

1. This document is a translation of the official Japanese Notice of the Convocation of the Ordinary General Meeting of Shareholders for the 98th 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 26, 2017

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 98th Business Term

We hereby notify that the Ordinary General Meeting of Shareholders for the 98th 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 15, 2017 (Thurs.) after examining the “Reference Materials for the General Meeting of Shareholders” (pages 3 through 20).

Ordinary General Meeting of Shareholders

1. **Date and time:** June 16, 2017 (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. Report on the Business Report, Consolidated Financial Statements for the 98th business term (from April 1, 2016 through March 31, 2017) and the Audit Results of the Accounting Auditor and the Audit and Supervisory Board
 2. Report on the Non-consolidated Financial Statements for the 98th business term (from April 1, 2016 through March 31, 2017)

Proposals to be resolved

Proposal 1: Appropriation of Surplus

Proposal 2: Partial Amendments to the Articles of Incorporation

Proposal 3: Election of Eight (8) Directors, Members of the Board

[Exercise of voting rights by postal mail]

Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and send the form back to the Company so that it arrives 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/>), use the "Voting Rights Exercise Code" and "Password" indicated on the enclosed Voting Rights Exercise Form, and enter your approval or disapproval of the proposals in accordance with the guidance given on the screen.

You are kindly requested to read 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, you are kindly requested to submit the enclosed Voting Rights Exercise Form to the reception desk at the meeting site.
 2. The following items are disclosed on our website (<http://www.nissha.com/english/>) in accordance with laws and regulations, and Article 16 of the Articles of Incorporation of the Company. Therefore, they are not included 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 Statements and Non-consolidated Financial Statements 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 Statements, and Financial Statements, 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 Reference Matters

Proposal 1: Appropriation of Surplus

In determining distributions of profits to shareholders, the Company, while giving consideration to stability and sustainability as its basic policy, takes into account a full range of factors including its business results in the current fiscal year, forecasts of future results, payout ratios, and financial soundness.

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.

As for the dividends for this fiscal year, with due consideration given to the aforementioned policy, the current management environment, future business development and other factors, the Company proposes to pay a year-end dividend of ¥15.00 per share as described below. The annual dividend per share will therefore be ¥30.00 per share when combined with 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: ¥700,698,765

(3) Effective date of distribution of the dividends from surplus

June 19, 2017

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments:

- (1) The Company was established in Kyoto in 1929 in pursue of high-quality art prints. From the 1960s, with the advancement of printing technologies the Company had concentrated its efforts on developing new products and broadened its product lines, including transfer foils and electronic components, and since the latter half of the 1990s the Company has achieved remarkable growth by making inroads into the global market. The Company is now moving forward with the business development in fields such as printing related materials, automotive interior parts and medical devices, where further growth is expected on a global basis, in addition to the existing product lines.

Far beyond traditional boundaries of printing field, the Company has been evolving and expanding its business, and accordingly decided to change its trade name from Nissha Printing Co., Ltd. to Nissha Co., Ltd., by amending Article 1 (Trade Name) of the current Articles of Incorporation.

Our new trade name will take effect from October 6, 2017.

- (2) With the progression of our Fifth Medium-term Business Plan which started in fiscal 2016, we will modify Article 2 (Purposes) of the current Articles of Incorporation to facilitate the diversification and future development of our Group's business activities, and to align our business purposes with our current operations.
- (3) The fiscal year of the Company is currently one year from April 1 of every year to March 31 of the following year. The Company intends to unify the fiscal year for overseas consolidated subsidiaries in order to promote integrated group operations, and further enhance management transparency and efficiency through the timely and adequate disclosure of financial and business information. To achieve this goal, the Company aims to change its fiscal year to one year commencing on January 1 of every year and ending on December 31 of the same year. Consequently, the Company will make necessary amendments to Articles 13 (Time of Convening General Meeting of Shareholders), 14 (Base Date of Ordinary General Meeting of Shareholders), 38 (Fiscal Year) and 39 (Base Date for Dividends of Surplus) of the current Articles of Incorporation.

Furthermore, since the 99th Business Term will cover the nine months from April 1, 2017 to December 31, 2017 as a result of this change, supplementary provisions are also to be established as a transitional measure.

All of our consolidated subsidiaries whose fiscal years do not end on December 31 are currently expected to introduce the same amendments.

- (4) In consideration of notable contribution in restoration of the Company, Chairperson Emeritus as Director shall belong to the late Mr. Shozo Suzuki solely and permanently, and the Company will never assign anyone for this title. The Company will thus make a necessary amendment to Article 23 (Representative Directors and Directors with Title) of the current Articles of Incorporation.
- (5) The Act for Partial Amendment of the Companies Act (Act No. 90, 2014) enforced on May 1, 2015 newly allows the conclusion of liability limitation agreements between the Company and a Director who does not execute business and between the Company and an Audit and Supervisory Board Member who is not an Independent Audit and Supervisory Board Member. Consequently, the Company proposes to make partial amendments to Articles 29 (Exemption from Liability for Independent Directors) and 37 (Exemption from Liability for Independent Audit and Supervisory Board Members) of the current Articles of Incorporation so that those Directors and Audit and Supervisory Board Members will be able to further carry out their expected roles.

Consent has already been obtained from each Audit and Supervisory Board Member for the amendment to Article 29 of the current Articles of Incorporation.

- (6) In order to implement the dividend policy and the capital policy flexibly, the Company will newly establish Article 39 (Organ to decide on Matters including Dividends of Surplus) of the proposed Articles of Incorporation that enables the Company to decide matters including dividends of surplus by a resolution of the Board of Directors. The Company will partially amend Article 39 (Base Date for Dividends of Surplus) of the current Articles of Incorporation as well, and adjust its number of articles as Article 40 (Base Date for Dividends of Surplus) of the proposed Articles of Incorporation with deleting Article 40 (Interim Dividends) of the current Articles of Incorporation.

This amendment does not intend to preclude the General Meeting of Shareholders from exercising its authority over deciding matters including dividends of surplus.

- (7) In addition, as a result of the amendments above, the number of articles, wording of articles and other necessary matters will be amended.

2. Contents of the amendments:

The contents of the amendments are as follows:

(Underlined portions indicate proposed changes)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter 1: General Provisions</p> <p>(Trade Name) Article 1. The Company shall be called <u>Nihon Shashin Insatsu Kabushiki Kaisha</u> and shall be expressed in English as <u>Nissha Printing Co., Ltd.</u></p> <p>(Purposes) Article 2. The purpose of the Company is to run the following businesses.</p> <p>1) } (Text omitted)</p> <p>9) (Newly established)</p> <p><u>10)</u> Production and sale of paper processed goods, fine arts and craft works, metal products, wooden products, chemical industry products, <u>cosmetics</u>, food products, convenience goods and fiber processed goods;</p> <p><u>11)</u> (Text omitted) (Newly established)</p> <p><u>12)</u> } (Text omitted)</p> <p><u>15)</u></p> <p><u>16)</u> Planning, operation, display, interior work and electrical decoration for events or exhibitions, and design and execution of architecture and other construction;</p> <p><u>17)</u> (Text omitted)</p>	<p style="text-align: center;">Chapter 1: General Provisions</p> <p>(Trade Name) Article 1. The Company shall be called <u>NISSHA Kabushiki Kaisha</u> and shall be expressed in English as <u>Nissha Co., Ltd.</u></p> <p>(Purposes) Article 2. The purpose of the Company is to run the following businesses.</p> <p>1) } (Unchanged)</p> <p>9) <u>10)</u> <u>Development, production and sale of medical devices, consumable medical products, analyzers, in-vitro diagnostics, quasi-drug and cosmetics;</u></p> <p><u>11)</u> Production and sale of paper processed goods, fine arts and craft works, metal products, wooden products, chemical industry products, food products, convenience goods and fiber processed goods;</p> <p><u>12)</u> (Unchanged)</p> <p><u>13)</u> <u>Import and export of goods and other things listed in the preceding items;</u></p> <p><u>14)</u> } (Unchanged)</p> <p><u>17)</u></p> <p><u>18)</u> Planning, operation, display, interior work and electrical decoration for events or exhibitions, and design, execution, <u>contracting and supervision of architecture, landscape gardening</u> and other construction;</p> <p><u>19)</u> (Unchanged)</p>

<p><u>18) Purchase and sale of antiques goods;</u></p> <p><u>19) Warehousing business, packaging business, customs clearance business, automobile forwarding business, automobile maintenance business and sale of automobile fuel;</u></p> <p><u>20) Management of parking space;</u></p> <p><u>21) Business of dispatching general workers, business of commercial introduction of jobs;</u></p> <p><u>22) Comprehensive leasing business, and business of renting and managing real estate;</u></p> <p><u>23) Planning, design and construction of gardens and greening works;</u></p> <p><u>24) Agent business of non-life insurance and insurance based on Automobile Liability Security Law, and business relating to the agency of life insurance;</u></p> <p><u>25) Contracting of clerical works relating to the calculation of payroll and social insurance premium, employment management, labor management, etc.;</u></p> <p><u>26) Financing business such as money lending, buying and selling of receivables, guarantee of debts, etc. and contracting of clerical works relating to accounting and book keeping;</u></p> <p><u>27) Cleaning business, disposal and recycling of industrial wastes and general wastes, and sale of such processed scrap; and</u></p> <p><u>28)</u> (Text omitted)</p> <p>Article 3. { (Text omitted)</p> <p>Article 5.</p> <p style="text-align: center;">Chapter 2: Shares</p> <p>Article 6. { (Text omitted)</p> <p>Article 12.</p> <p style="text-align: center;">Chapter 3: General Meeting of Shareholders</p> <p>(Time of Convening General Meeting of Shareholders)</p> <p>Article 13. The Ordinary General Meeting of Shareholders of the Company shall be convened in <u>June</u> of each year, and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary.</p>	<p><u>20) Separation, collection, transportation and disposal of industrial wastes, sale of valuables, cleaning business, generation of electricity, supply and sale of electricity, purchase and sale of antiques goods, security business, and management of parking space; and</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p><u>21)</u> (Unchanged)</p> <p>Article 3. { (Unchanged)</p> <p>Article 5.</p> <p style="text-align: center;">Chapter 2: Shares</p> <p>Article 6. { (Unchanged)</p> <p>Article 12.</p> <p style="text-align: center;">Chapter 3: General Meeting of Shareholders</p> <p>(Time of Convening General Meeting of Shareholders)</p> <p>Article 13. The Ordinary General Meeting of Shareholders of the Company shall be convened in <u>March</u> of each year, and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary.</p>
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<p>(Base Date of Ordinary General Meeting of Shareholders)</p> <p>Article 14. The base date of the voting right in the Ordinary General Meeting of Shareholders of the Company shall be <u>March</u> 31 of each year.</p> <p>Article 15. } (Text omitted)</p> <p>Article 19.</p> <p style="text-align: center;">Chapter 4: Directors and Board of Directors</p> <p>Article 20. } (Text omitted)</p> <p>Article 22.</p> <p>(Representative Directors and Directors with Title)</p> <p>Article 23. The Representative Director shall be elected by the resolution of the Board of Directors.</p> <p>2. One <u>Chairperson Emeritus</u>, one Chairperson, one President and CEO, and one or more Corporate Vice President(s), Senior Executive Director(s) and Executive Director(s) may be elected from among the Directors of the Company by the resolution of the Board of Directors.</p> <p>Article 24. } (Text omitted)</p> <p>Article 28.</p> <p>(Exemption from Liability for <u>Independent</u> Directors)</p> <p>Article 29. The Company may conclude a contract with the <u>Independent</u> Directors to limit the liability for damages due to the negligence of duties, based on the provisions of Article 427, Paragraph 1 of the Companies Act; provided, however, that the amount of limit on liability under such contract shall be the amount prescribed by laws and ordinances.</p> <p style="text-align: center;">Chapter 5: Audit and Supervisory Board Members and Audit and Supervisory Board</p> <p>Article 30. } (Text omitted)</p> <p>Article 36.</p> <p>(Exemption from Liability for <u>Independent</u> Audit and Supervisory Board Members)</p>	<p>(Base Date of Ordinary General Meeting of Shareholders)</p> <p>Article 14. The base date of the voting right in the Ordinary General Meeting of Shareholders of the Company shall be <u>December</u> 31 of each year.</p> <p>Article 15. } (Unchanged)</p> <p>Article 19.</p> <p style="text-align: center;">Chapter 4: Directors and Board of Directors</p> <p>Article 20. } (Unchanged)</p> <p>Article 22.</p> <p>(Representative Directors and Directors with Title)</p> <p>Article 23. The Representative Director shall be elected by the resolution of the Board of Directors.</p> <p>2. One Chairperson, one President and CEO, and one or more Corporate Vice President(s), Senior Executive Director(s) and Executive Director(s) may be elected from among the Directors of the Company by the resolution of the Board of Directors.</p> <p>Article 24. } (Unchanged)</p> <p>Article 28.</p> <p>(Exemption from Liability for Directors)</p> <p>Article 29. The Company may conclude a contract with the Directors (<u>excluding Executive Directors, etc.</u>) to limit the liability for damages due to the negligence of duties, based on the provisions of Article 427, Paragraph 1 of the Companies Act; provided, however, that the amount of limit on liability under such contract shall be the amount prescribed by laws and ordinances.</p> <p style="text-align: center;">Chapter 5: Audit and Supervisory Board Members and Audit and Supervisory Board</p> <p>Article 30. } (Unchanged)</p> <p>Article 36.</p> <p>(Exemption from Liability for Audit and Supervisory Board Members)</p>
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Article 37. The Company may conclude a contract with the Independent Audit and Supervisory Board Members to limit the liability for damages due to the negligence of duties, based on the provisions of Article 427, Paragraph 1 of the Companies Act; provided, however, that the amount of limit of liability under such contract shall be the amount prescribed by laws and ordinances.

Chapter 6: Accounts

(Fiscal Year)

Article 38. The fiscal year of the Company shall be 1 year from April 1 of every year to March 31 of the following year.

(Newly established)

(Base Date for Dividends of Surplus)

Article 39. The base date for the dividends of surplus of the Company shall be March 31 of each year.

(Newly established)

(Newly established)

(Interim Dividends)

Article 40. By the resolution of the Board of Directors, the Company may pay interim dividends as at the base date of September 30 of each year.

Article 41. (Text omitted)

(Newly established)

Article 37. The Company may conclude a contract with the Audit and Supervisory Board Members to limit the liability for damages due to the negligence of duties, based on the provisions of Article 427, Paragraph 1 of the Companies Act; provided, however, that the amount of limit of liability under such contract shall be the amount prescribed by laws and ordinances.

Chapter 6: Accounts

(Fiscal Year)

Article 38. The fiscal year of the Company shall be 1 year from January 1 of every year to December 31 of the same year.

(Organ to decide on Matters including Dividends of Surplus)

Article 39. The Company may decide the matters listed in each item of Article 459, Paragraph 1 of the Companies Act including dividends of surplus by resolution of the Board of Directors unless otherwise provided for in any of the laws or ordinances.

(Base Date for Dividends of Surplus)

Article 40. The base date for the dividends of surplus of the Company shall be December 31 of each year.

2. The base date for the interim dividends of surplus of the Company shall be June 30 of each year.

3. In addition to the preceding two paragraphs, the Company may prescribe a base date and pay dividends of surplus.

(Deleted)

Article. 41 (Unchanged)

(Supplementary Provisions)

Article 1. The amendment to Article 1 (Trade Name) shall take effect on October 6, 2017. This Article shall be deleted when such amendment takes effect.

Article 2. Notwithstanding the provision of Article 38 (Fiscal Year), the 99th Business Term shall commence on April 1, 2017 and end on December 31, 2017.

Article 3. Notwithstanding the provision of paragraph 2 of Article 40 (Base Date for Dividends of Surplus), if the Company pays interim dividends in the 99th Business Term, the base date for such dividends shall be September 30, 2017.

Article 4. The preceding two articles and this article shall be deleted after the end of the 99th Business Term.

Proposal 3: Election of eight (8) Directors, Members of the Board

The term of office of all eight (8) Directors, Members of the Board shall expire at the close of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes the election of eight (8) Directors, Members of the Board, including four (4) Independent Directors, Members of the Board.

Candidates for the position of Directors, Members of the Board were determined based on a report of the Nomination and Remuneration Committee (page 26 of the Japanese original) chaired by an Independent Director, Member of the Board in accordance with the standards for selecting candidates for the position of Directors, Members of the Board. The candidates for the position of Independent Directors, Members of the Board meet the “Standards for Independence of Independent Officers” (page 23 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	Years Served as a Director, Member of the Board	Attendance at meetings of the Board of Directors
1	Junya Suzuki	Reappointment		President and CEO, Chairman of the Board	18	94.1% (16 out of 17)
2	Takao Hashimoto	Reappointment		Director, Member of the Board Senior Executive Vice President Chief Technology Officer Senior Director of Product and Business Development Office Director of Medical Management Office	12	100% (17 out of 17)
3	Hayato Nishihara	Reappointment		Director, Member of the Board Senior Executive Vice President Chief Financial Officer Senior Director of Human Resources, General Affairs and Legal Affairs	5	100% (17 out of 17)
4	Yoshiharu Tsuji	Reappointment		Director, Member of the Board Special Assistant to President Director of Tokyo Division Headquarters	30	100% (17 out of 17)
5	Tamio Kubota	Reappointment Candidate for Independent Director, Member of the Board	Independent Officer	Director, Member of the Board	10	100% (17 out of 17)
6	Kenji Kojima	Reappointment Candidate for Independent Director, Member of the Board	Independent Officer	Director, Member of the Board	9	100% (17 out of 17)
7	Sawako Nohara	Reappointment Candidate for Independent Director, Member of the Board	Independent Officer	Director, Member of the Board	3	94.1% (16 out of 17)
8	Kazuhito Osugi	Reappointment Candidate for Independent Director, Member of the Board	Independent Officer	Director, Member of the Board	1	100% (13 out of 13)

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares held
1	Junya Suzuki (December 8, 1964) Reappointment (Years served as a Director, Member of the Board) 18 years as of the close of the meeting (Attendance at meetings of the Board of Directors in fiscal 2017) 16 out of 17 (94.1%)	<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>	608,500 shares

(Significant positions concurrently held)

Chairman, Kyoto Association of Corporate Executives / Chairman, Nissha USA, Inc. / Chairman, Nissha Europe GmbH / Chairman, AR Metallizing 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 a 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 strategies that have 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 sound growth strategies for the Company and supervise the execution of operations.

Notes:

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

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares held
2	Takao Hashimoto (September 11, 1948) Reappointment (Years served as a Director, Member of the Board) 12 years as of the close of the meeting (Attendance at meetings of the Board of Directors in fiscal 2017) 17 out of 17 (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 Director, Member of the Board Senior Executive Vice President (present post)</p> <p>March 2017 Director, Member of the Board Senior Executive Vice President Director of Medical Management Office (present post)</p> <p>April 2017 Director, Member of the Board Senior Executive Vice President Senior Director of Product and Business Development Office (present post) Currently, Chief Technology Officer</p>	19,609 shares

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

(Reasons for selecting the candidate for a 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 fields of acquisition of the Nissha Group's new core technologies, technology development, product development and corporate acquisition as a Director, Member of the Board and Senior Executive Vice President, Chief Technology Officer and Senior Director of Product and Business Development Office. 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 sound growth strategies for the Company and supervise the execution of operations.

Notes:

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

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares held
3	Hayato Nishihara (February 16, 1953) Reappointment (Years served as a Director, Member of the Board) 5 years as of the close of the meeting (Attendance at meetings of the Board of Directors in fiscal 2017) 17 out of 17 (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 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 Director, Member of the Board Senior Executive Vice President (present post) Currently, Chief Financial Officer, Senior Director of Human Resources, General Affairs and Legal Affairs</p>	3,675 shares

(Reasons for selecting the candidate for a 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 strategies and pursues the strategies aiming for business growth and improvement of operating results by taking advantage of his unsurpassed expertise as a Director, Member of the Board and Senior Executive Vice President, and Chief Financial Officer, while showing strong leadership in fields of financial affairs, human resources, general affairs, and legal affairs from viewpoints of consolidated and global management. 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 sound growth strategies for the Company and supervise the execution of operations.

Notes:

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

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held	Number of shares held
4	Yoshiharu Tsuji (February 19, 1942) Reappointment (Years served as a Director, Member of the Board) 30 years as of the close of the meeting (Attendance at meetings of the Board of Directors in fiscal 2017) 17 out of 17 (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>	38,187 shares

(Significant positions concurrently held)

Representative Director, Nissha Business Service Co., Ltd.

(Reasons for selecting the candidate for a 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 sound growth strategies for the Company and supervise the execution of operations.

Notes:

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

Candidate number	Name (Date of birth)	Career summary, positions, responsibilities and significant positions concurrently held		Number of shares held
5	Tamio Kubota (August 4, 1947)	April 1972	Entered The Dai-ichi Kangyo Bank, Limited (currently, Mizuho Financial Group, Inc.)	4,413 shares
	Reappointment	June 1979	Completed MBA, Yale School of Management, Yale University, USA	
	Candidate for Independent Director, Member of the Board	January 2001	General Manager, International Credit Supervision Division, The Dai-ichi Kangyo Bank, Limited	
	Independent Officer	April 2002	Entered TOKYO LEASING CO., LTD. (currently, Tokyo Century Corporation)	
	(Years served as a Director, Member of the Board)	June 2006	Representative Director of the Board and Senior Executive Officer	
	10 years as of the close of the meeting	June 2007	Senior Executive Officer	
	(Attendance at meetings of the Board of Directors in fiscal 2017)	June 2007	Independent Director, Members of the Board, the Company (present post)	
17 out of 17 (100%)	June 2008	Independent Audit and Supervisory Board Member, Takashima & Co., Ltd. (full-time)		

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

Mr. Tamio Kubota has given valuable advice and opinions from his point of views 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 and supervisory board member in other companies and the excellent insight he has gained through such experience. Mr. Tamio Kubota has duly performed his duties, such as the supervision of the execution of operations. Although he worked for The Dai-ichi Kangyo Bank, Limited (currently, Mizuho Financial Group, Inc.), more than ten years have already passed since he retired from the bank 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 interests exist between Mr. Tamio Kubota and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares 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 held
6	Kenji Kojima (February 5, 1948) Reappointment Candidate for Independent Director, Member of the Board Independent Officer (Years served as a Director, Member of the Board) 9 years as of the close of the meeting (Attendance at meetings of the Board of Directors in fiscal 2017) 17 out of 17 (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 an 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 interests exist 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 at which Mr. Kenji Kojima lectures employees of the Company about the management strategy, 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" (page 23 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 held
7	Sawako Nohara (January 16, 1958) Reappointment Candidate for Independent Director, Member of the Board Independent Officer (Years served as a Director, Member of the Board) 3 years as of the close of the meeting (Attendance at meetings of the Board of Directors in fiscal 2017) 16 out of 17 (94.1%)	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 and Supervisory Board Member, Sompo Japan Insurance Inc. June 2013 Independent Director, Member of the Board, NKSJ Holdings, Inc. (currently Sompo 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 Holdings, Inc. / Independent Director, Member of the Board, Japan Post Bank Co., Ltd.

(Reasons for selecting the candidate for an 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 and supervisory board member in other companies, and excellent insight 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 interests exist 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 held
8	Kazuhito Osugi (July 31, 1953) Reappointment Candidate for Independent Director, Member of the Board Independent Officer (Years served as a Director, Member of the Board) 1 year as of the close of the meeting (Attendance at meetings of the Board of Directors in fiscal 2017) 13 out of 13 (100%)	<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 Advisor, Security Transport Business Division, NIPPON EXPRESS CO., LTD. (present post)</p> <p>June 2016 Independent Director, Member of the Board, the Company (present post)</p>	0 shares

(Significant positions concurrently held)

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

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

Mr. Kazuhito Osugi has given valuable advice and opinions 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. Mr. Kazuhito Osugi has duly performed his duties, such as the supervision of the execution of operations. Mr. Kazuhito Osugi has not participated in corporate management other than as an Independent Director, Member of the Board for the Company or as an advisor of an operational division for another 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 interests exist between Mr. Kazuhito Osugi and the Company.
2. 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.
3. The Company has concluded a contract for limitation of liability with Mr. Kazuhito Osugi, 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 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" (page 23 of the Japanese original) of the Company and would not affect the independence of Mr. Kazuhito Osugi as an Independent Director, Member of the Board.
5. The Tokyo Stock Exchange was notified of Mr. Kazuhito Osugi 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 Board Members and Independent Audit and 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 and Supervisory Board Members, persons who were directors that did not conduct Group business.
(*) A 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 and 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 Board Members), Corporate 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.

Attachments

Business Report

(from April 1, 2016 through March 31, 2017)

1. Current status of the Nissha Group

(1) Progress and results of operations

Reflecting on the global economy in the fiscal year ended March 31, 2017, the United States saw ongoing recovery thanks primarily to increased consumer spending and improved employment conditions. In Europe, there remained uncertainty for the future attributable to Brexit and other factors but the economy gradually recovered. In Asia, the economies of emerging countries such as China showed partial signs of recovery. As for Japan, the economy held steady on an ongoing moderate recovery trend but uncertainty over overseas economies, foreign exchange fluctuations and other factors have fueled growing opacity for the future.

The Nissha Group is pursuing growth by reorganizing its business portfolio in the Fifth Medium-term Business Plan starting from April 1, 2015 and has been in a rush to establish a business base that enables a continuous and stable revenue stream, by overcoming its over-reliance on the ever-fluctuating consumer electronics field from a viewpoint of balanced management and increasing its overseas production ratio to develop its tolerance to foreign exchange fluctuations. In the fiscal year ended March 31, 2017, the Nissha Group has made significant progress in expanding its business domain through corporate acquisition in the fields of automotive interior components and medical devices and consumables, following up on acquisitions in the metallized paper field in the previous year. Despite these efforts, the Nissha Group currently could not attain the previous estimate primarily due to the impact of foreign exchange fluctuations, sluggish demand for products in existing fields, and the posting of upfront costs for new orders and temporary expenses related to the acquisition.

As a result, the net sales for the year ended March 31, 2017 were ¥115,802 million (a decrease of 3.3% as compared to the previous year). For income, operating loss was ¥3,904 million (operating income of ¥10,546 million in the previous year), ordinary loss was ¥4,914 million (ordinary income of ¥9,238 million in the previous year), and loss attributable to owners of parent was ¥7,408 million (profit attributable to owners of parent of ¥6,896 million in the previous year).

Following is an overview by business segment.

As a result of the acquisition and inclusion of Graphic Controls Holdings, Inc. and its group companies (Graphic Controls group), a medical devices and consumables manufacturer in the United States, in the scope of consolidation in the year ended March 31, 2017, the Nissha Group established the “Life Innovation” business segment, a new reportable segment in which Graphic Controls Holdings, Inc. and its group companies promote its business operations in the medical markets. In addition, the production and sales business of our gas sensors, which had been included in the “Other” under reportable segments, was transferred to the “Devices” business segment from the year ended March 31, 2017, as a result of the reorganization executed to further expand the scale of business.

Therefore, segment information for the year ended March 31, 2016 and 2017 is compared and analyzed based on the reportable segments that have reflected the above changes.

Industrial Materials

In the Industrial Materials business segment, the Nissha Group mainly offers proprietary technologies that enable to create added value on the surfaces of various materials. IMD and IML, which facilitate

simultaneous in-mold decoration and design of plastic products, are extensively adopted in automotive interior components, home appliances, and smartphones in global markets. Also, our metallized paper, which unites the properties of metallic luster and printing friendliness, has the largest market share in the industry as a packaging material for beverages and foods on a global basis.

During the year ended March 31, 2017, demand progressed steadily for our mainstay automotive interior components in general, while demand in the other fields remained lower than the previous estimate.

As a result, the net sales for the year ended March 31, 2017 were ¥47,971 million, an increase of 21.0% as compared to the previous year. Operating income was ¥620 million (operating loss of ¥590 million in the previous year).

Devices

In the Devices business segment, the Nissha Group produces devices that pursue precision and functionality, including its core products, the FineTouch touch input device. The FineTouch is adopted mainly in tablet devices, mobile game consoles, industrial equipment and automotive components in global markets. In addition, the Nissha Group offers gas sensors that can detect and identify the conditions of air and gas, along with other products.

During the year ended March 31, 2017, demand for products for mobile game consoles progressed steadily but demand for our mainstay products adopted for tablet devices fell below the previous estimate. On and after the third quarter ended December 31, 2016, development costs toward new orders for the next term increased.

As a result, the net sales for the year ended March 31, 2017 were ¥47,835 million, a decrease of 24.4% as compared to the previous year. Operating loss was ¥157 million (operating income of ¥14,341 million in the previous year).

Life Innovation

The Life Innovation business segment is a newly established segment in which Graphic Controls group, a medical devices and consumables manufacturer based in the United States, acts as a core company to offer high-quality and value-added products in medical devices and consumables and other related fields to contribute to healthy and affluent life. Main products of Graphic Controls group are disposable electrodes and surgical instruments for medical institutions. Graphic Controls group currently manufactures and sells its own brand products to medical institutions and also provides contract manufacturing services for major medical device manufacturers in the North and Central America and Europe.

This segment began contributing to net sales of the Nissha Group from the third quarter ended December 31, 2016. For income, however, it could not make a profit in the fiscal year ended March 31, 2017, due to the posting expenses related to the acquisition of Graphic Controls group.

As a result, the net sales for the year ended March 31, 2017 were ¥5,391 million. Operating loss was ¥1,311 million.

There is no comparable data and analysis for this segment against the previous year because this is a new reportable segment established as a result of the inclusion of Graphic Controls group in the scope of consolidation effective from the year ended March 31, 2017.

Information and Communication

In the Information and Communication business 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, 2017, 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. These movements led the business into a highly competitive climate.

As a result, the net sales for the year ended March 31, 2017 were ¥14,354 million, a decrease of

14.1% as compared to the previous year. Operating loss was ¥93 million (operating income of ¥81 million in the previous year).

(2) Status of fund procurement, etc.

1) Status of fund procurement

The Nissha Group did not procure funds through the issuance of bonds and new shares, etc.

2) Status of capital expenditures

The Nissha Group aims to build a more efficient production structure that can adapt to changes in demand, while focusing on the development of new businesses and new products, in a bid to establish a business base toward the next stage of growth.

To this end, we consolidated the Industrial Materials functions in the Tsu Factory into those in the Koka Factory, while updating the Tsu Factory to make it into a production base in the Devices business segment in response to growing demand. We are also constructing the Nissha Technology Center KYOTO (tentative) in the Headquarters of the Company.

As a result, capital expenditures amounted to ¥1,579 million in the Industrial Materials business segment, ¥8,588 million in the Devices business segment, ¥86 million in the Life Innovation business segment, ¥151 million in the Information and Communication business segment, and ¥1,861 million in other and common corporate divisions (R&D and Administration divisions), with the overall capital expenditures of the Nissha Group standing at ¥12,267 million.

The details of our major capital expenditures are as follows:

Segments	Breakdown of major capital expenditures
Industrial Materials	Relocation of production facilities, etc. from the Tsu Factory of Nitec Industries, Inc. to the Koka Factory.
Devices	Construction of the Tsu Factory of Nitec Precision and Technologies, Inc.
Other and common corporate divisions (R&D and Administration divisions)	Construction of the Nissha Technology Center KYOTO (tentative)

(3) Status of assets and operating results

1) Status of consolidated assets and profit and loss

(Millions of Yen)

Items	Fiscal 2014 [the 95 th business term]	Fiscal 2015 [the 96 th business term]	Fiscal 2016 [the 97 th business term]	Fiscal 2017 (current term) [the 98 th business term]
Net sales	110,922	117,328	119,796	115,802
Operating income or operating loss	1,935	8,602	10,546	(3,904)
Ordinary income or ordinary loss	5,182	12,402	9,238	(4,914)
Profit (loss) attributable to owners of parent	3,967	11,234	6,896	(7,408)
Basic earnings (loss) per share (Yen)	92.46	261.80	160.72	(169.10)
Total assets	106,140	115,430	156,107	182,670
Net assets	51,676	66,313	70,096	74,606

- Notes:
1. 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. Effective from the current term, the Company has changed its method for translating revenue and expenses of overseas consolidated subsidiaries, etc. into yen. Since a new accounting method is retroactively applied in accordance with changes in accounting policies, the above figures for the 96th business term and the 97th business term are stated based on figures that reflect the retroactive application.
 3. Effective from the current term, the Company has introduced the "Board Benefit Trust (BBT)." When calculating basic loss per share, the Company shares that remain in the trust recorded as treasury shares under shareholders' equity are included in treasury shares to be deducted in the calculation of the average number of outstanding shares during the fiscal year.

2) Status of non-consolidated assets and profit and loss

(Millions of Yen)

Items	Fiscal 2014 [the 95 th business term]	Fiscal 2015 [the 96 th business term]	Fiscal 2016 [the 97 th business term]	Fiscal 2017 (current term) [the 98 th business term]
Net sales	102,088	108,275	88,430	68,993
Operating income or operating loss	71	3,104	309	(1,315)
Ordinary income or ordinary loss	4,856	9,523	(29)	(692)
Profit (loss)	3,542	8,667	(1,453)	(1,807)
Basic earnings (loss) per share (Yen)	82.54	201.98	(33.88)	(41.24)
Total assets	96,233	101,911	117,191	133,174
Net assets	46,455	57,376	53,152	61,207

- Notes:
1. 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. Effective from the current term, the Company has introduced the "Board Benefit Trust (BBT)." When calculating basic loss per share, the Company shares that remain in the trust recorded as treasury shares under shareholders' equity are included in treasury shares to be deducted in the calculation of the average number of outstanding shares during the fiscal year.

(4) Issues to be addressed

During the next term, the global economy is expected to remain on a moderate recovery trend, but we must keep our eyes on future uncertainties associated with policy trends in the United States, Brexit, and other factors. The Japanese economy is also forecasted to remain on a moderate recovery trend, but we must closely watch overseas economies and foreign exchange rates.

The next term is to be the last year of the Fifth Medium-term Business Plan starting from April 1, 2015. The Nissha Group aims for the objective set in the Medium-term vision: “We will acquire and merge new core technologies into printing technologies and completely reorganize our business portfolio in global growth markets.”

Our growth fueled by business portfolio reorganization is expected to progress as projected in the Fifth Medium-term Business Plan. Specifically, the mainstay Devices business segment is projected to drive the profit on a company-wide basis, as new large-scale orders received advance to the mass-production phase. In the Industrial Materials business segment, meanwhile, the sales for the automotive and metallized paper fields are forecasted to steadily increase. In the Life Innovation business segment, Graphic Controls group will contribute to profit throughout the term due to its full-year inclusion in the scope of consolidation.

In this way, the Company’s business domain continues to evolve and expand significantly beyond a traditional printing field. Accordingly, the Company is scheduled to change its corporate name from Nissha Printing Co., Ltd. to Nissha Co., Ltd. effective on October 6, 2017, subject to the approval of the shareholders at the Ordinary General Meeting of Shareholders for the 98th Business Term to be held on June 16, 2017.

Moreover, the materiality of the overseas consolidated subsidiaries increased, as their number increased in accordance with the M&A strategy under the Fifth Medium-term Business Plan. Therefore, it has become increasingly important to pursue enhanced management transparency and quality by promoting the concerted management of group companies, while disclosing financial results and other information in a timely and appropriate manner. To this end, subject to the approval of the shareholders at the above Ordinary General Meeting of Shareholders, the Company will change its fiscal year end date from March 31 to December 31 to set a unified fiscal year end date on a global basis.

We sincerely would like to ask for continued support and encouragement from each of our esteemed shareholders.

(5) Principal bases, etc. of the Nissha Group (as of March 31, 2017)

1) Principal offices and factories

(i) The Company

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

(ii) Subsidiaries

Nitec Industries, Inc.	Headquarters /Factory (Koka, Shiga Pref.)
Nitec Precision and Technologies, Inc.	Headquarters/Factory (Himeji, Hyogo Pref.)
	Kaga Factory (Kaga, Ishikawa Pref.)
	Kyoto Factory (Kyoto)
	Tsu Factory (Tsu, Mie Pref.)
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 Medical International, Inc.	Head Office (U.S.A.)
Graphic Controls Holdings, Inc.	Head Office (U.S.A.)
Graphic Controls Acquisition Corp.	Head Office (U.S.A.)
Graphic Controls Ltd.	Head Office/Factory (U.K.)
Nissha Europe GmbH	Head Office (Germany)
Schuster Kunststofftechnik GmbH	Head Office/Factory (Germany)
Back Stickers GmbH	Head Office/Factory (Germany)
AR Metallizing N.V.	Head Office/Factory (Belgium)
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)
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)
Nissha Flooring Industries Sdn. Bhd.	Head Office (Malaysia)
Nissha Vietnam Co., Ltd.	Head Office (Vietnam)

- Notes:
1. The Company incorporated Nissha Medical International, Inc. on August 2, 2016.
 2. The Company acquired shares of Graphic Controls Holdings, Inc., a holding company, through Nissha Medical International, Inc., a consolidated subsidiary of the Company, on September 2, 2016, and Graphic Controls Holdings, Inc., Graphic Controls Acquisition Corp. (a medical devices and consumables manufacturer under the control of Graphic Controls Holdings, Inc.), and the group companies of Graphic Controls Acquisition Corp. have become subsidiaries of the Company.
 3. The liquidation of Nissha Luxembourg Holdings SARL was completed on September 16, 2016.
 4. Nitec Industries, Inc. moved its head office on October 1, 2016, and its head office and factory are now located in Koka, Shiga Pref.
 5. Nitec Precision and Technologies, Inc. established the Tsu Factory (Tsu, Mie Pref.) as a main production site on October 1, 2016, and it has now four factories (Himeji, Kaga, Kyoto, and Tsu).
 6. The Company acquired shares of Schuster Kunststofftechnik GmbH, a company mainly engaged in

the manufacturing and sales of plastic molded products for automotives in Europe, and Back Stickers GmbH, a company engaged in the manufacturing and sales of decorative film, in Europe, through Nissha Europe GmbH, a consolidated subsidiary of the Company, on October 31, 2016. As a result, Schuster Kunststofftechnik GmbH and Back Stickers GmbH and its group companies have become subsidiaries of the Company.

7. Nissha Industrial and Trading Malaysia Sdn. Bhd. incorporated Nissha Flooring Industries Sdn. Bhd., a joint venture engaged in the manufacturing of designer vinyl floor tiles with Scanwolf Plastic Industries Sdn. Bhd., a building materials manufacturer in Malaysia, on December 8, 2016.
8. Nitec Precision and Technologies, Inc. incorporated Nissha Vietnam Co., Ltd. on December 16, 2016.

2) Status of employees

(i) Status of employees of the Nissha Group

Segments	Number of employees	Increase (Decrease) from the previous fiscal year-end
Industrial Materials	2,269	+118
Devices	1,255	+137
Life Innovation	967	-
Information and Communication	272	-34
Other and common corporate divisions (R&D and Administration divisions)	370	-89
Total	5,133	+1,099

- Notes:
1. "Number of employees" indicates the number of employees actually working.
 2. "Life Innovation" is a newly established reportable segment as a result of inclusion of Graphic Controls group in the scope of consolidation effective from the current term. Therefore, the above figures in the Life Innovation segment cannot be compared with the previous corresponding figures.
 3. The number of employees increased mainly because Graphic Controls group became a consolidated subsidiary of the Company.

(ii) Status of employees of the Company

Number of employees		Increase (Decrease) from the previous fiscal year-end	Average age	Average length of service
Male	619	+9	41.5 years	13.9 years
Female	183	+3	35.4 years	10.2 years
Total or average	802	+12	40.1 years	13.0 years

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

(6) Status of important parent company and subsidiaries (as of March 31, 2017)

1) Status of the parent company
Not applicable.

2) Status of subsidiaries

Company name	Capital	Equity stake of the Company	Major businesses
Nitec Industries, Inc.	JPY 12 million	100%	Production of decorative films
Nitec Precision and Technologies, Inc.	JPY 20 million	100%	Production of touch input devices
Nissha Printing Communications, Inc.	JPY 100 million	90%	Planning, development, production and sales of products and services such as publication printing, commercial printing, etc.
Eimo Technologies, Inc.	USD 0	100%*	Production and sales of plastic injection molded products
Graphic Controls Acquisition Corp.	USD 0	97.1%*	Production and sales of medical devices, consumable medical products, etc.
PMX Technologies, S.A. de C.V.	MXN 96 million	100%*	Production and sales of plastic molded and processed products
AR Metallizing N.V.	EUR 9,000 thousand	100%	Production and sales of metallized papers
Nissha (Kunshan) Precision IMD Mold Co., Ltd.	USD 9,000 thousand	100%	Production and sales of the Company's products

- Notes:
1. The figure ending with an * indicates the ratio of indirect equity participation.
 2. Important subsidiaries are selected according to the criteria of capital, net assets, net sales, etc.
 3. The "Capital" column of Eimo Technologies, Inc. previously included the amount of additional paid-in capital as the total amount of paid-in capital resulting from incorporation and capital increases. But, effective from the current term, the "Capital" column is stated at the amount of common stock, as is done for the other subsidiaries. The total paid-in capital of Eimo Technologies, Inc. (an amount consisting of common stock and additional paid-in capital) is USD 15,000 thousand.
 4. Nissha Medical International, Inc., a consolidated subsidiary of the Company, acquired shares of Graphic Controls Holdings, Inc. on September 2, 2016. Accordingly, its subsidiary, Graphic Controls Acquisition Corp., became a consolidated subsidiary of the Company. The total paid-in capital of Graphic Controls Acquisition Corp. (an amount consisting of common stock and additional paid-in capital) is USD 29,400 thousand.

(7) Principal creditors and amount of borrowings (as of March 31, 2017)

(Millions of Yen)

Creditors	Amount of borrowings
Mizuho Bank, Ltd.	10,000
The Bank of Kyoto, Ltd.	5,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,000

2. Matters Regarding Shares of the Company (as of March 31, 2017)

- (1) **Total number of shares authorized** **180,000,000 shares**
- (2) **Total number of common shares issued** **46,822,153 shares**
(including 108,902 treasury shares)
- (3) **Number of shareholders** **6,798**
- (4) **Major shareholders (Top 10)**

Name	No. of Shares Held (thousand shares)	Shareholding Ratio (%)
Japan Trustee Services Bank, Ltd. (trust account)	2,792	5.97
Suzuki Kosan Co., Ltd.	2,563	5.48
Meiji Yasuda Life Insurance Company	2,341	5.01
Mizuho Bank, Ltd.	2,076	4.44
The Bank of Kyoto, Ltd.	1,442	3.08
The Master Trust Bank of Japan ,Ltd. (trust account)	1,253	2.68
Nissha Kyoeikai	1,037	2.22
DIC Corporation	905	1.93
Oji Holdings Corporation	894	1.91
MSCO CUSTOMER SECURITIES	885	1.89

- Notes: 1. The shareholding ratio was computed after excluding treasury shares from the total number of common shares issued.
2. The Company introduced a performance-linked stock compensation plan, "Board Benefit Trust (BBT)," and Trust & Custody Services Bank, Ltd. (Trust E Account) (hereinafter, the "Trust E Account") holds 71 thousand shares of the Company's stock. The shares of the Company's stock held by the Trust E Account are not included in treasury shares.
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 Kyoeikai 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. Matters 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 Matters Regarding Stock Acquisition Rights (as of March 31, 2017)

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

Date of issuance	March 7, 2016 (London time)
Number of the 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 underlying the Stock Acquisition Rights	Common stock of the Company
Number of shares underlying the Stock Acquisition Rights	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
Description and amount of property 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 such 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 such 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	¥11,760 million

4. Matters Regarding Directors, Members of the Board and Audit and Supervisory Board Members (as of March 31, 2017)

(1) Status of Directors, Members of the Board and Audit and 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 Chairman, Nissha USA, Inc. Chairman, Nissha Europe GmbH Chairman, AR Metallizing N.V. 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 Senior Director of Medical Management Office	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 Holdings, Inc. Independent Director, Member of the Board, Japan Post Bank Co., Ltd.
Independent Director, Member of the Board	Kazuhito Osugi		Advisor, Security Transport Business Division, NIPPON EXPRESS CO., LTD.
Full-time Audit and Supervisory Board Member	Hitoshi Konishi		
Full-time Audit and Supervisory Board Member	Yasuro Nonaka		
Independent Audit and Supervisory Board Member	Shigeaki Momo-o		Partner, Momo-o, Matsuo & Namba

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

- Notes:
1. Mr. Tamio Kubota, Mr. Kenji Kojima, Ms. Sawako Nohara and Mr. Kazuhito Osugi 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 and Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
 3. Mr. Shigeaki Momo-o, Audit and Supervisory Board Member, has a qualification as attorney-at-law and possesses considerable knowledge with regard to overall legal affairs.
 4. Mr. Yusuke Nakano, Audit and Supervisory Board Member, has a qualification as certified public accountant and possesses considerable knowledge with regard to finance and accounting.
 5. The Company holds general seminar sessions at which Mr. Kenji Kojima, Director, Member of the Board, lectures employees of the Company about the management strategy, 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” (page 23 of the Japanese original) of the Company.
 6. The Company has transactional relations, including logistics services, with NIPPON EXPRESS CO., LTD., a company for which Mr. Kazuhito Osugi, Director, Member of the Board, serves as an Advisor. The amount, however, meets the immateriality standards provided for in the “Standards for Independence of Independent Officers” (page 23 of the Japanese original) of the Company.
 7. The Company received necessary legal advice from, and paid remuneration to, Momo-o, Matsuo & Namba, a law firm to which Mr. Shigeaki Momo-o, Audit and Supervisory Board Member, belongs. However, the amount meets the immateriality standards provided for in the “Standards for Independence of Independent Officers” (page 23 of the Japanese original) of the Company.
 8. 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 and Supervisory Board Members and the Company.
 9. Changes in Directors, Members of the Board and Audit and Supervisory Board Members during the fiscal year under review are as follows:
 - (1) At the Ordinary General Meeting of Shareholders for the 97th Business Term held on June 17, 2016, Mr. Kazuhito Osugi was newly elected as a Director, Member of the Board of the Company and assumed his office on such date.
 - (2) Mr. Yusuke Nakano, Audit and Supervisory Board Member, assumed office as an Outside Corporate Auditor of WATABE WEDDING CORPORATION on June 29, 2016.
 - (3) Mr. Takao Hashimoto, Director, Member of the Board, assumed office as a Director of Medical Management Office on March 31, 2017.
 10. Responsibilities and significant positions concurrently held by Directors, Members of the Board were changed on April 1, 2017 as follows:

Position	Name	Responsibilities	Significant positions concurrently held
Director, Member of the Board	Takao Hashimoto	Senior Executive Vice President Chief Technology Officer Senior Director of Product and Business Development Office Director of Medical Management Office	Representative Director, FIS Inc.

11. The Company has introduced a corporate officer system to enhance corporate governance. The 17 Corporate Officers including two Corporate Officers who concurrently serve as Directors, Members of the Board were appointed to Corporate Officers on April 1, 2017.
12. Mr. Tamio Kubota, Mr. Kenji Kojima, Ms. Sawako Nohara and Mr. Kazuhito Osugi, Directors, Members of the Board, and Mr. Shigeaki Momo-o and Mr. Yusuke Nakano, Audit and Supervisory Board Members, 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 and Supervisory Board Members

Title	Number of officers	Total amount of remunerations
Directors, Members of the Board	8	¥275 million (¥27 million of which were paid to four Independent Directors, Members of the Board)
Audit and Supervisory Board Members	4	¥43 million (¥14 million of which were paid to two Independent Audit and Supervisory Board Members)
Total	12	¥318 million (¥41 million of which were paid to six Independent Directors, Members of the Board and Independent Audit and Supervisory Board Members)

- Notes: 1. It was resolved at the Ordinary General Meeting of Shareholders for the 97th Business Term, held on June 17, 2016, 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 ¥40 million).
2. It was resolved at the Ordinary General Meeting of Shareholders for the 97th Business Term, held on June 17, 2016, that the amount of remunerations to be paid to Audit and Supervisory Board Members in total per year shall not exceed ¥60 million (of which, the amount of remunerations to be paid to Independent Audit and Supervisory Board Members shall not exceed ¥20 million).
3. The aforementioned total amount of remunerations includes provision for management board benefit trust of ¥40 million recorded in the current term for four Directors, Members of the Board (excluding Independent Directors, Members of the Board) as a performance-linked stock compensation plan for Directors, Members of the Board (excluding Independent Directors, Members of the Board), Corporate Officers, and Directors, Members of the Board of some of the subsidiaries of the Company. The total amount of remunerations for Directors, Members of the Board under the plan was resolved at the Ordinary General Meeting of Shareholders for the 97th Business Term held on June 17, 2016, as a framework kept separate from the total amount of remunerations mentioned in 1 above.

(3) Matters Regarding Independent Directors, Members of the Board and Independent Audit and Supervisory Board Members

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

Position	Name	Major activities
Independent Directors, Members of the Board	Tamio Kubota	He attended all of the 17 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 and supervisory board member in other companies.
	Kenji Kojima	He attended all of the 17 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 16 of the 17 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 and supervisory board member in other companies.
	Kazuhito Osugi	He attended all of the 13 meetings of the Board of Directors held after he assumed office as an Independent Director, Member of the Board, and gave advice and opinion concerning the management of the Company based on his deep insight in the field of finance.
Independent Audit and Supervisory Board Members	Shigeaki Momo-o	He attended all of the 17 meetings of the Board of Directors and all of the 13 meetings of the Audit and 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 all of the 17 meetings of the Board of Directors and all of the 13 meetings of the Audit and Supervisory Board held during the fiscal year under review, 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 and Supervisory Board Members

The Company has concluded contracts for limitation of liability with all Independent Directors, Members of the Board and all Independent Audit and 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 and 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 and Supervisory Board Members received from subsidiaries of the Company

Not applicable.

5. Matters 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	¥59 million
Total amount of money and other financial benefits that the Company and its subsidiaries should pay to the Accounting Auditor	¥71 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 and Supervisory Board Members Association, the Audit and 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 and 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, which fall under 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 and Supervisory Board shall discharge the Accounting Auditor upon the unanimous approval of the Audit and Supervisory Board Members. In this case, the Audit and Supervisory Board Member designated by the Audit and Supervisory Board shall report the dismissal of the Accounting Auditor and the reason therefor at the first General Meeting of Shareholders convened after the dismissal.

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 and Supervisory Board shall decide the content of the proposal to be submitted to General Meeting of Shareholders for the dismissal or the non-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 the internal regulations 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 of 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 and 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 such measures.

- 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 Compliance, BCM, Labor and Human Rights, Environment Health and Safety, Information Security, Trade Administration and Control, Quality, and 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.
 - (iv) The CSR Committee shall summarize major risks faced by the Company on a regular basis for review by management while reporting them to the Board of Directors.
- 4) Systems necessary to ensure the efficient execution of the duties by Directors, Members of the Board of the Nissha Group**
- (i) Through the 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 execution 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 its organizations 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 the management of 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 and 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 and Supervisory Board meeting for the exchange of information among the Audit and 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 and Supervisory Board Members, when Audit and 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 and Supervisory Board Member's Office to assist the duties of Audit and Supervisory Board Members, and shall arrange for employees to be exclusively assigned to the Office.
 - (ii) The Auditor and Supervisory Board Member's Office shall belong to the Audit and Supervisory Board and be independent from Directors, Members of the Board. With regard to matters regarding the personnel affairs of the employees of the Auditor and Supervisory Board Member's Office, approval of the Audit and Supervisory Board shall be obtained through consultation.
- 7) Systems for reporting to Audit and Supervisory Board Members by Directors, Members of the Board and employees of the Nissha Group and other systems regarding reporting to Audit and Supervisory Board Members**
- Directors, Members of the Board and employees of the Nissha Group shall quickly report to the Audit and Supervisory Board items that will potentially 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 and Supervisory Board Members of the Company shall request the Directors, Members of the Board and employees of the Nissha Group to report such matters 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 and 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 and Supervisory Board shall be held. The Audit and 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 and Supervisory Board Members shall attend not only the meetings of the Board of Directors, but also other important meetings, 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 and 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 and Supervisory Board Members. If an Audit and 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 in providing learning mainly through the intranet and training sessions on pertinent themes whenever necessary in order to make them thoroughly known to officers and employees on a global basis.

In order to appropriately address 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, provided information is reported to the Corporate Ethics and Compliance Subcommittee and Audit and Supervisory Board in a timely and appropriately manner.

2) Initiatives for risk management

The Company has set up a CSR committee in fiscal 2016 and has organized company-wide and cross-organizational subcommittees to manage the issues of Corporate Ethics Compliance, BCM, Labor and Human Rights, Environment Health and Safety, Information Security, Trade Administration and Control, Quality, and Customer Satisfaction. The Company holds the CSR committee once a year and receives 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 Business Review (MBR) and summarizes the contents of the reports for review by management once a year 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 and Supervisory Board, the Company has appointed several Independent Directors, Members of the Board and Independent Audit and 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 and Supervisory Board Members of each company of the Nissha Group appointed by the Company 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 and Supervisory Board Members

Audit and 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 and Supervisory Board.

In addition, the Audit and Supervisory Board Members perform visiting audits at major offices and each company of the Nissha Group, and exchange opinions regularly with the Representative Director, Directors, Members of the Board and General Managers. The Audit and 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 regarding the control over the 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

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, 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, since its foundation, has been executing strategies that promptly address external challenges, under engaged management leadership. The Company believes that strengthening corporate governance along with such leadership will promote agile 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 8 Directors, Members of the Board, including 4 Independent Directors, Members of the Board who meet strict independence criteria (50.0% of the Directors, Members of the Board are Independent Directors and 12.5% are women). Independent Directors provide beneficial advice and opinions by taking advantage of their corporate management experiences at other companies and deep insight in the field of corporate governance, corporate strategies, business strategies, IT, and overall finance, which lead to active discussion at the meetings of the Board of Directors. Furthermore, in October 2015, the Company established a Basic Corporate Governance Policy. Based on the policy, the Company has established a Nomination and Remuneration Committee, 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 Company made use of independent directors’ knowledge to ensure objectivity and fairness in appointing officers and setting compensation, and also assessed the effectiveness of the Board of Directors once a year in order to help the Board of Directors 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 12, 2016, 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 97th Ordinary General Meeting of Shareholders held on June 17, 2016.

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 Plan is designed to ensure that there is sufficient information and time for the shareholders to decide on whether or not to accept the Purchase, etc., or for the Company's Board of Directors to make an alternative proposal, and also to make it possible to negotiate with the Purchaser, etc. on behalf of the shareholders. The Plan sets forth procedures required to realize the above objectives. 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/2016/05/ersrhs00000045mb-att/disclosure20160512_2.pdf)

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 and Supervisory Board Members of the Company.

Consolidated Balance Sheets

(As of March 31, 2017)

(Millions of Yen)

Items	Amount	Items	Amount
(ASSETS)		(LIABILITIES)	
Current assets	78,179	Current liabilities	65,711
Cash and deposits	22,204	Notes and accounts payable-trade	24,872
Notes and accounts receivable-trade	28,284	Short-term borrowings	20,294
Securities	33	Current portion of long-term loans payable	1,448
Merchandise and finished goods	6,207	Lease liabilities	268
Work in process	5,115	Accrued expenses	5,263
Raw materials and supplies	4,605	Accrued income taxes	484
Deferred tax assets	1,620	Provision for bonuses	1,578
Consumption taxes receivable	2,594	Provision for directors' bonuses	60
Other	7,744	Provision for management board benefit trust	101
Allowance for doubtful accounts	(230)	Other	11,337
Non-current assets	104,491	Long-term liabilities	42,352
Property, plant and equipment	50,852	Bonds payable	11,760
Buildings and structures	26,699	Long-term loans payable	13,078
Machinery, equipment and vehicles	12,314	Lease liabilities	1,760
Tools, furniture and fixtures	2,470	Deferred tax liabilities	10,019
Land	6,076	Net defined benefit liability	4,356
Lease assets	1,815	Other	1,377
Construction in progress	1,475	Total liabilities	108,064
Intangible assets	38,505	(NET ASSETS)	
Trademark right	3,857	Shareholders' equity	63,709
Software	814	Capital stock	7,664
Goodwill	23,854	Capital surplus	11,052
Technical assets	2,226	Retained earnings	45,334
Customer related assets	6,763	Treasury shares	(341)
Other	988	Accumulated other comprehensive income	10,671
Investments and other assets	15,133	Valuation difference on available-for-sale securities	7,779
Investment securities	14,147	Foreign currency translation adjustment	2,560
Deferred tax assets	430	Remeasurements of defined benefit plans	331
Other	1,018	Non-controlling interests	225
Allowance for doubtful accounts	(462)	Total net assets	74,606
Total assets	182,670	Total liabilities and net assets	182,670

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

Consolidated Statements of Income

(From April 1, 2016 to March 31, 2017)

(Millions of Yen)

Items	Amount	
Net sales		115,802
Cost of sales		98,885
Gross profit		16,916
Selling, general and administrative expenses		20,820
Operating loss		3,904
Non-operating income		
Interest and dividend income	199	
Other	260	459
Non-operating expenses		
Interest expenses	470	
Share of loss of entities accounted for using equity method	25	
Foreign exchange losses	656	
Other	318	1,470
Ordinary loss		4,914
Extraordinary income		
Gain on sales of non-current assets	118	
Gain on revision of retirement benefit plan	30	
State subsidy	140	289
Extraordinary losses		
Loss on sales and retirement of non-current assets	437	
Loss on valuation of investment securities	588	
Impairment loss	249	
Loss on subsidy repayment	229	1,505
Loss before income taxes		6,130
Income taxes - current	1,160	
Income taxes - deferred	138	1,299
Loss		7,430
Loss attributable to non-controlling interests		21
Loss attributable to owners of parent		7,408

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

Non-consolidated Balance Sheets

(As of March 31, 2017)

(Millions of Yen)

Items	Amount	Items	Amount
(ASSETS)		(LIABILITIES)	
Current assets	53,250	Current liabilities	53,256
Cash and deposits	13,714	Notes payable-trade	3,746
Notes receivable-trade	319	Accounts payable-trade	18,395
Accounts receivable-trade	17,491	Short-term borrowings	20,020
Securities	33	Accrued expenses	1,882
Short-term loans receivable	7,971	Income taxes payable	32
Merchandise and finished goods	2,042	Provision for bonuses	598
Work in process	747	Provision for directors' bonuses	60
Raw materials and supplies	25	Provision for management board benefit trust	95
Prepaid expenses	295	Other	8,424
Deferred tax assets	922		
Accounts receivable-other	2,238	Long-term liabilities	18,710
Consumption taxes receivable	1,418	Bonds payable	11,760
Other	6,143	Deferred tax liabilities	3,835
Allowance for doubtful accounts	(112)	Provision for retirement benefits	2,511
Non-current assets	79,924	Other	603
Property, plant and equipment	21,218	Total liabilities	71,967
Buildings	12,238	(NET ASSETS)	
Structures	329	Shareholders' equity	53,542
Machinery and equipment	126	Capital stock	7,664
Vehicles	5	Capital surplus	11,025
Tools, furniture and fixtures	1,510	Legal capital surplus	9,095
Land	5,943	Other capital surplus	1,930
Lease assets	7	Retained earnings	35,194
Construction in progress	1,057	Legal retained earnings	1,230
Intangible assets	1,077	Other retained earnings	33,964
Software	675	General reserve	28,766
Other	401	Retained earnings brought forward	5,198
Investments and other assets	57,628	Treasury shares	(341)
Investment securities	13,393		
Shares of subsidiaries and associates	33,617	Valuation and translation adjustments	7,665
Investments in other securities of subsidiaries and associates	134	Valuation difference on available-for-sale securities	7,665
Investments in capital of subsidiaries and associates	3,622		
Long-term loans receivable	9,142		
Claims provable in bankruptcy, claims provable in rehabilitation and other	224		
Other	257		
Allowance for doubtful accounts	(2,763)	Total net assets	61,207
Total assets	133,174	Total liabilities and net assets	133,174

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

Non-consolidated Statements of Income

(From April 1, 2016 to March 31, 2017)

(Millions of Yen)

Items	Amount	
Net sales		68,993
Cost of sales		59,316
Gross profit		9,676
Selling, general, and administrative expenses		10,992
Operating loss		1,315
Non-operating income		
Interest and dividend income	905	
Non-current assets rent	1,352	
Other	117	2,375
Non-operating expenses		
Interest expenses	75	
Expenses for non-current asset loaned	750	
Foreign exchange losses	891	
Other	35	1,752
Ordinary loss		692
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	76	
Gain on revision of retirement benefit plan	19	
Reversal of allowance for doubtful accounts for subsidiaries and associates	1,433	1,529
Extraordinary losses		
Loss on sales and retirement of non-current assets	176	
Loss on valuation of investment securities	588	
Loss on valuation of shares of subsidiaries and associates	401	
Impairment loss	23	1,190
Loss before income taxes		353
Income taxes - current	72	
Income taxes-deferred	1,381	1,453
Loss		1,807

(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 10, 2017

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, 2017 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, 2016 to March 31, 2017, 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, 2017, 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 10, 2017

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, 2017 of Nissha Printing Co., Ltd. (the "Company"), and the related statements of income and changes in net assets, and the related notes for the 98th fiscal year from April 1, 2016 to March 31, 2017, 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, 2017, 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.

(TRANSLATION)

AUDIT REPORT

The Audit and Supervisory Board, upon deliberation, has prepared this Audit Report based on the audit reports prepared by each Auditor and Supervisory Board Member regarding the execution by the Directors, Members of the Board of their duties during the 98th business term from April 1, 2016 through March 31, 2017, and hereby reports as follows:

1. Auditing Methods Employed by the Audit and Supervisory Board Members and the Audit and Supervisory Board, and Details Thereof
 - (1) The Audit and Supervisory Board established the auditing policy, auditing plans and other guidelines, received reports from each Auditor and 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 and Supervisory Board Members, established by the Audit and Supervisory Board, and the auditing policy, auditing plans and other guidelines, each Auditor and 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 and 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).

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 and 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, 2017

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

Full-time Audit and Supervisory Board Member Hitoshi Konishi (Seal)

Full-time Audit and Supervisory Board Member Yasuro Nonaka (Seal)

Independent Audit and Supervisory Board Member Shigeaki Momo-o (Seal)

Independent Audit and Supervisory Board Member Yusuke Nakano (Seal)

END