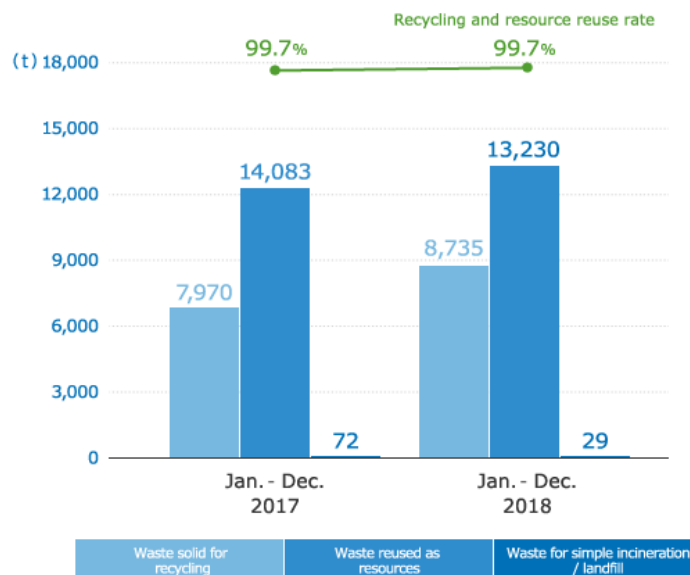


Waste Management

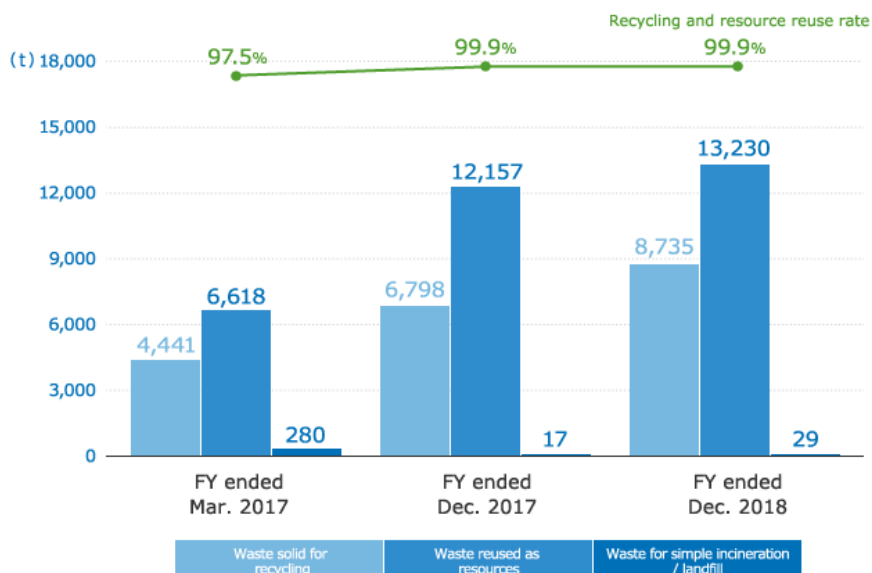
In the fiscal year ended December 2018, the Nissha Group in Japan generated a total of 21,994 tons of waste, including waste reused as resources, waste solid for recycling and waste for simple incineration/landfill. Compared with the 22,125 tons generated over the twelve months from January to December 2017, this is largely the same.

In addition, emissions from incineration and landfill waste accounted for 29 tons. This is about a 60% reduction from the 72 tons generated from January to December 2017. The main reason is improvements to the production process quality practiced at each factory, such as reducing the number of defects. As a result, our recycling and resource reuse rate was 99.9%, the same as last year, and we are maintaining our zero emissions (recycling and resource reuse rates of 99.5% or above) levels.

Comparison of Jan.-Dec. 2017 with Jan.-Dec. 2018 (Nissha Group in Japan)



Trends in Fiscal Years



All waste generated in Asian production bases (Guangzhou Nissha, Nissha Kunshan, Nissha Precision Technologies Malaysia)

	FY ended March 2017	FY ended December 2017	FY ended December 2018
All waste generated (tons)	222	238	231

Recycling and resource reuse rates in Asian production bases (FY ended December 2018)

	Targets	Results	Evaluation
Guangzhou Nissha	72% or more	79%	Satisfactory
Nissha Kunshan	89% or more	100%	Satisfactory
Nissha Precision Technologies Malaysia	90% or more	97%	Satisfactory

Risk Management Related to Waste and Waste Converted in Valuable Resources

We recognize largely three types of waste-related risk:

- Accidents and disasters caused by waste and waste converted into valuable resources (including at treatment contractors)
- Environmental pollution and violation of laws caused by inappropriate waste treatment
- Leakage of confidential information from waste and waste converted into valuable resources

Based on laws and customer demand, we have created a set of Nissha Group Waste Management Regulations that enables all bases of the Nissha Group to manage waste safely under the same set of standards. In line with these regulations, each base has drawn up its own Waste Management Manual and makes efforts toward thorough waste separation and management. Whether a small amount of substance or a spray can, the properties of waste are checked meticulously and monitored so as to prevent spillage during transportation and accidents at treatment facilities. The regulations also stipulate the criteria for selecting waste treatment contractors and for regularly inspecting treatment facilities using a checklist original to Nissha. In addition, we have in place standards for managing waste and waste converted into valuable resources that contain confidential information, and promote management in association with our information security management system (ISMS).

During the fiscal year ended December 2018, restrictions on disposal of waste plastics came into force at some of our sites in Japan due to restrictions on the import of plastic waste in China and Southeast Asian nations. As we foresee a risk of waste plastic disposal costs rapidly growing in future, we are moving ahead with ensuring strategic recycling, such as the selection of multiple disposal companies.

Status of Waste Generation at Bases

Status of Waste Generation at Major Production Bases (December 2018 Results)

Nitec Industries, Inc. (NII) Koka Factory



Location: Koka City, Shiga Prefecture
 Acquisition of ISO14001 Certification: June 2007
 Production items: Transfer foils (the Industrial Materials business)

Recycling and resource reuse rate: 100.0%

Waste items	Ratio
Waste Plastic	41.9%
Waste ink	35.4%
Waste Alkali and waste acid	9.1%
Aluminum,tin,waste cans,and copper scrap (valuable materials)	8.4%
Waste cloth and waste filters	2.6%
Sludge,crucible,and woodchips	1.6%
Recycled paper and cardboards (valuable materials)	0.8%
Non-industrial waste	0.2%
Simple incineration and landfill	0.0%
Recycling and resource reuse rate	100.0%

Nitec Precision and Technologies, Inc. (NPT) Himeji Factory



Location: Himeji City, Hyogo Prefecture
 Acquisition of ISO14001 Certification: March 2014
 Production items: Touch sensors (the Devices business)

Recycling and resource reuse rate: 99.9%

Waste items	Ratio
Waste acid, waste alkali and waste oil	34.5%
Waste plastic (valuable materials)	33.8%
Sludge	19.7%
Waste plastic	9.3%
Recycled paper and cardboards (valuable materials)	2.3%
Wood chips and glass waste	0.2%
Metal-bearing waste (valuable materials)	0.1%
Waste oil (valuable materials)	0.0%
Simple incineration and landfill	0.1%
Recycling and resource reuse rate	99.9%

Nitec Precision and Technologies, Inc. (NPT) Kaga Factory



Location: Kaga City, Ishikawa Prefecture
 Acquisition of ISO14001 Certification: March 2014
 Production items: Touch sensors (the Devices business)

Recycling and resource reuse rate: 99.8%

Waste items	Ratio
Waste plastic (valuable materials)	33.2%
Waste acid and waste alkali	30.3%
Sludge	14.7%
Waste oil	9.8%
Waste plastic	9.6%
Recycled paper and cardboards (valuable materials)	2.1%
Metal-bearing waste (valuable materials)	0.1%
Simple incineration and landfill	0.2%
Recycling and resource reuse rate	99.8%

Nitec Precision and Technologies, Inc. (NPT) Tsu Factory



Location: Tsu City, Mie Prefecture
 Production items: Touch sensors (the Devices business)

Recycling and resource reuse rate: 100.0%

Waste items	Ratio
Waste acid and waste alkali	40.7%
Waste plastic (valuable materials)	30.6%
Waste plastic	18.4%
Sludge	7.8%
Recycled paper and cardboards (valuable materials)	2.4%
Wood chips and glass waste	0.1%
Metal (valuable materials)	0.1%
Waste oil (valuable materials)	0.0%
Simple incineration and landfill	0.0%
Recycling and resource reuse rate	100.0%