

August 5th, 2016

Junya Suzuki

President and CEO, Chairman of the Board

Nissha Printing Co., Ltd.

Exchanges Listed: Tokyo Stock Exchanges, First Section 7915

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Notice Regarding Acquisition of Shares in Graphic Controls Holdings, Inc. and Making it a Subsidiary

Nissha Printing Co., Ltd. (hereinafter, the “Company”), pursuant to a resolution of the Board of Directors’ meeting held on August 5, 2016, will acquire shares in Graphic Controls Holdings, Inc. (hereinafter, the “Target”) from WestView Capital Partners II, L.P. (hereinafter, “WestView”) and others, through its wholly-owned subsidiary and holding company, Nissha Medical International, Inc. Following the acquisition, the Target along with its wholly-owned subsidiary, Graphic Controls Acquisition Corp., and its related group companies (hereinafter, “Graphic Controls Group”) will become subsidiaries of the Company.

Additionally, as the value of capital stock of Graphic Controls Acquisition Corp. is greater than 10% of the capital stock of the Company, it is scheduled to be classified as a specified subsidiary of the Company after the share acquisition.

1. Reason for the Share Acquisition

The acquisition of Graphic Controls Group provides the Company the opportunity to expand into new businesses for medical devices and consumables, and medical device contract manufacturing.

In its Fifth Medium-term Business Plan announced in April 2015, the Company has established its medium-term vision as: “We will acquire and merge new technologies into our core printing technologies and expand our business portfolio into global growth markets.” Due to increasing volatility in product demand and price reduction pressures for products and services in the consumer electronics industry, which includes the Company’s mainstay smartphone and tablet devices, the Company is seeking to diversify its business and establish a foundation that can secure sustained sales growth and stable profits. Within its Fifth Medium-term Business Plan, the



Company has identified M&A as one important tool to diversify its business portfolio. As part of its M&A strategy, the Company has promoted research and study in the medical market as a high potential target market, which is expected to grow on a global basis.

Graphic Controls Group is a medical devices and consumables manufacturer headquartered in the United States. Since its founding in 1909, it has applied its converting and printing technologies to business media and medical devices. In its main medical devices business, Graphic Controls Group manufactures and sells its own brand products to medical institutions such as hospitals, while also providing contract manufacturing services for major medical device manufacturers.

The medical devices and consumables sector in which the Graphic Controls Group is involved is forecast to grow on a global basis, against a backdrop of an increasingly aging society and proliferation of preventative medicine. Additionally, there is an increasing trend for major medical device manufacturers to focus on research and development and outsource the manufacture of medical devices to contract manufacturing providers. Accordingly, Graphic Controls Group is expected to demonstrate steady growth in the future in both its branded medical products and medical device contract manufacturing businesses.

This acquisition will provide the Company a broad product portfolio of medical devices and consumables, manufacturing capabilities for medical devices, and global sales channels to expand its business in the medical devices and consumables sector. Moving forward, the Company will utilize Graphic Controls Group as a platform to expand its business in the medical market, while creating a balanced business portfolio with its existing consumer electronics business. Additionally, Graphic Controls Group products, such as mainstay patient monitoring disposable electrodes and medical surgical consumables, and manufacturing capabilities, such as converting technologies, patterning formation on film and injection molding, have high compatibility with the Company's core technologies. This allows for acceleration of initiatives including production efficiency improvement and new product development over the medium term by integrating the core technologies of both companies.

2. Outline of Subsidiary to be Transferred

(Target)

| | | | | |
|-----|---|--|-------------------|-------------------|
| (1) | Name | Graphic Controls Holdings, Inc. | | |
| (2) | Location | 2711 Centerville Rd., Suite 400, Wilmington, De 19808, USA | | |
| (3) | Position and name of representative | Sam Heleba (President & CEO) | | |
| (4) | Scope of business | Corporate planning and management of subsidiaries and group companies and ancillary or related businesses to the above | | |
| (5) | Capital stock | USD 111 | | |
| (6) | Date of foundation | September 7, 2010 | | |
| (7) | Major shareholders and ratio of shares held | WestView Capital Partners II, L.P. 72.9% | | |
| (8) | Relationship between the listed company and the aforementioned company | There are no capital relationships, personal relationships, or transactional relationships to record between the Company and the aforementioned company. Furthermore, there are no capital relationships, personal relationships, or transactional relationships of note between related parties or related companies of the Company and related parties or related companies of the aforementioned company. | | |
| (9) | Consolidated operating results and consolidated financial condition of the aforementioned company for the latest three fiscal years (Units: Thousand USD) | | | |
| | Fiscal year-end | December 31, 2013 | December 31, 2014 | December 31, 2015 |
| | Consolidated net assets | 25,449 | 30,652 | 34,772 |
| | Consolidated total assets | 96,068 | 107,834 | 119,649 |
| | Consolidated net assets per share (USD) | 254.50 | 276.47 | 313.63 |
| | Consolidated net sales | 95,130 | 106,209 | 119,371 |
| | Consolidated operating income | 12,530 | 11,210 | 11,855 |
| | Consolidated profit attributable to owners of parent | 4,825 | 2,211 | 4,924 |
| | Consolidated basic earnings per share (USD) | 48.25 | 19.95 | 44.41 |

(10) Special instruction

Target acquired all shares of CEA Medical Manufacturing, Inc and CEA Global Holding, LLC through Graphic Controls Acquisition Corp. (Colorado), a Target’s consolidated subsidiary on May, 2016, making these two companies and their group companies (hereinafter, “CEA group”) Target’s subsidiaries.

Consolidated operating results and consolidated financial condition of CEA group for the latest fiscal year are as follows. (Units: Thousand USD)

| Fiscal year-end | December 31, 2015 |
|--|-------------------|
| Consolidated net assets | 5,145 |
| Consolidated total assets | 11,136 |
| Consolidated net sales | 34,166 |
| Consolidated operating income | 1,918 |
| Consolidated profit attributable to owners of parent | 1,814 |

*Current available information is shown, and figures for business results are based on the local accounting standards of the United States of America.

(Business Company)

| | |
|--|--|
| (1) Name | Graphic Controls Acquisition Corp. |
| (2) Location | 2711 Centerville Rd., Suite 400, Wilmington, De 19808, USA |
| (3) Position and name of representative | Sam Heleba (President & CEO) |
| (4) Scope of business | Medical devices, contract manufacturing services, industrial and entertainment consumables |
| (5) Capital stock | USD 29,400,000 |
| (6) Date of foundation | September 7, 2010 |
| (7) Major shareholders and ratio of shares held | Graphic Controls Holdings, Inc. 100% |
| (8) Relationship between the listed company and the aforementioned company | There are no capital relationships, personal relationships, or transactional relationships to record between the Company and the aforementioned company. Furthermore, there are no capital relationships, personal relationships, or transactional relationships of note between related parties or related companies of the Company and related parties or related companies of the aforementioned company. |

| (9) Unconsolidated operating results and unconsolidated financial condition of the aforementioned company for the latest three fiscal years (Units: Thousand USD) | | | |
|--|-------------------|-------------------|-------------------|
| Fiscal year-end | December 31, 2013 | December 31, 2014 | December 31, 2015 |
| Net assets | 25,556 | 33,469 | 41,140 |
| Total assets | 76,717 | 91,280 | 102,430 |
| Net assets per share (USD) | 255,568 | 334,692 | 411,403 |
| Net sales | 67,163 | 64,997 | 65,579 |
| Operating income | 10,977 | 7,991 | 8,025 |
| Profit | 4,863 | 2,354 | 3,735 |
| Basic earnings per share (USD) | 48,630 | 23,542 | 37,357 |

*Current available information is shown, and figures for business results are based on the local accounting standards of the United States of America.

3. Outline of Counterparty to Share Acquisition

(1) WestView Capital Partners II, L.P.

| | |
|--|--|
| (1) Name | WestView Capital Partners II, L.P. |
| (2) Location | 125 High Street, High Street Tower, 26 th Floor, Boston, MA 02110, USA |
| (3) Position and name of representative | Carlo von Schroeter (Managing Partner) |
| (4) Scope of business | Corporate planning and management of subsidiaries and group companies and ancillary or related businesses to the above |
| (5) Relationship between the listed company and the aforementioned company | <p>There are no capital relationships, personal relationships, or transactional relationships to record between the Company and the aforementioned company. Furthermore, there are no capital relationships, personal relationships, or transactional relationships of note between related parties or related companies of the Company and related parties or related companies of the aforementioned company.</p> <p>The aforementioned company is not considered a related party to the Company. Furthermore, related parties or related companies of the aforementioned company are not considered related parties to the Company.</p> |

*Current available information is shown.

(2) Sam Heleba

| | | |
|-----|--|-----------------|
| (1) | Name | Sam Heleba |
| (2) | Location | New York |
| (3) | Relationship between the listed company and the aforementioned company | Not applicable. |

(3) John Bellotti

| | | |
|-----|--|-----------------|
| (1) | Name | John Bellotti |
| (2) | Location | New York |
| (3) | Relationship between the listed company and the aforementioned company | Not applicable. |

(4) Gary Toomey

| | | |
|-----|--|-----------------|
| (1) | Name | Gary Toomey |
| (2) | Location | New York |
| (3) | Relationship between the listed company and the aforementioned company | Not applicable. |

(5) Marcus Boggs

| | | |
|-----|--|-----------------|
| (1) | Name | Marcus Boggs |
| (2) | Location | Colorado |
| (3) | Relationship between the listed company and the aforementioned company | Not applicable. |

*Nissha Medical International, Inc. will acquire the shares from 15 other individuals than the aforementioned company or individuals.

4. Number of Shares to be Acquired, Acquisition Price, and Status of Shares Held before and after Acquisition

| | | | | | | | | | | |
|---|---------------------------------------|--|-------------------------|-----------------|---|---------------|---------------------------------|------------------------|--|-----------------------------|
| (1) | Number of shares held before transfer | 0 shares (Number of voting rights: 0 units) (Percentage of voting rights held: 0.0%) | | | | | | | | |
| (2) | Number of shares to be acquired | 127,963 shares (Number of voting rights: 127,963 units) | | | | | | | | |
| (3) | Acquisition price | <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Common shares of Target</td> <td style="text-align: right;">USD 135 million</td> </tr> <tr> <td>Advisory expenses, etc. (Estimated amount)</td> <td style="text-align: right;">USD 3 million</td> </tr> <tr> <td>Total (Estimated amount)</td> <td style="text-align: right;">USD 138 million</td> </tr> <tr> <td></td> <td style="text-align: right;">(JPY 15,180 million)</td> </tr> </table> <p>(Note 1) Calculations are made at JPY 110 to USD 1. (Note 2) Actual consideration for the common shares will reflect price adjustments at the time of the acquisition, based on the agreement.</p> | Common shares of Target | USD 135 million | Advisory expenses, etc. (Estimated amount) | USD 3 million | Total (Estimated amount) | USD 138 million | | (JPY 15,180 million) |
| Common shares of Target | USD 135 million | | | | | | | | | |
| Advisory expenses, etc. (Estimated amount) | USD 3 million | | | | | | | | | |
| Total (Estimated amount) | USD 138 million | | | | | | | | | |
| | (JPY 15,180 million) | | | | | | | | | |
| (4) | Number of shares held after transfer | 127,963 shares (Number of voting rights: 127,963 units) (Percentage of voting rights held: 97.1%) | | | | | | | | |

5. Schedule

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|-----|--|------------------------------|
| (1) | Approval date by the Board of Directors' meeting | August 5, 2016 |
| (2) | Date of execution of the agreement | August 5, 2016 |
| (3) | Date of implementation of the share transfer | Late August 2016 (scheduled) |

6. Outlook for the Future

The impact of the acquisition on the Company's consolidated business results is currently under review. Concerning details, the Company will promptly disclose them once they become clear.