

May 9th, 2014

Junya Suzuki

President and CEO, Representative Director of the Board

Nissha Printing Co., Ltd.

Exchanges Listed: Tokyo Stock Exchanges, First Section 7915

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Regarding the conclusion of the share exchange agreement to make FIS Inc. a wholly owned subsidiary through simple share exchange

At the board of directors meeting held on May 9, 2014, Nissha Printing Co., Ltd. (hereinafter referred to as Nissha) passed a resolution to exchange shares (hereinafter referred to as the share exchange) equivalent to the money required to make FIS Inc. (hereinafter referred to as FIS) a wholly owned subsidiary of Nissha through share exchange, and this is to report that the stock exchange agreement has been concluded between the two companies.

We will exchange shares according to the procedures of simple share exchange based on Article 796 Paragraph 3 of the Corporation Law, without approval at a meeting of shareholders. With regard to FIS, stocks will be exchanged once approval has been obtained at the ordinary general meeting of shareholders scheduled for June 25, 2014. The scheduled effective date for the share exchange is June 30, 2014.

It is expected that the net asset value of the company that will be the wholly owned subsidiary through the share exchange as of the end of the latest fiscal year will be less than 10% of the net asset value of the listed company that will be the wholly owning parent company through share exchange as of the end of the latest fiscal year and that the total sales of the company that will be the wholly owned subsidiary through share exchange as of the end of the latest fiscal year will be less than 3% of the total sales of the company that will be the wholly owning parent company through the share exchange as of the end of the latest fiscal year. Therefore, part of the contents in the information to be disclosed has been omitted.

1. Objectives of the share exchange

In our Fourth Medium-term Business Plan, which spans the three year period from fiscal year ended March 2013 to fiscal year ending March 2015, we have been reconstructing our business and product portfolio in order to “develop cutting-edge printing technologies and creates an array of exceptional products that fundamentally redefines value for our customers”. As part of this endeavor, we have been looking into gas sensors as a promising field in order to develop and acquire new sensing technology while developing touch sensors at the Devices Division.

FIS has been manufacturing appliances such as gas alarms, air purifiers, and breath alcohol checkers with its advanced technologies in semiconductor gas sensors since its establishment in 1992. In addition to their high sensitivity, gas sensors manufactured by FIS have been successfully miniaturized and made to be energy efficient with high performance, with long life and short detection time. It is expected that gas sensors will be applied to an even wider range of purposes in the future.

We will aim to combine the technology and expertise related to gas sensors with our unique printing technology in order to create a group of new products while expanding the sales of highly effective gas sensors manufactured by FIS using our global network.

2. Summary of the share exchange

(1) Schedule for the share exchange

Date of the resolution of the board of directors meeting (Both companies)	May 9, 2014
Date of the conclusion of the agreement (Both companies)	May 9, 2014
Date of the meeting of shareholders (FIS)	June 25, 2014 (scheduled)
Date of the scheduled share exchange (effective date)	June 30, 2014 (scheduled)
Date of delivery of money	Late July, 2014 (scheduled)

(Note) We will carry out this share exchange through the procedures of simple share exchange without approval from the meeting of shareholders regarding the share exchange agreement based on Article 796 Paragraph 3 of the Corporation Law.

(2) Method of the share exchange

We will exchange shares in order to make us a wholly owning parent company in the share exchange and to make FIS the wholly owned subsidiary in the share exchange.

(3) The value of money delivered at the time of this share exchange

We plan to deliver 312,357 yen per common share to the shareholders who hold the shares of FIS as of the time when we acquire all the shares issued by FIS through this share exchange.

(4) Treatment of the subscription rights to shares and the preemptive rights to subscribe for new shares that are related to this share exchange

With regard to the subscription rights to shares and the preemptive rights to subscribe for new shares issued (hereinafter referred to as subscription rights to shares, etc.) by FIS, all the subscription rights to shares, etc., will be acquired by FIS from those who own those subscription rights to shares, etc., and we plan to cancel all the subscription rights to shares, etc., as of the time when we acquire all the shares issued by FIS through this share exchange through a resolution of the board of directors meeting held by the day before the effective date.

3. Basis for calculation of the value of money to be delivered at the time of this share exchange

In determining the value of money to be delivered at the time of this share exchange, we asked a trusted third party organization that is independent of Nissha and FIS to carry out the calculation in order to secure integrity and propriety. The third party organization calculated the value of the shares of FIS using the discounted cash flow method so that the evaluation reflects future conditions of its business activities. As a result of careful consideration of the calculation result, we have determined that the value described in 2. (3) above is appropriate to deliver per common share.

4. Summary of the companies involved in this share exchange

	Wholly owning parent company in the share exchange	Wholly owned subsidiary in the share exchange
1. Name	Nissha Printing Co., Ltd.	FIS Inc.
2. Address	3 Mibu Hanai-cho, Nakagyo-ku, Kyoto, Japan	3-36-3, Kitazono, Itami, Hyogo Prefecture
3. Position and name of the representative	Junya Suzuki, President and CEO, Representative Director of the Board	Noriyuki Ogasawara, Representative Director
4. Description of business	Designing, development, manufacturing, and sales of products and services such as decorative films, touch panels, and commercial printing.	Development, manufacturing, and sales of sensors.
5. Capital fund	5,684 million yen	320 million yen

6.	Date of the establishment	December, 28, 1946	November, 20, 1992
7.	Shares outstanding	45,029,493 shares	5,054 shares
8.	Accounting Period	March	March
9.	Major shareholders and their ratio of shares (as of the end of September, 2013)	TAIYO FUND L.P. (Standing proxy: Citibank Japan Ltd.): 8.19% Suzuki Kosan K.K.: 5.69% Meiji Yasuda Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.): 5.20%	Noriyuki Ogasawara: 20.7% Honda Motor Co., Ltd.: 9.9% JAIC-IF3 Investment Limited Partnership (Unlimited liability partner: Japan Asia Investment Co., Ltd.): 7.9%
10.	Financial condition and operating results of the latest business year		
		Fiscal year ended in March 2014 (Consolidated)	Fiscal year ended in March 2013 (Individual)
	Net assets	51,676 million yen	593 million yen
	Total assets	106,140 million yen	2,212 million yen
	Net assets per share	1,204.17 yen	117,197.21 yen
	Total sales	110,922 million yen	1,237 million yen
	Operating profit	1,935 million yen	61 million yen
	Current profit	5,182 million yen	22 million yen
	Current net income	3,967 million yen	18 million yen
	Current net income per share	92.46 yen	3,676.49 yen

5. Situation after this share exchange

1.	Name	Nissha Printing Co., Ltd.
2.	Address	3 Mibu Hanai-cho, Nakagyo-ku, Kyoto
3.	Position and name of the representative	Junya Suzuki, President and CEO
4.	Description of business	Designing, development, manufacturing, and sales of products and services such as decorative films, touch panels, and commercial printing.
5.	Capital fund	5,684 million yen
6.	Accounting Period	March

6. Future outlook

We expect the impact of this share exchange on our consolidated performance to be minimal. We will immediately disclose any information that is necessary to revise the earning forecast or any other information that should be disclosed in the future.