CSR 2016

CEO Message

Status of Nissha Business

Since our founding in Kyoto in 1929, we at Nissha have embraced the spirit of engaging in "monozukuri," or manufacturing, no others can compete with. Armed with our printing technology, we pushed beyond the boundaries of traditional printing on paper to decorate the surface of plastic products and venture into the field of touch panels. The 1990s into the 2000s, in particular, saw Nissha achieve growth in global markets.

In recent years, however, the Devices business, which has developed into our mainstay, requires an optimized portfolio of target markets, as it relies heavily on the consumer electronics industry prone to sharp fluctuations in demand. The Industrial Materials business and the Information and Communication business have not yet achieved a full recovery of performance and need to improve profitability through an accelerated reorganization of business structure. Recognizing these challenges, in April 2015 we started operation of the Fifth Medium-term Business Plan spanning a three-year period. "We will acquire and merge new core technologies into printing technologies and completely reorganize our business portfolio in global growth markets"—in line with this medium-term vision, a reorganization strategy went underway for rebuilding well-balanced business and product portfolios. In fiscal year 2016, we made progress through overseas M&A activity in the metallized paper business, the raising of growth funds in the capital market, and improved profitability in the Information and Communication business.

Nissha's CSR

The Nissha corporate mission states "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." Any company that seeks to establish a presence must achieve financial growth for itself and at the same time create value for society. We at Nissha believe that realizing the "Co-existence" articulated in our corporate mission is the very corporate social responsibility (CSR) we are required to fulfill.

Our brand statement "Empowering Your Vision" expresses the relationship of co-existence between Nissha— we who aim to realize our corporate mission—and our stakeholders. That is, both we and our stakeholders have a vision, and by mutually affecting each other toward realizing it, together we hope to create value for the future.

Promoting CSR from a Global Perspective

In April 2012, we joined the United Nations Global Compact and declared our commitment in the areas of human rights, labor, the environment, and anti-corruption. In April 2015, we established a CSR Committee and defined the target areas of our activities as basic CSR and strategic CSR.

In basic CSR, we work to conform to standards based on the global code of conduct provided by the Electronic Industry Citizenship Coalition (EICC). The EICC requires the building and operation of management systems in the areas of labor, safety and health, the environment, and ethics. Through these efforts, we aim to strengthen our foundation as a corporation with respect to environment, social, and governance (ESG), and be a company trusted by global society and chosen by our customers.

In 2014, some of our factories in Japan submitted to CSR auditing by our customers, who are major players in the electronics industry. Based on standards more stringent than those of the EICC, the auditors made many suggestions. Through company-wide efforts, however, we completed corrective action. Similar auditing conducted at another factory in 2016 uncovered far fewer instances of noncompliance, testifying to a steady reduction in CSR risks.

In strategic CSR, we work to identify material issues related to CSR toward enhancing our corporate value over the longer term. Material issues include eradication of discrimination and forced labor, respect for diversity,

promotion of safety and health, protection of the environment, and anti-corruption. While we address these challenges faced by global society in response to customer demand, our efforts in strategic CSR endeavor to go further and recognize global CSR challenges. We believe this initiative will help us grow into a company that our stakeholders will feel safe in choosing, and that it will help us create even more business opportunities.

Strengthening Corporate Governance

Recognizing corporate governance as a top management priority, we strive to ensure transparency and fairness in our business activities, thereby promoting prompt and resolute decision-making and enhancing our corporate value over the long term.

In 2008, we adopted the corporate officer system to segregate the strategy formulation and management oversight functions of the Board of Directors from the business execution function of corporate officers. And since 2007, we make active efforts to appoint independent directors to ensure transparency and fairness in our business activities, and formulate strategies and practice management oversight drawing on the insight of the independent directors. Following the election of one additional outside director in June 2016, independent directors account for 50% of our Board of Directors.

In October 2015, we formulated and disclosed a Corporate Governance Policy, presenting our approach to improving management transparency and fortifying corporate governance toward achieving sustainable growth and enhancing our corporate value. In a follow-up to this move, we established a Nomination and Remuneration Committee for drawing on the insight of independent directors to ensure objectivity and fairness in the nomination and remuneration of directors. Further, we launched efforts to evaluate the effectiveness of our Board of Directors once a year with the aim of improving its functions.

In Closing

From the 1990s onward, since Nissha operations expanded into the global arena, we have continued in our pursuit of customer satisfaction while aspiring to be a truly global company. Moving forward, we recognize that facing up to the challenges of global society is vital to our efforts in sustainable management.

The United Nations adopted a set of Sustainable Development Goals (SDGs) in September 2015, calling for all sectors around the world to contribute to the achievement of sustainability. In addition to this, we at Nissha believe it is important to listen to our stakeholders at all times and reflect your voice in our business activities.

We hope you will give CSR Report 2016 a read and offer us your candid views and advice.
We look forward to your continued guidance and encouragement in the future.

June 2016
Junya Suzuki
President and CEO
Chairman of the Board

Nissha's CSR

Approach to CSR

Toward Realizing Our Corporate Mission

The Nissha Group's CSR is to realize our corporate mission of "pursuing a mutually trustful Co-existence with society through our business activities utilizing a unique technology development, based on Printing as a core." As a specific means to realize this corporate mission, our brand statement "Empowering Your Vision" expresses the ideal relationship of co-existence between Nissha and our stakeholders—a relationship in which we mutually affect each other toward realizing our respective visions.

Basic CSR and Strategic CSR

We define the target areas of our CSR activities as basic CSR and strategic CSR. In basic CSR, we strive to reduce CSR risks by promoting compliance with the global code of conduct provided by the Electronic Industry Citizenship Coalition (EICC) as well as with customer demand. In strategic CSR, we work to enhance our corporate value over the medium to long term by determining material issues and promoting initiatives to resolve them.

Management by CSR Committee

In April 2015 we organized a CSR Committee, chaired by the president, with eight subcommittees dedicated to areas such as labor and human rights, the environment, safety and health, and corporate ethics and compliance. In addition to convening once a year, the CSR Committee conducts management reviews, and reports and offers suggestions to the Board of Directors. Each subcommittee operates a management system and works on its respective basic CSR topics and strategic CSR topics. The progress of activities is reported as needed to its secretariat. Initiatives related to strategic CSR topics, in particular, are included in Monthly Business Review (MBR) reports for steady execution as more pertinent management issues. The CSR Committee convenes once a year in the presence of the president, and members centering on the secretariat conduct management reviews.

Activities for Stakeholders

We identify the stakeholders that support Nissha operations as our customers, shareholders, employees, suppliers, and society. Toward realizing our corporate mission, we incorporate the voice of our stakeholders into business activities that contribute to a sustainable society. Both we and our stakeholders have a clear vision, and we mutually affect each other toward realizing it. Our aim is to work together and create value for the future.

＊Nissha's corporate mission and brand statement can be viewed here.
Corporate Philosophy and Nissha Brand
http://www.nissha.com/english/company/philosophy.html

CSR Management

The CSR Committee convenes once a year in the presence of the president. Members centering on the secretariat conduct management reviews, reporting important matters and offering suggestions to the Board of Directors. In fiscal year 2016, having approved the initiatives of each subcommittee, the CSR Committee identified material issues, deliberated on matters such as expansion of women's participation in business and business continuity plan (BCP) in MBR throughout the year, and managed the progress of activities. The results of the year-end MBR were reported to the Board of Directors.

The individual subcommittees of the CSR Committee, as a rule, build and operate a management system. Quality, Environmental, Information Security, and other subcommittees that already have ISO certification are working to make continuous improvements and enhance performance. Following a CSR audit conducted by our customers in fiscal year 2015, the Corporate Ethics and Compliance, and Labor and Human Rights subcommittees started operating a management system in fiscal year 2016. In the three years from fiscal year 2016 covered by the Fifth Medium-term Business Plan, we will build and operate management systems based on the EICC Code of Conduct throughout the Nissha Group including overseas bases and at major suppliers.

CSR Committee Organization Chart (Fiscal Year 2017)

CSR Committee Members
Committee Chair: President and CEO
Vice Chair: Director, Member of the Board, Senior Executive Vice President,
Senior Director of Human Resources, General Affairs and Legal Affairs
Committee members: Heads of subcommittees, general managers of business units, and heads of subcommittee secretariats
Secretary General: Senior Director of Corporate Communications
Secretariat: Corporate Social Responsibility

Subcommittee Secretariats
Corporate Ethics and Compliance Subcommittee: Corporate Legal Affairs
Business Continuity Planning Subcommittee: Corporate General Affairs
Labor and Human Rights Subcommittee: Corporate Human Resources and Employee Benefits
Environmental, Safety and Health Subcommittee: Corporate General Affairs
Information Security Subcommittee: Corporate Information Technology and Management
Trade Administration and Control Subcommittee: Corporate Supply Chain Management
Quality Subcommittee: Total Quality Management Office
Customer Satisfaction Improvement Subcommittee: Total Quality Management Office

Nissha's CSR Materiality

In order to realize co-existence with society and enhance our corporate value over the medium to long term, we strive to identify and prioritize material issues related to CSR. Individual topics are measured for impact on our stakeholders and impact on Nissha, those with high impact on both are identified as material issues, and initiatives are led by the relevant subcommittee of the CSR Committee.
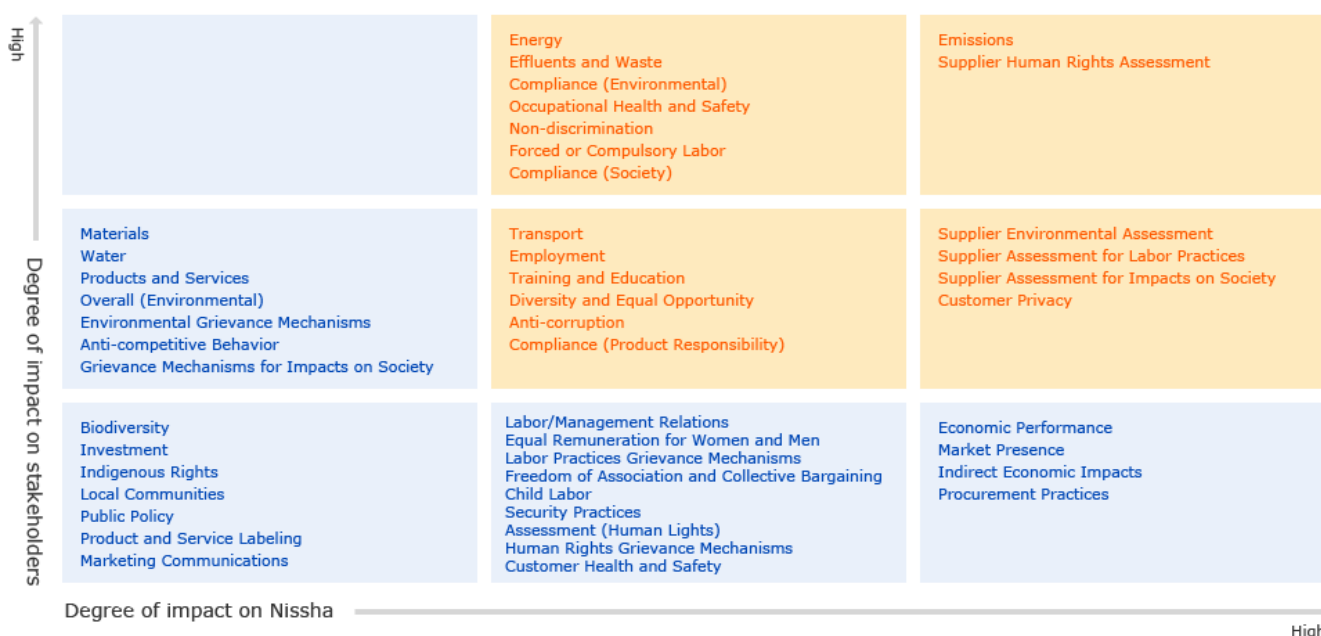
Identification of Material Issues

We use as reference the G4 Sustainability Reporting Guidelines, developed by the Global Reporting Initiative (GRI), which requires identification of material issues with impact on the company and its stakeholders, and reporting on the process of identification and the status of initiatives.

At Nissha, the CSR Committee led efforts to identify material issues in fiscal year 2016, and each subcommittee set targets and started working toward them since fiscal year 2017. The process of identifying material issues is given in the table below.

Process for Identification of Material Issues

Step 1 Identify topics	Topics with an impact on Nissha and on our supply chain are extracted, consulting the 46 Aspects of the GRI G4 guidelines.
Step 2 Prioritize	Individual topics from Step 1 are measured for impact on our stakeholders and impact on Nissha, and plotted on an analysis map. Topics are prioritized based on the degree of impact.
Step 3 Validate	Topics are validated from the standpoint of our stakeholders based on evaluation by outside experts as well as interviews with three independent directors.
Step 4 Determine materiality	Materiality is determined with approval from the CSR Committee. For priority initiatives, key performance indicators (KPI) are set for each subcommittee. Material issues will be reviewed in management reviews in FY2017, and the results will be reflected in initiatives in the following year onward.

Assessment of 46 Aspects

Degree of impact on stakeholders (High ↑)

Degree of impact on Nissha (→ High)

High / High row:
- Energy
- Effluents and Waste
- Compliance (Environmental)
- Occupational Health and Safety
- Non-discrimination
- Forced or Compulsory Labor
- Compliance (Society)

- Emissions
- Supplier Human Rights Assessment

Middle row left:
- Materials
- Water
- Products and Services
- Overall (Environmental)
- Environmental Grievance Mechanisms
- Anti-competitive Behavior
- Grievance Mechanisms for Impacts on Society

Middle row center:
- Transport
- Employment
- Training and Education
- Diversity and Equal Opportunity
- Anti-corruption
- Compliance (Product Responsibility)

Middle row right:
- Supplier Environmental Assessment
- Supplier Assessment for Labor Practices
- Supplier Assessment for Impacts on Society
- Customer Privacy

Bottom row left:
- Biodiversity
- Investment
- Indigenous Rights
- Local Communities
- Public Policy
- Product and Service Labeling
- Marketing Communications

Bottom row center:
- Labor/Management Relations
- Equal Remuneration for Women and Men
- Labor Practices Grievance Mechanisms
- Freedom of Association and Collective Bargaining
- Child Labor
- Security Practices
- Assessment (Human Lights)
- Human Rights Grievance Mechanisms
- Customer Health and Safety

Bottom row right:
- Economic Performance
- Market Presence
- Indirect Economic Impacts
- Procurement Practices

Boundaries of Material Aspects

Categories		Aspects	Boundaries	
			Inside of Nissha Group	Suppliers
Environmental		Energy	●	
		Emissions	●	●
		Effluents and Waste	●	●
		Compliance (Environmental)	●	●
		Transport	●	
		Supplier Environmental Assessment	●	●
Social	Labor Practices and Decent Work	Employment	●	●
		Occupational Health and Safety	●	●
		Training and Education	●	●
		Diversity and Equal Opportunity	●	●
		Supplier Assessment for Labor Practices	●	●
	Human Rights	Non-discrimination	●	●
		Forced or Compulsory Labor	●	●
		Supplier Human Rights Assessment	●	●
	Society	Anti-corruption	●	●
		Compliance (Society)	●	●
		Supplier Assessment for Impacts on Society	●	●
	Product Responsibility	Customer Privacy	●	●
		Compliance (Product Responsibility)	●	●

Material Issues and Subcommittee Responsible

Material Issues	Subcommittee
Compliance [1]	Corporate Ethics and Compliance Subcommittee
Non-discrimination Forced or Compulsory Labor Diversity and Equal Opportunity Training and Education Employment	Labor and Human Rights Subcommittee
Occupational Health and Safety	Environmental, Safety and Health Subcommittee
Effluents and Waste Energy Emissions Transport	Environmental, Safety and Health Subcommittee

| Customer Privacy | Information Security Subcommittee |
| Anti-corruption
Supplier Assessment [2] | CSR Committee Secretariat (cross-sectoral approach) |

*1 Compliance (Environmental), Compliance (Society) and Compliance (Product Responsibility) are summarized in Compliance.

*2 Supplier Environmental Assessment, Supplier Assessment for Labor Practices, Supplier Human Rights Assessment and Supplier Assessment for Impacts on Society are summarized in Supplier Assessment.

Nissha's Stakeholders

We identify the stakeholders that support Nissha operations as our customers, shareholders, employees, suppliers, and society. Toward realizing our corporate mission, we incorporate the voice of our stakeholders into business activities that contribute to a sustainable society. Both we and our stakeholders have a clear vision, and we mutually affect each other toward realizing it. Our aim is to work together and create value for the future.

Nissha's Circle of Trust

Customers

Nissha's businesses—Industrial Materials, Devices, Life Innovation, and Information and Communication—serve customers, centering on companies, spanning a broad range of fields.
We approach challenges seriously from the standpoint of our customers, resolve issues together, and offer optimal solutions. With a quality control system in place, we seek to produce quality products and services that win our customers' satisfaction.

◆Communication channels
Marketing activities in daily operations
Activities to enhance customer satisfaction
Information provided about CSR reviews
Information provided about conflict minerals
Products and services provided by website
Supplier responsibility (SR) audits by customers

Shareholders

We have a total of 45,029,493 outstanding shares and 8,048 shareholders. In a breakdown of shareholders by type, 30.7% are Japanese financial institutions and securities firms, 23.7% other Japanese corporations, 15.8% Japanese individuals and others, 25.1% foreign institutions and individuals, and 4.7% treasury stock (as of the end of March 2016).
In addition to disclosing information, we create opportunities to meet directly and exchange dialogue with our shareholders and investors through IR events and one-on-one briefings. Feedback and comments are reported regularly from IR representatives to management as well as at Board of

Directors meetings, and used as a valuable resource for enhancing our corporate value.

◆Communication channels
Shareholders' meetings
Management briefings following shareholders' meetings
Financial results presentations and teleconferences for institutional investors
One-on-one briefings for institutional investors
Response to individual inquiries
Various materials (reports) published for shareholders and investors
IR information provided via the Nissha website
Information for socially responsible investment (SRI) screening companies

Employees

The Nissha Group has 4,034 employees. In a breakdown by region, 64.6% work in Japan, 15.0% in Asia, 12.0% in North America, 5.0% in Europe, and 3.4% in South America (as of the end of March 2016).
We promote the creation of safe, comfortable workplaces and offer support for diverse work styles, respecting our employees' human rights diversity from a global perspective. We at Nissha believe our employees are our most important management resources, and aim to achieve growth for both the company and our employees.

◆Communication channels
Labor-management meetings
Safety and health committees
Workplace improvement committee
Education and training
Personnel evaluation and interviews
Hotline (for reporting to within and outside the company)
Harassment and mental health counseling
Awareness questionnaires and interviews

Suppliers

Nissha's global operations revolve around procurement activities and engagement with a large number of suppliers.
We strive to build partnerships of co-existence and co-prosperity with our suppliers, and create corporate value founded on integrity. We seek to evaluate our suppliers fairly, impartially, and comprehensively at all times, and promote CSR procurement.

◆Communication channels
Procurement activities in daily operations
CSR procurement briefings
ESG check sheets
CSR procurement and auditing
In-house exhibitions and seminars themed around supplier products and technologies

Society

The Nissha Group has 14 bases in Japan and 27 overseas, each of which carries out business activities with respect for the culture and climate of the region in which it operates.
We aim for widespread co-existence based on relationships of mutual trust with society. We promote communication with local communities not only to fulfill our basic responsibilities as a corporation but also to be a company that is needed by society. We strive to be aware of global social issues and play a role in resolving them.

◆Communication channels
Exchange events with community councils and community people
Factory and facility tours
Cleanup activities in factory areas
Next-generation support activities
Support and promotion of arts and culture
Social contribution activities in collaboration with NPOs
Employees' participation in volunteer activities

External Assessment

Major examples of external assessment in fiscal year 2016 are given below (Nissha Group in Japan).

Date	Certification/award	Company/base	Details
Apr. 2015	59th Kyoto Prefectural Award for Distinguished Services in Invention	Nissha Printing Co., Ltd.	Awards are presented by Kyoto Prefecture annually since 1957 to "promote the significance of invention and ingenuity, encourage developments in science and technology, and increase motivation for invention and ingenuity." Nissha Printing Co., Ltd. received the award for the invention of transfer foil used in simultaneous plastic injection molding and decoration that eliminates the need to remove soil and metal from the decorated surface and repair the mold.
June 2015	AEO Importer approval	Nissha Printing Co., Ltd.	To reinforce our trade management system, Nissha obtained approval from Osaka Customs as an AEO Importer, under the Authorized Economic Operator program.
June 2015	FY2016 Hyogo Prefectural Convention for Safety of Hazardous Materials Hyogo Association for Safety of Hazardous Materials Representative Director's Award (Excellent Place of Business)	Nitec Precision and Technologies, Inc. (NPT) Himeji Factory	The convention is held annually to raise awareness of safety concerning hazardous materials, promote voluntary establishment of safety systems, and prevent accidents involving hazardous materials. NPT Himeji Factory won recognition for safety management at facilities that handle hazardous materials and activities to prevent accidents.
Oct. 2015	Good Design Award	Nissha Printing Co., Ltd.	Aerial Switch, a wireless device developed by Nissha Printing Co., Ltd. that can be positioned freely without a power line, won a Good Design Award 2015, hosted by the Japan Institute for Design Promotion. Aerial Switch functions on minimum electricity such as that generated by solar panels. It won recognition for eliminating the need for residential wiring and thus enabling placement on glass walls.
Oct. 2015	FY2016 Kinki Regional Award for Invention	Nissha Printing Co., Ltd.	Awards are presented by the Japan Institute of Invention and Innovation annually since 1921 to "honor engineers and researchers responsible for excellent inventions, ideas, or designs." Nissha Printing Co., Ltd. received the award for the invention of transfer foil used in simultaneous plastic injection molding and decoration that eliminates the need to remove soil and metal from the decorated surface and repair the mold.
Nov. 2015	Japanese Red Cross Society Gold Medal for Merit	Nissha Printing Co., Ltd.	Medals are presented by the Japanese Red Cross Society to individuals and organizations that are long-term contributors to blood donation activities. Nissha Printing Co., Ltd. was recognized for organizing in-house blood drives once a year as well as providing donations on a continuous basis.
Nov. 2015	FY2016 Ishikawa Prefectural Residents' Traffic Safety Convention Excellent Traffic Safety Place of Business	Nitec Precision and Technologies, Inc. (NPT) Kaga Factory	The convention is held annually to promote traffic safety, enhance community comfort, and eradicate traffic accidents. NPT Kaga Factory was recognized for volunteering services as crossing guards at Kaga City Miki Elementary School during the spring and autumn national traffic safety campaigns.
	Kurumin certification as next-generation supportive	Nissha Business Service Co.,	Kurumin certification is granted to companies that meet certain requirements and that formulate and implement

Jan. 2016	company	Ltd. (NBS)	an action plan for supporting employees engaged in child-rearing. NBS was recognized for efforts to support balance between work and child-rearing.
Jan. 2016	57th National Catalog Contest: 7 awards including • Ministry of Economy, Trade and Industry—Commerce and Information Policy Bureau Director-General's Award (Gold Prize, Category 1) • Japan Chamber of Commerce and Industry Chairman's Award (Silver Prize, Category 1) • Fuji Sankei Business-i Award (Silver Prize, Category 2) 67th National Calendar Contest: 3 awards including • Japan Federation of Printing Industries Award (Gold Prize, Category 2)	Nissha Printing Co., Ltd.	A total of 10 catalogs and calendars printed by Nissha Printing Co., Ltd. won awards in the 57th National Catalog Contest and the 67th National Calendar Contest, co-hosted by the Japan Federation of Printing Industries and Japan Printing News Co., Ltd.

A list of ISO certificates obtained is given below (Nissha Group in Japan as of the end of March 2015).

Subject Areas	ISO Standards				
	ISO9001	ISO/TS16949	ISO14001	OHSAS18001	ISO27001
Nissha Printing Co., Ltd. Global Headquarters	○ *1		○ *2		○
Nissha Printing Co., Ltd. Tokyo Division Headquarters	○ *1				○
Nissha Printing Co., Ltd. Kameoka Logistics Center	○				○
Nitec Industries, Inc. Koka Factory	○		○		○
Nitec Industries, Inc. Tsu Factory			○		
Nitec Precision and Technologies, Inc. Himeji Factory	○		○		○
Nitec Precision and Technologies, Inc. Kaga Factory	○		○		○
Nitec Precision and Technologies, Inc. Kyoto Factory	○				○
FIS Inc.	○		○		
Nissha Printing Communications, Inc. Headquarters / Kyoto	○ *1				○
Nissha Printing Communications, Inc. Tokyo Division Headquarters	○ *1				○
Nissha Printing Communications, Inc. Osaka Division Headquarters	○ *1				○
Nissha F8, Inc.	○ *3				○
Nitec Printing Co., Ltd. Headquarters / Kyoto Factory	○				○
Nitec Printing Co., Ltd. Yachiyo Factory	○		○		○
Nissha Business Service Co., Ltd.	○		○		○
Eimo Technologies, Inc.	○	○			
PMX Technologies, S.A. de C.V.		○			
AR Metallizing N.V. – Genk, Belgium	○				
AR Metallizing Srl. - Casalgrasso, Italy	○				
Málaga Produtos Metalizados Ltda.- Osasco, Brazil	○		○	○	
Nissha (Kunshan) Precision IMD Mold Co., Ltd.	○		○		
Guangzhou Nissha High Precision Plastics Co., Ltd.	○		○		

| Southern Nissha Sdn. Bhd. | ○ | ○ | ○ | | |

*1. Management divisions are excluded from the scope of certification.
*2. Only management divisions and engineering and development divisions have obtained certification.
*3. Only the Kyoto site has obtained certification.

United Nations Global Compact

On April 3, 2012, Nissha Printing Co., Ltd. joined the United Nations Global Compact.   The Global Compact is a voluntary initiative based on 10 principles in the area of human rights, labor, the environment, and anti-corruption. Its purpose is to have various companies show responsible and creative leadership, and thereby act as good members of society and participate in creating a global framework for sustainable growth.

Signatory companies are required to express within and outside the company the commitment of top management, establish a CSR framework, make continuous improvements aiming for higher levels of management and CSR, and submit annual reports on the status and results of activities in the format of a Communication on Progress (COP).

At Nissha, we have in place various targets based on the 10 principles of the Global Compact and work daily toward achieving them with an eye to meeting the needs of global society. We disclose information about our activities in CSR reports, published on the Nissha website.

The Ten Principles of the UN Global Compact

Human Rights
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment
Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Website: United Nations Global Compact
http://www.unglobalcompact.org

Corporate Philosophy and Brand

Corporate Philosophy

Nissha has integrated our standards of thought, rules of conduct, and corporate mission—positioned at the apex—into a Corporate Philosophy for disseminating across the Nissha Group.

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.

Nissha Brand

Corporate Logo

"NISSHA" is our corporate logo and core visual symbol. Our corporate color is a vivid blue, and expresses strength, leadership, and innovation.

Nissha Group

All Nissha Group companies share the same Nissha Brand.

Brand Statement

Empowering Your Vision

"Empowering Your Vision" expresses the relationship of Co-existence between Nissha and our stakeholders. Both we and our customers, shareholders, employees, suppliers, and society have visions, and we mutually affect each other toward realizing it. We maximize our capabilities driven by our technology, passion, and leadership, and with the energy infused in us by our stakeholders, together create value for the future.

Brand Chart

The "Empowering Your Vision" brand symbol is inspired by the ubiquitous presence of the Fibonacci sequence in nature, such as the spiral patterns of flowers and shells. The design represents the expansion of Nissha capabilities, of the visions we realize, of the new values we create. This chart expresses our ideals of Co-existence between Nissha and our stakeholders—a relationship in which each draws the other nearer while together we unlock a world of possibilities.

Shared Values

Growth Based on Customer Satisfaction
We create new value for our customers and transform it into a driver of growth.

Commitment to Results
We set challenging goals for ourselves and deliver results.

Magnify Leadership
We exhibit leadership and resolve difficulties regardless of division or position.

Diverse Capabilities
We respect diversity that enhances our organizational capabilities and drives growth.

Sustainability Through Integrity
We value individual dignity and conduct fair business as a global corporate citizen.

Organizational Governance

We established a Corporate Governance Policy toward fulfilling our social responsibility,
achieving sustainable growth, and enhancing our corporate value.
We make continuous efforts to improve management transparency and fortify corporate governance.
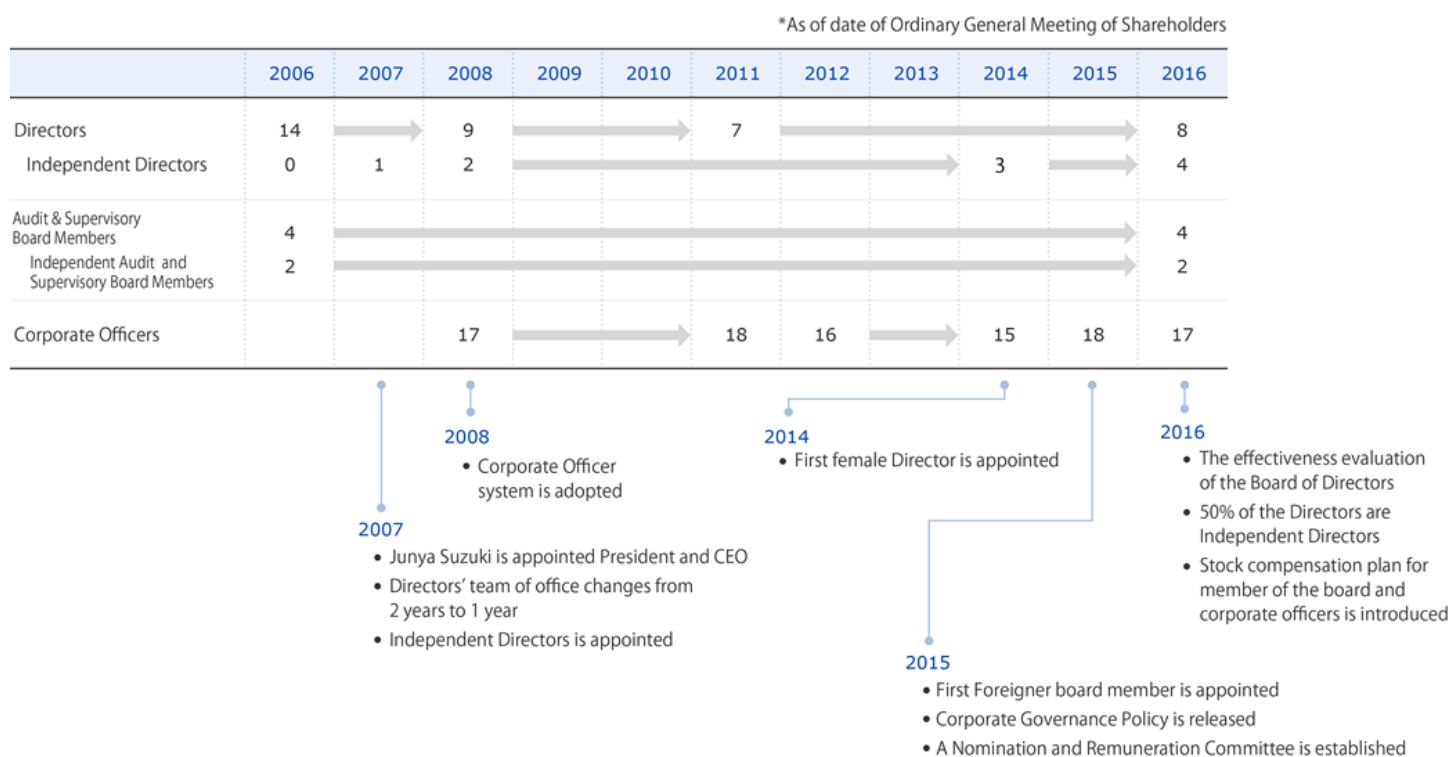
Corporate Governance

Strengthening corporate governance is a key management priority.
We are working to build and improve a structure for enhancing transparency and ensuring fairness
in our business activities, and promoting the reinforcement of internal controls.

Basic Approach to Corporate Governance

Since the company's founding, Nissha continues to execute strategies that accurately address changes in the business environment under the leadership of a strong management. We believe that fortifying corporate governance under this strong leadership promotes swift, bold decision-making and ensures transparency and fairness in our business activities. We recognize corporate governance as a top management priority and strive to maintain and improve our structure toward realizing sustainable growth and enhancing our corporate value over the medium to long term.

In an effort to clarify the Nissha Group's basic approach to and policy for implementing corporate governance, in October 2015 we established a Corporate Governance Policy.

Corporate Governance Policy (October 30, 2015)[156.5KB]

*As of date of Ordinary General Meeting of Shareholders

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Directors	14		9			7					8
Independent Directors	0	1	2						3		4
Audit & Supervisory Board Members	4										4
Independent Audit and Supervisory Board Members	2										2
Corporate Officers			17			18	16		15	18	17

2008
- Corporate Officer system is adopted

2007
- Junya Suzuki is appointed President and CEO
- Directors' team of office changes from 2 years to 1 year
- Independent Directors is appointed

2014
- First female Director is appointed

2015
- First Foreigner board member is appointed
- Corporate Governance Policy is released
- A Nomination and Remuneration Committee is established

2016
- The effectiveness evaluation of the Board of Directors
- 50% of the Directors are Independent Directors
- Stock compensation plan for member of the board and corporate officers is introduced

Overview of Corporate Governance

We have established a corporate governance structure as shown in the figure below.

Corporate Governance Structure
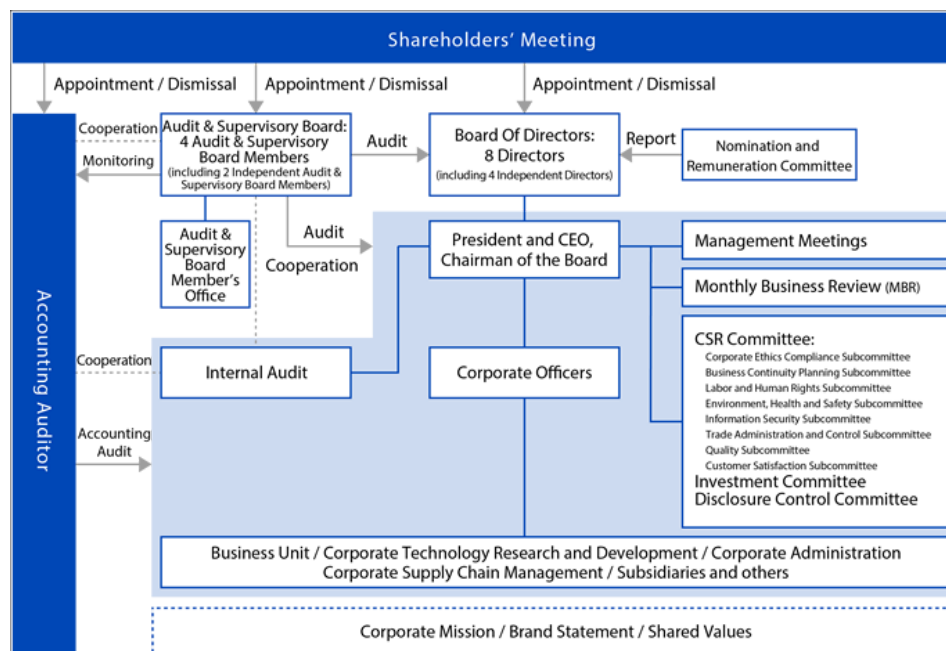
The Company's Board of Directors makes major business judgments and oversees the execution of the duties of the Directors, and as a company with an Audit and Supervisory Board, will strive to maintain and improve the oversight and checking functions by Audit and Supervisory Board Members and an Audit and Supervisory Board which are independent from the Board of Directors.

The Company adopts a corporate officer system in an effort to clarify the powers and authority in the speedy decision making and the implementation of decisions, under which the Board of Directors will be in charge of the formulation of strategies and business oversight, and the Corporate Officers will be in charge of the execution of business. In addition, the Company establishes a Nomination and Remuneration Committee as an advisory panel for the Board of Directors.

The President and CEO organize three meetings, namely the Management Meetings, Monthly Business Review (MBR), and Investment Committee, in order to implement appropriate and effective business execution. The Management Meetings include Inside Directors as core members and deliberate on matters relating to the direction of important managerial issues within the scope of the President's authority. The MBR is a meeting to determine the progress of business strategies based on KPI (Key Performance Indicators) and what actions to take over the short term. The purpose of the MBR is to oversee business execution by the Corporate Officers and to quickly respond to changes in the business environment. The Investment Committee reviews particularly important investment matters prior to submitting to the Board of Directors for approval.

The Board of Directors has formulated the Policy for Internal Control and supervises establishment and operation of the internal control system based on this Policy to enhance management oversight functions and ensure effective business execution.

We have in place a CSR Committee and a Disclosure Control Committee, both chaired by the President, as organizations for demonstrating leadership in dealing with risks to legal and appropriate business execution. Internal Audit, under the direct control of the President, conducts audits to ensure that activities of the Nissha Group including these committees are carried out appropriately and efficiently.

Directors and the Board of Directors

Our Board of Directors, currently consisting of eight members, makes important management decisions and receives reporting on and oversees the execution of business activities.
The Board of Directors convenes for regular meetings once a month and for extraordinary meetings as needed. The meetings are chaired by the President and kept dynamic through brisk, substantive discussions.
To ensure that the Board of Directors fulfills its role of making important management decisions and overseeing

business execution by directors and corporate officers, we nominate directors taking into consideration diversity and balance between the knowledge, experience, and skills of the individual. Of our eight directors, four are independent directors with one being a woman (independent director account for 50% of the board, and women 12.5%). These independent directors draw on their insight into the fields of corporate management, corporate governance, management strategy, business strategy, IT, and macroeconomics to provide accurate advice and opinions, contributing to the enhancement of management transparency as well as of the board's oversight functions. We consider that the four Independent Directors satisfy Standards for Independence Standards for Independent Directors and Audit and Supervisory Board Members prescribed by us and standards for independence of outside officers stipulated in the "Guidelines concerning Listed Company Compliance, etc." by the Tokyo Stock Exchange, hence they have sufficient independence and there is no risk of conflict of interest with general shareholders. Therefore, we have designated them as Independent Officers.

To respond flexibly to changes in the management environment and to promote the clarification of management responsibility for each fiscal year, the term of office of a Director has been set at one year.

In April 2016, we launched efforts to evaluate the effectiveness of our Board of Directors. A questionnaire covering board meetings held in FY2016 was distributed to all directors and audit and supervisory board members. The Board of Directors then analyzed and assessed the results, identified issues, and set out to address these issues toward further improving the effectiveness of the board of directors.

We have established a policy to check for transactions between the company and interested parties such as directors, audit and supervisory board members, corporate officers, and their relatives. In the event any material fact exists, the Board of Directors duly deliberate on the justifiability of the transaction and resolve the matter. The company is required to obtain approval from the Board of Directors when engaging in transactions with a director that present a conflict of interest as prescribed by laws and regulations.

Nomination and Remuneration Committee

We have in place a Nomination and Remuneration Committee as an advisory panel for the Board of Directors to ensure objectivity and fairness in the nomination of directors and audit and supervisory board members, and in determining remuneration of directors. The chairman and at least half of the members are selected from independent directors. With consultation from the Board of Directors, the committee deliberates on and provides a response regarding 1) criteria for nominating directors and audit and supervisory board members as well as policies for determining remuneration of directors, and 2) proposals for director and audit and supervisory board member candidates as well as remuneration of directors.

Audit and Supervisory Board Members and the Audit and Supervisory Board

Our Audit and Supervisory Board, currently consisting of four members, determines the duties of Audit and Supervisory Board Members, the audit structure, and the audit standards that describe the evaluation basis for audits and the action guidelines. In accordance with these, the Board develops auditing policies and Nissha Group's Corporate Governance auditing plans. Complying with these, each member attends the meetings of the Board of Directors and other important meetings, reviews approval documents and other important documents, performs visiting audits at major offices and affiliated companies, and conducts audits by exchanging opinions regularly with the President and CEO, Directors, and General Managers. The Board holds regular meetings with the Accounting Auditor, Internal Audit, and corporate division including the Corporate Finance and Corporate Legal Affairs to closely cooperate with each other and increase the audits' efficiency. In addition, the Board regularly holds the Group Meeting of Audit and Supervisory Board Members, consisting of full-time Audit and Supervisory Board Members of the Company and Audit and Supervisory Board Members of its affiliated companies, in order to strengthen and enhance audits throughout the whole Nissha Group.

We nominate Audit and Supervisory Board Members taking into consideration the individual's knowledge of financial matters, accounting, and legal affairs.

Of four members, two are full-time Audit and Supervisory Board Members, and the others are Independent Audit and Supervisory Board Members. We aim to maintain and improve the corporate governance structure by appointing certified public accountants or attorneys as Independent Audit and Supervisory Board Members and utilizing their highly professional knowledge for audits. We consider that the two Independent Audit and Supervisory Board Members satisfy Standards for Independence Standards for Independent Directors, and Audit and Supervisory Board Members prescribed by us and standards for independence of outside officers stipulated in the "Guidelines concerning Listed Company Compliance, etc." by the Tokyo Stock Exchange, hence and they have sufficient independence and there is no risk of conflict of interest with general shareholders. Therefore, we have designated them as Independent Officers.

Officers Remuneration

Remuneration for the Officers is determined within the upper limit of total remuneration approved at the General Meeting of Shareholders (not exceeding ¥430 million in total for the Directors and ¥60 million in total for the Audit and Supervisory Board Members per year).

Remuneration of Directors and Audit and Supervisory Board Members

Remuneration of directors consists of basic compensation and bonuses determined by the Board of Directors. Basic compensation is set according to the individual's position and the significance of his or her role, and reflects evaluation of the individual's degree of contribution and performance. Bonuses are based on consolidated business results (net sales, operating margin, performance of the business for which the individual is responsible, etc.) in the relevant fiscal year, and reflect evaluation of the level of target achievement. Remuneration of independent directors consists of basic compensation only, based on factors such as the individual's career. Remuneration linked to business results is not provided, as the role of independent directors is separated from business execution.

In addition to this, we are set to introduce a stock compensation plan called the Board Benefit Trust (BBT) for directors excluding independent directors. The resolution was approved at the 97th Ordinary General Meeting of Shareholders, held on June 17, 2016.

The BBT is a system linked to business results in which Nissha shares are acquired through a trust using funds contributed by Nissha, and these shares are paid to directors through the trust in accordance with a Policy on Directors' Stock Compensation established by the Board of Directors. By further clarifying the link between directors' compensation and the value of the company's shares, and having our directors experience together with our shareholders not only the benefits of a rise but also the risks of a decline in share prices, the system aims to increase awareness in directors of the importance of improving business results and enhancing the Nissha corporate value over the medium to long term. The system starts in September 2016.

Policies regarding the compensation plan above are determined by the Board of Directors in consultation with the Nomination and Remuneration Committee, in which the chairman and at least half of the members are selected from independent directors and which serves as an advisory panel for the Board of Directors to ensure objectivity and fairness.

Remuneration for Audit and Supervisory Board Members is determined through discussions among Audit and Supervisory Board Members within the upper limit of total remuneration approved at the General Meeting of Shareholders.

Title	Total Remuneration (Million yen)	Remuneration by Category(Million yen)		Number of Board Members
		Basic Compensation	Bonuses	
Directors (Excluding Independent Directors)	202	141	60	4
Audit&Supervisory Board Members(Excluding Independent Audit and Supervisory Members)	27	27	-	2
Independent Directors and Independent Audit and Supervisory Board Members	36	36	-	6

Total Remuneration and Number of Board Members (FY2016)

Corporate Officers

At present we have 17 corporate officers, each appointed taking into consideration diversity in order to flexibly adapt to changes in the business environment. Seven of the corporate officers have work experience outside the Nissha Group, and one is a foreign national. The term of office of corporate offices is for one year.

Internal Control System

Nissha Printing Co., Ltd. builds and operates an internal control system in accordance with a Policy for Internal Control formulated by the Board of Directors. The system is designed to ensure that the duties of each internal organization are carried out legally, appropriately, and efficiently toward enhancing our corporate value. To ensure reliability of financial reporting, we submit the assessment results of our internal control system in the form of internal control reports to the Prime Minister of Japan and disclose the contents to our shareholders and investors.

Policy for Internal Control

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

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

(i) The Company shall establish a "Guideline of the Corporate Ethics and Compliance" and "Code of Conduct" based on its corporate mission and Shared Values so as to comply with laws and social ethics from a global point of view.
(ii) The Company shall establish a Corporate Ethics and Compliance Subcommittee under "Guideline of the Corporate Ethics and Compliance" to carry out monitoring and educational activities to ensure compliance with laws and regulations, the Company's articles of incorporation and social norms. In addition, the Company shall appoint a Manager and Leader in charge of promotion in each business unit of the Nissha Group to establish a structure for promoting Corporate Ethics and Compliance. An "in-house reporting system" shall be established and operated, through which employees may provide information directly to the Company, while due measures are taken for the protection whistleblowers.
(iii) The Company shall elect multiple Independent Directors, Members of the Board to maintain and enhance the function of supervising the execution of duties by Directors, Members of the Board.
In addition, the Company shall establish a Nomination and Remuneration Committee as an advisory panel for the Board of Directors of the Company in order to ensure the objectiveness and fairness of the nomination of Directors, Members of the Board and Audit & Supervisory Board Members as well as the remuneration of the Directors, Members of the Board. The Nomination and Remuneration Committee shall be chaired by an Independent Director, Member of the Board and the majority of its members shall be Independent Directors, Members of the Board.
(iv) The Internal Audit Division, which is under the direct control of the President and Representative Director, shall analyze and evaluate the state of the establishment and operations of an Internal Control system, propose an improvement plan, and enrich the system.
(v) The Company shall set a basic policy to counter antisocial forces, shall not have any relationship with antisocial forces, and shall not respond to any unreasonable demands with a resolute attitude in compliance with the Regulations regarding antisocial forces, and the Nissha Group shall strive for thorough implementation of the same.

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

(i) The Company shall retain and manage information regarding execution of duties by Directors Members of the Board, including the minutes of the General Meetings of Shareholders, the minutes of the meetings of the Board of Directors and the requests for managerial decision, properly and with certainty pursuant to the laws and regulations and in-house regulations on information management, and the information shall be maintained in a condition which can be inspected.
(ii) The Company shall disclose important information on the Nissha Group timely and properly by establishing a Disclosure Control Committee which shall discuss the necessity of timely disclosure of corporate information and the contents of disclosure.

3. Rules and other systems for risk management of the Nissha Group

(i) The Company shall formulate the Basic Policy for Risk Management to specify the Nissha Group's initiatives in risk management.
(ii) The Company shall respond to the risk of managerial losses by organizing company-wide and cross-organizational subcommittees to manage the issues of corporate ethics and compliance, BCP, labor and human

rights, environment and safety, information security, trade control, product quality, and improved customer satisfaction under the CSR Committee led by the President and CEO, Chairman of the Board as the acting Committee Chairman.

(iii) Each subcommittee and the superintending division shall establish a management policy, rules, etc.; determine risk analysis, risk assessment, and related measures; conduct daily monitoring activities; and report the results of reviews to the CSR Committee.

4. Systems necessary to ensure the efficient execution of the duties by Directors, Members of the Board of the Nissha Group

(i) Through introduction of the corporate officer system, the Company shall establish functional segregation between strategy development and management monitoring functions to be undertaken by the Board of Directors and business executive functions to be undertaken by the Corporate Officers.

(ii) The Board of Directors of the Company shall approve medium-term business plans, and the Directors, Members of the Board and employees shall execute operations based on such strategic and performance plans.

(iii) The President and CEO, Chairman of the Board shall request the Corporate Officers to report the status of their execution of business and confirm whether or not the business is executed according to the plans at a monthly meeting (MBR: Monthly Business Review).

(iv) The Company shall share the status of execution of business by the Corporate Officers and the strategy implementation items to be undertaken by the organization through the use of IT to improve business efficiency.

5. Systems necessary to ensure the proper business operation of the Nissha Group

(i) The Company shall formulate the Affiliated Company Management Regulations to set basic administration policy for each company of the Nissha Group. In addition, the Company shall manage the performance of important operations of each company of the Nissha Group by designating matters requiring approval of and reporting to the Company with regard to the execution of those operations in the Regulations on Requests for Managerial Decisions.

(ii) The Company shall appoint its officers or employees to become Directors, Members of the Board and Audit & Supervisory Board Members of each company of the Nissha Group in order to ensure the proper execution of operations.

(iii) The corporate division shall manage the proper execution of operations at each company of the Nissha Group and lead and counsel it, as necessary.

(iv) The Company shall periodically convene the Group Audit & Supervisory Board meeting for the exchange of information among the Audit & Supervisory Board Members of the Nissha Group and strive to improve and strengthen the audits for each company of the Nissha Group.

6. Matters regarding employees assisting the duties of Audit & Supervisory Board Members, when Audit & Supervisory Board Members ask for appointment of such employees, and matters regarding the independence of such employees from Directors, Members of the Board

(i) The Company shall establish an Auditor & Supervisory Board Member's Office to assist the duties of Audit & Supervisory Board Members, and shall arrange for employees to be exclusively assigned to the office.

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

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

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

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

(i) The regular meetings for exchanges of opinions between the President and CEO, Chairman of the Board, Directors, Members of the Board and the Audit & Supervisory Board shall be held. The Audit & Supervisory Board Members shall also set up regular meetings with the Accounting Auditor, Internal Audit Divisions and corporate division to cooperate with them closely.

(ii) The Audit & Supervisory Board Members shall attend not only the meetings of the Board of Directors, but

also other important meetings (MBR: Monthly Business Review, etc.), and express their opinions as necessary. In addition, they shall also examine the requests for managerial decision and other important documents.

(iii) The Company shall ensure objectivity and effectiveness of audits through Independent Audit & Supervisory Board Members, including those who have considerable knowledge concerning finance and accounting or legal affairs, such as a certified public accountant or an attorney, etc.

(iv) The Company shall bear expenses necessary for the execution of duties by the Audit & Supervisory Board Members. If an Audit & Supervisory Board Member requests the Company to make an advance payment of such expenses pursuant to laws and regulations, the Company shall promptly comply with the request upon confirmation .

Risk Management

With a risk management policy in place to clarify our approach, we promote risk management to counter risks that may have a significant impact on our business activities, and to be fully prepared in the event an emergency does occur.

Having organized a CSR Committee chaired by the President and CEO and defined risks that require addressing as "any thing or situation that hinders Nissha's implementation of the corporate mission," since fiscal year 2016 we are working to reduce all conceivable risks associated with business processes, including those related to disasters, accidents, and compliance, as well as to appropriately cope with risks that have surfaced. The CSR Committee consists of eight subcommittees—Labor and Human Rights, Corporate Ethics and Compliance, Business Continuity Planning (BCP), Environmental, Safety and Health, Information Security, Trade Administration and Control, Quality, and Customer Satisfaction Improvement—each of which operates a management system from the viewpoints of basic CSR and strategic CSR.

In the area of crisis management, we have in place a set of Emergency Response Regulations stipulating that we set up a group-wide response task force headed by the President and CEO in the event of a serious interruption of business due to emergency over a certain level, such as a large earthquake or new global influenza epidemic. Furthermore, we promoted activities to enhance employee awareness about the general rules for action and response in an earthquake, such as stockpiling supplies at major bases in Japan, distributing "survival cards" listing information about what to expect and do should an earthquake strike to all officers and employees of the Nissha Group in Japan, and conducting emergency drills.

For the purpose of ensuring business continuity and maximum service to our customers, securing the safety of our employees and their families, and contributing to the restoration of communities and of society at large, we conduct desktop simulation exercises aimed at verifying the effectiveness of our BCP. In fiscal year 2016, we began formulating a Basic Plan for Business Continuity Management, and under the slogan "BCP in Action" conducted training and business impact assessment (BIA) for management and divisions that are a potential bottleneck to BCP.

Risk Management Policy

The Nissha Group strives to accurately identify the risks we face, avoid unexpected loss, and appropriately control risks, thereby ensuring business continuity and enhancing our corporate value toward realizing a mutually trustful Co-existence with our stakeholders.

1. We build and maintain a structure for responding to the various risks present in our business environment.
2. We promote risk management at the managerial level toward conducting organization-wide activities and preserving management resources.
3. In the event of an emergency, such as a situation with critical managerial consequences or a natural disaster, we work to minimize damage, resume business activities as quickly as possible, and prevent recurrence while prioritizing the safety of human lives.
4. We conduct in-house training to enhance awareness of and the ability to respond to risks, and ensure that each employ takes responsible, swift, and appropriate action.
5. We periodically review our risk management structure, including this policy, and make improvements on a continuous basis to ensure effective risk management at all times.

July 1, 2015

Junya Suzuki

President and CEO
Chairman of the Board
Nissha Printing Co., Ltd.

Initiatives of Internal Audit

Internal Audit, to maintain impartiality and objectivity in its functions, serves as an organization independent of business execution divisions in drawing up annual auditing plans, investigating whether business activities are carried out appropriately and efficiently, and offering advice and recommendations to internal organizations. Furthermore, it conducts follow-up audits to confirm how each finding that has surfaced through the audits is improving. The office makes reports and offers suggestions based on the results of its audits to the President and CEO at monthly meetings, and presents particularly important matters at Board of Directors' meetings. Moreover, it holds meetings with full-time Audit and Supervisory Board Members every three months to establish mutual cooperation with the Audit and Supervisory Board.

Audits in fiscal year 2016 focused on governance, compliance, and work processes at North American bases and at consolidated subsidiaries in Japan. Internal Audit, as a third party, also performed an independent assessment of financial reporting-related internal controls, including at subsidiaries that joined the Nissha Group through M&A, in accordance with the Financial Instruments and Exchange Act.

Corporate Ethics and Compliance

Guideline of the Corporate Ethics and Compliance

In addition to establishing a basic guideline based on the Nissha Group's Corporate Mission, Shared Values, and Guideline of the Corporate Ethics and Compliance, we set forth 13 important points for the purpose of appropriately executing the guideline. All executives and employees work to promote and thoroughly implement corporate ethics and compliance.

Guideline of the Corporate Ethics and Compliance

1. We comply with laws, social rules and internal regulations along with high ethics, and act with common senses and responsibilities.
2. We pursue the Co-existence with the Stakeholders such as Customer, Shareholder, Supplier, Society, and Employee.
3. We will immediately report and consult with supervisors or Hotline in case we find the violation or the doubtful act against "Corporate Ethics and Code of Conduct".

13 important points

Relationship with Customer and Supplier
1. Free and Fair Competition
2. Prohibition of Corrupt Practices
3. Quality and Safety of Products
4. Protection of Intellectual Property
5. Appropriate Handling of Information and Resources
6. Compliance with Import/Export Regulations

Relationship with Shareholder
7. Handling of Corporate Information
8. Compliance with Regulations against the Insider Trading

Relationship with Society
9. Environmental Protection
10. Regional/Social Contribution
11. No Relations with Antisocial Forces

Relationship with Employee
12. Respect of Human Rights
13. Safe, Healthy and Comfortable Workplace

Promotion Structure and Initiatives

All Nissha bases in Japan and abroad appoint managers and group leaders in charge of promoting corporate ethics and compliance. These managers and group leaders not only conduct training in their respective divisions but also implement corporate ethics and compliance through organizational management, serve as the contact for Corporate Legal Affairs in responding to specific cases, and even take on the role of consultant in their workplace.

We designate every October as corporate ethics and compliance month, during which we offer group-wide training. In fiscal year 2016, we conducted training by division tailored to the respective divisions' duties and the bases' laws and customs. Each division also held discussions under the major themes of respect for human rights and appropriate handling of information. Participants completed a questionnaire and were provided with feedback on the analysis results. The contents will be reflected in future training themes. For managers at overseas bases, we provided training in risk management with regard to bribery, a key issue in global compliance.

For the prevention of insider trading, we cover regulations against insider trading in our regular training programs in addition to educating employees through quarterly publications on the Nissha intranet. To promote free and fair transactions, we work to enhance employee awareness of our manual on the promotion of appropriate transactions as well as our code on exchanging information with competitors.

For production bases in Japan, in addition to group-wide training we organize independent sessions around the theme of respect for human rights, focusing more on workplace relationships including the issues of power harassment and sexual harassment.

Corporate Ethics and Compliance Structure
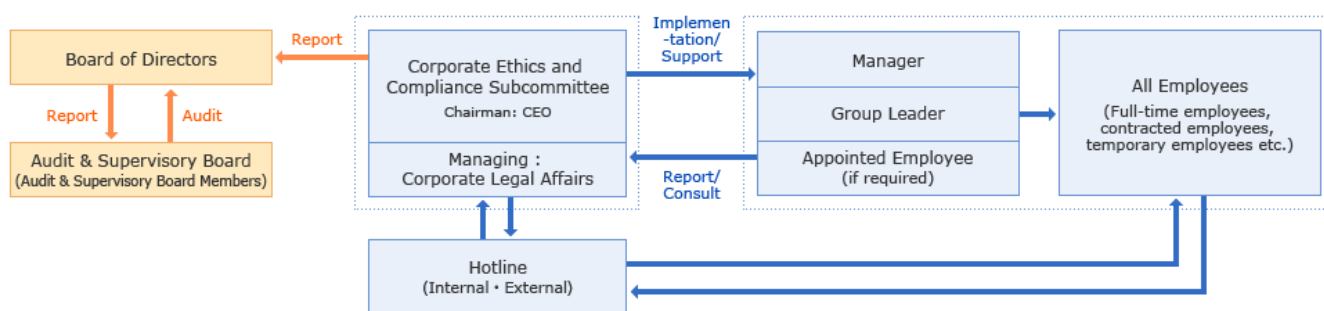
Distribution of Added Value to Stakeholders

Our distribution of added value to stakeholders on fiscal year 2016 is given in the table below.

Distribution to employees increased over the previous year due to the addition of consolidated subsidiaries. Sponsorship of events such as museum and art exhibitions are included from this year's report, in accordance with our Basic Social Contribution Policy, for an increase in distribution to society.

Distribution of Added Value to Stakeholders

Stakeholders	Amount (million yen)	Description	Remarks
Shareholders	1,284	Dividends	Figures published in financial results
Employees	6,665	Sum of expenses for salaries, wages, bonuses, and retirement benefits	Calculated by Corporate Social Responsibility, using results of the year ended March 31, 2016 (excluding personnel expenses included in manufacturing costs)
Creditors (financial institutions)	219	Interests	Figures published in financial results
Government agencies (national, local)	1,897	Sum of taxes paid including corporation tax, inhabitant tax, and enterprise tax	Figures published in financial results
Society	63	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 Social Responsibility
Company (internal reserves)	5,610	Amount of increase in surpluses	Figures published in financial results

Human Rights

In line with our Basic Policy on Labor and Human Rights,
we observe international norms and legislation,
and are working to build and operate a management system.

Human Rights

Basic Policy on Labor and Human Rights

We define Nissha's principles on labor and human rights in a basic policy toward realizing our corporate mission of pursuing a "mutually trustful Co-existence with society." The 10 principles of the United Nations Global Compact and the code of conduct provided by the Electronic Industry Citizenship Coalition (EICC) were used as reference in formulating the policy. The policy is translated from Japanese into the English, Chinese, Korean, and Malay languages for group-wide distribution.

Basic Policy on Labor and Human Rights

In order to realize a widespread mutually trustful "co-existence" with society, Nissha will observe the international norms, laws and ordinances related to human rights and labor standards and will make efforts to continually improve human rights and labor standards.

1. Child labor: We will prohibit child labor and also implement relief measures.
2. Forced labor: We will eliminate all forms of forced labor.
3. Health and safety: We will secure the health and safety of our employees and provide a hygienic workplace environment.
4. Freedom of association and the right to collective bargaining: We will guarantee the right to organize and the right to collective bargaining.
5. Discrimination: We will not discriminate based on a person's age, disability, ethnic group, gender, marital status, nationality, political support, race, religion, sexual orientation, pregnancy or membership in a union. We will also not be party to this.
6. Punishment: We will not perform physical punishment or mental or physical coercion and we will not engage in verbal abuse.
7. Working hours: We will observe the laws, ordinances and labor agreements related to working hours, rest breaks and holidays.
8. Remuneration: We will observe the laws and ordinances related to the payment of appropriate wages.

June 16, 2014

Junya Suzuki
President and CEO
Chairman of the Board
Nissha Printing Co., Ltd.

In April 2012, we joined the United Nations Global Compact, thereby declaring that we support and will make continuous efforts to practice the initiative's 10 principles in the areas of human rights, labor, the environment, and anti-corruption. We include the 10 principles in our Corporate Ethics and Code of Conduct Manual, citing "respect for human rights" as a key item. The manual is produced in the Japanese, English, and Chinese languages and distributed through regular study sessions targeting all employees. After each training session, we collect signatures from our employees confirming that they understand and will base their conduct on the contents of the manual.

Building and Operation of a Management System

We adhere to international norms and laws on human rights and labor standards, and strive for continuous improvements in the content of our activities.

Our Fifth Medium-term Business Plan (FY2016–FY2018) promotes the building of a structure for compliance with the EICC Code of Conduct at all Nissha Group bases, including those outside Japan, and at major suppliers. In fiscal year 2016, we built and started to operate a labor and human rights management system and, based on it, conducted internal audits of major Nissha Group companies. Instances of noncompliance found through the audits, such as poor awareness of the harassment help desk, have been addressed through corrective measures at each company.

The Labor and Human Rights Subcommittee identifies anti-discrimination, anti-forced labor, diversity and equal opportunities, training and education, and employment as material issues. In fiscal year 2017, it set targets in the areas of work time management, expansion of women's participation in business, and employment of people with disabilities. As can be seen, the CSR Committee leads operation of our management system toward reducing CSR risks.

Hotline

To minimize risks and promote ethical conduct and compliance, as well as to enable the company to immediately verify facts, we have in place a system for internal reporting for Nissha Group in Japan in the event of fraud, illegal activity, or unethical conduct by either an organization or an individual employee. The hotline enables reporting to within the company and outside the company (through a lawyer's office).

Our Internal Reporting Code protects informers from any unfavorable treatment by either the company or other employees on account of their reporting. We also accept anonymous reports. In fiscal year 2016, the hotline was used four times. The reports concerned the use of company facilities and the workplace environment. We are working to enhance employee awareness of this hotline through the Corporate Ethics and Code of Conduct Manual, as well as through the Nissha intranet and training, in order to further reinforce corporate ethics and compliance.

Hotline Organizational Chart
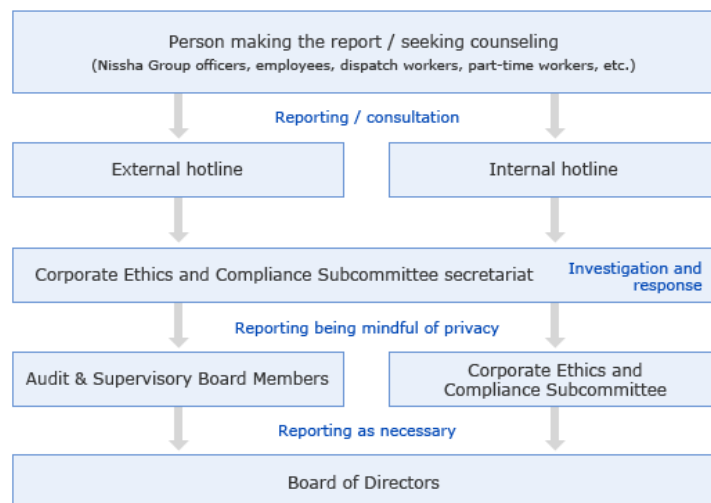
Harassment Help Desk

With the aim of preventing and resolving rifts in workplace relationships, including sexual and power harassment, on April 1, 2015, we established a help desk specializing in harassment, providing our employees with a clearer destination for discussing their concerns. In fiscal year 2016, the harassment help desk was used one time.

Fair Evaluation and Treatment

We at the Nissha Group view evaluation systems as a mechanism for ensuring consistency between the company's strategy and individuals' goals, and for determining treatment accordingly. To this end, we conduct a personnel evaluation of all full-time Nissha Group employees twice a year. The evaluations cover the level of achievement of employees' goals (accountability) and responsibility, and the results of which are reflected in bonuses, pay raises, and promotions. By organizing interviews at the time the goals are set and the results are evaluated, we strive for evaluation and treatment that are fair and convincing.

With the revision of our managerial personnel system in October 2014 and of our general personnel system in April 2015, we aim to realize a highly convincing evaluation system in which employees are rewarded for producing results.

Wage Management

The Nissha Group appropriately determines wages paid in exchange for labor in accordance with the wage regulations of each company, based on the laws of the relevant country. Our regulations do not allow for different wage levels by age or gender.

Once a year, Human Resources leads internal audits of Nissha Group companies in Japan in the areas of labor and human rights to check that prefectural requirements concerning minimum wages and work times are correctly reflected.

Freedom of Association and Collective Bargaining

Our Basic Policy on Labor and Human Rights contains the provision, "4. Freedom of association and the right to collective bargaining: We will guarantee the right to organize and the right to collective bargaining."

In fiscal year 2016, the Information and Communication business was spun off as Nissha Printing Communications, Inc. During this process, we held briefings for employees and discussions with the labor union regarding labor conditions and the coverage of the labor union following the spin-off.

With the biennial revision of the labor contract in fiscal year 2017, we plan to carry on dialogue with the labor union toward expanding women's participation in business and otherwise creating workplace environments where employees can live up to their full potential.

Relationship with Labor Union

The Nissha Group has three labor unions: the Nissha Labor Union (organized in March 1946),[1] the Nitec Industries Labor Union (March 2012),[2] and the Nissha Printing Communications Labor Union (October 2015).[3] In January 2016, these three unions formed the Nissha Group Labor Union. While one union per company is our basic approach to promoting well-disciplined organization and building sound relationships between labor and management, we recognize that regular exchange of information and coordinated action between labor unions is necessary to resolve common challenges within the Nissha Group. Based on this understanding, we at the Nissha Group have solid relationships and hold regular negotiations and discussions with our labor unions.

Nissha Printing Co., Ltd. holds regular Management Council meetings with the Nissha Labor Union, joined by employees excluding managerial staff, to negotiate and discuss employees' labor conditions and share information about the Nissha Group's business operations. Although no minimum period is set for notifying the union of significant changes in labor conditions, the company exchanges dialogue with the union on a daily basis with the aim of reaching an agreement satisfactory to both. Furthermore, we organize monthly Work System Committee meetings primarily to share information about work times and prevent large amounts of overtime work. The labor contract confirms, "the Company and the Union shall respect one another's position and maintain a peaceful relationship between labor and management as well as strive for the maintenance and improvement of labor conditions and the growth of the Company," and stipulates, "the Company shall respect the Union's right to organize, right to collective bargaining, and right to act as a group," thereby guaranteeing basic labor rights for union members.

Affiliated companies Nitec Industries, Inc. (NII) and Nissha Printing Communications, Inc. also hold negotiations and discussions about employees' labor conditions with their respective labor unions. The Workplace Improvement Committee, established by both labor and management at Nitec Precision and Technologies, Inc. (NPT), works to promote improvements in the workplace environment and in welfare benefits.

In fiscal year 2016, the Nissha Group had no report either of a strike or lockout or of a situation that infringed on our employees' freedom of association. We will continue to respect the mutual positions of both company and union, and build a sound relationship between labor and management.

*1. As of the end of March 2016, the Nissha Labor Union has a membership of 735.
*2. As of the end of March 2016, the Nitec Industries Labor Union has a membership of 462.
*3. As of the end of March 2016, the Nissha Printing Communications Labor Union has a membership of 193.

Voice of the Labor Unions

At the Nissha Group Labor Union, one union per company is our basic approach to promoting well-disciplined organization and building sound relationships between labor and management. That is, each union offers suggestions, negotiates between labor and management, and performs checks true to the characteristics of the company. While member unions build on their individual strengths, the association provides opportunities for regular sharing of information, particularly about the unique challenges of the member unions, and strives to nurture the Nissha Group as a whole.

Each member union carries over the traditional practice of regular Management Council meetings for exchanging views, questions, and reports, and always organizes extraordinary meetings for negotiating wages and labor conditions. Labor and management work hand in hand to promote work-life balance and safety and health.

Labor unions of the future should not only maintain equal, healthy relationships between labor and management but also establish value as an important partner in business operations. We believe this will lead to an invigoration of union members and an enhancement of corporate value.

Takashi Yoshioka
Executive Labor Leader
Nissha Group Labor Union

Labor Practices

Our employees are our most important management resource.

We support diverse work styles,

create workplace environments where diverse employees can live up to their full potential,

and promote human resources development.

Human Resources Development

We at Nissha believe that our employees are our 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.

Human Resources Development Policy

We implement a planned development of human resources needed for the company to grow and actively support our employees in the voluntary development of their skills with the aim of achieving growth for both the company and our employees.

Approach to Human Resources Development

We at Nissha approach human resources development from the three areas of planned human resource development, skill development, and career development. For each area, we aim to promote comprehensive education incorporating the perspectives of training system, on-the-job training (OJT), medium- to long-term career path development, and human resource systems to support these programs.

Human Resources Development Model
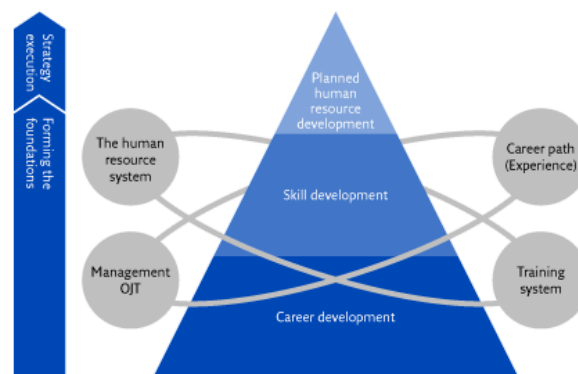
Planned human resource development
Implement planned development to foster and secure the human resources needed to achieve the management vision. (e.g., growth strategy, business continuity, creation of corporate culture)

Skill development
Individual employees voluntarily develop their skills and increase their market value.
→The company supports this and thereby enhances the quality of its human resources.

Career development
Support medium- to long-term career development and promote growth toward employees' ideals. (Provide opportunities to recognize the importance of and pursue career development.)

Training System Model

| New employees | → | Young employees | → | Mid-career employees | → | Managers | → | Executives |

Basic education for first- to third-year employees
New employee training

Rank-specific training I

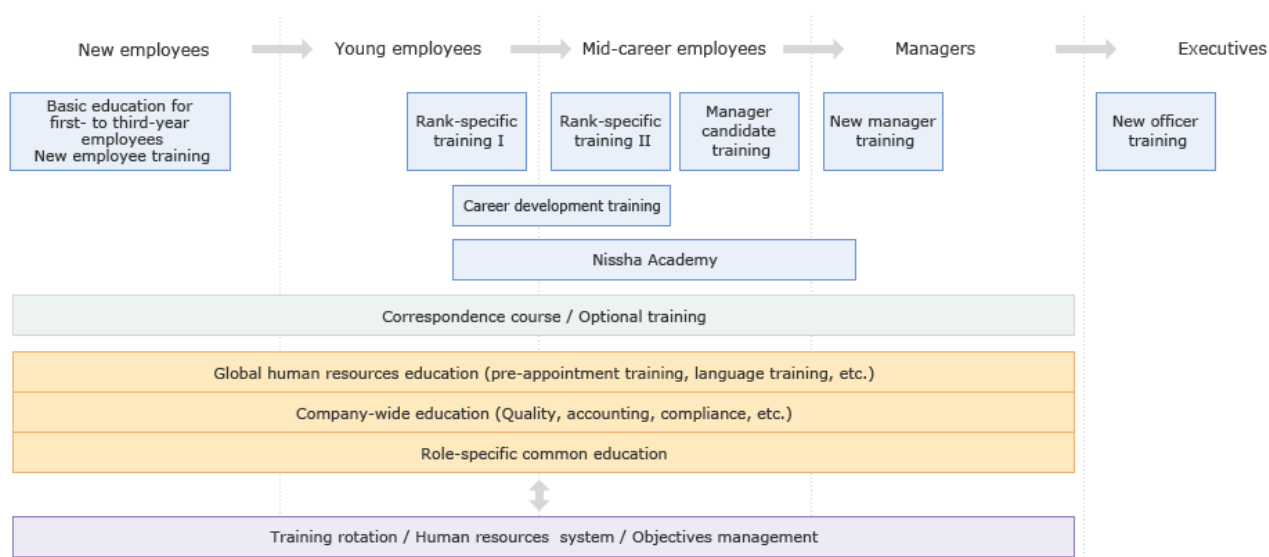Rank-specific training II

Manager candidate training

New manager training

New officer training

Career development training

Nissha Academy

Correspondence course / Optional training

Global human resources education (pre-appointment training, language training, etc.)

Company-wide education (Quality, accounting, compliance, etc.)

Role-specific common education

Training rotation / Human resources system / Objectives management

Education Programs

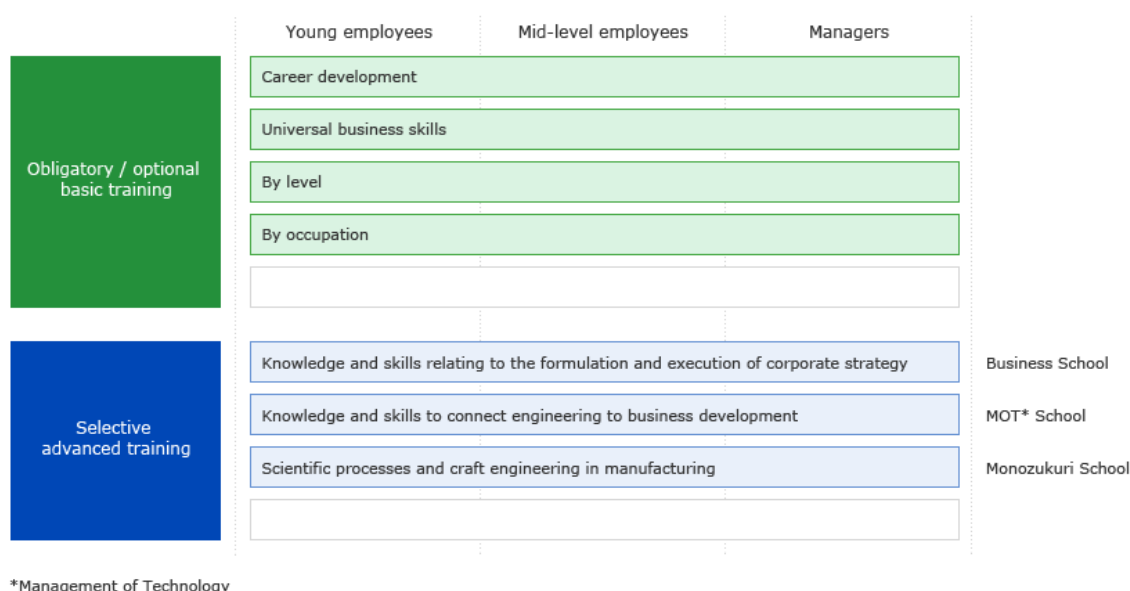| Area	Training
Planned human resource development	Nissha Academy (selective training for next-generation management candidates), rank-specific training, manager training, overseas appointee training, etc.
Skill development	Theme-specific training (leadership, problem-solving skills), foreign language training, accounting education, in-house TOEIC testing, correspondence course, etc.
Career development	Education for young employees (first, second, and third years of joining Nissha), career development training, etc.

Enhancement of Selective Human Resource Development

In fiscal year 2014, we established Nissha Academy, an in-house institute for fortifying advanced, specialized development of human resources. While we continue to expand on our rank-specific, theme-specific, and career design training programs, Nissha Academy employs a selective system to provide advanced, specialized education.

Nissha Academy comprises a Business School, which provides knowledge and skills in the proposal and execution of management strategies including accounting, finance, marketing, and human resources; a Management of Technology (MOT) School, which fosters leaders capable of linking technology with management to create new business; and a new Monozukuri School, established in fiscal year 2016, which aims to develop leaders capable of taking a strategic, scientific approach to "monozukuri," or manufacturing. Graduates of each school are given opportunities to practice what they have learned through involvement in projects and the drafting of medium-term business plans, for a consistent human resources development program that integrates all three areas of planned human resource development, skill development, and career development.

As a gateway to Nissha Academy, in fiscal year 2016, we launched business literacy training, a short-term intensive selective program covering the basics of themes such as management, accounting, and marketing. This program also goes beyond inputting knowledge to featuring practical contents, where participants apply

what they have learned to analyze the current situation of their company and discuss its challenges through group work and the creation of individual reports.

	Young employees	Mid-level employees	Managers	
Obligatory / optional basic training	Career development			
	Universal business skills			
	By level			
	By occupation			
Selective advanced training	Knowledge and skills relating to the formulation and execution of corporate strategy			Business School
	Knowledge and skills to connect engineering to business development			MOT* School
	Scientific processes and craft engineering in manufacturing			Monozukuri School

*Management of Technology

Programs to Support Employees' Will to Learn and Grow

In addition to compulsory rank-specific education programs for general employees to managerial staff, we have introduced a voluntary "challenge program" for employees aiming for promotion to the highest ranks of the general employment level. Developed in line with our personnel system's objective of enabling employees to select their own career path, the program provides opportunities to learn about leadership for employees with the will to step up in their career.

We support employees with the will to learn through other development programs as well. For example, we offer many open-call training courses, where employees may sign up for in line with their choice of personal development theme, designed to foster all-purpose business skills such as logical thinking and presentation, and develop linguistic skills required of employees of a global company. Our correspondence courses and self-learning programs via Skype encourage voluntary learning by covering half the price of subsequent courses for graduates.

Training Programs in Fiscal Year 2016

The total number of hours dedicated to major training programs in the Nissha Group in Japan and training hours per employee (by gender) in fiscal year 2016 are given in the table below.

	Male	Female	Total
Annual training hours	23,106	7,375	30,481
Training hours per employee*	11.9	17.3	12.9

*Hours are calculated based on the number of full-time employees of the Nissha Group in Japan.

Respect for Diversity

The Nissha Group has a set of Shared Values that serve as a code of behavior for Nissha People seeking to realize our corporate mission. One of those values, Diverse Capabilities, declares, "We respect diversity that enhances our organizational capabilities and drives growth." To grow as a global company, we respect diverse work styles by diverse human resources, and aim to create workplaces in which all employees can perform to their full potential.

Composition of "Nissha People"

The diversity of the Nissha Group shows in our employee composition in terms of gender, age, and employment status. More than one-third of our employees work at Nissha Group companies outside Japan. Locally hired employees are appointed to upper management positions at overseas bases. This includes the CEOs of four subsidiaries served by local hires.
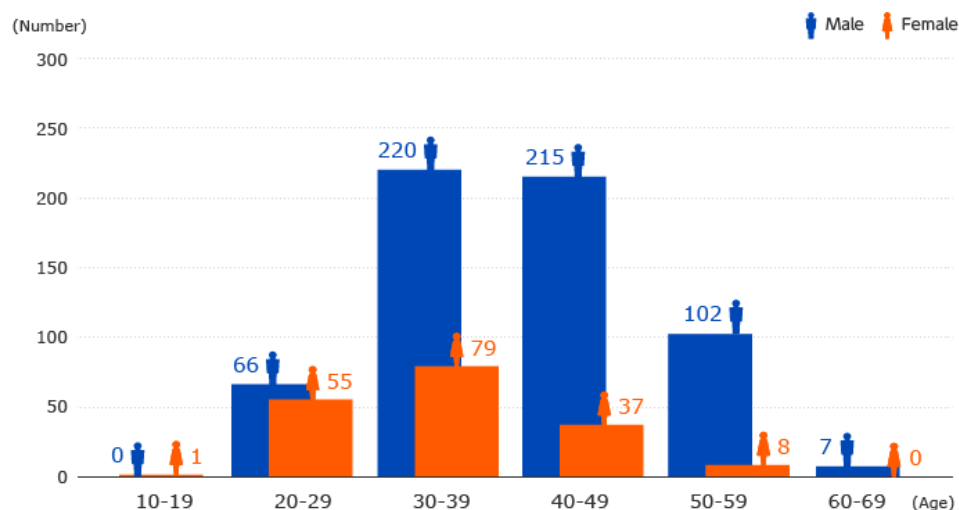
Composition of Nissha People

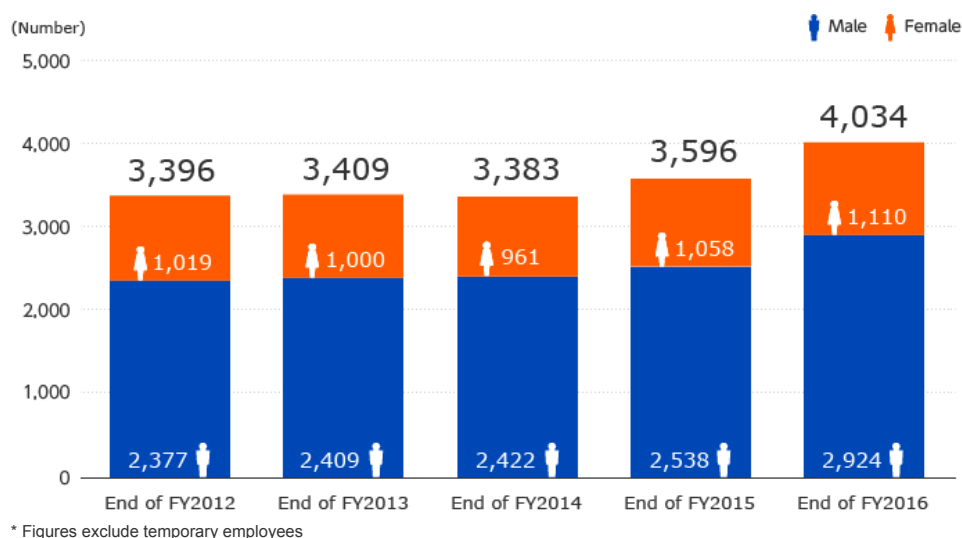| Fiscal Year	Gender	Directors	Corporate officers	Nissha fellows	Managerial staff	Employees (total)	Average age	Average years of employment
End of FY2012	Male	6	16	1	181	781	38.5	13.4
	Female	0	0	0	6	202	31.7	7.5
End of FY2013	Male	7	14	1	177	666	39.8	14.8
	Female	0	0	0	6	195	32.9	8.7
End of FY2014	Male	7	13	1	182	662	40.9	15.3
	Female	0	0	0	6	175	33.9	9.4
End of FY2015	Male	6	13	1	204	760	41.4	15.2
	Female	1	0	0	7	195	34.7	9.3
End of FY2016	Male	6	15	1	153	610	41.1	13.7
	Female	1	0	0	7	180	35.0	9.8

Note 1: Directors include independent directors.

Note 2: Employees exclude temporary employees.

Note 3: The decrease in total number of employees at the end of FY2016 owes primarily to the spin-off of the Information and Communication business as Nissha Printing Communications, Inc. on July 1, 2015.

Composition by age (Nissha Printing Co., Ltd., as of the end of March, 2016)

Male · Female

(Number)

Age	10-19	20-29	30-39	40-49	50-59	60-69
Male	0	66	220	215	102	7
Female	1	55	79	37	8	0

Number of employees (Nissha Group, as of the end of March, 2016)

Male · Female

(Number)

	End of FY2012	End of FY2013	End of FY2014	End of FY2015	End of FY2016
Total	3,396	3,409	3,383	3,596	4,034
Female	1,019	1,000	961	1,058	1,110
Male	2,377	2,409	2,422	2,538	2,924

* Figures exclude temporary employees

Composition by region (Nissha Group, as of the end of March, 2016)

Male · Female

North America 592 — Female 43.1%, Male 56.9%
South America 170 — Female 13.5%, Male 86.5%
Europe 247 — Female 13.4%, Male 86.6%
Asia 740 — Female 54.2%, Male 45.8%
Japan 3,197 — Female 21.6%, Male 78.4%
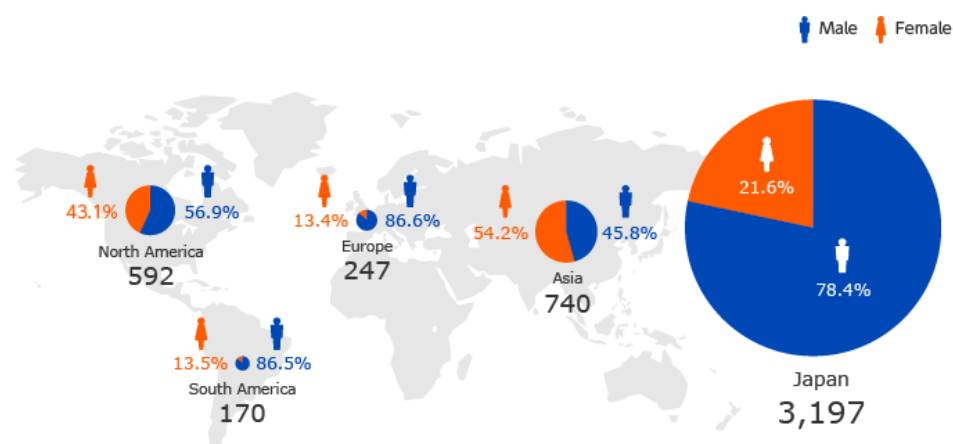
Composition by employment status (Nissha Group, as of the end of March, 2016)

Male   Female

Permanent
4,034

27.5%
72.5%

Temporary
889

32.8%
67.2%

* Figures exclude directors by a delegation agreement
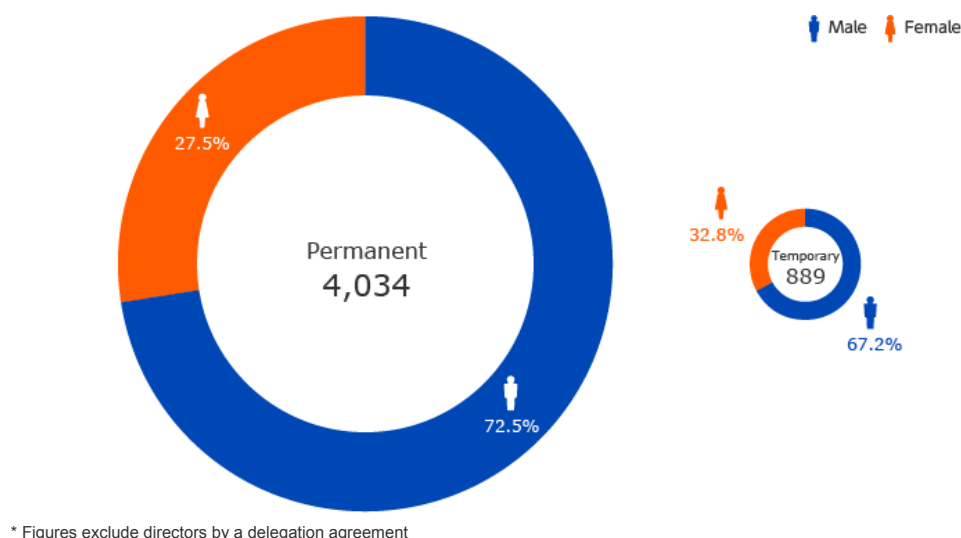
Percentage of People with Disabilities Employed at Major Group Companies

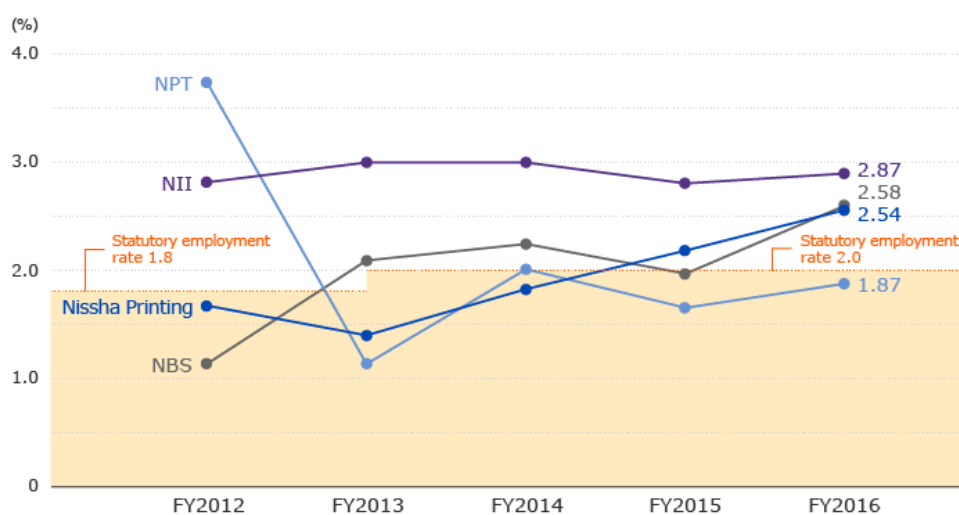Private enterprises in Japan with 50 or more employees, as a rule, are required to employ a given percentage of people with disabilities. Nissha Group companies that fall under this category each work to meet the statutory rate. At Nissha Printing Co., Ltd., Human Resources organizes regular interviews with employees with disabilities and strives to maintain an environment where they can perform to their potential. The company also has a system for appointing permanent employees taking into consideration their disability, and assigning job coaches to support the development of potential, toward long-term employment in tune with the capabilities and circumstances of individual employees.

Due to a decrease in the total number of employees with the spin-off of the Information and Communication business in July 2015, people with disabilities accounted for 2.54% of the Nissha Printing Co., Ltd. workforce as of March 31, 2016. People with disabilities employed at the company spun off, Nissha Printing Communications, Inc., numbered zero as of March 31, 2016; however, the figure increased to one in April.

Each company of the Nissha Group plans to continue making efforts to meet the statutory rate.

(%)

	FY2012	FY2013	FY2014	FY2015	FY2016

NPT

NII

Statutory employment rate 1.8

Statutory employment rate 2.0

Nissha Printing

NBS

2.87
2.58
2.54

1.87

*The statutory employment rate of people with disabilities for private companies in Japan changed from 1.8% to 2.0% on April 1, 2013.

Start of Activities toward Expanding Women's Participation in Business

True to the Diverse Capabilities cited in our Shared Values, Nissha aims to be a corporate group where employees can live up to their potential regardless of nationality, gender, or age.

Amid growing demand from society, we recognize women employees' participation in business as a particularly important priority, and to this end launched a project team led by Human Resources in July 2014. Nissha Printing Co., Ltd., Nitec Industries, Inc. (NII), and Nitec Precision and Technologies, Inc. (NPT)—three companies of the Nissha Group are subject to the Act on Promotion of Women's Participation and Advancement in the Workplace (Women's Participation Act), which came into effect in April 2016. But our activities extend beyond these three companies across the Nissha Group as a whole.

As a first step to undertaking initiatives, in fiscal year 2015 we sought to understand how women employees felt about career planning, work-life balance, and sense of fulfillment at work. We interviewed 134 women, representing about 30.0% of women employees at all of our bases in Japan, and based on the results commenced full-scale activities in fiscal year 2016.

Internal Communication and Employee Questionnaire

In April 2015, we added to our intranet a NISSHINE (Nissha + shine) section for communicating information on work-life balance support and expansion of women's participation in business. Along with an introduction to systems for supporting child-rearing and family care, the section publishes the voice of employees who have used each system, with the hope that this will acquaint other employees with and encourage them to take advantage of the systems. Since April 2016, the section also turns the spotlight on employees who shine in the workplace.

In promoting women's participation in business, we believed it was necessary to first examine degrees of job satisfaction and job awareness in all employees, including men, and gain insight into any differences in thinking and the current level of participation by women. To this end, in September we administered a questionnaire to all employees. About 70% responded "satisfied" to questions about overall job satisfaction. Questions about satisfaction in workplace relationships and content of work (ability to perform to potential; sense of fulfillment) also earned high scores.

Women showed lower awareness of advancement and promotion in general, with the lowest scores coming from those in the 20s. Compared to about 50% of men, roughly 20% of women had the ambition to be promoted to managerial roles. Men in both managerial and general employment levels preferred to have men as subordinates over women. The results provided us with a new challenge: not only is it necessary to change the awareness of women employees, it is also necessary to change the awareness of men managers.

There was no significant difference between men and women regarding broadening of work content. The responses showed that a majority of employees wanted to try various types of work. In order to realize growth for both the company and our employees, we plan to include women as well as men employees in job rotations, and work to develop multiple skills in employees.

Forum on Women's Participation in Business

In autumn, we organized a forum on women's participation in business, where some 180 women employees shared the gist and direction of Nissha initiatives. The participants held group discussions to explore the senses of value they have at work, their image of women shining at their respective workplaces in Nissha, and the support they need from the company and their superiors as well as what they could do themselves to realize that image. President Suzuki took the stage and directly delivered a heartfelt opening message about the Nissha Group's efforts toward diversity and his wish for every employee, regardless of gender or age, to be confident about their job and always strive to live up to their full potential.

The forum received positive feedback from the participants, including, "Meeting women employees I had never known before and hearing about the work they do helped me feel closer to them"; "The opportunity to talk with women from other divisions and work together toward a common goal opened up a new world for me. I met a number of women who were ideal role models"; and "I discovered that President Suzuki has the same expectations of women and men, and felt I made the right choice to join Nissha."

Training for Management

In February 2016, we organized our first training session for management, targeting department directors and positions above. As in the forum on women's participation in business, the participants shared the objectives and direction of Nissha initiatives, and then identified ways to translate the initiatives into on-site management. Crucial to managing women employees, the managers learned, was to understand that even with the same academic background, women and men perceive things differently, and it is especially important to bear this in mind when communicating with women. Feedback from the participants included, "The session provided valuable insight into the unique sensibilities of women," and even a request to "Please hurry and give the same training to group leaders who actually work with women every day." In fiscal year 2017, we plan to organize a session for all managers including group leaders and career development training for women employees.

Enhancement of Systems and Communication Tools

In April 2016, we began deliberations on establishing a system for supporting employees who wish to be reinstated at work as quickly as possible after taking child-rearing leave, for instance, by covering the expense of enrolling children in private day care service (in Japan, nonauthorized nurseries are significantly costlier than those certified by local authorities, which have years-long waiting lists). The idea is to lighten the burden on women employees, whose careers are often interrupted by life events such as childbirth and parenting.

We opened "We are Nissha People!" in August 2016, a website dedicated to introducing men as well as women employees participating in business actively in the Nissha Group.

Major Initiatives to Date

FY2015	- Launch project team - Interview women employees - Distribute Work-Life Balance Support Guidebook
FY2016	- Open NISSHINE portal site - Administer employee questionnaire - Organize forum on women's participation in business - Conduct training for management (department directors and above)
FY2017 (scheduled)	- Start deliberations on system for minimizing interruption of women employees' careers by life events - Open Nissha People Portal for introducing employees participating in business - Conduct training for management (all managers including group leaders) - Conduct career development training for women employees

Support for Diverse Work Styles

The Nissha Group has many initiatives to support diverse work styles and achieve work-life balance for employees.

Introduction of Flexible Work Hours

We have in place flexible work hours as a mechanism in which employees can voluntarily determine their own start and finish times of the working day. The aims of the system include responding flexibly to the time difference between Japan and overseas, to deadlines, and to the busy and slow hours of the working day, and enabling employees to maintain harmony between work and life. Initially introduced in sales departments, the system was expanded gradually to other divisions and today benefits employees also in development and administration.

Promotion of the Use of Paid Leave

To promote the use of paid leave, we encourage employees to take two days each under our summer and winter vacation planning systems, and offer a further two days in which employees may request to take paid leave on their birthday, that of a family member, or their wedding anniversary. As a result of ongoing efforts, the average paid leave taken exceeds 10 days per year. We plan to continue aiming for improvements in the percentage of paid leave used.

Average days and percentage of annual paid leave used (Nissha Group in Japan)
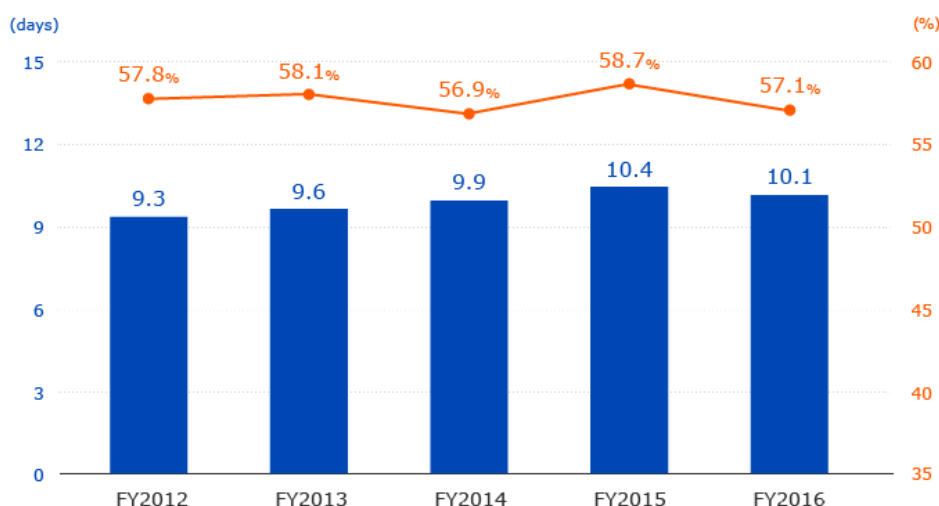
Reduction of Overtime Work

We are promoting a reduction of overtime work with the aim of encouraging employees to improve their work process and the way they manage their time, and thereby achieve work-life balance. Each month, departments that had a large amount of overtime work are questioned as to the causes, future outlook, and physical condition of employees. Should any issue come to light, measures for improvement are sought between labor and management, and the findings are reflected in personnel assignment decisions.

Honoring our labor-management agreement drawn up in compliance with Article 36 of the Labor Standards Act, twice a month we notify all divisions of overtime hours recorded up to that day, and further alert managers of divisions in which overtime hours are likely to exceed the limit stipulated in the agreement. As a result of efforts to raise awareness about overtime work, in fiscal year 2016 the amount of overtime work decreased by 6.1%

compared to the previous year, for a continuous year-on-year reduction.

In an aim to comply with the global code of conduct provided by the Electronic Industry Citizenship Coalition (EICC), Nitec Precision and Technologies, Inc. (NPT) operates a unique alert system to meet the requirement "Total hours worked should never exceed local or national standards, or 60 hours per week, whichever is stricter." The system takes a count of work hours in midweek, alerts the superior of any employee at risk of exceeding the standards, and prompts rigorous management of work hours during the remainder of the week.

The Japanese government's guidelines for promoting work-life balance set a target of reducing the percentage of employees who work overtime in excess of 60 hours per week to 5.0% by 2020. With this in mind, all Nissha Group companies in Japan will start managing work hours on a weekly basis starting in fiscal year 2017.

Child-rearing and Family Care Support

We are working to expand our support systems and enable employees to have flexible work styles in the various stages of life. By drafting an action plan and executing a range of measures based on the Act on Advancement of Measures to Support Raising Next-generation Children, many of our efforts in child-rearing support exceed statutory guidelines.

Major child-rearing support systems

Support system	Nissha Group in Japan	Statutory coverage
Shorter hours during pregnancy	During pregnancy (up to maternity leave before childbirth) Up to 3 hours per day	–
Child-rearing leave	Up to 2 years old	As a rule, up to 1 year old (1 year 6 months old when certain conditions are met)
Days off for spouse's childbirth	4 days at the time of spouse's childbirth (Special paid leave)	–
Shorter hours for child-rearing*	Up to completion of elementary school Up to 3 hours per day	Up to 3 years old By effort: Start of elementary school
Days off for child nursing	1 child: 5 days 2 or more children: 10 days Paid	1 child: 5 days 2 or more children: 10 days Either paid or unpaid
Child-rearing support fund	Amount: 150,000 yen (for each occasion below) Period • Birth • Start of elementary school • Start of junior high school • Start of senior high school • Start of technical college	–

Major family care support systems

| Support system	Nissha Group in Japan	Statutory coverage
Family care leave	Total 240 working days	Total 93 days
Shorter hours for family care*	Total 480 working days 3 hours per day	Total 93 days

Days off for family care	1 family member: 5 days 2 or more family members: 10 days Paid	1 family member: 5 days 2 or more family members: 10 days Either paid or unpaid

*We allow employees to shorten their work time by three hours. For example, employees who normally work eight-hour days may shorten their work time by three hours to five-hour days.

We also have in place a system in which employees may save up to 30 days of expired leave to be used in the event of illness, either of the employee or of a family member, and for child-rearing, family care, school events, and days on which a child's kindergarten or school is closed.

Distribution of Work-Life Balance Support Guidebook

To support our employees in achieving work-life balance, we created a Work-Life Balance Support Guidebook containing information on both in-house and outside systems for child-rearing and family care, and distributed it to all employees in October 2014. The contents are published on the Nissha intranet since April 2015, and useful information on welfare services were added in April 2016. As a result of these multiple initiatives, the number of employees who take advantage of our child-rearing and family care support systems is increasing year by year.
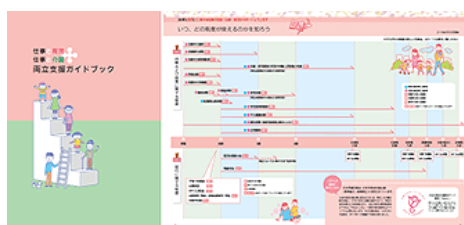
Kurumin Certification

In 2013, Nissha Printing Co., Ltd. received "Kurumin" certification for the second consecutive term, following 2009. Nissha Business Service Co., Ltd. (NBS) received certification in 2015, followed by Nitec Precision and Technologies, Inc. (NPT) in 2016.
* Use of the Kurumin Mark is permitted for companies certified as being next-generation supportive by the Minister of Health, Labour and Welfare. Certification is granted to companies that draw up and implement a medium-term action plan, and submit it to their prefectural labor bureau.

Kurumin Logo

The number of employees who used child-rearing leave, worked shorter hours for child-rearing, and took days off for child nursing are given in the graphs below. All numbers are on the rise, and male employees are using the systems on an ongoing basis.

Number of employees who used child-rearing leave

Male Female

FY2012	FY2013	FY2014	FY2015	FY2016
38 / 1	37 / 1	39 / 1	44 / 5	49 / 4
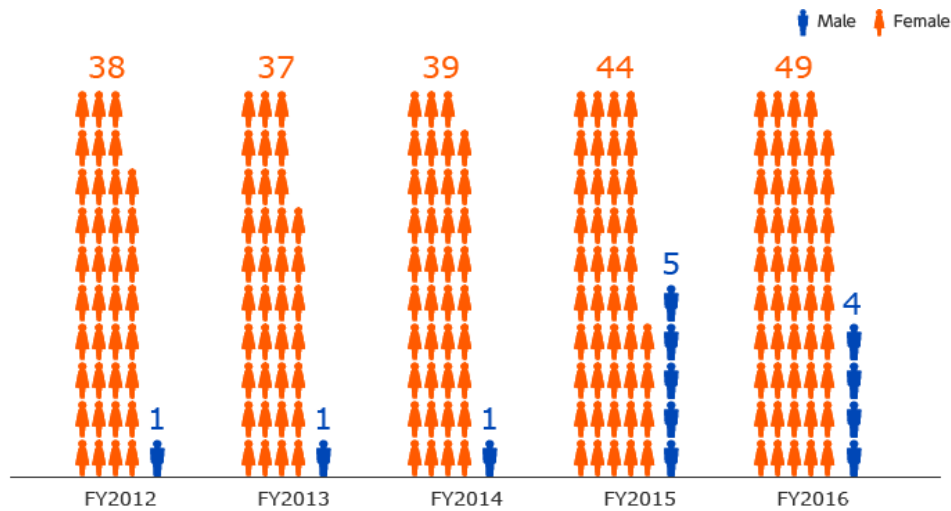
Number of employees who worked shorter hours for child-rearing

Male Female

FY2012	FY2013	FY2014	FY2015	FY2016
31 / 5	33 / 2	37 / 3	41 / 4	55 / 6
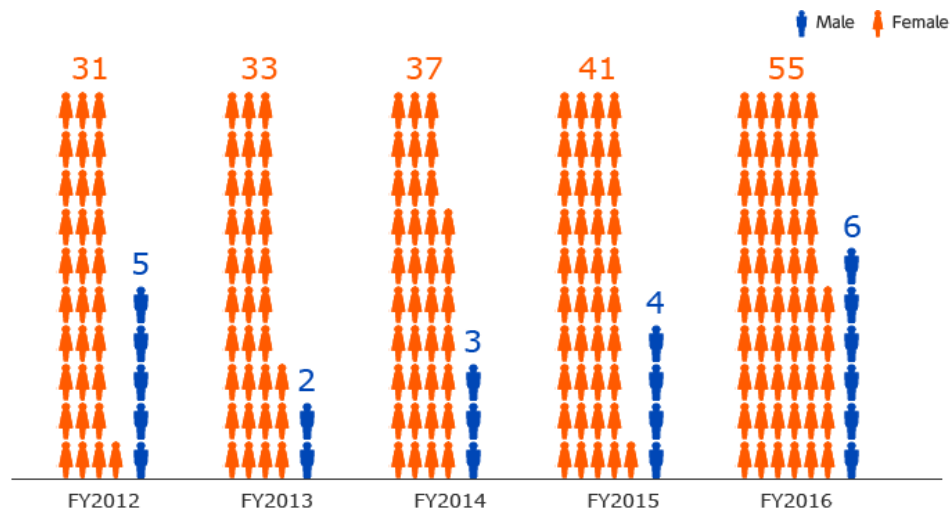
Number of employees who took days off for child nursing

Male Female

FY2012	FY2013	FY2014	FY2015	FY2016
34 / 11	42 / 18	41 / 12	42 / 26	49 / 49
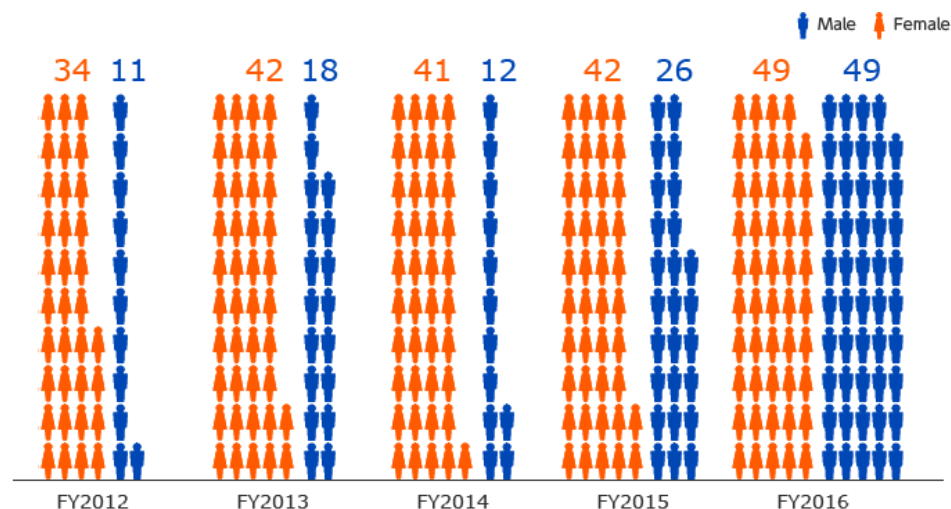
Reinstatement rate after child-rearing leave: Male 100%, Female 100%

Reinstatement rate = Number of employees reinstated after child-rearing leave in the current fiscal year ÷ Number of employees expected to be reinstated after child-rearing leave in the current fiscal year x 100

Retention rate after child-rearing leave (1 year): Male 100%, Female 100%

Retention rate = Number of employees remaining on March 31 the current fiscal year after being reinstated after child-rearing leave in the previous fiscal year ÷ Number of employees reinstated after child-rearing leave in the previous fiscal year

Number of employees who used family care leave

The number of employees who used family care leave, worked shorter hours for family care, and took days off for family care are given in the table below. We are making efforts to raise employee awareness of our efforts to support diverse work styles in an aging society by distributing the Work-Life Balance Support Guidebook containing information on both in-house and outside systems for family care, and publishing the contents on the Nissha intranet.

Support system	Gender	FY2012	FY2013	FY2014	FY2015	FY2016
Family care leave	Male	1	0	0	0	0
	Female	0	0	0	0	0
Shorter hours for family care	Male	0	0	0	0	1
	Female	0	1	0	0	0
Days off for family care	Male	0	0	4	1	4
	Female	2	2	2	2	4

Support for Reinstatement after Long-term Leave

For employees reinstated at work after long-term leave due to illness or injury, we have Reinstatement Support Bylaws that stipulate the consideration to be taken by workplaces according to the condition of the employee's health in an aim to prevent recurrence of the illness or injury and achieve a smooth return to work. To offer support also in terms of work style, we arrange periodic consultations with an industrial physician to confirm the considerations necessary in the workplace, and have a system in which reinstated employees may shorten their work time by up to two hours per day for a period of six months.

Work at Home System

In fiscal year 2015, we introduced a work-at-home system with the aims of promoting harmony between employees' work and life, and improving their work efficiency. The system enables employees living with a child before completion of elementary school and employees providing family care to work at home either on two days a week or for a number of hours a day. In fiscal year 2016 a total of six employees used the system (one during pregnancy, four for child-rearing, and one for family care).

Outpatient Sick Leave System

In fiscal year 2016, we introduced an outpatient sick leave system with the aim of supporting employees who require long-term outpatient treatment to continue working. The system enables employees with specified disorders to take 10 days off per year for treatment. One employee used the system in fiscal year 2016; the figure has increased to two since April 2016.

Internal Job Posting System

The Nissha Group introduced an internal job posting system in fiscal year 2012 with the aim of providing employees with the opportunity to choose their own career path as well as appoint employees to positions that

reflect their aptitude and thereby enhance our organizational strength. The company posts specific job openings internally, employees who meet the criteria apply for the job of their own will, and those who pass the screening are transferred to the relevant post. Employees who have transferred through the system are playing an active role in their new division.

Status of utilization

Fiscal Year	FY2012		FY2013		FY2014		FY2015		FY2016	
Number of job posting	21		7		33		27		8	
Successful applicants (transferees)	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	3	2	6	4	3	2	3	3	1	0

* Job openings posted twice a year up to FY2015, and once a year since FY2016

Awarding system

The Nissha Group has in place various awarding systems that aim to reward praiseworthy endeavors and create a setting in which the employees responsible for the endeavors influence and motivate the company and organizations as a whole. In fiscal year 2013, we reviewed the contents of our awarding systems.

From fiscal year 2013 to fiscal year 2016, as many as 416 employees received the most prestigious President's Award, 169 employees the Top-Line Award recognizing contributors to sales expansion, and 440 employees the Nissha People Award celebrating workplace stars who epitomize our Shared Values and Code of Conduct. The awards are presented globally across the Nissha Group, with recipients including employees at overseas bases.

Every two years, we also organize Technology Presentation Meetings with an eye to discovering and recognizing excellent technologies with great potential, and ultimately inspiring our engineers.

Safety and Health

Occupational Safety and Health Policy / Safety and Health Objectives

The Nissha Group has in place a Occupational Safety and Health Policy declaring that we position the safety and health of all involved in our business activities as a top management priority. We promote thorough awareness of this policy through postings on the Nissha intranet and at each base, and draw on it as a guide for various activities. The results of our efforts are reviewed, reflected in safety and health objectives set each year, and used as a base for further initiatives.

Occupational Safety and Health Policy

Nissha recognizes that ensuring the safety and health of all people engaged in our business activities is a top management priority for the continuity and development of our operations, and to this end, commits to the following practices.

1. We promote the participation of all in creating comfortable workplace environments and developing sound physical and mental health.
2. We pursue Co-existence with society in compliance with relevant laws and regulations, and with the requirements agreed upon by Nissha of local communities, public institutions, and our customers.
3. We strive for continuous improvement in occupational safety and health standards through the operation of management system.

This policy will be distributed widely to all people in the Nissha Group as well as released to the general public.

November 6, 2014

Junya Suzuki
President and CEO
Chairman of the Board
Nissha Printing Co., Ltd.

Safety and Health Management System / Safety and Health Subcommittee

The Safety and Health Subcommittee of the CSR Committee, responsible for the safety and health activities of the Nissha Group, reports on the targets and progress of activities carried out in line with our Safety and Health Management Manual, on safety and health performance such as occurrence of work-related accidents, and on internal audits and corrective measures based on the audits. It reviews whether our management system is functioning effectively, oversees the Safety and Health Committees operated by each base, and works to standardize and upgrade initiatives throughout the Nissha Group.

The Safety and Health Committees of each base consist of base representatives including a safety manager and health manager, and employee representatives selected from the labor union and from each workplace. The members meet to report on work-related accidents and corrective measures on them, and to exchange views and propose measures for improvement toward realizing a safe and comfortable workplace.

The Safety and Health Subcommittee was integrated with the Environmental Subcommittee and reorganized in fiscal year 2017 as the Environmental, Safety and Health Subcommittee. The new organization will work to merge the previously separate management systems toward improving the level of management under a common method and fulfilling its responsibility for corporate governance.

Safety and Health Management Structure
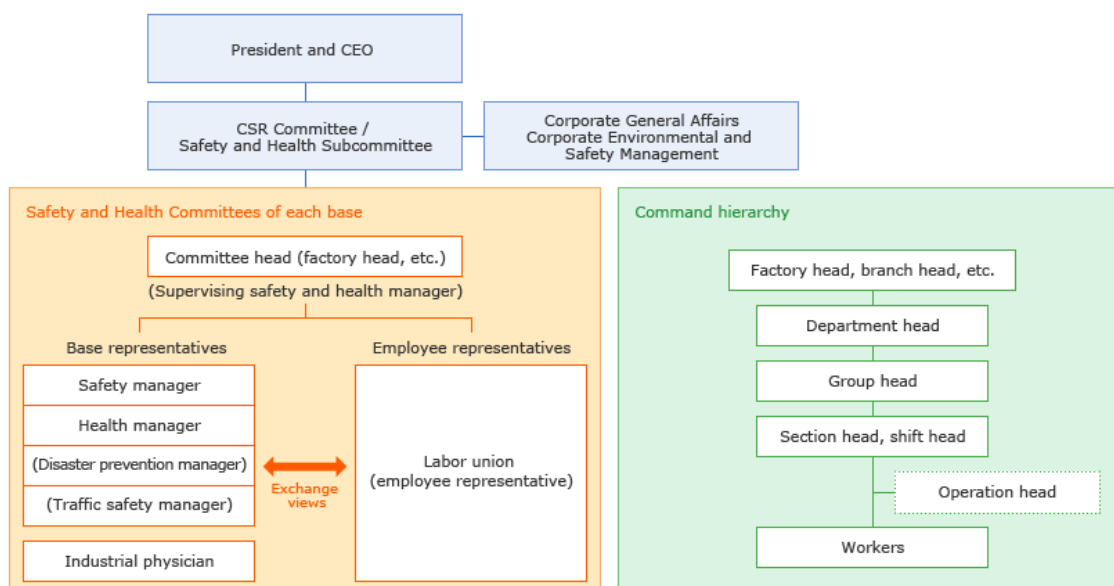
Reduction of Workplace Risks – Risk Assessment

We continue in our efforts to conduct point-based evaluations of the dangers and harms that production equipment and chemical substances used in the workplace may have on workers, and to take measures starting with the highest risks. Based on the results of risk assessment, we work to identify the remaining risks and reflect them in our management efforts. We have also organized and introduced in relevant bases a set of internal standards to assess the risks of chemical exposure ahead of mandatory requirements coming into effect in June 2016.

Safety Patrols

Members of the Safety and Health Committees of each base take the lead in conducting safety patrols of workplaces. In addition to regular monthly patrols, heads of each base carry out special safety patrols during national safety week in July toward enhancing workplace awareness about safety. In fiscal year 2016, we provided safety patrol training for workplace promoters of safety and health. Employees who had acquired a certain level of knowledge were registered as certificate holders and participated in the patrols, identifying problems with fresh pairs of eyes and striving to create safe and comfortable workplaces.

Occurrence of Work-related Accidents

Cut-wound accidents from tools such as retractable utility knives increased in fiscal year 2016. Many cases resulted in zero days of leave. Although the number of injuries or casualties increased over the previous year, those resulting in four or more days of leave decreased for a reduction in both the frequency and severity of work-related accidents.

Occurrence of Work-related Accidents (Nissha Group in Japan)

Item	FY2012	FY2013	FY2014	FY2015	FY2016
Number of work-related accidents	23	21	16	17	26
Frequency of work-related accidents[1]	0.16	1.15	0.00	0.77	0.66
Severity of work-related accidents[2]	0.03	0.06	0.00	0.04	0.02

Number of working days lost	248	434	16	284	139

*1. Frequency of work-related accidents: Refers to the number of injuries and casualties resulting from work-related accidents (four or more days of leave) per one million working hours

*2. Severity of work-related accidents: Refers to the severity of work-related accidents in terms of the number of working days lost per one thousand working hours

Definitions from work-related accident statistics, Ministry of Health, Labour and Welfare

Number of Work-related Accidents (Nissha Group in Japan and major overseas production bases, by gender)

	Total	Male	Female
Japan	26	21	5
North America	8	3	5
South America	2	2	0
Europe	1	1	0
Asia	4	3	1
Total	41	30	11

* Overseas figures represent accidents that resulted in days of leave

Safety and Health Education and Training

We provide education and training required in workplaces based on our Safety and Health Education and Management Regulations. In fiscal year 2016, we conducted training with the aim of fostering workplace promoters of safety and health, and training in procedures for handling and assessing the dangers and risks of chemical substances. Employees holding certificates for completing advanced lifesaving training offered by the fire department conducted lessons in CPR methods such as AED and chest compression.

Prevention of Lifestyle Diseases

We are carrying on with our efforts in exercise, diet, and smoking cessation as countermeasures for metabolic syndrome with the aim of preventing lifestyle diseases. In fiscal year 2016, we organized health courses by an industrial physician and an original event for gauging blood-vessel age toward promoting healthy dietary habits. In the health courses by an industrial physician, titled "creative eating to preserve youth," participants learned the effects of food on the body, tips to reducing salt consumption, and ideal food portions. In the event for gauging blood-vessel age, employees received an explanation of their measurement results along with advice on improving dietary and lifestyle habits using a specially prepared

Event for gauging blood-vessel age

leaflet. Both sessions proved to be a good opportunity to reflect on lifestyle habits and gain knowledge about preventing vascular diseases such as arteriosclerosis. For promoting smoking cessation, we continue to organize Smokerlyzer events to measure the level of carbon monoxide in smokers' breath.

As a high-risk approach, we further undertook measures to maintain health by recommending visits to a medical institution to employees who required either detailed examination or re-examination as a result of their health checkup, and provided specific health guidance with support from a designated medical institution to employees who required it as a result of their health checkup.

Mental Health Support

"Employee-friendly Workplace" page in Nissha internal newsletter

As part of our mental health support offering, we organize mental health education by a clinical psychologist since fiscal year 2010, and introduced surveys on coping with work-related stress in fiscal year 2013 ahead of a mandatory stress check system coming into effect in December 2015. The survey results have been useful in self-care by helping employees identify and cope with their own stress. In fiscal year 2015 we provided line care education about supporting the process of improving workplace environments for mental health. And in fiscal year 2016 we sought pilot workplaces for administering general checkups with the aim of creating employee-friendly workplaces from the bottom up. The checkup teams first identified the good points of each workplace, the points that require improvement, and the reasons for improvement, then formulated a plan based on the members' input, and set to work, topic by topic. Ideas for creating employee-friendly workplaces are also published in our internal newsletter to familiarize employees with the concept. In future, we hope to spread the initiative across Nissha Group companies.

As for support on a personal level, we have an outside web counseling service through which a specialized counselor offers mental health advice online. Being accessible even to employees who are too busy to make an appointment and offering the benefit of privacy protection, the service is used several times each year.

For employees who work long hours, our healthcare staff and industrial physicians offer consultation to understand their health condition and work with their supervisor and the human resources division to provide required follow-up guidance.

Also, for employees who require special attention in terms of mental health, we follow our Long-term Leave Regulations and offer time to recover from their condition as well as consideration in the workplace upon reinstatement, in an aim to prevent recurrence and achieve a smooth return to work. We will carry on promoting collaboration between each division, the human resources division, and our healthcare staff in efforts to create comfortable workplaces.
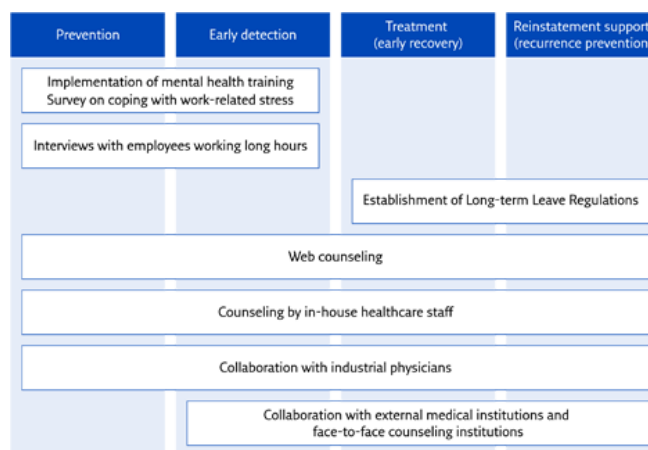
Mental health support structure

The Environment

We strive to reduce environmental risks, prevent pollution,
and create opportunities in line with our Environmental Policy
that aims for "business development and the realization of a sustainable society."

Environmental Policy and Management Structures

The Environmental Subcommittee and Safety and Health Subcommittee of the CSR Committee were integrated and reorganized in April 2016 as the Environmental, Safety and Health Subcommittee. Our aim is to merge the previously separate management systems and realize a higher level of management suitable to our business operations.

The Environmental, Safety and Health Subcommittee's responsibility in corporate governance involves strategic CSR activities based on materiality toward enhancing our corporate value over the medium to long term. In basic CSR, it seeks to build and maintain a structure for conforming to global standards such as that provided by the Electronic Industry Citizenship Coalition (EICC) and promote risk management in the areas of the environment and of safety and health toward strengthening the foundation of the Nissha Group.

Activities include building an environmental management system (EMS) based on ISO14001 at all bases of the Nissha Group in Japan. The Environmental, Safety and Health Subcommittee comprises management covering general supervision, the director of Corporate General Affairs in Corporate Administration in charge of EMS management, and Environmental, Safety and Health Subcommittee members selected from each division and factory. The Environmental and Safety Management group in Corporate General Affairs functions as secretariat and operates the subcommittee. It conducts internal environmental audits and management reviews toward the continuous improvement of our EMS, and receives ISO14001 certification inspections to assess and improve EMS effectiveness.

Our Environmental Policy aims for both business development and the realization of a sustainable society. We are working to familiarize the policy widely throughout the company via the Nissha intranet as well as promoting the policy among all employees by posting it at each base of the Nissha Group. Toward achieving our environmental objectives, which serve as group-wide medium-term objectives, each factory and organization sets its own environmental targets, and creates and implements an action plan. These environmental targets are linked to quality targets and key performance indicators (KPI) so that they relate directly to everyday tasks.

Overseas offices of the Nissha Group obtain ISO14001 certification individually and undertake initiatives to build and maintain a structure in conformance with global standards such as the EICC Code of Conduct. In future, we plan to expand our integrated environmental, safety and health management system to cover Nissha overseas bases.

Environmental Policy

Nissha and its subsidiaries, as members of the global society, aim for business development and the realization of a sustainable society through environmentally conscious corporate activities.

1. Prevention of Pollution
We comply with legal requirements and agreements with society, and strive to prevent environmental pollution in all aspects of our corporate activities such as product development, design, materials, production, sales, and facilities.

2. Product Safety
We fulfill promises with our customers and deliver safe and environmentally conscious products.

3. Prevention of Global Warming
We make a contribution to prevention of the global warming by efficient using of resources and energy.

4. Continuous Improvement
We strive for continuous improvement by establishing an environmental management system and reviewing it in response to changes in the business environment.

5. Co-existence with Society

We promote open dialogue with our customers, shareholders, suppliers, employees, and society through our efforts to preserve the global environment.

April 1, 2012

Junya Suzuki
President and CEO
Chairman of the Board
Nissha Printing Co. Ltd.

Continuous Improvements in the Environmental Management System (EMS)

Management by ISO14001 Certification and Non-certified Sites

We operate an effective EMS that focuses on key management items at each site. The scope of application extends to all Nissha bases—not only major production bases but also small production bases and sales bases with little impact on the environment. By dividing EMS sites into ISO14001 certification sites and non-certified sites, we aim for management that sets meaningful priorities in tune with the actual circumstances of each site.

ISO14001 certification sites, which are also our major production bases, carry on implementing a unique environmental risk assessment process based on environmental hazards, taking into account the risks of a suspension in factory operations. In fiscal year 2016, Nitec Precision and Technologies, Inc. (NPT) Kyoto Factory and the design and development divisions of our Industrial Materials business and Devices business obtained ISO14001 certification. In fiscal year 2017, FIS Inc. will be transferred into the scope of application of the Nissha Group EMS and receive inspection for ISO14001 certification. We built a leaner audit structure in fiscal year 2016 combining environmental with safety and health internal audits, and plan to continue these efforts in fiscal year 2017.

Our environmental risk assessment process involves two pillars of activity: managing negative risks, and managing positive risks including the improvement of environmental performance in sync with business targets and quality targets.

Compliance with Global Standards

Demand is rising in recent years for compliance with the EICC Code of Conduct and, based on this, unique codes of conduct developed by customers operating in the global market. In fiscal year 2016, we promoted efforts to live up to global standards based on ISO14001 in the three categories of EMS sites given below.

1. Sites of conforming to the codes of conduct provided by our customers and by the EICC
2. ISO14001 certification sites
3. Compliance inspection sites (ISO14001 non-certified sites)

In fiscal year 2017, we plan to promote integration of our environmental management system with our safety and health management system, and expand coverage throughout the Nissha Group as an environmental, safety and health management system reflecting the codes of conduct provided by our customers and by the EICC.

Nissha Environmental Management Structure

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                    ┌─────────────────────┐
                    │  President and CEO   │
                    └──────────┬──────────┘
                               │
                    ┌─────────────────────┐
                    │    CSR Committee     │
                    └──────────┬──────────┘
                               │
┌──────────────────────────────────────────────────────────────────┐
│        Environmental, Safety and Health Subcommittee              │
│                      ( Held quarterly )                            │
│  ┌────────────────┐  ┌────────────────┐  ┌────────────────┐        │
│  │ Environmental, │  │ Environmental, │  │ Environmental, │        │
│  │ Safety and     │  │ Safety and     │  │ Safety and     │        │
│  │ Health         │  │ Health         │  │ Health         │        │
│  │ Subcommittee   │  │ Subcommittee   │  │ Subcommittee   │        │
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Energy Management and Environmental Communication Structures
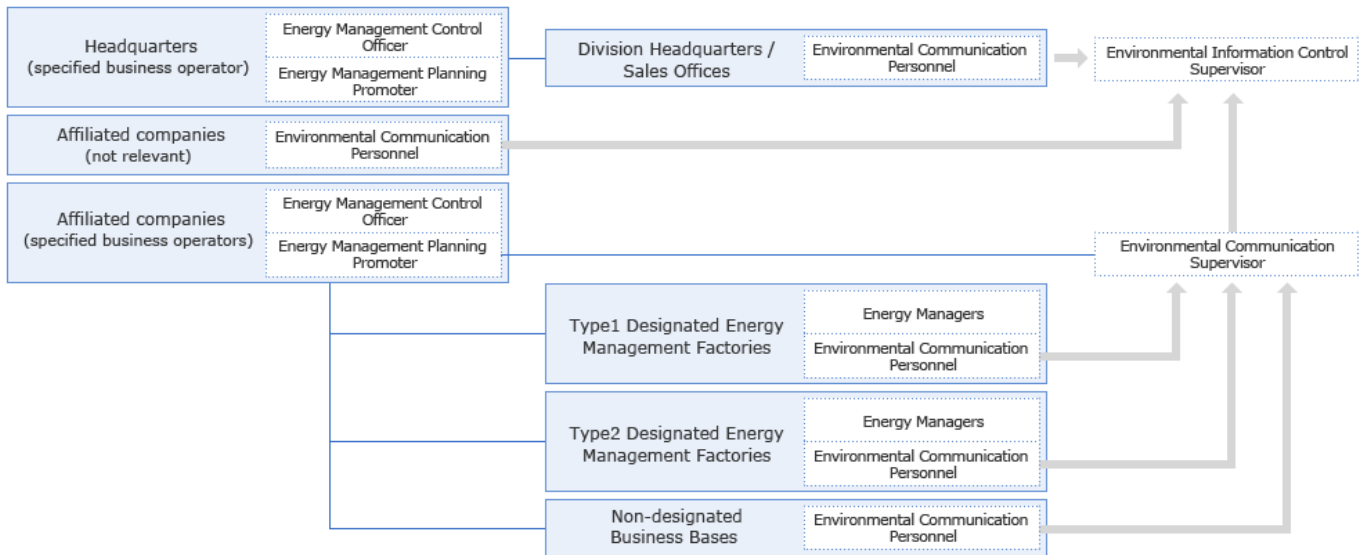
Environmental Objectives and Status of Achievement

The Nissha Group environmental objectives set in April 2015 serve as medium-term objectives covering the three-year period from fiscal year 2016 to fiscal year 2018 for the Nissha Group in Japan. In fiscal year 2016, the first year of this period, each factory and relevant division aimed to achieve its individual environmental targets toward achieving the objectives of the Nissha Group in Japan as a whole.

ISO14001 certification sites undertook environmental risk management and measures to reduce environmental risks, and all sites attained one risk level lower. With an intensive focus on emergency training, they also established a system for accident prevention. Nitec Precision and Technologies, Inc. (NPT) Himeji Factory conducted nighttime training in responding to substance leakage, and NPT Kaga Factory fortified its rainwater management system. As a result, following the previous year we maintained zero environmental accidents and achieved our environmental objectives.

In measures to mitigate global warming, major sites of the Nissha Group in Japan combined recorded a CO_2 emissions rate by basic unit of 0.92 in fiscal year 2016 (compared to fiscal year 2015 results as 1.00), achieving our target of 0.99 or less. By site, NPT Kaga Factory and Nitec Industries, Inc. (NII) Koka Factory met their respective targets, while NPT Himeji Factory and Nitec Printing Co., Ltd. (NPC) Yachiyo Factory fell short. NPT Kaga Factory saw dramatic improvement thanks to an increase in production volume coupled with efforts to boost efficiency, plus small-group activities. The Environmental, Safety and Health Subcommittee of the CSR Committee identifies management by basic unit as a material issue and will continue activities toward improvement in fiscal year 2017.

In measures to reduce waste, major sites of the Nissha Group in Japan combined recorded a waste generation rate of 0.86 in fiscal year 2016 (compared to fiscal year 2015 results as 1.00), achieving our reduction target of 1% or more. By site, NPT Kaga Factory achieved its target by a significant margin, with a rate of 0.68 (compared to fiscal year 2015 results as 1.00), through an increase in production volume and activities toward improvement. NPT Himeji Factory also met its target, with a rate of 0.96, even with a decline in production volume thanks to small-group activities and an improved yield rate. NII Koka Factory failed to meet its target despite an increase in production volume due to a conversion to small lot production and the handling of high-quality products. NPC Yachiyo Factory achieved its target even with a decline in production volume. NPC Kyoto Factory fell short of its target despite small-group activities. In the promotion of zero emissions, we recorded a recycling and resource reuse rate of 91.8% in fiscal year 2016, an improvement over 88.1% in the previous year, thanks to efforts at NPT Kaga Factory to reduce the amount of wastewater sludge generated, which must be sent to landfill.

In measures to reduce hazardous chemical substances, NPT Kaga Factory achieved its target by reviewing its wastewater treatment process and working to reduce the usage rate of chemical agents. NII Koka Factory did not meet its target despite efforts to reduce the usage rate of organic solvents such as toluene and xylene due to a decline in production volume and conversion to small lot production. It continues efforts to sell organic solvents for recycling, however, and has contributed to resource reuse and cost reduction.

In a new initiative starting in fiscal year 2016, we added to our environmental objectives the concept of environment-conscious design,, which introduces the viewpoint of environmental consciousness and the reduction of environmental impact into products and production processes. The Devices business has incorporated the concept in the processes of designing wireless sensor networks and narrow frame for touch panels. NPT Kaga Factory has switched to using chemical cleaners with low environmental impact, and NPT Kyoto Factory is working to improve its production process toward reducing environmental impact of transportation.

Nissha Environmental Objectives

1. Prevention of pollution
Target: Zero environmental accidents (accidents that affect areas outside the factory)
Reduce the possibility of environmental risks (by one risk level) by the end of fiscal year 2018

Certification sites implement measures to reduce environmental risks[1] classified as H2 or more on the hazard assessment list (make efforts to attain one risk level lower)
・ The degree of severity may not change after measures are implemented in some cases
・ H2 or more refers to hazards on the hazard assessment list that affect areas outside the factory
・ H2 is equivalent to "maintain" in the conventional classification, and should be addressed in accordance with the designated procedure
*1. The risk of environmental hazards by degree of severity and possibility, assessed in nine levels in a matrix (Risk levels from highest to lowest: VH, H1, H2, H3, H4, L1, L2, L3, VL)

2. Prevention of global warming
Target: Reduce CO_2 emissions rate (basic unit) by 3% or more by fiscal year 2018
Base: Average of fiscal year 2015 results
Companies classified as "specified business operator" in the Act on the Rational Use of Energy implement measures listed in their medium- to long-term plan

Certification sites reduce annual CO_2 emissions rate by 1% or more compared to the previous year by basic unit, derived from factors such as production volume, through improvements in work processes (efficiency) and quality
・ Each organization may set KPI or quality targets as environmental targets
・ Companies classified as "specific business operator" in the Act on the Rational Use of Energy use the basic unit reported under the act
・ A default emission factor (0.555 kg-CO_2 / kwh) is used to monitor fluctuations resulting from initiatives

3. Reduction of waste
Target: Reduce waste generation rate (basic unit) by 3% or more by fiscal year 2018
Base: Average of fiscal year 2015 results

(1) Control waste generation
Certification sites reduce annual waste generation rate by 1% or more compared to the previous year by basic unit, derived from factors such as production volume, through improvements in work processes (efficiency) and quality
・ Each organization may set KPI or quality targets (nonconforming product rate, go-through rate, etc.) as environmental targets
・ Indexes need not be the same as the CO_2 emissions rate basic unit (production volume may be substituted with number of items produced)
(2) Promote zero emissions
Bases that have achieved zero emissions work to maintain it; those that have not   achieved zero emissions work to achieve it
(3) Reduce cost of waste treatment
Practice cost reduction by promoting multi-sourcing and resource reuse

4. Reduction of hazardous chemical substances
Target: Certification sites reduce usage rate of hazardous chemical substances

Work to reduce {(usage or purchase volume) / (production volume, treatment volume, or number of units)}
(Certification sites set individual targets)

5. Environment-conscious design
Target: Introduce the viewpoint of energy and resource savings, durability, and recycling into the product design stage
Design environment-conscious processes and reduce the environmental impact of production

Results and Assessment in Fiscal Year 2016

1. Prevention of pollution

Results
The Nissha Group experienced zero environmental accidents in fiscal year 2016.
Assessment: Satisfactory

Certification sites NII Koka Factory and Tsu Factory; NPT Himeji Factory, Kaga Factory, and Kyoto Factory; NPC Yachiyo Factory; and Nissha Business Service Co., Ltd. (NBS) created a hazard assessment list and took measures to reduce environmental risks. These sites primarily organized training in substance leakage. NPT Himeji Factory stepped up measures to prevent pollution through nighttime emergency training. NPT Kaga Factory fortified its rainwater management system and, as an emergency measure, built a new system for sending notification from its monitoring system to mobile phones.

2. Prevention of global warming

Results
Major sites of the Nissha Group in Japan combined recorded a CO_2 emissions rate by basic unit of 0.92 in fiscal year 2016 (compared to fiscal year 2015 results as 1.00), achieving our target.
Assessment: Satisfactory

NPT Kaga Factory saw dramatic improvement, with a rate by basic unit of 0.64 (compared to fiscal year 2015 results as 1.00). An increase in production volume coupled with small-group activities to boost efficiency led to the achievement of its target. NII Koka Factory, with a rate of 0.86, also met its target by basic unit. NPT Himeji Factory, with a rate of 1.15, and NPC Yachiyo Factory, 1.02, fell short of their respective targets.

Issues: Maintaining a steady basic unit has become a challenge in recent years. Although each factory promotes various energy saving measures, their respective basic units are often influenced by production volume. Through activities led by the Environmental, Safety and Health Subcommittee of the CSR Committee, we will seek to rebuild a mechanism so that we may continue appropriate management by basic unit.

3. Reduction of waste

(1) Control waste generation

Results
Major sites of the Nissha Group in Japan combined recorded a waste generation rate by basic unit of 0.86 in fiscal year 2016 (compared to fiscal year 2015 results as 1.00), achieving our target.
Assessment: Satisfactory

NPT Kaga Factory, with a rate of 0.68 (compared to fiscal year 2015 results as 1.00), achieved its target through an increase in production volume and activities toward improvement. NPT Himeji Factory, with a rate of 0.96, also met its target even with a decline in production volume thanks to small-group activities and an improved yield rate.
NII Koka Factory failed to meet its target by basic unit despite an increase in production volume due to a

conversion to small lot production and the handling of high-quality products. NPC Yachiyo Factory achieved its target even with a decline in production volume. NPC Kyoto Factory fell short of its target despite small-group activities.

(2) Promotion of zero emissions

Results
NPT Kaga Factory is continuing efforts to improve its waste treatment process toward reducing the amount of sludge generated, which must be sent to landfill. With a recycling and resource reuse rate of 91.8%, however, we did not achieve our zero emissions target (a recycling and resource reuse rate of 99.5% or more).
Assessment: Poor

(3) Promotion of cost reduction for waste treatment

Results
NII Koka Factory and NPT Kyoto Factory are fortifying measures to sell waste for recycling.
Assessment: Satisfactory Through measures such as sorting and selling waste for recycling, NBS is a contributor to the overall efforts of the Nissha Group in Japan to sell waste for recycling.

4. Reduction of hazardous chemical substances

Results
NPT Kaga Factory has improved its waste treatment process. NPT Himeji Factory and Kaga Factory are working to reduce the amount of chemicals used in the production process, particularly through small-group activities. NII Koka Factory did not meet its target usage rate of toluene and xylene due to a conversion to high mix production.
Assessment: Unsatisfactory

Issues: Setting the criteria for usage rates is a challenge with high mix production and special printing processes.

5. Environment-conscious design

Results
The Devices business has incorporated the concept of environment-conscious design in the processes of designing wireless networks and narrow frame for touch panels. NPT Kyoto Factory reviewed its production process toward reducing the environmental impact caused by frequency of transportation.
Assessment: Satisfactory

Issues: Incorporating a system for assessing environment-conscious design into our environmental management system is proving to be a challenge.

Environmental Impact as a Result of Business Operations

In order to grasp the impact of our business operations on the environment, we conduct surveys of resource and energy usage (input) and gas, water, and waste emissions (output). The results for the Nissha Group in fiscal year 2016 are given in the table below.

Input and Output at Nissha Group Production Bases

Input and environmental impact were affected in fiscal year 2016 by changes in business operations and a decline in production volume. By business, Industrial Materials saw an increase of about 38% in the usage of PET and acryl film with the surge in production volume at major site Nitec Industries, Inc. (NII) Koka Factory. A conversion to high mix, small lot production and the need for a special process in gravure printing also led to increases in the usage of solvents by around 35% and of ink by 50%. Owing to a significant decline in input at NII Tsu Factory, however, Industrial Materials overall saw a decrease of roughly 20% in PET and acryl film, and increases of 7% in solvents and 11% in gravure ink.

Devices saw a decline in production volume at Nitec Precision and Technologies, Inc. (NPT) Himeji Factory, which led to an overall decrease of about 23% in materials used in product manufacturing processes. Information and Communication saw a decline in printing volume and a decrease of around 4% in the usage of paper. Input remained roughly level at FIS Inc., which we welcomed into the Nissha Group in fiscal year 2015. As for output for the Nissha Group as a whole, CO_2 emissions decreased by about 6.5% compared to the previous year, and water emissions decreased by 11%.

At major overseas production subsidiaries, input increased by roughly 40% compared to the previous year, primarily due to increases at Nissha (Kunshan) Precision IMD Mold Co., Ltd. by 29%, at Southern Nissha Sdn. Bhd. and Eimo Technologies, Inc. by 10%, and at Guangzhou Nissha High Precision Plastics Co., Ltd. by 2%, plus the addition of PMX Technologies, S.A. de C.V. to our business operations. Molded resin accounts for more than 90% of materials used at overseas production sites.

INPUT

Production bases in Japan		
Industrial Materials	PET/acryl film	1,894t
	Solvents	1,479t
	Gravure Ink	1,418t
	Others	197t
Devices	Materials used in product manufacturing processes	6,256t
	Others	292t
Information and Communication	Paper	20,837t
	Ink	264t
	Others	80t
FIS	Printed-circuit board materials	2t
	Metallic materials	2t
	Resin materials	2t
	Half-finished goods	25t
	Total for production bases in Japan	**32,748t**

Overseas production bases		
	Resin	3,636t
	Molds and molding materials	81t
	Touch panels	0t
	Others	264t
	Total for overseas production bases	**3,981t**
	Total for Nissha Group	**36,728t**

Including production bases in Japan and overseas		
Energy	Electricity	161,684MWh
	Gas	6,695,000m^3
Water	Tap water	682,000m^3
	Underground water	57,000m^3
	Industrial water	1,604,000m^3

OUTPUT

Production bases in Japan		
Recyclable resources (items sold for recycling)	Waste containing noble metals	
	Metal waste	
	Resin waste	
	Paper waste	5,995t
Recyclable resources (industrial waste)	Waste plastic	
	Iron scrap, waste cans	
	Waste solvents, waste ink, waste cloth	
	Waste acid, alkali	
	Sludge, others	7,066t
Waste for simple incineration/landfill	General business waste	
	Others (industrial waste)	1,162t
	Total for production bases in Japan	**14,223t**

Overseas production bases		
	Total waste	226t
	Total for overseas production bases	**226t**

Including production bases in Japan and overseas		
Emissions	CO$_2$	103,923t
	VOC (including volume of after combustion and treatment)	1,496t
Wastewater		2,310,000m^3

Prevention of Further Global Warming

Status of CO$_2$ Emissions at Nissha

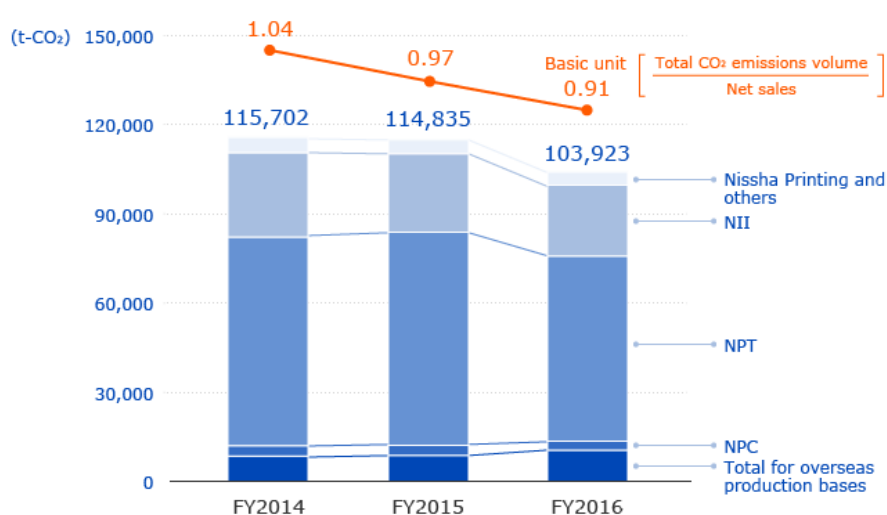In fiscal year 2016, CO$_2$ emissions from the Nissha Group in Japan totaled 93,398 t-CO$_2$, for a reduction of about 12% compared to 106,087 t-CO$_2$ in the previous year. The result owes primarily to the decrease in emissions from Nitec Precision and Technologies, Inc. (NPT) and Nitec Industries, Inc. (NII) Tsu Factory.

Emissions from NPT overall amounted to 61,979 t-CO$_2$ in fiscal year 2016, for a roughly 14% decrease compared to 71,726 t-CO$_2$ in the previous year, due largely to fluctuations in production volume but also an improved yield rate thanks to small-group activities at NPT Kaga Factory. Emissions from NPT Kyoto Factory, on the other hand, were 2,945 t-CO$_2$ in fiscal year 2016, for a roughly 20% increase compared to 2,464 t-CO$_2$ in the previous year. Emissions from NII Tsu Factory were 888 t-CO$_2$ in fiscal year 2016, for a significant reduction compared to 6,566 t-CO$_2$ in the previous year, as a result of the efforts of Industrial Materials to respond to changes in the business environment.

CO$_2$ emissions from overseas production bases in fiscal year 2016 totaled 10,525 t-CO$_2$, for an increase of about 20% compared to 8,748 t-CO$_2$ in the previous year. Eimo Technologies, Inc., a subsidiary of Nissha USA, Inc., where emissions account for more than half of the volume of all overseas production bases combined, recorded 5,085 t-CO$_2$, for a roughly 9% increase over the previous year. Nissha (Kunshan) Precision IMD Mold Co., Ltd. recorded an 11% increase. The addition of PMX Technologies, S.A. de C.V. to the Nissha Group also contributed to the increase. CO$_2$ emissions from overseas production bases as a whole, excluding PMX Technologies, amounted to 9,246 t-CO$_2$, for a roughly 6% increase over the previous year. Emissions from Southern Nissha Sdn. Bhd. decreased by about 2% compared to the previous year, and those from Guangzhou Nissha High Precision Plastics Co., Ltd. decreased by 10%.

The Nissha Group emits virtually no energy-related greenhouse gases other than CO$_2$, and their effects are minimal.

Trends in CO$_2$ Emissions Volumes and Basic Unit

Trends in Energy Consumption and Basic Unit

(1,000GJ)

3,000

0.0190

2,500

0.0176

0.0159

Basic unit [Total energy consumption volume / Net sales]

2,113   2,093

2,000   1,892

Nissha Printing and others

NII

1,500

1,000

NPT

500

NPC

Total for overseas production bases

0

FY2014   FY2015   FY2016
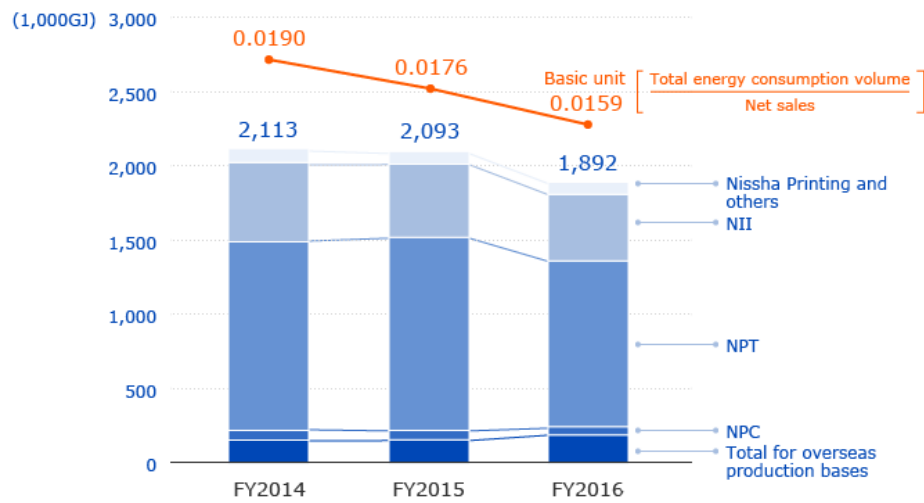
Trends in Electricity Consumption

(MWh) 200,000

175,103   176,937

161,684

Nissha Printing and others

150,000

NII

100,000

NPT

50,000

NPC

Total for overseas production bases

0

FY2014   FY2015   FY2016
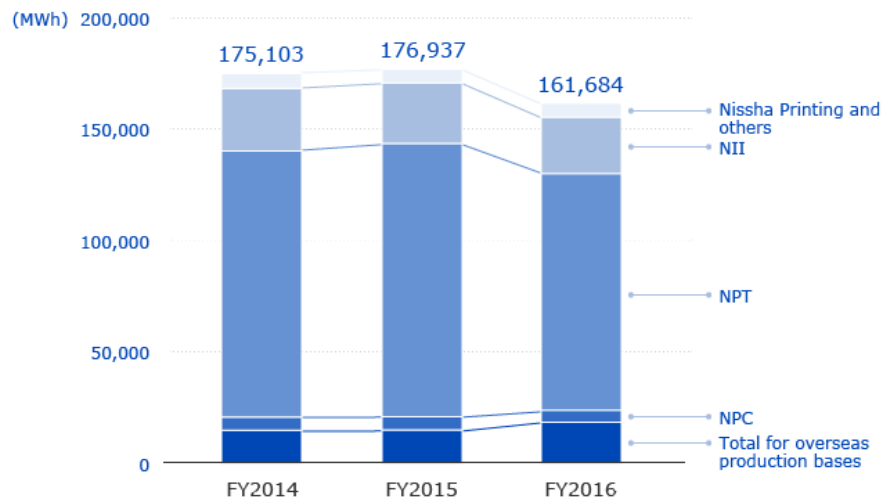
Trends in Gas Consumption

(1,000m³) 10,000

8,773

8,000   7,863

6,695

Nissha Printing and others

6,000

4,000

NII

2,000

NPT

NPC

Total for overseas production bases

0

FY2014   FY2015   FY2016
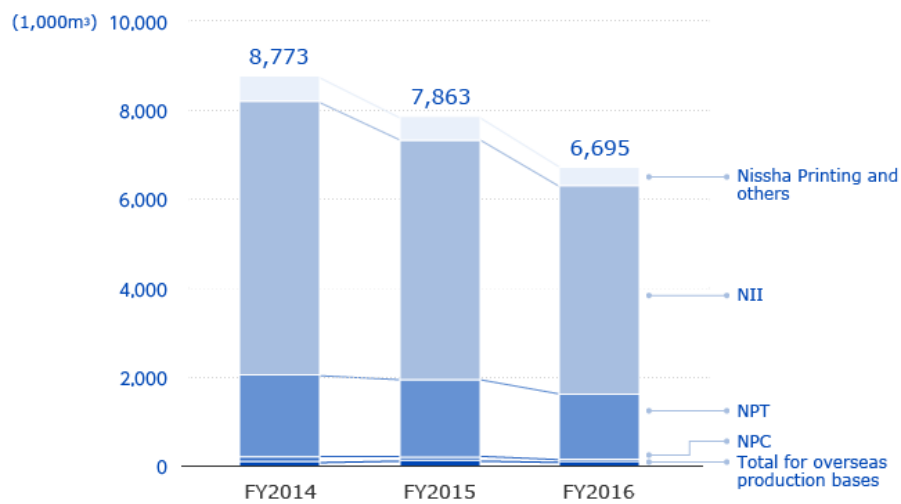
Trends in Gasoline, Diesel, and Heavy Oil Consumption
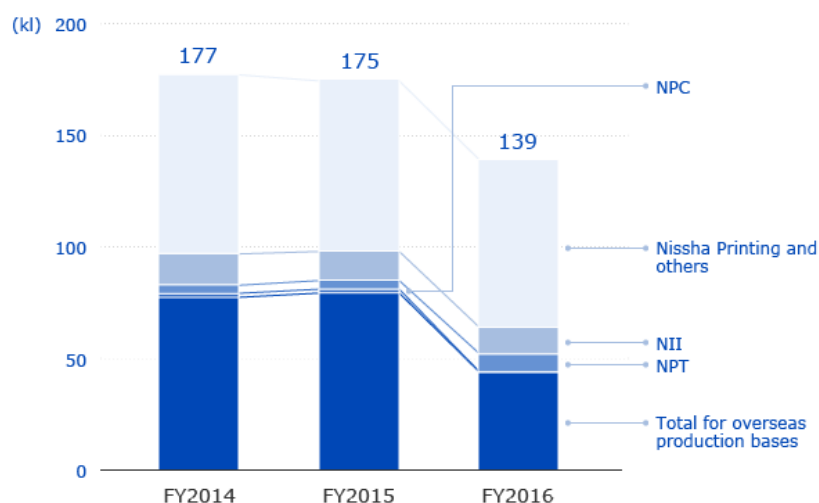
Basic Unit Management by Production Volume and Its Issues

The enactment of the revised Act on the Rational Use of Energy demands the comprehension and management of energy use per company. In order to improve our energy efficiency as well as comply with the legal requirements in line with this shift, in fiscal year 2014 we started managing emissions under a basic unit based on factors such as production volume per company. With 1.00 indicating the benchmark fiscal year 2015 results of each affiliated company that constitutes a production base of the Nissha Group, we set fiscal year 2016 targets at 0.99 or less. The results are given in the table below. NPT Kaga Factory saw dramatic improvement thanks to an increase in production volume plus small-group activities to boost efficiency. NII Koka Factory also improved on its target by basic unit owing to an increase in production volume. NPT Himeji Factory and Nitec Printing Co., Ltd. (NPC) fell short of their respective targets by basic unit despite efforts to improve energy efficiency and reduce fixed energy consumption in response to fluctuations in production volume.

The Environmental, Safety and Health Subcommittee of the CSR Committee identifies the management of CO_2 emissions as a material issue and will continue to strive for improvement by basic unit in cooperation with each production base.

Company	Basic Unit (based on production volume etc. respectively)			FY2016 Evaluation
	FY2015 Results	FY2016 Target	FY2016 Results	
Nissha Printing Co., Ltd. (Global Headquarters, Tokyo, Osaka and others)	1.00	0.99 or less	0.94	○
Nitec Industries, Inc. (Koka)	1.00	0.99 or less	0.86	○
Nitec Precision and Technologies, Inc. (Himeji)	1.00	0.99 or less	1.15	×
Nitec Precision and Technologies, Inc. (kaga)	1.00	0.99 or less	0.64	○
Nitec Printing Co., Ltd. (Yachiyo, Kyoto)	1.00	0.99 or less	1.02	×

Initiative in Scope 3 Management

Nissha Printing Co., Ltd. has undertaken to survey Scope 3 emissions from the Nissha Group, in line with the move in recent years led by organizations such as the Carbon Disclosure Project (CDP) to report greenhouse gases (GHG) emitted indirectly from companies through their supply chain. This is defined by the GHG Protocol as Scope 3 sources and includes manufacturing, transportation, business travel, and employee commuting. The Environmental, Safety and Health Subcommittee has identified transportation and travel as material issues and set numerical targets for Scope 3 management toward enhancing our corporate value over the medium to long term. We plan to disclose the results in fiscal year 2018.

Scopes 1, 2, 3: Scopes of GHG emissions

Scope 1: Direct GHG emissions from sources owned or controlled by the company

Scope 2: Indirect GHG emissions through consumption of electricity, steam, or heat

Scope 3: Indirect emissions other than those in Scope 2

Waste Management

Initiatives of the Nissha Group in Japan

In fiscal year 2016, the Nissha Group in Japan generated a total 14,223 tons of waste, for a 16% reduction compared to fiscal year 2015. The primary reason is the decrease in waste due to changes in business content at Nitec Industries, Inc. (NII) Tsu Factory and Nitec Precision and Technologies, Inc. (NPT). The volume of simple incineration and landfill waste similarly decreased, amounting to 1,162 tons for a 43% reduction compared to the previous year.

Our recycling and resource reuse rate was 91.8%, for an improvement of 3.7% over the previous year. We continue to fall short of achieving our zero emissions target (a recycling and resource reuse rate of 99.5% or more), however, as sludge generated at NPT Kaga Factory cannot be recycled. NPT Kaga Factory has worked to reduce the volume of sludge generated through improvements in its wastewater treatment process. As a result, its recycling and resource reuse rate improved from 71.5% in the second half of fiscal year 2015 to 77% in the second half of fiscal year 2016. Further reductions in the amount of sludge generated from NPT Kaga Factory are expected to contribute to a significant improvement in the recycling and resource reuse rate of the Nissha Group in Japan in fiscal year 2017.

Trends in Recycling and Resource Reuse (Nissha Group in Japan)
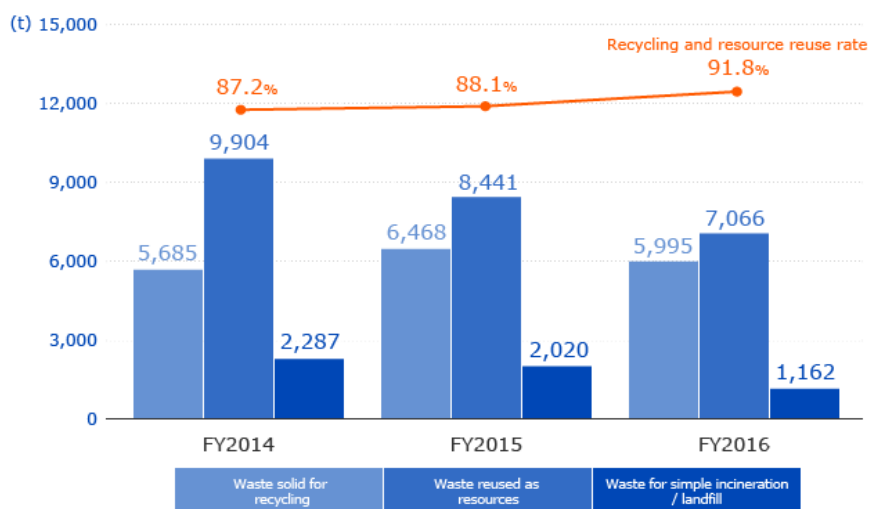
Initiatives at Overseas Production Bases

The Nissha Group has three production bases in Asia: Guangzhou Nissha High Precision Plastics Co., Ltd., Nissha (Kunshan) Precision IMD Mold Co., Ltd., and Southern Nissha Sdn. Bhd. Waste generated at Southern Nissha accounts for more than 90% of the volume of all Asian bases combined. The three production bases generated a total 226 tons of waste in fiscal year 2016, for a 12% reduction compared to fiscal year 2015. Southern Nissha recorded a 2.7% decrease and Guangzhou Nissha a 52% decrease, while Nissha Kunshan saw an 8.5% increase.

As for recycling and resource reuse rates, all Asian production bases achieved their respective targets again this year. Southern Nissha achieved a rate of 99% against a target of 90% or more, Nissha Kunshan achieved a rate of 89% against a target of 86.3% or more, and Guangzhou Nissha achieved a rate of 72% against a target of 71% or more.

All waste generated in Asian production bases (Guangzhou Nissha, Nissha Kunshan, Southern Nissha)

		FY2014	FY2015	FY2016
All waste generated	(tons)	194	256	226

Recycling and resource reuse rates in Asian production bases (FY2016)

	Targets	Results	Evaluation
Guangzhou Nissha	71% or more	72%	○
Nissha Kunshan	86.3% or more	89%	○
Southern Nissha	90% or more	99%	○

Risk Management Related to Waste and Waste Converted in Valuable Resources

We recognize largely three types of waste-related risk:

- Accidents and disasters caused by waste and waste converted into valuable resources (including at treatment contractors)
- Environmental pollution and violation of laws caused by inappropriate waste treatment
- Leakage of confidential information from waste and waste converted into valuable resources

Based on laws and customer demand, we have created a set of Nissha Waste Management Regulations that enables all bases of the Nissha Group to manage waste safely under the same set of standards. In line with these regulations, each base has drawn up its own Waste Management Manual and makes efforts toward thorough waste separation and management. Whether a small amount of substance or a spray can, the properties of waste are checked meticulously and monitored so as to prevent spillage during transportation and accidents at treatment facilities. The regulations also stipulate the criteria for selecting waste treatment contractors and for regularly inspecting treatment facilities using a checklist original to Nissha.

In addition, we have in place standards for managing waste and waste converted into valuable resources that contain confidential information, and promote management in association with our information security management system (ISMS).

Monitoring and Prevention of Pollution

Measures to Help Prevent Pollution

We undertake monitoring and measuring activities to prevent pollution. Based on our strict voluntary standards,
we conduct periodic testing the level of atmospheric pollutants, wastewater quality, noise, and foul odor.

Nitec Precision and Technologies, Inc. (NPT) Himeji Factory
Measurements of Wastewater Quality

Items measured	Regulatory value (Water Pollution Control Act)	Agreement value (Law Concerning Special Measures for Conservation of the Environment of the Seto Inland Sea)	Voluntary standard	Unit	FY2014		FY2015		FY2016	
					Analysis value	Evaluation	Analysis value	Evaluation	Analysis value	Evaluation
Discharged water	5,200	5,000	5,000	m^3	5,143	△	5,017	△	4,613	○
pH	5.8〜8.6	5.8〜8.6	6.5〜8.0		6.7〜7.6	○	6.9〜7.5	○	7.0〜7.5	○
BOD	120.0	10.0	9.0	mg/L	6.3	○	4.4	○	3.1	○
COD	120.0	10.0	9.0	mg/L	10.3	×	8.9	○	4.9	○
SS	150.0	5.0	4.5	mg/L	1.5	○	1.9	○	1.3	○
n-hexane derived substances	Mineral oil 5 Vegetable oil 30	1.0	0.9	mg/L	0.8	○	0.9	○	0.5	○
Phenol	5.0	0.1	0.1	mg/L	< 0.005	○	< 0.005	○	< 0.005	○
Copper	3.00	0.50	0.40	mg/L	0.07	○	0.05	○	0.01	○
Zinc	2.00	1.50	1.20	mg/L	0.02	○	0.01	○	0.01	○
Soluble iron	10.00	0.15	0.08	mg/L	0.01	○	0.02	○	0.02	○
Soluble manganese	10.000	0.050	0.045	mg/L	0.030	○	0.040	○	0.040	○
Chromium	2.00	0.02	0.02	mg/L	< 0.02	○	< 0.02	○	< 0.02	○
Nitrogen	60.0	10.0	9.0	mg/L	7.4	○	8.0	○	3.6	△
Phosphorus	8.00	1.00	0.45	mg/L	0.24	○	0.25	○	0.02	○

*In FY2014, COD value momentarily exceeded the agreement value. We have submitted necessary reports to the government and took corrective actions appropriately.

Nitec Precision and Technologies, Inc. (NPT) Kaga Factory
Measurements of Wastewater Quality

Items measured	Regulatory value (Prefecture)	Voluntary standard	Unit	FY2014				FY2015				FY2016			
				Fab3		Fab5		Fab3		Fab5		Fab3		Fab5	
pH	5.8～8.6	6.2～8.2		76	○	7.9	○	7.6	○	8.0	○	7.5	○	-	-
BOD	160 or less	40 or less	mg/L	66.0	△	72.0	△	22.8	○	29.6	○	32.0	○	-	-
COD	160 or less	80 or less	mg/L	71.0	○	84.0	△	24.6	○	33.8	○	39.0	○	-	-
SS	200 or less	20 or less	mg/L	11.0	○	8.0	○	4.3	○	10.0	○	4.4	○	-	-
n-hexane derived substances	30.0	15 or less	mg/L	0.6	○	1.7	○	1.0	○	1.4	○	0.5	○	-	-

Nitec Printing Co., Ltd. (NPC) Yachiyo Factory
Measurements of Soot and Smoke

Items measured	Regulatory value	Voluntary standard	Unit	FY2014				FY2015	FY2016
				Mar. 19	Evaluation	Sep. 3	Evaluation		
Dust	0.100	0.003	g/m^{3}N	< 0.001	○	< 0.002	○	Exempted from measurement due to discontinued use of soot and smoke generating facilities	
Nitrogen oxide	150.0	71.3	g/m^{3}N	53.0	○	59.0	○		

*The Yachiyo Factory upgraded its air-conditioning system from a gas absorber to an electric chiller in fiscal year 2015, discontinuing use of soot and smoke generating facilities.

Management of Chemical Substances

In fiscal year 2016, we reported the use of nine PRTR-designated chemical substances.

Nitec Industries, Inc. (NII) Koka Factory
Unit: kg

PRTR No.	Name of chemical substance	FY2014			FY2015			FY2016		
		Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required
53	Ethylbenzene	730	250	○	1,700	580	○	3,100	820	○
80	Xylene	9,300	4,100	○	17,000	5,500	○	25,000	6,500	○
88	Hexavalent chromium compounds	0.1	0.0	○	0.1	0.0	○	0.1	0.0	○
296	1,2,4-Trimethylbenzend	-	-	○	-	-	○	750	470	○
300	Toluene	97,000	73,100	○	140,000	7,800	○	200,000	120,000	○

PRTR No.	Name of chemical substance	FY2014			FY2015			FY2016		
		Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required
392	N-hexane	-	-	○	4,500	2,600	○	8,500	5,400	○

Nitec Industries, Inc. (NII) Tsu Factory

Unit: kg

PRTR No.	Name of chemical substance	FY2014			FY2015			FY2016		
		Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required
53	Ethylbenzene	3,900	1,100	○	250	2,500	○	-	-	-
80	Xylene	3,600	1,000	○	210	2,100	○	-	-	-
88	Hexavalent chromium compounds	0.1	0.1	○	0.1	0.1	○	-	-	-
300	Toluene	71,000	20,000	○	980	9,900	○	-	-	-

Nitec Precision and Technologies, Inc. (NPT) Himeji Factory

Unit: kg

PRTR No.	Name of chemical substance	FY2014			FY2015			FY2016		
		Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required
71	Ferric chloride	0.0	0	○	0.0	0	○	0.0	0	○
272	Water-soluble copper salts (excluding complex salt)	0.0	280,000.0	○	0.0	2,000.0	○	0.0	1,700.0	○

Nitec Precision and Technologies, Inc. (NPT) Kaga Factory

Unit: kg

PRTR No.	Name of chemical substance	FY2014			FY2015			FY2016		
		Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required / not required
	Silver and its compounds									

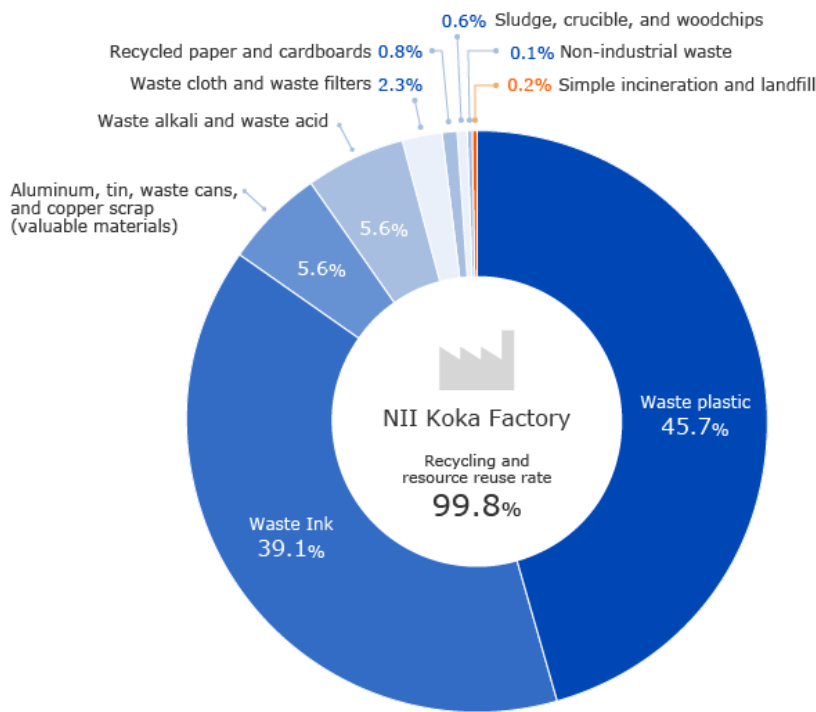| 82 | (water soluble) | - | - | - | - | - | - | - | - | - |
71	Ferric chloride	0.0	0.0	○	0.0	0.0	○	0.0	0.0	○
272	Water-soluble copper salts (excluding complex salt)	0.0	0.0	○	0.0	0.0	○	0.0	0.0	○
453	Molybdenum and its compounds	-	-	-	-	-	-	0.0	0.0	○

Status of Waste Generation at Bases

Status of Waste Generation at Major Production Bases (March 2016 Results)

Nitec Industries, Inc. (NII) Koka Factory

Location: Koka City, Shiga Prefecture
Acquisition of ISO14001 Certification: June 2007
Production items: Transfer foils (the Industrial Materials business)

Recycling and resource reuse rate: 99.8%

0.6% Sludge, crucible, and woodchips
Recycled paper and cardboards 0.8%
0.1% Non-industrial waste
Waste cloth and waste filters 2.3%
0.2% Simple incineration and landfill
Waste alkali and waste acid
Aluminum, tin, waste cans, and copper scrap (valuable materials)
5.6%
5.6%

NII Koka Factory
Recycling and resource reuse rate
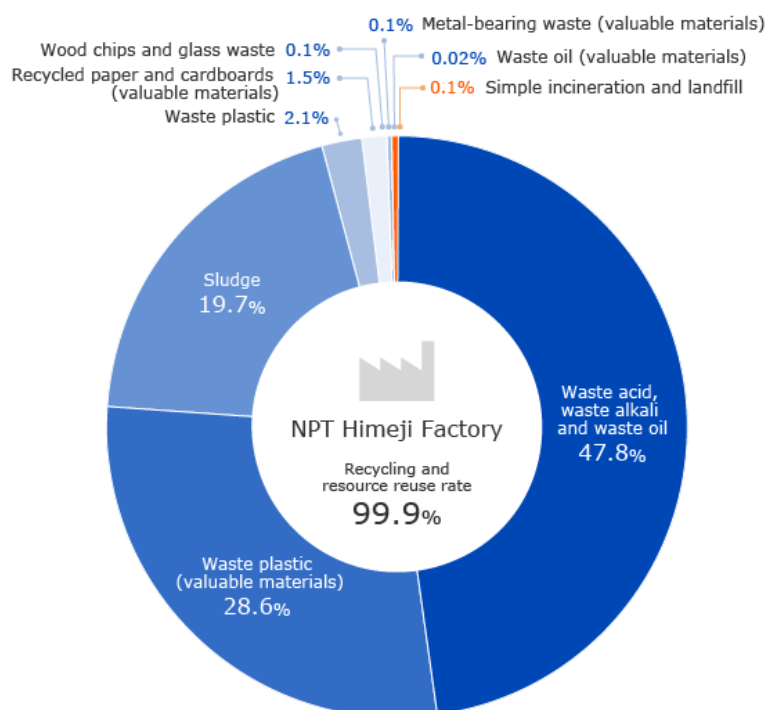99.8%

Waste plastic
45.7%

Waste Ink
39.1%

Nitec Precision and Technologies, Inc. (NPT) Himeji Factory

Location: Himeji City, Hyogo Prefecture
Acquisition of ISO14001 Certification: March 2014
Production items: Touch panels (the Devices business)

Recycling and resource reuse rate: 99.9%

0.1% Metal-bearing waste (valuable materials)
Wood chips and glass waste 0.1%
0.02% Waste oil (valuable materials)
Recycled paper and cardboards 1.5%
(valuable materials)
0.1% Simple incineration and landfill
Waste plastic 2.1%

Sludge
19.7%

NPT Himeji Factory

Recycling and
resource reuse rate
99.9%

Waste acid,
waste alkali
and waste oil
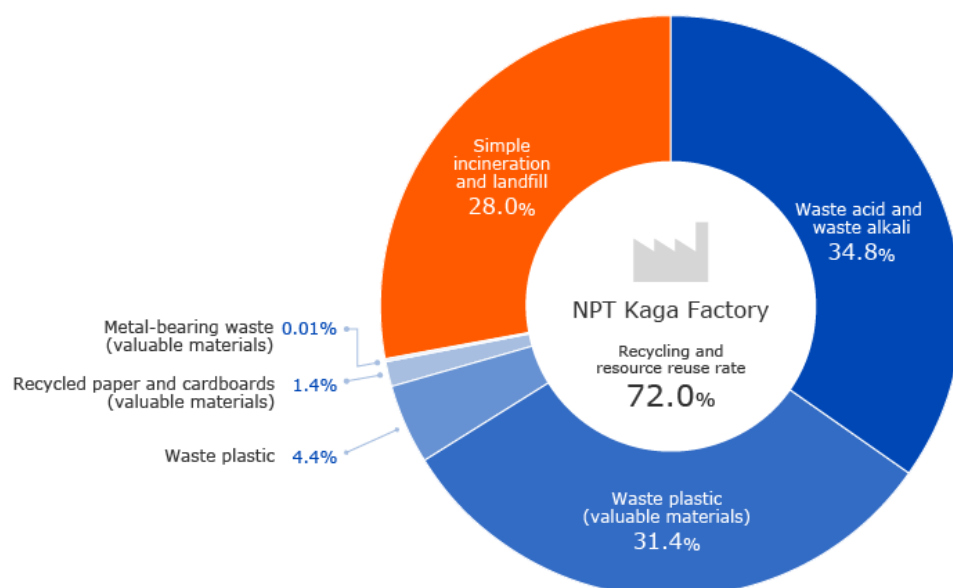47.8%

Waste plastic
(valuable materials)
28.6%

Nitec Precision and Technologies, Inc. (NPT) Kaga Factory

Location: Kaga City, Ishikawa Prefecture
Acquisition of ISO14001 Certification: March 2014
Production items: Touch panels (the Devices business)

Recycling and resource reuse rate: 72.0%

Simple
incineration
and landfill
28.0%

Metal-bearing waste 0.01%
(valuable materials)

Recycled paper and cardboards 1.4%
(valuable materials)

Waste plastic 4.4%

NPT Kaga Factory

Recycling and
resource reuse rate
72.0%

Waste acid and
waste alkali
34.8%

Waste plastic
(valuable materials)
31.4%
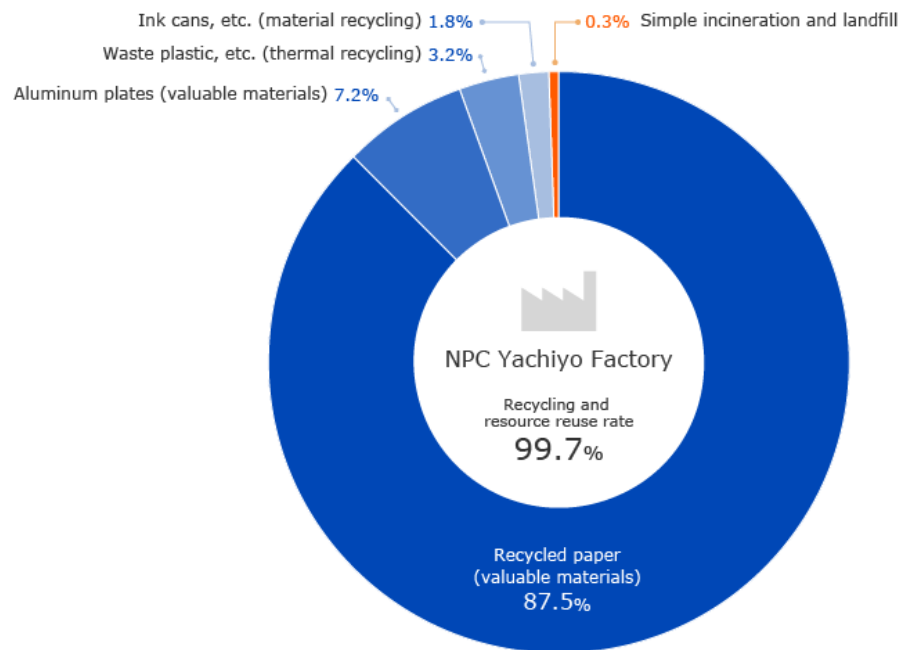
Nitec Printing Co., Ltd. (NPC) Yachiyo Factory

Location: Yachiyo City, Chiba Prefecture
Acquisition of ISO14001 Certification: December 2004
Production items: Printing and binding of books, catalogs, leaflets, etc., using sheet offset press and rotary press (the Information and Communication business)

Recycling and resource reuse rate: 99.7%

Ink cans, etc. (material recycling) 1.8%
Waste plastic, etc. (thermal recycling) 3.2%
Aluminum plates (valuable materials) 7.2%
0.3% Simple incineration and landfill

NPC Yachiyo Factory

Recycling and
resource reuse rate
99.7%

Recycled paper
(valuable materials)
87.5%

Fair Operating Practices

As a socially responsible corporation, fair operating practices are a top priority.
We incorporate global standards into our operating practices
with the aim of being a Nissha that our customers will feel safe in choosing.

Initiatives Related to Information Security

The spread of the Internet and the broad use of devices such as smartphones have ushered in a convenient era in which anyone can connect with the online community easily at all times. On the other hand, with cyberattacks, email spoofing, and other crimes against information security growing rampant and ever more advanced, the risks are increasing of everyone becoming either a victim or perpetrator of information leakage.

We at the Nissha Group recognize the paramount importance of not leaking outside the company or beyond related parties information about our employees, personal information, and information entrusted to us by our customers and suppliers, particularly highly confidential information assets such as information on new products and state-of-the-art technologies. All our employees adhere to our Information Security Policy, which we drew up in and implement since 2005 with the aim of building a highly reliable and safe information security management system (ISMS).

Information Security Policy

Nissha and its subsidiaries committed to establish, maintain, and improve highly reliable and secure an 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, 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 an 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 obligation.
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 which contributes to the corporate developments.
4. We make 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.

July 1, 2013

Junya Suzuki
President and CEO
Chairman of the Board
Nissha Printing Co., Ltd.

Information Security Management Structure

We have in place an Information Security Subcommittee of the CSR Committee to serve as a center for the promotion of information security. The subcommittee is run by an ISMS management representative (the Chief Information Officer, or CIO) and comprises information security managers and promoters selected from each department. An ISMS secretariat set up within the IT Department functions as the subcommittee secretariat.

The subcommittee plays an important role in the promotion of our ISMS by addressing issues that have become evident as well as reporting and sharing the results and challenges of initiatives related to information security.

Management Structure
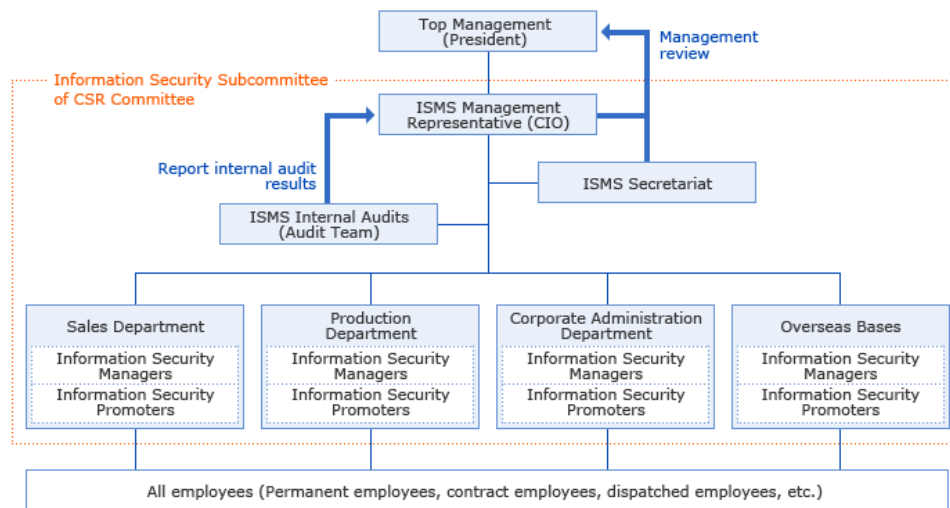
Initiatives in Information Security Management

In September 2005, we obtained ISO27001 certification, a global standard for ISMS. Since then, we have built and continuously maintained and improved an ISMS unique to the Nissha Group. Through the operation of our ISMS, we have performed risk assessment and analyses related to information assets, determined and strived for information security targets, complied with related laws and regulations, conducted internal audits, and appropriately followed processes such as management reviews, thereby reducing the risks of information security incidents and accidents.

In fiscal year 2016, the Nissha Group focused particularly on the following initiatives.

1. Compliance with Japan's social security and tax number system
We formulated a set of internal regulations with the introduction of Japan's social security and tax number system, and organized a briefing session and tested the level of understanding of employees responsible for handling the numbers assigned to individuals.

2. Strengthening of information security education
We implemented training and education to deepen the understanding of all employees, including through group sessions at affiliated companies new to the Nissha Group.

3. Expansion of ISO27001 examination and certification
In fiscal year 2016, Nitec Precision and Technologies, Inc. (NPT) Kyoto Factory and Nissha F8, Inc. (NF8) obtained ISO27001 certification.

4. Response to new ISO27001
We received inspection by an outside organization and renewed our certification in the new version of ISO27001 (2013).

5. Preparations for introduction of ISMS in overseas bases
We prepared a system toward the start of ISMS operation at overseas bases, and visited sites and organized videoconferences to provide education about initiatives in information security and explain the procedures for operating the ISMS.

In fiscal year 2017, we plan to newly obtain ISO27001 certification at a number of our affiliated companies and start operation of the ISMS at overseas bases. The Nissha Group will actively continue in our efforts to keep up with the rapid changes in the IT environment, and reduce risks and strengthen management of information security.
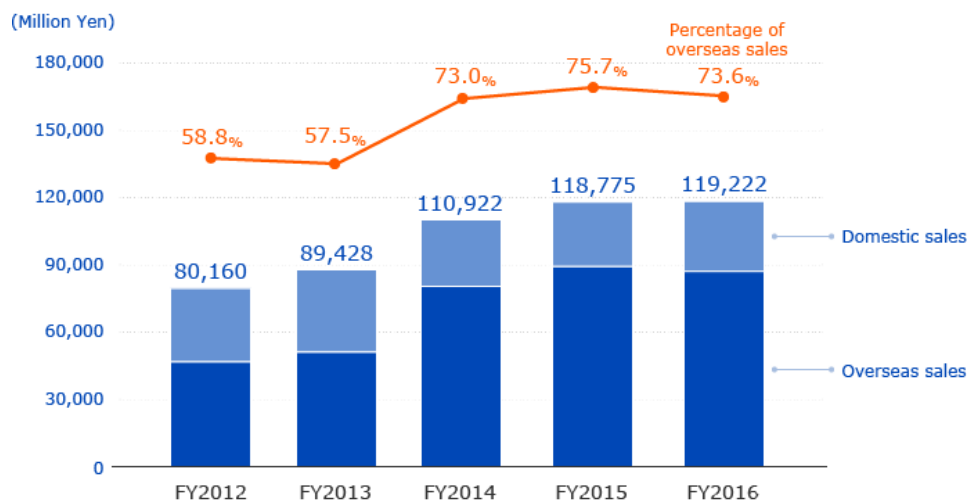
Trade Management

Enhancement of Trade Management Structure

Our Initiatives related to trade management date back to April 2010 with the launch of the Trade Management Improvement Project Team. With the purpose of building an appropriate internal structure for import and export control, the following year, in 2011, we established the Trade Administration and Control Committee and started full-scale trade management. At its first general meeting organized in May 2012, the committee confirmed that activities would aim to strengthen security trade control incompliance with the Foreign Exchange and Foreign Trade Act, and to obtain authorized exporter status under the Authorized Economic Operator (AEO) program, which would recognize that we implement appropriate trade management based on the Customs Act. We obtained this AEO Exporter approval in June 2014 and AEO Importer approval in June 2015.

We earn an increasing proportion of our sales overseas, with the percentage reaching 73.6% in fiscal year 2016. For a company like us, efforts in trade management are essential for business continuation.

### Net sales and percentage of overseas sales

Trade Management Structure

Starting in fiscal year 2017, the Trade Administration and Control Committee carries out activities as the Trade Administration and Control Subcommittee of the CSR Committee. The subcommittee works to strengthen trade management under the head served by a director appointed by the president. Thorough management in daily operations is assigned to subcommittee members and division managers of business divisions, corporate divisions, and affiliated companies in Japan.

In fiscal year 2016, the subcommittee secretariat visited our overseas bases for employee education toward expanding trade management efforts to overseas affiliated companies. In fiscal year 2017, it plans to build a trade management system at overseas affiliated companies in addition to continuing with employee education.

Trade Administration and Control Subcommittee
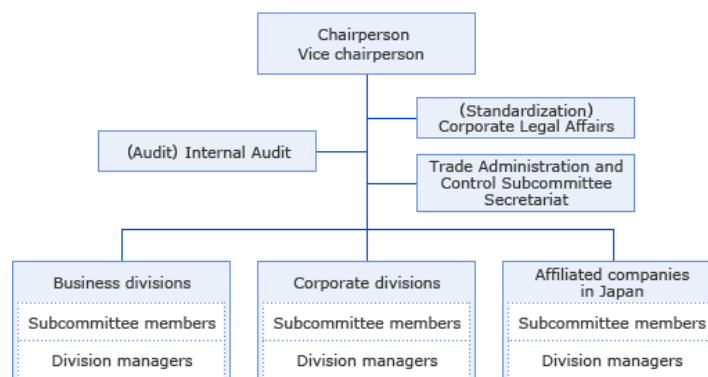
AEO Approval Status

Following approval as an AEO Exporter in June 2014, we obtained approval as an AEO Importer on June 15, 2015. As of May 31, 2016, a total of 57 companies in Japan are approved as both an AEO Importer and an AEO Exporter. Being one of the quickest companies to obtain dual approval, we have in place a system for safe and smooth international logistics.

Southern Nissha Sdn. Bhd., in Malaysia, obtained approval as both an AEO Exporter and an AEO Importer in October 2014.

Fiscal Year 2016 Initiatives and Future Challenges

In fiscal year 2016, we carried on with our initiatives from the previous year in fortifying security export control and furthering export management not only of cargo but also of services (technological information). Meanwhile, we also worked toward obtaining approval as an AEO Importer. Members of the Trade Administration and Control Subcommittee from each business unit organized secretariat meetings every month, and as part of its efforts to fortify company-wide trade management initiatives, implemented rank-specific training for select groups of participants: sessions for all employees to acquire basic knowledge, sessions for managers and trade-related workers aiming to acquire more specialized knowledge in trade-related duties, and sessions for executives. Through our approval as AEO Importer, awareness has improved about prohibited articles and restricted articles based on import control, and the number of submissions for export and import application continued to increase significantly. We are also carrying on with our efforts toward thorough compliance with rules for completing and submitting customs documents required with actual exports and imports.

The strict control of export and import cargo is not only a demand from society but also, for a company like Nissha that operates a global business, an important initiative toward enhanced service to our customers. While we draw on the reciprocal advantages of approval as both an AEO Exporter and an AEO Importer, we believe it is crucial to step up our efforts continuously on a company-wide level toward appropriate cargo control and improved employee awareness of security.

We will continue to promote efforts to ensure safety, improve work quality, and fortify our initiatives in compliance so that we may provide safe, secure, and speedy international logistics services to meet our customers' demands.

Authorized Economic Operator (AEO) Program

Reinforced security measures are a major requirement in international logistics in recent years. Amid the increase in international logistics, ensuring both trade security and smooth logistics is a great challenge. The AEO program seeks to address this challenge by fostering partnerships between customs and private businesses. AEO operators, approved for their security management and compliance structures, are given benefits such as simplified customs procedures in accordance with international standards.

Initiatives Related to Intellectual Property

Approach to Intellectual Property

Nissha Printing raises the protection of intellectual property in our Guideline of the Corporate Ethics and Compliance as a key item, and we make active efforts to respect the intellectual property of third parties and to obtain rights for and use that of our own. Intellectual Property Management acts as the central body for protecting intellectual property. With the aim of expanding the performance of business units and ensuring a competitive advantage for new businesses, it works to establish intellectual property strategies for the entire Nissha Group and meet internal needs to secure intellectual property rights.

> ### Basic policy for protection of intellectual property (from the Guideline of the Corporate Ethics and Compliance)
>
> 1. We will acknowledge the importance of our technologies and brands as intellectual property and will undertake their appropriate management.
> 2. We will report any invention arising through our business operations in accordance with our Company regulations.
> 3. We will strive to avoid the breach of third-party intellectual property rights.

Contents of Initiatives

Promotion of Patent Application

We aim to file for patent application and obtain rights for new technologies developed in our development divisions. To respond to the increasing globalization of our business activities, this requires us to file for application not only in Japan but also abroad. The promotion of technology development and the obtaining of patent rights help to differentiate Nissha products, made with our own distinctive technologies, from other companies' products. This in turn puts a check on the inappropriate use of other companies' technologies, helping also to reduce intellectual property-related risks in connection with Nissha products for our customers.

Monitoring of Other Companies' Patents

We periodically research and continuously monitor other companies' patents so that Nissha products do not infringe others' patent rights. For monitoring, we input subjects as research criteria in a patent database and obtain results on a regular basis using a selective dissemination of information (SDI) system.

Intellectual Property Training Programs

We organize internal training programs so that employees may deepen their understanding of and properly protect intellectual property. In fiscal year 2016, we invited an outside specialist to conduct sessions divided into four levels—introductory, basic, advanced, and practical research—in which participants learned in detail about intellectual property law, how to research other companies' patents, and promoting technology development and filing for patent application. We also hold sessions in which a member of Intellectual Property Management serves as instructor.

Intellectual property training program
Instructor: Mr. Ryu Yuasa, TechnoProducer Corporation
Commissioned organizer: CKS Corporation

Partnership with Our Suppliers

We at Nissha procure the raw materials, components, equipment, and services necessary for making our products from the global market. We work with our suppliers that constitute this supply chain to promote CSR procurement based on our Basic Purchasing Policy toward realizing co-existence, sharing awareness of our social responsibility, and enhancing mutual corporate value.

Basic Purchasing Policy

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.

1. Stable business foundation and reliable business attitude
2. Excellent technology development and supply abilities
3. Flexibility to adapt to changes in the business environment
4. Safety of products and services, stable quality and lead time and competitive prices
5. Supply chain management aimed for business continuation
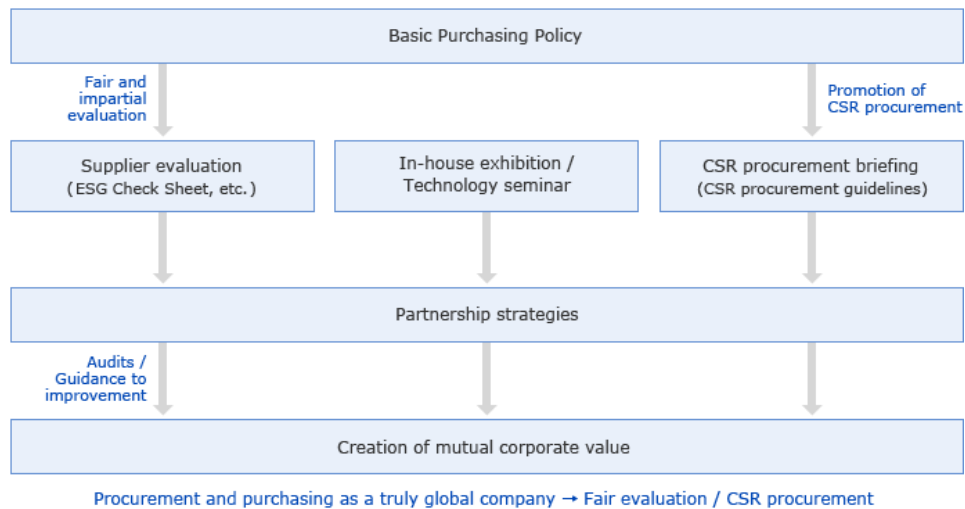
We at Nissha promote CSR procurement by working with suppliers on the following points.

1. Labor
2. Health and Safety
3. Environment
4. Ethics
5. Information Security

Establishment April 2, 2009
Amendment June 30, 2015

Nissha Printing Co., Ltd.

Basic Approach to CSR Procurement Promotion

Basic Purchasing Policy

Fair and impartial evaluation

Promotion of CSR procurement

Supplier evaluation (ESG Check Sheet, etc.)

In-house exhibition / Technology seminar

CSR procurement briefing (CSR procurement guidelines)

Partnership strategies

Audits / Guidance to improvement

Creation of mutual corporate value

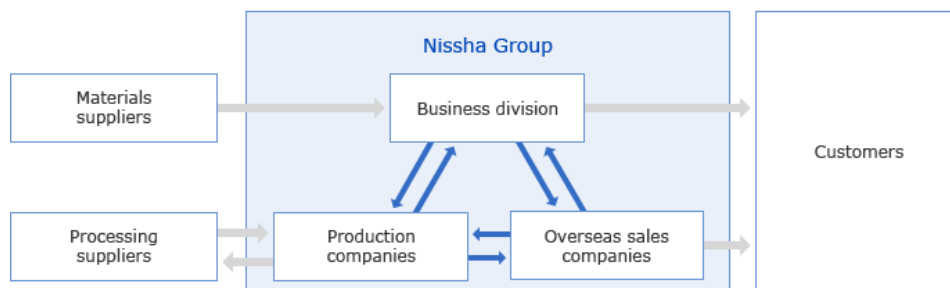Procurement and purchasing as a truly global company → Fair evaluation / CSR procurement
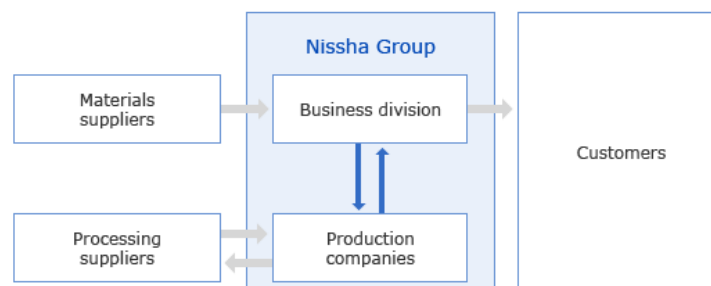
Expansion of Our Supply Chain

We collaborate with various suppliers in conducting our business activities.
In fiscal year 2016, we concluded a capital and business alliance contract and a production consignment contract in our Information and Communications business with Kyodo Printing Co., Ltd.

Supply Chain of the Industrial Materials and Divices Businesses

Nissha Group

Materials suppliers

Business division

Customers

Processing suppliers

Production companies

Overseas sales companies

Supply Chain of the Information and Communication Business

Nissha Group

Materials suppliers

Business division

Customers

Processing suppliers

Production companies

CSR Supplier Audits

From fiscal year 2015 onward, we conduct CSR supplier audits starting with our particularly important suppliers and new suppliers. The audits cover five areas— labor, health and safety, environmental, ethics, and management system—drawing on the global code of conduct provided by the Electronic Industry Citizenship Coalition (EICC) and on our customers' own code of conduct based on this EICC template.

Prior to auditing, we organize a CSR procurement briefing to explain our CSR Procurement Guidelines, and distribute an environmental, social, and governance (ESG) check sheet for the supplier to complete. The audit process consists of an inspection of the supplier's employment regulations and time cards, tours of the site premises including the clean room, and interviews with employees. In the event the audit uncovers any instances of noncompliance, the supplier is required to establish corrective action (CA) and preventive action (PA) on the findings. The nine audits conducted to date detected a total 82 instances of noncompliance (45 related to labor and human rights, 18 to health and safety, 4 to the environment, 12 to ethics, and 3 to management system). In several cases, employees from Nissha revisited the site to explain the proper response to revisions in legislation and provide support to remedy the situation. Roughly three months later, auditors check that CA and PA have been taken and the noncompliance has been remedied, bringing the CSR audit to completion.

In fiscal year 2016, we carried out audits at a total of three materials suppliers of the Devices business and the Industrial Materials business. This combined with the suppliers audited in fiscal year 2015 represent about 70% of the total value of goods procured at Nissha. By the end of fiscal year 2018, we aim to complete CSR audits at suppliers representing 90% of the total value of goods procured.

Items of CSR Procurement Guideline

1. Labor and human rights
　　1) Freely chosen employment
　　2) Young workers
　　3) Working hours
　　4) Wages and benefits
　　5) Humane treatment
　　6) Non-discrimination
　　7) Freedom of association

2. Health and safety
　　1) Occupational safety
　　2) Emergency preparedness
　　3) Occupational injury and illness
　　4) Industrial hygiene
　　5) Physically demanding work
　　6) Machine safeguarding
　　7) Sanitation, food, and housing
　　8) Health and safety communication

3. The environment
　　1) Environmental permits and reporting
　　2) Pollution prevention and resource reduction
　　3) Hazardous substances
　　4) Wastewater and solid waste
　　5) Air emissions
　　6) Materials restrictions
　　7) Storm water management
　　8) Energy consumption and greenhouse gas emissions

4. Ethics
　　1) Business integrity
　　2) No improper advantage
　　3) Disclosure of information
　　4) Intellectual property
　　5) Fair business, advertising and competition
　　6) Protection of identity and non-retaliation
　　7) Responsible sourcing of minerals

5. Information Security

      1) Building of information management system

      2) Prevention of leakage of confidential information about our customers and third parties

      3) Defense against a computer and network threat, and management of electronic device and recording medium

      4) Prevention of leakage of personal information.

Fields of ESG check sheet

1. Certification
2. Labor and human rights
3. Health and safety
4. Environmental management
5. Information security management
6. Corporate ethics and compliance
7. Management system

Development of Procurement Personnel

We make continuous efforts to educate procurement personnel and promote transactions with our suppliers based on fairness, impartiality, and integrity in line with our Basic Purchasing Policy.

Fiscal Year 2016 Initiatives

1. Basic course in the Act against Delay in Payment of Subcontract Proceeds

We invited an outside instructor and organized sessions at three bases. The course attracted many participants even from outside procurement divisions, suggesting a high level of interest from our employees. Following training, we gave the participants a test and provided feedback of the scores along with a recap, ensuring that knowledge gained through the training took root in the employees' minds.

In-house training

2. Training for new procurement personnel

We conducted training for employees new to procurement divisions, covering our Basic Purchasing Policy, the importance of compliance, and the knowledge and mindset essential to procurement personnel.

3. Procurement program

We developed a new program with the aim of fostering next-generation leaders of procurement divisions. This year we invited an outside instructor to conduct six monthly sessions around the theme of cost engineering. The semester concluded in February with a presentation of achievements.

4. Procurement Q&A

Drawing on the results of an in-house procurement test conducted in fiscal year 2016, we sent a series of emails to all employees of procurement divisions plus employees of other divisions who requested it, covering knowledge in procurement with a focus on test questions that had a low percentage of correct answers. The emails were sent once a week for a total of 30 weeks with the aim of strengthening our employees' foundation in the basics.

Initiatives Related to Conflict Minerals

The major conflict minerals used in Nissha Group products include tin used in some decoration films and in ITO film[*1] for touch panels, and gold used in FPC[*2] plating.

We investigate all of the materials that make up our products using a Safety Data Sheet (SDS) and identify those that contain conflict minerals. Further, we ask our materials suppliers not to source minerals produced in the Democratic Republic of Congo or adjoining countries.

In fiscal year 2016, we expanded the scope of our investigation to the products of companies new to the Nissha Group. In future, we will continue our efforts to engage in minerals procurement with integrity in line with our Underlying Philosophy Concerning Corporate Responsibility for Minerals Procurement.

Underlying Philosophy Concerning Corporate Responsibility for Minerals Procurement

The Nissha group is deeply concerned that a portion of the conflict minerals extracted by the Democratic Republic of the Congo and its neighboring countries are being used as a source of funding for militia that through acts of looting, violence and forced labor are infringing on fundamental human rights.
In April 2012, Nissha became a signatory to the "Global Compact" as advocated by the United Nations. We at Nissha have fully embraced the Ten Principles stated in the Global Compact as a cornerstone of our Corporate Mission. Based upon our recognition of the importance of these principles and aiming for co-existence with our stakeholders, we are committed to non-use of these conflict minerals, as raw materials in our products as they result in an infringement of basic human rights. Accordingly where our company becomes aware of the use of any conflict minerals, we will immediately implement all measures required regarding that use.

1. Nissha is presently implementing ongoing control systems for conflict minerals which we maintain continuously.
2. Nissha will promptly provide to its customers conflict minerals information including its smelters, etc.
3. Nissha in respect of this issue will publish the relevant information in its CSR reports.

We will continue to make sincere efforts for the responsible procurement of related minerals in order to fulfill our corporate social responsibilities.

March 12, 2014

Junya Suzuki
President and CEO
Chairman of the Board
Nissha Printing Co., Ltd.

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*1. ITO film: Film with a transparent conducting coating of indium tin oxide (ITO).
*2. FPC: Flexible printed circuits (FPC) that maintain their electrical properties when flexed.

Initiatives Related to Anti-corruption

The United Nations Global Compact to which Nissha Printing Co., Ltd. is a signatory lists anti-corruption as its 10th principle. And in recent years, global society has seen a tightening of controls pursuant to anti-corruption legislation including the United States' Foreign Corrupt Practices Act and the United Kingdom's Bribery Act. We at Nissha have also seen a rise in demand to follow anti-corruption provisions set forth in the codes of conduct provided both by our customers and by the Electronic Industry Citizenship Coalition (EICC).

The Nissha Group cites prohibition of corrupt practices as an important point of our Guideline of the Corporate Ethics and Compliance. In fiscal year 2016, we checked the level of our employees' understanding of "corrupt practices" through company-wide training sessions in corporate ethics and compliance, and conducted anti-corruption training for managers at overseas bases of the Nissha Group.

We identify anti-corruption as a material issue related to CSR.
Moving forward, we plan to coordinate with relevant divisions and organize initiatives related to the prohibition of corrupt practices taking into account global trends and their significance to Nissha, as well as promote risk assessment and focus on education.

Consumer Issues

With the aim of providing products and services
that satisfy and meet the needs of our customers,
we make active efforts to improve quality following our Quality Policy.

Consumer Issues

Responsibility to Our Customers / Quality-related Initiatives

We at Nissha strive daily to improve quality, based on our Quality Policy, so that we may provide products and services that satisfy and meet the needs of our customers.

Quality Policy

Nissha and its subsidiaries are committed to contributing widely to society through customer's trust and satisfaction of quality, cost, delivery, services and speed.

1. We aim for quality that stands up to the customer's expectations.
2. We pursue Zero Defects in our products.
3. We provide products which satisfy customer requirements and conform to relevant legislation and regulations.
4. We establish and maintain a quality management system, and continually improve its effectiveness.

April 1, 2011

Junya Suzuki
President and CEO
Chairman of the Board
Nissha Printing Co., Ltd.

Quality Management System (QMS)

We operate a quality management system that meets the requirements of international standard ISO 9001:2008. Led by the president and a Chief Quality Officer (CQO) in charge of the system, we promote improvements in quality under our comprehensive quality assurance initiative Nissha Total Quality Management (NTQM). We also implement for various forms of improvement based on instructions from top management in periodic management reviews.

Quality Assurance Structure

Nissha Total Quality Management (NTQM)

Our NTQM initiative seeks to build and improve a mechanism for keeping promises with our customers as well as complying with laws and regulations.

NTQM clarifies the procedures followed at each business unit, such as design reviews (DR), reliability tests, and supplier management. We believe that improving the accuracy of these procedures will enable us to provide products and services with even higher levels of quality and safety.

In fiscal year 2017, we plan to conduct studies toward building quality management systems pertinent to our new business domains, in compliance with standards such as TS 16949 (automotive industry) and ISO 13485 (medical devices).

Five Musts for the Systematization of Work

In fiscal year 2012, we set forth Five Musts for the Systemization of Work, a concept we are working to communicate company-wide through training and our internal newsletter.

Five Musts for the Systematization of Work

1. Standardize work.
Standardization clarifies the required input, as well as the work you have to perform.

2. First of all, check the input.
Begin your work by checking for any fault in input.

3. Incorporate the customer viewpoint into the output.
Not only customers for the Company, but your immediate customers, internal and external. In your work, you must aim at an output that meets QCDS from all your customers.

4. Reinforce the system using human factors.
Human factors should be used to cover those areas of work which cannot be covered by the system alone. Your communication and teamwork will reinforce the system.

5. Make continuous efforts to improve the system.
The system must be established and implemented continuously. Continuous implementation results in further improvement of the system, as well as that of the quality of our work and the Company.

*QCDS: Initial of Quality, Cost, Delivery, Service, the index for product evaluation.

Small-group Activities

The accumulation of bits of wisdom and creativity from all employees is the source of great improvements in work processes. The small-group activities we restarted in July 2011 are an important mechanism for mustering our knowledge and strengths. And the Company-wide Presentation Meeting of Small-group Activities launched in October 2011—we celebrated the holding of the 10th session in April 2016—unveils the various results of improvement activities carried out at our business units. The presentation meetings are designed to reward not only the results but also the thought process and creativity that produced the results, as well as the skills for explaining these in an easy-to-understand manner. With the aim of sharing the fruits of improvement activities with back-office divisions, in February 2016 we organized our first Back-office Company-wide Presentation Meeting of Small-group Activities.

Through the small-group activities, a positive attitude has taken root in our employees' minds: 1) always incorporate creativity in work processes, 2) base judgments on data (facts), and 3) utilize the plan-do-check-act (PDCA) cycle to make improvements on a continuous basis.

Improvement Proposal System

Besides taking time to analyze workplace problems and search for optimal solutions, it is also important to say "just do it" and act on inspired ideas. In fiscal year 2012, we reintroduced the improvement proposal system as a company-wide mechanism. The number of proposals is increasing year after year, and the concept of giving shape to ideas and reporting them is taking root. At present, various departments submit many proposals, which are helping to streamline management and make it more efficient as well as to invigorate workplaces.

Education and Training Activities

We at Nissha believe that the quality of people plus the quality of work equals the quality of the company. We plan and provide various educational programs in efforts to develop our employees—our most important management resources.

Training	1) General quality training (for first-, second-, and third-year employees, new managerial staff, managers, and overseas transferees) 2) Management system training (ISO 9001:2008, ISO/TS 16949:2009, and core tools) 3) Quality control training (QC Exam levels 3 and 4) 4) Quality methodology training (statistical methods, experimental design, TS core tools, etc.) 5) Improvement tool training (industrial engineering, human error prevention, "5 Whys" cause-and-effect analysis, etc.) 6) Other training
Practical education	1) Support for small-group activities 2) Nissha Academy (Monozukuri School etc.)
Information sharing / reciprocal learning	Company-wide Presentation Meeting of Small-group Activities

From Department-based Optimization to Company-wide Optimization

The next process is the customer—this is a Japanese maxim related to quality improvement. It means that all workers in every process must have in mind the customer, who might be workers in the production process following theirs. We at Nissha promote the recognition of ties between one's own department and others', and even ties between work processes across the whole company, in terms of "input" and "output." Hence we stress the importance of links between internal processes and the orderly division of roles. By having all employees

stand in the customers' shoes, we aim to break free of department-based optimization and strive for company-wide optimization. We believe that basic concepts like this and the sorting out of functions will build Nissha's foundation as a manufacturing company.

Quality and Safety of Products

We at Nissha provide our customers with explicit information on product usage and safety in documents such as delivery specifications. In the event a serious accident occurs as a result of flaws in our products and services, which may violate laws or regulations, we establish a CPL committee and strive for a quick resolution. We are also prepared to report the incident to government agencies in accordance with laws and to notify our customers as soon as possible. We communicate to our employees the importance of ensuring the quality and safety of products through corporate ethics and compliance training.

Up to fiscal year 2016, the number of instances in which we organized a CPL committee or violated laws was zero, resulting in a fine of 0 yen. We will strive to maintain our zero violation record in the future.

* CPL: Combination of contractual liability (CL) with product liability (PL)

Management of Chemical Substances in Products

We at Nissha have in place two sets of criteria for managing chemical substances: the Nissha Control Criteria for Chemical Substances, covering Nissha products and packaging materials, and the Nissha Control Criteria for Chemical Substances in Purchased Products, covering procured items such as primary and secondary raw materials. Both reflect the laws and regulations of relevant countries and regions, including the Restriction of Hazardous Substances (RoHS) directive and the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulation, as well as the substance-related criteria of our customers. Whenever our customers' criteria change, we identify the differences from our criteria and work to conform to our customers' request. Apart from this, we review our criteria once a year, making revisions as necessary, and organize briefing sessions for related divisions and our suppliers.

When selecting new materials in the design and development stages, we conduct design reviews related to materials and assess compliance with our criteria. Our factories are building a mechanism for accepting materials that meet our criteria, ensuring traceability, identifying and separating noncompliant substances, and responding to issues swiftly such as through reporting in efforts to prevent misuse and contamination.

Corporate Environmental and Safety Management of Corporate General Affairs functions as a secretariat and works with the product development, quality assurance, and procurement divisions of each business unit to promote management of chemical substances in products. It also carries out internal environmental audits on a regular basis to inspect the management status. This internal structure implements strict control of chemical substances from the design stage to the final product, and responds to changes in the needs of society and the demands of our customers.
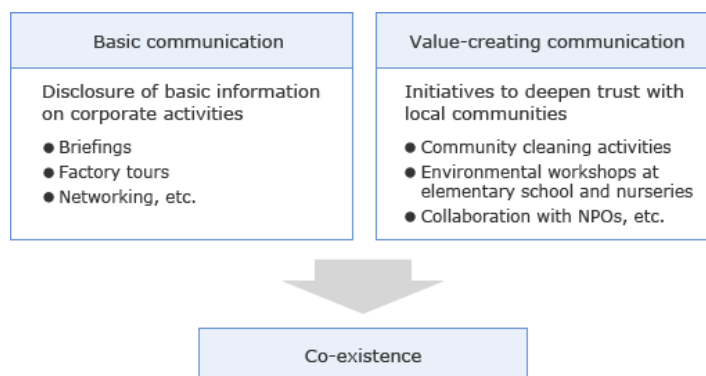
Along with Local Communities

With the aim of being a company that is needed by society,
we promote active communication with local communities and conduct activities
in line with our Basic Social Contribution Policy.

Along with Local Communities

Promoting Communication with Local Communities

As a member of the global society, Nissha aims not only to fulfill its responsibilities as a corporation but also to win the trust of local communities and be a company that is needed by society. We promote active communication so as to deepen mutual understanding with local communities.

Basic communication	Value-creating communication
Disclosure of basic information on corporate activities ● Briefings ● Factory tours ● Networking, etc.	Initiatives to deepen trust with local communities ● Community cleaning activities ● Environmental workshops at elementary school and nurseries ● Collaboration with NPOs, etc.

Co-existence

Basic Social Contribution Policy

We at Nissha set forth our approach to social contribution in the Basic Social Contribution Policy. We devote our management resources to four fields we recognize as important: environmental protection, next generation support, promotion and support of arts and culture, and human support activities.

Basic Social Contribution Policy

Nissha and Nissha People contribute to society under the spirit of global citizenship by using their management resources effectively toward the achievement of the Corporate Mission.

Main fields of contribution: "environmental protection", "next generation support", "promotion and support of arts and culture", and "human support activities".

Waste Management Training for JICA Trainees

In September 2015, Nissha Printing Co., Ltd. organized a training session at our global headquarters themed around corporate waste management for overseas government agencies invited by the Japan International Cooperation Agency (JICA) to participate in a training program in environmental management.

The request came by way of the Kyoto Environmental Activities Association (KEAA) to accept 10 trainees from seven countries—Sudan, Nigeria, Algeria, Egypt, Kazakhstan, Nepal, and Bhutan. Three KEAA staff members accompanied the group.

Following a tour of global headquarters workplaces centering on our waste separation and storage area, we introduced the participants to Nissha initiatives in waste management, specifically zero emissions and risk management. The JICA trainees left with a deep understanding particularly of our efforts in zero emissions, the mechanism by which we manage three types of waste-related risk (accidents and disasters, violation of laws that causes environmental pollution, and information leakage), and our all-important management of and partnership with waste treatment contractors.

We received words of praise from the accompanying KEAA staff members: "At Nissha, the concepts of reducing risk and reducing waste are in perfect sync. The company does not view environment-friendliness as a challenge detached from business operations. Its initiatives in environmental protection link seamlessly with its initiatives in waste reduction. This approach left a deep impression on us and proved to be a great source of inspiration for the trainees."

Initiatives for Next Generation Support and Humanitarian Support

Environmental Workshops at Local Elementary Schools and Nursery Schools

Our employees at Nissha mainly at production sites in Japan visit local elementary schools and nursery schools and conduct environmental workshops.

In fiscal year 2016, workshops were held at two elementary schools in Kyoto and two elementary schools in Kaga, Ishikawa Prefecture. At the schools, children learned about preventing global warming, how to separate waste, and other environmental initiatives closely associated with their daily lives. In addition, we introduced the "secrets of printing" and the "secrets of touch panels" as part of a uniquely Nissha program aiming to spark interest in "monozukuri," or manufacturing, and foster a sense of professional values. Participants in this initiative, which started in fiscal year 2008, numbered about 4,150 children at 82 schools as of the end of March 2016.

In Kyoto, we further participate in an environmental learning program for elementary school pupils jointly organized by the Kyoto Chamber of Commerce and Industry and the Kyoto City Board of Education. The program seeks to raise awareness of environmental issues and deepen interest in the technologies and initiatives of companies based in Kyoto. In November 2015, the program won an encouragement prize in the Sixth Career Education Awards presented by the Ministry of Economy, Trade and Industry.

Workshops Held in Collaboration with an NPO

With the aim of developing in children an interest in the environment and unleashing their creativity and imagination, we are holding "Machikusa Mikke!" workshops in collaboration with the NPO Kids Meet Artists (Director: Haruka Idegami).

In this program, the children observe the weeds (Machikusa) that generally go unnoticed in daily life, guided by the artist Shinpei Shigemoto, who coined the term Machikusa, give them original names of their choice, and make presentations about them. Following this, they create their own original Machikusa cards, or make Machikusa maps which record where they were discovered.

Since it started in 2010, the workshop was run a total of 15 times with participation from about 650 children. In fiscal year 2016, the workshop was held at an elementary school near Nissha's Kyoto Global Headquarters, and at one temple and one shrine in the Rakuhoku area of Kyoto. Sessions at the temple and shrine invited children from community children's halls. Following an enthusiastic search for Machikusa, the children came up with countless unique, imaginative names.

Support for Kyoto City Inquiry Learning Center for Career Education

NISSHA is sponsor of the Children's Monodzukuri Project in Kyoto run by the Kyoto City Board of Education. In addition to exhibiting in a corporate booth at the Kyoto City Inquiry Learning Center for Career Education, Kyoto Monodzukuri-no-Dendo (Monodzukuri Hall of Fame), we provide teaching materials and programs for the workshops held at the Monozukuri Workshop. In this program, the children themselves used staplers and tape

to create simple touch panels, which were lit up using LED lights.

In fiscal year 2016, some 1,200 children from a total of 18 elementary schools participated in our program, titled "First 'Touch' to the Future." We hope to develop the children's curiosity in "monozukuri," or manufacturing, through familiar everyday products.

In November 2015, the Kyoto program won the first prize for excellence in the Awards for Partnerships for Career Education Promotion jointly presented by the Ministry of Education, Culture, Sports, Science and Technology and the Ministry of Economy, Trade and Industry.

Human Support Activities in Partnership with TABLE FOR TWO

Since April 2013, the corporate cafeteria at Nissha's Kyoto Global Headquarters implements a program in partnership with TABLE FOR TWO International (Director: Masahisa Kogure), where with each purchase of a meal, 20 yen is donated to provide one school lunch for children in developing countries.The cafeteria designates every Friday as TABLE FOR TWO (TFT) day and serves a healthy TFT menu. While enjoying lunch as usual, employees have the opportunity to deliver a meal to children in Africa. The program has taken root thanks in part to its simplicity.

In October and November 2015, we took part in the World Food Day "Onigiri Social Action" campaign hosted by TFT, where five meals are donated with every photograph featuring an onigiri (rice ball) posted on a dedicated website. In addition to serving rice-ball lunches at the cafeteria, we offered to take pictures to encourage participation. As a result, more than 150 photographs were posted from Nissha.

Sponsorship of Museum Exhibitions and Art Events

As part of our efforts in "promotion and support of arts and culture" cited in our Basic Social Contribution Policy, we cosponsor museum exhibitions and art events held throughout Japan.
In fiscal year 2016, we cosponsored the exhibitions and events given below.

Exhibition / event	Schedule	Venue
3rd KYOTOGRAPHIE International Photography Festival	April 18, 2015 - May 10, 2015	TORAYA Kyoto Gallery, Yuuhisai Koudoukan, etc.
Hori Fumiko Retrospective: Unending Journey	April 18, 2015 - June 7, 2015	Hyogo Prefectural Museum of Art
Kitaoji Rosanjin: A Revolutionary in the Art of Japanese Cuisine	June 19 - August 16, 2015	The National Museum of Modern Art, Kyoto
Leaps in Evolution – Tracing the Path of Vertebrate Evolution	July 7 - October 4, 2015	National Museum of Nature and Science
Tove Jansson Exhibition - Living with Moomins - Tove100	July 25 - September 27, 2015	Abeno Harukas Art Museum
Niki de Saint Phalle	September 18 - December 14, 2015	The National Art Center, Tokyo
RINPA: The Aesthetics of the	October 10 - November 23, 2015	Kyoto National Museum Heisei

Capital		Chishinkan
Furuta Oribe: 400th Anniversary of the Death of a Feudal Lord and Tea Master	October 10 - November 23, 2015	Sagawa Art Museum
The Secret of Picasso's Genius	January 3 - March 21, 2016	Aichi Prefectural Museum of Art
Vermeer and Rembrandt: The Masters of The 17th Century Dutch Golden Age	January 14 - March 31, 2016	Mori Arts Center Gallery
LEONARDO DA VINCI – BEYOND THE VISIBLE	January 16 - April 10, 2016	Edo-Tokyo Museum
Miyagawa Kozan Retrospective	February 24 - April 17, 2016	SUNTORY MUSEUM of ART

Membership in Community Organizations

We participate in various community activities with the aim of being a company that is needed by society.

Organization / host	Position / membership status	Company registered
Kyoto Chamber of Commerce and Industry	Permanent member	Nissha Printing Co., Ltd.
Kyoto Employers' Association	Executive director	Nissha Printing Co., Ltd.
Kyoto Association of Corporate Executives	Chair	Nissha Printing Co., Ltd.
Kyoto Industrial Association	Director	Nissha Printing Co., Ltd.
Ritsumeikan University Business School	Advisory board member	Nissha Printing Co., Ltd.
Kyoto Institute of Technology	Joint management council member	Nissha Printing Co., Ltd.
Kyoto Council of Economic Organizations	Director	Nissha Printing Co., Ltd.
Printers Association of Japan	Executive director	Nissha Printing Co., Ltd.
Japanese Society of Printing Science and Technology	Councilor	Nissha Printing Co., Ltd.
Kyoto Institute of Invention and Innovation	Advisory committee member	Nissha Printing Co., Ltd.
Kaga Chamber of Commerce and Industry	Permanent member	Nitec Precision and Technologies, Inc. (NPT) Kaga Factory

Company Outline

For the company outline and further information on Nissha, please follow the links below.

Company Outline

View our company outline and a list of major group companies.
http://www.nissha.com/english/company/outline.html

What's Nissha?

View our business fields and an outline of our global operations.
http://www.nissha.com/english/company/business/index.html

Nissha Group

View the bases of our global Nissha Group network.
http://www.nissha.com/english/company/office/index.html

Company Outline

Name	Nissha Printing Co., Ltd.
Global Headquarters	3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan
President and CEO, Chairman of the Board	Junya Suzuki
Founded	October 6, 1929
Established	December 28, 1946
Capital	¥5,684,790 thousand
Employees	817 (Consolidated number of employees: 4,054) *As of End of June 2016
Business outline	Nissha is mainly developing the 4 business areas of Industrial Materials, Devices, Life Innovation and Information & Communication. At the same time, Nissha is accelerating the creation of Development for advance. >For more detail of our business, please check this link, http://www.nissha.com/english/products/index.html
Consolidated Subsidiaries	58
Equity Method Affiliates	3*
Bases	Japan: 14 (including affiliated companies) Overseas: 39 (including locally incorporated companies and equity method affiliates)
Major Group Companies	【Japan】 Nitec Industries, Inc. Nitec Precision and Technologies, Inc. SiMICS Co., Ltd. FIS Inc. Nissha Printing Communications, Inc. Nitec Printing Co., Ltd. Nissha F8, Inc. M crossing Co., Ltd. Nissha Business Service Co., Ltd. 【Overseas】 Nissha USA, Inc. Eimo Technologies, Inc. Si-Cal Technologies, Inc. PMX Technologies, S.A. de C.V. Nissha Medical International, Inc. Graphic Controls Holdings, Inc. Graphic Controls Acquisition Corp. Lead-Lok, Inc. Vermed, Inc. CEA Medical Manufacturing, Inc. Graphic Controls Canada Company Graphic Controls Ltd. Crown Graphic N.V. DIA-Nielson GmbH & Co. K.G. Guyot Graphco S.A.

	Tyromed GmbH.
	CEA Global Dominicana, S.R.L.
	Nissha Europe GmbH
	Nissha Luxembourg Holdings S.à r.l.
	AR Metallizing N.V.
	AR Metallizing S.r.l.
	AR Metallizing Ltd.
	ARM Embalagens Ltda.
	Málaga Produtos Metalizados Ltda.
	Nissha Korea Inc.
	Nissha Industrial and Trading (Shenzhen) Co., Ltd.
	Nissha (Kunshan) Precision IMD Mold Co., Ltd.
	Guangzhou Nissha High Precision Plastics Co., Ltd.
	Hong Kong Nissha Co., Ltd.
	Taiwan Nissha Co., Ltd.
	Nissha Industrial and Trading Malaysia Sdn. Bhd.
	Southern Nissha Sdn. Bhd.
	*NS Tech Co., Ltd.
	*TPK Film Solutions Limited

What's Nissha?

Nissha's Business Fields

The company's name, Nissha Printing, may conjure up an image of a company that prints publications such as books. However its business is not only confined to that.
Nissha's "Touch panels" lead the way in touch input technology today, our "Surface decoration" technology can change the looks from plastic to wood, our "Hydrogen detectors" has adopted in fuel cell vehicle and we develop DDS (Drug Delivery System). We progress technologies since we started business in 1929. We maximize our capabilities driven by our technology, passion, and leadership to create value for the future.
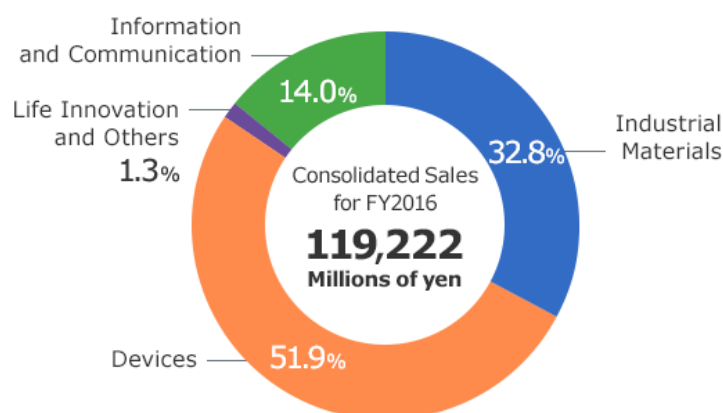

Global Headquarters (Kyoto, Japan)

Developing the 4 business area

Nissha is developing the 4 business areas of "Industrial Materials(http://www.nissha.com/english/products/industrial_m/index.html)" ,"Devices(http://www.nissha.com/english/products/dev/index.html)" ,"Life Innovation(http://www.nissha.com/english/products/life/index.html)"and "Information & Communication(http://www.nissha.com/english/products/information_com/index.html)". We handle decorative films and printing related materials field comprising "IMD" and
"Metallized Paper" as the main product in our Industrial Materials business, and the touch input device "FineTouch" series in our Devices business. In our Life innovation business, we handle gas sensors and DDS(Drug Derivery System) and the Information & Communication business, we provide printing media and a wide range of services that support general communication strategies, on a one-stop basis.

* Nissha Printing Communications, Inc. operates the Information and Communication business of Nissha Printing Co., Ltd.

Sales breakdown by business field

Information and Communication — 14.0%
Life Innovation and Others — 1.3%
Industrial Materials — 32.8%
Devices — 51.9%

Consolidated Sales for FY2016
**119,222**
Millions of yen

Globally trusted Technology

Nissha's technology is highly regarded not only by customers in Japan, but throughout the world. Nissha products are customized for each and every product provided to our customers. Our business would not be viable without the trust of our customers.

Nissha's way of carrying out business is to work near to our customers throughout the world in a way that answers our customers' needs. Overseas sales have vastly surpassed domestic sales.

Sales breakdown by overseas vs. domestic

26.4% — Domestic

Consolidated Sales
for FY2016
119,222
Millions of yen

Overseas — 73.6%
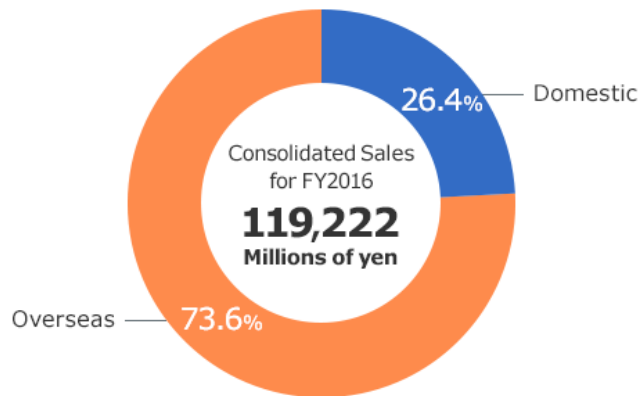
Industrial Materials

On all sorts of surfaces, the technology to transfer both function and design

The major product of our Industrial Materials Business is IMD(http://www.nissha.com/english/products/industrial_m/imd/index.html), which applies a range of functions and designs on products as they are formed, by enveloping them in a special transfer film during plastic injection molding. The richness of design expression that IMD brings, its functional strengths such as its ability to withstand scratches or fingerprints, and its simple production process are why IMD is held in such high regard around the world, where it is used on a wide range of everyday plastic products that include automobile interior parts, consumer electronics, and smartphones.

IMD uses not just transfer foil printing technology but mold technology, injection molding technology, and a range of others, making the Industrial Materials Business unique in possessing so many of these technologies. Our products will evolve to meet future market trends and the needs of customers around the world as we develop new printing techniques. In addition, acquiring a wide range of technologies, not just limiting to printing ones, will allow us to provide a diverse range of products and services to our customers.

*IMD is a registered trademark or a trademark of Nissha Printing Co., Ltd.

Used in the following ways

Automotive interior and exterior parts, Smartphone, Consumer electronics, Cosmetics, Stationery and Housing equipment, etc.
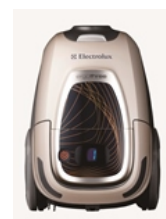
IMD's unique mechanisms

IMD is a "printing" technology that allows images to be attached to three-dimensional plastic. How are we able to attach images to something that isn't flat?
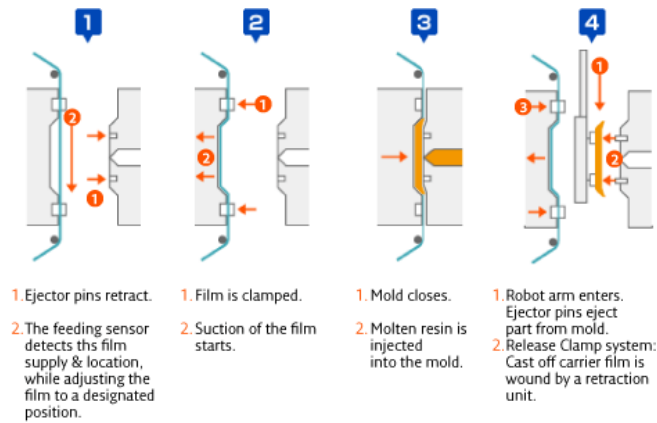
The answer is provided by a unique technique used by IMD to allow images to be attached within a mold.

IMD = In-mold Decoration (simultaneous molding and decorative transfer system)

1	2	3	4
1. Ejector pins retract. 2. The feeding sensor detects ths film supply & location, while adjusting the film to a designated position.	1. Film is clamped. 2. Suction of the film starts.	1. Mold closes. 2. Molten resin is injected into the mold.	1. Robot arm enters. Ejector pins eject part from mold. 2. Release Clamp system: Cast off carrier film is wound by a retraction unit.

Expanding the application areas

Centered around the unique technologies we have accumulated through IMD, we can respond to wide-ranging market needs by expanding and developing new application fields.

Metallized paper

Metallized paper is a special paper with a metallic layer vacuum deposited on the surface for decorative effect. With the appearance of metal but the properties of paper, such as biodegradability, metallized paper is garnering interest as an excellent material for environment-friendly packaging.

Transfer to various materials
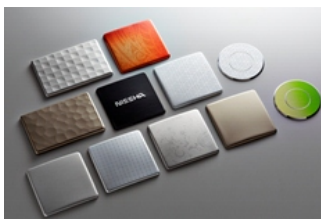
Nissha's transfer technology enables decorate and add functions on not only for plastic molded products but also for glass, metal and 3D products.

Devices

Revolutionizing Sensing Technology

Nissha's FineTouch leads the way in touch input technology. This technology is used in today's mobile phones, as well as in gaming and digital devices all over the world, and continues to open doors to exciting new possibilities in a long list of industries and technologies. With an eye toward future trends in the market, we are pushing the boundaries of touch-input functionality to create advanced sensing devices of superior quality. Our developments in this area include a new three-dimensional touch panel, a force sensor that can detect the slightest touch with a high degree of accuracy, and a flexible transmission antenna. We are committed to supplying our customers with Flexible and Smart Devices that change the way the world works and plays.

* FineTouch is a Nissha's touch panel with outstanding accuracy and functionality.
* FineTouch is a registered trademark or a trademark of Nissha Printing Co., Ltd.

Used in the following ways

Nissha makes small-to-medium-sized transparent touch panels. These are largely supplied for use in smartphones and portable games gears.
Touch panels have gained attention for their "usability" and "fun operation".
Applications are gradually spreading to a variety of other devices, such as digital cameras and car navigation systems.We are aiming to expanding into a wide range of businesses by providing devices, services, and systems with sensing functions in addition to touch panels. These will be targeted at a range of markets, including healthcare, medicine, agriculture, education, housing equipment, industrial equipment, and automobiles.

Strengths of FineTouch

Nissha is leading the touch panel market with its advanced technology.

- Reputation for high quality

Touch panels require characteristics such as being light, thin, easy-to- read, and operating accurately. Nissha is achieving this with its abundant know-how and state-of-the-art production equipment.
It is also offering a wide variety of products tailored to the needs of the market, such as a touch panel with a design.

- Expanding the area from touch to sensing

But Nissha is not only working on a touch panel that is used as a switch.
Aiming to give new value to the input and output of various devices, it is also working on products like a touch panel with a three-dimensional shape and a sensor that detects how much pressure is being applied to it. It is carrying out development while being aware of the trends of the times.

New products The force sensor

The force sensor(http://www.nissha.com/english/products/dev/force.html) is a touch sensor that detects the force of pressure (patent acquired). By identifying changes in pressure and the area covered as well as the position touched, it enables subtle input control and can reproduce even calligraphy-style brushstrokes. Applications are as diverse as ideas. The next-generation touch sensor promises broad use in a wide range of industries.

Life Innovation

## Contributing to Healthy and Enriched Lifestyles Worldwide

Life Innovation aims to contribute to safe, secure, and healthy lifestyles worldwide through business activities in the fields of gas sensors and drug delivery systems (DDS*).

*DDS: Dosage forms of medication, such as injections, pills, ointments, and adhesive patches

Gas Sensors

Our gas sensor business, led by Nissha Group company FIS Inc., offers semiconductor gas sensors and applied equipment such as modules and finished products.
Along with expanding into home fuel cell systems and hydrogen stations and similar infrastructure, rather than being limited to fuel cell vehicles, we are further accelerating specific initiatives to create new business fields such as for medicine or POCT.
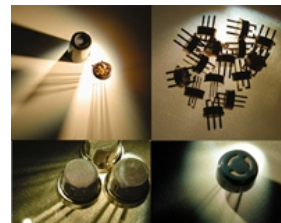
Used in the following ways

Sensors for gas alarms, Sensors for air purifiers and air conditioners, Breath alcohol checkers for the prevention of drunk driving (finished product), Halitosis analyzers (finished product), Hydrogen Detectors,etc.

DDS (Drug Delivery System)

Our DDS business seeks to cultivate markets for Nissha's new DDS: the dissolving microneedle patch, which hardly causes any pain when applying to skin, high efficiency can be expected.
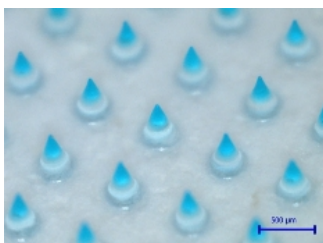
Development is underway for products that may be used to deliver pharmaceutical preparations such as vaccines, and skin care products formulated to penetrate into the skin.

Innovating Business Through Communication Design

Nissha identifies and clarifies the customers issues in communication strategies and designs communication policies to solve those issues. Nissha has a wide range of products and solution development expertise, including for Marketing Solution, Sales Promotions, Web Solutions, Creative Design, Cultural Asset Art Solutions, Commercial Printing and Publication Printing. We make full use of these, together with market research, the verification of effects, contents development and management, in order to realize overall communication policies which are adapted to the times.

* Nissha Printing Communications, Inc. operates the Information and Communication business of Nissha Printing Co., Ltd.

Service example

AR application "Cazasmart"
Nissha Printing Co., Ltd. has developed and released an AR (augmented reality) application "Cazasmart" which can display rich contents such as moving images and detailed information superimposedly by holding (cazasu, in Japanese) the built-in camera of a smart phone or tablet device over an image printed on a booklet, leaflet, poster, etc.
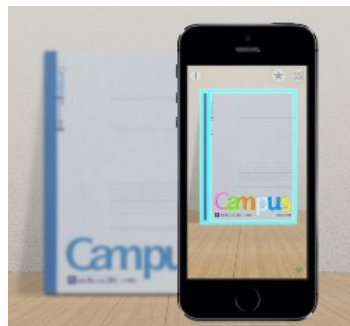
We also contribute to the preservation of important cultural assets for future generations

Nissha has had a close relationship to works of art and cultural assets through its printing activities. We are also involved in passing down cultural assets to future generations by utilizing our experience in the restoration and

digital archiving through ultra-precision digital photography.
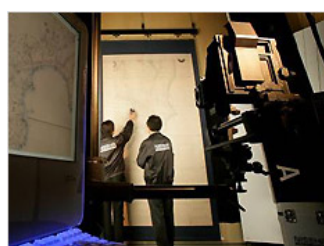
Editorial Policy

The Nissha CSR Report is published annually to serve as a communication tool for building a "mutually trustful Co-existence with society," as set forth in our corporate mission. CSR Report 2016 is compiled with the objective of disclosing widely to our stakeholders information regarding Nissha's initiatives and performance in fiscal year 2016 (April 2015–March 2016), following the editorial policy given below.

Guidelines Used as Reference

・The G4 Sustainability Reporting Guidelines of the Global Reporting Initiative
・ISO26000
・Environmental Reporting Guidelines 2012, issued by the Japanese Ministry of the Environment

Period Covered

The information contained in this report, in principle, covers the period from April 2015 to March 2016. Some reporting is also done regarding activities carried out after April 2016.

Publication Dates

Current issue: June 2016
Next issue: June 2017 (planned)
Last issue: June 2015

Scope of Reporting

The information and data contained in this report focus mainly on activities conducted by the Nissha Group. Where information for the entire group is not available, the scope of reporting is indicated separately. "Nissha Printing Co., Ltd." refers to the parent company alone. "Nissha" and "Nissha Group" refer to Nissha Printing Co., Ltd. and its group companies. "Global Headquarters" refers to the global headquarters and associated companies located within the global headquarters premises. The major affiliated companies of each Nissha business are given below.
Significant activities conducted by companies in our supply chain are also included in this report.

Major Affiliated Companies and Businesses

Companies	Major Businesses
Nitec Industries, Inc.	Industrial Materials
Nitec Precision and Technologies, Inc.	Devices
SiMICS Co., Ltd.	Devices
FIS Inc.	Life Innovation
Nissha Printing Communications, Inc.	Information and Communication
Nitec Printing Co., Ltd.	Information and Communication
Nissha F8, Inc.	Information and Communication
M crossing Co., Ltd.	Others

Nissha Business Service Co., Ltd.	Others
Nissha USA, Inc.	Industrial Materials, Devices
Eimo Technologies, Inc.	Industrial Materials
Si-Cal Technologies, Inc.	Industrial Materials
PMX Technologies, S.A. de C.V.	Industrial Materials
Nissha Europe GmbH	Industrial Materials, Devices
Nissha Luxembourg Holdings S.a r.l	Industrial Materials
AR Metallizing N.V.	Industrial Materials
ARM Holding S.r.l.	Industrial Materials
AR Metallizing S.r.l.	Industrial Materials
AR Metallizing Ltd.	Industrial Materials
ARM Embalagens Ltda.	Industrial Materials
Málaga Produtos Metalizados Ltda.	Industrial Materials
Nissha Korea Inc.	Industrial Materials, Devices
Nissha Industrial and Trading (Shenzhen) Co., Ltd.	Industrial Materials
Nissha (Kunshan) Precision IMD Mold Co., Ltd.	Industrial Materials, Devices
Guangzhou Nissha High Precision Plastics Co., Ltd.	Industrial Materials
Hong Kong Nissha Co., Ltd.	Industrial Materials
Taiwan Nissha Co., Ltd.	Industrial Materials, Devices
Nissha Industrial and Trading Malaysia Sdn. Bhd.	Industrial Materials
Southern Nissha Sdn. Bhd.	Industrial Materials

Variations in Scope of Reporting

Changes in Nissha Group companies in fiscal year 2016 and their impact on the scope of reporting are given in the table below.

Date	Contents	Impact on scope of reporting
April 2015	Nissha Printing Communications, Inc. was established (took over the Information and Communication business in July 2015)	Minor
August 2015	H.I.G. Luxembourg Holdings 28 S.a r.l was acquired as a subsidiary (currently Nissha Luxembourg Holdings S.a r.l.) along with its business company AR Metallizing N.V. and its group companies	CSR Report 2016 contains information on work-related accidents at AR Metallizing N.V. and its group companies between December 2015 and March 2016. Information related to the environment will be compiled starting with FY2017 results and presented in CSR Report 2017 (scheduled).

December 2015	Malaga Produtos Metalizados Ltda. was acquired through AR Metalizing N.V. and ARM Embalagens Ltda.	Information on Malaga Produtos Metalizados will be compiled starting with FY2017 results and presented in CSR Report 2017 (scheduled).

Publishing Division and Contact for Inquiries

Nissha Printing Co., Ltd.
CSR, Corporate Communications
Tel: +81-(0)75-811-8111
Fax: +81-(0)75-823-5344
Inquiries: Nissha website "Contact us" page
http://www.nissha.com/english/inquiry.html

GRI Content Index

The Nissha CSR Report 2016 conforms to the core items of the GRI G4 Sustainability Reporting Guidelines.
The comparison table of GRI Guidelines (G4) items and our reporting are given below.

General Standard Disclosures		Location in CSR report	Pages on PDF
Strategy and Analysis			
G4-1	a. Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	CEO Message	2-3
G4-2	a. Provide a description of key impacts, risks, and opportunities.	CEO Message	2-3
		Nissha's CSR Materiality	6-8
Organizational Profile			
G4-3	a. Report the name of the organization.	Company Outline	97-98
G4-4	a. Report the primary brands, products, and services.	What's Nissha?	99-104
G4-5	a. Report the location of the organization's headquarters.	Company Outline	97-98
G4-6	a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Nissha Group	96
G4-7	a. Report the nature of ownership and legal form.	Company Outline	97-98
G4-8	a. Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	What's Nissha?	99-104
G4-9	a. Report the scale of the organization, including: ・Total number of employees ・Total number of operations ・Net sales (for private sector organizations) or net revenues (for public sector organizations) ・Total capitalization broken down in terms of debt and equity (for private sector organizations) ・Quantity of products or services provided	Company Outline	97-98
		What's Nissha?	99-104
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Respect for Diversity > Composition of "Nissha People"	36-38
G4-11	a. Report the percentage of total employees covered by collective bargaining agreements.	Human Rights > Relationship with Labor Union	30-31
G4-12	a. Describe the organization's supply chain.	Partnership with Our Suppliers	80-83

G4-13	a. Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: ・Changes in the location of, or changes in, operations, including facility openings, closings, and expansions ・Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) ・Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers,including selection and termination	Editorial Policy > Variations in Scope of Reporting	106-107
		Partnership with Our Suppliers > Expansion of Our Supply Chain	75

Commitments to External Initiatives			
G4-14	a. Report whether and how the precautionary approach or principle is addressed by the organization.	Corporate Governance > Risk Management	22-23
		Environmental Policy and Management Structures	52-54
G4-15	a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	CEO Message	2-3
		United Nations Global Compact	12
G4-16	a. List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: ・Holds a position on the governance body ・Participates in projects or committees ・Provides substantive funding beyond routine membership dues ・Views membership as strategic	Along with Local Communities > Membership in Community Organizations	95

Identified Material Aspects and Boundaries			
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Editorial Policy > Scope of Reporting	105
		Nissha Group	90
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Nissha's CSR Materiality	6-8
G4-19	a. List all the material Aspects identified in the process for defining report content.	Nissha's CSR Materiality	6-8
G4-20	a. For each material Aspect, report the Aspect Boundary within the organization, as follows: ・Report whether the Aspect is material within the organization ・If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: 　– The list of entities or groups of entities included in G4-17 for which the Aspect is not material or 　– The list of entities or groups of entities included in G4-17 for which the Aspects is material ・Report any specific limitation regarding the Aspect Boundary within the organization	Editorial Policy > Scope of Reporting	105
		Nissha's CSR Materiality	6-8
G4-21	a. For each material Aspect, report the Aspect Boundary outside the organization, as follows: ・Report whether the Aspect is material outside of the organization ・If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified ・Report any specific limitation regarding the Aspect Boundary outside the organization	Editorial Policy > Scope of Reporting	105
		Nissha's CSR Materiality	6-8
G4-22	a. Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Not applicable	–
G4-23	a. Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Editorial Policy > Variations in Scope of Reporting	106-107

Stakeholder Engagement			
G4-24	a. Provide a list of stakeholder groups engaged by the organization.	Nissha's Stakeholders	8-9

G4-25	a. Report the basis for identification and selection of stakeholders with whom to engage.	Nissha's Stakeholders	8-9
G4-26	a. Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Nissha's Stakeholders	8-9
G4-27	a. Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Nissha's Stakeholders	8-9
		Partnership with Our Suppliers > CSR Supplier Audits	82-83

Report Profile			
G4-28	a. Reporting period (such as fiscal or calendar year) for information provided.	Editorial Policy > Period Covered	105
G4-29	a. Date of most recent previous report (if any).	Editorial Policy > Period Covered	105
G4-30	a. Reporting cycle (such as annual, biennial).	Editorial Policy > Period Covered	105
G4-31	a. Provide the contact point for questions regarding the report or its contents.	Editorial Policy > Publishing Division and Contact for Inquiries	107

GRI Content Index			
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	GRI Content Index	108-121

Assurance			
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Assurance has not been sought for the sustainability report.	–

Governance			
Governance Structure and Composition			
G4-34	a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Corporate Governance	16-23
		CSR Management	5
G4-35	a. Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	CSR Management	5
G4-36	a. Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	CSR Management	5
G4-37	a. Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Corporate Governance > Nissha's Management and Business Execution System	17
		CSR Management	5
		Human Rights > Relationship with Labor Union	30-31
G4-38	a. Report the composition of the highest governance body and its committees by: ・Executive or non-executive ・Independence ・Tenure on the governance body ・Number of each individual's other significant positions and commitments, and the nature of the commitments	Corporate Governance > Directors and the Board of Directors	17

	・Gender ・Membership of under-represented social groups ・Competences relating to economic, environmental and social impacts ・Stakeholder representation	Respect for Diversity > Composition of "Nissha People"	36-38
G4-39	a. Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Corporate Governance > Directors and the Board of Directors	17
G4-40	a. Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: ・Whether and how diversity is considered ・Whether and how independence is considered ・Whether and how expertise and experience relating to economic, environmental and social topics are considered ・Whether and how stakeholders (including shareholders) are involved	Corporate Governance > Directors and the Board of Directors, Nomination and Remuneration Committee, Audit and Supervisory Board Members and the Audit and Supervisory Board	17-18
G4-41	"a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: ・Cross-board membership ・Cross-shareholding with suppliers and other stakeholders ・Existence of controlling shareholder ・ Related party disclosures"	Corporate Governance > Directors and the Board of Directors	17
Highest Governance Body's Role in Setting Purpose, Values, and Strategy			
G4-42	a. Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Approach to CSR	4
		CSR Management	5
		Corporate Governance > Internal Control System	20-22
Highest Governance Body's Competencies and Performance Evaluation			
G4-43	a. Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.		
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.		
Highest Governance Body's Role In Risk Management			
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Approach to CSR	4
		CSR Management	5
		Corporate Governance > Internal Control System	20-22
G4-46	a. Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Approach to CSR	4
		CSR Management	5
		Corporate Governance > Internal Control System	20-22
G4-47	a. Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Approach to CSR	4
		CSR Management	5
		Corporate Governance > Internal Control System	20-22

	Highest Governance Body's Role In Sustainability Reporting		
G4-48	a. Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Nissha's CSR Materiality	6-8
	Highest Governance Body's Role in Evaluating Economic, Environmental and Social Performance		
G4-49	a. Report the process for communicating critical concerns to the highest governance body.	Approach to CSR	4
		CSR Management	5
		Corporate Governance > Internal Control System	20-22
G4-50	a. Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	CSR Management	5
	Remuneration and Incentives		
G4-51	"a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: ・Fixed pay and variable pay: – Performance-based pay – Equity-based pay – Bonuses – Deferred or vested shares ・Sign-on bonuses or recruitment incentive payments ・Termination payments ・Clawbacks ・Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives."	Corporate Governance > Nomination and Remuneration Committee, Officers Remuneration, Remuneration of Directors and Audit and Supervisory Board Members	18-19
G4-52	a. Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Corporate Governance > Nomination and Remuneration Committee, Officers Remuneration, Remuneration of Directors and Audit and Supervisory Board Members	18-19
G4-53	a. Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.		
G4-54	a. Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.		
G4-55	a. Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.		
Ethics and Integrity			
G4-56	a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Approach to CSR	4
G4-57	a. Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Human Rights > Hotline	29
G4-58	a. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Human Rights > Hotline	29

Indicators by Aspects	Location in CSR report	Pages on PDF

Category: Economic			
Aspect: Economic Performance			
G4-DMA			
G4-EC1	Direct economic value generated and distributed	Distribution of Added Value to Stakeholders	26
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		
G4-EC3	Coverage of the organization's defined benefit plan obligations		
G4-EC4	Financial assistance received from government		
Aspect: Market Presence			
G4-DMA			
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	Respect for Diversity > Composition of "Nissha People"	36-38
Aspect: Indirect Economic Impacts			
G4-DMA			
G4-EC7	Development and impact of infrastructure investments and services supported		
G4-EC8	Significant indirect economic impacts, including the extent of impacts		
Aspect: Procurement Practices			
G4-DMA			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation		

Category: Environmental			
Aspect: Materials			
G4-DMA		CSR Management	5
		Environmental Policy and Management Structures	52-54
		Environmental Objectives and Status of Achievement	55-58
G4-EN1	Materials used by weight or volume	Environmental Impact as a Result of Business Operations	59-60
G4-EN2	Percentage of materials used that are recycled input materials		
Aspect: Energy*			
G4-DMA		CSR Management	5
		Environmental Policy and Management Structures	52-54
		Environmental Objectives and Status of Achievement	55-58
G4-EN3	Energy consumption within the organization	Environmental Impact as a Result of Business Operations	59-60
		Prevention of Further Global Warming	61-64

G4-EN4	Energy consumption outside of the organization		
G4-EN5	Energy intensity	Prevention of Further Global Warming	61-64
G4-EN6	Reduction of energy consumption		
G4-EN7	Reductions in energy requirements of products and services		
Aspect: Water			
G4-DMA		CSR Management	5
		Environmental Policy and Management Structures	52-54
G4-EN8	Total water withdrawal by source	Environmental Impact as a Result of Business Operations	59-60
G4-EN9	Water sources significantly affected by withdrawal of water		
G4-EN10	Percentage and total volume of water recycled and reused		
Aspect: Biodiversity			
G4-DMA			
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		
G4-EN13	Habitats protected or restored		
G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		
Aspect: Emissions*			
G4-DMA		CSR Management	5
		Nissha's Stakeholders > External Assessment	10-11
		Environmental Policy and Management Structures	52-54
		Environmental Objectives and Status of Achievement	55-58
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Environmental Impact as a Result of Business Operations	59-60
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Prevention of Further Global Warming	61-64
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Prevention of Further Global Warming > Initiative in Scope 3 Management	63-64
G4-EN18	Greenhouse gas (GHG) emissions intensity	Prevention of Further Global Warming	61-64
G4-EN19	Reduction of greenhouse gas (GHG) emissions		
G4-EN20	Emissions of ozone-depleting substances (ODS)		
G4-EN21	NOx, SOx, and other significant air emissions		
Aspect: Effluents and Waste*			

G4-DMA		CSR Management	5
		Nissha's Stakeholders > External Assessment	10-11
		Environmental Policy and Management Structures	52-54
		Environmental Objectives and Status of Achievement	55-58
G4-EN22	Total water discharge by quality and destination	Environmental Impact as a Result of Business Operations	59-60
G4-EN23	Total weight of waste by type and disposal method	Environmental Impact as a Result of Business Operations	59-60
		Status of Waste Generation at Bases	71-73
G4-EN24	Total number and volume of significant spills		
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally		
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff		
Aspect: Products and Services			
G4-DMA			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services		
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		
Aspect: Compliance*			
G4-DMA		CSR Management	5
		Environmental Policy and Management Structures	52-54
		Corporate Ethics and Compliance	24-25
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Not applicable	–
Aspect: Transport*			
G4-DMA		CSR Management	5
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Prevention of Further Global Warming > Initiative in Scope 3 Management	63-64
Aspect: Overall			
G4-DMA			
G4-EN31	Total environmental protection expenditures and investments by type		
Aspect: Supplier Environmental Assessment*			
G4-DMA		Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	80-83
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	80-83

G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken		
Aspect: Environmental Grievance Mechanisms			
G4-DMA			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		

Category: Social			
Sub-Category: Labor Practices and Decent Work			
Aspect: Employment*			
G4-DMA		CSR Management	5
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region		
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation		
G4-LA3	Return to work and retention rates after parental leave, by gender	Support for Diverse Work Styles > Status of Major Long-term Leave and Time Taken Off from Work	44-45
Aspect: Labor/Management Relations			
G4-DMA		CSR Management	5
		Human Rights > Relationship with Labor Union	30-31
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Human Rights > Relationship with Labor Union	30-31
Aspect: Occupational Health and Safety*			
G4-DMA		CSR Management	5
		Nissha's Stakeholders > External Assessment	10-11
		Safety and Health > Occupational Safety and Health Policy / Safety and Health Objectives, Safety and Health Management System / Safety and Health Subcommittee	47-48
G4-LA5	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs		
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Safety and Health > Occurrence of Work-related Accidents	48-49
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation		
G4-LA8	Health and safety topics covered in formal agreements with trade unions		
Aspect: Training and Education*			
G4-DMA		Human Resources Development > Human Resources Development Policy	33
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Human Resources Development > Training Programs in Fiscal Year 2016	35

G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Human Rights > Fair Evaluation and Treatment	29-30
Aspect: Diversity and Equal Opportunity*			
G4-DMA		CSR Management	5
		Respect for Diversity	36-40
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Respect for Diversity > Composition of "Nissha People"	36-38
Aspect: Equal Remuneration for Women and Men			
G4-DMA			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Human Rights > Wage Management	30
Aspect: Supplier Assessment for Labor Practices*			
G4-DMA		Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	80-83
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	80-83
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Initiatives Related to Conflict Minerals	84
Aspect: Labor Practices Grievance Mechanisms			
G4-DMA		CSR Management	5
		Human Rights > Relationship with Labor Union	30-31
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Human Rights > Hotline	29

Sub-Category: Human Rights			
Aspect: Investment			
G4-DMA			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		
Aspect: Non-discrimination*			
G4-DMA		CSR Management	5
		Human Rights > Basic Policy on Labor and Human Rights, Building and Operation of a Management System	28-29
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Not applicable	–
Aspect: Freedom of Association and Collective Bargaining			

G4-DMA		CSR Management	5
		Human Rights > Basic Policy on Labor and Human Rights, Building and Operation of a Management System	28-29
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Human Rights > Relationship with Labor Union	30-31
		Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	80-83
Aspect: Child Labor			
G4-DMA		CSR Management	5
		Human Rights > Basic Policy on Labor and Human Rights, Building and Operation of a Management System	28-29
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Human Rights > Basic Policy on Labor and Human Rights	28
		Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	80-83
Aspect: Forced or Compulsory Labor*			
G4-DMA		CSR Management	5
		Human Rights > Basic Policy on Labor and Human Rights, Building and Operation of a Management System	28-29
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Human Rights > Basic Policy on Labor and Human Rights	28
		Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	80-83
Aspect: Security Practices			
G4-DMA			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations		
Aspect: Indigenous Rights			
G4-DMA			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken		
Aspect: Assessment			
G4-DMA		CSR Management	5
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Human Rights > Relationship with Labor Union	30-31
Aspect: Supplier Human Rights Assessment*			
G4-DMA		Partnership with Our Suppliers > Basic Purchasing Policy, CSR	80-83

		Supplier Audits	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	80-83
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Initiatives Related to Conflict Minerals	84
Aspect: Human Rights Grievance Mechanisms			
G4-DMA		CSR Management	5
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Human Rights > Hotline, Harassment Help Desk	29

Sub-Category: Society			
Aspect: Local Communities			
G4-DMA			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs		
G4-SO2	Operations with significant actual and potential negative impacts on local communities		
Aspect: Anti-corruption*			
G4-DMA		CSR Management	5
		Corporate Ethics and Compliance	24-25
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		
G4-SO4	Communication and training on anti-corruption policies and procedures	Initiatives Related to Anti-corruption	85
		Corporate Ethics and Compliance > Promotion Structure and Initiatives	24-25
G4-SO5	Confirmed incidents of corruption and actions taken		
Aspect: Public Policy			
G4-DMA			
G4-SO6	Total value of political contributions by country and recipient/beneficiary		
Aspect: Anti-competitive Behavior			
G4-DMA		CSR Management	5
		Corporate Ethics and Compliance	24-25
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		
Aspect: Compliance*			
G4-DMA		CSR Management	5
		Corporate Ethics and Compliance	24-25
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Not applicable	–
Aspect: Supplier Assessment for Impacts on Society*			
		Partnership with Our Suppliers >	

G4-DMA		Basic Purchasing Policy, CSR Supplier Audits	80-83
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	80-83
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Initiatives Related to Conflict Minerals	84
Aspect: Grievance Mechanisms for Impacts on Society			
G4-DMA			
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		

Sub-Category: Product Responsibility			
Aspect: Customer Health and Safety			
G4-DMA		CSR Management	5
		Nissha's Stakeholders > External Assessment	10-11
		Consumer Issues > Quality and Safety of Products	90
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement		
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Consumer Issues > Quality and Safety of Products	90
Aspect: Product and Service Labeling			
G4-DMA		CSR Management	5
		Consumer Issues > Quality Policy, Quality Management System (QMS)	87
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements		
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		
G4-PR5	Results of surveys measuring customer satisfaction		
Aspect: Marketing Communications			
G4-DMA		CSR Management	5
		Corporate Ethics and Compliance	24-25
G4-PR6	Sale of banned or disputed products		
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes		
Aspect: Customer Privacy*			
		CSR Management	5
		Nissha's Stakeholders > External Assessment	10-11

G4-DMA		Initiatives Related to Information Security > Information Security Policy, Information Security Management Structure	75-76
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No complaint has been reported.	
Aspect: Compliance*			
G4-DMA		CSR Management	5
		Corporate Ethics and Compliance	24-25
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Consumer Issues > Quality and Safety of Products	90

*Aspects identified as material issues