



Medium-term Vision

Become a truly global company

Nissha (Nissha Printing Co., Ltd. and its group companies) started implementing the Third Medium-term Business Plan in April 2009. We are working to enhance our personal capabilities, strengthen our organizational structure, and upgrade our business management so as to befit a global company in an effort to maximize enterprise value and achieve the medium-term vision “Become a truly global company”.

The medium-term business plan is also a story of growth, which all employees implement in an aim toward our goal.

Corporate Mission

We are committed to pursuing a mutually trustful Co-Existence with society through our business activities utilizing a unique technology development, based on PRINTING as a core.

Management Policy

- **Technology Oriented**
Maximizing our business value by continued technology development and engineering excellence
- **QCDS and Speed for Customer Satisfaction**
Customer satisfaction through quality, cost, delivery, services and speed
- **Maximize Enterprise Value**
Capital efficiency and optimization
- **Environmental Management**
Global environmentally oriented solutions, products and activities
- **Learning and Growth**
Continuous improvement by supporting human capability and training

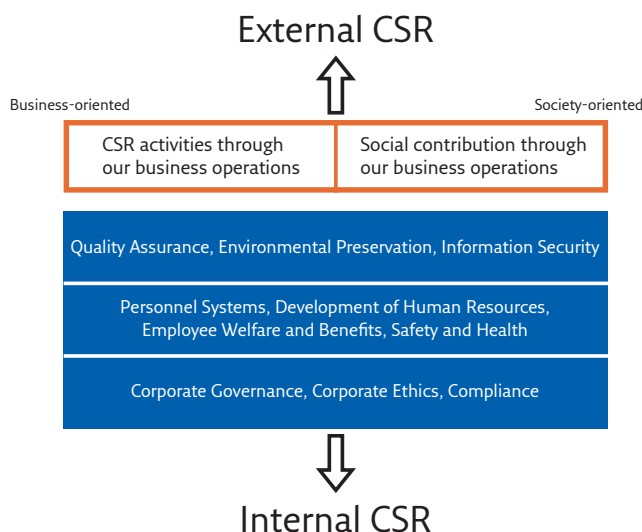
Code of Conduct

- **Passion**
Passion for quality resulting in customer satisfaction
- **Proactive**
Action driven by a proactive culture
- **Can-do Spirit**
Succeeding by believing and executing excellence
- **Global Citizenship**
To practice ethical and fair spirited behavior
- **Communication and Teamwork**
Effective communication and efficient teamwork

Approach to CSR (Corporate Social Responsibility)

Nissha identifies the stakeholders that support its operations as Customer, Shareholder, Supplier, Society and Employee. We are implementing CSR activities to help preserve the Earth's environment and support future generations in keeping with our commitment to these stakeholders.

Nissha divides its corporate social responsibilities into "internal CSR" and "external CSR". We have set specific items in the medium-term business plan to cover issues in both internal and external CSR areas, and are implementing strategic initiatives to tackle these key performance indicators.



Editorial Policy

The CSR Report 2010 has been compiled with the objective of disclosing to our numerous stakeholders, including customers, information regarding Nissha's initiatives and business performance in the fiscal year 2010 (April 1, 2009-March 31, 2010).

The information contained in this report is in accordance with the guidelines listed below, and is also based on several corporate evaluation questionnaire topics.

Period Covered and Scope of Reporting

Period covered: Information and numerical data contained in this report, in principle, covers the period from April 2009 to March 2010. Some reporting has also been done regarding activities carried out after April 2010. Numerical data has been compared with corresponding data for the three-year period between April 2007 and March 2010. Scope of reporting: The information and numerical data contained in this report mainly focus on activities conducted by Nissha Group. Where information for the entire group is not available, the scope of reporting has been indicated separately in footnotes on each relevant page.

- Nissha refers to Nissha Printing Co., Ltd. and its group companies. The Headquarters and affiliated companies, such as Nissha Intersystems Co., Ltd., located within the headquarter premises are collectively referred to as the "Headquarters".
- Technical terms and other terminology unique to Nissha have been explained within the text or in separate footnotes throughout the report.
- The Nissha CSR Report is published every year, and is also posted on the company website.

Guidelines used as reference

- Environmental Reporting Guidelines 2007, issued by the Japanese Ministry of the Environment
- Sustainability Reporting Guidelines 2006 (Global Reporting Initiative)

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Division in charge of publication and contact details
Nissha Printing Co., Ltd.
Corporate Communications, CSR
Tel: +81-(0)75-823-5143

Nissha is providing valuable products and services to its customers and society at large through proprietary technologies developed based on printing as its core area of business.

Nissha was founded by Naoki Suzuki in Kyoto, Japan, in 1929 with the aim of "creating a company that specializes, at an unparalleled level, in sophisticated photographic printing rather than the more commonplace typesetting". Based on this founding principle, Nissha gradually expanded business activities by applying the technical expertise it acquired in the field of artistic printing to various other fields.

Currently, Nissha conducts operations in three business fields—Industrial Materials, Input Devices, Information and Communication.

The Industrial Materials business accounts for 45.0% of total income, while the Input Devices business and the Information and Communication business contribute 38.5% and 16.5% respectively (fiscal year 2010 financial results).

Nissha has also stepped up global expansion of business operations. In the fiscal year 2010, 68.5% of total sales were from overseas business activities. Nissha's current overseas network comprises 25 sales and production bases in different parts of the world.

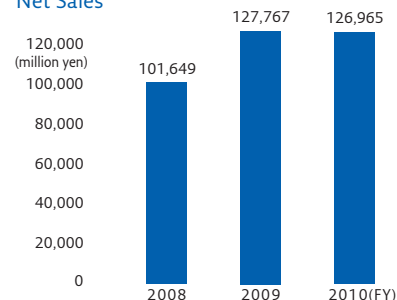
Nissha will continue to develop innovative technologies that will evolve with the times to provide ever greater value and satisfaction.

Company Name: Nissha Printing Co., Ltd.
Headquarters: 3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan
President and CEO: Junya Suzuki
 President and CEO, Representative Director of the Board
Founded on: October 6, 1929
Established: December 28, 1946
Number of Permanent Employees (as of the end of March 2010):
 3,728 (on a consolidated basis);
 1,023 (on an unconsolidated basis)
Capitalization: 5,684,790 thousand yen

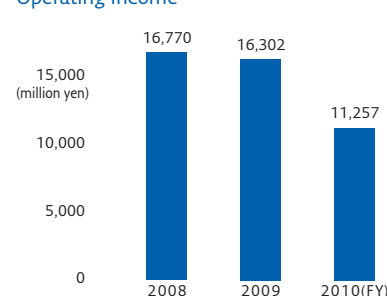
Map of Nissha's Worldwide Bases



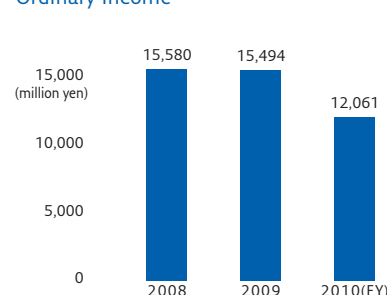
Net Sales



Operating Income

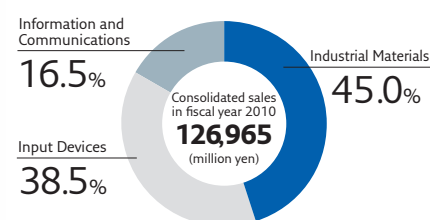


Ordinary Income

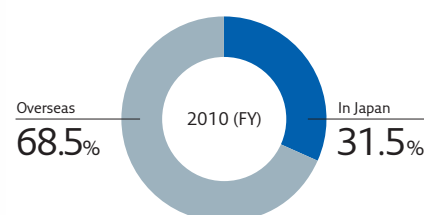


Breakdown of Consolidated Sales in Fiscal Year 2010

1) Breakdown of sales by business



2) Breakdown of sales by region



Industrial Materials Business

Nissha's market-leading decoration technologies ensure superior design, beauty of form and functionality.



Surface decorations are an integral part of products in the world's markets today. They provide identity to the myriad of items making up our daily lives, such as personal computers, mobile phones, home appliances, automotive parts, and even cosmetic packaging. Nissha IMD enables the simultaneous transfer of color, pattern, and even functional ink to various plastic products at the molding stage, and is thus more eco-friendly and offers greater cost benefit compared to paint. Through continuous evolution of material, molding, printing, and shaping technologies in response to the latest trends in designs and functions of industrial materials, we are consistently expanding the application range of our decoration technologies.

Major Products

- Nissha IMD (Simultaneous Molding and Decorative Film Transfer System)
- Nissha IML (Simultaneous Molding and Decorative Film Insert System)
- Heat Transfer foil

Major Applications

- Personal computers, mobile phones, home appliances, automotive parts, and cosmetic packaging etc.

Major affiliated companies

- Nitec Industries, Inc. (Kameoka, Koka and Tsu factories)
- Nitec Mold Engineering, Inc. (Kameoka and Kumihama factories)
- Eimo Technologies, Inc.
- Southern Nissha Sdn. Bhd.
- Guangzhou Nissha High Precision Plastics Co., Ltd.
- Nissha (Kunshan) Precision IMD Mold Co., Ltd.

Input Devices Business

Nissha's cutting-edge input devices expand personal horizons, future, and freedom with a touch of the finger.



Touch input devices facilitate the manipulation of information and functions by a simple touch. Nissha FineTouch is at the forefront of the touch input technology, and is widely used in mobile phones and digital devices, opening new possibilities in communications, business, and entertainment. TouchWindow combines the features of FineTouch with Nissha's decoration technologies, to deliver beautiful, user-friendly flat-panel displays.

Going beyond touch-input functionality, we are also proposing new concepts for design and application of touch input devices.

Major Products

- Decorative Resistive-type: FineTouch "Touch Window", FineTouch "Classic"
- Capacitive-type: FineTouch "Capacitive"

Major Applications

- Mobile phones, portable gaming gears, electronic dictionaries, car navigation systems, note book PCs, digital cameras, video cameras, PND etc.

Major affiliated companies

- Nitec Precision, Inc.
- Nitec Precision and Technologies, Inc.
- Nissha (Kunshan) Precision IMD Mold Co., Ltd.

Information and Communication Business

Collecting, utilizing and communicating information, Nissha provides comprehensive project and strategy solutions.



Interactive media fully exploits the features of the Internet and mobile communications. Real SP media supports sales promotion activities originating directly from stores. Printing media delivers powerful expressions through advanced printing technologies, and art solutions integrate high-precision imaging technologies. Drawing on our unexcelled command of these tools, we give shape to information, increase its value, and communicate it by the most effective means, produce new and more useful information. From marketing to promotion needs, we provide one-stop support for all aspects of our customers' communication strategies.

Major Products

- Printing & Publishing
- Commercial Printing
- Sales promotion
- Art solutions
- Planning & Production

Major affiliated companies

- Nitec Printing Co., Ltd. (Kyoto and Yachiyo factories)
- NCP Co., Ltd.
- Nissha Sales Promotion & Products Co., Ltd.
- Nissha Interactive Corporation

In September 2009 Nissha became a constituent member of the FTSE4Good Global Index, one of the leading socially responsible investing (SRI) indices for companies worldwide.

The FTSE4Good Global Index is provided by the FTSE Group, a British company jointly owned by the Financial Times and the London Stock Exchange, and consists of companies whose CSR initiatives meet global standards in such areas as environment, climate change, human rights, bribery prevention, and labor standards at supply chains.



FTSE4Good

Nissha will always keep in mind the virtues of integrity and strive to achieve Co-Existence with society at large.



A handwritten signature in black ink, likely reading 'Junya Suzuki'.

Junya Suzuki
President and CEO
Representative Director of the Board

The Third Medium-term Business Plan

Fiscal year 2010 rolled off to a thunderous start amid the lingering influences of economic stability originating in the global financial crisis two years ago. In the Third Medium-term Business Plan spanning from this rough fiscal year 2010 to fiscal year 2012, we have established “Become a truly global company” as our medium-term vision.

Generating maximum profits in the global market requires that we form the sense of values and capabilities that live up to competitive markets, and that we continually strive for reform. Under the Third Medium-term Business Plan, we have set about tackling structural reform toward the goal to “Become a truly global company”.

Fiscal year 2010 also marked the 80th anniversary of Nissha’s establishment. We have designated this year Milestone 80, an important milestone that spurs the company’s growth into the future, and launched various reform initiatives such as technology awarding systems to further enhance the tradition of Nissha’s technology-oriented culture, and new human resources management (HRM) systems that aim to achieve growth for employees as well as the company.

The financial results of fiscal year 2010, however, were not nearly satisfactory.

A major cause for the drastic drop in profit ratio was that cost reductions could not fully absorb declining sales prices brought on by the slow recovery in demand. With our highest priority on improving customer satisfaction, we will aim to maximize profits in individual business units, and the company will work as one to restore profitability.

Being under intense pressure to lower the prices of products and services, Nissha recognizes that the markets surrounding the company have yet to exit the deflation. Under the circumstances, we believe it is important to adapt our strategies to the “new normal” economy in which demand and customer preferences are inclined to fluctuate quickly, and expand business operations with a strong awareness of securing a competitive advantage in the Asian markets.

Communication through Dialogue and Action

Fiscal year 2011 is the second year of the Third Medium-term Business Plan. While we will continue to tackle CSR issues through the strategic implementation of the Corporate Mission, the medium-term business plan is a blueprint that indicates the gap between the type of company Nissha ought to be and its current state, and draws up a plan to fill that gap. The plan sets forth implementation items pertaining to CSR issues as well as a road map and numerical targets toward our goals, under which it is crucial that we use

the PDCA (plan-do-check-act) cycle to swiftly adapt to changes in the business environment.

With regard to dialogue with Nissha’s stakeholders, we believe that the establishment of the Corporate Communications Division in fiscal year 2010 has helped us promote enhanced IR activities and improve communication with local communities.

We are also fortifying communications with our suppliers in hopes of building win-win relationships and working together to respond to customer needs in the global market.

Nissha will continue to live up to our stakeholders’ expectations by being open to their requests and views and striving to realize optimal communications.

Consideration for the Environment

We recognize that Nissha’s various CSR initiatives aimed at the environment are attracting more attention from stakeholders than ever before. We feel particularly strongly about the need to inventory and grasp the impacts and risks that global warming imposes on the company. At the same time, considering it important to embrace global warming as a new business opportunity, we are accelerating the development of environment-friendly products that reduce greenhouse gas emissions, regarding which related divisions are currently taking measures to respond to rising demand for disclosure from investors.

Further, we have started to prepare initiatives to help preserve biodiversity. We will explore the possibilities that relate to Nissha’s operations through the Guidelines for Biodiversity Initiatives set up at the beginning of fiscal year 2011.

In Conclusion

In the Third Medium-term Business Plan, achieving the medium-term vision to “Become a truly global company” is of paramount importance to Nissha’s survival in the competitive global market. To achieve this vision, all Nissha People must be mindful of improving their personal capabilities from a globally oriented perspective and that their work style is constantly being watched. In other words, it is essential that we stand on corporate ethics and compliance and be aware of our commitment to our stakeholders, and that we put our own safety first in invigorating the workplace and approaching our work with passion.

As a global manufacturing company, Nissha will always keep in mind the virtues of integrity and strive to achieve Co-Existence with society at large into the future.

We look forward to your continued understanding and support.

The Third Medium-term Business Plan

Nissha views CSR initiatives as the strategic implementation of the Corporate Mission. Our initiatives under the medium-term vision “Become a truly global company” started in April 2009. Here we introduce an excerpt of the implementation items of the medium-term business plan (strategies) related to CSR, along with our self-evaluation of the items.

Medium-term vision	Category	Major issue	Major implementation item for FY2010	Self-evaluation
Become a truly global company	Corporate governance	Improving comprehensive risk management functions	Upgrade risk management systems	
			Consider company-wide disaster prevention systems	
		Improving operations management	Reinforce internal controls	
			Improve levels of information security management	
		Expediting financial reporting and strengthening response to internal controls	Contract financial reporting processes	
			Review internal controls with installation of ERP	
	Corporate ethics and compliance	Enhancing the Nissha compliance system	Reinforce collaboration between corporate divisions and bases	
		Promoting management that facilitates fair trade	Observe compliance/Thoroughly adhere to rules	
	Customer	Improving QCDS (Quality, Cost, Delivery and Support) and speed	Provide stable supply of products	
			Enrich customer support and service systems	
			Improve speed/flexibility	
	Shareholder	Providing high value-added products	Provide products in line with customer needs	
			Increase and enhance the quality of meeting opportunities	
			Enrich IR tools	
	Supplier	Implementing strategic procurement/Researching purchased materials	Conduct supplier factory audits/Conclude basic transaction contracts with major suppliers	
			Promote CSR procurement/Concentrate procurement functions/Hold training and technology briefing sessions	
	Society	Promoting communication with communities	Hold environmental workshops and other communicative events	
	Employee	Reinforcing personnel development	Implement training by position (managerial staff/general employees)	
			Implement selective human resources development	
			Implement global/divisional human resources development	
		Improving communication skills	Raise employees' capabilities through continual/reinforced development support	
		Promoting employee relations	Enrich Publication Information “IN” and intranet “NisshaPortal”	
		Building/implementing new HRM systems	Implement/establish HRM system for managerial staff	
			Revise/consider systems for general employees and affiliated companies	
			Promote labor measures to stabilize organizational administration	
			Enrich employee welfare and benefits	
			Thoroughly implement safety and health measures	
			Enrich Nissha healthcare systems	
			Expand implementation of re-employment system for retired employees	
	Environment	Reinforcing environmental responses	Develop environment-friendly products	
			Reinforce environmental responses (VOC [Volatile Organic Compounds] emissions)	
			Reduce CO ₂ emissions	
			Unify management of industrial waste processing companies within Group	
			Respond to changes in society's environmental demands (preserve biodiversity)	
			Raise level of zero waste emissions	
		Preparing company-wide energy conservation equipment	Install energy conservation systems	
			Install clean energy systems	
			Refine management of improvements through visualization	

Self-evaluation

* Excerpt of BSC "strategy items"

Self-valuation	Ref.	Major implementation item for FY2011
A	P8	Strengthen/standardize risk management functions
A	P8	Strengthen disaster prevention functions
A	P8	Respond in advance to the Companies Law, Financial Instruments and Exchange Act, stock exchange rules and guidelines
A	P14	Reduce information security risks
A	P8	Reinforce internal controls (prepare and promote implementation of work processes)
A	P8	Reinforce various accounting functions with installation of ERP
C	P9	Improve overall compliance standards (collaborate with business divisions)
B	—	Promote trade management enhancement projects
B	P13	Provide stable supply of products
A	P13	Enhance response to customers
B	P13	Improve speed/flexibility
B	—	Provide new and function-added products
A	P15	Promote communication with institutional investors
A	P15	Promote communication with individual investors
B	P18	Enhance supplier management systems
A	P18	Promote CSR procurement
A	P16, 17	Implement environmental workshops/Promote bases' communication with communities
A	P20	Implement human resources development by position and expected role
B	P20	Strengthen business-oriented mindsets in selected personnel
C	P20	Implement global human resources development
A	P20	Raise employees' capabilities through development support
A	—	Promote two-way internal communications
A	P19	Develop effectiveness measuring indices for and monitor implementation of new HRM systems
A	P19	Integrate human resources evaluation systems and strategies
C	—	Improve employee satisfaction by supporting work-life balance
A	P21	Reinforce internal publicity of employee welfare and benefits
A	P21	Implement safety and health improvement measures
A	P21	Prepare healthcare systems
A	—	(Maintain)
A	P12	(Maintain)
B	P24	(Maintain)
C	P25	Reduce CO ₂ emissions
A	P26	Reduce waste
A	P22, 27	Promote preservation of biodiversity
B	P26	(Maintain)
A	P25	(Maintain)
A	P25	(Maintain)
C	—	Identify/prepare required function at each base

on standards A: Accomplished B: Mostly accomplished C: Did not accomplish

About the Third Medium-Term Business Plan



Daisuke Inoue

Corporate Strategy Planning
Department Manager,
Corporate Strategy

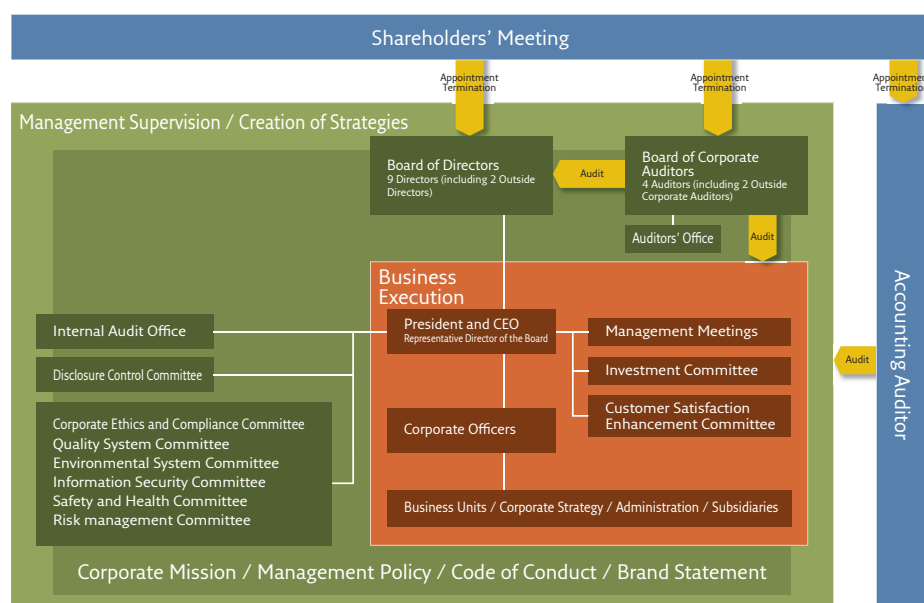
Nissha draws up a medium-term business plan every three years, making the current plan we are implementing since fiscal year 2010 the Third Medium-Term Business Plan.

In formulating the business plan, we first set a medium-term vision of the type of company Nissha aims to be, and then considered the strategies to fill the gap between this vision and the company's current state. We have established "Become a truly global company" as the ultimate company-wide medium-term vision.

For Nissha, a truly global company is one whose presence and value are recognized in the global market and which can Co-Exist with society at large as a global citizen. In order to realize our ideal, we consider it crucial for all the company's internal capabilities, ways of thinking, functions and organizations to live up to global standards.

We organize and manage the progress of specific strategic targets using a performance management tool called Balances Score Card (BSC). The BSC is distinctive in that it comprises not only financial targets but also targets from customers' and other stakeholders' points of view, and determines strategies from such perspectives as internal processes and employee training and growth. Examples of Nissha's strategic targets in fiscal year 2010 are given in the table on the left.

Nissha's value-added products that met customer needs earned a reputation and led to increased demand in the global market in fiscal year 2010. Our business environment remains harsh, nevertheless, as we were forced to lower selling prices to accommodate the declining prices of the final products due to the prolonged stagnation of the global economy. Nissha aims to counter this trend and achieve our medium-term vision by streamlining production processes and, as a technology-oriented company, further fortifying research and development and personnel training.



Corporate Governance Structure

Reinforcement of the Internal Control System

Nissha is preparing structures to ensure proper conduct of business based on the Policy for Internal Control and in accordance with the Companies Law and the Ordinance for Enforcement of the Companies Law in an aim to reinforce its internal control system.

We have also worked to build structures in tandem with our response to the internal control reporting system introduced by the Financial Instruments and Exchange Act to ensure reliability and legitimacy in financial reporting and the disclosure of other important matters toward shareholders and investors. To eliminate errors and omissions from such documents as marketable securities reports and quarterly financial reports, for instance, we have prepared a procedure for creating the documents and confirming their content, and thoroughly abiding by a set of rules in which the documents are approved first by the Disclosure Control Committee and then by relevant managerial staff before disclosure.

Risk Management

In fiscal year 2010, Nissha made efforts to improve comprehensive risk management functions.

Our risk management system involves carrying out semiannual investigations on the Nissha Group-wide basis to check for changes in the status of risks. The Risk Management Committee verifies the content of these investigations and the responses being made to the risks for reporting to the Board of Directors and the Board of Corporate Auditors.

We have strived to share risk awareness throughout the Group by creating various opportunities for risk communication under the policy of “bad news first”. While the Risk Management Committee, which oversees the entire Group, has used various systems to manage risks that require a Group-wide response, we plan to make modifications whereby risks with a direct bearing on specific business lines

are registered by risk item and the relevant unit.

In our deliberations about a Group-wide disaster prevention system, we have installed an earthquake alert system in the Headquarters that sounds an alarm throughout the Headquarters' premises prior to earthquakes of level 4 or above on the Japan Meteorological Agency seismic intensity scale. Each workplace has concurrently worked to prepare earthquake response standards.

Initiatives of the Internal Audit Office

The Internal Audit Office serves as a separate entity from business execution units to audit whether business activities are carried out appropriately and efficiently in accordance with the medium-term and annual auditing plans and ensure impartiality and objectivity in internal auditing functions.

In fiscal year 2010, the office implemented finance-related internal control audits as prescribed by the Financial Instruments and Exchange Act and business operation audits selected by risk approach. It provided feedback to relevant units regarding issues that surfaced through the audits along with suggestions for improvement, and conducted follow-up audits as needed to verify the effectiveness of the improvement measures. The office reports all the results of its audits to the President and CEO, and presents important matters at the Monthly Business Review meetings attended by Corporate Officers. In addition, it holds meetings with the President and CEO once a month for reporting based on the BSC (Balanced Score Card), and with corporate auditors twice a month and with accounting auditors as appropriate in an effort to share information.

Remuneration for Executives

The 91st marketable securities report contains the following information.

Total amount of remuneration for directors (excluding outside directors): 247 million yen

Corporate Ethics and Compliance Declaration

In order to respond in an appropriate manner to increasing societal awareness regarding the observance of corporate ethics and to emphasize a shared understanding of the issue within the Group, the Corporate Ethics and Compliance Declaration comprised of ten compliance requirements was drafted in 2008 based on the Policy for Internal Control. We post the ten requirements of this declaration on posters at bases in and outside Japan in an effort to thoroughly familiarize and encourage practice of corporate ethics and compliance throughout the Group.

Corporate Ethics and Compliance Declaration

We hereby declare that we fully understand the importance of the words "wide-ranging co-existence with society based on trust" that are raised in the corporate motto of the Nissha Group, and that all directors and employees will work on the maintenance and improvement of corporate ethics and the practice of compliance in order to put that motto into practice.

- 1. Observance of laws and regulations**
We respect not only laws and regulations but also social norms, and pursue sound and sensible corporate activities.
- 2. Respect of human rights**
We respect human rights and do not discriminate against, bully or harass others. Furthermore, we act in accordance with laws and regulations related to the handling of private information and do not disclose information relating to personal privacy without due cause.
- 3. Environmental protection**
In the research, development, manufacture, sale and disposal of products, we always comply with treaties, laws and regulations concerning environmental preservation, and strive to protect the environment.
- 4. Free and fair competition**
We observe laws and regulations relating to the securement and promotion of free and fair competition in business activities, conduct business transactions based on the motto of co-existence and fulfill our social responsibilities.
- 5. Product safety**
We always keep safety in mind when manufacturing, developing, importing, storing, selling, transporting and exporting products. We fully understand and observe laws and regulations relating to the safety of products as well as safety standards.
- 6. Control of insider trading**
We observe related laws and regulations in regard to the corporate information of the Nissha Group and along with disclosing information promptly and appropriately, we also pay attention to its accuracy, fairness and continuity. Also, in regard to the control of important information related to Nissha and other listed companies, we strive for the prevention of insider trading and never pursue unfair transactions.
- 7. Workplace health and safety**
We strive for the maintenance of a safe and hygienic workplace environment. In the event of an industrial accident, we will make efforts to minimize the damage and prevent reoccurrence.
- 8. Appropriate information management**
We take extremely good care in the management of confidential information so that such information is not disclosed to others without permission nor used for any purpose other than that intended.
- 9. Intellectual property protection**
We take extremely good care so that other people's intellectual property is not used without permission and if acquiring intellectual property for the company, do so through the proper channels.
- 10. Severing relations with antisocial forces**
We take a firm stand against antisocial activities and forces and never enter into any relations with them.

Compliance Promotion Structure

Nissha holds Corporate Ethics and Compliance Committee meetings each quarter to report on the implementation status of such initiatives as compliance study meetings and responses made to matters reported through the Hotline (we hold meetings to respond to and discuss urgent matters as they arise). In fiscal year 2010 we established an anti-drinking and driving month and an emphasize respect for human rights month, and held campaigns such as by publishing feature articles on the company's portal website.

We will continue to implement regular internal compliance study meetings, review our training programs, and periodically share information with education supervisors at each base in an effort to further fortify our compliance promotion structure.

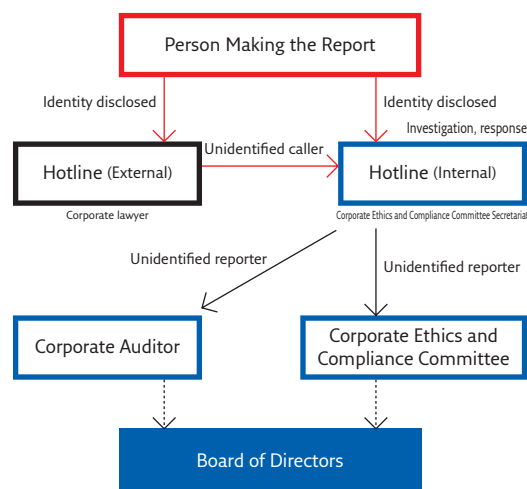
Compliance Study Meetings

Recognizing the need for all Nissha People to observe and practice corporate ethics and compliance, and in line with one of the major issues of the medium-term business plan "building a Nissha compliance system", in fiscal year 2010 to 2011 we appointed an education supervisor at all bases in and outside Japan under the direction of corporate officers and held study meetings based on a manual compiled by the Corporate Ethics and Compliance Committee Secretariat. We are currently preparing a system to implement participant awareness surveys and respond to and discuss their views and questions after each study meeting.



Nissha Hotline

To minimize risks and promote ethical conduct and compliance, as well as to enable the company to immediately verify facts, Nissha has established a system for internal reporting in the event of fraud, illegal activity or unethical conduct by either the organization or an individual employee. The Nissha Hotline, a dedicated telephone line enables reporting from within the company and from outside.



System Diagram of the Hotline

Hotline Usage

Since its establishment in 2006, the Nissha Hotline has been used 15 times. Many of the reports concerned human rights.

Employees can also continue to report instances to their immediate supervisor or to the person in charge at Corporate Human Resources. From the perspective of reinforcing our compliance structure, however, Nissha recognizes the need to establish a hotline system that can sufficiently cope with the current number of employees and business sites, enhance employee awareness of the system, and improve the system's level of response.

CSR Initiatives in Manufacturing

Nissha embraces CSR as a business-oriented solution to environmental and social problems. This section focuses on CSR initiatives in manufacturing within our three businesses of industrial materials, input devices, and information and communication.

Nissha IMD

Nissha uses two types of resin to enable designs with a sense of depth.

Nissha IMD is a contracted method of surface decoration that delivers excellent yields in the plastic molding stage to reduce waste and enable the efficient use of energy. With a thin ink layer that significantly reduces VOCs (Volatile Organic Compounds) in the finished product and other environment-friendly features, Nissha IMD is a method of choice for many customers. Here we introduce a decoration using two types of resin, or double molding decoration, which was conceived to meet the demand for a sense of dimension amid increasing competition for differentiation.



HP Mini 110 by Studio Tord Boontje



Sensor Modules

Nissha contributes to intuitive controlling and freedom in communicating information.

Sensor modules are products that integrate capacitive-type touch sensors with plastic molded components and glass components that use Nissha's decorative films. The patterns are difficult to discern to produce superior levels of display quality. By supplying the sensor modules affixed to cover parts of IMD or glass products, Nissha contributes to stable inputting, the slimlining of products, and high levels of readability in addition to fine decorations. Here we introduce an example supplied in four colorways.



NEC N-01A

Ino Chuzu, Part 5: Chubu Region (Partial Middle-scale Map of Japan by Ino Tadataka found in France) property of Nissha Printing Co., Ltd. (formerly owned by Mr. Yves Peyré)



Image photographed in eight sections

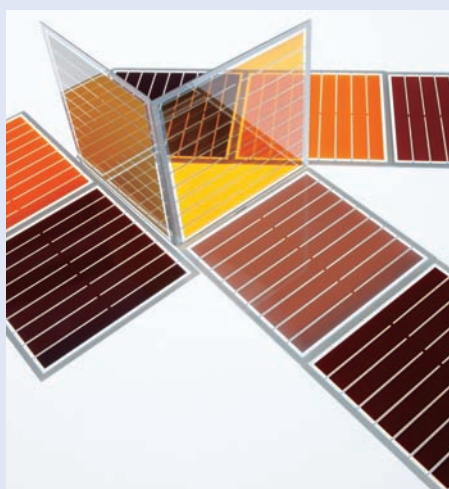


Single image achieved by combining the sections

Documenting, Archiving and Inheriting

Nissha's high-definition digital archiving technologies use photography and contribute to documenting and passing down cultural assets.

Nissha recognizes that making progress in the high-precision, high-definition digital archiving of precious cultural assets is an important issue in society. In digitizing large-sized and elaborate historical materials, we have made it possible to reproduce minute details in their original proportions by correcting aberrations in color and distortions in the camera lens, and combining sections of the work not in 2D but in 3D. Nissha's digital archiving technologies that deliver a well-balanced, optimal composition of the five quality requirements of resolution, symmetry, color, density and form provide solutions for passing down cultural assets and having them utilized by future generations.



Nissha Joint-Develops and Starts Sample Shipments of Dye-Sensitized Solar Cells

In September 2009, Nissha succeeded in developing dye-sensitized solar cells (DSC) with outstanding durability in partnership with the Shimane Institute for Industrial Technology (SIIT). We aimed to adhere to environmental management, one of the pillars of Nissha's Management Policy, and make full use of Nissha's unique printing technology in developing solar cells, which are gaining attention as a form of energy that reduces the burden on the global environment. We have achieved commercial viability in terms of durability, a weak point in conventional DSC, and by selecting pigments made it possible to display a wider variety of colors. Combining this with Nissha's unique technologies has facilitated the designing of colorful solar cells.

We started shipment of sample products in 2010.

As a manufacturing company, Nissha considers its most important mission to be the provision of high quality products that are safe and reliable to use. We are implementing several initiatives to ensure overall product quality, taking into consideration not only functions and a beautiful finish, but also safety features.

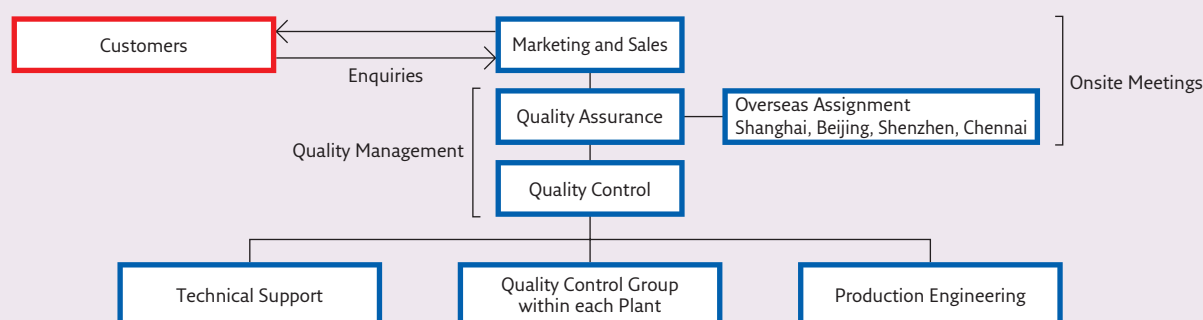
Nissha Quality Assurance Structure

Nissha is promoting company-wide quality assurance measures to provide customers with products they can safely use.

Quality assurance structures (see figure below) have been put in place in the Industrial Materials and Input Devices Business Unit to enable appropriate and speedy responses to customer enquiries. The sales division, that is the contact point for customers, immediately reports any enquiries it receives from customers to the Quality Management. Under the guidance of the Quality Assurance, response measures are investigated jointly with relevant departments. The Quality Control then sends out instructions to all production bases and the Quality Control group established within each production base takes immediate action. Nissha ensures

that initial response is made within 24 hours of receiving the enquiry. All information regarding customer enquiries is stored in a digital database. Relevant employees within the company can quickly access this information and confirm the status of investigations and response via the Intranet using the Nissha Quality Report (NQR) system.

We also hold regular meetings with our customers to discuss quality-related issues and are implementing optimal quality assurance activities. Quality managers from Japan are assigned to our bases in China (Shanghai, Beijing, and Shenzhen) and India (Chennai) to enable speedy responses to customers in the respective countries. Further, onsite internal meetings are held with representatives from our bases in Europe and North America. Nissha is thus constantly in tune with customer needs.



Quality assurance structures of the Industrial Materials and Input Devices Business Unit

Control Criteria for Environmental Management Substance

In the fiscal year 2007, Nissha formulated its Control Criteria for Environmental Management Substance that clearly specifies the various substances prohibited from use and those whose usage must be regulated. By implementing these standards, Nissha aims to ensure thorough compliance with relevant rules and regulations, reduce environmental impact, and lessen the harmful effects on living organisms, including human beings. The management standards have been set at a level that meets customer expectations, and are revised in a timely manner to respond to changes in those expectations.

Quality Policy

As a manufacturing company, consistently raising the quality of products manufactured at its plants is of utmost importance to Nissha. It is our mission to constantly live up to the trust that consumers, the end users of our products, place in us by responding to their needs and expectations. Based on the awareness that enhancing and maintaining quality is an important aspect of the company's social

responsibility, we formulated the Quality Policy in 1997 that put forth to the whole company Nissha's basic stance on quality as a priority management issue.

• Quality Policy

Nissha and its subsidiaries are committed to widely contribute to global society by providing products and services economically that gain customer reliance and satisfaction.

1. We establish and maintain a quality management system, and continually improve its effectiveness.
2. We provide products which satisfy customer requirements and conform to relevant legislation and regulations.
3. We achieve our quality objectives economically, and fulfill customer satisfaction.

Acquisition of ISO9001 Certification

Almost all Nissha production bases in Japan and overseas have completed the acquisition of ISO9001 certification, the international standard for quality assurance. In line with ISO9001 standards, we are operating an objective quality management system based on facts and figures and are working to make continual improvements to quality.

Information Security Policy

The creation of security structures for the safe handling of vital information assets, such as personal and other information provided us by customers, is an issue of foremost importance at Nissha. We have established a highly reliable and secure information security management system and are committed to maintaining and further improving its effectiveness. The Information Security Policy (first formulated in 2005) expresses our fundamental approach to information security. We are working to enhance company-wide awareness of this policy through the Intranet, workplace displays, and other measures.

● Information Security Policy

Nissha and its subsidiaries are committed to establish, maintain, and improve a highly reliable and secure information security management system to protect our own business information and the information assets, which we acquire from customers, suppliers and employees, etc., through our business activities performed in Japan, from any kinds of threat. And we take internal and external information security requirements into consideration and reduce all risks below the acceptable levels.

1. We continually improve the Information security management system by establishing, implementing, and reviewing the information security objectives, so that the confidentiality, integrity, and availability of information can be maintained and improved.
2. We comply with legal and regulatory requirements for information security and with contractual security obligations.
3. We establish and improve the criteria for reasonably evaluating risks concerning information security as well as the risk assessment methods, to mitigate risks and to maintain the information security levels that contribute to corporate development.
4. We make the Information Security Policy known to all employees working in the premises of Nissha and its subsidiaries to raise their awareness of the issues related to information security.

Initiatives Related to Information Security

Nissha is striving to improve its information security management system to respond to customers' and society's expectations toward information security and rises in levels of convenience and risk due to progresses in information technology.

To respond to issues that have become obvious throughout society, we have issued Information Security Risk Prevention Guidelines with which each business unit inspects its risk management status and promotes preventive measures. And to respond to issues that are hidden around us, we are implementing risk assessment from multiple angles in an effort to raise the level of our measures.

Nissha believes that in addition to physical and system-

based management, raising each employee's awareness is crucial to information security, and accordingly has in place and implements education programs by position such as for new employees and for more experienced workers. We periodically publish these initiatives in the "Information Security-related Incidents" newsletter and also introduce them on our portal website in an effort to raise employee awareness.



An internal training program in progress

Reinforcement of Personal Information Management

One of Nissha's subcontractors experienced an accident in January 2010 in which a notebook PC containing personal information collected from a customer by the supplier was stolen along with other home appliances. The notebook PC was password protected, and we have not received a report about leakage of the personal information, which consisted of an incomplete list of subscribers to an e-newsletter operated by the customer. Nissha called in a report to police immediately after being informed of the theft, reported about the incident and apologized to the e-newsletter subscribers after first consulting with the customer, and also filed a report to the presiding Ministry of Economy, Trade and Industry.

Viewing the accident as a significant issue, Nissha has taken measures to prevent recurrence by further reinforcing management of its suppliers.

Commendations for Nissha Products

The HP Mini by Studio Tord Boontje (black and silver), notebook PCs produced with Nissha's IMD foil, have won an IF Design gold award, which recognizes superior design from among the world's industrial products.



HP Mini 110 by Studio Tord Boontje

Honda Acura's Door Trim manufactured by EIMO Technologies, a subsidiary of Nissha USA, has been commended by customer Ts Tech.



Trophy from Ts Tech

Nissha discloses information in a prompt and timely manner to enhance understanding of the company and ensure appropriate evaluation of its enterprise value. We make opportunities to directly exchange dialogue with our shareholders and investors as well as promoting communication through various information tools.

Information Disclosure Policy

Nissha discloses corporate information in a prompt and timely manner, with due consideration to the accuracy, fairness and continuity of information disclosed, so as to promote understanding of the company among shareholders and investors, and garner an appropriate evaluation of the company's enterprise value. We have in place a Disclosure Control Committee, which undertakes decision-making related to the disclosure of information. Further, by providing feedback to senior management regarding evaluation by shareholders and investors of the information disclosed, Nissha is working to raise enterprise value.

Proactive Implementation of IR Activities

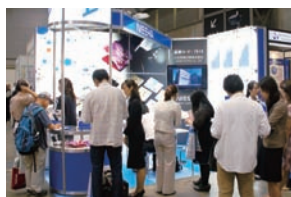
Nissha holds approximately 500 meetings a year with institutional investors in and outside Japan in an effort to maintain continuous communication. We explain about the company's businesses and strategies through such events as financial results briefings four times a year (including two telephone conferences) and factory tours.

In order to provide information to overseas investors in a speedy manner as well, we disclose English-language versions of such documents as presentation material for financial results. We also publish annual reports, fact books and other information tools, and attach great importance to overseas road shows, conferences and other opportunities in which to directly exchange dialogue. (Fiscal year 2010 implementation regions: US, UK, Switzerland, Singapore)



Annual Report 2009

We are working to enhance communication with individual investors through various events. In fiscal year 2010, we exhibited at the IR Fair in September 2009 and held four company briefings at securities companies' branch offices in Tokyo and Osaka. We held a company briefing and facility tour for the first time in March 2010, where we invited investors to Nissha's headquarters to visit the product showroom.



IR Fair



Company briefing and facility tour

We are also focusing on enhancing the contents of our website as a means of disclosing information in a fair and speedy manner. In addition to various IR materials, the website has a "What's Nissha?" page with easy-to-understand introductions to our business fields and a "Nissha IR News Mail" service that sends updates to registered email addresses.

<http://www.nissha.co.jp/ir>



"Investors" page

Shareholders' Meeting

Nissha sends out early notices of convocation, adopts the internet exercise of voting rights, and participates in the Electronic Voting Platform for Institutional and Foreign Investors in consideration of convenience for shareholders exercising their voting rights.

In 2009, we scheduled our shareholders' meeting deliberately avoiding the dates on which other companies hold their meetings, and attracted a larger than usual attendance of shareholders.

We made an effort to visualize business reports and in other ways make explanations easier to understand, and for the first time held a tour of the headquarters' facilities after the meeting.

Dividend Policy

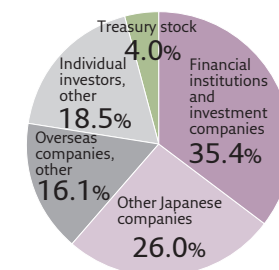
Based on the fundamental policy of continuing to pay stable dividends to its shareholders, Nissha will determine the rate for the current and future fiscal terms taking wide-ranging factors such as business performance, payout ratio, and the financial state of the company into consideration. Regarding effective utilization of internal cash reserves, the current focus is on investments in facilities and R&D in areas of high growth, with a view to enhancing enterprise value in the medium- to long-term.

Shareholder Composition (as of the end of March 2010)

Total number of shares issued: 45,029,493

Number of shareholders: 12,355

The number of shareholders increased by more than 5,000, centering on individual investors, from the end of March 2009 to the end of March 2010. In the breakdown by shareholder holding size, the ration of shares owned by "individual investors, other" increased by 4.3 percentage points.



Status of Breakdown by Shareholder Holding Size (Ration of shares owned)

Nissha emphasizes first fulfilling its basic responsibilities as a company, second implementing social contribution activities as a constructive company, and ultimately keeping these two wheels in motion in an aim to deepen mutual understanding and achieve mutual growth with local communities. In an effort to better communicate with local communities, we will listen to the voices of their members and work to resolve issues together.

Basic Policy

Proposing New Ideas for Co-Existence with Local Communities

Nissha perceives local communities as a constituent of Nissha's Circle of Trust. We are setting forth initiatives that aim for the company to be not only a reliable member of society in the eyes of community members but also a constructive company within society.

Based on a strong awareness of the importance of exchanging dialogue, in fiscal year 2010 we set the goal of proposing new ideas for Co-Existence with local communities and launched communication activities. This was because we recognized that the first step in realizing "a mutually trustful Co-Existence with society" stated in Nissha's Corporate Mission was to communicate with members of the local communities closest to us.

Setting in motion the two wheels of basic responsibilities and social contribution activities

Specifically, we have appointed a Local Communication Promotion Commissioner at each production base, prepared a structure under which to implement initiatives in line with each community and, in the second half of fiscal year 2010, set unique goals for each base and started promoting activities. In promoting the activities, we focused strongly first on basic responsibilities, or the duties any company ought to fulfill in society, second on social contribution activities, or

what we can do in the perspective of Co-Existence with the local community, and ultimately on moving forward while keeping these two wheels in motion.

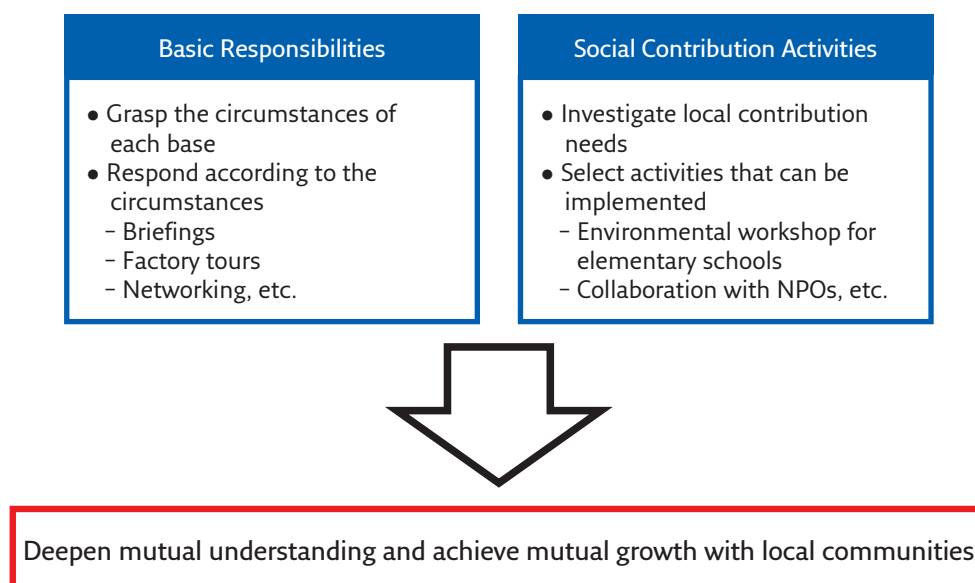
We perceive basic responsibilities as matters that must be abided by necessarily as a member of society, such as reducing environmental impacts that arise from business activities and coping with issues related to employee morale. These are also efforts aimed at corporate ethics and compliance, which are required to be managed at sustainable high levels throughout the Nissha Group.

Social contribution activities, on the other hand, involve verifying the issues and needs of a given community and making efforts to respond to them. Our goal is to be a constructive company that is needed by society.

Neither basic responsibilities nor social contribution activities alone can achieve Co-Existence with society. The important issue for Nissha is to always lend our ears to the voices of local communities and while keeping the two wheels in motion.

Each of Nissha's production bases is currently reviewing its basic responsibilities in the relevant community and verifying what urgent responses to implement if necessary, and concurrently promoting communication to grasp the community's needs to carry out social contribution activities. The following page introduces a handful of their activities.

Framework for Promoting Communication with Local Communities



Examples of Specific Activities

Environmental Workshop for Elementary Schools

Nissha's employees visit elementary schools mainly in areas around our production bases in Japan and conduct environmental workshops. In fiscal year 2010, we gave workshops to approximately 700 children in 12 schools.

The initiative started in 2007 from an awareness that although, as a manufacturing company, we make efforts to preserve the global environment as a matter of course, we should also spread our feelings of consideration for the environment to the communities. We have given workshops to approximately 1,700 participants at 26 schools to date.

We teach the children through quizzes and work groups about the mechanism of global warming and about separating waste, and think about environment-friendly activities in which we could lend a hand. Drawing on our strengths as a printing company, we also conduct a fun session demonstrating how "dots" create the different colors on printed matter and studying the various techniques used in the printing process under the theme "The Secret Behind Printing".

The Nitec Industries Tsu Factory conducted environmental workshops at three elementary schools in November 2009, prior to its starting operations in April 2010. While fostering an environmentally friendly mindset in the future generation, it has taken a large step toward communicating with the community.



An environmental workshop for an elementary school

Cleaning Activities Around Nissha Factories

The Kameoka Factory in Kyoto Prefecture – which accommodates Nitec Industries, Nitec Mold Engineering, and the Molding Technologies Development Center – cleans the streets between Japan Railway's Namikawa Station and the factory, which Nissha employees use, and the areas around the factory once a month from a wish to express gratitude and give back to the community.



Cleaning activities in the factory's surrounding area

Provision of a Bus Stop for Kindergarten Shuttles

The Nitec Printing Yachiyo Factory is located in the central area of Yachiyo City, Chiba Prefecture, where in the past several years developers have built an increasing number of residences in the surrounding

areas. In consideration of the circumstances, the factory has provided the space in front of its main entrance as bus stop for kindergarten shuttles, contributing to the safety of members of the local community. It has also asked the neighborhood community association for help in submitting a request for the government to place a crosswalk on this street, helping to an even safer community.



A kindergarten shuttle utilizing the bus stop

Machikusa Workshop ("Wild Town Plants Workshop")

In January 2010, Nissha and non-profit organization Kids Meet Artists jointly held a Machikusa Workshop for students of Uji City Todo Second Elementary School. Under the direction of artist Shinpei Shigemoto, aka Doctor Machikusa, the children observed weeds growing in the streets around their school, gave the weeds original names, photographed them, and made presentations of their findings to each other.

Nissha later compiled photographs of the workshop into a booklet and delivered copies to each participating student. The workshop became a fun opportunity for the children to think about the natural environment that surrounds them and also to learn about the mechanisms of printing.



Top: The Machikusa Workshop booklet
Right: Activities conducted in the workshop



Procurement and Sourcing implemented various initiatives in fiscal year 2010, the first year of the Third Medium-term Business Plan, in an effort to reinforce strategic purchasing that further compliments Nissha's business activities. This section introduces major initiatives.

Promotion of CSR Purchasing

In March 2010, Nissha held CSR procurement briefings for 66 material suppliers with which the company concludes more than 90% of its purchasing transactions. We explained about Nissha's company outline and business performance, the backdrop to our promotion of CSR purchasing and, giving specific examples, each section of the newly drafted Supply Chain CSR Purchasing Guidelines.

The briefings became a valuable experience for us as well, as it gave us the opportunity to hear about many of our suppliers' own initiatives. We sought the understanding of participating suppliers regarding the purpose and content of the guidelines, and asked them to sign and seal a letter of consent for submission.

In the future, we hope to expand the scope of CSR purchasing to outside contractors and eventually to our entire supply chain so as to fulfill the social responsibilities required of a global company.



A CSR procurement briefing session

Establishment of Tighter Partnerships with Suppliers

Procurement and Sourcing has been reviewing the contents of and concluding new Basic Supplier Agreements in an effort to further strengthen partnerships with our suppliers and promote strategic purchasing. The agreements cover all issues from quality assurance to safety and health, environmental preservation and the protection of personal and confidential information in accordance with the Basic Purchasing Policy. The initiative, which began in September 2008, has involved examining suppliers' factories when needed. This has enabled us to observe various initiatives centering on quality assurance and environmental preservation, and in one case even firefighting training in which the community, the local fire department and the supplier worked as one, where we witnessed the supplier's high awareness for safety and its strong connection with the community.

We will continue to make efforts to strengthen partnerships with our suppliers and work as one to meet customer needs.



Observance of a firefighting training session

Basic Purchasing Policy (Established in April 2009)

For the achievement of the Corporate Mission, "We are committed to pursuing a mutually trustful Co-Existence with society through our business activities utilizing a unique technology development, based on PRINTING as a core", we at Nissha are always committed to creating enterprise value by establishing the partnership for Co-Existence and co-prosperity with suppliers and carrying out mutually fair procurement.

We at Nissha evaluate suppliers impartially, fairly and comprehensively, based on the following points.

- Stable business foundation and reliable business attitude
- Excellent technology development and supply abilities
- Flexibility to adapt to changes in the business environment
- Safety of products and services, stable quality and lead time and competitive prices
- Supply chain management aimed for business continuation

We at Nissha promote CSR procurement by working with suppliers on the following points.

- Full consideration to the global environment
- Observance of laws and regulations and raising corporate ethics
- Respect of fundamental human rights
- Promotion of labor safety and health
- Maintenance and improvement of information security level
- Information disclosure
- Fair trade
- Social contribution

Nissha has restructured the company's HRM (Human Resource Management) systems. We began operating a new system for managerial staff in fiscal year 2010, and that for general employees in fiscal year 2011. Under the new systems, we are aiming to achieve growth for both the company and our employees.

Structuring and Operation of the New HRM Systems

Nissha restructured its HRM system for managerial staff in April 2009. In an aim to promote a correct understanding of the objectives and operational rules of the new system, we have implemented internal training programs at each base involving target setting and evaluation. The training sessions covered the purpose of personnel evaluation, how to appropriately set targets, and what points to keep in mind during evaluation so as to cultivate an awareness about the operation of a fair and highly convincing system.



A target-setting training session

The Human Resource Management System Review Committee has taken the initiative in exchanging views with the labor union and holding discussions regarding the new personnel system for general employees. In April 2010, we started operation of a system shared throughout the Nissha Group in Japan, which aims for enhanced growth and motivation in each employee.

We have also reorganized various allowances in line with the new systems, newly incorporating allowances for child-rearing support and subsidies for qualification acquisition, and increasing the amount paid as allowances for dependent family members, for a new salary system that helps to support diversifying work styles.

- Notable aspects of the new HRM system for general employees
 - (1) Six grades are reorganized into four (roles and responsibilities are clarified)
 - (2) Basic salary is divided into qualification-based and (fundamental) age-based salaries
 - (3) Personnel evaluation is based on performance-related responsibilities, basic conduct-related responsibilities, and capabilities displayed

- Newly incorporated allowances, etc.
 - Short-term incentives for highly evaluated employees**
Incentives paid each half-year to employees who were highly evaluated while keeping the number overtime hours under control
 - Subsidies for qualification acquisition**
Subsidies paid to employees who acquired a specific qualification, appropriate to the qualification acquired, in order to support growth for employees
 - Allowances for child-rearing support**
Fixed allowances paid for events such as childbirth and the child's entry to a new school, as part of Nissha's initiative to help realize work-life balance

Diversity of Nissha People

Nissha employs a wide variety of people crossing the boundaries of gender, nationality, age, location of work, and employment status. In recent years, female employees are playing an increasingly larger role, while the number of

overseas employees has reached one-fifth of our total workforce.

Male 72.8%	Female 27.2%	Ratio of female employees (as a percentage of permanent employees)
Permanent 79.9%	Temporary 20.1%	Ratio of temporary employees (as a percentage of the total number of employees)
Japan 79.2%	Overseas 20.8%	Ratio of overseas employees (as a percentage of the total number of employees)

(scope of data: Nissha)

Promotion of Work-Life Balance

In April 2009, Nissha was approved to be a general business owner that conforms to the standards of the Next Generation Nurturing Support Measures Promotion Law. One of our male employees returned from a year and two month's child-rearing leave in 2009 and continues to work shorter hours for child-rearing, an indication that our employees' awareness is beginning to change as well.



"KURUMIN mark"

- Examples of Work-Life Balance Support Systems
 - (1) Child-rearing leave: Leave granted until an employee's child turns two years old
 - (2) Shorter hours for child-rearing: Work time shortened by two hours per day until an employee's child finishes the fourth grade of elementary school
 - (3) Family care leave: Leave of up to total 240 working days per family member who requires care
 - (4) Shorter hours for family care: Apart from family care leave, work time shortened by two hours per day for up to total 480 working days per family member who requires care [effective April 2010]
 - (5) Accrued non-statutory annual paid leave: Leave granted, for example, for illness of a family member (5 days/year) and participation in a child's school event (3 days/year)

Rate of paid leave taken	Number of employees who took time off from work for child-rearing	Number of employees who worked shorter hours for child-rearing	Number of employees who took time off from work for family care leave
47.8%	17	20	1

Status of long-term leave and time taken off from work during the fiscal year 2010

(scope of data: Nissha group in Japan)

Ratio of Disabled People Employed at Major Group Companies (As of the End of March 2010)

The Nissha Group will continue to create jobs by preparing workplace environments and spreading understanding about employment for disabled people.

Nissha Printing	NII	NME	NPI
1.36%	2.11%	1.27%	2.4%

Status of Temporary Production Workers Since Fiscal Year 2010

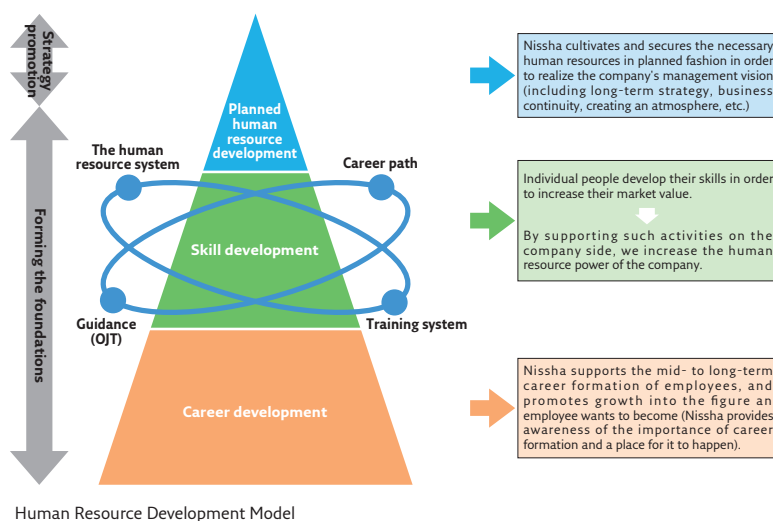
Converted to permanent employee: 80	Converted to contractor: 231	Left Nissha: 81
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Total: 392

(scope of data: Nissha group in Japan)

Fortification of Human Resources Development

Nissha believes that its employees are its most important management resources. We are aiming to achieve growth for both the company and our employees by actively supporting the growth of each individual employee and developing human resources who are equipped with the skills and experience required to work at Nissha.



Training Systems

Nissha's internal training programs, which have continuously expanded since fiscal year 2008, currently include rank-specific training programs, specialized education for technical personnel, foreign language training programs, and theme-specific training programs.

In fiscal year 2010, we implemented middle-management training for all managerial staff to concur with the restructuring of the relevant personnel system. We are also implementing a standardized entry-level training program in the English and Japanese languages for local staff at overseas bases in an aim to be a truly global company.

Moreover, we actively encourage employees to engage in self-study. In fiscal year 2010, 431 employees voluntarily applied to selective theme-specific training programs, and



A middle-management training session



An Entry-level training session for local staff at overseas bases

Basic Approach to Human Resources Development

Nissha approaches human resources development in the three areas of "planned human resource development", "skill development" and "career development", and aims to promote comprehensive programs for each area comprising training programs, on-the-job training (OJT), medium- to long-term career path development, and the preparation of personnel systems to support these programs.

more than 300 employees utilized the self-development support system that helps cover the expenses of distance learning.

Further Enhancement of Human Resources Development Programs

With the restructuring of the HRM system for general employees in fiscal year 2011, and the clarification of expected roles according to new grades, we plan to newly incorporate necessary training into the rank-specific programs and also enhance selective training programs for human resources with high growth potential.

In addition to training, the new HRM system will also establish target management and emphasize work-based human resources development by superiors as a management tool. The system will also further enhance active promotion of human resources and development through collaboration between units in line with Nissha's business strategies.

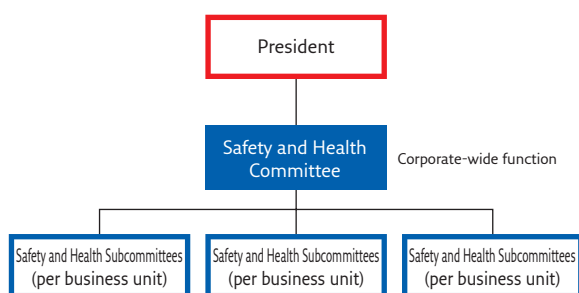
Nissha plans to continue implementing these initiatives into the future in an aim to become a truly global company that can achieve growth for both the company and our employees.

Basic Policy on Safety and Health

Nissha has in place a group-wide basic policy on safety and health formulated on the belief that safety comes first above all else, and which declares that the company will actively promote the creation of safe and comfortable work environments as well as sound mental and physical health of employees. To achieve this, we are working to make continuous improvements toward eliminating workplace casualties; establish structures to ensure the sound mental and physical health of employees; observe laws, rules, stakeholder demands, and voluntary standards related to safety and health; perform risk assessment; create safe and comfortable workplaces; and familiarize all employees with the basic policy.

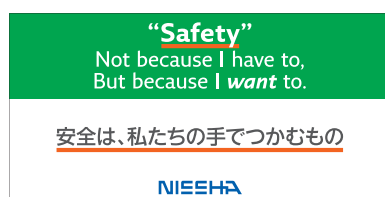
Safety and Health Management Structures

Nissha has in place a Safety and Health Committee that oversees the entire group and supervises area-specific Safety and Health Subcommittees operated by each business unit. The committee undertakes the role of a corporate-wide function that reports on the individual unit's initiatives toward safety and health, ensures the sharing of information between units and the horizontal implementation of improvement and accident prevention measures, and works to standardize and upgrade initiatives throughout the group.



Display of the “Safety” Slogan

To emphasize a unified awareness of safety throughout the entire group, all of Nissha's production departments in Japan and overseas display slogan posters in their native language. We encourage employees to actively engage in workplace safety activities with an awareness that they are not for the company but to protect the employees' own safety.



Slogan design

Frequency of Work-related Accidents

Nissha comprehends and manages the frequency of work-related accidents by business office.

Headquarters	Tokyo Division Headquarters	Osaka Division Headquarters	NII Kameoka	NII Kyoto	NII Koka	NME Kameoka
0.6	0.0	0.0	1.2	3.4	0.8	3.4
NME Kumihama	NPI Kaga	NPI Kyoto	NPC Kyoto	NPC Yachiyo	NBS	Average
0.0	0.0	0.0	0.0	0.0	0.0	0.6

* Frequency of work-related accidents: Refers to the number of injuries and casualties resulting from work-related accidents per one million actual working hours

Precautions against the New Influenza Virus

Nissha responded to the new influenza epidemic last year by establishing an emergency task force in April. To prevent infection to employees, the task force stockpiled such supplies as face masks and antiseptic sanitizers and distributed them to all bases in Japan and overseas, and issued the “Notification Regarding the New Influenza” (No. 1-9) and the “Guidelines to Preventing Infection” (No. 1-7). It also prepared for the event an infection occurs by providing information on Nissha's internal portal website about how to prevent further spreading of the virus.

Employee Healthcare Initiatives

Employees' Healthcare within the Headquarters has implemented initiatives focused on countermeasures for metabolic syndrome and the enhancement of mental health. In countermeasures for metabolic syndrome, it held instructional events using the “Guide to a Balanced Diet” and displayed educational posters. In the enhancement of mental health, it held a total of eight line-care training sessions for supervisors at major bases in Japan, which 328 employees (including 241 managerial staff) attended.



A consultation session using check sheets

Preparation of Employee Welfare and Benefits Systems

In addition to continuing to hold regular “Kids Days” and “Nissha Special Days”, we have worked to expand our mutual aid organization throughout all group companies in Japan and enhance its benefits. On April 1, 2010, the organization will start operations anew as the NP Club (Nissha People's Club).

Nissha positions environmental management as a top priority item of the Management Policy and defines it as “environmentally-oriented solutions, products and activities”. Through management systems based on ISO 14001 certifications obtained in and outside Japan, the company continuously implements initiatives toward the reduction of environmental impact in line with the Environmental Policy.

Guidelines for Biodiversity Initiatives

For the preservation of biodiversity, one of two major issues regarding the global environment, in April 2010, Nissha established group-wide Guidelines for Biodiversity Initiatives in line with the Ministry of the Environment’s Guidelines for Private Sector Engagement in Biodiversity.

● Guidelines for Biodiversity Initiatives

Recognizing biodiversity as an important issue in all aspects of our products and corporate activities, Nissha promotes environmental management in an aim for “Co-Existence” with the global environment.

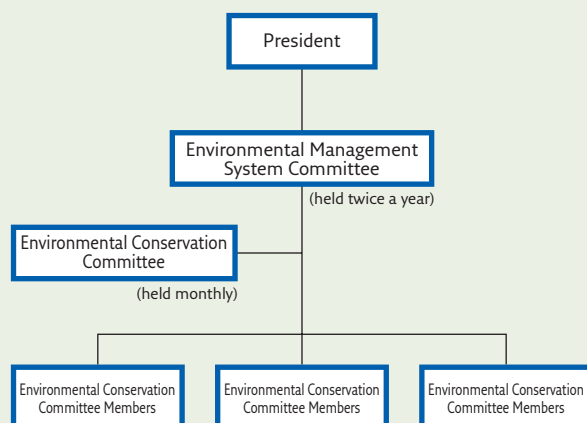
We will take action to respond to the biodiversity preservation and the potential risks through the following items/activities.

1. Conduct the investigations necessary to set standards for voluntary management of emissions.
2. Review our activities, together those in supply chain.
3. Select activities that each base can implement to conserve endangered and native species and create a safe environment for them.
4. Investigate the operating risk and consider countermeasures.

Management Reviews and Systems

Nissha conducts internal environmental audits and management reviews twice a year to verify that management systems are functioning smoothly, and strives to make continuous improvements using the PDCA cycle.

The Environmental Conservation Committee comprised of members from each base meets once a month to confirm the status of initiatives – which are divided into the three segments of “preservation of the local environment”, “measures for the global environment” and “customers needs” – and report on such issues as environmental performance, customer requirements concerning chemical substances contained in products, changes in related laws and regulations, and findings from monitoring the environments surrounding production bases.



Nissha Environmental Management Structure

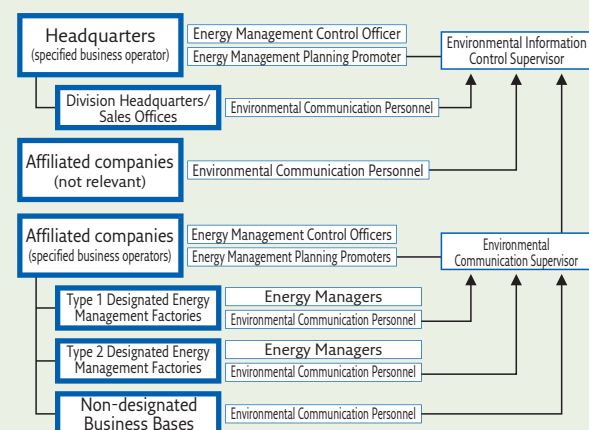
● Environmental Policy

Nissha and its subsidiaries consider that the global environmental protection is the most important issue in our activities of production, development, sales and administration in Japan, and also on our products and services. And we make effort to preserve the global environment by environmentally conscious activities.

1. We actively promote environmental conservation by establishing and continually improving a environmental management system.
2. We comply with applicable legal requirements and agreements and customer requirements related to environmental aspects. And we make efforts in environmental conservation by establishing standards on autonomous environmental management, as long as such efforts are feasible in technological and economic terms.
3. We strive to prevent environmental pollution, with a focus on the following measures for environmental management:
 - (1) We promote zero emission by recycling waste.
 - (2) We promote the appropriate management of specified chemicals (Target chemical for PRTR etc.), as well as reduction in percentage of these chemicals used in our operations.
 - (3) We make efforts to reduce carbon dioxide emissions by decreasing the usage rate of electrical and gas energy.
 - (4) We devise and implement manufacturing methods that impose fewer burdens on the environment.
 - (5) We develop environmentally friendly products.
 - (6) We propose products with low environmental loads to customers.
4. We endeavor to continually improve our environmental activities and prevent pollution by setting environmental objectives and targets, by executing it, and by reviewing it.
5. We make Environmental Policy known to all employees working in the premises of Nissha and its subsidiaries to raise their awareness of the issues related to environmental conservation.
6. We make Environmental Policy available to the general public.

Energy Management and Environmental Communication Structures

In addition to preparing a management structure for the use of energy at affiliated companies, Nissha has also set up a communication structure to comprehensively control group-wide environmental information, including the use of energy, in response to the revised Act on the Rational Use of Energy.



Energy Management and Environmental Communication Structures

In April 2009, Nissha set new company-wide environmental objectives for the three-year period until fiscal year 2012. Fiscal year 2010 was the first year of implementation of these initiatives. Each business unit has set up an action plan and is working toward their individual objectives in order to achieve the company-wide environmental objectives.

Subject	Fiscal year 2010-2012 Nissha environmental objectives	Fiscal year 2010 results	Evaluation
Waste reduction, recycling and reuse	<ul style="list-style-type: none"> Waste zero emission (recycle/reuse ratio: 99.8%) 5% or more reduction in ratio of waste (including items sold for recycling) to net sales (Base year: the average for the period between April and September 2008) 	<ul style="list-style-type: none"> Recycle/reuse ratio at Nissha Group in Japan: 99.4% Note that we achieved zero-emission in December. Three of the five bases that undertook the initiative achieved the objective. Certain business units did not achieve the objective due to declines in average selling price (ASP). 	△
	<ul style="list-style-type: none"> Production departments to prevent waste generation by reducing the ratio of nonconforming products (Numerical targets to be established for each production unit) 	Certain business units did not achieve the objective due to changes in production methods such as to accommodate ever-stricter product appearance standards and the shift in demand to highly complex products.	△
Prevention of global warming	<p>New objectives</p> <p>Reduce the CO₂ emissions rate (total emissions volume/net sales) by 5% (even a 5% increase in sales will not result in increased total CO₂ emissions)</p> <p>*Administrative offices to set goals per square meter</p>	<ul style="list-style-type: none"> CO₂ emission rate at Nissha Group in Japan: 0.61 This was a 0.12-point increase compared to 0.49 in FY2009. Despite our promoting the installation of energy-conserving machinery, we did not achieve the objective due to declines in ASP and other factors. 	×
Prevention of environmental pollution	<p>Reduction in usage ratio of organic solvents (Base: the average for the period between April and September 2008)</p>	<ul style="list-style-type: none"> We did not achieve the objective due to small production lots at NII and increases in the volume of ink usage to accommodate the shift in demand to highly complex products. 	×
Burden reduction by Manufacturing and development	<ul style="list-style-type: none"> Adoption of environment-friendly manufacturing processes, raw and processed materials, sub materials, packaging, and logistics 	<ul style="list-style-type: none"> NII Kameoka implemented green purchasing of sub-materials NPC implemented CTP (Computer To Plate) technology in the film output process NPC tested waterless printing and non-VOC (Volatile Organic Compounds) inks 	○
	<ul style="list-style-type: none"> Development of environment-conscious products 	<ul style="list-style-type: none"> Used environmentally considerate designs to develop products Developed de-chlorinated foil and made mass production possible 	○
	<ul style="list-style-type: none"> Offering manufacturing processes and products that reduce the environmental load of customers 	<ul style="list-style-type: none"> NPC promoted the proposal of websites, a paperless media Revised the Nissha Control Criteria for Environmental Management Substance 	○
Other	<ul style="list-style-type: none"> Promotion of environmental conservation activities in the course of carrying out work 	<ul style="list-style-type: none"> Conducted monthly Lights Down Events at Nissha Group offices Conducted investigations of major suppliers as to the appropriate management of waste Implemented internal audits of each base related to environmental laws and regulations NII Kyoto and Kameoka implemented 6S patrols Conducted environmental workshops for elementary schools 	○

* For the calculation of usage and occurrence ratios, we use net sales.

Environmental Initiatives and Results

We have used the first half of fiscal year 2009, when business performance and factory production were stable, as a benchmark in setting environmental objectives. Conditions were severe in fiscal year 2010, however, and Nissha could not get on a path to recovery.

In waste reduction, though the Nissha Group (in Japan) achieved zero-emission in the second half, certain business units did not achieve the target waste emission ratio (to net sales).

In the prevention of global warming, we had set a new target to reduce the CO₂ emissions rate (total emissions volume/net sales) by 5%, however, the figure for Nissha Group in Japan notably worsened from 0.49 in the previous fiscal year to 0.61 under the impact of declines in average selling price (ASP).

In the prevention of environmental pollution as well, we did not achieve our reduction target in usage of organic solvents due to not only declines in ASP but also small production lots of gravure printing and increases in the volume of ink usage in highly complex products.

In burden reduction by manufacturing and development, nevertheless, we achieved a certain degree of results such as the de-chlorination of transfer foil.

Implementation of Internal Audits Related to Environmental Laws and Regulations

The Environmental Control and Management Department implemented specialized internal audits of all bases in Japan and inspected the status of adherence to environment-related laws and regulations. Inspection items included specified facilities, the monitoring of wastewater, gas and noise discharges, and the outsourcing and management of waste treatment. Though no obvious violation of laws was confirmed, the department conducted follow-ups on individual risks that might be in breach of laws depending on the circumstances. Nissha will continue to implement yearly internal audits related to environmental laws and regulations in an effort to improve our management level.



Nissha strives to identify the impact of the group's business operations on the environment in terms of resources and energy usage (INPUT) and gas, water and waste emissions (OUTPUT). This section shows the volumes of each category in a list covering Nissha's business operations in Japan in fiscal year 2010.




Environmental Impact Caused by Nissha's Business Operations in Japan

The use of major raw materials in the Input Devices Business has come to comprise 6% of the whole with a nearly twofold increase compared to the previous year due to rises in production volume at the Kaga Factory (Nitec Precision), Nissha's key production factory. That in the Industrial Materials Business comprises approximately 27% of the whole, for a 13% decrease despite usage almost doubling at the Koka Factory (Nitec Industries), one of Nissha's production bases. That in the Information and Communication Business,






at approximately 66%, continues to comprise the largest part of the whole with the majority of materials used being paper.

The "input" of resources in Nissha's business operations overall increased 3% compared to the previous year. In terms of energy, the use of electricity increased 17%, and gas 19%. As a consequence, "output" in terms of CO₂ emissions increased 17% as well.

Emissions of VOC, however, decreased somewhat due to slight reductions in the use of solvents and inks in the Industrial Materials Business.

INPUT Primary raw materials, production parts and materials			
	Industrial Materials	PET film	5,160t
		Solvents	3,650t
		Gravure Ink	2,710t
		Other	770t
	Input Devices	Materials used in product manufacturing processes	2,070t
		Other	810t
	Information and Communication	Paper	29,090t
		Ink	380t
		Other	160t
Total:			44,800t
Energy		Electricity	94,217MWh
		Gas	8,235,000m ³
Water		Tap water	499,000m ³
		Underground water	206,000m ³

(scope of data: Nissha production bases in Japan)

OUTPUT			
	Recyclable resources (including items sold for recycling)	Scrap containing gold, silver, copper, aluminum	
		Resin waste	
		Paper scrap	5,196t
		Waste plastic	
	Recyclable resources (Industrial materials)	Iron scrap, waste cans	
		Waste solvents, waste ink, waste cloth	
		Waste acid, alkali, Wood waste, etc.	8,180t
		General business waste	
	Combustible and landfill waste (Industrial materials)	Other (industrial waste)	82t
		Total: 13,458t	
	Emissions	CO ₂	72,984t
		VOC	3,370t
	Wastewater	Wastewater volume	670,000m ³

Kameoka Factory (Nitec Industries) Receives the Japan Federation of Printing Industries Chairman's Award as an Environmentally Excellent Factory

The Nitec Industries Kameoka Factory received a Japan Federation of Printing Industries Chairman's Award at the 8th Printing Industry Environmentally Excellent Factory Awards, following the awarding of the Nissha Headquarters Factory in the 7th awards last year.

Representatives from Nissha attended the commemoration ceremony in September.

The Kameoka Factory appreciates this high evaluation of its ongoing environmental initiatives, and plans to continue making efforts to further improve the level of its measures.

Kameoka Factory (Nitec Industries) Installs VOC Combustion and Disposal Equipment

In fiscal year 2010, the Nitec Industries Kameoka Factory installed large equipment to collect, combust and destroy VOCs from the gravure printing and drying facilities and local exhaust facilities throughout its premises. The factory practices environment friendliness through these efforts to minimize atmospheric emissions and eliminate air pollution and odors.



In fiscal year 2010, CO₂ emissions from Nissha operations increased significantly in Japan, while they decreased overseas. The increase in Japan was due to emissions at new factories, as those at existing bases either decreased or remained level. Drops in average selling price (ASP) have also largely impacted our reduction targets per basic unit this year.

Status of CO₂ Emissions at Nissha

In fiscal year 2010, CO₂ emissions from Nissha operations in Japan totaled 72,984 tons, significantly exceeding 62,534 tons in fiscal year 2009 by approximately 17% (10,450 tons).

Emissions from overseas production bases amounted to 7,732 tons for a decrease of approximately 4% compared to 8,076 tons in the previous year.

The increase of CO₂ emissions in Japan resulted from the Koka Factory (Nitec Industries) launching full-fledged operations of Factory No. 2 and establishing a new printing plate factory in 2008 (for an increase of approximately 9,181 tons), and the Kaga Factory (Nitec Precision) building new facilities at Factory No. 3, also established in 2008 (for an increase of 5,798 tons). Emissions from existing bases, on the other hand, generally decreased or remained level, with the Headquarters area decreasing by 38% (4,380 tons).

In overseas production bases, CO₂ emissions amounted to 4,129 tons at Eimo Technologies, a subsidiary of Nissha USA, comprising more than half of all emissions at overseas production bases.

Initiatives to Reduce CO₂ Emissions

Nissha has also worked toward reduction targets per basic unit, which we have set up as a new environmental objective. Due to the prolonged instability of operations at a number of production bases and the impact of drops in ASP in fiscal year 2010, however, the CO₂ emissions rate (per net sales) was 0.61 tons per million yen, significantly exceeding 0.49 in the previous year.

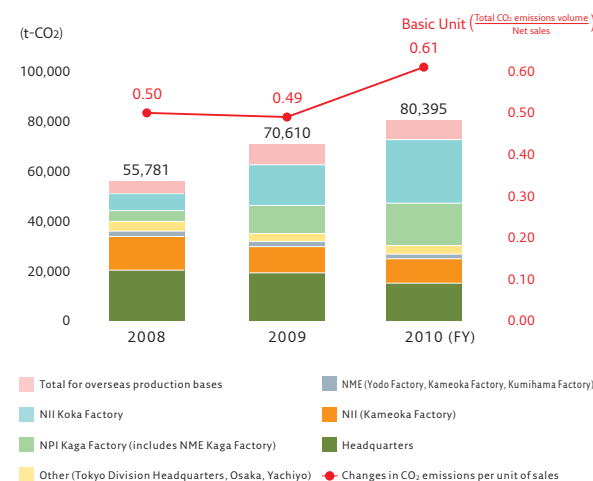
We expect the challenges of fiscal year 2010 to continue for some time, and plan to make efforts toward new targets.

The specific initiatives we undertook in fiscal year 2010 include equipment-related measures such as updating the air conditioning system from gas absorption heat pumps to air-cooled chillers in several factories in the Headquarters area, contributing to reduced CO₂ emissions.

The revised Act on the Rational Use of Energy requires the tracking and management of the use of energy by business entity (affiliated company). This report, however, lists Nissha's use of energy by business base, as we are at the moment devising measures to identify the amounts of certain energy types used by the separate offices at bases that accommodate multiple offices.

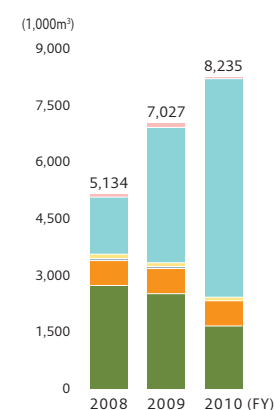
We plan to announce the volumes of energy use and CO₂ emissions by business entity when we have reported the figures of fiscal year 2010 to the presiding government agency.

Trends in CO₂ Emissions Volumes and Basic Unit

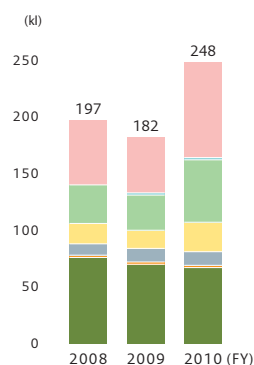


* Calculated based on the Manual for Calculating and Reporting Greenhouse Gas Emissions Volumes.
 * All decimals have been rounded off to the nearest whole number, so the total may not tally in some cases.
 * Figures for overseas production bases have been included since the fiscal year 2008.
 * The CO₂ emissions volume used for the calculation of the basic unit is the total for Nissha production bases in Japan.

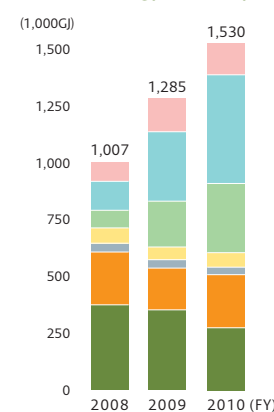
Trends in Gas Consumption



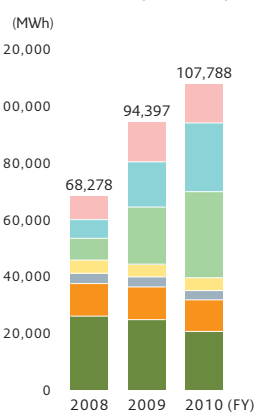
Trends in Gasoline, Diesel, and Heavy Oil Consumption



Trends in Energy Consumption



Trends in Electricity Consumption



In fiscal year 2010, Nissha operations in Japan generated a total of 13,458 tons of waste for an approximately 7% increase compared to fiscal year 2009; and 83 tons of combustible and landfill waste for an approximately 13% increase. Though our average yearly recycling and reuse rate was 99.4%, we achieved zero emissions (a rate of 99.5% or more) in the second half alone.

Volume of Waste Generated and Treatment Methods in Fiscal Year 2010

	Type of Recyclable Resource or Waste	Treatment Method	Emissions in FY2010	
Items sold for recycling	Waste containing metals	Recovery of metals and refining	432t	3.2%
	Metals, iron waste	Reuse of metals	304t	2.3%
	Waste oils	Recycling of oil and fuel	3t	0.0%
	Resin (plastic) waste	Reuse of resin chips	1,440t	10.7%
	Paper waste (recyclable used paper)	Paper material (recycled paper)	3,017t	22.4%
	Subtotal (V)		5,196t	38.6%
Recycling and reuse of resources	Iron scrap	Reuse of iron (*when an expense is incurred)	462t	3.4%
	Waste plastics	Used to make artificial plants, Refuse Paper & Plastic Fuel (RPF), and as combustion heat source	4,766t	35.4%
	Paper waste	Used to make Refuse Paper & Plastic Fuel (RPF), and as combustion heat source	72t	0.5%
	Wood waste (discarded pallets)	Used to make wooden chips, etc.	46t	0.3%
	Timber waste (after pruning trees)	Used to make fertilizers, etc.	23t	0.2%
	Glass and ceramic waste	Made into cullets, civil engineering and construction materials, etc.	12t	0.1%
	Waste oils and solvents	Reused as thinners, combustion improvers, and as combustion heat source	1,982t	14.7%
	Waste cloth (used to wipe solvents)	Used as combustion improvers, and as combustion heat source	173t	1.3%
	Waste acids	Used as neutralizing agents and cooling liquids in incineration ovens (spray combustion)	231t	1.7%
	Waste alkaline liquids	Used as neutralizing agents and cooling liquids in incineration ovens (spray combustion)	267t	2.0%
	Sludge	Refined after recovery of metals; used as civil engineering and construction materials	135t	1.0%
	* General waste	* When used as a combustion heat source	11t	0.1%
	Subtotal (R)		8,180t	60.8%
Combustible and landfill waste	General waste		11t	0.1%
	Other (landfill waste)		70t	0.5%
	Subtotal (D)		82t	0.6%
Total (V + R + D)			13,458t	100.00%
Recycling and resource reuse rate (V + R) / (V + R + D)			99.4%	

(scope of data: Nissha production bases in Japan)

Achievement of Zero Emissions at Nissha Operations in Japan

The waste recycling and resource reuse rate for Nissha operations in Japan reached 99.9% in December 2009, and has remained stable thereafter for a rate of 99.6% and an achievement of zero emissions in the second half of fiscal year 2010. A major factor in this accomplishment was that we were able to recycle sludge from wastewater treatment facilities at the Kameoka Factory (Nitec Industries) and newly at the Kaga Factory (Nitec Precision) and convert them into raw fuel for cement.

Nissha will work to maintain zero emissions in the future as well as promote initiatives at certain bases with a lower recycling and reuse rate in an aim to achieve zero emissions at all bases throughout the group.

Status of Initiatives at Overseas Production Bases

The four production bases of Southern Nissha (Malaysia), Guangzhou Nissha, Nissha Kunshan and Nissha Korea (High Precision Plastics) generated a total 164 tons of waste.

Southern Nissha had a recycling and resource reuse rate of 94.8%, achieving its target of 87% or more. Being able to outsource recycling to an excellent contractor helped the base maintain a minimum rate of 96% throughout the second half of the year. Nissha Kunshan had a rate of 88.4%, also achieving its target of 88% or more. Though Guangzhou Nissha and Nissha Korea did not achieve their target rates, both have started to implement measures toward new targets in fiscal year 2011. Eimo Technologies, a subsidiary of Nissha USA, plans to launch initiatives to identify and reduce the amount of waste it generates.

Promotion of Material Recycling

Nissha calculates a material recycling rate for bases in Japan in an aim to improve the level of our recycling initiatives. In fiscal year 2010, we had a rate of 65.7%, achieving our target of 65%.

We have promoted the outsourcing of each item of waste to two treatment facilities in an endeavor to avoid waste-related risks. Unfortunately, this resulted in the amount of waste plastic converted into solid fuel (thermal recycling) exceeding that converted into artificial plants (material recycling), and prevented us from achieving our target in the second half of the year alone.

Although Nissha views the avoidance of waste-related risks a priority issue, we plan to select contractors with consideration to improving the level of our recycling measures.

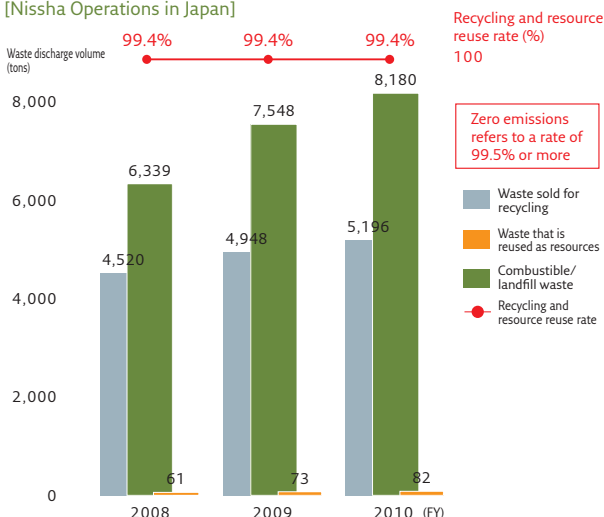
Guidelines for Waste Management Standards and Waste Risk Management

Nissha has reviewed and added items to the Waste Management Standards for business sites in Japan and set forth the Nissha Group Guidelines for Waste Management Standards. We have implemented internal audits related to environmental laws and regulations, and verified the status of waste management, based on these guidelines.

We have also created a list of all the facilities to which Nissha bases in Japan outsource waste treatment, which we use to consolidate waste management and at the same time promote the outsourcing of each item of waste to two treatment facilities in efforts to avoid waste-related risks.

Transition of Waste Converted Into Resources

[Nissha Operations in Japan]



Environment-friendly Development of New Factory Site and the Planting of "Potential Trees" to Conserve Biodiversity

The Kaga Factory (Nitec Precision) has developed the adjacent land area it acquired to construct Factory No. 5.

In developing the site, the factory not only made use of recycled macadam and asphalt but also reused all on-site resources – including excavated soil, and concrete and asphalt debris generated during construction – within the premises, without transporting them to external locations. It even used cardboard scraps as a substitute for anti-weed sheets.



Development of the site



Anti-weed sheets made of cardboard scrap



Planting of the saplings

The factory also planted within the site approximately 1,800 saplings of *Persea*, *Ligustrum* and *Raphiolepis*, which were originally indigenous to the area and thus designated by Kaga City as "potential trees" to protect the traditional natural environment. Nissha took part in the initiative in hopes it will lead to the conservation of biodiversity.



"Potential trees"

This section is a new addition to Nissha's CSR Report. The following table shows the content of value-added dividends paid to major stakeholders in fiscal year 2010. Value-added dividends for society mainly comprise the expenses incurred to conduct social contribution activities, and are calculated according to methods established by Nippon Keidanren. Nissha's current focus regarding surpluses is to effectively invest in facilities and R&D in areas of high growth to enhance enterprise value in the medium to long term.

Value-added Dividends Paid to Stakeholders

Stakeholder	Amount (million yen)	Description	Remarks
Shareholders	1,945	Dividends	Figures published in financial results
Employees	5,076	Sum of expenses for salaries, wages, bonuses, and retirement benefits	Calculated by Corporate Communications, CSR, using results of the year ended March 31, 2010 (excluding personnel expenses included in manufacturing costs)
Creditors (financial institutions)	199	Interests	Figures published in financial results
Government agencies (national, local)	4,577	Sum of taxes paid including corporation tax, inhabitant tax, and enterprise tax	Figures published in financial results
Society	17	Money and in-kind donations, provision of facilities, and employees' volunteering services converted into monetary value (using methods established by Nippon Keidanren)	Calculated by Corporate Communications, CSR
Company (Nissha Printing Co., Ltd. internal reserves)	4,989	Amount of increase in surpluses	Figures published in financial results
Total	16,803		

Dialogue with Members of the Kyoto CSR Research Society at a CSR Report Reading Workshop

Nissha's CSR report was featured for discussion at a CSR Report Reading Workshop hosted by the Kyoto CSR Research Society on November 25, 2009, at Campus Plaza Kyoto (Shimogyo-ku, Kyoto).

With an attendance of 40 including company employees in charge of CSR and members from Nissha suppliers, government agencies, research institutions and non-profit organizations, the workshop was Nissha's first opportunity to exchange dialogue with multiple stakeholders in one session.

We were able to obtain many precious views about our CSR initiatives and reports through group discussions evolving around two themes.

Themes of the CSR Report Reading Workshop

1. Roles, objectives and expectations of a CSR report
2. The present and future of Nissha's CSR initiatives

We took to heart one view in particular – that the efforts of individual Nissha employees are not coming through in our reports – and reflected this in the 2010 edition. Specifically, we included implementation items of the Third Medium-term Business Plan, and the status of their progress, in hopes that these would reveal how each Nissha employee is tackling the various issues related to CSR. We will continue in our endeavors to exchange dialogue with stakeholders and act on their feedback in the future.



On the Nissha Printing Co., Ltd. CSR Report



Katsuhiko Kokubu

Professor, Graduate School of
Business Administration,
Kobe University, Japan

CSR Activities in Tune with the Medium-term Business Plan

The significance of Nissha Printing Co., Ltd.'s activities this year lies in the company's endeavors to seek coordination between its CSR initiatives and its Medium-term Business Plan. I have high expectations of Nissha's utilization of a Balanced Score Card in managing the progress of its activities. The company's efforts toward disclosure could be further enhanced if its CSR reports contained more details about how it utilizes the card, such as the card's connection with its business plan and the company's evaluation of the card.

Communication with Stakeholders

I highly welcome Nissha's active efforts to exchange dialogue with its stakeholders, such as by participating in the CSR Report Reading Workshop, and to reflect feedback in the company's activities and reports. External communication is extremely important. Though space may be limited in printed CSR reports, disclosure on the website could help the company provide precious information to not only external but also internal individuals and entities.

Disclosure of Value-added Dividends for Stakeholders

This year's report goes beyond disclosing remuneration for directors to include Nissha's approach to distributing profits and the amounts it has paid as value-added dividends. This can be evaluated highly, as relatively few Japanese companies disclose financial information in CSR reports. A company's first social responsibility is to create value for society, so it would help if the report emphasized this aspect such as by linking the value-added dividends with the business plan, and indicating the company's perspective.

Response to Environmental Conservation

Despite Nissha's active efforts toward environmental conservation, its non-achievement of targets rather stood out this year. The setting of impractically high targets should not necessarily be a source of criticism, however, the company could explain this point in more detail. It is also important for Nissha to incorporate medium-term perspectives in reviewing its business process overall, whether it be countermeasures for global warming or waste reduction.

The Aim of Becoming a Truly Global Company

Nissha is working to become a truly global company, and I have high expectations of the company expanding its CSR activities to include overseas bases as well as those in Japan. In future reports, I recommend that the company become more aware about its comprehensive value chain, and aim to create reports that include more about its activities overseas.

Trend Meets Technology

Nissha Printing Co., Ltd. CSR Report 2010

For enquiries regarding this report:

Nissha Printing Co., Ltd.
Corporate Communications, CSR
3, Mibu Hanaicho, Nakagyo-ku, Kyoto
604-8551, Japan
Tel: +81-(0)75-823-5143
Fax: +81-(0)75-823-5344
<http://www.nissha.co.jp/english/index.html>



1. Soyseal: Indicates that the printing was done using environmentally-friendly soybean oil as an ink solvent instead of a petroleum-based solvent.
2. Butterfly mark: Indicates that the printing was done using a waterless offset printing method with no discharge of harmful liquid waste.
3. This report has been printed on paper certified by the Forest Stewardship Council (FSC certified paper).
4. Nissha is promoting green procurement.
5. Only green electricity was used in the production of this report.

This report sets environmental standards. When discarding the report, please do so in accordance with the recycling rules specified by your local town or municipality.

未来が変わる。
日本が変わる。
チャレンジ
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About the front cover of the CSR report

The front cover of this report was designed by Reinei Chou, winner of the Nissha Award at "AMUSE ARTJAM 2009 in Kyoto". The art competition recognized by young artists as a gateway to success welcomed its eighth holding in 2009. Nissha has supported young artists through the event since fiscal year 2004.

Profile of Reinei Chou

- 1981 Born in Shenyang, China
- 2007 Graduated the Nihon University College of Art Department of Fine Arts
- 2009 Completed the Nihon University Graduate School of Art Fine Arts and Design Course

Major exhibitions

- 2007 Group exhibition "Ten-kairi" at Nerima Art Museum (Nerima, Tokyo)
- 2008 Two solo exhibitions at Serikawa Gallery (Ginza, Tokyo)
- 2009 Group exhibition "Ecole de Shibuya" at NHK Fureai Hall Gallery (Shibuya, Tokyo)
Solo exhibition at Galleria Grafica Bis (Ginza, Tokyo)
- 2010 Guest exhibitor in "Showakai-ten" at Galerie Nichido (Ginza, Tokyo)
Exhibitor in "ARTJAM TOKYO 2010" at ArtJam Contemporary (Ebisu, Tokyo)
Exhibitor in "Furusato-no-fukei-ten" at Kitakata City Museum of Art (Kitakata, Fukushima)
Exhibitor in "N+N 2010 Haru-no-arashi" at Nerima Art Museum (Nerima, Tokyo)
Winning exhibitor in "Ushiku National Open Invitation Art Biennale" (Ushiku, Ibaraki)

Major awards

- 2006 Nihon University College of Art Student Encouragement Award
- 2009 Nihon University College of Industrial Technology Award
Nihon University Graduate School of Art Tokumi Sawamoto Award
"AMUSE ARTJAM 2009 in Kyoto" Sponsor Award (Nissha Award)