

1. This document is a translation of the official Japanese Notice of the Convocation of the Ordinary General Meeting of Shareholders for the 97th Business Term.
2. This translation is provided only as a reference to assist shareholders in their voting and does not constitute an official document.
3. In the event of any discrepancies between this translated document and the Japanese original, the original shall prevail.

(Securities code: 7915)
May 27, 2016

To All Shareholders

3 Mibu Hanai-cho, Nakagyo-ku, Kyoto, Japan
Nissha Printing Co., Ltd.
Junya Suzuki, President and CEO, Chairman of the Board

Notice of the Convocation of the Ordinary General Meeting of Shareholders for the 97th Business Term

We hereby notify that the Ordinary General Meeting of Shareholders for the 97th Business Term of Nissha Printing Co., Ltd. (the “Company”) shall be held as described below and request your attendance.

If you are unable to attend on the day, you may exercise your voting rights in writing or by an electromagnetic method (via Internet, etc.). You are requested to exercise your voting rights by 6 p.m. on June 16, 2016 (Thurs.) after examining the “Reference Materials for the General Meeting of Shareholders” (pages 3 through 46).

Ordinary General Meeting of Shareholders

1. **Date and time:** June 17, 2016 (Fri.), 10:00 a.m.
2. **Venue:** Company auditorium, 3 Mibu Hanai-cho, Nakagyo-ku, Kyoto, Japan
(Please refer to the “Guide to the Venue for the General Meeting of Shareholders” of the Japanese original.)
3. **Agenda:**
 1. **Matters to be reported**
 1. The contents of the Business Report and Consolidated Financial Documents for the 97th business term (from April 1, 2015 through March 31, 2016)
The Consolidated Financial Documents Audit Report of the Accounting Auditor and the Audit & Supervisory Board
 2. The contents of Non-consolidated Financial Documents for the 97th business term (from April 1, 2015 through March 31, 2016)

Proposals to be resolved

- Proposal 1** Appropriation of Surplus
- Proposal 2** Election of 8 Directors, Members of the Board
- Proposal 3** Election of 2 Audit & Supervisory Board Members
- Proposal 4** Revision of the Amount of Remuneration for Directors, Members of the Board and Audit & Supervisory Board Members
- Proposal 5** Decision regarding Amount of Stock Compensation Paid to Directors, Members of the Board
- Proposal 6** Renewal of Countermeasures Against a Large-scale Purchase of Shares of the Company (Takeover Defense Measures)

[Exercise of voting rights by postal mail]

After indicating your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form, please send the form to reach us by the deadline for exercising voting rights given above.

[Exercise of voting rights by an electromagnetic method (via Internet, etc.)]

Please access the Company's designated websites for exercising voting rights (<http://www.it-soukai.com/>), and after using the "Voting Rights Exercise Code" and "Password" indicated on the enclosed Voting Rights Exercise Form, please enter your approval or disapproval of the proposals in accordance with the guidance given on the screen.

We request that you confirm the "Guide to the Exercise of Voting Rights" (pages 5 through 6 of the Japanese original) when exercising your voting rights via the Internet, etc.

In addition, if voting rights are exercised in duplicate in writing and via the Internet, the voting rights exercised via the Internet shall be deemed valid.

END

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1. If you intend to attend the meeting, we request that you submit the enclosed Voting Rights Exercise Form to the reception desk at the meeting.
 2. The following matters are disclosed on our website (<http://www.nissha.com/english/>) in accordance with laws and regulations and the provisions of Article 16 of the Articles of Incorporation of the Company. Therefore, they are not stated in the Attachments to this Notice of Convocation.
 - (1) Consolidated Statements of Changes in Net Assets; Notes to Consolidated Financial Statements
 - (2) Non-consolidated Statements of Changes in Net Assets; Notes to Non-consolidated Financial StatementsPlease note that the Attachments to this Notice of Convocation formed part of the Consolidated Financial Documents and Non-consolidated Financial Documents audited by the Accounting Auditor during its preparation of the Audit Report.
 3. If there are any corrections to the Reference Materials for the General Meeting of Shareholders, Business Report, Consolidated Financial Documents, and Financial Documents, such corrections will be posted on the Company's website (<http://www.nissha.com/english/>).

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company distributes profits with a stable and ongoing payment of dividends as its basic policy, while considering factors such as its business results in this fiscal year, forecasts of future results, payout ratios, and the general soundness of its financial affairs.

The Company also adheres to a basic policy, for the time being, of making efficient use of its internal reserves mainly for M&As, capital expenditures, and research and development in growth areas, for the purpose of expanding the corporate value from a mid- to long perspective.

With due consideration given to the aforementioned policy, the current management environment and future business development, the Company proposes to pay a year-end dividend for the term under review of ¥15.00 per share as described below. The annual dividend per share will therefore be ¥30.00 per share, inclusive of the interim dividend of ¥15.00 per share.

(1) Type of dividend asset

Cash

(2) Allocation of dividend asset to shareholders and total amount of allocation

¥15.00 per share of common stock in the Company

Total amount of dividends: ¥643,686,885

(3) Effective date of dividends from surplus

June 20, 2016

Proposal 2: Election of 8 Directors, Members of the Board

The term of office of all of the Company's Directors, Members of the Board (7) shall expire at the end of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes the election of 8 Directors, Members of the Board, including 4 Independent Directors, Members of the Board, in order to further strengthen the Company's corporate governance by increasing the number of Independent Directors, Members of the Board by one.

Candidates for the position of Director, Members of the Board are determined based on the contents of a report from the Nomination and Remuneration Committee (as stated on page 22 of the Japanese original) chaired by Independent Director, Member of the Board in accordance with the standard for selecting candidates for the position of Directors, Members of the Board. The candidates for the position of Independent Directors, Members of the Board are in compliance with the "Standards for Independence of Independent Officers" (as stated on page 19 of the Japanese original).

The candidates for the position of Director, Member of the Board are as follows.

Candidate number	Name				Current positions and responsibilities at the Company
1	Junya Suzuki	Reappointment			President and CEO, Chairman of the Board Chief Executive Officer
2	Takao Hashimoto	Reappointment			Director, Member of Senior Executive Vice President Chief Technology Officer
3	Hayato Nishihara	Reappointment			Director, Member of Senior Executive Vice President Chief Financial Officer, Senior Director of Human Resources, General Affairs and Legal Affairs
4	Yoshiharu Tsuji	Reappointment			Director, Member of the Board Special Assistant to President, Director, Tokyo Division Headquarters
5	Tamio Kubota	Reappointment	Candidate for Independent Director, Member of the Board	Independent Officer	Director, Member of the Board
6	Kenji Kojima	Reappointment	Candidate for Independent Director, Member of the Board	Independent Officer	Director, Member of the Board
7	Sawako Nohara	Reappointment	Candidate for Independent Director, Member of the Board	Independent Officer	Director, Member of the Board
8	Kazuhito Osugi	New appointment	Candidate for Independent Director, Member of the Board	Independent Officer	

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares in the Company held
1	Junya Suzuki (December 8, 1964) Reappointment (Term of office as a Director, Member of the Board) 17 years as of the end of the meeting (Attendance of meetings of the Board of Directors in fiscal 2016) 21 out of 21 (100%)	<p>April 1990 Entered The Dai-ichi Kangyo Bank, Limited (Currently, Mizuho Financial Group, Inc.), Ginza Branch Office</p> <p>April 1993 Industrial Research Office, Corporation Planning Division</p> <p>March 1995 Acquired credits from Doctoral Program, Graduate School of Business and Commerce, Keio University</p> <p>March 1996 Los Angeles Branch Office, The Dai-ichi Kangyo Bank, Limited</p> <p>March 1998 Entered the Company</p> <p>June 1999 Director, Member of the Board</p> <p>June 2001 Executive Director, Member of the Board</p> <p>April 2003 Executive Director, Member of the Board, General Manager of International Sales, Industrial Materials and Input Devices Business Unit</p> <p>June 2003 Senior Executive Director, Member of the Board</p> <p>July 2005 Corporate Vice President, Member of the Board</p> <p>April 2006 Corporate Vice President, Member of the Board, General Manager of Corporate Strategy</p> <p>June 2007 President and CEO, Chairman of the Board (present post) Currently, Chief Executive Officer</p>	607,269 shares

(Significant positions concurrently held)

Chairman, Kyoto Association of Corporate Executives / Chairman, Nissha USA, Inc. / Chairman, Nissha Europe GmbH / Chairman, Nissha Luxembourg Holdings S.à r.l. / Chairman, AR Metalizing N.V. / President and CEO, Representative Director of the Board, Suzuki Kosan Co., Ltd. / Representative Director, Nissha Foundation for Printing Culture and Technology

(Reasons for selecting the candidate for Director, Member of the Board)

Mr. Junya Suzuki has duly performed his duties as President and CEO, Chairman of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He has also carried out a strategy that has been precisely responsive to changes in the business environment since he assumed office as President and CEO, Chairman of the Board in 2007. He currently shows strong leadership in the execution of the Fifth Medium-term Business Plan. We ask for his election so that he may continuously serve as a Director, Member of the Board, since we judge that he is an appropriate talented person who will continue to create a sound growth strategy for the Company and supervise the execution of operations.

Notes:

1. No special interest exists between Mr. Junya Suzuki and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares in the Company held.

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares in the Company held
2	Takao Hashimoto (September 11, 1948) Reappointment (Term of office as a Director, Member of the Board) 11 years as of the end of the meeting (Attendance of meetings of the Board of Directors in fiscal 2016) 21 out of 21 (100%)	<p>April 1973 Entered the Company</p> <p>April 2004 General Manager of Production, Industrial Materials and Input Devices Business Unit</p> <p>June 2005 Director, Member of the Board</p> <p>April 2006 Director, Member of the Board, General Manager of Technology Development, Industrial Materials and Input Devices Business Unit</p> <p>June 2008 Executive Vice President, Member of the Board</p> <p>April 2010 Executive Vice President, Member of the Board, Senior Director of Industrial Materials and Input Devices Business Unit (Input Devices and Technology Development)</p> <p>April 2012 Executive Vice President, Member of the Board, Senior Director of Corporate Technology Research and Development</p> <p>April 2013 Senior Executive Vice President, Member of the Board (present post) Currently, Chief Technology Officer</p>	17,789 shares

(Significant positions concurrently held)
Representative Director, FIS Inc.

(Reasons for selecting the candidate for Director, Member of the Board)

Mr. Takao Hashimoto has duly performed his duties as a Director, Member of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He has shown strong leadership in the acquisition of the Nissha Group's new core technologies and technology development and product development as a Senior Executive Vice President and Chief Technology Officer. We ask for his election so that he may continuously serve as a Director, Member of the Board, since we judge that he is an appropriate talented person who will continue to create a sound growth strategy for the Company and supervise the execution of operations.

Notes:

1. No special interest exists between Mr. Takao Hashimoto and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares in the Company held.

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares in the Company held
3	Hayato Nishihara (February 16, 1953) Reappointment (Term of office as a Director, Member of the Board) 4 years as of the end of the meeting (Attendance of meetings of the Board of Directors in fiscal 2016) 21 out of 21 (100%)	<p>April 1976 Entered The Dai-ichi Kangyo Bank, Limited (Currently, Mizuho Financial Group, Inc.)</p> <p>January 2002 General Manager, Hamamatsu Branch</p> <p>December 2004 Entered the Company</p> <p>April 2005 Deputy General Manager of Administration</p> <p>April 2006 Deputy General Manager of Corporate Strategy (Special Assistant to Human Resources and Planning, Corporate Strategy Planning)</p> <p>June 2008 Vice President, Deputy General Manager of Administration (Financial Strategy)</p> <p>April 2009 Vice President, General Manager of Corporate Finance and Accounting</p> <p>April 2011 Senior Vice President</p> <p>June 2012 Senior Vice President, Member of the Board</p> <p>April 2013 Executive Vice President, Member of the Board</p> <p>April 2015 Senior Executive Vice President, Member of the Board (present post) Currently, Chief Financial Officer, Senior Director of Human Resources, General Affairs and Legal Affairs</p>	3,344 shares

(Reasons for selecting the candidate for Director, Member of the Board)

Mr. Hayato Nishihara has duly performed his duties as a Director, Member of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He supervises the Nissha Group's financial strategy by taking advantage of his unsurpassed expertise as a Senior Executive Vice President, Member of the Board, and Chief Financial Officer, while showing strong leadership in fields of human resources, general affairs, and legal affairs from a consolidated and global viewpoint. We ask for his election so that he may continuously serve as a Director, Member of the Board, since we judge that he is an appropriate talented person who will continue to create a sound growth strategy for the Company and supervise the execution of operations.

Notes:

1. No special interest exists between Mr. Hayato Nishihara and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares in the Company held.

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares in the Company held
4	Yoshiharu Tsuji (February 19, 1942) Reappointment (Term of office as a Director, Member of the Board) 29 years as of the end of the meeting (Attendance of meetings of the Board of Directors in fiscal 2016) 21 out of 21 (100%)	<p>March 1965 Entered the Company</p> <p>June 1987 Director, Member of the Board</p> <p>June 1997 Executive Director, Member of the Board</p> <p>June 2001 Senior Executive Director, Member of the Board</p> <p>April 2003 Senior Executive Director, Member of the Board, General Manager of Industrial Materials and Input Devices Business Unit</p> <p>July 2005 Corporate Vice President, Member of the Board, General Manager of Industrial Materials and Input Devices Business Unit</p> <p>June 2007 Corporate Vice President, Representative Director of the Board, General Manager of Industrial Materials and Input Devices Business Unit</p> <p>April 2011 Corporate Vice President, Representative Director of the Board, Senior Director of Purchasing and Logistics</p> <p>April 2012 Representative Director of the Board</p> <p>June 2012 Director, Member of the Board (present post) Currently, Special Assistant to President, Director of Tokyo Division Headquarters</p>	36,737 shares

(Significant positions concurrently held)

Representative Director, Nissha Business Service Co., Ltd.

(Reasons for selecting the candidate for Director, Member of the Board)

Mr. Yoshiharu Tsuji has duly performed his duties as a Director, Member of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He is currently fulfilling his responsibilities as a Special Assistant to President by taking advantage of his knowledge of Company management, rich business experience, and wide insight. We ask for his election so that he may continuously serve as a Director, Member of the Board, since we judge that he is an appropriate talented person who will continue to create a sound growth strategy for the Company and supervise the execution of operations.

Notes:

1. No special interest exists between Mr. Yoshiharu Tsuji and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares in the Company held.

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held		Number of shares in the Company held
5	Tamio Kubota (August 4, 1947) Reappointment Candidate for Independent Director, Member of the Board Independent Officer (Term of office as a Director, Member of the Board) 9 years as of the end of the meeting (Attendance of meetings of the Board of Directors in fiscal 2016) 21 out of 21 (100%)	April 1972	Entered The Dai-ichi Kangyo Bank, Limited (Currently, Mizuho Financial Group, Inc.)	4,313 shares
		June 1979	Completed MBA, Yale School of Management, Yale University, USA	
		January 2001	General Manager, International Credit Supervision Division, The Dai-ichi Kangyo Bank, Limited	
		April 2002	Entered TOKYO LEASING CO., LTD. (Currently, Century Tokyo Leasing Corporation)	
		June 2006	Representative Director of the Board and Senior Executive Officer	
		June 2007	Senior Executive Officer	
		June 2007	Independent Director, Members of the Board, the Company (present post)	
		June 2008	Independent Audit & Supervisory Board Member, Takashima & Co., Ltd. (Full-time)	

(Reasons for selecting the candidate for Independent Director, Member of the Board)

Mr. Tamio Kubota has given valuable advice and opinions from his point of view as a corporate manager 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 the excellent judgment he has gained through such experience. Mr. Tamio Kubota has duly performed his duties, such as the supervision of the execution of operations. He worked in The Dai-ichi Kangyo Bank, Limited (Currently, Mizuho Financial Group, Inc.) until his retirement from the bank more than ten years ago in 2002. We ask for his election so that he may continuously serve as an Independent Director, Member of the Board, since we judge that he will continue to give his valuable counsel from an independent point of view across the whole range of the Company's management.

Notes:

1. No special interest exists between Mr. Tamio Kubota and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares in the Company held.
3. Mr. Tamio Kubota is a candidate for Independent Director, Member of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
4. The Company has concluded a contract for limitation of liability with Mr. Tamio Kubota, and if we obtain approval for his reelection, we will continue the contract.

The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1, of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act, when the Director, member of the Board's duty is performed in good faith and with no gross negligence.

5. The Tokyo Stock Exchange was notified of Mr. Tamio Kubota as an Independent Officer of the Company.

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares in the Company held
6	Kenji Kojima (February 5, 1948) Reappointment Candidate for Independent Director, Member of the Board Independent Officer (Term of office as a Director, Member of the Board) 8 years as of the end of the meeting (Attendance of meetings of the Board of Directors in fiscal 2016) 21 out of 21 (100%)	April 1970 Entered Matsushita Electric Industrial Co., Ltd. (Currently, Panasonic Corporation) June 1975 Completed MBA, Kellogg School of Management, Northwestern University, USA March 1979 Acquired PhD, Kobe University Graduate School of Business Administration March 1985 Visiting Researcher, Yale School of Management, Yale University, USA September 1988 Visiting researcher, Stanford University, Electrical Engineering Department, USA January 1993 Visiting researcher, Harvard University, Economics Department, USA May 1999 Professor at Research Institute for Economics & Business Administration, Kobe University June 2008 Independent Director, Member of the Board, the Company (present post) April 2012 Specially Appointed Professor at Research Institute for Economics & Business Administration, Kobe University (present post)	0 shares

(Significant positions concurrently held)

Specially Appointed Professor at Research Institute for Economics & Business Administration, Kobe University

(Reasons for selecting the candidate for Independent Director, Member of the Board)

Mr. Kenji Kojima has given valuable advice and opinions across the whole range of the Company's management, making the most of his deep knowledge as a researcher in corporate governance and corporate strategy, and also his rich experiences in developing businesspersons at the Kobe University Graduate School of Business Administration MBA program. Mr. Kenji Kojima has duly performed his duties, such as the supervision of the execution of operations. Mr. Kenji Kojima has not participated in corporate management other than as an Independent Director, Member of the Board for the Company, but we ask for his election so that he may continuously serve as an Independent Director, Member of the Board since we judge that he will continue to give his valuable counsel from an independent point of view across the whole range of the Company's management.

Notes:

1. No special interest exists between Mr. Kenji Kojima and the Company.
2. Mr. Kenji Kojima is a candidate for Independent Director, Member of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. The Company has concluded a contract for limitation of liability with Mr. Kenji Kojima, and if we obtain approval for his reelection, we will continue the contract.
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1, of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act, when the Director, member of the Board's duty is performed in good faith and with no gross negligence.
4. The Company holds general seminar sessions of management strategy at which Mr. Kenji Kojima lectures to employees of the Company and pays remuneration to him for the service. However, the amount of remuneration meets the immateriality standards provided for in the "Standards for Independence of Independent Officers" (as stated on page 19 of the Japanese original) of the Company, and accordingly would not affect the independence of Mr. Kenji Kojima as an Independent Director, Member of the Board.
5. The Tokyo Stock Exchange was notified of Mr. Kenji Kojima as an Independent Officer of the Company.

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares in the Company held
7	Sawako Nohara (January 16, 1958) Reappointment Candidate for Independent Director, Member of the Board Independent Officer (Term of office as a Director, Member of the Board) 2 years as of the end of the meeting (Attendance of meetings of the Board of Directors in fiscal 2016) 18 out of 21 (85.7%)	December 1988 Entered Living Science Institute, Inc. July 1995 Entered 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. (present post) June 2006 Independent Director, Member of the Board, NEC Corporation November 2009 Project Professor, Keio University Graduate School of Media and Governance (present post) June 2012 Independent Audit & Supervisory Board Member, Sompo Japan Insurance Inc. June 2013 Independent Director, Member of the Board, NKSJ Holdings, Inc. (Currently Sompo Japan Nipponkoa Holdings, Inc.) (present post) June 2014 Independent Director, Member of the Board, the Company (present post) June 2014 Independent Director, Member of the Board, Japan Post Bank Co., Ltd. (present post)	0 shares

(Significant positions concurrently held)

Representative Director, President of IPSe Marketing, Inc. / Project Professor, Keio University Graduate School of Media and Governance / Independent Director, Member of the Board, Sompo Japan Nipponkoa Holdings, Inc. / Independent Director, Member of the Board, Japan Post Bank Co., Ltd.

(Reasons for selecting the candidate for Independent Director, Member of the Board)

Ms. Sawako Nohara has given valuable advice and opinions from a corporate manager's perspective 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. Ms. Sawako Nohara has duly performed her duties, such as the supervision of the execution of operations. We ask for her election so that she may continuously serve as an Independent Director, Member of the Board, since we judge that she will continue to give her valuable counsel from an independent point of view across the whole range of the Company's management.

Notes:

1. No special interest exists between Ms. Sawako Nohara and the Company.
2. Ms. Sawako Nohara is a candidate for Independent Director, Member of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. The Company has concluded a contract for limitation of liability with Ms. Sawako Nohara, and if we obtain approval for her reelection, we will continue the contract.
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1, of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act, when the Director, member of the Board's duty is performed in good faith and with no gross negligence.
4. The Tokyo Stock Exchange was notified of Ms. Sawako Nohara as an Independent Officer of the Company.

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares in the Company held
8	Kazuhito Osugi (July 31, 1953) New appointment Candidate for Independent Director, Member of the Board Independent Officer	<p>April 1977 Entered the Bank of Japan</p> <p>May 1984 University of Michigan, Graduate School of Business Administration (MBA)</p> <p>November 1986 Economist, BIS (Bank for International Settlements)</p> <p>June 1999 General Manager, the Bank of Japan Matsumoto Branch</p> <p>May 2001 Deputy General Manager, the Bank of Japan Osaka Branch</p> <p>May 2003 Senior Director, Industrial Revitalization Corporation of Japan</p> <p>July 2005 Deputy Director- General, Head of Center for Advanced Financial Technology, the Bank of Japan Financial System and Bank Examination Department</p> <p>May 2006 Director-General, the Bank of Japan Internal Auditors' Office</p> <p>April 2007 Director-General, the Bank of Japan Secretariat of the Policy Board</p> <p>April 2009 Guest professor, Ochanomizu University</p> <p>September 2011 Auditor, the Bank of Japan</p> <p>October 2015 Counsel, Guarded Transportation Division, Nippon Express Co., Ltd. (present post)</p>	0 shares

(Significant positions concurrently held)

Advisor, Security Transport Business Division, NIPPON EXPRESS CO., LTD.

(Reasons for selecting the candidate for Independent Director, Member of the Board)

We ask for the election of Mr. Kazuhito Osugi as an Independent Director, Member of the Board since we judge that he will give his valuable counsel from an independent point of view and broad perspective across the whole range of the Company's management, making the most of the deep insight in the field of finance he has cultivated in the Bank of Japan over the years. Although Mr. Kazuhito Osugi has not participated in corporate management other than as an advisor for another company, we judge that he will appropriately perform his responsibilities for the reasons stated above.

Notes:

- No special interest exists between Mr. Kazuhito Osugi and the Company.
- Mr. Kazuhito Osugi is a candidate for Independent Director, Member of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company is scheduled to conclude a contract for limitation of liability with Mr. Kazuhito Osugi if we obtain approval for his election.
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1, of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act, when the Director, member of the Board's duty is performed in good faith and with no gross negligence.
- The Company has transactional relations, including logistics services, with NIPPON EXPRESS CO., LTD., a company for which Mr. Kazuhito Osugi serves as an Advisor. The amount, however, meets the immateriality standards provided for in the "Standards for Independence of Independent Officers" (as stated on page 19 of the Japanese original) of the Company and would have no effect on his independence as an Independent Director, Member of the Board.
- If we obtain approval for his election, the Tokyo Stock Exchange is scheduled to be notified of Mr. Kazuhito Osugi as an Independent Officer of the Company.

Proposal 3: Election of 2 Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members, Mr. Hitoshi Konishi and Mr. Shigeaki Momo-o, shall expire at the end of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes the election of 2 Audit & Supervisory Board Members.

The approval of the Audit & Supervisory Board has been obtained in regard to this proposal.

The candidates for the position of Audit & Supervisory Board Member are as follows.

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares in the Company held
1	Hitoshi Konishi (January 2, 1949) Reappointment (Term of office as an Audit & Supervisory Board Member) 4 years as of the end of the meeting (Attendance at meetings of the Board of Directors in fiscal 2016) 21 out of 21 (100%) (Attendance at meetings of the Audit & Supervisory Board in fiscal 2016) 13 out of 13 (100%)	<p>March 1971 Entered the Company</p> <p>April 1991 Senior Director of Tokyo Marketing and Sales, General Printing and Information Media Business Unit</p> <p>April 1994 Senior Director of Sales Promotion, General Printing and Information Media Business Unit</p> <p>April 1999 General Manager of Marketing and Sales (Kyoto, Osaka), Industrial Materials and Input Devices Business Unit</p> <p>April 2003 General Manager of Marketing and Sales (Tokyo), Industrial Materials and Input Devices Business Unit</p> <p>October 2007 General Manager of Corporate Social Responsibility</p> <p>June 2008 Vice President, General Manager of Corporate Social Responsibility</p> <p>April 2009 Vice President, General Manager of Internal Control and Management System</p> <p>April 2011 Advisor</p> <p>June 2012 Full-time Audit & Supervisory Board Member (present post)</p>	7,794 shares

(Reasons for selecting the candidate for Audit & Supervisory Board Member)

Mr. Hitoshi Konishi has rich experience and insight about corporate management as he has engaged in operations of marketing and sales business unit for the long period since he entered the Company and has successively served as Vice President in charge of Corporate Social Responsibility. In light of the above experience and his performance of duties as an Audit & Supervisory Board Member for four years, we ask for his election so that he may continuously serve as an Audit & Supervisory Board Member.

Notes:

1. No special interest exists between Mr. Hitoshi Konishi and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares in the Company held.

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares in the Company held
2	Shigeaki Momo-o (August 19, 1940) Reappointment Candidate for Independent Audit & Supervisory Board Member Independent Officer (Term of office as an Audit & Supervisory Board Member) 15 years as of the end of the meeting (Attendance of meetings of the Board of Directors in fiscal 2016) 21 out of 21 (100%) (Attendance of meetings of the Audit & Supervisory Board in fiscal 2016) 13 out of 13 (100%)	April 1966 Registered as an attorney (The Dai-ichi Tokyo Bar Association) February 1989 Partner, Momo-o Matsuo & Namba (present post) October 1996 Member of Legislative Council of the Ministry of Justice, Bankruptcy Law Subcommittee January 2001 Temporary Member of Legislative Council of the Ministry of Justice June 2001 Independent Audit & Supervisory Board Member, the Company (present post) March 2002 Member of the Advisory Committee for the Supreme Court Civil Regulations Enactment December 2007 Civil Conciliation Committee Member (Tokyo District Court)	8,767 shares

(Significant positions concurrently held)

Partner, Momo-o Matsuo & Namba

(Reasons for selecting the candidate for Audit & Supervisory Board Member)

Mr. Shigeaki Momo-o is well acquainted with corporate legal affairs as a lawyer, has sufficient expertise for administering corporate management and we request Mr. Shigeaki Momo-o to conduct an audit from a professional point of view. Although Mr. Shigeaki Momo-o has not participated in corporate management other than as an Independent Audit & Supervisory Board Member for the Company and other companies, we determine Mr. Shigeaki Momo-o will continue to reflect a wealth of expertise and therefore ask for his election so that he may continuously serve as Independent Audit & Supervisory Board Member.

Notes:

- No special interest exists between Mr. Shigeaki Momo-o and the Company.
- Shares held under the name of the shareholding association are included in the number of shares in the Company held.
- Mr. Shigeaki Momo-o is the Candidate for an Independent Audit & Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
- The Company has concluded a contract for limitation of liability with Mr. Shigeaki Momo-o, and if we obtain approval for his reelection, we will continue this contract.
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1, of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act, when the Audit & Supervisory Board Member's duty is performed in good faith and with no gross negligence.
- The Company received necessary legal advice from, and paid remuneration to, Momo-o Matsuo & Namba, a company to which Mr. Shigeaki Momo-o belongs. However, the amount meets the immateriality standards provided for in the "Standards for Independence of Independent Officers" (as stated on page 19 of the Japanese original) of the Company and would not affect the independence of Mr. Shigeaki Momo-o as an Audit & Supervisory Board Member.
- The Tokyo Stock Exchange was notified of Mr. Shigeaki Momo-o as an Independent Officer of the Company.

(Reference)Standards for Independence of Independent Officers

Nissha Printing Co., Ltd. (hereinafter, the “Company”) will determine that its Independent Directors, Members of the Board and Independent Audit & Supervisory Board Members (hereinafter, collectively, “Independent Officers”) or candidates for Independent Officers are fully independent from the Company when they do not correspond to any of the criteria prescribed hereunder.

1. Persons who are or were executive persons (*) of the Company and its affiliated companies (hereinafter, collectively, the “Group”). In addition, with Independent Audit & Supervisory Board Members, persons who were directors that did not conduct Group business.
 - (*) An executive person means the executive person prescribed in Article 2, Paragraph 3 (6) of the Companies Act Enforcement Regulations, and include not only executive directors but also employees, and do not include audit & supervisory board members.
2. Persons who are counterparties which have transactions principally with the Group, or are their executive persons. In addition, principal counterparties of the Group, or their executive persons.
 - (*) A principal counterparty means a company or person whose payments or receipts for transactions with the Group in the current or any of the past three fiscal years represents 2% or more of the annual consolidated gross sales of the Group or the counterparty.
3. Principal shareholder (*) of the Group or their executive persons. In addition, executive persons of companies in which the Group is a principal shareholder.
 - (*) A principal shareholder means a shareholder that holds votes representing 10% or more of total voting rights.
4. Attorneys, certified public accountants, consultants or the like who receive large amounts of cash or other assets (*) other than officer remuneration from the Group (if the entity receiving the assets is a corporation, partnership or other group, then persons belonging to that group).
 - (*) A large amount of cash or other assets means the earning of cash or other property benefits in excess of JPY 10 million per year as an average of the past three fiscal years. In the case of a group, it means the payment of 2% or more of annual consolidated gross sales in each of the preceding three fiscal years inclusive of the most recent fiscal year.
5. Persons receiving large donations (*) from the Group (if the entity receiving the property is a corporation, partnership or other group, the executive persons of that group).
 - (*) A large donation means an annual donation of more than JPY 10 million in each of the preceding three fiscal years inclusive of the most recent fiscal year.
6. Executive persons of another company having mutual appointment of Independent Officer (*) relationships with the Group.
 - (*) A mutual appointment of Independent Officers means the Company’s welcoming of Independent Officers from another company that have received Independent Officers, who are/were executive persons of the Group within the past 10 years, or from its parent or subsidiary companies.
7. Persons belonging to the auditing firm serving as the Group’s accounting auditor.
8. Persons who have corresponded to items 2 through 7 above within the past three years.
9. Spouses or relatives within two degrees of kinship of persons (limited to key personnel (**)) corresponding to any of items 1 through 8 above.
 - (*) Key personnel means (1) directors, (excluding Independent Directors, Members of the Board), executive officers, and employees holding a position of senior director or higher, (2) certified public accountants belonging to an accounting firm and attorneys belonging to a law office, and (3)

persons affiliated with incorporated foundations, incorporated associations, incorporated educational institutions and other corporations who are objectively and reasonably determined to be councilors, directors, auditors or other officers, or persons having equal importance.

10. Persons in circumstances which are otherwise objectively and reasonably found unsuitable for the duties of an Independent Officer.

Proposal 4: Revision of the Amount of Remuneration for Directors, Members of the Board and Audit & Supervisory Board Members

Remuneration for Directors of the Company in the amount of four hundred and thirty million yen (¥430,000,000) or less per year (including thirty million yen (¥30,000,000) or less for Independent Directors) was approved at the Ordinary General Meeting of Shareholders for the 89th Business Term held on June 27, 2008, and remuneration for Audit & Supervisory Board Members in the amount of fifty million yen (¥50,000,000) or less per year (including sixteen million yen (¥16,000,000) or less for Independent Audit & Supervisory Board Members) was approved at the Ordinary General Meeting of Shareholders for the 88th Business Term held on June 28, 2007, and the amounts so determined have remained unchanged up to the present date.

In consideration of an increase in the number of Independent Directors by one if Proposal 2 is approved as proposed, changes in economic circumstances, the level of remuneration in the industry, and other factors, the Company proposes that the amount of remuneration for Directors remain unchanged, at four hundred and thirty million yen (¥430,000,000) or less per year, including bonuses for Directors, that out of such amount the amount of remuneration for Independent Directors be increased from thirty million yen (¥30,000,000) or less per year to forty million yen (¥40,000,000) or less per year, and that the amount of remuneration for Audit & Supervisory Board Members be increased from fifty million yen (¥50,000,000) or less per year (including sixteen million yen (¥16,000,000) or less for Independent Audit & Supervisory Board Members) to sixty million yen (¥60,000,000) or less per year (including twenty million yen (¥20,000,000) or less for Independent Audit & Supervisory Board Members).

The amount of remuneration for Directors shall include the amount of remuneration for the Corporate Officers portion of the Directors who serve concurrently as Corporate Officers, as before.

If Proposal 2 and Proposal 3 are approved as proposed, the Company will have 8 Directors (including 4 Independent Directors) and 4 Audit & Supervisory Board Members (including 2 Independent Audit & Supervisory Board Members).

Proposal 5: Decision regarding Amount of Stock Compensation Paid to Directors, Members of the Board

1. Reason for Proposal

At present the compensation of the Company's directors (excluding independent directors) and corporate officers, and the directors of the Company's subsidiaries, is made up of basic compensation and bonuses. The Board of Directors wishes to introduce a new stock compensation plan called the "Board Benefit Trust (BBT)" (hereinafter, the "Compensation Plan") for the Company's directors (excluding independent directors) and corporate officers and part of the directors of the Company's subsidiaries (hereinafter together, the "Directors"), and wishes to obtain the approval of the shareholders concerning the amount of compensation etc. to be paid to the Directors.

By further clarifying the link between the Directors' compensation and the value of the Company's shares and by having Directors experience not only the benefit of high share prices but also price downside risk with the Company's shareholders, the Compensation Plan aims to increase Directors' awareness of the importance of contributing to improving the Company's medium- to long-term performance and increasing its corporate value.

Should the shareholders give their approval to Proposal No. 4 entitled "Revision of the Amount of Remuneration for Directors, Members of the Board and Audit & Supervisory Board Members" as originally proposed, the yearly limit on the amount of compensation for directors will become JPY430,000,000 (of which the yearly limit on the amount of compensation for independent directors will become JPY40,000,000. However, this excludes salary paid to persons who are both employees and directors in respect of their employee role). Shareholder approval is however requested concerning the amount of compensation etc. under the Compensation Plan because it establishes a separate framework under which compensation will be paid to the Company's directors. Shareholders are also requested to entrust the Board of Directors with deciding the details of the Compensation within the scope set out in 2. below.

Should the shareholders give their approval to Proposal No. 2 entitled "Election of 8 Directors" as originally proposed, the number of directors of the Company coming under the Compensation Plan shall be four (excluding the four independent directors).

Should this proposal be approved in its current form, director compensation shall be structured in the form of a "basic compensation", "bonuses" and "stock compensation".

As a condition of approving this proposal, the "Performance-Linked Compensation" and "Stock-Based Compensation", provided for the purchase of shares in the Company, which were approved by shareholders at the Company's 88th Ordinary General Meeting of Shareholders held on June, 2007 will be abolished.

2. Amount of Compensation Etc. Under Compensation Plan and Reference Information

(1) Overview of the Compensation Plan

The Compensation Plan is a performance-linked stock compensation plan whereby shares in the Company are acquired through a trust using funds contributed by the Company (hereinafter, such trust established pursuant to the Compensation Plan, the "Trust"), and shares in the Company and cash equivalents of such shares at their market value (hereinafter together, "Company Shares") are paid through the Trust to the Directors pursuant to the Policy on Directors' Stock Compensation (hereinafter, the "Policy") established by the Company and its subsidiaries. The time for Directors to receive payments of Company Shares shall in principle be the payment date set out in the Policy which follows the date within the designated period in the three fiscal years set out in the Policy on which the designated Beneficiary Confirmation Procedures set out in the Policy are carried out, or the date on which the Directors retire, whichever is the earliest (hereinafter, the Beneficiary Confirmation Date").

(2) Persons to Whom Compensation Plan is Applicable

The directors and corporate officers of the Company, and part of the directors of the Company's subsidiaries (excluding independent directors and corporate audit & supervisory board members).

(3) Calculation Method of and Limit on Amount of Shares Etc. Awarded to Directors

Points shall be awarded to the Directors for each fiscal year at an amount determined based on the Policy.

The total number of points awarded to the Directors in the three fiscal years shall be a total of no more than 184,000 points, consisting of up to 76,000 points for the Company's directors, up to 97,000 points for the Company's corporate officers, and up to 11,000 points for the directors of the Company's subsidiaries. This total has been decided after taking into account a range of factors including the current payment level of executive compensation and trends in and the expected future number of Directors, and accordingly is considered to be reasonable.

The points awarded to the Directors shall on award of the Company Shares mentioned in (6) below be exchanged into ordinary shares at a rate of one share per point (however, where after approval has been obtained from the shareholders at the Shareholders' Meeting a share split, gratis allotment or reverse share split takes place concerning such shares, the Company shall perform a reasonable adjustment of the exchange ratio to reflect such change).

The number of points belonging to the Directors on which the award of Company Shares mentioned in (6) below is based shall be fixed by the Beneficiary Confirmation Date by totaling the number of points awarded to the Directors up until that time (such points, hereinafter the "Fixed Points").

(4) Method of Acquiring Company's Stock and Limit Thereon

The Trust shall use the funds contributed as mentioned in (5) below to acquire the Company's shares through the stock markets or through disposals of the Company's treasury shares.

During the Initial Applicable Period (as defined in (5) below), a maximum of 184,000 shares shall be acquired without delay after the establishment of the Trust for the purpose of making awards to the Directors. Notice shall be given of the details of the acquisition method etc. of such shares in the Company by the Trust as soon as decided.

(5) Amount of Trust Money (Amount of Compensation etc.)

The Company shall, subject to the Compensation Plan being approved at the Shareholders' Meeting and pursuant to the provisions of (3) above and (6) below, establish the Trust by contributing funds required for the Trust to preliminarily acquire an amount of shares for a specified period which is reasonably estimated as required for making awards of shares in the Company. The Trust, as mentioned in (4) above, shall acquire shares in the Company using funds contributed by the Company.

Specifically, the Company will establish the trust by contributing the amount of funds required for the three fiscal years from the fiscal year ending March 31, 2016 to March 31, 2018 (the "Initial Applicable Period") in cash at a maximum total amount of JPY222,000,000 (consisting of a maximum of JPY92,000,000 for the Company's directors, a maximum of JPY117,000,000 for the Company's corporate officers, and a maximum of JPY13,000,000 for the directors of the Company's subsidiaries).

Furthermore, after the Initial Applicable Period has passed and until the Compensation Plan comes to an end, the Company shall in principle every three fiscal years make an additional contribution to the Trust in respect of the following three fiscal years (hereinafter, the "Next Applicable Period") of a maximum total amount of JPY222,000,000 (consisting of JPY92,000,000 for the Company's directors, JPY117,000,000 for the Company's corporate officers, and JPY13,000,000 for the directors of the Company's subsidiaries). However, when where making such additional contribution the Trust's assets still contain any shares in the Company (excluding shares equivalent to the number of points awarded to Directors and not yet granted) or cash (hereinafter together, the "Remaining Shares") immediately before the commencement of the Next Applicable Period when such additional contribution is to be made, such Remaining Shares shall be applied for making awards under the Compensation Plan in the Next Applicable Period, and the maximum amount of additional contribution which the Company may make in the Next Applicable Period shall be the amount calculated by deducting from a total of JPY222,000,000 (consisting of JPY92,000,000 for the Company's directors, JPY117,000,000 for the Company's corporate officers, and JPY13,000,000 for the directors of the Company's subsidiaries) the value of the Remaining Shares (shares shall be converted into cash at the equivalent market rate applicable on the day directly before the commencement of the relevant Next Applicable Period). When the Company resolves to make any additional contributions, it shall disclose the fact in an appropriate, timely manner.

(6) Timing of Granting Shares

Directors may in principle receive an award of shares in the Company from the Trust according to the number

of “Fixed Points” they have, by first carrying out the designated Beneficiary Confirmation Procedures on the Beneficiary Confirmation Date set out in the Policy. However, where the requirements set out separately in the Policy are fulfilled in addition to the beneficiary requirements, Directors shall instead of such award of shares in the Company receive a cash award in respect of a specific share of the points awarded to them, which is equivalent to the market value of such shares on the Beneficiary Confirmation Date. The Trust may sell shares in the Company when making such cash awards.

(Reference Information)

Please refer to the document “Notice Regarding the Introduction of Board Benefit Trust(BBT)” dated May 12, 2016 concerning the details of the Compensation Plan.

(Reference) Nomination and Remuneration Committee

In order to ensure the objectiveness and fairness of the nomination of Directors, Members of the Board and Audit & Supervisory Board Members as well as the treatment of the Directors, Members of the Board, the Company has established a Nomination and Remuneration Committee as an advisory panel for the Board of Directors, at least half of whose members are Independent Directors, Members of the Board and whose chairman is selected from among the Independent Directors, Members of the Board.

The Nomination and Remuneration Committee receives inquiries from the Board of Directors, deliberates and provides reports to the Board concerning (i) the selection standards for Directors, Members of the Board, and Audit & Supervisory Board Members, as well as the basic policy for director remuneration, and (ii) candidates for Directors, Members of the Board, and Audit & Supervisory Board Members, as well as director remuneration.

All of the candidates in Proposal 2 and Proposal 3, the amount of remuneration in Proposal 4, and the contents of Proposal 5 are determined based on the contents of the reports from the Nomination and Remuneration Committee

Proposal 6: Renewal of Countermeasures Against a Large-scale Purchase of Shares of the Company (Takeover Defense Measures)

The effective period of the “Countermeasures Against a Large-scale Purchase of Shares of the Company” (the “Former Plan”), which was approved at the 94th Ordinary General Meeting of Shareholders held on June 21, 2013, will end at the end of this Ordinary General Meeting of Shareholders (the “Ordinary General Meeting of Shareholders”).

The Company has continued to consider the situation including the pros and cons of continuing the Former Plan, from the point of view of continually providing information to its shareholders and giving them time to make a decision, while taking into account changes in the social and economic situation and trends in the debate on takeover countermeasures, as part of an effort to protect the Company’s corporate value and the common interests of its shareholders.

As a result, at a meeting of its Board of Directors on May 12, 2016, the Company decided, subject to the approval of shareholders to be obtained at the Ordinary General Meeting of Shareholders, to make, as set forth below, partial revisions to and renew the Former Plan (the revised countermeasures against a large-scale acquisition of shares of the Company; the “Plan”, and such renewal, the “Renewal”).

The Plan builds on the Former Plan in that it (i) shortens the deadline for the Board of Directors to provide information on request by the Independent Committee from 60 to 30 days, in order to speed up the process of deliberation by the Independent Committee, and (ii) clarifies the maximum number of days both for

the Board of Directors to provide information on request by the Independent Committee and for the Independent Committee to make such deliberation, in order to ensure the precise execution of the Plan. With this renewal adjustments have also been made to clarify the conditions under which the Plan will be set in motion.

Therefore, the Company proposes that shareholders approve the Renewal.

1. Basic Policy Regarding Parties Who Hold Control Over the Determination of the Company's Financial Matters and Business Policies

Given that the shares of the Company, being a listed, public company, may be traded freely, the Company believes that a decision on whether to accept or reject any proposal for a large-scale purchase of shares or any acts similar thereto involving the transfer of control of the Company, must ultimately be based on the will of its shareholders. Consequently, the Company will not reject outright even proposals for a large-scale purchase of shares if they contribute to the Company's corporate value and the common interests of its shareholders.

The Company believes that in order to protect and enhance its corporate value and the common interests of its shareholders, it is essential that the Company contributes to society by continually providing valuable products and services, based on the Company's corporate mission as a forward-looking company.

Specifically, the Company believes that capturing share in a growth market share on a global level and continuing to provide high value-added products and services unique to itself through manufacturing unmatched by other companies, as well as disrupting the established concept of printing technology through unceasing R&D and technology development, will lead to ensuring and improving the Company's corporate value and the common interests of its shareholders.

The Company believes that parties who hold control over the determination of the Company's financial matters and business policies must fully understand the said basic views described above, in order to secure and enhance the corporate value of the Company and the common interests of its shareholders with medium-term and long-term points of view.

Therefore, the Company believes that any party that, without adequately understanding the basic views described above, proposes any inappropriate large-scale purchase of shares or any acts similar thereto that do not benefit the corporate value of the Company and the common interests of shareholders, should be considered inappropriate to have control over the determination of the Company's financial matters and business policies, and that there must be measures to prevent any large-scale purchase of the shares of the Company by such parties.

2. Special Initiatives Including the Effective Use of the Company's Assets and Formation of Appropriate Corporate Entity to Realize the Basic Policy

The Company, as a special initiative towards realizing the basic policy described in 1 above, has implemented the initiatives described in (2). below which will lead to the protection and enhancement of its corporate value and the common interests of its shareholders, by leveraging the “Sources of the Company's Corporate Value” described in (1). below.

(1) Sources of the Company's Corporate Value

(i) A Spirit of Pursuing Manufacturing Unmatched by Other Companies

When in 1929 the Company's founder Naoki Suzuki began a printing business, he made up his mind that since anyone could do typography, he would do the kind of high-quality printing that other companies could not. This is the spirit of the Company – an attitude and passion of pursuing manufacturing unmatched by other companies, which continues to this day.

(ii) Technological Skill Which Expands Our Business Field

Since the 1960s, the Company has given birth to high value-added products which apply printing technology, and has expanded into new business fields such as Industrial Materials and Devices. At present, the Company is accelerating initiatives to both dig deep into the printing technology which it has cultivated so far, and also to acquire and combine new core technologies to expand its technical base and create a new family of products, with a view to achieving continuous growth.

Expanding the Company's technical base will require both creating a blueprint of what it is to become, and the ability to systematically grasp the technology which is accumulated in the Company, and to discern what new technology it should be combined with. It can also be said that production techniques and quality management for realizing manufacturing unmatched by other companies are also indispensable for the Company.

(iii) Relationships of Trust with Stakeholders

The Company expands its business activities under the Corporate Mission of “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.” Furthermore, the Company holds as its Brand Statement “Empowering Your Vision” expressing its desire to create a valuable future together with the stakeholders which surround it including its customers, shareholders, employees, suppliers and society. The Company's relationships of trust with stakeholders, which have been constructed through firm management, are the cornerstone of its business activities.

(2) Initiatives to Increase Corporate Value

(i) Expansion of Business Scale by Applying Printing Technology

The Company was founded in the Kyoto region in 1929 with the intention of going into high-quality art printing. It built a strong brand in high-quality printing technology known as “Nissha – The High-Quality Art Printers”. On the other hand, since the 1960s the Company, feeling a sense of crisis that there was a limit to how far it could grow with printing on paper alone, made the firm decision to “print on anything other than water and air” and strove to expand its business fields, and developed Heat Transfer Foil (currently the main product in the Industrial Materials business) which applied photogravure platemaking and rotogravure printing technology to curved surface printing, and also touch panels (currently the main product in the Devices business) which applied high-definition patterning technology to the field of electronic

components. Since the latter half of the 1990s, industries involved in consumer electronics achieved high growth at a global scale, into which the Company poured its management resources and it realized the expansion of its business.

However, since the global financial crisis of 2008, the market growth rate of the consumer electronics industry has stagnated, and competition has intensified such as due to companies from developing countries gaining ground. Sudden fluctuations in product demand and the commoditization of products and services have become the norm.

(ii) Reorganization of Business Portfolio Through the Fifth Medium-term Business Plan

The Company has in its Fifth Medium-term Business Plan, a three-year plan (from April 1, 2015 through March 31, 2018) which commenced operation in the 2015 fiscal year, the medium-term vision to “obtain and combine new core printing technologies, and complete the reorganization of the business portfolio in global markets”, and has begun to implement this “reorganization” strategy by correcting its excessive dependence on the consumer electronics market and reconstructing a more balanced business and product portfolio.

The Company considers M&A to be an effective method for rapidly executing the reorganization of its business and product portfolio, and has allocated a budget of JPY35 billion therefor in its Fifth Medium-term Business Plan. In August 2015, it acquired 100% of the AR Metallizing Group, the world’s largest maker of metallized paper, and both incorporated metallized paper into the Company group’s product portfolio as an adjacent area to printing, and also acquired market share at a global level in food products, beverages and household items.

On the other hand, the Information and Communication business, which faces the issue of improving its operating profitability, has both raised its self-running capacity by spinning off into a separate company in July 2015, and since April 2016 has been advancing efforts to reform its cost structure through production partnerships with other companies in the same industry.

The Company adopts ROE and ROIC as management indicators to keep track of progress with the medium-term business plan. In the Fifth Medium-term Business Plan an ROE and ROIC are targeted of at least 10% and 8% respectively.

(iii) Strengthening of Corporate Governance

As previously mentioned, the Company has since its founding implemented a strategy based on strong management leadership which meets and adapts to changes in the management environment. The Company believes that strengthening corporate governance based on this strong leadership will promote rapid and decisive decision making, as well as ensuring management transparency and fairness, and is aware that corporate governance is a key management issue.

In 2008, the Company introduced the corporate officer system, and made efforts to separate the strategic planning and management oversight functions for which the Board of Directors is responsible from the executive functions for which corporate officers are responsible. Additionally, in order to promote diversity in the Board of Directors, an independent director, member of the board was appointed in 2007, and in 2008, a system was established of having two such directors. In 2014, a new female independent director was appointed, and the current Board of Directors consists of seven directors including three independent directors with a high degree of independence (making for an independent director ratio of 42.9%). The independent directors, member of the board provide useful insight and opinions from their corporate management experience at other companies and knowledge of corporate governance and management strategy as researchers, which is stimulating active debate within the Board of Directors. Additionally,

should shareholders give their approval to Proposal No. 2 as originally proposed, it is planned to increase the number of independent directors, member of the board to four so that there are eight directors with an independent director ratio of 50%.

In October 2015, the Company established a Basic Corporate Governance Policy. The Policy provided for a Nominations and Remuneration Committee to be newly established which would make use of independent directors' knowledge to ensure objectivity and fairness in appointing officers and setting compensation, and also provided for the effectiveness of the Board of Directors to be assessed once a year in order to help it function better.

The Company believes it can protect and enhance the Company's corporate value and the common interests of its shareholders by continuing to implement the aforementioned measures.

3. Contents of the Plan

(1) Outline of the Plan

(a) Objective

The Plan aims to both ensure that before a Purchase (as defined in (2) (a) below, and the same applies hereinafter) of the Company's shares is made, there is sufficient information and time for the shareholders to decide on whether or not to accept such a Purchase, or for the Company's Board of Directors to make an alternative proposal, and also to make it possible to negotiate with the Purchaser (as defined in (2) (a) below, and the same applies hereinafter) on behalf of the shareholders. Furthermore, we believe it is important to deter inappropriate acquisitions through the Plan, in order to protect and enhance the corporate value of the Company and the common interests of the shareholders, by devoting all management resources to achieving the strategy of reorganizing the Company's business portfolio as set out in the Fifth Medium-term Business Plan.

(b) Establishment of Procedures Concerning Purchases

Under the Plan, procedures are set out (please see (2) below for details) which are necessary for achieving the objective set out in (a) above, such as requiring a Purchaser to provide information on a Purchase of the Company's shares before carrying it out.

(c) Gratuitous Allotment of Stock Acquisition Rights or Use of Other Countermeasures

In case a Purchaser, pursuing a Purchase without complying with the procedures prescribed in the Plan, or in case a Purchase by a Purchaser is judged to severely damage the corporate value of the company and the common interests of shareholders (refer to (3) below for details), the Company may allot stock acquisition rights with (a) an exercise condition that the Specified Purchasers (defined separately in Attachment 2; the same applies hereinafter) are not permitted to exercise the right; and (b) a provision to the effect that the Company, in exchange for the acquisition of Stock Acquisition Rights, shall issue shares of the Company to all shareholders other than the Specified Purchasers, etc. ("Stock Acquisition Rights;" refer to Attachment 2 for details) by the method of gratuitous allotment (provided for in Article 277 and thereafter of the Companies Act) to all shareholders at the time.

It is possible, however, that in case it is deemed appropriate to activate countermeasures other than gratuitous allotment of Stock Acquisition Rights permitted under the Companies Act, other laws and regulations, and the Articles of Incorporation of the Company ("Other Countermeasures"), the Company may decide to adopt such Other Countermeasures.

(d) Use of Independent Committee and Confirmation of Shareholders' Will to Eliminate Arbitrary Judgment of Board of Directors

The Plan provides that, to eliminate any arbitrary judgment of the Board of Directors of the Company, a judgment on the execution or non-execution of gratuitous allotment of Stock Acquisition Rights or Other Countermeasures, acquisition of Stock Acquisition Rights, or others shall be made after obtaining an advice by the independent committee, in accordance with the Rules of the Independent Committee (refer to Attachment 3 for the outline of Rules), comprising only persons who are (i) independent director, member of the board of the Company, (ii) independent audit & supervisory board member of the Company, or (iii) independent expert (experienced management of a company, expert in investment banking business, certified public accountant, attorney, or researcher or any other persons engaged primarily in the research of the Companies Act, etc.), and independent of the management team responsible for executing the business of the Company (the “Independent Committee”), and that timely disclosure of information be made to shareholders to ensure transparency. The Independent Committee at the time of the Renewal shall consist of Sawako Nohara, Kazuhito Osugi and Yusuke Nakano (refer to Attachment 4 for a brief personal history of each member).

Furthermore, the Board of Directors of the Company, in addition to the above, may, with respect to a judgment on execution or non-execution of gratuitous allotment of Stock Acquisition Rights or Other Countermeasures under circumstances provided for in the Plan, initiate the procedure to confirm the will of shareholders by convening a general meeting for confirming the will of shareholders or by written ballot (refer to (2) (e) for details of the procedure).

- (e) Exercise of Stock Acquisition Rights and the Company’s Acquisition of Stock Acquisition Rights

Assuming that gratuitous allotment of Stock Acquisition Rights is executed in accordance with the Plan, in case shareholders other than the Specified Purchaser exercise Stock Acquisition Rights, or shares of the Company are issued to shareholders other than the Specified Purchaser in exchange for the acquisition of Stock Acquisition Rights by the Company, it is possible that the ratio of voting rights for shares of the Company held by the Specified Purchaser may be diluted to as much as approximately 50%.

(2) Procedures Concerning Purchases

- (a) Applicable Purchases

The Plan is applicable to any and all parties performing or seeking to perform (the “Purchaser”) any acts of purchase specified in (i) or (ii) below or any acts similar thereto (each such act, a “Purchase”), excluding, however, cases in which the Board of Directors of the Company acknowledges that the Purchase pursued by the Purchaser does not damage the corporate value of the Company and the common interests of shareholders.

- (i) Any purchase of stock certificates, etc.,¹ issued by the Company that results in the holder's² shareholding ratio³ becoming 20% or above.
- (ii) With respect to stock certificates, etc.,⁴ issued by the Company, a public tender offer⁵ that results in the total shareholding ratio⁶ of the Purchasers of such public tender offer and specially related parties⁷ becoming 20% or above.

(b) Request to Purchaser for Provision of Information

The Purchaser pursuing the Purchase prescribed in (a) above, unless the Board of Directors of the Company acknowledges that Purchase pursued by the Purchaser does not damage the corporate value of the Company and common interests of shareholders of the Company, will be requested to submit, prior to performing the Purchase, in the format prescribed by the Company, a document in Japanese language containing the information defined in each of the following items, which are necessary for the shareholders, the Board of Directors of the Company, and the Independent Committee to examine the contents of the Purchase (the "Required Information") and the contractual clauses and other provisions stating to the effect that the Purchaser shall comply with the procedures set forth in the Plan when executing the Purchase (the "Purchase Document").

The Independent Committee, if judging that the information provided in the Purchase Document submitted as the Required Information is inadequate, may request the Purchaser, upon setting a deadline for a response, to additionally submit sufficient information in writing as the Required Information either directly or through the Board of Directors of the Company, etc. In such a case, the Purchaser shall additionally submit, by the specified deadline for a response, the Required Information in writing.

- (i) Details of the Purchaser and its group (including joint holders⁸, special related parties, and (in case of a fund) each member and other constituent members): (including for each party; name, location, name of representative, purpose of company, etc., and contents of business, history, personal history of directors, capital composition, financial status in the latest three business terms, and governing law for establishment, etc.)
- (ii) Purpose, method, and contents of Purchase (including the price and type of consideration, timing of Purchase, structure of related transaction, legality of the method of the Purchase, possibility of execution of the Purchase, and any possibility of shares of the Company being delisted after the Purchase and reasons therefor.)

¹ Defined in Paragraph 1 of Article 27-23 of the Financial Instruments and Exchange Act; the same applies hereinafter unless otherwise specified.

² Holders prescribed in Paragraph 1 of Article 27-23 of the Financial Instruments and Exchange Act and including parties corresponding hereto as defined in Paragraph 3 of the said Article.

³ Defined in Paragraph 4 of Article 27-23 of the Financial Instruments and Exchange Act.

⁴ Defined in Paragraph 1 of Article 27-2 of the Financial Instruments and Exchange Act; the same applies hereinafter in (ii).

⁵ Defined in Paragraph 6 of Article 27-2 of the Financial Instruments and Exchange Act; the same applies hereinafter.

⁶ Defined in Paragraph 8 of Article 27-2 of the Financial Instruments and Exchange Act; the same applies hereinafter.

⁷ Defined in Paragraph 7 of Article 27-2 of the Financial Instruments and Exchange Act, provided however, the parties provided for in Item 1 of the said Paragraph exclude those defined in Paragraph 2 of Article 3 of the Cabinet Office Ordinance Concerning Disclosure of Public Tender Offer of Shares by Party Other than the Issuers; the same applies hereinafter.

⁸ Joint holders defined in Paragraph 5 of Article 27-23 of the Financial Instruments and Exchange Act and including those considered joint holders based on Paragraph 6 of the said Article.

- (iii) Underlying computation of the price of the Purchase (including facts and assumptions that form the basis of the computation, method of computation, quantitative data used for the computation, and contents of expected synergistic effects arising from transactions related to the Purchase, and such synergistic effects that are distributed to minority shareholders.)
 - (iv) Background of funding for the Purchase (including the providers of funds (including all indirect providers) and their names, method of procurement, and contents of associated transactions.)
 - (v) Post-Purchase management policy, business plan, capital strategy, dividend policies, and other policies of protecting and enhancing the corporate value and the common interests of shareholders for the Company and Nissha Group.
 - (vi) Post-Purchase policies for the treatment of employees, business partners, customers of the Company, and other interested parties related to the Company.
 - (vii) Any other information that the Independent Committee reasonably considers necessary.
- (c) Examination of Contents of Purchase and Presentation of Alternative Proposal by the Board of Directors of the Company

- (i) Request to the Board of Directors of the Company for the Provision of Information

In case the Purchase Document and the Required Information (if any), of which submission was additionally requested by the Independent Committee, have been submitted by the Purchaser, the Independent Committee, based on its rational judgment that the submission of the Purchase Document and the provision of the Required Information by the Purchaser have been completed, may also request the Board of Directors of the Company to present promptly, within 30 days from the time of said judgment, an opinion on the contents of the Purchase (including a comment to reserve issuing an opinion; the same applies hereinafter), materials supporting the opinion, alternative proposals (if any), and any other information and materials deemed necessary by the Independent Committee. Such a request aims to make a comparative review between the contents of said Purchase Document and Required Information, and the business plans of the Board of Directors of the Company and a firm's valuation made by the Board of Directors, etc., from the viewpoint of protecting and enhancing the corporate value of the Company and common interests of shareholders.

- (ii) Deliberation by the Independent Committee

The Independent Committee shall set a period of deliberation of 60 days, at maximum, from when the Independent Committee rationally determines completion of the submission of information and materials (including those additionally requested) by the Purchaser and (if the Independent Committee requested the Board of Directors of the Company to, as described in (i) above, present information and materials) the Board of Directors of the Company (the "Independent Committee Deliberation Period"; provided, however, that in accordance with (d) below, the Independent Committee may, by a resolution, extend the Independent Committee Deliberation Period to the extent required for deliberating on the aforementioned information and materials up to a maximum of 30 days [from the next day of the resolution of extension]). The Independent Committee, during the Independent Committee Deliberation Period, shall, based on the information and materials submitted by the Purchaser and the Board of Directors of the Company, deliberate the contents of the Purchase, and alternative proposals made by the Board of Directors of the Company, and gather information and make comparisons regarding the business plans, etc., of the Purchaser and the Board of Directors from the perspective of protecting and enhancing the corporate value of the Company and common interests of shareholders. Furthermore, the Independent Committee, if necessary, shall advise the

Board of Directors of the Company to present the shareholders an opinion on the contents of the Purchase, disclose alternative proposals, and take any other action. The Purchaser, if requested by the Independent Committee during the Independent Committee Deliberation Period either directly or through the Board of Directors of the Company, etc., to provide materials for examination along with any other information, shall promptly comply with such a request. The Purchaser shall not initiate the Purchase until the Board of Directors of the Company has passed a resolution on the execution or non-execution of gratuitous allotment of Stock Acquisition Rights or Other Countermeasures described in (f) below.

To ensure that the judgment of the Independent Committee contributes to protecting and enhancing the corporate value of the Company and common interests of shareholders, the Independent Committee may, at the expense of the Company, seek advice from a third party that is independent of the management team responsible for executing the business of the Company (such party including a financial adviser, certified public accountant, attorney, consultant, or any other specialist).

(iii) Information Disclosure to Shareholders

The Independent Committee shall, with respect to the facts of submission of the Purchase Document, full completion of submission of information and materials by the Purchaser and the Board of Directors of the Company, initiation of the Independent Committee Deliberation Period and completion of the Independent Committee Deliberation Period, and matters regarding the Required Information and other information deemed appropriate by the Independent Committee, disclose information to shareholders at the time deemed appropriate by the Independent Committee.

(d) Method of Judgment Adopted by the Independent Committee

The Independent Committee shall, upon the emergence of a Purchaser, issue an advice to the Board of Directors of the Company in accordance with the procedures defined hereafter. In case, by the end of the initial Independent Committee Deliberation Period, the Independent Committee cannot reach a conclusion to issue an advice on the execution or non-execution of the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures, the Independent Committee shall pass a resolution to extend, within a necessary and reasonable scope, the Independent Committee Deliberation Period for examining information and materials submitted by the Purchaser and the Board of Directors of the Company, deliberation on the contents of the Purchase, review of any alternative proposals developed by the Board of Directors of the Company, and other tasks. In case the Independent Committee Deliberation Period is extended by the aforementioned resolution for an extension, the Independent Committee shall continue information gathering and deliberations, and make the utmost efforts to issue advice on the execution or non-execution of the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures by the end of the extended period.

In case the Independent Committee issues the advice prescribed below to the Board of Directors of the Company or in any other case whereby the Independent Committee deems it appropriate, the Independent Committee shall promptly disclose the fact of the subject advice and its summary and other matters the Independent Committee considers appropriate (disclosure includes, in case of pursuing a resolution to extend or re-extend the Independent Committee Deliberation Period, the action thereof, the period of extension or re-extension, and a summary of reasons for the extension or re-extension).

(i) When in Noncompliance with the Procedures of the Plan

In case the Purchaser does not comply with the procedures provided for in (b) or (c) above and such noncompliance is not corrected within five business days⁹ after a request for correction is issued in writing by the Independent Committee to the Purchaser either directly or through the Board of Directors of the Company, the Independent Committee shall, as a general rule, advise the Board of Directors of the Company to execute the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures except when it is evident that the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures should not be executed for the sake of protecting and enhancing the corporate value of the Company and common interests of shareholders, or in case under certain other circumstances.

(ii) When in Compliance with the Procedures of the Plan

In case the Purchaser complies with the procedures set forth in (b) and (c) above, the Independent Committee shall, as a general rule, advise, regardless of whether or not the Independent Committee Deliberation Period has passed, the Board of Directors of the Company not to execute the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures.

However, even in case the Purchaser complies with the procedures set forth in (b) and (c) above, the Independent Committee shall advise the Board of Directors of the Company to execute the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures should the Independent Committee recognize that Purchase by the Purchaser applies to any of the cases defined in (3) below.

Furthermore, the Independent Committee may, even after having issued the advice on the execution or non-execution of the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures, pursue a new judgment regarding the execution or non-execution of the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures, and issue advice based on the judgment should there be a change in the facts, etc., that supported the initial judgment made and advice given, and the Independent Committee reach the decision that Purchase by the Purchaser applies or does not apply to any of the cases defined in (3) below.

(e) Confirmation of Will of Shareholders

In case the Purchaser complies with the procedures provided for in (b) and (c) above, the Board of Directors of the Company shall, when, based on advice given by the Independent Committee to the Board of Directors of the Company to execute the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures, given that the Purchase by the Purchaser is applicable under any of the cases defined in (3) below, executing the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures in accordance with the Plan, and based on the Board of Directors' judgment that it is appropriate to confirm the will of shareholders in light of the obligation of due care, initiate procedures to confirm the will of shareholders, insofar as there is no practical difficulty in pursuing the procedures to confirm the will of shareholders described hereafter, by selecting as promptly as is practically possible, the method for confirming the will of shareholders either by a vote at a general meeting of shareholders or by written ballot, and implementing the selected process. The general meeting for confirming the will of shareholders may be held in conjunction with an ordinary general meeting of shareholders or an extraordinary general meeting of shareholders.

⁹ A business day refers to days other than those provided in each of the items of Paragraph 1 of Article 1 of the Act Concerning Holidays on Administrative Organs; the same applies hereinafter.

The Board of Directors of the Company shall determine the method for confirming the will of shareholders, i.e., either by holding a general meeting for confirming the will of shareholders or by written ballot, and the decision shall be disclosed promptly. Voting at a general meeting for confirming the will of shareholders or in writing ballot shall follow the regular resolution process adopted at an ordinary general meeting of shareholders of the Company, and shall determine whether shareholders are either for or against the resolution.

In case a general meeting for confirming the will of shareholders or written ballot is held, the Board of Directors of the Company shall promptly disclose information on the ballot outcome and other matters deemed appropriate by the Board of Directors of the Company.

(f) Resolution of Board of Directors

The Board of Directors of the Company shall, while paying the utmost respect to the advice of the Independent Committee, pass a resolution of the Company as an institution under the Companies Act regarding the execution or non-execution of the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures (including termination of gratuitous allotment of Stock Acquisition Rights or Other Countermeasures).

In addition, the Board of Directors of the Company shall, when pursuing the procedures to confirm the will of shareholders described in (e) above, in accordance with the determination of the procedure for confirming the will of shareholders, pass a resolution on the execution or non-execution of the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures.

The Board of Directors of the Company shall, upon passing the aforementioned resolution of the Board of Directors, promptly disclose information on the outline of the subject resolution and other matters deemed appropriate by the Board of Directors of the Company.

(3) Conditions for Gratuitous Allotment of Stock Acquisition Rights or Other Countermeasures

Even if the Purchaser complies with the procedures provided for in (2) (b) and (c) above, the Company may execute gratuitous allotment of Stock Acquisition Rights or Other Countermeasures by a resolution of the Board of Directors of the Company described in (2) (f) above, should the Purchase by the Purchaser come under any of a) through c) below. As described in (2) (d) above, the judgment as to whether or not the Purchase comes under any of the following conditions must take into account the advice of the Independent Committee. In addition, the determination on whether or not to execute gratuitous allotment of Stock Acquisition Rights or Other Countermeasures shall, as described in (2) (e) above, be subject to the procedures for confirming the will of shareholders, if the Board of Directors reaches the judgment that confirming the will of shareholders is appropriate in light of the obligation of due care, even in case the Independent Committee had issued advice to the Board of Directors of the Company to execute the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures, provided there is no difficulty performing the procedures.

- a) Types of Purchase involving any of the acts described below or any acts similar thereto, which if executed, pose a threat of clearly damaging the Company's corporate value and common interests of its shareholders:
 - i) Act of accumulating the shares, etc., of the Company and demanding that the Company or the related parties of the Company buy back the shares, etc., at an inflated price
 - ii) Act of taking temporary control of the management of the Company and running the Company in the interests of the Purchaser at the expense of the Company, such as acquiring the Company's important assets at low prices

- iii) Act of diverting the assets of the Company as collateral for debts of the Purchaser or its group companies or using them to repay such debts
 - iv) Act of taking temporary control of the management of the Company, having the Company dispose of valuable assets not related at the time to the business of the Company and declaring temporarily high dividends with profits from the disposal, or selling off the shares at a high price by taking the opportunity of the sharp rise of the stock price as a result of temporarily high dividends
- b) Purchase threatens to have the effect of coercing shareholders into selling shares, such as coercive, two-tiered takeovers (takeovers that coerce shareholders into accepting a front-end tender offer by setting unfavorable terms or not specifically indicating the terms and conditions of the back end of the transaction, without offering to buy all shares at the front end).
 - c) Terms of a Purchase (including the price and type of consideration, timing of Purchase, legality of Purchase method, feasibility of executing the Purchase, treatment policy for the Company's employees, business partners, customers and other stakeholders after the Purchase) do not sufficiently account for the source of the Company's corporate value (such as (i) its spirit of pursuing manufacturing unmatched by other companies, (ii) technical ability which realizes the expansion of its business areas, and (iii) relationships of trust with stakeholders), and are deemed to damage or reduce its long-term corporate value and the common interests of the shareholders.

(4) Outline of Gratuitous Allotment of Stock Acquisition Rights

An outline of gratuitous allotment of Stock Acquisition Rights according to the Plan, is provided in Attachment 2.

(5) Commencement of Application and Effective Period of the Plan

The Plan shall take effect, provided approval has been obtained from the shareholders at the Ordinary General Meeting of Shareholders. The effective period of the Plan shall begin at the close of the Ordinary General Meeting of Shareholders and end at the close of the ordinary general meeting of shareholders of the Company scheduled for June 2019, and subsequently thereafter, the effective period of the Plan may be extended (including extension of the effective period after any partial revision is made), provided approval of shareholders to that effect is obtained at the ordinary general meeting of shareholders scheduled for June 2019. In case of pursuing the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures in accordance with the Plan, the Board of Directors of the Company shall pass a resolution during this period.

(6) Abolition and Revisions to the Plan

Subsequent to the Renewal, even before the end of the effective period, the Plan shall be terminated in the event and at the time (i) a resolution is passed at a general meeting of shareholders of the Company to terminate the Plan, or (ii) a resolution is passed by the Board of Directors comprising directors appointed by a general meeting of shareholders of the Company to terminate the Plan. Therefore, the Plan may be terminated in accordance with the will of the shareholders. In addition, the Board of Directors of the Company may, even during the effective period of the Plan, revise the Plan or introduce a separate takeover defense measure to the extent that such an action does not run contrary to the purport of the resolution passed at a general meeting of shareholders regarding approval on the Renewal, and based on the approval obtained from the Independent Committee.

In case the Plan is abolished, corrected, or amended, the Company shall promptly disclose the fact of such abolishment, correction, or amendment, (in case of correction and/or amendment) the contents of the correction and/or amendment, and any other information deemed

appropriate by the Board of Directors of the Company or the Independent Committee.

The provisions of the laws and regulations quoted in the Plan are subject to the prevailing provisions effective as of May 12, 2016. If necessary due to the formulation, amendment or abolishment of laws or regulations after that day, the provisions or definitions set out in the Plan may be read accordingly as required to a reasonable extent, taking into consideration the purpose of such formulation, amendment or abolishment except when otherwise specified by the Board of Directors of the Company.

4. Effects on Shareholders and Investors

(1) Impact on Shareholders upon the Renewal

As no gratuitous allotment of Stock Acquisition Rights or Other Countermeasures will be executed at the time of the Renewal, there is no direct impact on the rights and interests of shareholders and investors.

(2) Effects of Gratuitous Allotment of Stock Acquisition Rights on Shareholders

(a) Procedures for Gratuitous Allotment of Stock Acquisition Rights

In case the Board of Directors of the Company passes a resolution regarding the gratuitous allotment of Stock Acquisition Rights (the “Resolution on Gratuitous Allotment of Stock Acquisition Rights”), the Company shall set the allotment date by the Resolution on Gratuitous Allotment of Stock Acquisition Rights and make a public disclosure on the allotment. In this case, Stock Acquisition Rights shall be gratuitously allotted to the shareholders recorded in the final register of shareholders as of the allotment date (the “Shareholders Entitled to Allotment”) at the ratio of one Stock Acquisition Right per share of the Company held. As the Shareholders Entitled to Allotment naturally become holders of Stock Acquisition Rights related to the Stock Acquisition Rights as of the date on which the gratuitous allotment of Stock Acquisition Rights takes effect, they need not follow the application procedure.

Even upon passing the Resolution on Gratuitous Allotment of Stock Acquisition Rights, the Company may, upon paying the utmost respect to the advice of the Independent Committee described in 3. (2) (d) above, cancel the gratuitous allotment of Stock Acquisition Rights by the date the gratuitous allotment of Stock Acquisition Rights takes effect, or may acquire the Stock Acquisition Rights at no cost, after the gratuitous allotment of Stock Acquisition Rights takes effect and before the first day of the period for exercising Stock Acquisition Rights. In such cases, given that with respect to the shares of the Company held by shareholders and investors, neither economic value per share nor voting right shall be diluted, those investors who traded shares in expectation that the economic value per share of the Company’s stock and the voting right would be diluted, should be aware that they may possibly incur losses due to fluctuations of the stock price.

(b) Procedures for Exercise of Stock Acquisition Rights

The Company shall deliver to the Shareholders Entitled to Allotment, as a general rule, the request form for exercising Stock Acquisition Rights (in the form prescribed by the Company, which includes the contents and the number of Stock Acquisition Rights subject to the exercise, the exercise day of Stock Acquisition Rights, and other necessary matters, as well as provisions for declaration and certification to the effect that a shareholder satisfies the conditions for exercising the Stock Acquisition Rights, Indemnification provisions, and other contractual clauses) and other documents necessary for exercising Stock Acquisition Rights. Once Stock Acquisition Rights are gratuitously allotted, shareholders shall submit the required documents during the period for exercising Stock Acquisition Rights and pay the amount corresponding to the exercise value determined by the Resolution on Gratuitous Allotment of Stock Acquisition Rights by the Board of Directors of the Company, which shall be not less than one yen (¥1) per Stock Acquisition Right, to receive, as a general rule, an issue of one share of the Company per Stock Acquisition Right.

Should any shareholders not exercise Stock Acquisition Rights and not pay the amount corresponding to the exercise value, the voting right and the economic value of the shares of the Company held by such shareholders shall be diluted, due to the exercising of Stock Acquisition Rights by other shareholders.

The Company, however, may issue shares of the Company to shareholders other than the Specified Purchaser in exchange for the acquisition of Stock Acquisition Rights based on the circumstances described in (c) below. In case the Company pursues the procedure to execute such an acquisition, shareholders other than Specified Purchaser shall receive shares of the Company without having to exercise their Stock Acquisition Rights and pay the amount corresponding to the exercise value, and the voting right and the economic value of the shares of the Company held by the shareholders will not, in principle, be diluted.

(c) Procedure for Acquiring Stock Acquisition Rights by the Company

In case the Board of Directors of the Company reaches a decision to acquire Stock Acquisition Rights, the Company, in accordance with legal procedures, may acquire the Stock Acquisition Rights from shareholders on a date determined separately by the Board of Directors of the Company and issue shares of the Company to shareholders other than the Specified Purchaser. In such a case, the shareholders shall receive, without having to pay the amount corresponding to the exercise value and in exchange for the acquisition of Stock Acquisition Rights by the Company, as a general rule, one share of the Company per Stock Acquisition Right. In this case, the concerned shareholders may be asked to separately submit: a pledge document in the form prescribed by the Company, which includes declaration and certification provisions to the effect that the shareholder is not the Specified Purchaser; Indemnification provisions; and other contractual clauses.

In addition to the above, details of the allotment and exercise methods pertaining to the Stock Acquisition Rights and of the method of acquisition by the Company shall be publicly disclosed or notified to shareholders after the Resolution on Gratuitous Allotment of Stock Acquisition Rights. The Company asks that shareholders confirm such details.

5. Reasonableness of the Plan

(1) Fulfillment of Requirements under Guidelines for Takeover Defense Measures and Other Rules

The Plan satisfies the three principles provided for under the “Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” issued by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (which are the principle of protecting and enhancing the corporate value and shareholders’ common interests, the principle of prior disclosure and shareholders’ will, and the principle of ensuring necessity and reasonableness). The Plan is also designed by taking into account the report entitled “Takeover Defense Measures in Light of Recent Environmental Changes” released on June 30, 2008, by the Corporate Value Study Group, which was established by the Ministry of Economy, Trade and Industry.

(2) Introduction for the Purpose of Protecting and Enhancing Shareholders’ Common Interests

As stated in 3. (1) (a) above, the Plan is adopted for the purpose of securing and enhancing the corporate value of the Company and the common interests of shareholders, which shall be carried out, in the event when a Purchase of shares of the Company is pursued, in a manner that enables the shareholders to determine whether or not to accept the Purchase, and the Board of Directors of the Company to ensure that necessary information and adequate time are secured for presenting an alternative proposal or to negotiate with the Purchaser on behalf of shareholders.

(3) Respect for Shareholders’ Will

At the meeting of the Board of Directors on May 12, 2016, the Company decided, subject to the approval of shareholders to be obtained at the Ordinary General Meeting of Shareholders, to bring about the Renewal. As described in 3. (5) above, the effective period of the Plan shall begin at the close of the Ordinary General Meeting of Shareholders and end at the close of the ordinary general meeting of shareholders of the Company scheduled for June 2019. After that, the effective period of the Plan may be extended (including extension of the effective period after any partial revision is made), provided that approval of shareholders is obtained at the ordinary general meeting of shareholders of the Company scheduled for June 2019.

The Plan, should a resolution for its abolition be passed by the Board of Directors, shall be abolished as of that time. The term of office of directors of the Company is one year, and the Board of Directors comprising directors appointed at the annual ordinary general meeting of shareholders of the Company shall determine whether or not to continue with the Plan.

In this manner, the Company secures a structure whereby the will of its Shareholders is fully reflected in connection with adoption, amendment, and abolition of the Plan.

Furthermore, as described in 3. (2) (e) above, the Board of Directors of the Company shall, with respect to the execution or non-execution of the gratuitous allotment of Stock Acquisition Rights or Other Countermeasures defined in the Plan, pursue procedures for confirming the will of shareholders, and directly confirm the will of shareholders, in certain cases.

(4) Respect for Judgment Decisions of Independent Outside Specialists and Information Disclosure

The Company, for the purpose of eliminating arbitrary decisions of its Board of Directors, established the Independent Committee as an organ to objectively make substantial judgments on the operation of the Plan for shareholders.

The Independent Committee comprises three or more members who are independent of the management team responsible for executing the business of the Company, i.e., individuals who are any of the following mentioned: (i) independent director, member of the board of the Company, (ii) independent audit & supervisory board member of the Company, or (iii) independent expert (as stated in 3. (1) (d) above, the Independent Committee at the time of the Renewal shall consist of Sawako Nohara, Kazuhito Osugi and Yusuke Nakano).

As described in 3. (2) above, in case an Purchase of shares of the Company is proposed, the Independent Committee shall, in accordance with the Independent Committee Rules, make substantial judgments on whether or not the Purchase may impair the Company's corporate value and common interests of shareholders, and the Board of Directors of the Company shall pass a resolution as an institution under the Companies Act while paying the utmost respect to the judgments of the Independent Committee.

In this manner, the Independent Committee shall exercise strict supervision so that the Board of Directors does not arbitrarily operate the Plan, and a summary of judgments made by the Independent Committee shall be disclosed to the shareholders as part of the structure established to ensure transparent operation of the Plan for protecting the Company's corporate value and the common interests of shareholders.

(5) Design for Ensuring Reasonable, Objective Prerequisites for Activation

As described in 3. (2) (d) and (e) and in (3) above, the Plan has been designed so that it is not activated unless the rational and detailed objective prerequisites defined up front are satisfied, and as such, there is a structure in place to prevent any arbitrary activation of the Plan by the Board of Directors of the Company.

(6) Receipt of Comments of Third-party Experts

As described in 3. (2) (c) above, the Independent Committee, at the expense of the Company, may seek advice from a third party who is independent of the management team responsible for executing the business of the Company (such party including financial adviser, certified public accountant, attorney, consultant, or other specialists). As such, there is a structure in place to firmly guarantee the fairness and objectivity of judgments reached by the Independent Committee.

(7) No Dead-hand or Slow-hand Takeover Defense Measures

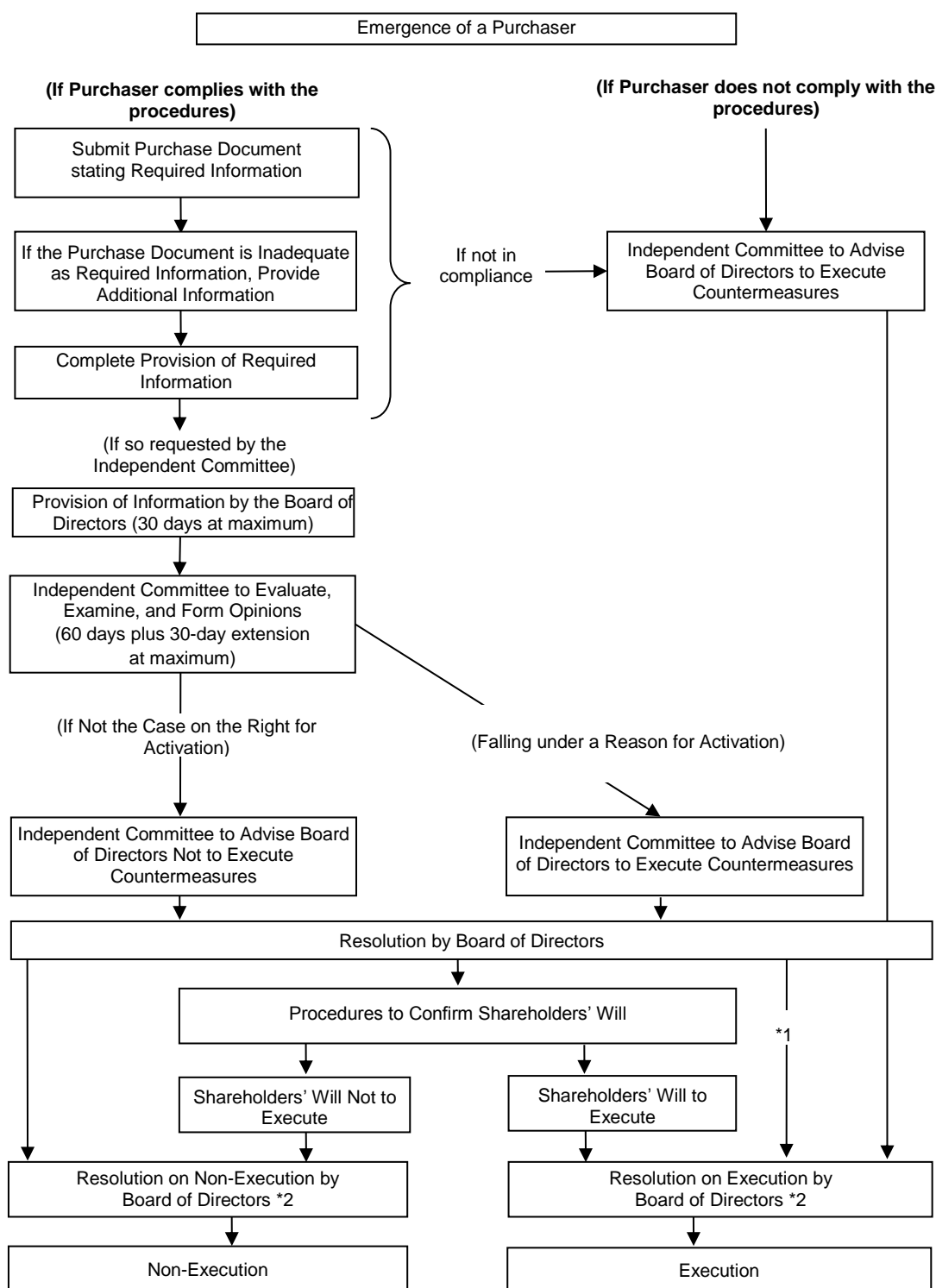
As described in 3. (6) above, the Plan may be abolished by a resolution of the Board of Directors comprising directors appointed at a general meeting of shareholders of the Company. Hence, it is possible for the party pursuing a large-scale purchase of shares, etc., of the Company to appoint directors at the general meeting of shareholders of the Company, and for the Board of Directors comprising such directors to pass a resolution to abolish the Plan.

Therefore, the Plan is not a dead-hand takeover defense measure (a type of takeover defense measure, the activation of which cannot be prevented even by replacing the majority of members of the Board of Directors).

Further, as the Company does not adopt a staggered board system, the Plan is not a slow-hand takeover defense measure (a type of takeover defense measure, the activation of which requires time as members constituting the Board of Directors cannot be replaced at once).

END

Flowchart of Procedures under the Plan (In case Purchase is initiated)



*1 In case the Board of Directors deems it appropriate to confirm the will of shareholders in light of the obligation of due care and there is practical difficulty in pursuing the procedures to confirm the will of shareholders

*2 Decision by Board of Directors with utmost respect to advice of Independent Committee (if the procedures to confirm the will of shareholders are pursued, the Board of Directors follows the outcome of the procedures.)

Note: This flowchart illustrates the summary of the Plan. Please make sure to refer to the main text of the Plan for details.

Gist of Gratuitous Allotment of Stock Acquisition Rights

1. Determination of Matters Concerning Gratuitous Allotment of Stock Acquisition Rights

(1) Contents and Number of Stock Acquisition Rights

The contents of the stock acquisition rights allotted to shareholders (individually or collectively “Stock Acquisition Rights”) shall be based on the description provided in 2. below, and the number of Stock Acquisition Rights shall correspond to the final total number of shares of the Company issued (excluding shares of the Company held by the Company) as of the allotment date specified separately (the “Allotment Date”) by the resolution of the Board of Directors of the Company on gratuitous allotment of Stock Acquisition Rights (the “Resolution on Gratuitous Allotment of Stock Acquisition Rights”).

(2) The Shareholders Entitled to Allotment

Stock Acquisition Rights shall be gratuitously allotted to shareholders other than the Company recorded in the final register of shareholders of the Company as of the Allotment Date, at the ratio of one Stock Acquisition Right per one share of common stock held.

(3) Effective Date of the Gratuitous Allotment of Stock Acquisition Rights

The effective date shall be the date specified separately by the Resolution on Gratuitous Allotment of Stock Acquisition Rights, passed by the Board of Directors of the Company.

2. Contents of Stock Acquisition Rights

(1) Type and Number of Shares Entitled to Stock Acquisition Rights

- (a) The type of shares entitled to Stock Acquisition Rights shall be shares of common stock of the Company and the number of shares entitled per one Stock Acquisition Right (the “Number of Shares Entitled”) shall be one (1) share. However, in case the Company intends to pursue a share split or a consolidation of shares, the Number of Shares Entitled shall be adjusted based on the following formula and any odd number of shares below one (1) share arising as a result of the adjustment shall be discarded and no adjustment with cash shall be made.

The Number of Shares Entitled after adjustment

$$= \text{The Number of Shares Entitled before adjustment} \times \text{Ratio of split or consolidation}$$

- (b) The Number of Shares Entitled after adjustment shall be applied, in case of a stock split, on the day following the record date or thereafter, and in case of a consolidation of shares, on the day following the effective date or thereafter.
- (c) In addition to (a) above, in case when the Company pursues gratuitous allotment of shares, merger, corporate split, or any other acts that lead to a change or a possible change of the total number of issued shares (excluding shares of the Company held by the Company) and when the Number of Shares Entitled must be changed, the adjustment to the Number of Shares Entitled shall be made in a reasonable manner taking into account the terms of the gratuitous allotment of shares, merger, corporate split, and other such acts.

(2) Value of Assets Invested in Exercise of Stock Acquisition Rights

- (a) The object of investment upon exercising Stock Acquisition Rights shall be monetary, and the value shall be derived by multiplying the exercise price (defined below in (b)) by the Number of Shares Entitled.

(b) The value per share of the Company as assets invested upon the exercising of Stock Acquisition Rights (the “Exercise Price”) shall be not less than one yen (¥1) and shall be the price specified separately by the Resolution on Gratuitous Allotment of Stock Acquisition Rights by the Board of Directors of the Company.

(3) Exercise Period of Stock Acquisition Rights

The exercise period shall be defined separately by the Resolution on Gratuitous Allotment of Stock Acquisition Rights passed by the Board of Directors of the Company within not less than one month and not more than two months, and the commencement date of the exercise period shall be the effective date of the gratuitous allotment of Stock Acquisition Rights or the date defined separately by the Resolution on Gratuitous Allotment of Stock Acquisition Rights by the Board of Directors of the Company. However, in case the Company acquires the Stock Acquisition Rights based on the provisions in (7) (b) below, the exercise period of the Stock Acquisition Rights pertaining to the said acquisition shall be up to one business day prior to the date of the said acquisition (the day other than the date provided in each item of Paragraph 1 of Article 1 of the Act on Holidays of Administrative Organs; the same applies hereinafter). In case the final date of the exercise period falls on a holiday of the institution handling the money paid upon exercise, the following business day shall be the final date.

(4) Conditions for Exercise of Stock Acquisition Rights

- (a) A (i) specified large-scale holder, (ii) joint holder of specified large-scale holder, (iii) specified large-scale purchaser, (iv) special related party of specified large-scale purchaser, or (v) any party that has received or succeeded the Stock Acquisition Rights without the approval from the Board of Directors of the Company from a party corresponding to the afore mentioned (i) through (iv), or (vi) a related party from the party described in (i) through (v) (parties applicable to (i) through (vi); collectively “Specified Purchaser”) cannot exercise Stock Acquisition Rights.

The terms used in the above are defined as follows.

- (i) A “specified large-scale holder” is defined as the holder (the holder provided in Paragraph 1 of Article 27-23 of the Financial Instruments and Exchange Act, including any party included as a holder based on the provisions of Paragraph 3 of the said Article) of stock certificates, etc., issued by the Company (as defined in Paragraph 1 of Article 27-23 the said Act; the same applies hereinafter unless otherwise specified), and whose share-holding ratio pertaining to the subject stock certificates, etc. (defined under Paragraph 4 of Article 27-23 of the said Law) is acknowledged by the Board of Directors of the Company as being 20% or more. However, any party acquiring or holding stock certificates, etc., of the Company recognized by the Board of Directors of the Company not to damage the corporate value of the Company and the common interests of shareholders, or a party defined separately under the Resolution on Gratuitous Allotment of Stock Acquisition Rights by the Board of Directors, shall not be considered as a specified large-scale holder.
- (ii) A “joint holder” is the joint holder defined in Paragraph 5 of Article 27-23 of the Financial Instruments and Exchange Act and includes any party considered to be a joint holder under the provisions of Paragraph 6 of the said Article.
- (iii) A “specified large-scale purchaser” is a party that has publicly announced that it is pursuing the purchase (as defined under Paragraph 1 of Article 27-2 of the Financial Instruments and Exchange Act; the same applies hereinafter in (iii)) of stock certificates, etc., issued by the Company (as defined under Paragraph 1 of Article 27-2 of the said Act; the same applies hereinafter in (iii)) under a public tender offer (as defined under Paragraph 6 of Article 27-2 of the said Act) and the party for which the holding ratio of stock certificates, etc. (as defined under Paragraph 8 of Article 27-2 of the said Act; the

same applies hereafter) pertaining to the holding of the party after the said purchase (including any holding that corresponds to cases provided for in Paragraph 1 of Article 7 of Order for Enforcement of the Financial Instruments and Exchange Act) combined with the share-holding ratio of the special related party of the party amounts to 20% or more, as recognized by the Board of Directors of the Company. However, any party acquiring or holding stock certificates, etc., of the Company which is recognized by the Board of Directors of the Company not to damage the corporate value of the Company and the common interests of shareholders, or a party defined separately by the Resolution on Gratuitous Allotment of Stock Acquisition Rights by the Board of Directors, shall not be considered a specified large-scale purchaser.

- (iv) A “special related party” is the special related party defined under Paragraph 7 of Article 27-2 of the Financial Instruments and Exchange Act. However, the party provided for in Item 1 of the said Paragraph shall exclude a party defined in Paragraph 2 of Article 3 of the Cabinet Office Ordinance Regarding Disclosure of Tender Offers for Shares, etc., by Entities Other than the Issuers.
 - (v) A “related party” of a given party is a party that has been recognized by the Board of Directors of the Company as having substantial control of the given party, is controlled by the given party, or is under the same control as the given party, or who has been recognized by the Board of Directors of the Company as an individual pursuing activities in collaboration with the given party. “Control” refers to “having control over the determination of financial matters and business policies” of another company etc. (as defined under Paragraph 3 of Article 3 of the Enforcement Regulations of the Companies Act).
- (b) Notwithstanding the descriptions in (a) above, any party provided for in each of the following items (i) through (iv) shall not be a specified large-scale holder or a specified large-scale purchaser.
- (i) The Company, or a subsidiary of the Company (as defined under Paragraph 3 of Article 8 of the Regulation for Terminology, Forms and Preparation of Financial Statements), or an affiliate of the Company (as defined in Paragraph 5 of the said Article).
 - (ii) A party recognized by the Board of Directors of the Company as a party that has come to be a specified large-scale holder in (a) (i) above without having the intention of taking control of the Company and subsequently within ten days after having been recognized as a specified large-scale holder (provided however that this period of ten days may be extended by the Board of Directors of the Company) ceased to be a specified large-scale holder as stock certificates, etc., of the Company held by the party were divested, etc.
 - (iii) A party recognized by the Board of Directors of the Company as a specified large-scale holder provided in (a) (i) above as a result of the acquisition of treasury shares by the Company or other reasons that are not of the party’s intent (except, however, in case the party subsequently acquires the stock certificates, etc., of the Company on the party’s own will to once again be considered as a specified large-scale holder.)
 - (iv) A party whose acquisition and holding of stock certificates, etc., of the Company is considered by the Board of Directors of the Company not to impair the corporate value of the Company and common interests of shareholders (The Board of Directors of the Company may acknowledge separately that the Company’s corporate value and shareholders’ common interests will not be damaged even by a party that has been recognized to be the Specified Purchaser; provided, however, that in case the Board of Directors of the Company has acknowledged that the Company’s corporate value and shareholders’ common interests will not be damaged under certain conditions, the subject conditions must be fully satisfied.)
- (c) In case a party residing at a location that falls under the jurisdiction of foreign laws and

regulations as provided for in such laws and regulations (the “Region of Jurisdiction under Foreign Laws and Regulations”) exercises Stock Acquisition Rights, there is a need to (i) execute the prescribed procedures or (ii) fulfill the prescribed conditions (including prohibition of exercise within a certain period and submission of prescribed documents), or (iii) comply with both (i) and (ii) (the “Legally Required Exercise Procedures and Conditions”). In such a case, the party residing in the Region of Jurisdiction under Foreign Laws and Regulations may exercise Stock Acquisition Rights only if the Board of Directors of the Company has recognized that the Legally Required Exercise Procedures and Conditions have been fully executed or fulfilled, and in case the Board of Directors of the Company does not recognize fulfillment, the party cannot exercise the Stock Acquisition Rights. With respect to the Legally Required Exercise Procedures and Conditions that are required to be executed or fulfilled by the Company when a party residing in a Region of Jurisdiction under Foreign Laws and Regulations exercises Stock Acquisition Rights, the Board of Directors of the Company shall not bear any obligation to pursue execution or fulfillment. Further, in case the exercising of Stock Acquisition Rights by a party residing in the Region of Jurisdiction under Foreign Laws and Regulations is prohibited under the laws and regulations of the subject region, the party residing in the Region of Jurisdiction under Foreign Laws and Regulations cannot exercise Stock Acquisition Rights.

- (d) Parties holding Stock Acquisition Rights may exercise Stock Acquisition Rights only after submitting to the Company a pledge document that includes provisions for declaration and certification stating that the party is not a Specified Purchaser and does not have the intention of exercising Stock Acquisition Rights to become a Specified Purchaser and that the conditions for exercising Stock Acquisition Rights are satisfied and, Indemnification provisions and other matters defined by the Company along with other documents required under laws and regulations.
- (e) Even in case a party holding Stock Acquisition Rights cannot, based on the provisions of (4) herein, exercise Stock Acquisition Rights, the Company shall not be held liable for compensating for any damages or for any other liability whatsoever.

(5) Increase of Capital and Capital Reserves in Case of Issuing Shares through Exercising of Stock Acquisition Rights

An increase of capital and capital reserve shall be defined separately by the Resolution on Gratuitous Allotment of Stock Acquisition Rights by the Board of Directors of the Company.

(6) Restrictions on Transfer of Stock Acquisition Rights

- (a) Acquisition of Stock Acquisition Rights by transfer is subject to prior approval by the Board of Directors of the Company.
- (b) In case a party seeking to transfer Stock Acquisition Rights resides outside Japan and is a party not allowed to exercise Stock Acquisition Rights based on the provisions of (4) (c) above (excluding Specified Purchasers), the Board of Directors of the Company shall decide whether or not to grant the approval described in (a) above by taking into account the following circumstances:
 - (i) Whether with respect to acquisition by the full or partial transfer of Stock Acquisition Rights by the party residing in the Region of Jurisdiction under Foreign Laws and Regulations, a pledge document is prepared and signed or sealed with names of transferor and transferee (including provisions of declaration and certification concerning (ii) through (iv) below, Indemnification provisions and penalty clauses)
 - (ii) Whether it is evident that the transferor and transferee are not a Specified Purchaser
 - (iii) Whether it is evident that the transferee is a party that does not reside in the Region of

Jurisdiction under Foreign Laws and Regulations, and does not intend to receive the transfer on behalf of a party residing in the Region of Jurisdiction under Foreign Laws and Regulations

- (iv) Whether it is evident that the transferee is not a party having the intent to receive the transfer on behalf of a Specified Purchaser

(7) Acquisition of Stock Acquisition Rights by the Company

- (a) The Company, provided that the Board of Directors of the Company acknowledges that it is appropriate to acquire the Stock Acquisition Rights, may, at any time up to one day before the initial date of the period for exercising Stock Acquisition Rights acquire at no cost, all of the Stock Acquisition Rights upon the date specified separately by the Board of Directors.
- (b) The Company may, upon the date specified separately by the Board of Directors, acquire all of the Stock Acquisition Rights that have not been exercised until one business day prior to the said date, and in exchange issue the number of shares of the Company entitled per Stock Acquisition Right. The Company may acquire such Stock Acquisition Rights more than once, provided, however, that the Stock Acquisition Rights held by a Specified Purchaser are considered not to be eligible for acquisition by the Resolution on Gratuitous Allotment of Stock Acquisition Rights by the Board of Directors of the Company.

(8) Issuance of Stock Acquisition Rights and Conditions for Merger (only when the Company dissolves), Absorption-type Split, Incorporation-type Split, Share Exchange, and Share Transfer

Issuance of Stock Acquisition Rights and conditions thereof shall be determined separately by the Resolution on Gratuitous Allotment of Stock Acquisition Rights by the Board of Directors of the Company.

(9) Issuance of Warrants related to Stock Acquisition Rights

Warrants related to Stock Acquisition Rights shall not be issued.

(10) Revisions Due to Amendments of Laws and Regulations

The provisions of the laws and regulations quoted above are subject to the prevailing provisions effective as of May 12, 2016. If necessary due to the formulation, amendment or abolishment of laws or regulations after that day, the provisions or definitions set out in the Plan may be read accordingly as required to a reasonable extent, taking into consideration the purpose of such formulation, amendment or abolishment except when otherwise specified by the Board of Directors of the Company.

END

Outline of Independent Committee Rules

1. The Independent Committee shall be established by a resolution of the Board of Directors of the Company.
2. The Independent Committee shall comprise at least three members to be appointed by the Board of Directors from among persons who fulfill any of the following requirements and who are independent of the management team responsible for executing the business of the Company.
 - (1) Independent Director, Member of the Board of the Company
 - (2) Independent Audit & Supervisory Board Member of the Company
 - (3) An individual having expertise of a certain level or higher of corporate management, etc. (experienced management of a company, expert in investment banking business, certified public accountant, attorney, researcher engaged primarily in the research of laws such as Companies Act, or any other party with similar expertise.)

Each member shall enter into, with the Company, an agreement specified separately by the Board of Directors of the Company that includes provisions obligating them to exercise their duty of care and other clauses.

3. The term of office of the Independent Committee shall be until the close of the first ordinary general meeting of shareholders after the appointment of the members, but not limited thereto if otherwise specified by a resolution of the Board of Directors of the Company.
4. The Independent Committee shall make decisions regarding matters with respect to each of the following items and advise the Board of Directors of the Company regarding its decisions along with underlying reasons. The Board of Directors of the Company shall, while paying the utmost respect to the advice of the Independent Committee, make the final decision. Each member of the Independent Committee and each director of the Company, when making the subject decisions must do so based on the perspective of whether the decisions contribute to protecting and enhancing the corporate value of the Company and the common interests of shareholders, and must not do so for the purpose of gaining personal benefits of their own or of the management team of the Company.
 - (1) Execution or non-execution of gratuitous allotment of Stock Acquisition Rights or Other Countermeasures under the Plan
 - (2) Termination of gratuitous allotment of Stock Acquisition Rights or Other Countermeasures, or acquisition of Stock Acquisition Rights under the Plan
 - (3) Extension of the Independent Committee Deliberation Period
 - (4) Abolition or revision to the Plan
 - (5) Approval for the adoption of takeover defense measures other than the Plan
 - (6) Of the matters to be determined by the Board of Directors of the Company, matters referred to the Independent Committee by the Board of Directors of the Company

In addition to (1) through (6) provided above, the Independent Committee shall perform the activities described in each of the following items.

- (7) Determine information to be submitted by the Purchaser and the Board of Directors of the Company to the Independent Committee

- (8) Examine information and materials submitted by the Purchaser and the Board of Directors of the Company
 - (9) Deliberate upon and examine the contents of the Purchase
 - (10) In case an alternative proposal to the Purchase by the Purchaser is presented by the Board of Directors of the Company, deliberate upon and examine the alternative proposal.
 - (11) Other matters that may be executed by the Independent Committee as defined under the Plan
- 5. The Independent Committee shall, from the perspective of protecting and enhancing the corporate value of the Company and the common interests of shareholders, advise the Board of Directors of the Company, if deemed necessary, to present an opinion on the contents of the Purchase, disclose alternative proposals, or take any other actions.
 - 6. The Independent Committee may, at the expense of the Company, seek advice from a third party that is independent of the management team responsible for executing the business of the Company (investment bank, securities company, financial adviser, certified public accountant, attorney, consultant, or any other specialists).
 - 7. Each member of the Independent Committee and the Board of the Directors of the Company may summon an Independent Committee when a Purchase is pursued, or at any time.
 - 8. A resolution of the Independent Committee, as a general rule, shall be passed with the attendance of all members of the Independent Committee and by a majority, provided, however, that under inevitable circumstances, a resolution may be passed by a majority with the attendance by more than half of the members of the Independent Committee.

END

Brief Personal History of Independent Committee Members

○ Ms. Sawako Nohara

(Born on January 16, 1958)

<Brief personal history>

December	1988	Entered Living Science Institute, Inc.
July	1995	Entered InfoCom Research, Inc.
December	2001	Representative Director, President of IPSe Marketing Inc. (present post)
November	2009	Project Professor, Keio University Graduate School of Media and Governance (present post)
June	2013	Independent Director, Member of the Board at NKSJ Holdings (currently Sompo Japan Nipponkoa Holdings, Inc.) (present post)
June	2014	Independent Director, Member of the Board at the Company (present post)
June	2014	Independent Director, Member of the Board at Japan Post Bank Co., Ltd. (present post)

○ Mr. Kazuhito Osugi

(Born on July 31, 1953)

<Brief personal history>

April	1977	Entered the Bank of Japan
June	1999	General Manager, the Bank of Japan Matsumoto Branch
July	2005	Deputy Director-General, Head of Center for Advanced Financial Technology, the Bank of Japan Financial System and Bank Examination Department
May	2006	Director-General, the Bank of Japan Internal Auditors' Office
April	2007	Director-General, the Bank of Japan Secretariat of the Policy Board
September	2011	Auditor, the Bank of Japan
October	2015	Counsel, Guarded Transportation Division, Nippon Express Co., Ltd. (present post)
June	2016	Independent Director, Member of the Board at the Company (planned)

○ Mr. Yusuke Nakano

Certified public accountant (Born on May 15, 1969)

<Brief personal history>

April	2002	Registered as a certified public accountant
April	2005	Representative of SEIYU AUDIT CORPORATION (present post)
April	2006	Visiting Associate Professor, Ritsumeikan University Management School
January	2010	General Manager, NAKANO C.P.A. OFFICE (present post)

June	2011	Independent Audit & Supervisory Board Member of FUJIX Ltd. (present post)
December	2014	Independent Audit & Supervisory Board Member of SK-Electronics Co., Ltd. (present post)
June	2015	Independent Audit & Supervisory Board Member of the Company (present post)

※No special interests exist between any of the Independent Committee members and the Company.

※The Tokyo Stock Exchange was notified of Ms. Sawako Nohara and Mr. Yusuke Nakano as independent officers of the Company. It will also be notified of Mr. Kazuhito Osugi as an independent officer if his election is approved at the Ordinary General Meeting of Shareholders.

END

Attachments

Business Report

(from April 1, 2015 through March 31, 2016)

1. Current status of the business group

(1) Progress and results of operations

Reflecting on the global economy in fiscal year 2016, the United States saw ongoing recovery thanks to increased consumer spending and improvement in capital expenditure, while Europe showed gradual recovery. In Asia, the economies of emerging countries such as China gradually slowed down despite partial signs of recovery. As for Japan, although the economy shows weak movement in the near-term, corporate profits are on an improving trend and the economy overall continued on a modest path to recovery.

Under these circumstances, we strove to build a lean production structure that can adapt to demand fluctuation and improve productivity in the mainstay Devices segment, which drove the profit on a company-wide basis. In the Industrial Materials segment, we strove to expand the sales of products for automotive components, which are expected to grow steadily and we promoted the realignment of our business portfolio through these efforts.

As a result, the net sales for the year ended March 31, 2016 were ¥119,222 million (an increase of 0.4% as compared to the previous year). For income, operating income was ¥10,541 million (an increase of 20.5% as compared to the previous year), ordinary income was ¥9,237 million (a decrease of 26.1% as compared to the previous year), and profit attributable to owners of parent was ¥6,898 million (a decrease of 38.7% as compared to the previous year).

Following is an overview by business segment.

Industrial Materials

In the Industrial Materials segment, the Nissha Group mainly offers proprietary technologies that enable customers to incorporate appealing and decorative designs on the surfaces of various materials. IMD, which facilitates simultaneous molding and printing of plastic products, is extensively adopted in automotive interior components, home appliances, and smartphones in global markets. In addition, we acquired AR Metallizing group, a top global manufacturer of metallized paper for high-end labels and packaging, and made it our subsidiary on August 6, 2015. This acquisition has enabled the Nissha Group to incorporate the production and sales of metallized paper into its business portfolio in domains related to printing and upstream domains and capture new global markets for beverages, food, and consumer products. Further, the AR Metallizing group acquired Málaga Productos Metalizados, a Brazil-based manufacturer of metallized paper, in December 2015, in a move toward geographical expansion. Through these initiatives, we have obtained a considerably growing market and local production structure in South America, in addition to Europe and North America.

During the year ended March 31, 2016, the scale of business for this segment expanded primarily due to steadily growing demand for our mainstay automotive interior components and the contributions of our metallized paper field. For income, segment income failed to attain the original estimate primarily due to the posting of expenses related to the acquisition.

As a result, segment sales for the year ended March 31, 2016 were ¥39,095 million, an increase of 32.7% as compared to the previous year. Segment loss (operating loss) was ¥593 million (segment loss (operating loss) of ¥235 million in the previous year).

Devices

In the Devices segment, the Nissha Group produces devices that pursue precision and functionality, including its core products, the FineTouch touch input device. These devices are adopted mainly in tablet devices, smartphones, mobile game consoles, and automotive components in global markets.

During the year ended March 31, 2016, demand for the capacitive-type touch panels adopted for tablet devices remained lower than expected, but income significantly exceeded the original estimate mainly due to the establishment of a production structure that can adapt to demand fluctuation and the productivity improvement.

As a result, segment sales for the year ended March 31, 2016 were ¥61,912 million, a decrease of 11.9% as compared to the previous year. Segment income (operating income) was ¥14,677 million, an increase of 8.0% as compared to the previous year.

Information and Communication

In the Information and Communication segment, the Nissha Group offers its customers a wide range of professional products and services such as publication printing, commercial printing, sales promotion, web solutions, and digital archiving, thereby assisting a host of marketing strategies and communication strategies relating to advertising and sales promotion.

During the year ended March 31, 2016, the commercial printing field, the key product field in this segment, was affected by a decrease in the volume of printed materials due to the diversification of information media. We made efforts, however, to curtail variable costs while accelerating cost structure reforms in the business on and after the company split-up on July 1, 2015.

As a result, segment sales for the year ended March 31, 2016 were ¥16,709 million, a decrease of 6.6% as compared to the previous year. Segment income (operating income) was ¥81 million (segment loss (operating loss) of ¥657 million in the previous year).

Other

In the other segment, the Nissha Group develops new products for growth markets. The main products at present are gas sensors, which are widely adopted for gas alarms, air purifiers, alcohol checkers, etc.

During the year ended March 31, 2016, we worked to develop products for environmental and medical fields expected to grow in the future while engaging in the sales expansion of existing products.

As a result, segment sales for the year ended March 31, 2016 were ¥1,504 million, an increase of 29.9% as compared to the previous year. Segment loss (operating loss) was ¥785 million (segment loss (operating loss) of ¥284 million in the previous year).

(2) Status of fund procurement, etc.

1) Status of fund procurement

During the fiscal year under review, the Nissha Group issued the Zero Coupon Convertible Bonds due 2021 (bonds with stock acquisition rights) to procure funds of ¥20,000 million.

The proceeds of the issuance of the relevant bonds with stock acquisition rights were appropriated to the repayment of short-term borrowings from financial institutions, when we acquired AR Metallizing Group and became it a subsidiary on August 6, 2015, in the amount of ¥12,000 million until the end of March 2016.

The balance of the proceeds will be appropriated to M&A-relevant funds scheduled to be carried out during the period of the Fifth Medium-term Business Plan (until the end of March 2018). If M&A is not implemented due to changes in external environment and other factors, the balance will be appropriated to development investment in existing businesses scheduled to be carried out during the period of the Fifth Medium-term Business Plan.

2) Status of capital expenditures

The Nissha Group invested in the creation of new businesses and products following the previous fiscal year, while strengthening the cash-generating capabilities of its existing business domains.

To this end, we constructed a new factory to reinforce the supply capability of the Industrial Materials business segment in the North American market, while investing in labor-saving modifications of existing production lines and the introduction of a trial production line for new products in the Devices business segment.

As a result, capital expenditures amounted to ¥2,068 million in the Industrial Materials business

segment, ¥1,323 million in the Devices business segment, ¥117 million in the Information and Communication business segment, and ¥1,375 million in other and common corporate divisions (R&D and Administration divisions), with the overall capital expenditures of the Nissha Group standing at ¥4,885 million.

The details of our major capital expenditures are as follows:

By segment	Breakdown of major capital expenditures
Industrial Materials	Construction of a factory for plastic molded parts such as automotive interior panels in the North American production base
Devices	Labor-saving modifications of existing production lines; introduction of a trial production line for new products
Other and common corporate divisions (R&D and Administration divisions)	Redevelopment of premises in Kyoto headquarters; introduction of equipment for research and development

(3) Status of assets and operating results

1) Status of assets and operating results of the business group

(Millions of Yen)

Item	Fiscal 2013 [the 94 th business term]	Fiscal 2014 [the 95 th business term]	Fiscal 2015 [the 96 th business term]	Fiscal 2016 (current term) [the 97 th business term]
Net sales	89,427	110,922	118,775	119,222
Operating income or operating loss	(6,783)	1,935	8,750	10,541
Ordinary income or ordinary loss	(4,643)	5,182	12,494	9,237
Profit (loss) attributable to owners of parent	(5,438)	3,967	11,245	6,898
Basic earnings (loss) per share (Yen)	(126.72)	92.46	262.05	160.75
Total assets	114,964	106,140	115,430	156,107
Shareholders' equity	44,491	51,676	66,313	70,096

- Notes: 1. Effective from the current term, the Company has adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) and has changed "Net income or net loss" to "Profit (loss) attributable to owners of parent."
2. Basic earnings (loss) per share are calculated based on the average number of outstanding shares during the fiscal year (after deducting the average number of treasury shares).

2) Status of assets and operating results of the Company

(Millions of Yen)

Item	Fiscal 2013 [the 94 th business term]	Fiscal 2014 [the 95 th business term]	Fiscal 2015 [the 96 th business term]	Fiscal 2016 (current term) [the 97 th business term]
Net sales	82,526	102,088	108,275	88,430
Operating income or operating loss	(6,877)	71	3,104	309
Ordinary income or ordinary loss	(4,090)	4,856	9,523	(29)
Profit (loss)	(3,146)	3,542	8,667	(1,453)
Basic earnings (loss) per share (Yen)	(73.32)	82.54	201.98	(33.88)
Total assets	102,865	96,233	101,911	117,191
Shareholders' equity	42,019	46,455	57,376	53,152

Note: Basic earnings (loss) per share are calculated based on the average number of outstanding shares during the fiscal year (after deducting the average number of treasury shares).

(4) Issues to be addressed

As Nissha group has evolved its printing technology, we have successfully expanded business operations by selectively focusing management resources on IMD, touch panels and other fields from the 1990s to 2000s. We are required, however, to optimize our portfolio in targeted markets because the mainstay Devices business segment largely relies on the consumer electronics industry, an industry subject to sharp demand fluctuations. The Industrial Materials and Information and Communication business segments were unable to fully recover their business results, and both business segments require to improve profitability by accelerating the reorganization of business structures.

Nissha Group started managing the Fifth Medium-term Business Plan from April 2015 in recognition of the aforesaid issues, covering a period of three years. The medium-term vision is established as: “We will acquire and merge new core technologies into printing technologies and completely reorganize our business portfolio in global growth markets.” We started to promote our strategy for the “reorganization of our business portfolio” by rectifying our overreliance on consumer electronics markets and rebalancing our business and product portfolios. We aim at achieving the successful completion of the Fifth Medium-term Business Plan through the steady accumulation of specific initiatives.

The Nissha Group promotes sustainable CSR activities from a global perspective to establish synergistic relations with its stakeholders such as shareholders, customers, suppliers, society and employees, with a view to realizing “a mutually trustful Co-existence with society” as enunciated in its Corporate Mission. We also recognize corporate governance as an important management issue, promote swift and decisive decision-making by ensuring management transparency and fairness, and thereby enhance our long-term corporate value.

We would like to ask our shareholders for continuing support.

(5) Principal bases, etc. of the business group (as of March 31, 2016)

1) Principal sales offices and factories

(i) The Company

Headquarters	Kyoto
Division Headquarters	Tokyo (Shinagawa-ku, Tokyo)

(ii) Subsidiaries

Nitec Industries, Inc.	Headquarters (Kameoka, Kyoto Pref.)
	Koka Factory (Koka, Shiga Pref.)
	Tsu Factory (Tsu, Mie Pref.)
Nitec Precision and Technologies, Inc.	Headquarters/Factory (Himeji, Hyogo Pref.)
	Kaga Factory (Kaga, Ishikawa Pref.)
	Kyoto Factory (Kyoto)
FIS Inc.	Headquarters/Factory (Itami, Hyogo Pref.)
Nissha Printing Communications, Inc.	Headquarters (Kyoto)
	Tokyo Division Headquarters (Shinagawa-ku, Tokyo)
	Osaka Division Headquarters (Osaka)
Nitec Printing Co., Ltd.	Headquarters/Factory (Kyoto)
	Yachiyo Factory (Yachiyo, Chiba Pref.)
Nissha Business Service Co., Ltd.	Headquarters (Kyoto)
Nissha USA, Inc.	Head Office (U.S.A.)
Eimo Technologies, Inc.	Head Office/Factory (U.S.A.)
Si-Cal Technologies, Inc.	Head Office/Factory (U.S.A.)
PMX Technologies, S.A. de C.V.	Head Office/Factory (Mexico)
Nissha Europe GmbH	Head Office (Germany)
Nissha Luxembourg Holdings S.à r.l	Head Office (Luxembourg)
AR Metallizing N.V.	Head Office/Factory (Belgium)
AR Metallizing S.r.l.	Head Office/Factory (Italy)
AR Metallizing Ltd.	Head Office/Factory (U.S.A.)
ARM Embalagens Ltda.	Head Office (Brazil)
Málaga Produtos Metalizados Ltda.	Head Office/Factory (Brazil)
Nissha Korea Inc.	Head Office (Korea)
Nissha Industrial and Trading (Shenzhen) Co., Ltd.	Head Office (China)
Nissha (Kunshan) Precision IMD Mold Co., Ltd.	Head Office/Factory (China)
Guangzhou Nissha High Precision Plastics Co., Ltd.	Head Office/Factory (China)
Hong Kong Nissha Co., Ltd.	Head Office (China)
Taiwan Nissha Co., Ltd.	Head Office (Taiwan)
Nissha Industrial and Trading Malaysia Sdn. Bhd.	Head Office (Malaysia)
Southern Nissha Sdn. Bhd.	Head Office/Factory (Malaysia)

Notes: 1. The Company incorporated Nissha Printing Communications, Inc. as of April 27, 2015.

2. The information & communication business segment was spun off to and succeeded by Nissha Printing Communications, Inc., a subsidiary of the Company, by way of a company split (simplified absorption-type company split) as of July 1, 2015. Accordingly, the Osaka Division Headquarters was abolished.

3. The Company acquired all shares of H.I.G. Luxembourg Holdings 28 S.à r.l. from ARM Holdings S.C.A., a holding company, as of August 6, 2015. As a result, H.I.G. Luxembourg Holdings 28 S.à r.l., a manufacturer of metallized paper, its affiliated business company AR Metallizing N.V., and AR Metallizing N.V. group companies have become fully owned subsidiaries of the Company.

H.I.G. Luxembourg Holdings 28 S.à r.l. changed its corporate name to Nissha Luxembourg Holdings S.à r.l. as of September 15, 2015.

4. Nissha Luxembourg Holdings S.à r.l., a wholly owned subsidiary of the Company, acquired Málaga Produtos Metalizados Ltda., a company engaged in the manufacturing and sales of metallized paper and deposition film in Brazil, through AR Metallizing N.V. and ARM Embalagens Ltda. (both of them, wholly owned subsidiaries of Nissha Luxembourg Holdings S.à r.l.), as of December 30, 2015.

2) Status of employees

(i) Status of employees of the business group

By segment	Number of employees	Change from the previous fiscal year-end
Industrial Materials	2,151	+449
Devices	1,118	-8
Information and Communication	306	-15
Other and common corporate division (R&D and Administration divisions)	459	+12
Total	4,034	+438

Note: "Number of employees" indicates the number of employees actually working.

(ii) Status of employees of the Company

Number of employees		Change from the previous fiscal year-end	Average age	Average length of service
Male	610	-150	41.1 years	13.7 years
Female	180	-15	35.0 years	9.8 years
Total or average	790	-165	39.7 years	12.8 years

Note: "Number of employees" indicates the number of employees actually working.

(6) Status of important parent company and subsidiaries (as of March 31, 2016)

1) Status of the parent company
Not applicable.

2) Status of subsidiaries

Company name	Capital (Millions of Yen)	Equity stake of the Company	Major businesses
Nitec Industries, Inc.	12	100%	Production of decorative films
Nitec Precision and Technologies, Inc.	20	100%	Production of touch input devices
Nissha USA, Inc.	1,716	100%	Sales of the Company's products, as well as R&D activities
Eimo Technologies, Inc.	1,712	100%*	Production and sales of plastic injection molded products
AR Metallizing N.V.	1,212	100%*	Production and sales of metallized papers
Málaga Productos Metalizados Ltda.	604	100%*	Production and sales of metallized papers, deposition films, and related products
Nissha Korea Inc.	673	100%	Sales of the Company's products
Nissha (Kunshan) Precision IMD Mold Co., Ltd.	946	100%	Production and sales of the Company's products

Notes: 1. The figure ending with an * indicates the ratio of indirect equity participation.

2. The Company acquired all shares of H.I.G Luxembourg Holdings 28 S.à r.l. and made the said company and its business company AR Metallizing N.V. and AR Metallizing N.V. group companies consolidated subsidiaries of the Company as of August 6, 2015.

H.I.G Luxembourg Holdings 28 S.à r.l. changed its corporate name to Nissha Luxembourg Holdings S.à r.l. as of September 15, 2015.

3. AR Metallizing N.V. and ARM Embalagens Ltda. (both of them, wholly owned subsidiaries of the Company) acquired all equity of Málaga Productos Metalizados Ltda. as of December 30, 2015. Accordingly, Málaga Productos Metalizados Ltda. became a consolidated subsidiary of the Company.

(7) Principal creditors and amount of borrowings (as of March 31, 2016)

(Millions of Yen)

Creditors	Amount of borrowings
Mizuho Bank, Ltd.	5,000
The Bank of Kyoto, Ltd.	2,500
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,500

(8) Other important matters regarding the current status of the business group

Effective on March 25, 2016, the Company has concluded a capital and business tie-up agreement and a production outsourcing agreement by and among the Company, Nissha Printing Communications, Inc., a subsidiary of the Company which engaged in Information and Communication business, and Kyodo Printing Co., Ltd., in order to improve business profitability and attain further customer satisfaction.

2. Items Regarding Shares of the Company (as of March 31, 2016)

- (1) **Total number of shares authorized** **180,000,000 shares**
- (2) **Total number of common shares issued** **45,029,493 shares**
(including 2,117,034 treasury shares)
- (3) **Number of shareholders** **8,048**
- (4) **Major shareholders (Top 10)**

Name	No. of Shares Held (thousand shares)	Shareholding Ratio (%)
Taiyo Fund, L.P.	3,079	7.17
Suzuki Kosan Co., Ltd.	2,563	5.97
Meiji Yasuda Life Insurance Company	2,341	5.45
Mizuho Bank, Ltd.	2,076	4.83
The Bank of Kyoto, Ltd.	1,442	3.36
Nissha Kyoekai	1,045	2.43
DIC Corporation	905	2.10
Oji Holdings Corporation	894	2.08
Taiyo Hanei Fund, L.P.	877	2.04
State Street Bank and Trust Company 505019	795	1.85

- Notes: 1. The Company holds 2,117 thousand treasury shares and is excluded from the list of major shareholders above.
2. The shareholding ratio was computed after excluding treasury shares from the total number of common shares issued.
3. The shares held by Mizuho Bank, Ltd., mentioned above, are trust assets of a retirement benefit trust contributed by the bank (the name in the register of shareholders is Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Mizuho Bank Account Retrustee Trust & Custody Services Bank, Ltd.).
4. Nissha Kyoekai is a supplier ownership association of the Company.
5. The shares held by DIC Corporation, mentioned above, are trust assets of a retirement benefit trust contributed by the company (the name in the register of shareholders is The Master Trust Bank of Japan, Ltd. (retirement benefit trust account/DIC Corporation account)).

3. Items Regarding Stock Acquisition Rights

(1) Stock Acquisition Rights held by Directors, Members of the Board of the Company as of the end of the Fiscal Year

Not applicable.

(2) Stock Acquisition Rights Granted to Employees, etc. of the Company during the Fiscal Year

Not applicable.

(3) Other Important Items regarding Stock Acquisition Rights (as of March 31, 2016)

Outline of stock acquisition rights attached to the “Zero Coupon Convertible Bonds due 2021 (bonds with stock acquisition rights)” issued by a resolution of meeting of the Board of Directors held on February 18, 2016

Date of issuance	March 7, 2016 (London time)
Number of Stock Acquisition Rights	The total number of 2,000 plus the number calculated by dividing the total principal amount of the Bond relating to bonds with substitute stock acquisition rights by ¥10,000,000
Type of shares to be issued upon conversion	Common stock of the Company
Number of shares to be issued upon conversion	The number is calculated by dividing the total principal amount of the Bond subject to the request for exercise by the conversion price; provided, however, that any resulting fraction of less than one share shall be rounded down and that no adjustment shall be conducted in cash.
Amount to be paid in exchange for the Stock Acquisition Rights	No cash payment is required in exchange for the Stock Acquisition Rights
Content and value of properties contributed upon the exercise of the Stock Acquisition Rights	Upon the exercise of each Stock Acquisition Right, the Bond related to the relevant Stock Acquisition Right shall be contributed and the value of the Bond shall be equal to the principal amount of the Bond. The conversion price shall initially be ¥2,209.
Exercise period of the Stock Acquisition Rights	From March 21, 2016 (including the same date) to the closing time of the banking business (local time at the place where the request for the exercise of the Stock Acquisition Rights is received) on February 22, 2021 (including the same date)
Conditions for the exercise of the Stock Acquisition Rights	No Stock Acquisition Right may be exercised only in part.
Balance of bonds with stock acquisition rights	¥20,000 million

4. Items Regarding Directors, Members of the Board and Audit & Supervisory Board Members (as of March 31, 2016)

(1) Items regarding Directors, Members of the Board and Audit & Supervisory Board Members of the Company

Position	Name	Responsibilities	Significant positions concurrently held
President and CEO, Chairman of the Board	Junya Suzuki	Chief Executive Officer	Chairman, Kyoto Association of Corporate Executives Nissha USA, Inc. Chairman Nissha Europe GmbH Chairman Nissha Luxembourg Holdings S.à r.l Chairman AR Metallizing N.V. Chairman President and CEO, Representative Director of the Board, Suzuki Kosan Co., Ltd. Representative Director, Nissha Foundation for Printing Culture and Technology
Director, Member of the Board	Takao Hashimoto	Senior Executive Vice President Chief Technology Officer	Representative Director, FIS Inc.
Director, Member of the Board	Hayato Nishihara	Senior Executive Vice President Chief Financial Officer Senior Director of Human Resources, General Affairs and Legal Affairs	
Director, Member of the Board	Yoshiharu Tsuji	Special Assistant to President Director of Tokyo Division Headquarters	Representative Director, Nissha Business Service Co., Ltd.
Independent Director, Member of the Board	Tamio Kubota		
Independent Director, Member of the Board	Kenji Kojima		Specially Appointed Professor at Research Institute for Economics & Business Administration, Kobe University
Independent Director, Member of the Board	Sawako Nohara		Representative Director, President, IPSe Marketing, Inc. Project Professor, Keio University Graduate School of Media and Governance Independent Director, Member of the Board, Sompo Japan Nipponkoa Holdings, Inc. Independent Director, Member of the Board, Japan Post Bank Co., Ltd.
Full-time Audit & Supervisory Board Member	Hitoshi Konishi		
Full-time Audit & Supervisory Board Member	Yasuro Nonaka		
Independent Audit & Supervisory Board Member	Shigeaki Momo-o		Partner, Momo-o, Matsuo & Namba

Position	Name	Responsibilities	Significant positions concurrently held
Independent Audit & Supervisory Board Member	Yusuke Nakano		General Manager, NAKANO C.P.A. OFFICE Senior Partner, SEIYU AUDIT CORPORATION Independent Audit & Supervisory Board Member, FUJIX Ltd. Corporate Auditor, SK-Electronics Co., Ltd.

- Notes: 1. Mr. Tamio Kubota, Mr. Kenji Kojima and Ms. Sawako Nohara are all Independent Directors, Members of the Board as stipulated in Article 2, Item 15, of the Companies Act.
2. Both Mr. Shigeaki Momo-o and Mr. Yusuke Nakano are Independent Audit & Supervisory Board Members as stipulated in Article 2, Item 16, of the Companies Act.
3. Audit & Supervisory Board Member Yusuke Nakano has a qualification as certified public accountant and possesses considerable knowledge with regard to finance and accounting.
4. The Company holds general seminar sessions of management strategy at which Mr. Kenji Kojima lectures to employees of the Company and pays remuneration to him for the service. However, the amount of remuneration meets the immateriality standards provided for in the “Standards for Independence of Independent Officers” (as stated on page 19 of the Japanese original) of the Company.
5. The Company received necessary legal advice from, and paid remuneration to, Momo-o Matsuo & Namba, a company to which Mr. Shigeaki Momo-o belongs. However, the amount meets the immateriality standards provided for in the “Standards for Independence of Independent Officers” (as stated on page 19 of the Japanese original) of the Company
6. No relationship to be described exists between the companies where significant positions are concurrently held by Independent Directors, Members of the Board or Independent Audit & Supervisory Board Members and the Company.
7. Changes in Directors, Members of the Board and Audit & Supervisory Board Members during the fiscal year under review are as follows.
- (1) President and CEO, Chairman of the Board Junya Suzuki assumed office as Chairman of the Kyoto Association of Corporate Executives as of May 15, 2015
- (2) At the Ordinary General Meeting of Shareholders for the 96th Business Term held on June 19, 2015, Mr. Yusuke Nakano was newly elected as Audit & Supervisory Board Member and assumed his office as of the same date.
- (3) Mr. Yoshio Nakano retired as Audit & Supervisory Board Member upon expiration of his term as of June 19, 2015.
- (4) Director, Member of the Board, Yoshiharu Tsuji assumed office as Director of Tokyo Division Headquarters as of July 1, 2015.
- (5) President and CEO, Chairman of the Board Junya Suzuki assumed office as AR Metallizing N.V. Chairman as of September 3, 2015.
- (6) President and CEO, Chairman of the Board Junya Suzuki assumed office as Nissha Luxembourg Holdings S.à r.l Chairman as of October 1, 2015.
8. The Company has introduced a corporate officer system to enhance corporate governance. As of April 1, 2016, the 17 Corporate Officers including two Corporate Officers who concurrently serve as Directors, Members of the Board were appointed to corporate officers.
9. Directors, Members of the Board Tamio Kubota, Kenji Kojima and Sawako Nohara and Audit & Supervisory Board Members Shigeaki Momo-o and Yusuke Nakano are registered as Independent Officers of the Company with the Tokyo Stock Exchange.

(2) Total amount of remunerations paid to Directors, Members of the Board and Audit & Supervisory Board Members

Title	Number of officers	Total amount of remunerations
Directors, Members of the Board	7	¥223 million (¥21 million of which were paid to three Independent Directors, Members of the Board)
Audit & Supervisory Board Members	5	¥41 million (¥14 million of which were paid to three Independent Audit & Supervisory Board Members)
Total	12	¥265 million (¥36 million of which were paid to six Independent Directors, Members of the Board and Independent Audit & Supervisory Board Members)

- Notes: 1. It was resolved at the Ordinary General Meeting of Shareholders for the 89th Business Term, held on June 27, 2008, that the amount of remunerations to be paid to Directors, Members of the Board in total per year shall not exceed ¥430 million (of which, the amount of remunerations to be paid to Independent Directors, Members of the Board shall not exceed ¥30 million).
2. It was resolved at the Ordinary General Meeting of Shareholders for the 88th Business Term, held on June 28, 2007, that the amount of remunerations to be paid to Audit & Supervisory Board Members in total per year shall not exceed ¥50 million (of which, the amount of remunerations to be paid to Independent Audit & Supervisory Board Members shall not exceed ¥16 million).

(3) Items regarding Independent Directors, Members of the Board and Independent Audit & Supervisory Board Members

1) Major activities of Independent Directors, Members of the Board and Independent Audit & Supervisory Board Members

Position	Name	Major activities
Independent Directors, Members of the Board	Tamio Kubota	He attended all of the 21 meetings of the Board of Directors held during the fiscal year under review, and gave advice and opinions concerning the management of the Company based on his international knowledge and broad experience as a manager and an auditor & supervisory board member in other companies.
	Kenji Kojima	He attended all of the 21 meetings of the Board of Directors held during the fiscal year under review, and gave advice and opinion concerning the management of the Company based on his deep knowledge as an expert in corporate governance and corporate strategies.
	Sawako Nohara	She attended 18 of the 21 meetings of the Board of Directors held during the fiscal year under review, and gave advice and opinions concerning the management of the Company based on her broad experience as a manager and director and audit & supervisory board member in other companies.
Independent Audit & Supervisory Board Members	Shigeaki Momo-o	He attended all of the 21 meetings of the Board of Directors and all of the 13 meetings of the Audit & Supervisory Board held during the fiscal year under review, and gave advice and opinions mainly from a professional standpoint as a lawyer.
	Yusuke Nakano	He attended 16 of the 17 meetings of the Board of Directors and all of the 10 meetings of the Audit & Supervisory Board held after his assumption of office as an Audit & Supervisory Board Members, and gave advice and opinions mainly from a professional standpoint as a certified public accountant.

2) Outline of the details of contracts for limitation of liability concluded with Independent Directors, Members of the Board and Independent Audit & Supervisory Board Members

The Company has concluded contracts for limitation of liability with all Independent Directors, Members of the Board and all Independent Audit & Supervisory Board Members to limit liability for damages to the Company under Article 423, Paragraph 1, of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act, when the Director, Member of the Board's or Audit & Supervisory Board Member's duty is performed in good faith and with no gross negligence.

3) Total amount of remunerations of Independent Directors, Members of the Board and Independent Audit & Supervisory Board Members received from subsidiaries of the Company
Not applicable.

5. Items Regarding Accounting Auditors

(1) Name

Deloitte Touche Tohmatsu LLC

(2) Amount of remunerations

Classification	Amount of remunerations
Amount of remunerations to be paid during the fiscal year under review	¥72 million
Total amount of money and other financial benefits that the Company and its subsidiaries should pay to the Accounting Auditor	¥100 million

- Notes: 1. The “Amount of remuneration to be paid during the fiscal year under review” is the sum of the amount of remunerations for auditing services in accordance with the Companies Act and the amount of remunerations for auditing work in accordance with the Financial Instruments and Exchange Act, since the two kinds of remunerations are not clearly divided under the audit agreement concluded between the Company and the Accounting Auditor and they cannot be divided practically.
2. A part of foreign subsidiaries of the Company were audited by the audit firms other than the Accounting Auditor of the Company.
3. Based on the “Practical Guidance for Cooperation with Accounting Auditors” announced by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Board of the Company checked the audit hours in auditing plans, changes in remunerations, status of auditing plans versus actual results in previous fiscal years, and examined the appropriateness of the estimated amount of remuneration. As a result, the Audit & Supervisory Board agreed on the remuneration paid or payable to the Accounting Auditor as set forth in Article 399, Paragraph 1 of the Companies Act.

(3) Details of non-auditing services

The Company pays the Accounting Auditor consideration for consulting services and services for preparing comfort letters, which are businesses other than the businesses under Article 2, Paragraph 1 of the Certified Public Accountants Act.

(4) Outline of the details of the liability limitation agreement concluded with the Accounting Auditor

Not applicable.

(5) Policy on decision to dismiss or not to reappoint the Accounting Auditor

In the case that the Accounting Auditor falls under any of the items in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board shall discharge the Accounting Auditor upon the unanimous approval of the Audit & Supervisory Board Members.

In addition to the aforementioned case, when execution of proper auditing is thought to be difficult due to the occurrence of events that harm eligibility and independence of the Accounting Auditor, the Audit & Supervisory Board shall decide the content of the proposal to be submitted to General Meeting of Shareholders for the dismissal or the disapproval of reappointment of the Accounting Auditor.

6. Systems and Policies of the Company

(1) Systems necessary to ensure that the execution of the duties by Directors, Members of the Board complies with laws and regulations and the Company's articles of incorporation and other systems necessary to ensure the properness of operations of the Company

The details of the resolution made by the Board of Directors on the establishment of the aforementioned systems are as follows:

Pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company shall establish systems to ensure the properness of operations (hereinafter referred to as "Internal Control") of the group consisting of the Company and its subsidiaries (hereinafter referred to as the "Nissha Group") as follows:

1) Systems necessary to ensure that the execution of duties by Directors, Members of the Board and employees of the Nissha Group complies with laws and regulations and the Company's articles of incorporation

- (i) The Company shall establish a "Guideline of the Corporate Ethics and Compliance" and "Code of Conduct" based on its corporate mission and Shared Values so as to comply with laws and social ethics from a global point of view.
- (ii) The Company shall establish a Corporate Ethics and Compliance Subcommittee under "Guideline of the Corporate Ethics and Compliance" to carry out monitoring and educational activities to ensure compliance with laws and regulations, the Company's articles of incorporation and social norms. In addition, the Company shall appoint a Manager and Leader in charge of promotion in each business unit of the Nissha Group to establish a structure for promoting Corporate Ethics and Compliance. An "in-house reporting system" shall be established and operated, through which employees may provide information directly to the Company, while due measures are taken for the protection whistleblowers.
- (iii) The Company shall elect multiple Independent Directors, Members of the Board to maintain and enhance the function of supervising the execution of duties by Directors, Members of the Board.

In addition, the Company shall establish a Nomination and Remuneration Committee as an advisory panel for the Board of Directors of the Company in order to ensure the objectiveness and fairness of the nomination of Directors, Members of the Board and Audit & Supervisory Board Members as well as the remuneration of the Directors, Members of the Board. The Nomination and Remuneration Committee shall be chaired by an Independent Director, Member of the Board and the majority of its members shall be Independent Directors, Members of the Board.

- (iv) The Internal Audit Division, which is under the direct control of the President and Representative Director, shall analyze and evaluate the state of the establishment and operations of an Internal Control system, propose an improvement plan, and enrich the system.
- (v) The Company shall set a basic policy to counter antisocial forces, shall not have any relationship with antisocial forces, and shall not respond to any unreasonable demands with a resolute attitude in compliance with the Regulations regarding antisocial forces, and the Nissha Group shall strive for thorough implementation of the same.

2) Systems regarding the retention and management of information relating to the execution of duties by Directors, Members of the Board

- (i) The Company shall retain and manage information regarding execution of duties by Directors Members of the Board, including the minutes of the General Meetings of Shareholders, the minutes of the meetings of the Board of Directors and the requests for managerial decision, properly and with certainty pursuant to the laws and regulations and in-house regulations on information management, and the information shall be maintained in a condition which can be inspected.

- (ii) The Company shall disclose important information on the Nissha Group timely and properly by establishing a Disclosure Control Committee which shall discuss the necessity of timely disclosure of corporate information and the contents of disclosure.
- 3) Rules and other systems for risk management of the Nissha Group**
- (i) The Company shall formulate the Basic Policy for Risk Management to specify the Nissha Group's initiatives in risk management.
 - (ii) The Company shall respond to the risk of managerial losses by organizing company-wide and cross-organizational subcommittees to manage the issues of corporate ethics and compliance, BCP, labor and human rights, environment and safety, information security, trade control, product quality, and improved customer satisfaction under the CSR Committee led by the President and CEO, Chairman of the Board as the acting Committee Chairman.
 - (iii) Each subcommittee and the superintending division shall establish a management policy, rules, etc.; determine risk analysis, risk assessment, and related measures; conduct daily monitoring activities; and report the results of reviews to the CSR Committee.
- 4) Systems necessary to ensure the efficient execution of the duties by Directors, Members of the Board of the Nissha Group**
- (i) Through introduction of the corporate officer system, the Company shall establish functional segregation between strategy development and management monitoring functions to be undertaken by the Board of Directors and business executive functions to be undertaken by the Corporate Officers.
 - (ii) The Board of Directors of the Company shall approve medium-term business plans, and the Directors, Members of the Board and employees shall execute operations based on such strategic and performance plans.
 - (iii) The President and CEO, Chairman of the Board shall request the Corporate Officers to report the status of their execution of business and confirm whether or not the business is executed according to the plans at a monthly meeting (MBR: Monthly Business Review).
 - (iv) The Company shall share the status of execution of business by the Corporate Officers and the strategy implementation items to be undertaken by the organization through the use of IT to improve business efficiency.
- 5) Systems necessary to ensure the proper business operation of the Nissha Group**
- (i) The Company shall formulate the Affiliated Company Management Regulations to set basic administration policy for each company of the Nissha Group. In addition, the Company shall manage the performance of important operations of each company of the Nissha Group by designating matters requiring approval of and reporting to the Company with regard to the execution of those operations in the Regulations on Requests for Managerial Decisions.
 - (ii) The Company shall appoint its officers or employees to become Directors, Members of the Board and Audit & Supervisory Board Members of each company of the Nissha Group in order to ensure the proper execution of operations.
 - (iii) The corporate division shall manage the proper execution of operations at each company of the Nissha Group and lead and counsel it, as necessary.
 - (iv) The Company shall periodically convene the Group Audit & Supervisory Board meeting for the exchange of information among the Audit & Supervisory Board Members of the Nissha Group and strive to improve and strengthen the audits for each company of the Nissha Group.
- 6) Matters regarding employees assisting the duties of Audit & Supervisory Board Members, when Audit & Supervisory Board Members ask for appointment of such employees, and matters regarding the independence of such employees from Directors, Members of the Board**
- (i) The Company shall establish an Auditor & Supervisory Board Member's Office to assist the duties of Audit & Supervisory Board Members, and shall arrange for employees to be

exclusively assigned to the office.

- (ii) The Auditor & Supervisory Board Member's Office shall belong to the Audit & Supervisory Board and be independent of Directors, Members of the Board. With regard to matters regarding the personnel affairs of the employees of the Auditor & Supervisory Board Member's Office, approval of the Audit & Supervisory Board shall be obtained through consultation.

7) Systems for reporting to Audit & Supervisory Board Members by Directors, Members of the Board and employees of the Nissha Group and other systems regarding reporting to Audit & Supervisory Board Members

Directors, Members of the Board and employees of the Nissha Group shall quickly report to the Audit & Supervisory Board items that have a serious influence on the Nissha Group, the status of risk management, the results of internal audits, the status of internal reports and the details of such reports, etc. The Audit & Supervisory Board Members of the Company shall request the Directors, Members of the Board and employees of the Nissha Group to report the same as necessary. In addition, whistleblowers shall not be treated disadvantageously in any way whatsoever as a consequence of such reporting.

8) Other systems necessary to ensure the effective audit by Audit & Supervisory Board Members

- (i) The regular meetings for exchanges of opinions between the President and CEO, Chairman of the Board, Directors, Members of the Board and the Audit & Supervisory Board shall be held. The Audit & Supervisory Board Members shall also set up regular meetings with the Accounting Auditor, Internal Audit Divisions and corporate division to cooperate with them closely.
- (ii) The Audit & Supervisory Board Members shall attend not only the meetings of the Board of Directors, but also other important meetings (MBR: Monthly Business Review, etc.), and express their opinions as necessary. In addition, they shall also examine the requests for managerial decision and other important documents.
- (iii) The Company shall ensure objectivity and effectiveness of audits through Independent Audit & Supervisory Board Members, including those who have considerable knowledge concerning finance and accounting or legal affairs, such as a certified public accountant or an attorney, etc.
- (iv) The Company shall bear expenses necessary for the execution of duties by the Audit & Supervisory Board Members. If an Audit & Supervisory Board Member requests the Company to make an advance payment of such expenses pursuant to laws and regulations, the Company shall promptly comply with the request upon confirmation .

(2) Overview of the state of operations of systems to ensure the properness of operations

1) Initiatives for compliance

The Company has established the "Guideline of the Corporate Ethics and Compliance" and "Code of Conduct" based on its corporate mission and Shared Values. The Corporate Ethics and Compliance Subcommittee takes a leadership role to make them thoroughly known to officers and employees on a global basis through training sessions conducted by Nissha Group leaders in charge of promotion as instructors.

In order to appropriately address to the issues of corporate ethics and compliance, an in-house reporting system through which the Nissha Group employees may directly provide information has been set up inside and outside the Company. Under this system, information is reported to the Corporate Ethics and Compliance Subcommittee and Audit & Supervisory Board in a timely and appropriately manner.

2) Initiatives for risk management

The Company has set up a CSR committee and has organized company-wide and cross-organizational subcommittees to manage the issues of corporate ethics and compliance, BCP,

labor and human rights, environment and safety, information security, trade control, product quality, and improved customer satisfaction. The Company held the CSR committee twice in fiscal 2016 and received reports from subcommittees on the Nissha Group risk analysis, evaluations, and measures.

The CSR committee reports major risks faced by the Company on a quarterly basis at a monthly meeting (MBR: Monthly Business Review) and summarizes the contents of the reports for review by management while reporting them to the Board of Directors.

3) Initiatives to improve the properness and efficiency of the execution of duties by Directors, Members of the Board

The Board of Directors of the Company holds a regular meeting once a month and extraordinary meetings when necessary in accordance with the Board of Directors Regulations. The Board of Directors resolves matters set forth in laws and regulations and the Company's Articles of Incorporation and important matters, while receiving reports and supervising the execution of duties by Directors, Members of the Board. In order to maintain and strengthen the supervisory function of the Board of Directors and ensure the objectivity and effectiveness of audits by the Audit & Supervisory Board, the Company has appointed several Independent Directors, Members of the Board and Independent Audit & Supervisory Board Members with necessary experience and knowledge.

4) Initiatives to ensure the properness of operations of the Nissha Group

The Company receives reports from all companies of the Nissha Group in accordance with the Affiliated Company Management Regulations and Regulations on Requests for Managerial Decision and approves the execution of important operations. Directors, Members of the Board and Audit & Supervisory Board Members of all companies of the Nissha Group to which the Company appoints its officers or employees keep track of the status of the execution of operations mainly by attending important meetings and inspecting information. In addition, the Company's Internal Audit Divisions audit each company of the Nissha Group and conduct monitoring for group management.

5) Initiatives to ensure the effectiveness of audits by Audit & Supervisory Board Members

Audit & Supervisory Board Members of the Company attend the meetings of the Board of Directors and other important meetings and inspect approval documents and other important documents, in accordance with auditing policies and auditing plans in compliance with the audit standards prescribed by the Audit & Supervisory Board. In addition, the Audit & Supervisory Board Members perform visiting audits at major offices and all companies of the Nissha Group, and exchange opinions regularly with the Representative Director, Directors, Members of the Board and General Managers. The Audit & Supervisory Board Members also hold regular meetings with the Accounting Auditor, Internal Audit Divisions, and corporate division in order to promote closer cooperation between them.

(3) Basic policy for controlling a stock company

An overview of the details of the resolution passed by the Board of Directors concerning the above policy is as follows:

1) Contents of basic policy

The Company believes that a decision on whether to accept or reject proposals for a large-scale purchase of shares of the Company or acts similar thereto involving the transfer of control of the Company must ultimately be based on the will of shareholders.

However, the Company finds it necessary to assume that some of these proposals for a large-scale purchase of shares or acts may not benefit the corporate value and the common interests of the shareholders such as: 1) explicitly undermining the corporate value or the common interests of shareholders in consideration of the purpose of such proposals; 2) posing the danger of actually forcing shareholders to sell off their shares; or 3) denying the Board of Directors or shareholders of

the target company adequate time or information to examine the details of the proposals for a large-scale purchase of shares or acts similar thereto, or denying the Board of Directors of the target company adequate time or information to present alternative proposals.

The Company has the mission of extensively coexisting with society as a forward-looking company that continues to create new value centered on its in-house technologies accumulated over a number of years based on the Company's corporate mission. The Company meets its stakeholders' expectations and develops favorable relationships with its stakeholders by providing distinguished and unique products and services generated through a combination of tangible and intangible management resources.

The Company believes that parties who hold control over the determination of the Company's financial matters and business policies must fully understand the said basic views described above, and secure and enhance the corporate value of the Company and the common interests of shareholders with medium-term and long-term points of view.

Therefore, the Company believes that any party that, without adequately understanding the basic views described above, proposes any inappropriate large-scale purchase of shares or any acts similar thereto that do not benefit the corporate value or the common interests of shareholders, should be considered inappropriate to have control over the determination of the Company's financial matters and business policies, and there must be measures to prevent any large-scale purchase of shares of the Company by such parties.

2) **Special initiatives contributing to the implementation of basic policy**

The Company was founded in the Kyoto region in 1929 with the intention of going into high-quality art printing and using high-quality printing technology to build an amazing brand power that would make "Nissha – The High-Quality Art Printers". Decades later, starting from the 1960s, the Company made efforts to expand its business domains with a commitment to pursue "printing on anything other than water and air." This new drive for expansion was fueled by a sense of crisis imposed by the limits to growth in printing on paper only and ultimately led to the development of the current Industrial Materials business and Devices business. Since the latter half of the 1990s, industries involved in consumer electronics achieved high growth at a global scale, into which the Company poured its management resources and it realized the expansion of its business. Since the global financial crisis (Lehman Brothers bankruptcy) of 2008, however, rapid fluctuations in demand volumes and lower price points on products and services have become very common in consumer electronics.

Under the Fifth Medium-term Business Plan covering three years starting from fiscal 2016, our new medium-term vision to "obtain and combine new core printing technologies, and complete the reorganization of the business portfolio in global markets", and has begun to implement this "reorganization" strategy by correcting its excessive dependence on the consumer electronics market and reconstructing a more balanced business and product portfolio. In addition, the Company employs ROE (return on equity) and ROIC (return on invested capital) as management administration indicators to clearly track the progress of the medium-term business plan. The Company is targeting an ROE of 10% or more and an ROIC of 8% or more in the Fifth Medium-term Business Plan.

As previously mentioned, the Company has since its founding implemented a strategy based on strong management leadership which meets and adapts to changes in the management environment. The Company believes that strengthening corporate governance based on this strong leadership will promote rapid and decisive decision making, as well as ensuring management transparency and fairness, and is aware that corporate governance is a key management issue.

Since the introduction of 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. In addition, we promote diversity in the Board of Directors. The current Board of Directors consists of 7 Directors, Members of the Board, including 3 Independent Directors, Members of the Board who meet strict

independence criteria (42.9% of the Directors, Members of the Board are Independent Directors and 14.3% are women). Independent Directors provide beneficial advice and opinions by taking advantage of their corporate management experiences at other companies and insight as researchers in corporate governance and corporate strategies, which leads to active discussion at the meetings of the Board of Directors. Furthermore, in October 2015, the Company established a Basic Corporate Governance Policy. The Policy provided for a Nominations and Remuneration Committee to be newly established which would make use of independent directors' knowledge to ensure objectivity and fairness in appointing officers and setting compensation, and also for the effectiveness of the Board of Directors to be assessed once a year in order to help it function better.

The Company believes it can protect and enhance the Company's corporate value and the common interests of its shareholders by continuing to implement the aforementioned measures.

3) Initiatives in light of basic policy to prevent the control over the determination of the Company's financial and business policies by an inappropriate party

The Company resolved at a meeting of its Board of Directors on May 10, 2013, to make partial revisions to the "Countermeasures Against a Large-scale Purchase of Shares of Nissha Printing Co., Ltd." (the "Plan"), for the purpose of further protecting and enhancing the corporate value of the Company and the common interests of shareholders and the Plan was approved at the 94th Ordinary General Meeting of Shareholders held on June 21, 2013.

The Plan sets forth procedures aimed at protecting and enhancing the corporate value of the Company and common interests of shareholders. In case that any party performing or seeking to perform any purchase of stock certificates, etc., issued by the Company that results in the holder's shareholding ratio becoming 20% or above, a public tender offer that results in the total shareholding ratio of the purchasers of such public tender offer and specially related parties becoming 20% or above with respect to stock certificates, etc., issued by the Company, or any acts similar thereto (the "Purchase, etc."). The party performing or seeking to the Purchase, etc. shall be hereinafter referred to as the "Purchaser, etc.") emerges, the Company requests any and all Purchasers, etc., to provide, in advance, information regarding the subject Purchase, etc., and give a period of time to collect, examine, and take other steps regarding said Purchase, etc. The Company will thus present the plan made by its Board of Directors or alternative plans to the shareholders, and will negotiate with a Purchaser, etc. In case a Purchaser, etc., pursuing Purchase, etc., without complying with the procedures prescribed in the Plan, or in case an act of Purchase, etc., by a Purchaser, etc., is judged to severely damage the corporate value of the Company and the common interests of shareholders, the Company may implement certain countermeasures.

(For reference)

For details of the Plan, please refer to the website of the Company on the Internet:

(http://www.nissha.com/news/disclosure/05/had98i00000woqs-att/disclosure20130510_2.pdf)

The Plan is to be effective until the end of the meeting. Accordingly, the Company, by a resolution of the meeting of the Board of Directors held on May 12, 2016, decided to partially revise and renew the Plan subject to the approval of the shareholders at the meeting, and announced the details thereof on the same date. For details on the countermeasures, please see Proposal 6 of the attached Reference Materials for the General Meeting of Shareholders (on pages 23 to 46 of the Japanese original).

4) Judgment of the Board of Directors on aforementioned initiatives

The initiatives described in aforementioned 2) are measures formulated to secure and enhance the corporate value of the Company and the common interests of shareholders, and when the results of such initiatives are reflected in the evaluation of shares of the Company by shareholders and investors, large-scale purchases of shares that may significantly harm the corporate value of the Company and the common interests of shareholders are considered to become difficult.

The initiatives described in the aforementioned 3) set forth the procedures to secure and enhance the corporate value of the Company and the common interests of shareholders. Moreover, the Plan

stipulates (i) the system to confirm the will of the Company's shareholders regarding whether to implement countermeasures against certain cases of purchase, in addition to its introduction having been approved by the shareholders at a general meeting of shareholders; (ii) that it may be abolished at any time by a resolution of the Board of Directors comprising directors appointed at the general meeting of shareholders; (iii) that the Company shall establish the Independent Committee to eliminate any arbitrary judgment of the Board of Directors and the Board of Directors shall pay the utmost respect to the advice of the Independent Committee in its decision making; and (iv) rational and objective prerequisites for the activation of the Plan.

Therefore, we believe that the initiatives described in aforementioned 2) and 3) are in line with the basic policy and contribute to protection and enhancement of the common interests of shareholders, and they are not aimed at maintaining the status of Directors, Members of the Board and Audit & Supervisory Board Members of the Company.

Consolidated Balance Sheets

(As of March 31, 2016)

(Millions of Yen)

Items	Amount	Items	Amount
(ASSETS)		(LIABILITIES)	
Current assets	83,959	Current liabilities	48,669
Cash and deposits	40,085	Notes and accounts payable-trade	24,758
Notes and accounts receivable-trade	21,665	Short-term borrowings	12,485
Securities	2,033	Current portion of long-term loans payable	563
Merchandise and finished goods	8,027	Lease liabilities	170
Work in process	3,806	Accrued expenses	3,585
Raw materials and supplies	2,721	Accrued income taxes	1,313
Deferred tax assets	2,234	Provision for bonuses	1,730
Consumption taxes receivable	1,722	Provision for directors' bonuses	60
Other	1,878	Other	4,001
Allowance for doubtful accounts	(216)		
Non-current assets	72,148	Long-term liabilities	37,342
Property, plant and equipment	43,184	Bonds payable	20,000
Buildings and structures	20,287	Long-term loans payable	3,487
Machinery, equipment and vehicles	13,032	Lease liabilities	1,633
Tools, furniture and fixtures	1,537	Deferred tax liabilities	5,440
Land	5,936	Net defined benefit liability	6,378
Lease assets	1,627	Other	402
Construction in progress	762		
Intangible assets	18,327	Total liabilities	86,011
Software	1,256	(NET ASSETS)	
Goodwill	10,824	Shareholders' equity	63,917
Technical assets	2,563	Capital stock	5,684
Customer related assets	3,427	Capital surplus	7,355
Other	255	Retained earnings	53,808
		Treasury shares	(2,931)
Investments and other assets	10,636	Accumulated other comprehensive income	6,178
Investment securities	9,848	Valuation difference on available-for-sale securities	4,977
Deferred tax assets	288	Foreign currency translation adjustment	1,770
Other	978	Remeasurements of defined benefit plans	(570)
Allowance for doubtful accounts	(478)		
		Total net assets	70,096
Total assets	156,107	Total liabilities and net assets	156,017

(Note: Amounts are rounded down to the nearest million yen.)

Consolidated Statements of Income

(From April 1, 2015 to March 31, 2016)

(Millions of Yen)

Items	Amount	
Net sales		119,222
Cost of sales		90,121
Gross profit		29,100
Selling, general and administrative expenses		18,558
Operating income		10,541
Non-operating income		
Interest and dividend income	208	
Other	152	361
Non-operating expenses		
Interest expenses	219	
Share of loss of entities accounted for using equity method	187	
Foreign exchange losses	1,023	
Compensation expenses	30	
Other	204	1,665
Ordinary income		9,237
Extraordinary income		
Gain on sales of non-current assets	89	
State subsidy	181	270
Extraordinary losses		
Loss on sales and retirement of non-current assets	157	
Loss on valuation of investment securities	493	
Impairment loss	334	
Amortization of goodwill	638	1,624
Profit before income taxes		7,883
Income taxes - current	1,897	
Income taxes - deferred	(912)	985
Profit		6,898
Profit attributable to owners of parent		6,898

(Note: Amounts are rounded down to the nearest million yen.)

Non-consolidated Balance Sheets

(As of March 31, 2016)

(Millions of Yen)

Items	Amount	Items	Amount
(ASSETS)		(LIABILITIES)	
Current assets	62,742	Current liabilities	38,390
Cash and deposits	32,185	Notes payable-trade	2,321
Notes receivable-trade	409	Accounts payable-trade	21,063
Accounts receivable-trade	12,467	Short-term borrowings	10,020
Securities	2,033	Accrued expenses	1,626
Short-term loans receivable	2,180	Income taxes payable	64
Merchandise and finished goods	5,643	Provision for bonuses	665
Work in process	782	Provision for directors' bonuses	60
Raw materials and supplies	62	Other	2,569
Prepaid expenses	292		
Deferred tax assets	1,582	Long-term liabilities	25,648
Accounts receivable-other	1,640	Bonds payable	20,000
Consumption taxes receivable	1,549	Deferred tax liabilities	1,900
Other	1,994	Provision for retirement benefits	3,679
Allowance for doubtful accounts	(82)	Other	69
		Total liabilities	64,039
Non-current assets	54,449	(NET ASSETS)	
Property, plant and equipment	15,298	Shareholders' equity	48,312
Buildings	7,817	Capital stock	5,684
Structures	267	Capital surplus	7,355
Machinery and equipment	146	Legal capital surplus	7,115
Vehicles	2	Other capital surplus	240
Tools, furniture and fixtures	1,086	Retained earnings	38,203
Land	5,928	Legal retained earnings	1,230
Lease assets	7	Other retained earnings	36,973
Construction in progress	42	General reserve	28,766
Intangible assets	1,171	Retained earnings brought forward	8,207
Software	1,116	Treasury shares	(2,931)
Other	55		
Investments and other assets	37,978	Valuation and translation adjustments	4,839
Investment securities	9,413	Valuation difference on available-for-sale securities	4,839
Shares of subsidiaries and associates	3,447		
Investments in other securities of subsidiaries and associates	15,259		
Investments in capital of subsidiaries and associates	1,378		
Long-term loans receivable	12,196		
Claims provable in bankruptcy, claims provable in rehabilitation and other	224		
Other	281		
Allowance for doubtful accounts	(4,223)	Total net assets	53,152
Total assets	117,191	Total liabilities and net assets	117,191

(Note: Amounts are rounded down to the nearest million yen.)

Non-consolidated Statements of Income

(From April 1, 2015 to March 31, 2016)

(Millions of Yen)

Items	Amount	
Net sales		88,430
Cost of sales		75,653
Gross profit		12,776
Selling, general, and administrative expenses		12,467
Operating income		309
Non-operating income		
Interest and dividend income	355	
Non-current assets rent	1,286	
Other	74	1,716
Non-operating expenses		
Interest expenses	124	
Expenses for non-current asset loaned	704	
Foreign exchange losses	1,054	
Other	170	2,054
Ordinary loss		29
Extraordinary income		
Gain on sales of non-current assets	0	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	140	
Loss on valuation of investment securities	493	
Loss on valuation of shares of subsidiaries and associates	1,442	
Provision of allowance for doubtful accounts for subsidiaries and associates	183	2,259
Loss before income taxes		2,287
Income taxes - current	2	
Income taxes-deferred	(836)	(834)
Loss		1,453

(Note: Amounts are rounded down to the nearest million yen.)

Copy of Accounting Auditors' Report Relating to the Consolidated Financial Statements

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 11, 2016

To the Board of Directors of
Nissha Printing Co., Ltd.:

Deloitte Touche Tohmatsu LLC

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Akira Tsujiuchi

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Satoshi Nakayama

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheets as of March 31, 2016 of Nissha Printing Co., Ltd. (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in net assets for the fiscal year from April 1, 2015 to March 31, 2016, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Copy of Accounting Auditors' Report Relating to the Consolidated Financial Statements

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2016, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Copy of Accounting Auditors' Report

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 11, 2016

To the Board of Directors of
Nissha Printing Co., Ltd.:

Deloitte Touche Tohmatsu LLC

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Akira Tsujiuchi

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Satoshi Nakayama

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheets as of March 31, 2016 of Nissha Printing Co., Ltd. (the "Company"), and the related statements of income and changes in net assets, and the related notes for the 97th fiscal year from April 1, 2015 to March 31, 2016, and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

Copy of Accounting Auditors' Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2016, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Copy of Audit Report of the Audit & Supervisory Board

(TRANSLATION)

AUDIT REPORT

The Audit & Supervisory Board, upon deliberation, has prepared this Audit Report based on the audit reports prepared by each Auditor & Supervisory Board Member regarding the execution by the Directors, Members of the Board of their duties during the 97th business term from April 1, 2015 through March 31, 2016, and hereby reports as follows:

1. Auditing Methods Employed by the Audit & Supervisory Board Members and the Audit & Supervisory Board, and Details Thereof
 - (1) The Audit & Supervisory Board established the auditing policy, auditing plans and other guidelines, received reports from each Auditor & Supervisory Board Member on the execution of audits and results thereof, and in addition, and received reports from Directors, Members of the Board, etc. and the Accounting Auditor on the execution of their duties, and when necessary, requested explanations regarding such reports.
 - (2) In accordance with the auditing standards for the Audit & Supervisory Board Members, established by the Audit & Supervisory Board, and the auditing policy, auditing plans and other guidelines, each Auditor & Supervisory Board Member maintained good communications with Directors, Members of the Board, the Internal Control-related division, other employees, etc., and collected information and improved the auditing environment. We thereupon conducted audit by the following methods.
 - 1) We attended meetings of the Board of Directors and other meetings deemed important, received reports on the execution of their duties from Directors, Members of the Board, employees, etc. and, when necessary, requested explanations, inspected documents on the basis of which important decisions were made, and examined status of business and assets at the head office and principal offices. We also maintained good communications and exchanged information with Directors, Members of the Board, Audit & Supervisory Board Members and others of subsidiaries of the Company and, as necessary, received from the subsidiaries reports on their business conditions.
 - 2) We regularly received reports from Directors, Members of the Board and employees, etc., requested explanations regarding such reports when necessary and expressed our opinions regarding the status of construction and management of details of resolutions made by the Board of Directors concerning the establishment of systems necessary to ensure that the execution of the duties by Directors, Members of the Board and employees complies with laws, regulations and the Company's articles of incorporation, which is listed in business report, and systems defined under Paragraph 1 and Paragraph 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as what is other systems necessary to ensure the properness of operations of the company group, which consists of a joint stock company and its consolidated subsidiaries, and systems established on the basis of said resolution (internal control systems).
 - 3) With regard to the basic policy defined under Item 3(a) of Article 118 of the Ordinance for Enforcement of the Companies Act, which is stated in the business report, and various activities defined under Item 3(b) of Article 118 of the same Act, we reviewed details based on the deliberations of the Board of Directors, etc.
 - 4) We also monitored and verified whether the Accounting Auditor maintains independence and properly conducts audits, received from the Accounting Auditor reports on the execution of duties and, when necessary, requested explanations. We received a report from the Accounting Auditor that "systems for ensuring proper execution of duties" (listed in each item of Article 131 of the Ordinance for Corporate Accounting) have been established in accordance with the "Standards for Quality Control of Audit Practices" (Business Accounting Council, October 28, 2005), etc. and, when necessary, requested explanations from the Accounting Auditor.

Based on the methods mentioned above, we reviewed the business report for the said business term and their supplementary schedules, the financial statements (balance sheets, statements of income, statements of changes in net assets and notes to non-consolidated financial statements), their supplementary schedules and the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets and notes to consolidated financial statements).

Copy of Audit Report of the Audit & Supervisory Board

2. Results of Audit

(1) Results of audit of the business report, etc.

- 1) The business report and its supplementary schedules are found to correctly present the status of the Company in conformity with laws, regulations, and the Company's articles of incorporation.
- 2) With respect to the execution of duties by Directors, Members of the Board, no misconduct or material fact in violation of laws, regulations or the Company's articles of incorporation is found to exist.
- 3) The details of resolutions passed by the Board of Directors concerning internal control systems are found to be appropriate. In addition, there is nothing to be reported on the contents of the business report and the execution of duties by Directors, Members of the Board regarding the relevant internal control systems.
- 4) There is nothing to be reported on the basic policy regarding parties who hold control over the determination of the Company's financial matter and business policies, which is stated in the business report. Various activities defined under Item 3(b) of Article 118 of the same Act comply with the relevant basic policy and are found neither to damage the common interests of shareholders of the Company nor to have the purpose of maintaining the positions of Directors, Members of the Board and Audit & Supervisory Board Members of the Company.

(2) Results of audit of financial statements and their supplementary schedules

The methods and results of the audit conducted by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are found to be appropriate.

(3) Results of audit of consolidated financial statements

The methods and results of the audit conducted by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are found to be appropriate.

May 11, 2016

Audit & Supervisory Board of Nissha Printing Co., Ltd.

Full-time Audit & Supervisory Board Member	Hitoshi Konishi	(Seal)
Full-time Audit & Supervisory Board Member	Yasuro Nonaka	(Seal)
Independent Audit & Supervisory Board Member	Shigeaki Momo-o	(Seal)
Independent Audit & Supervisory Board Member	Yusuke Nakano	(Seal)

END