

1. This document is an English translation of the official Japanese text of “Notice Regarding the Introduction of Board Benefit Trust (BBT) (Detailed Decision)”.
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 translation and the Japanese original, the original shall prevail.

August 19, 2016

Junya Suzuki

President and CEO, Chairman of the Board

Nissha Printing Co., Ltd.

Exchanges Listed: Tokyo Stock Exchanges, First Section 7915

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## **Notice Regarding the Introduction of Board Benefit Trust (BBT) (Detailed Decision)**

On May 12, 2016 the Company publicly announced the introduction of a stock compensation plan called the “Board Benefit Trust (BBT)” (hereinafter, the “Compensation Plan”; and the trust established pursuant to the Trust Agreement executed with Mizuho Trust & Banking Co., Ltd. in connection with the Compensation Plan is referred to as the “Trust”), and subsequently a shareholder resolution approving the Compensation Plan as executive compensation was adopted on June 17, 2016 at the Company’s 97<sup>th</sup> Ordinary General Meeting of Shareholders. Notice is hereby provided as follows regarding the determination of the details.

Furthermore, with the introduction of this Compensation Plan, the Company has simultaneously resolved to dispose of in a lump sum 71,000 shares (JPY 190,848,000) of the 2,117,034 shares in treasury stock currently held by the Company (as of March 31, 2016) to Trust & Custody Services Bank, Ltd. (Trust E Account) (the sub-trustee delegated by Mizuho Trust & Banking Co., Ltd. as the trustee to the Trust). Please see the Notice Regarding Disposition of Treasury Stock through Third Party Allocation dated August 19, 2016 regarding the details.

### 1. Outline of the Trust

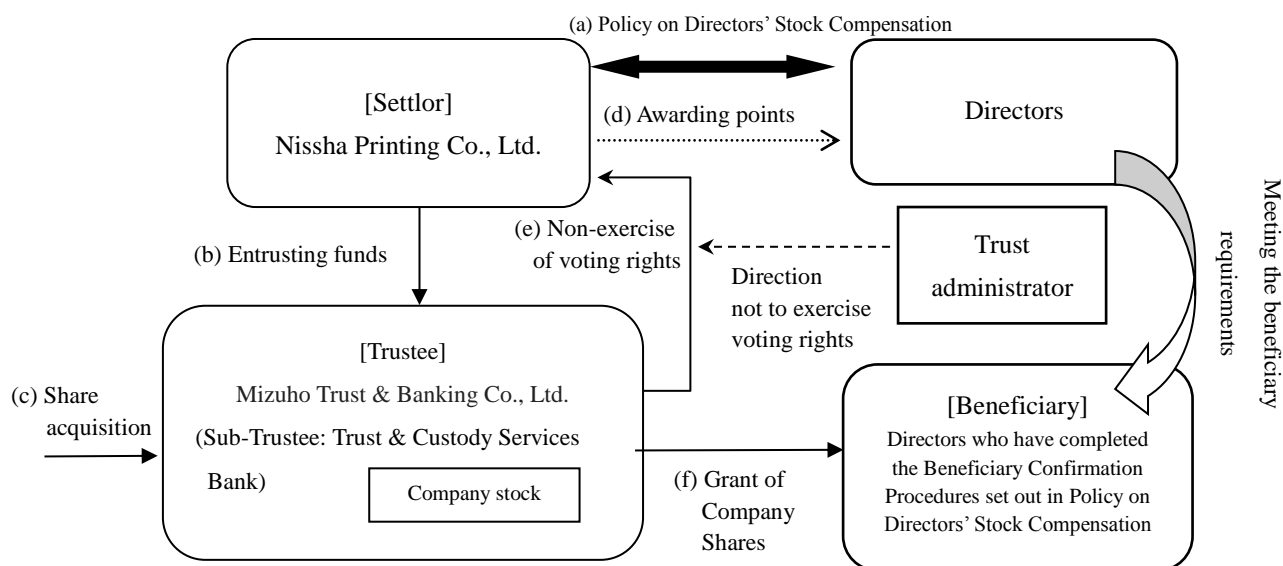
- |                              |   |
|------------------------------|---|
| (a) Name of trust:           | Board Benefit Trust (BBT)   |
| (b) Settlor:                 | Nissha Printing Co., Ltd.   |
| (c) Trustee:                 | Mizuho Trust & Banking Co., Ltd. (Sub-Trustee: Trust & Custody Services Bank, Ltd.)   |
| (d) Beneficiaries:           | Directors and corporate officers of the Company, and part of the directors of the Company’s subsidiaries (hereinafter together, the “Directors”) who meet the beneficiary requirements set forth in the Policy on Directors’ Stock Compensation (hereinafter, the “Policy”) |
| (e) Trust administrator:     | A third party is to be selected which has no conflict of interest with the Company  |
| (f) Type of trust:           | A trust of cash other than a money trust (i.e. third-party benefit trust)   |
| (g) Date of trust agreement: | September 6, 2016 (tentative)   |

- (h) Date cash placed in trust: September 6, 2016 (tentative)
- (i) Trust duration: From September 6, 2016 (tentative) until the Trust comes to an end  
(The Trust shall continue without establishing a specific end date for so long as the Compensation Plan exists)

## 2. Details of Acquisition of Shares in the Company

- (1) Class of shares to be acquired: Common stock of the Company
- (2) Amount of funds entrusted to acquire the shares: JPY 190,848,000
- (3) Number of shares acquired: 71,000 shares
- (4) Method of acquisition of shares: Acquisition by subscription to disposals of the Company's treasury shares
- (5) Date of acquisition of shares: September 6, 2016 (tentative)

### 3. Structure of the Compensation Plan



- (a) The Company and its subsidiaries shall obtain approval for executive compensation concerning the Compensation Plan at the Company's 97<sup>th</sup> Ordinary General Meeting of Shareholders convened on June 17, 2016. The Policy shall be established within the framework of the approval obtained at the Shareholders' Meeting.
- (b) The Company shall entrust funds within the scope approved at the Shareholders' Meeting as mentioned in (a) above.
- (c) The Trust shall use the amount entrusted as mentioned in (b) above to acquire shares in the Company through the stock markets or disposals of the Company's treasury shares.
- (d) The Company and its subsidiaries shall award points to Directors based on the Policy.
- (e) The Trust shall comply with the direction of the trust administrator which is independent of the Company, and shall not exercise the voting rights for the shares in the Company which are held on the Trust's account.
- (f) The Trust shall grant shares in the Company to those Directors who have carried out the designated Beneficiary Confirmation Procedures set out in the Policy (hereinafter, each a "Beneficiary") according to the number of points each such Beneficiary has been awarded. However, where Directors fulfill the conditions set out separately in the Policy, the Trust shall award a cash payment in respect of a specific share of the points awarded to them, which is equivalent to the market value of such shares on the Beneficiary Confirmation Date.