profitability improved mainly because the cost ratio improved by 3.8 percentage points from the previous fiscal year to 72.3% for fiscal 2015, and the depreciation cost ratio declined.

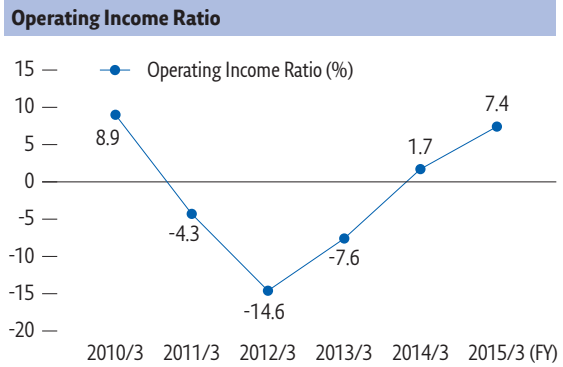
Efficiency can be broken down into the invested capital turnover on the top, the working capital ratio, the fixed assets ratio, etc. For fiscal 2015, the turnover of invested capital improved mainly due to a rise in net sales and a decrease in non-current assets, in spite of an increase of invested capital due to an increase of cash and deposits year on year. Accordingly, the Company interprets this as the establishment of a lean corporate structure.



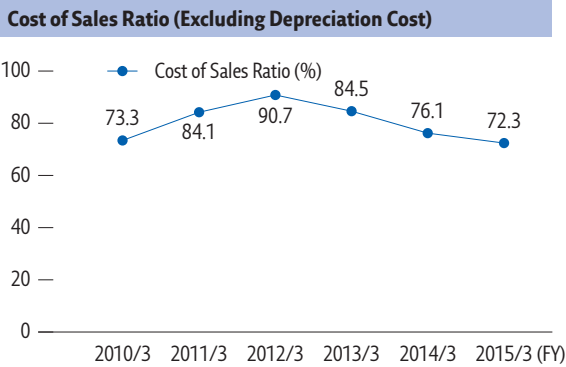
A



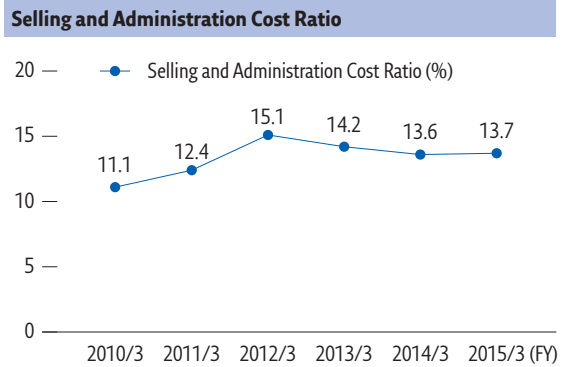
B



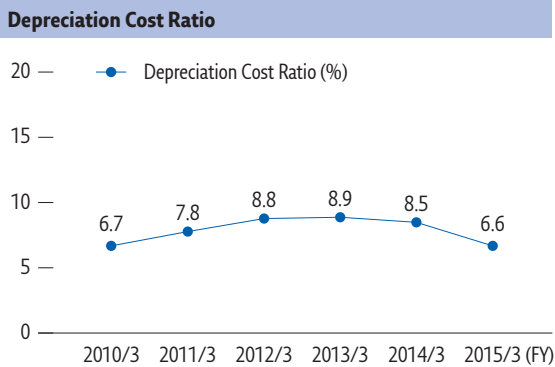
C



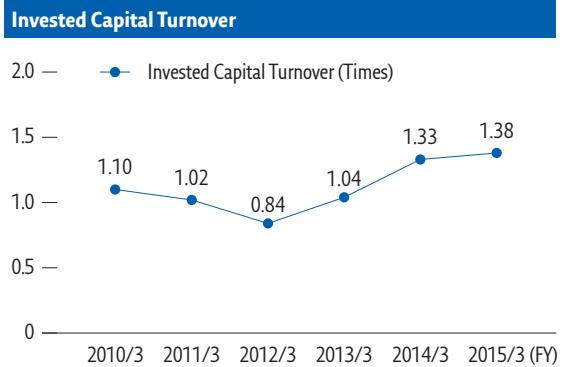
D



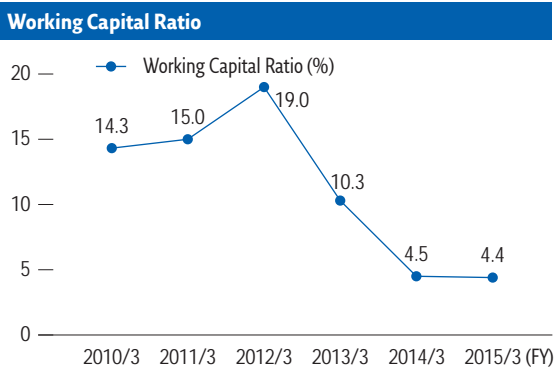
E



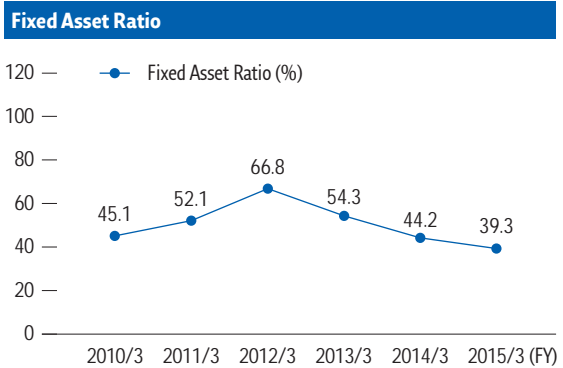
F



G



H



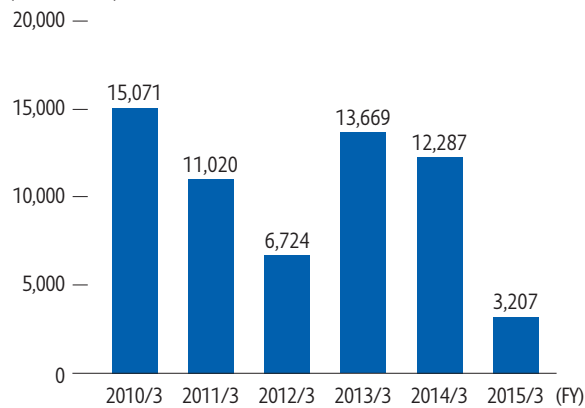
Capital Expenditures, Depreciation and R&D

The Nissha Group completed a round of large-scale capital investments in existing businesses. The amount of capital investments for fiscal 2015 fell significantly. The use of funds was shifted to generate new businesses and products. For fiscal 2015, the Nissha Group focused on investments in Industrial Materials and production lines of new products at the Corporate Technology Research and Development Department, which conducts research and development from a company-wide perspective. Capital expenditures for the whole group were ¥3,207 million. By segment, Industrial Materials was ¥1,147 million, Devices ¥692 million, Information & Communication ¥102 million, and others and corporate (R&D and Administration) ¥1,265 million.

Depreciation went into decline after peaking during fiscal 2014, due to the completion of a round of large-scale capital investments.

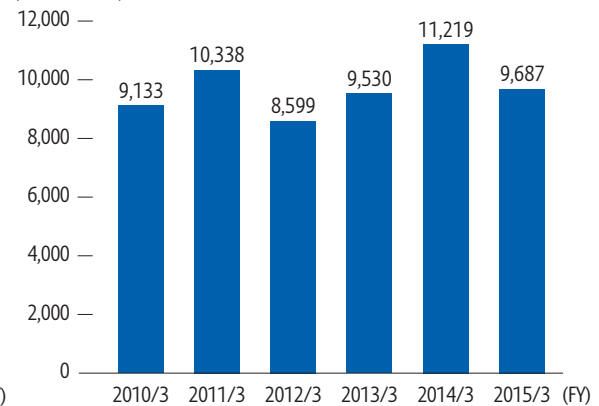
Capital Expenditures

(Millions of Yen)



Depreciation

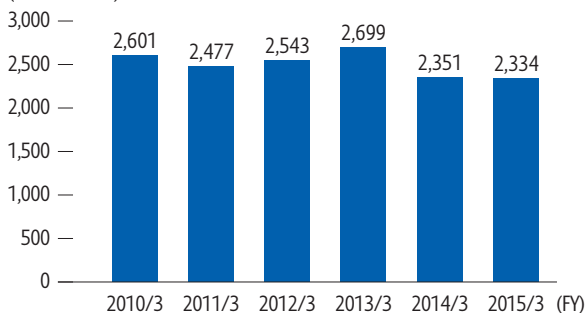
(Millions of Yen)



Research and development activities at the Nissha Group target three aspects of society: "information-oriented," "lifestyle-supporting," and "sustainable," in order to realize the reorganization of our business portfolio. The Corporate Technology Research and Development Department plays a leading role in this. The Development Department of business units is responsible for product development in response to our customers' needs. Research and development expenses for the whole group were ¥2,334 million for fiscal 2015.

R&D Expenses

(Millions of Yen)



Forecast for Fiscal 2016

While economic recovery is expected in North America, the global economy continues to be weighed down by factors such as stagnating economic growth in China and emerging countries and the ongoing sense of uncertainty in Europe.

In April 2015, the Nissha Group launched the Fifth Medium-term Business Plan (for fiscal 2016 to 2018). Its basic strategy is to reorganize our business portfolio. The medium-term vision and outline of the plan are as described on page 8.

The demand for products in the Devices business is expected to decrease slightly for fiscal 2016, compared to the previous fiscal year. Demand for products in Industrial Materials is expected to stay firm, mainly in the automobile field. It is also assumed that the yen will continue to depreciate. Net sales and operating income for the whole group are forecast to remain at the same level as fiscal 2015. The assumed foreign exchange rate is ¥118 to the U.S. dollar.

FY2016 Forecast

(Millions of Yen)

	FY2015 Results	FY2016 Forecast	FY2016 vs FY2015
Net Sales	118,775	120,000	+1.0%
Operating Income	8,750	8,500	-2.9%
Ordinary Income	12,494	8,500	-32.0%
Net Income Attributable to Owners of Parent	11,245	7,300	-35.1%
Net Sales by Business Segment			
Industrial Materials	29,460	34,500	+17.1%
Devices	70,266	65,700	-6.5%
Life Innovation	-	1,700	-
Information & Communication	17,890	18,000	+0.6%
Others	1,158	100	-
Operating Income by Business Segment			
Industrial Materials	-235	2,000	Go to Black
Devices	13,594	9,500	-30.1%
Life Innovation	-	0	-
Information & Communication	-657	200	Go to Black
Others	-284	0	-
Reconciliations	-3,666	-3,200	-

Business Risks and Other Risks

Risks that could impact Nissha Group's business performances and financial positions as well as the Company's stock prices are described below. Future-oriented statements contained in this discussion are assumptions made currently by the management as of March 31, 2015.

- Customer Needs and Market Trends

In the consumer electronics industry, the primary user of the Nissha Group's products, the life cycle of technologies and products is inclined to be short due to rapidly changing customer needs and market trends. Due to the severe conditions described above, the Nissha Group prioritizes customer satisfaction above all and seeks to accurately grasp market trends, and provide technologies, products and services geared to customer needs. However, if customer needs or market trends were to change considerably in regard to the technologies, products and services provided by Group companies, the business results and financial position of the Group can be adversely affected.

A large portion of the Nissha Group's earnings tends to be composed of sales to a number of specified customers. Sales to these important customers could decline for reasons uncontrollable by the Group, such as a decrease in demand for the products and changes in specifications or business strategy by the relevant customers, resulting in an adverse effect on the Group's business results and financial position.

- Trends in Demand in Related Industries

The Group's mainstay operation is Devices. In fiscal 2015, sales by Devices represented 59.2% of net sales. The segment emphasizes business development geared toward demand in consumer electronics industries mainly involved in the production of tablet

devices, smartphones and gaming consoles, and major changes in demand or pricing trends could impact the business results and financial position of the Group.

- Exchange Rate Fluctuations

In fiscal 2015, overseas sales accounted for 75.7% of consolidated net sales. Overseas transactions are conducted mainly in foreign currencies. Although the Group strives to minimize foreign exchange risks, such as through forward exchange transactions, drastic fluctuations in exchange rates could adversely affect the Group's business results and financial position.

- Marketable Securities Held

As of March 31, 2015, investment marketable securities held by Group companies were valued at ¥10,425 million. Most of these securities were stocks with market prices. The management strives to identify the factors pertaining to these marketable securities, such as issuer-based financial status, trends in business results and ratings, to ensure a sufficient degree of investment security. However, an unusual event, such as violent stock price fluctuations, can erode the business results and financial position of the Group.

- Notes and Accounts Receivable and Inventories

As of March 31, 2015, the Company had notes and accounts receivable (trade notes and accounts) worth ¥18,633 million and inventories worth ¥8,227 million on a consolidated basis. The Group strives to reinforce credit control and ensure appropriate inventory control; however, significant changes in the value of these assets due to uncollectability, for example, could undermine the Group's business results and financial position.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	20,272	29,794
Notes and accounts receivable-trade	16,252	18,633
Merchandise and finished goods	4,148	3,592
Work in process	2,227	2,645
Raw materials and supplies	1,449	1,990
Deferred tax assets	97	1,439
Consumption taxes receivable	3,090	931
Other	699	1,374
Allowance for doubtful accounts	(156)	(418)
Total current assets	48,081	59,982
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,212	44,280
Accumulated depreciation	(21,605)	(23,189)
Buildings and structures, net	23,607	21,090
Machinery, equipment and vehicles	37,451	38,049
Accumulated depreciation	(24,643)	(27,582)
Machinery, equipment and vehicles, net	12,807	10,467
Tools, furniture and fixtures	6,798	7,152
Accumulated depreciation	(5,564)	(5,805)
Tools, furniture and fixtures, net	1,233	1,346
Land	6,082	5,923
Leased assets	4,253	571
Accumulated depreciation	(2,312)	(309)
Leased assets, net	1,940	262
Construction in progress	549	263
Total property, plant and equipment	46,221	39,353
Intangible assets		
Software	2,409	1,740
Goodwill	-	2,263
Other	468	814
Total intangible assets	2,877	4,819
Investments and other assets		
Investment securities	8,490	10,425
Deferred tax assets	65	329
Other	837	952
Allowance for doubtful accounts	(432)	(432)
Total investments and other assets	8,959	11,274
Total non-current assets	58,058	55,447
Total assets	106,140	115,430

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,776	19,764
Short-term loans payable	17,095	10,114
Lease obligations	642	95
Accrued expenses	2,837	3,384
Income taxes payable	288	899
Provision for bonuses	975	1,426
Provision for directors' bonuses	-	43
Other	2,196	4,579
Total current liabilities	44,812	40,306
Non-current liabilities		
Lease obligations	1,397	183
Deferred tax liabilities	1,866	2,664
Net defined benefit liability	6,245	5,861
Other	141	100
Total non-current liabilities	9,650	8,810
Total liabilities	54,463	49,117
Net assets		
Shareholders' equity		
Capital stock	5,684	5,684
Capital surplus	7,355	7,355
Retained earnings	36,558	48,198
Treasury shares	(2,928)	(2,930)
Total shareholders' equity	46,670	58,308
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,379	5,382
Foreign currency translation adjustment	1,614	2,865
Remeasurements of defined benefit plans	11	(242)
Total accumulated other comprehensive income	5,004	8,004
Minority interests	1	-
Total net assets	51,676	66,313
Total liabilities and net assets	106,140	115,430

Consolidated Statements of Operations

(Millions of Yen)

	Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015
Net sales	110,922	118,775
Cost of sales	93,898	93,713
Gross profit	17,024	25,062
Selling, general and administrative expenses	15,089	16,311
Operating income	1,935	8,750
Non-operating income		
Interest income	113	107
Dividend income	87	96
Foreign exchange gains	3,172	4,546
Other	398	343
Total non-operating income	3,771	5,093
Non-operating expenses		
Interest expenses	124	102
Share of loss of entities accounted for using equity method	323	1,006
Compensation expenses	-	200
Other	75	40
Total non-operating expenses	523	1,349
Ordinary income	5,182	12,494
Extraordinary income		
Gain on sales of non-current assets	417	107
Gain on liquidation of subsidiaries and associates	-	177
State subsidy	159	275
Total extraordinary income	577	560
Extraordinary losses		
Loss on sales and retirement of non-current assets	239	464
Loss on reduction of non-current assets	149	86
Impairment loss	-	1,394
Provision of allowance for doubtful accounts for subsidiaries and associates	-	348
Retirement benefit expenses	219	-
Total extraordinary losses	608	2,294
Income before income taxes and minority interests	5,151	10,761
Income taxes-current	492	1,293
Income taxes-deferred	692	(1,776)
Total income taxes	1,185	(482)
Income before minority interests	3,965	11,244
Minority interests in loss	(2)	(1)
Net income	3,967	11,245

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015
Income before minority interests	3,965	11,244
Other comprehensive income		
Valuation difference on available-for-sale securities	895	2,003
Foreign currency translation adjustment	2,157	1,134
Remeasurements of defined benefit plans, net of tax	-	(254)
Share of other comprehensive income of entities accounted for using equity method	153	116
Total other comprehensive income	3,206	3,000
Comprehensive income	7,172	14,244
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,174	14,245
Comprehensive income attributable to minority interests	(2)	(1)

Consolidated Statements of Changes in Net Assets

From April 1, 2013 to March 31, 2014

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	5,684	7,355	32,591	(2,926)	42,704
Cumulative effects of changes in accounting policies					—
Restated balance	5,684	7,355	32,591	(2,926)	42,704
Changes of items during the period					
Net income			3,967		3,967
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	3,967	(1)	3,966
Balance at the end of current period	5,684	7,355	36,558	(2,928)	46,670

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	2,483	(696)	—	1,786	—	44,491
Cumulative effects of changes in accounting policies						—
Restated balance	2,483	(696)	—	1,786	—	44,491
Changes of items during the period						
Net income						3,967
Purchase of treasury shares						(1)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	895	2,310	11	3,217	1	3,218
Total changes of items during the period	895	2,310	11	3,217	1	7,184
Balance at the end of current period	3,379	1,614	11	5,004	1	51,676

From April 1, 2014 to March 31, 2015

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	5,684	7,355	36,558	(2,928)	46,670
Cumulative effects of changes in accounting policies			823		823
Restated balance	5,684	7,355	37,381	(2,928)	47,494
Changes of items during the period					
Dividends of surplus			(429)		(429)
Net income			11,245		11,245
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(0)	10,816	(1)	10,814
Balance at the end of current period	5,684	7,355	48,198	(2,930)	58,308

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	3,379	1,614	11	5,004	1	51,676
Cumulative effects of changes in accounting policies						823
Restated balance	3,379	1,614	11	5,004	1	52,499
Changes of items during the period						
Dividends of surplus						(429)
Net income						11,245
Purchase of treasury shares						(1)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	2,003	1,250	(254)	3,000	(1)	2,999
Total changes of items during the period	2,003	1,250	(254)	3,000	(1)	13,813
Balance at the end of current period	5,382	2,865	(242)	8,004	—	66,313

Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	5,151	10,761
Depreciation	11,219	9,687
Impairment loss	—	1,394
Amortization of goodwill	—	173
Increase (decrease) in provision for bonuses	(10)	445
Increase (decrease) in provision for directors' bonuses	—	43
Increase (decrease) in net defined benefit liability	372	99
Increase (decrease) in allowance for doubtful accounts	(70)	252
Interest and dividend income	(200)	(203)
Interest expenses	124	102
Foreign exchange losses (gains)	(1,356)	(1,911)
Share of (profit) loss of entities accounted for using equity method	323	1,006
Loss (gain) on sales and retirement of non-current assets	(178)	357
Loss (gain) on liquidation of subsidiaries and associates	—	(177)
Decrease (increase) in notes and accounts receivable-trade	6,165	(1,605)
Decrease (increase) in inventories	1,701	350
Increase (decrease) in notes and accounts payable-trade	(3,752)	(1,571)
Other, net	(4,871)	2,915
Subtotal	14,617	22,120
Interest and dividend income received	198	185
Interest expenses paid	(124)	(101)
Income taxes paid	(368)	(644)
Income taxes refund	90	30
Net cash provided by (used in) operating activities	14,413	21,590

(Millions of Yen)

	Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	320	42
Payments into time deposits	—	(317)
Purchase of property, plant and equipment	(15,908)	(2,212)
Payments for retirement of property, plant and equipment	—	(74)
Proceeds from sales of property, plant and equipment	964	1,416
Purchase of intangible assets	(257)	(545)
Proceeds from sales of intangible assets	—	0
Purchase of investment securities	(79)	(84)
Proceeds from sales of investment securities	—	39
Purchase of shares of subsidiaries and associates	(1,245)	(25)
Purchase of investments in other securities of subsidiaries and affiliates	—	(20)
Payments for transfer of business	—	(344)
Payments of loans receivable	(4)	(272)
Collection of loans receivable	13	162
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(2,039)
Other, net	49	135
Net cash provided by (used in) investing activities	(16,149)	(4,141)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(4,000)	(7,099)
Repayment of long-term loans payable	—	(1,576)
Redemption of bonds	—	(165)
Repayments of lease obligations	(629)	(1,792)
Purchases of treasury shares-net	(1)	(1)
Cash dividends paid	(6)	(429)
Proceeds from share issuance to minority shareholders	3	—
Net cash provided by (used in) financing activities	(4,634)	(11,063)
Effect of exchange rate change on cash and cash equivalents	2,951	2,826
Net increase (decrease) in cash and cash equivalents	(3,419)	9,212
Cash and cash equivalents at beginning of period	23,692	20,272
Cash and cash equivalents at end of period	20,272	29,484

Corporate Information

Corporate Data (As of the End of March 2015)

Name

Nissha Printing Co., Ltd.

Headquarters

3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan

Founded

October 6, 1929

Established

December 28, 1946

Capital

¥5,684,790 thousand

Employees

955 (Consolidated number of employees: 3,596)

End of Fiscal Year

March 31

Website

Corporate Information

<http://www.nissha.com/english/>

IR Information

<http://www.nissha.com/english/ir/>

Contact Points for Investors

Investor Relations

3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan

T +81 75 811 8111 (Main Switch Board)

Stock Data (As of the End of March 2015)

Total number of authorized shares

180,000,000 shares

Total number of outstanding shares

45,029,493 shares

Number of shareholders

9,627

Number of shares per trading unit

100 shares

Stock exchange listings

Tokyo

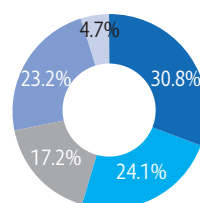
Security Code

7915

Large Shareholders

	Number of share held (thousands)	Percentage of shareholding (%)
TAIYO FUND, L.P.	3,360	7.46
Suzuki Kosan Co., Ltd.	2,563	5.69
Meiji Yasuda Life Insurance Company	2,341	5.20
Mizuho Bank, Ltd.	2,076	4.61
The Bank of Kyoto, Ltd.	1,442	3.20
Nissha Kyoekai	1,037	2.30
DIC Corporation	905	2.01
Oji Holdings Corporation	894	1.98
STATE STREET BANK AND TRUST COMPANY 505019	822	1.82
TAIYO HANEI FUND, L.P.	752	1.67

*The Company has 2,116 thousand shares of treasury stock, and it is excluded from the above list.

Breakdown of Shareholders by Type (Ratio of Shares Owned)


- Japanese Financial Institutions and Securities Firms
- Other Japanese Corporations
- Japanese Individuals and Others
- Foreign Institutions and Individuals
- Treasury Stock

www.nissha.com

Nissha Report 2015

(For the Year Ended March 31, 2015)

Date of issue

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Publisher

Junya Suzuki
President and CEO
Chairman of the Board

Art Director

Shinnoske Sugisaki

Editors

Investor Relations
Nissha Printing Co., Ltd.

Design Firms

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Nissha F8, Inc.

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Forward-looking Statements

This Nissha Report contains statements that constitute forward-looking statements regarding the intent, beliefs or current expectations of Nissha Printing Co., Ltd. or its management with respect to the results of operations and financial condition of Nissha and its subsidiaries. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of any number of factors. The information contained in this Nissha Report identifies those factors that could cause such differences.

The forward-looking statements speak only as of the date hereof.

Nissha disclaims any obligation to update or publicly announce any revisions to these forward-looking statements to reflect future events, conditions or circumstances.

Notes

- * The results and forecast presented on this report are all consolidated basis.
- * FineTouch is a Nissha's touch panel.
- * FineTouch and IMD are either registered trademark or a trademark of Nissha Printing Co., Ltd.

Information

For the latest IR information or more information about Nissha's CSR and corporate governance, please visit our website:

www.nissha.com