

CSR 2018

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CEO Message

Nissha Group's CSR

Nissha Group is a forward thinking global company. Our mission is to realize the enrichment of people's lives by creating technology and developing it into economic and social value through the diverse capabilities, passion, and leadership of the global Nissha Group.

In order to ensure constant growth, a company needs to create both economic and social value. We at the Nissha Group believe our corporate social responsibility (CSR) is to conduct business activities that enable us to fulfill our mission.



In April 2012, we joined the United Nations (UN) Global Compact and declared our commitment in the areas of human rights, labor, the environment, and anti-corruption. And in April 2015, we established a CSR Committee responsible for analyzing and evaluating changes in the external environment through the lens of the Sustainable Development Goals (SDGs) adopted by the UN, and for minimizing CSR risks from the perspective of the entire Nissha Group toward improving our environmental, social, and governance (ESG) performance, representing the foundation of our business activities.



We hope our stakeholders will give our CSR website—CSR Report 2018—a read and offer us your views and advice.

We look forward to your continued guidance and encouragement.

March 2018
Junya Suzuki
Chairman of the Board
President and CEO

Nissha Group's CSR

Approach to CSR

Toward Realizing Our Mission

The Nissha Group's corporate social responsibility (CSR) is to fulfill our mission: "We realize the enrichment of people's lives by creating technology and developing it into economic and social value through the diverse capabilities, passion, and leadership of the global Nissha Group."

Our brand statement "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.

Nissha Group's CSR

We identify two broad dimensions of CSR activities for simultaneously ensuring constant growth for Nissha and achieving a sustainable society. One is basic CSR, or fulfilling our responsibilities and obligations to maintain a presence in global society. The other is strategic CSR, or addressing the challenges of global society through our operations.

In basic CSR, we strive to reduce risks to business continuity by complying with the electronics and automotive industries' code of conduct on labor, safety, the environment, ethics, and management system provided by the Responsible Business Alliance (RBA) as well as with our customers' codes of conduct. In strategic CSR, we work to enhance our corporate value over the medium to long term by creating social value through our operations and improving our ESG rating.* We carry out activities in both of these areas with an eye to being a global corporate group that is recognized by society and chosen by our customers.

*ESG rating: A method of rating companies based on environmental, social, and governance performance.

*Nissha Philosophy

<http://www.nissha.com/english/company/philosophy.html>

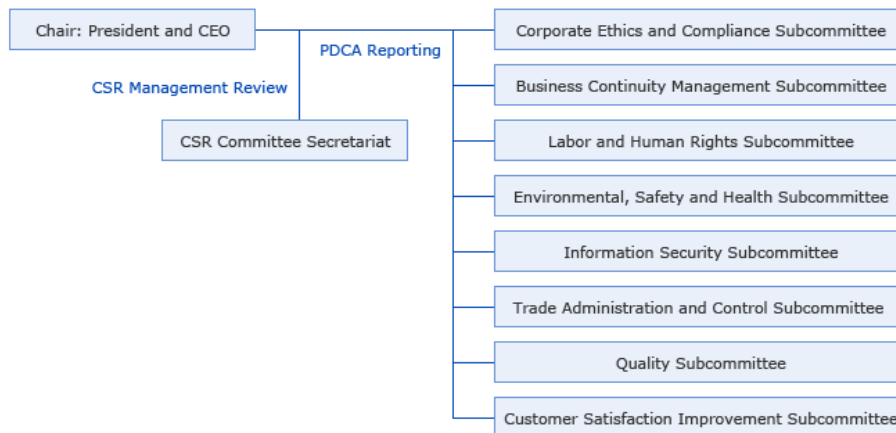
: Our Mission, and Brand Statement can be viewed here.

CSR Management

CSR Committee

In order to link our CSR activities to the medium- to long-term enhancement of corporate value, in April 2015 we organized a CSR Committee chaired by the president. Eight subcommittees coordinate activities in areas such as labor and human rights, environmental safety, and corporate ethics and compliance toward the achievement of materiality goals. The contents of the activities, ongoing challenges, and activity policies in the following fiscal year are reported annually to the Board of Directors.

CSR Committee Organization Chart



CSR Committee Members

Committee Chair: President and CEO

Vice Chair: Director 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: Corporate Social Responsibility Group Leader, Corporate Communications

Secretariat: Corporate Social Responsibility

Subcommittee Secretariats

Corporate Ethics and Compliance Subcommittee: Corporate Legal Affairs

Business Continuity Management 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

Materiality

Identification of Material Issues

In promoting business activities based on our vision and strategies, we at the Nissha Group believe it is important to recognize our direct and indirect impacts on society, and face up to the challenges posed as a result.

To this end, we analyze the operations of the Nissha Group from multiple angles—in relation to the external environment, our internal resources, the challenges of global society, and so on—and identify a set of material topics. Specifically, this involves a quantitative assessment based on materiality to the Nissha Group and materiality to our stakeholders, referring to the Global Reporting Initiative (GRI) Standards, and then incorporates the views of in-house and outside experts. At present, materiality to the Nissha Group reflects the vision and basic strategies of the Sixth Medium-term Business Plan, in operation since the fiscal year ending December 2018, and materiality to our stakeholders primarily the contents of the Sustainable Development Goals (SDGs).

The process for identifying and approving material topics, and the results, are given in the tables below. Each CSR subcommittee draws up a detailed action program, key performance indicators (KPI), and target KPI values, and applies the plan-do-check-act (PDCA) cycle.

Process for Identification and Approval of Material Issues

Step 1 Identify topics	The impacts of the Nissha Group and its supply chain are extracted based on examples provided by the GRI Standards. Boundaries, or where the impact occurs, are identified.
Step 2 Prioritize	Topics from Step 1 are measured for materiality to the Nissha Group (based on the medium-term business plan) and materiality to our stakeholders (SDGs, external assessment), plotted on an analysis map, and prioritized based on degree of impact.
Step 3 Validate	Topics are validated especially from the standpoint of our stakeholders based on assessment by outside experts and interviews with CSR subcommittees.
Step 4 Determine materiality and KPI	For each material topic identified in steps 1 to 3, an action program, KPI, and target KPI values are set by CSR subcommittees and approved by the CSR Committee.




Boundaries of Material Topics

Categories	Topics	Boundaries	
		Inside of Nissha Group	Suppliers
Environmental	Climate change	•	•
	Supplier environmental assessment	•	•
Social	Complying with laws and regulations	•	•
	Human rights in the workplace	•	•
	Diversity and equal opportunity	•	•
	Occupational health and safety	•	•
	Supplier social assessment	•	•
	Protection of customer's information	•	•
Others	Responsibility for product and service continuation	•	•

Assessment of Map



Material Issues and Subcommittee Responsible, Action Programs and SDGs

Material Issues	Subcommittee	Action Programs (Excerpt)	Related SDGs
Complying with Laws and Regulations	Corporate Ethics and Compliance Subcommittee	<ul style="list-style-type: none"> Prepare group-wide training (all bases) Revise Corporate Ethics and Code of Conduct Manual, subsidiary edition 	
Responsibility for product and service continuation	Business Continuity Management Subcommittee	<ul style="list-style-type: none"> Develop disaster recovery manual 	 
Diversity and Equal Opportunity	Labor and Human Rights Subcommittee	<ul style="list-style-type: none"> Employ international students, foreign nationals [Cont.] Organize seminars for general women employees 	 
Human rights in the workplace	Labor and Human Rights Subcommittee	<ul style="list-style-type: none"> Promote use of harassment help desk Organize training for harassment help desk representatives 	 
Occupational Health and Safety	Environmental, Safety and Health Subcommittee	<ul style="list-style-type: none"> Foster safety leaders through education for workplace heads 	
Climate Change	Environmental, Safety and Health Subcommittee	<ul style="list-style-type: none"> Improve Carbon Disclosure Project (CDP) score 	
Protection of customer's information	Information Security Subcommittee	<ul style="list-style-type: none"> Meet customer demand for security 	
Supplier Social and Environmental Assessment	CSR Committee Secretariat	<ul style="list-style-type: none"> Conduct CSR audits on suppliers 	 

Nissha Group's Stakeholders

We identify the stakeholders that support Nissha Group operations as our customers, shareholders, employees, suppliers, and society. Toward realizing our 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.

Circle of Trust



Customers

Nissha Group's businesses—Industrial Materials, Devices, Medical Technology, 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 for CSR survey
- Information provided about conflict minerals
- Products and services information provided by website
- Supplier responsibility (SR) audits by customers

Shareholders

We have a total of 50,810,369 outstanding shares and 7,402 shareholders. In a breakdown of shareholders by type, 40.6% are Japanese financial institutions and securities firms, 26.2% foreign institutions and individuals, 20.5% other Japanese corporations, 12.5% Japanese individuals and others, and 0.2% treasury stock (as of the end of December 2017). 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 to investigation institutions for such as sustainable investment

Employees

The Nissha Group has 5,322 employees. The number of employees in a breakdown by region, 44.2% work in Japan, 13.1% in Asia, 18.8% in North America, 9.9% in Europe, and 14.0% in Central and South America (as of the end of December 2017).

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 Group 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

Workplace improvement committee

Education and training

Personnel evaluation and interviews

Hotline (for reporting to outside the company)

Harassment help desk

Employee awareness survey and interviews

Suppliers

Nissha Group'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 survey and auditing

In-house exhibitions and seminars themed around supplier products and technologies

Society

The Nissha Group has 16 bases in Japan and 44 overseas (as of the end of March 2018), 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

Cleanup activities in factory areas

Next-generation support activities

Support and promotion of arts and culture

External Assessment

Major examples of external assessment in fiscal year ended December 2018 are given below (Nissha Group in Japan).

Date	Certification/award	Company/base	Details
November 2017	59th National Catalog Contest: 6 awards including • Minister of Education, Culture, Sports, Science and Technology Award (Gold Prize, Catalog Category) • Director-General of Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry Award (Gold Prize, Catalog Category)	Nissha Printing Communications, Inc. Nitec Printing Co., Ltd.	A total of six catalogs designed, produced, or printed by the Nissha Group won awards in the 59th National Catalog Contest, co-hosted by the Japan Federation of Printing Industries and Fuji Sankei Business-i.
December 2017	69th National Calendar Contest: 4 awards including • Yukimasa Okumura Award (Silver Prize, Category 3; Silver Prize, Category 2)	Nissha Printing Communications, Inc. Nitec Printing Co., Ltd.	A total of four calendars designed, produced, or printed by the Nissha Group won awards in the 69th National Calendar Contest, co-hosted by the Japan Federation of Printing Industries and Fuji Sankei Business-i.

Acquisition status of ISO certification and others is given below (Nissha Group, as of the end of December 2017).

Subject Areas	Standards							
	ISO/TS16949 IATF16949	ISO9001	ISO14001	OHSAS18001 ISO45001	ISO27001	ISO50001	ISO13485	Others
Nissha Co., Ltd. Global Headquarters	○	○*1	○*2		○			
Nissha Co., Ltd. Tokyo Division Headquarters		○*1			○			
Nissha Co., Ltd. Kameoka Site		○			○			
Nitec Industries, Inc. Koka Factory		○	○		○			
Nitec Precision and Technologies, Inc. Himeji Factory		○	○		○			
Nitec Precision and Technologies, Inc. Kaga Factory		○	○		○			
Nitec Precision and Technologies, Inc. Tsu Factory								
Nitec Precision and Technologies, Inc. Kyoto Factory	○	○	○		○			
Nissha FIS, Inc.		○	○		○			
Nissha Printing Communications, Inc. Headquarters / Kyoto		○*1			○			FSC COC
Nissha Printing Communications, Inc. Tokyo Division Headquarters		○*1			○			FSC COC
Nissha Printing Communications, Inc. Osaka Division Headquarters		○*1			○			FSC COC
Nitec Printing Co., Ltd. Headquarters /		○			○			FSC COC

Kyoto Factory								
Nitec Printing Co., Ltd. Yachiyo Factory		○	○		○			FSC COC
Nissha F8, Inc.		○*3			○			
Nissha Business Service, Inc.		○	○		○			
Eimo Technologies, Inc.	○							
Nissha Si-Cal Technologies, Inc.		○						
Nissha PMX Technologies, S.A. de C.V.	○							
Graphic Controls Acquisition Corp.		○					○	93/42/EEC
Nissha Schuster Kunststofftechnik	○	○				○		
Nissha Back Stickers		○						
AR Metallizing N.V. – Genk, Belgium		○						FSC COC
AR Metallizing Srl. - Casalgrasso, Italy		○		○		○		FSC COC
AR Metallizing Ltd. - Franklin, MA USA		○						FSC COC
Málaga Produtos Metalizados Ltda.- Osasco, Brazil		○	○	○				FSC COC
Nissha (Kunshan) Precision IMD Mold Co., Ltd.	○	○	○					
Guangzhou Nissha High Precision Plastics Co., Ltd.		○	○					
Nissha Precision Technologies Malaysia Sdn. Bhd.	○	○	○					

*1. Management divisions are excluded from the scope of certification.

*2. Only management divisions and design and product development divisions have obtained certification.

*3. Only the Kyoto site has obtained certification.

United Nations Global Compact

On April 3, 2012, Nissha 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 Group, 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 Group 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.

[United Nations Global Compact website](http://www.unglobalcompact.org)

<http://www.unglobalcompact.org>

Nissha Philosophy

Nissha has integrated its standards of thought, rules of conduct, and Mission—ideals held in high regard — into Nissha Philosophy that is greatly valued.



Mission

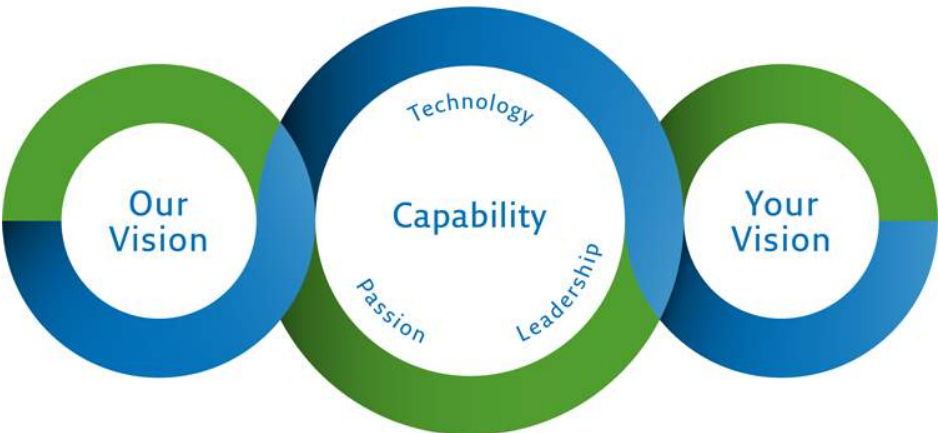
We realize the enrichment of people’s lives by creating technology and developing it into economic and social value through the diverse capabilities, passion, and leadership of the global Nissha Group.

Brand Statement

"Empowering Your Vision"

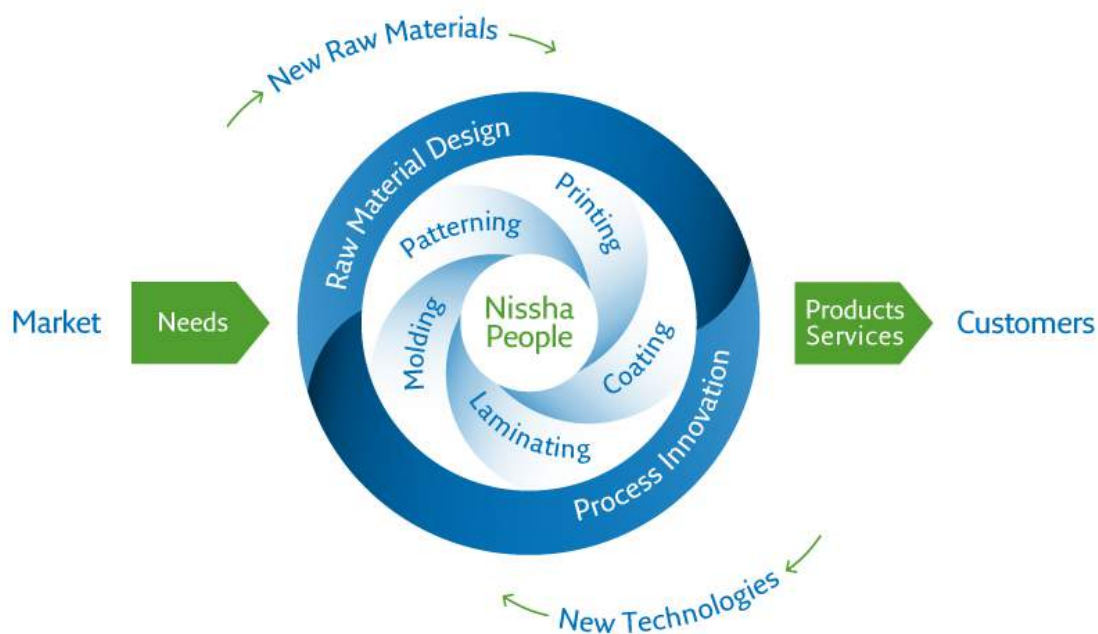
"Empowering Your Vision" expresses the relationship of Co-existence between Nissha and our stakeholders. Both we and our customers, shareholders, employees, suppliers, and society have visions, and we mutually affect each other toward realizing it. We maximize our capabilities driven by our Technology,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

EMPOWERING YOUR VISION



Nissha Innovation Way

We capture market needs accurately and fuse our diverse capabilities and core technologies into innovation that creates new value for our customers.



- Nissha Innovation Way is a diagram of the product portfolio that the Nissha Group should aim for and the way of creating customer value to be realized.
- Our current core technologies comprise "Printing", "Coating", "Laminating", "Molding" and "Patterning". We will continue to expand and evolve by incorporating new technologies and materials.

Shared Values

Customer is Our Priority

We are committed to maximizing customer value.

Diversity and Inclusion

We welcome diverse capabilities interacting as equals and enhancing our organizational performance.

Commitment to Results

We work with diligence and deliver results.

Done is Better than Perfect

We take actions first rather than sacrificing time value for perfection.

Act with Integrity

We act with integrity and maintain the trust placed in us.

Corporate Logo

The logo captures the Vision of Nissha

Strength, Craft and Innovative Spirit are the core concepts inherent in the logo. Each letter has been carefully balanced and the shape language throughout the logo is intentionally designed to reference the craft and passionate workstyles. The color "Nissha Blue", that is adopted a soft and approachable blue color. All Nissha Group companies share the same Nissha Values.

The Nissha logo is rendered in a bold, blue, sans-serif typeface. The letters are closely spaced, and the 'i' and 's' in 'Nissha' feature unique, rounded shapes that contribute to a modern and craft-oriented aesthetic.

PANTONE
2196

Nissha's corporate identity received the Bronze prize in the Graphic Design category at International Design Awards. Chase Design Group, who was responsible for building a new brand system including Nissha's logo, applied for this award.

*The International Design Awards (IDA) exists to recognize, celebrate and promote legendary design visionaries and to uncover emerging talent in Architecture, Interior, Product, Graphic, and Fashion Design.

Organizational Governance

We recognize corporate governance as a key management priority, and work to maintain and improve our structure toward achieving sustainable growth and enhancing our corporate value over the medium to long term.



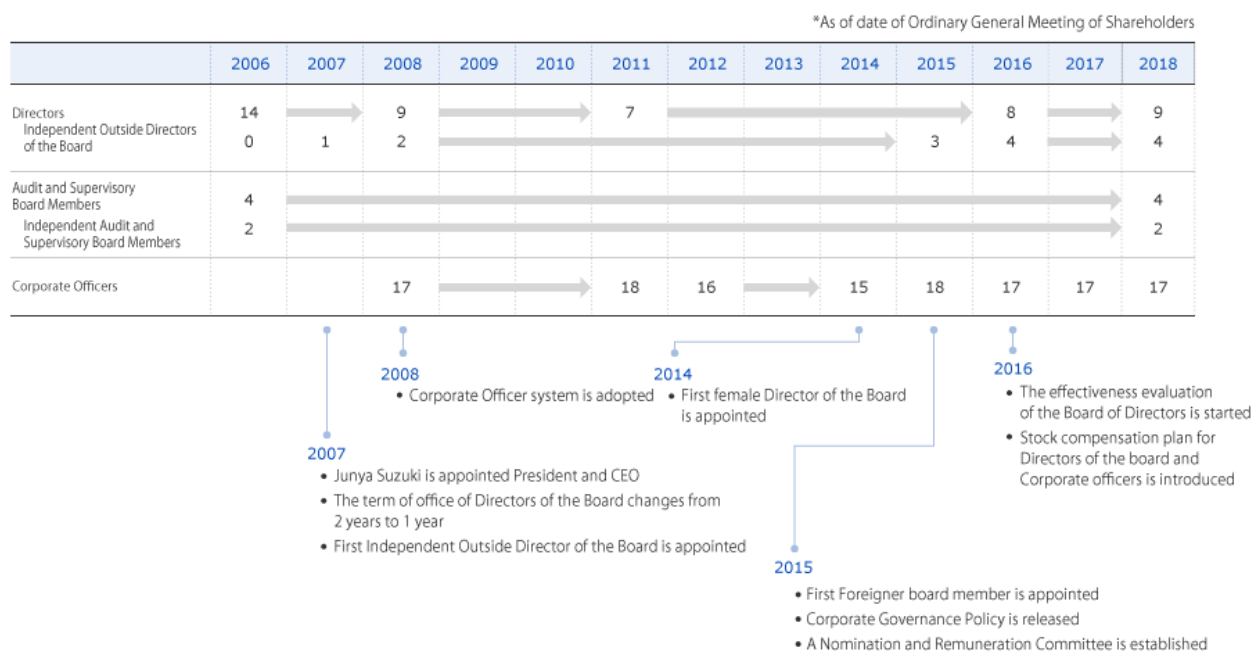
Corporate Governance

Basic Approach to Corporate Governance

Nissha, since its foundation, has been executing strategies that promptly address external challenges, under committed leadership. The Company believes that strengthening corporate governance along with such leadership will promote agile and decisive decision making, as well as ensuring management transparency and fairness. Based on this recognition, the Company places corporate governance as one of the key management issues, strives to maintain and improve it, and seek out sustainable corporate growth and an increase in 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.

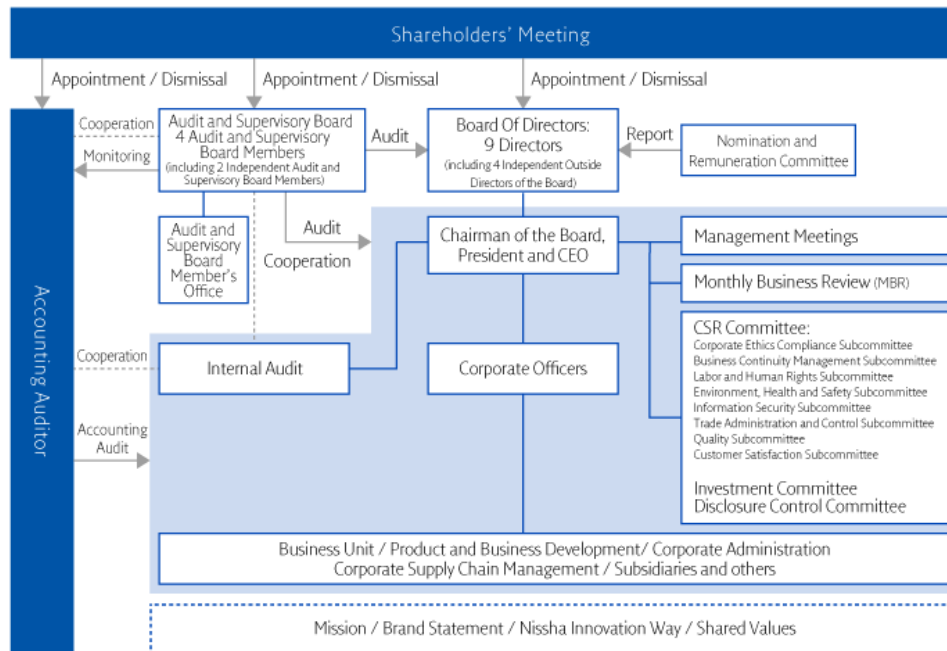
 [Corporate Governance Policy \(April 17, 2017\)\[82.7KB\]](#)



Overview of Corporate Governance

We have established a corporate governance structure as shown in the figure below.
*as of March 23, 2018

Corporate Governance Structure



We make major business judgments and oversees the execution of the duties of the Directors of the Board at meetings of the Board of 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.

We adopt 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, we also establish a Nomination and Remuneration Committee as an advisory panel for the Board of Directors.

The Board of Directors formulates our Policy for Internal Control, and prepares and oversees the operation of systems designed to ensure appropriate business execution in the Nissha Group.

The Chairman of the Board, President and CEO chairs the following meetings toward appropriate and efficient business execution.

- □ Management Meeting: Comprises Inside Directors of the Board as core members. Deliberates on matters relating to the direction of important managerial issues within the scope of the President's authority.
- □ Monthly Business Review (MBR): Reviews the progress of business strategies based on key performance indicators (KPI) and determines actions to take over the short term. The purpose of the MBR is to monitor business execution by Corporate Officers and quickly respond to changes in the business environment.
- □ Investment Committee: Reviews particularly important investment matters prior to submission to the Board of Directors for approval.

We also have in place the following organizations in order to enhance the management monitoring function, ensure that business execution complies with laws and regulations as well as our Articles of Incorporation, and to manage risks.

- □ CSR Committee: Chaired by the Chairman of the Board, President and CEO. Comprises eight corporate-wide subcommittees, namely Corporate Ethics and Compliance; BCM (Business Continuity Management); Labor and Human Rights; Environment Health and Safety; Information Security; Trade Administration and Control; Quality; and Customer Satisfaction. Demonstrates leadership in dealing with risks to legal and appropriate business execution.
- □ Disclosure Control Committee: Chaired by the Chairman of the Board, President and CEO. Discusses the

necessity of timely disclosure of corporate information and the contents of disclosure, and discloses important information on the Nissha Group in a timely, proper manner.

- ☐ Internal Audit: Under the direct control of the Chairman of the Board, President and CEO, audits the internal control systems of the Nissha Group, analyzes and evaluates their status of establishment and operation, and offers suggestions for improvement.

>Internal Control System, Risk Management and Initiatives of Internal Audit
<http://www.nissha.com/english/csr/governance/enhancement.html>

>Corporate Ethics and Compliance
<http://www.nissha.com/english/csr/governance/compliance.html>

Directors of the Board and the Board of Directors

Policy and Procedure for Electing Directors of the Board

Our Board of Directors comprises an appropriate number of 12 or fewer members, taking into account diversity and balance between the knowledge, experience, and skills of the individual to ensure that the Board fulfills its role of making important management decisions and overseeing the execution of duties by Directors of the Board and Corporate Officers.

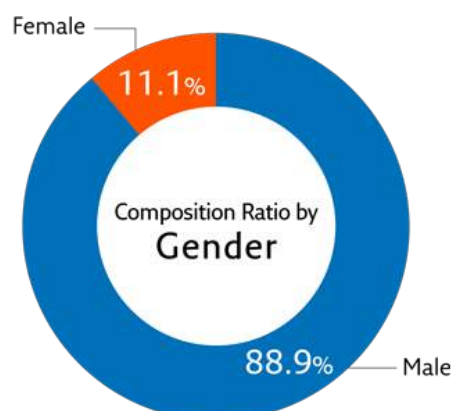
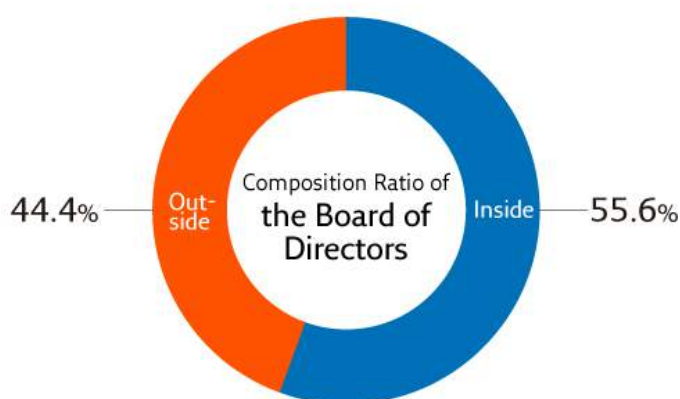
Inside Directors of the Board are elected for their acquaintance with our operations and suitability for carrying out sound growth strategies and overseeing business execution. Several Independent Outside Directors of the Board are elected who satisfy the requirements of not only the Companies Act but also the “Standards for Independence of Independent Officers”, established by our Board of Directors.

To ensure clarity in management responsibilities for each fiscal year, the term of office of Directors of the Board is set at one year.

Candidates for Directors of the Board are determined in line with the above policies and in consultation with the Nomination and Remuneration Committee.

 [Standards for Independence of Independent Officers \(February 14, 2018\)\[88.1KB\]](#)

Diversity of the Board of Directors *as of March 23, 2018



At present, our Board of Directors consists of nine members, of which four are Independent Outside Directors of the Board with one being a woman.

The Board includes individuals with experience abroad or at another company, or holding a master's degree in business administration. Each of our four Independent Outside Directors of the Board has experience and insight into general corporate management and business management in manufacturing industry, specialized knowledge in business strategies and information technology, and broad insight into monetary economics.

Role of the Board of Directors

Our Board of Directors convenes for regular meetings once a month and for extraordinary meetings as needed. The meetings are chaired by the Chairman of the Board, President and CEO.

The Board makes decisions on matters that require resolution by the Board as stipulated by legislation and our Articles of Incorporation, as well as on important managerial matters as stipulated by the Regulations of the Board of Directors and other internal regulations, and overseas business execution by Directors of the Board and Corporate Officers.

Initiatives to Enhance the Content of Discussions

Our Board of Directors meetings involve brisk, substantive discussions. Independent Outside Directors of the Board draw on deep insight into their respective fields of specialty to provide accurate advice and opinions, contributing to the enhancement of both management transparency and the Board's oversight functions. Toward improving the quality of discussions, we distribute a meeting agenda and related materials in advance, and explain particularly important matters to Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members beforehand. Toward thoroughness, important issues such as the medium-term business plan and major M&A deals are discussed once or twice as matters to be reported prior to being listed as matters to be resolved. By allotting times for briefing and discussion in accordance with the degree of importance of the matter, we aim for sharp, focused meeting operation.

In an effort to enhance the Board's monitoring function, the status of matters such as major M&A deals and establishment of subsidiaries and joint ventures are reported in meetings after a certain amount of time has passed since the resolution at the Board.

To secure attendance by as many Directors of the Board and Audit and Supervisory Board Members as possible, the secretariat of the Board of Directors creates an annual schedule of board meetings and notifies members in advance.

Evaluation of Effectiveness of the Board of Directors

Once a year since April 2016, our Board of Directors analyzes and evaluates board membership and operation in the previous fiscal year toward continuous improvement in the effectiveness of corporate governance.

In February 2018, we distributed a questionnaire covering all board meetings held in FY2017.12 and disclosed an outline of the results in a Corporate Governance Report submitted to the Tokyo Stock Exchange in March.



Nomination and Remuneration Committee

Purpose

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 election of directors and auditors, and in determining remuneration of the Directors of the Board. The chair and at least half of the members are selected from Independent Outside Directors of the Board.

Role

With consultation from the Board of Directors, the Nomination and Remuneration Committee deliberates on and provides a response regarding the following matters.

- (1) Criteria for electing Directors of the Board and Audit and Supervisory Board Members
- (2) Proposals of candidates for Director of the Board and Audit and Supervisory Board Member
- (3) Policy on remuneration of Directors of the Board
- (4) Remuneration of Directors of the Board

Membership *as of March 23, 2018

- (1) Four independent members: Tamio Kubota (Independent Outside Director of the Board and Committee Chair), Sawako Nohara (Independent Outside Director of the Board), Kazuhito Osugi (Independent Outside Director of the Board), and Makoto Ando (Independent Outside Director of the Board)
- (2) Two inside members: Junya Suzuki (Chairman of the Board, President and CEO), Hayato Nishihara (Director of the Board and Senior Executive Vice President)

Audit and Supervisory Board Members and the Audit and Supervisory Board

Policy and Procedure for Electing Auditors

Our Audit and Supervisory Board comprises an appropriate number of four or fewer members.

Inside Audit and Supervisory Board Members are elected for the wealth of experience required in auditing. Independent Audit and Supervisory Board Members are elected from attorneys and certified public accountants with a focus on specialized knowledge in legal affairs, financial matters, and accounting, who satisfy the requirements of not only the Companies Act but also the "Standards for Independence of Independent Officers", established by our Board of Directors.

Candidates for Audit and Supervisory Board Members are determined in line with the above policies, in consultation with the Nomination and Remuneration Committee, with consent from the Audit and Supervisory Board. At present, our Board consists of four members, of which two are Full-time Audit and Supervisory Board Members and two are Independent Audit and Supervisory Board Members.

Role of Audit and Supervisory Board Members and the Audit and Supervisory Board

Our Audit and Supervisory Board Members and Audit and Supervisory Board audit the execution of duties by Directors, Members of the Board and Corporate Officers as stipulated by legislation, our Articles of Incorporation, and internal regulations, and make appropriate decisions from an independent, objective standpoint on electing and dismissing accounting auditors and exercising their authority relating to audit fees, etc. Independent Audit and Supervisory Board Members draw on their highly specialized knowledge as attorneys and certified public accountants to contribute to the maintenance and improvement of our corporate governance structure.

Our Audit and Supervisory Board 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 Audit and Supervisory Board 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 Audit and Supervisory 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

Policy on Determining Remuneration of Directors of the Board and Audit and Supervisory Board Members

As a rule, officer remuneration (for Directors of the Board and Corporate Officers responsible for business execution) follows a system corresponding to degree of contribution to the enhancement of our corporate performance and corporate value. A breakdown of officer remuneration and the procedure by which it is determined are as follows.

Remuneration of Directors of the Board

● □ Inside Directors of the Board

Remuneration of Directors of the Board consists of basic compensation, bonuses, and stock compensation. 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.

The stock compensation program we have in place is called the Board Benefit Trust (BBT). This is a system linked to business results in which Nissha's shares are acquired through a trust using funds contributed by Nissha, and these shares are paid to Directors of the Board through the trust in accordance with a Policy on Directors' Stock Compensation, established by our Board of Directors. By further clarifying the link between Directors' compensation and the value of the company's shares, and having our Directors of the Board 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 Board of the importance of improving business results and enhancing the Nissha corporate value over the medium to long term.

The program awards points based on the individual's position, points calculated according to consolidated net sales and operating income each fiscal year, and in the closing year of a medium-term business plan, points calculated according to the level of achievement of target management indices such as return on investment (ROE) and return on invested capital (ROIC). On a fixed day in the closing year of the medium-term business plan, the points are converted into Nissha shares, and Directors of the Board are paid a cash equivalent of these shares at market value.

● □ Independent Outside Directors of the Board

Remuneration of Independent Outside Directors of the Board consists of basic compensation only, based on factors such as the individual's career and duty etc. Remuneration linked to business results is not provided, as the role of Independent Outside Directors of the Board is separated from business execution.

Procedure

Remuneration is determined by the Board of Directors, in consultation with the Nomination and Remuneration Committee to ensure objectivity and fairness, within the scope of total remuneration approved at the General Meeting of Shareholders.

Remuneration of Audit and Supervisory Board Members

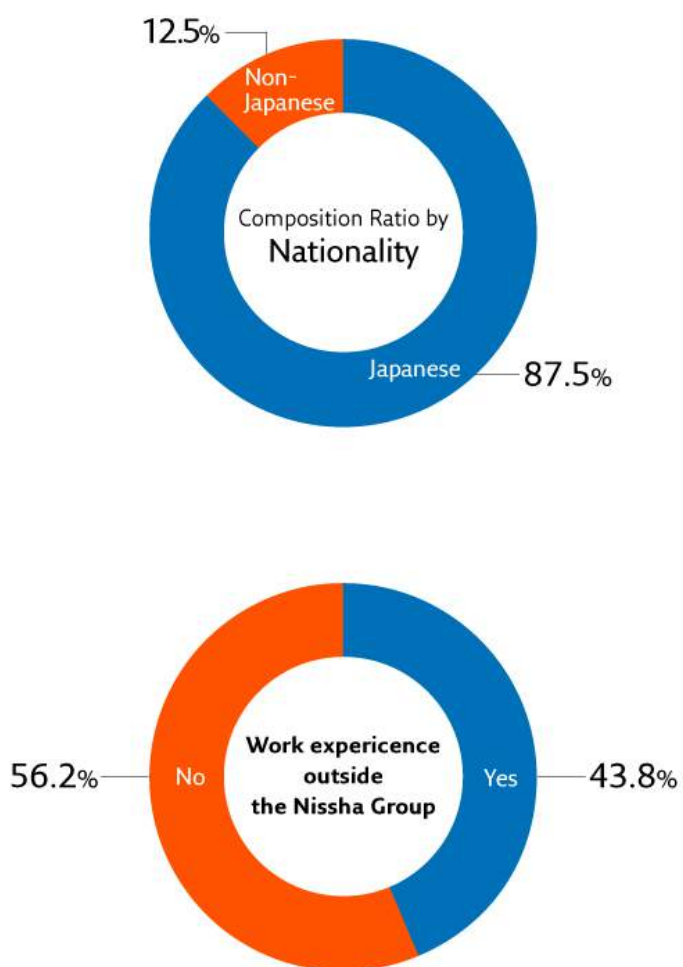
Remuneration of Audit and Supervisory Board Members is determined through discussion with the individual within the scope of total remuneration approved at the General Meeting of Shareholders.

Title	Total Remuneration (Million yen)	Remuneration by Category (Million yen)			Number of Board Members
		Basic Remuneration	Bonuses	Stock	
Directors of the Board (Excluding Independent Outside Directors of the Board)	183	112	48	22	4

Audit and Supervisory Board Members(Excluding Independent Audit and Supervisory Board Members)	21	21	-	-	2
Independent Outside Directors and Independent Audit and Supervisory Board Members	32	32	-	-	6

Corporate Officers *as of June 1, 2018

In order to adapt flexibly to changes in the business environment, we appoint Corporate Officers also taking into account diversity and balance between the knowledge, experience, and skills of the individual. The term of office of Corporate Officers is set at one year.



At present, we have 16 Corporate Officers, of which two are foreign nationals.

These include individuals with experience abroad or at another company, or holding a master's degree in business administration.

Internal Control System

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

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

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

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

- i. The Company shall formulate the Basic Policy for Risk Management to specify the Nissha Group's initiatives in risk management.
- ii. The Company shall respond to the risk of managerial losses by organizing company-wide and cross-organizational subcommittees to manage the issues of Corporate Ethics Compliance, BCM, Labor and Human Rights, Environment Health and Safety, Information Security, Trade Administration and Control,

Quality, and Customer Satisfaction under the CSR Committee led by the Chairman of the Board, President and CEO as the acting Committee Chairman.

- iii. Each subcommittee and the superintending division shall establish a management policy, rules, etc.; determine risk analysis, risk assessment, and related measures; conduct daily monitoring activities; and report the results of reviews to the CSR Committee.
- iv. The CSR Committee shall summarize major risks faced by the Company on a regular basis for review by management while reporting them to the Board of Directors.

4) Systems necessary to ensure the efficient execution of the duties by Directors of the Board of the Nissha Group

- i. Through the introduction of the corporate officer system, the Company shall establish functional segregation between strategy development and management monitoring functions to be undertaken by the Board of Directors and business execution functions to be undertaken by the Corporate Officers.
- ii. The Board of Directors of the Company shall approve medium-term business plans, and the Directors of the Board and employees shall execute operations based on such strategic and performance plans.
- iii. The Chairman of the Board, President and CEO shall request the Corporate Officers to report the status of their execution of business and confirm whether or not the business is executed according to the plans at a monthly meeting (MBR: Monthly Business Review).
- iv. The Company shall share the status of execution of business by the Corporate Officers and the strategy implementation items to be undertaken by its organizations through the use of IT to improve business efficiency.

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

- i. The Company shall formulate the Affiliated Company Management Regulations to set basic administration policy for the management of each company of the Nissha Group. In addition, the Company shall manage the performance of important operations of each company of the Nissha Group by designating matters requiring approval of and reporting to the Company with regard to the execution of those operations in the Regulations on Requests for Managerial Decisions.
- ii. The Company shall appoint its officers or employees to become Directors of the Board and Audit and Supervisory Board Members of each company of the Nissha Group in order to ensure the proper execution of operations.
- iii. The corporate division shall manage the proper execution of operations at each company of the Nissha Group and lead and counsel it, as necessary.
- iv. The Company shall periodically convene the Group Audit and Supervisory Board meeting for the exchange of information among the Audit and Supervisory Board Members of the Nissha Group and strive to improve and strengthen the audits for each company of the Nissha Group.

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

- i. The Company shall establish an Auditor and Supervisory Board Member's Office to assist the duties of Audit and Supervisory Board Members, and shall arrange for employees to be exclusively assigned to the Office.
- ii. The Auditor and Supervisory Board Member's Office shall belong to the Audit and Supervisory Board and be independent from Directors of the Board. With regard to matters regarding the personnel affairs of the employees of the Auditor and Supervisory Board Member's Office, approval of the Audit and Supervisory Board shall be obtained through consultation.

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

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

8) Other systems necessary to ensure the effective audit by Audit and Supervisory Board Members

- i. The regular meetings for exchanges of opinions between the Chairman of the Board, President and CEO, Directors of the Board and the Audit and Supervisory Board shall be held. The Audit and

- Supervisory Board Members shall also set up regular meetings with the Accounting Auditor, Internal Audit Divisions and corporate division to cooperate with them closely.
- ii. The Audit and Supervisory Board Members shall attend not only the meetings of the Board of Directors, but also other important meetings, and express their opinions as necessary. In addition, they shall also examine the requests for managerial decision and other important documents.
 - iii. The Company shall ensure objectivity and effectiveness of audits through Independent Audit and Supervisory Board Members, including those who have considerable knowledge concerning finance and accounting or legal affairs, such as a certified public accountant or an attorney, etc.
 - iv. The Company shall bear expenses necessary for the execution of duties by the Audit and Supervisory Board Members. If an Audit and Supervisory Board Member requests the Company to make an advance payment of such expenses pursuant to laws and regulations, the Company shall promptly comply with the request upon confirmation.

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 Group’s implementation of Mission,” 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.

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 the enrichment of people’s lives by creating technology and developing it into economic and social value.

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 employee 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.

Established on July 1, 2015
Revised on January 1, 2018

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

We have in place a set of Emergency Response Regulations that defines “emergency” and stipulates the action and structure required between initial response to a disaster and the early stages of business recovery. For instance, 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, we are to set up a response task force headed by the president at Global Headquarters in Kyoto. We also stockpile supplies at major bases in Japan, distribute “survival cards” listing information about what to expect and do should an earthquake strike, and educate

employees using an e-learning system to promote awareness about the general rules for action and response in an emergency.

Our Basic Plan for Business Continuity Management (BCM) stipulates in detail the steps to be taken in order to promote early recovery of key business locations. In efforts to verify the effectiveness of these steps, we organize business continuity planning (BCP) exercises on a regular basis for employees including the management. Any changes in management environment and reorganization are reflected quickly in the latest editions of relevant documents.

Through these activities, we aim to secure the safety of Nissha Group employees and their families, contribute to the restoration of communities and of society at large, and ensure business continuity and maximum service to our customers.

Column 1: Exchanging Views on Risk Management with Nissha Group Companies in Europe and the US



In September 2017, representatives from Nissha Group companies in Europe and the United States gathered at Nissha USA for an exchange of views on risk management. The session provided a good opportunity to deepen communication beyond national and cultural boundaries about topics centering on the Nissha Group's approach to risk management, BCM, and risk hedging with property insurance.

Column 2: BCP Training for Earthquake Emergency



On December 22, 2016, we conducted BCP training at Nissha Group's Global Headquarters targeting primarily the management. The exercise simulated a situation in which bases of the Devices business in Japan were struck by an earthquake. The management received reporting from relevant divisions, provided instructions in response, and verified the effectiveness of their decision-making flow. The President served as leader of the headquarters task force. Following his instructions, management, corporate divisions, and bases worked as one and succeeded in taking appropriate action.

We quickly resolved the challenges that surfaced through this session, and will continue to organize further training toward even more effective BCP. Our goal is to build a structure capable of achieving swift restoration and business continuity in the event of a real-life emergency.

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 the fiscal year ended December 2017 focused on communication covering strategies and the execution thereof at business divisions, business administration and the process of post-merger integration at Nissha Group companies in Japan, and safety control structures at factories in Japan. Internal Audit also established the scope of evaluation and performed an independent assessment of financial reporting-related internal controls in accordance with the Financial Instruments and Exchange Act.

Corporate Ethics and Compliance

Guideline of the Corporate Ethics and Compliance

"Corporate Ethics and Compliance Guidelines" is the fundamental guideline for thinking about the corporate ethics and compliance of Nissha Group that each employee can implement to realize Nissha Philosophy. We set forth the following 4 Foundational Rules and 10 Important Points. All executives and employees work to promote and thoroughly implement corporate ethics and compliance.

Foundational Rules

1. We value and hold on to high ethical standards, integrity in our actions, and act with good common sense through our responsible behavior.
2. We pursue the Co-existence with the Stakeholders including our customers, shareholders, suppliers, local communities and our employees.
3. We will comply with all laws and regulations, internal corporate regulations, and socially accepted rules and norms.
4. If we witness any actions contrary to the "Corporate Ethics and Code of Conduct" or are suspicious of certain behaviors or decisions, we should immediately report to and consult with our supervisors.

10 Important Points

1. Free and Fair Competition
2. Prevention of Corrupt Practices
3. Product Quality and Safety
4. Protection of Intellectual Property
5. Appropriate Handling of Information and Resources
6. Compliance with Import /Export Regulations
7. Proper Disclosure of Corporate Information and Compliance with Regulations against Insider Trading
8. Environmental Protection
9. Creating a Comfortable Workplace, and Community and Social Contribution
10. Respect for Human Rights

Promotion Structure and Initiatives

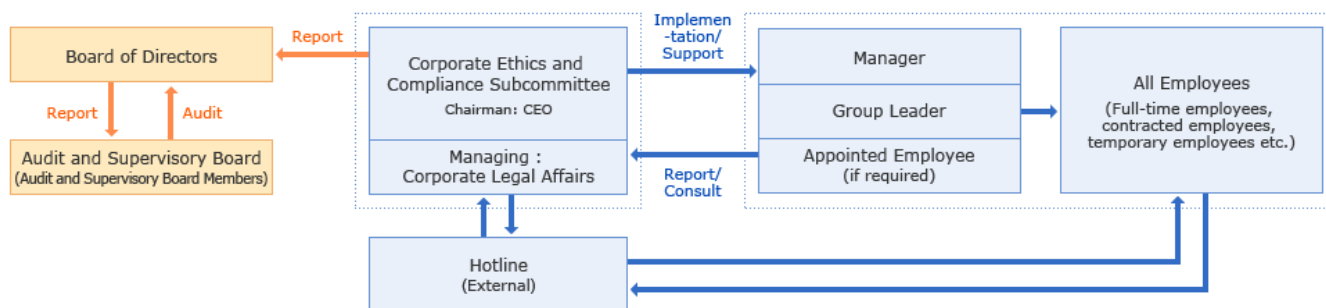
All Nissha Group bases in Japan and abroad appoint managers and group leaders in charge of promoting corporate ethics and compliance. These managers and group leaders not only conduct training in their respective divisions but also implement corporate ethics and compliance on a day-to-day basis through organizational management, serve as a liaison for referring specific cases to Corporate Legal Affairs, and take on the role of consultant in their workplace. In order to increase awareness of the managers and group leaders, since fiscal year ended March 2017 we distribute quarterly issues of Corporate Ethics and Compliance News.

Designating every October and November as corporate ethics and compliance month, we organize group-wide training at all bases in and outside Japan. In the fiscal year ended December 2017, we conducted a test for our employees in Japan who use a PC at work on key items using an e-learning system, and explained the advertising regulations in the medical devices industry in which the Nissha Group conducts business. For employees at production bases, who do not use a PC, and employees at overseas bases, we conducted practical training and a check test tailored to each base's operations, laws, and customs. Outside attorneys and Legal Affairs, at Nissha's Global Headquarters in Kyoto, serve as instructors in group training sessions at a number of bases.

To promote further awareness at bases that have in place a hotline (internal reporting system), we shared the flow of investigations in addition to providing contact information as is done each year. This resulted in a boost of recognition and understanding to nearly 100%. Through a questionnaire handed out in group-wide training, we collected a broad range of information on workplace conduct that might constitute a breach of corporate ethics and compliance. The information was analyzed, and the results were reported together with the outcomes of training to the Corporate Ethics and Compliance Subcommittee.

In the fiscal year ended December 2017, we further conducted training for Japanese representatives serving as managers abroad with the aim of deepening insight into global compliance, focusing on anti-corruption, free and fair competition (anti-cartel), and litigation risks outside Japan. For the prevention of insider trading, we cover regulations in our regular training programs on top of educating employees through quarterly publications on the Nissha intranet.

Corporate Ethics and Compliance Structure



Distribution of Added Value to Stakeholders

Our distribution of added value to stakeholders in the fiscal year ended December 2017 is given in the table below.

With the change in fiscal year end date, the fiscal year ended December 2017 covered a nine-month period (from April to December). Despite the shorter time frame, distribution to employees increased owing to the additional number of employees. Distribution to society decreased slightly due to a dip in sponsorship of events such as museum and art exhibitions and related events that are being conducted in accordance with our Basic Social Contribution Policy, and a decrease in the number of Nissha facilities to be lent out.

Distribution of Added Value to Stakeholders

Stakeholders	Amount (million yen)	Description	Remarks
Shareholders	1,437	Dividends	Figures published in financial results
Employees	7,419	and retirement benefits	Calculated by Corporate Social Responsibility, using results of the fiscal year ended December 2017 (excluding personnel expenses included in manufacturing costs)
Creditors (financial institutions)	576	Interests	Figures published in financial results
Government agencies (national, local)	2,049	Sum of taxes paid including corporation tax, inhabitant tax, and enterprise tax	Figures published in financial results
Society	44	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)	5,319	Amount of increase in surpluses	Figures published in financial results

Human Rights

We operate a management system based on our Basic Policy on Labor and Human Rights, and strive to observe legislation, international norms, and code of conduct such as that provided by the EICC.



Human Rights

Basic Policy on Labor and Human Rights

We at Nissha have in place and adhere to a basic policy on labor and human rights toward realizing our Mission. The 10 principles of the United Nations Global Compact and the electronics and automotive industries' code of conduct provided by the Responsible Business Alliance (RBA) 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

The Nissha Group 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, including bonded 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 1, 2018

Junya Suzuki
Chairman of the Board
President and CEO
Nissha 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.

In the course of the Fifth Medium-term Business Plan (FY2016.3–FY2017.12), the Labor and Human Rights

Subcommittee promoted the building of a structure for compliance with the Responsible Business Alliance (RBA) code of conduct at all major Nissha Group bases, including those outside Japan. In the fiscal year ended March 2016, it built and started to operate a labor and human rights management system. And in the fiscal year ended December 2017, it followed this up with internal audits of major Nissha Group companies. Instances of noncompliance found through the audits, such as poor procedure for the application of overtime work, have been addressed through corrective measures including prevention of recurrence.

For the fiscal year ending December 2018, the subcommittee has formulated an action program, target values, and key performance indicators (KPI) in areas such as work time management, expansion of women's participation in business, and employment of foreign nationals to address the material topics of diversity and equal opportunity, and respect for the human rights of employees.

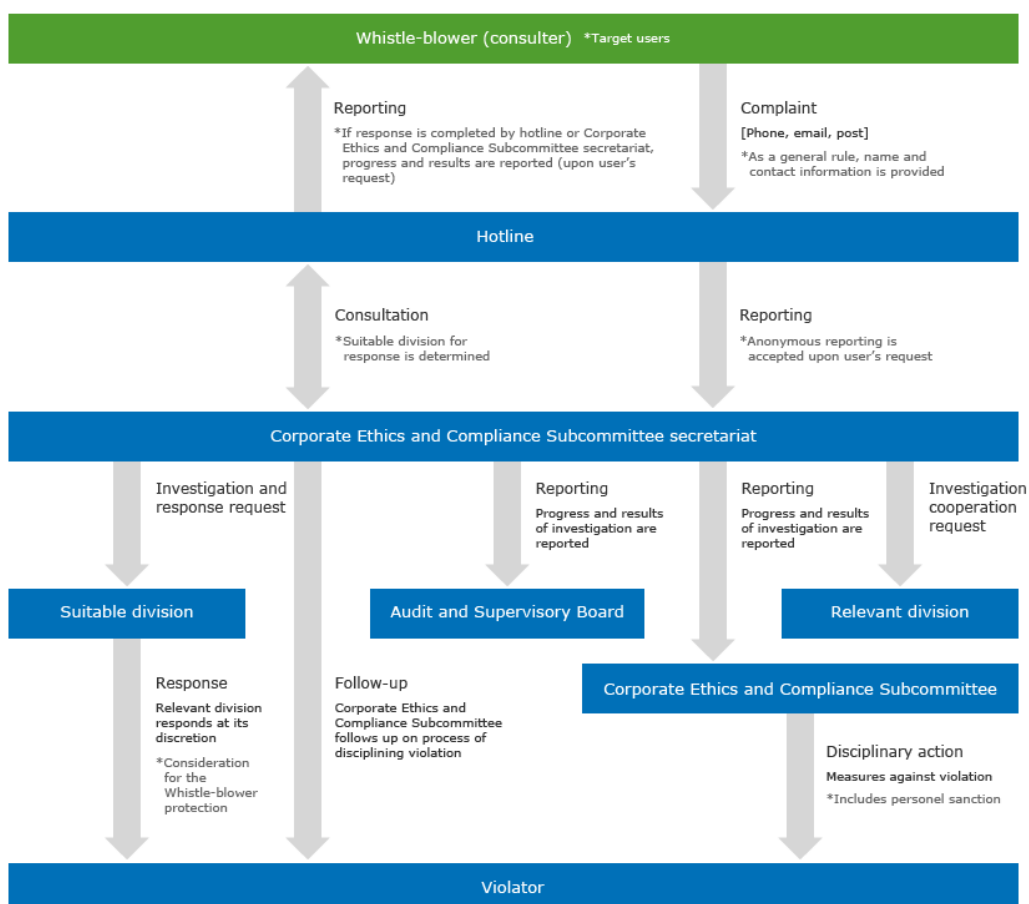
Hotline

In order to quickly grasp the facts, minimize critical risks, promote ethical and legal compliance, and ultimately enhance our corporate value, we at Nissha have in place an Internal Reporting Code and a hotline at all Nissha Group companies in Japan as well as some abroad. In the interest of neutrality and fairness, the hotline reaches a third party served by an outside attorney's office.

Our Internal Reporting Code protects whistle-blowers from any unfavorable treatment by either the company or other employees on account of their complaints, and obligates the acceptance of anonymous reporting. In fiscal year ended December 2017, the hotline was used 20 times. The complaints concerned workplace environment and interpersonal relationships, and requests to improve workflows at production bases. All complaints received are relayed from the hotline to the Corporate Ethics and Compliance Subcommittee secretariat, which as a rule coordinates with relevant divisions to carry out an investigation and fact-checking while protecting the whistle-blower. The contents are reported as needed to the Corporate Ethics and Compliance Subcommittee, and then addressed according to the circumstances.

We are working to create an environment in which employees can feel comfortable about discussing even seemingly trivial matters, and to enhance employee awareness of the hotline through the Corporate Ethics and Code of Conduct Manual, the Nissha intranet, and in-house training toward further reinforcing 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 the fiscal year ended December 2017, the harassment help desk was used 11 times (six inside the company, five outside).

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 the fiscal year ended March 2017, we engaged in 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. As a result, we formulated a set of Private Day Care Expense Coverage Regulations and introduced a program for preventing delays in the reinstatement of women employees after childbirth because they could not enroll their child in a non-authorized nursery (in Japan, these are significantly costlier than those certified by local authorities, which have years-long waiting lists).

With the change in fiscal year end date from March to December at Nissha Group companies in Japan, in the fiscal year ended December 2017, we held discussions toward reviewing employment regulations. As a result, we introduced a program that allows two company-owned houses for employees transferring to a location away from their family when a gap emerges between the timing of the transfer and the start of a new school year (April in Japan). We also introduced a career resumption program for re-hiring employees who have once had to retire due to reasons such as childbirth, child-rearing, and family care, and started operating this in January 2018.

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 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. (NCI) 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 ended December 2017, 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 December 2017, the Nissha Labor Union has a membership of 745.

*2. As of the end of December 2017, the Nitec Industries Labor Union has a membership of 439.

*3. As of the end of December 2017, 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 holds regular Management Council meetings for exchanging views, questions, reporting, and suggestions. A member union may request an extraordinary meeting for discussing and negotiating labor conditions. Labor and management also cooperate in promoting work-life balance, safety and health, disaster preparedness, and transportation, and work toward improvement.

The companies and their respective labor unions work hand in hand to strengthen their win-win relationship and aim for work style reforms so that each company can continue to provide employees with a sense of fulfillment at work.



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 Group believe our employees are our most important management resources. We work to develop human resources based on our Human Resources Development Policy.

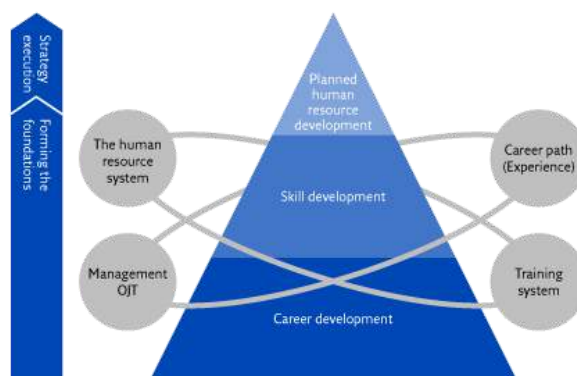
Human Resources Development Policy

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 Group 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.

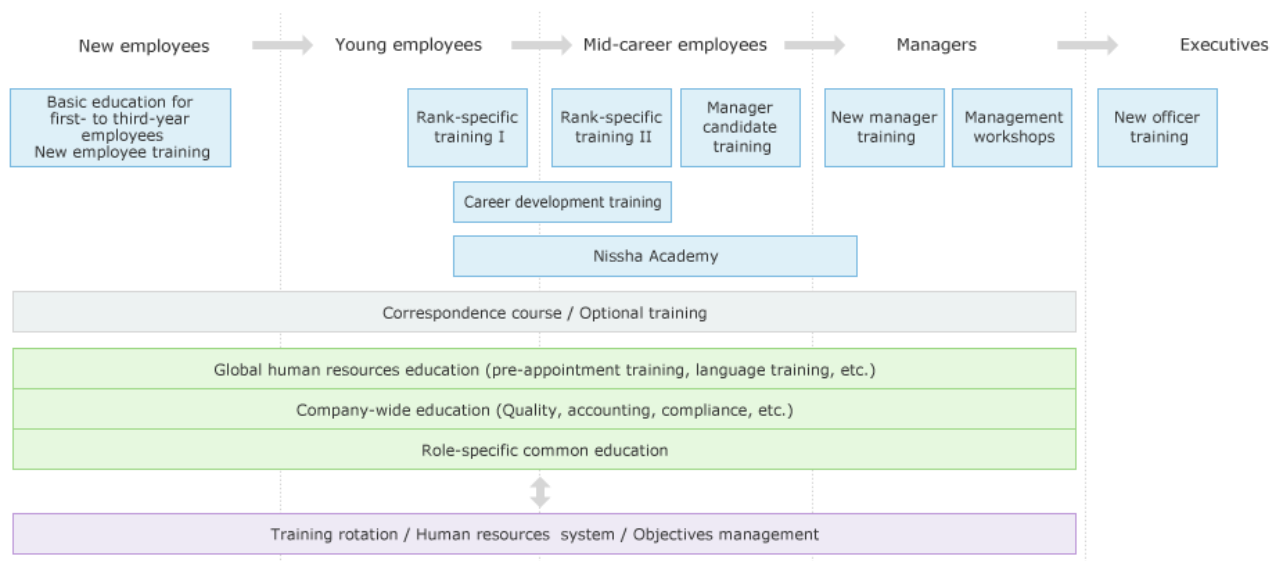
Career development

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 (Major Programs by Area)

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, logical thinking, presentation, etc.), 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 Group), career development training, etc.

Training System Model

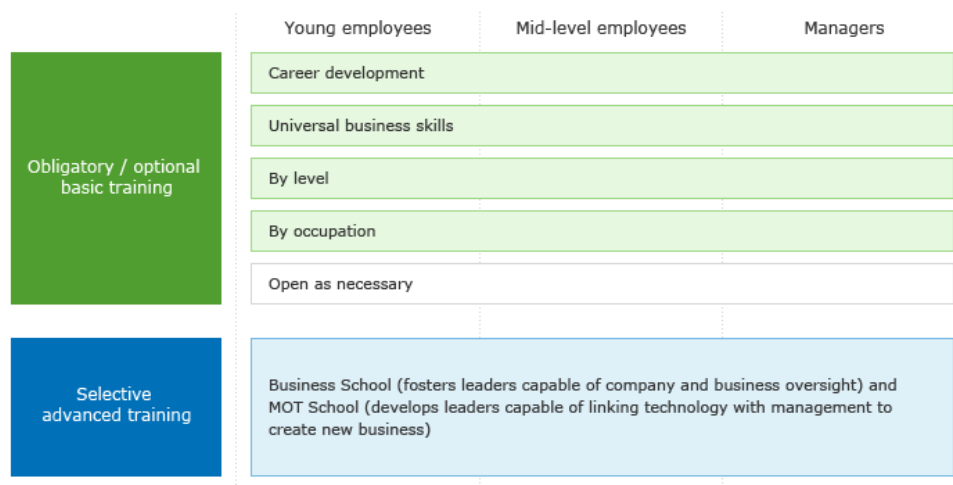


Selective Human Resource Development

In 2013, we established Nissha Academy, an in-house institute for fostering human resources with more advanced, specialized knowledge. While we continue to expand on our rank-specific, theme-specific, and career design training programs, Nissha Academy employs a selective system to provide training.

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 to foster leaders capable of company and business oversight; and a Management of Technology (MOT) School, which develops leaders capable of linking technology with management to create new business. In the fiscal year ended December 2017, 24 employees enrolled in the MOT School. Graduates 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 resource 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 ended March 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.



*MOT: Management of Technology

Programs to Support Employees' Will to Learn and Grow

We offer many open-call training courses, which employees may sign up for in line with their choice of personal development theme. Examples are courses designed to foster universal business skills such as logical thinking and presentation, and to develop linguistic skills required of employees of a global company. Our correspondence courses and self-learning programs via Skype support voluntary learning by covering half the price of subsequent courses for graduates.

In the fiscal year ended December 2017, we organized an open-call management workshop designed to draw out the determination and capabilities of experienced managers. We plan to carry this over into the fiscal year ending December 2018, as well as enhance our other programs for managers in response to their will to learn and grow.

Training Records

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

		Fiscal year ended March 2016	Fiscal year ended March 2017	Fiscal year ended December 2017*
Annual training hours	Male	23,106	17,605	14,204
	Female	7,375	7,609	5,561
	Total	30,481	25,214	19,765
Training hours per employee**	Male	11.9	9.3	7.4
	Female	17.3	17.9	13.1
	Total	12.9	10.8	8.4

* With the change in fiscal year and date from March 31 to December 31, the fiscal year ended December 2017 covers a nine-month period (from April to December).

** Training hours per employee are calculated based on the number of full-time employees of the Nissha Group in Japan.

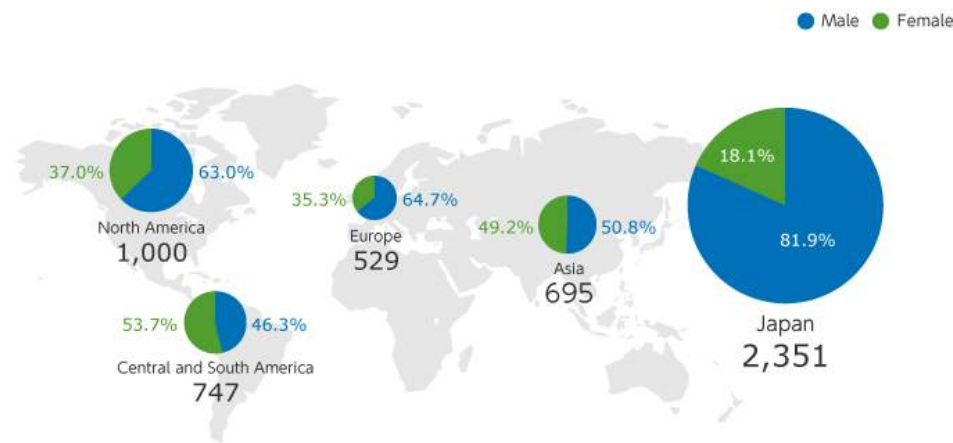
Respect for Diversity

The Nissha Group has a set of [Shared Values](http://www.nissha.com/english/company/philosophy.html) that serve as a code of behavior for Nissha People seeking to realize our mission. One of those values, Diversity and Inclusion, declares, "We welcome diverse capabilities interacting as equals and enhancing our organizational performance." 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"

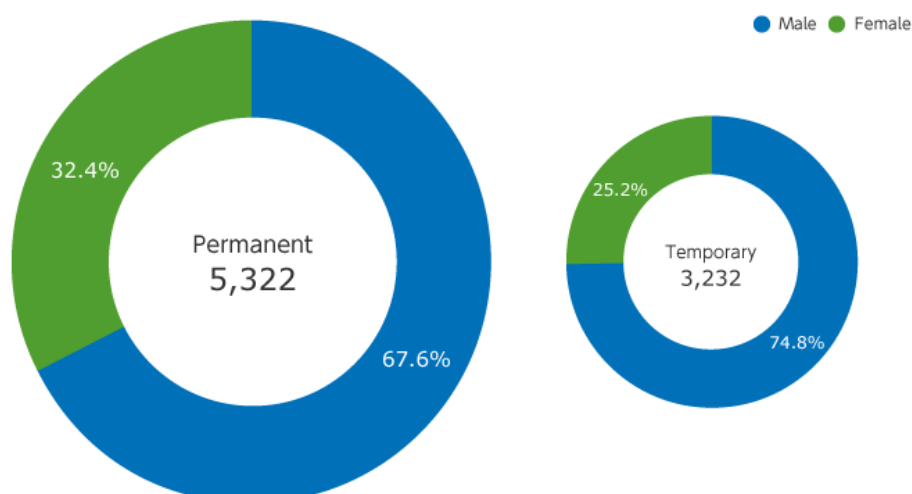
The diversity of the Nissha Group shows in our employee composition in terms of gender, age, and employment status. With the expansion of our activities across the globe, more than a half of our employees work at Nissha Group companies outside Japan. Locally hired employees are appointed to upper management positions at overseas bases. This includes the CEOs of eight subsidiaries served by local hires.

Composition by region (Nissha Group, as of the end of December 2017)



* Figures exclude temporary employees.

Composition by employment status (Nissha Group, as of the end of December 2017)



* Figures exclude directors by a delegation agreement.

Composition of Nissha People

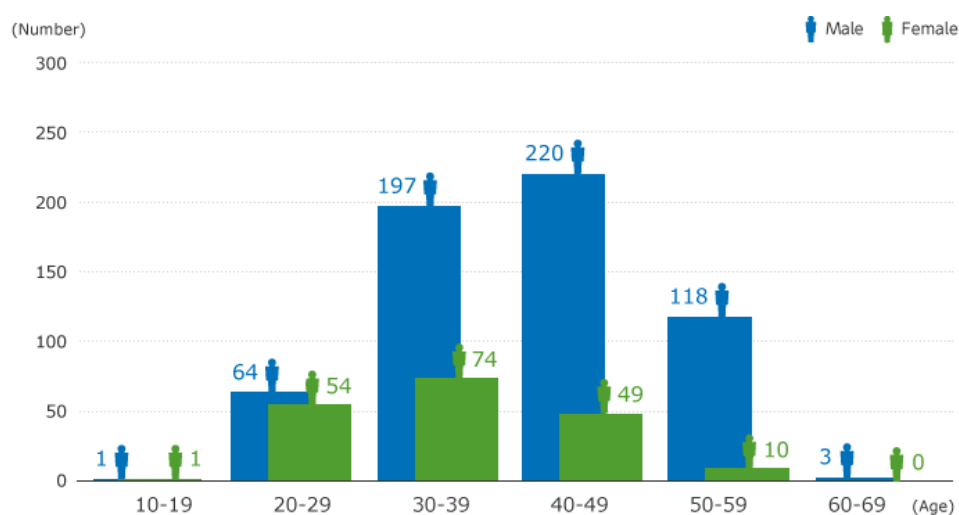
Fiscal Year	Gender	Directors	Corporate officers	Nissha fellows	Managerial staff	Employees(total)	Average age	Average years of employment
FY ended Mar. 2014	Male	7	13	1	182	662	40.9	15.3
	Female	0	0	0	6	175	33.9	9.4
FY ended Mar. 2015	Male	6	13	1	204	760	41.4	15.2
	Female	1	0	0	7	195	34.7	9.3
FY ended Mar. 2016	Male	6	15	1	153	610	41.1	13.7
	Female	1	0	0	7	180	35.0	9.8
FY ended Mar. 2017	Male	7	18	1	154	619	41.5	13.9
	Female	1	0	0	7	183	35.4	10.2
FY ended Dec. 2017	Male	7	15	1	165	603	41.8	14.1
	Female	1	0	0	9	188	35.9	10.7

Note 1: Directors include independent directors.

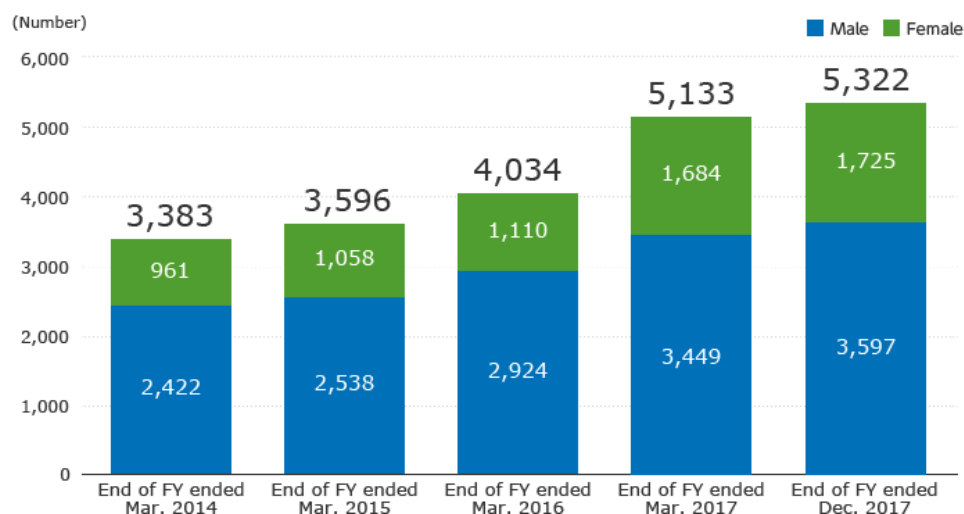
Note 2: Employees exclude temporary employees.

Note 3: All figures are as of the end of the fiscal year.

Composition by age (Nissha Co., Ltd., as of the end of December 2017)



Number of employees (Nissha Group)



* Figures exclude temporary employees.

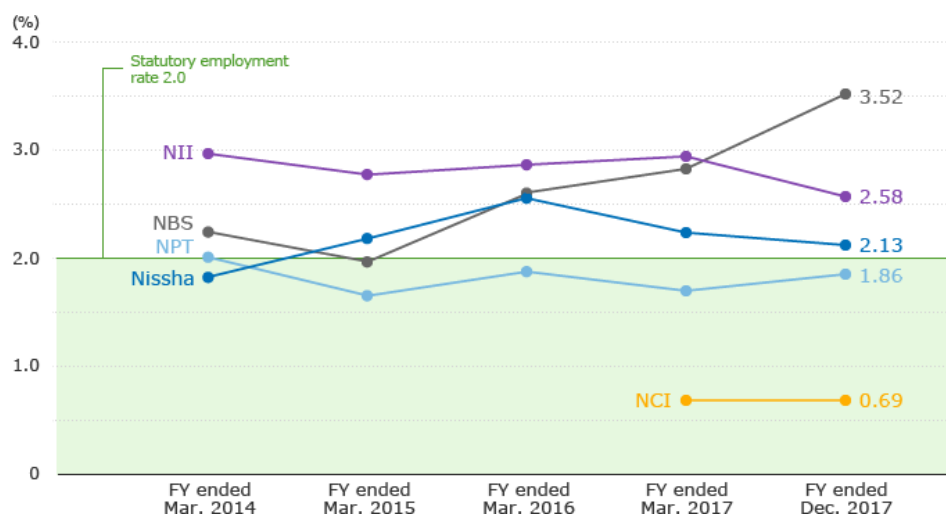
Of all permanent employees who left Nissha Group companies in Japan in the fiscal year ended December 2017, 3% left for personal reasons.

Percentage of People with Disabilities Employed at Major Group Companies

Private enterprises in Japan with 50 or more employees (45.5 or more, after April 2018), 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 Co., Ltd. and affiliated companies subject to the rule, 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.

People with disabilities accounted for 2.13% of the Nissha workforce as of December 31, 2017, for a slight decrease compared to the previous fiscal year. Those employed at Nissha Business Service Co., Ltd. (NBS) increased slightly, to 3.52%.

Each applicable group company plans to continue making efforts to meet and maintain the target statutory rate.



* The figures are as of the end of each fiscal year.

* The statutory employment rate for people with disabilities in private company is 2.2% since April, 2018.

Women employees' participation in business

Activities toward Expanding Women's Participation in Business

True to the Diversity and Inclusion cited in our Shared Values, Nissha Group aims to be a corporate group where employees can live up to their potential regardless of nationality, gender, or age. Amid growing demand in Japanese society, we recognize women's participation in business as a particularly important priority, and to this end launched a project team led by Human Resources in July 2014. Nissha Co., Ltd., Nitec Industries, Inc. (NII), and Nitec Precision and Technologies, Inc. (NPT)—three companies 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.

Practical Training for Women Employees

In order to promote women's participation in business, we believe it is crucial both for the management to recognize the necessity of promoting women's participation in business and taking advantage of diversity, and to raise the awareness of women employees themselves. To this end, we kicked off training for the management in the fiscal year ended March 2016, and career development training for women employees in general positions at a majority of our bases in Japan in the fiscal years ended March 2017 and December 2017. In the past fiscal year, we also organized training for women manager candidates.

The training for women employees in general positions seeks to instill awareness of a career plan. It encourages participants first to understand the significance of working at Nissha and necessity of continuing to take on challenges and building a career over the long term, and then to reflect on their career to date, identify their strengths, and create an action plan for the future.



In a follow-up program, interviews were arranged between the participants and their respective superiors to discuss what challenges the women wanted to take on for enhancing their sense of job fulfillment. This dialogue helps to deepen understanding of women employees in managers, and at the same time offers both the managers and the women employees the opportunity to practice what they learned in training. Not merely approaching individuals but promoting communication between them thereafter—we believe this makes the training more effective.

The career development training for women manager candidates followed the same contents as for general employees, with the addition of studies on what it takes to draw on one's strengths while serving as leader, and an exchange of views between the participants.

In the fiscal year ending December 2018, we plan to conduct training for the management and for women employees at bases not covered thus far.



Enhancement of Systems and Communication Tools

In November 2016, we established a system for sharing with employees the expense of using non-registered childcare facilities. Employees in Japan who wish to be reinstated at work after taking child-rearing leave often have difficulty enrolling their child in day care service registered with the municipality, as mass enrollment closes in April, and the next opportunity seldom arrives before April of the following year. The system covers part of the expense of temporarily enrolling a child in a non-registered childcare facility until an opening becomes available at a registered facility, with the aim of supporting employees' quick reinstatement at work at the timing of their choice. An employee using the system has been reinstated at work since January 2016.

In January 2018, we introduced a career resumption program for re-hiring employees who have once had to retire due to reasons such as marriage, childbirth, child-rearing, spouse's job transfer, and family care. This is designed to support the rebuilding of a career path for employees who wish to return to Nissha and use the experience and expertise they gained before retirement.

In August 2016, we opened a website dedicated to introducing employees participating in business called "We are Nissha People!" It presents interviews with employees in various positions, such as exemplary men as well as women employees who achieve work-life balance, women managers, and employees working at Nissha Group bases abroad. In the fiscal year ending December 2017, the website published a round-table discussion between women leader candidates, and feature articles on the status of women's participation in business, and on the work styles of *rikejo*, or "women of science," as opposed to those who studied the humanities, who defy convention and are in rising demand due to Japan's declining population.

We are Nissha People! (written in Japanese): <http://www.nissha.com/people/>

Major Initiatives to Date

FY ended March 2015	<ul style="list-style-type: none"> • Launch project team • Interview women employees • Distribute Work-Life Balance Support Guidebook
FY ended March 2016	<ul style="list-style-type: none"> • Open NISSHINE portal site • Administer employee questionnaire • Organize forum on women's participation in business • Conduct training for management (department directors and above)

FY ended March 2017	<ul style="list-style-type: none"> • Establish system for sharing the expense of using non-registered childcare facilities • Open "We are Nissha People!" website for introducing employees participating in business • Conduct training for management (all managers including group leaders) • Conduct career development training for women employees
FY ended December 2017	<ul style="list-style-type: none"> • Conduct career development training for women employees • Conduct training for women manager candidates • Deliberate on system for reinstating employees who have retired due to their spouse's job transfer
FY ending December 2018 (scheduled)	<ul style="list-style-type: none"> • Conduct training for women manager candidates • Conduct training for management (all managers including group leaders) • Introduce career resumption program for re-hiring employees who have once retired due to specified reasons (in operation since January 2018)

Declaration on Action by a Group of Male Leaders who will Create a Society in which Women Shine

In May 2017, Nissha Co., Ltd. President and CEO Junya Suzuki joined the "Declaration on Action by a Group of Male Leaders who will Create a Society in which Women Shine," supported by the Cabinet Office.

On March 28, 2014, a kick-off meeting was held at the official residence of Japan Prime Minister Shinzo Abe to support "Women who shine," creating a nationwide movement headed by industry leaders to support women who will and do shine in various fields.

Amid this movement, male leaders who had already been promoting the empowerment of women compiled the "Declaration on Action by a Group of Male Leaders who will Create a Society in which Women Shine."

Action Plan for the Japanese Act on Promotion of Women's Participation and Advancement in the Workplace

The Japanese Act on Promotion of Women's Participation and Advancement in the Workplace requires companies with 301 or more employees to draft an action plan for promoting women's participation in business. In the Nissha Group, three companies fall under this category: Nissha Co., Ltd., Nitec Industries, Inc., and Nitec Precision and Technologies, Inc. One more company, Nissha Printing Communications, Inc., has voluntarily formulated an action plan in line with our aim to create an environment in which all employees can live up to their full potential across the entire Nissha Group.

The action plans and initiatives of each company are presented on the website "We are Nissha People!"

[We are Nissha People! "Action Plan for Promotion of Women's Participation and Advancement in the Workplace" \(written in Japanese\)](http://www.nissha.com/people/news/0009.html)

<http://www.nissha.com/people/news/0009.html>

Support for Diverse Work Styles

True to the Diversity and Inclusion cited in our Shared Values, we in the Nissha Group embrace and take full advantage of diverse values and capabilities. We implement work style reforms with the aim of improving productivity, and support work-life balance in various ways for our employees. We are working to expand further on the initiatives given below toward creating workplace environments equipped for diverse, flexible work styles.

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.

Work at Home System

In fiscal year ended March 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 full days a week or for a number of hours a day. In the fiscal year ending December 2017, eight employees used the system (six for child-rearing, one for family care, and one for other reasons).

Support for Reinstatement after Long-term Leave

For employees reinstated at work after long-term leave due to illness or injury, we set forth 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. 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.

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)

Support system	Nissha Group in Japan	Statutory coverage
Days off for spouse's childbirth	5 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 Up to start of elementary school: paid From the first to sixth grade: unpaid	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*	Three years from starting date 3 hours per day	Three years from starting date
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 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. The first edition was distributed to all employees in October 2014, and a revised edition in May 2017. The contents are published on the Nissha Group intranet since April 2015, and useful information on welfare services were added in April 2016.



Kurumin Certification

In 2017, Nissha Co., Ltd. received "Kurumin" certification for the third consecutive term, following 2009 and 2013. 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

Status of Major Long-term Leave and Time Taken Off from Work (Nissha Group in Japan)

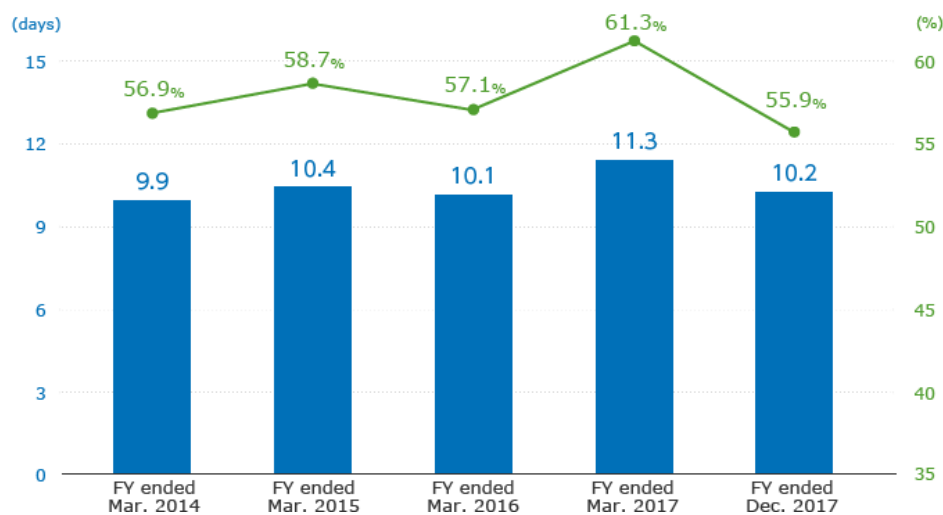
Promotion of the Use of Annual Paid Leave

To promote the use of annual paid leave, we encourage employees to take two days each under the "First and Second Halves Annual Paid Leave Plan". The period covered by the system was limited to summer (July–September) and winter (December–February) until the fiscal year ended March 2017. This was expanded to the full six months of the first and second halves of the year since the fiscal year ended December 2017.

Also, we 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.

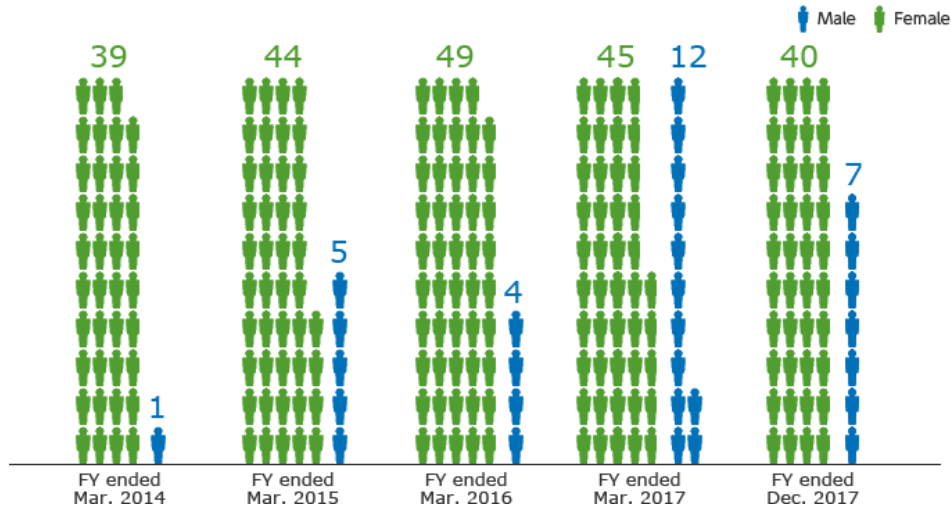
Moving forward, we are considering introducing paid leave by the hour as a mechanism for facilitating more flexible use of paid leave and supporting employees' efforts to balance child-rearing and family care with work.

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

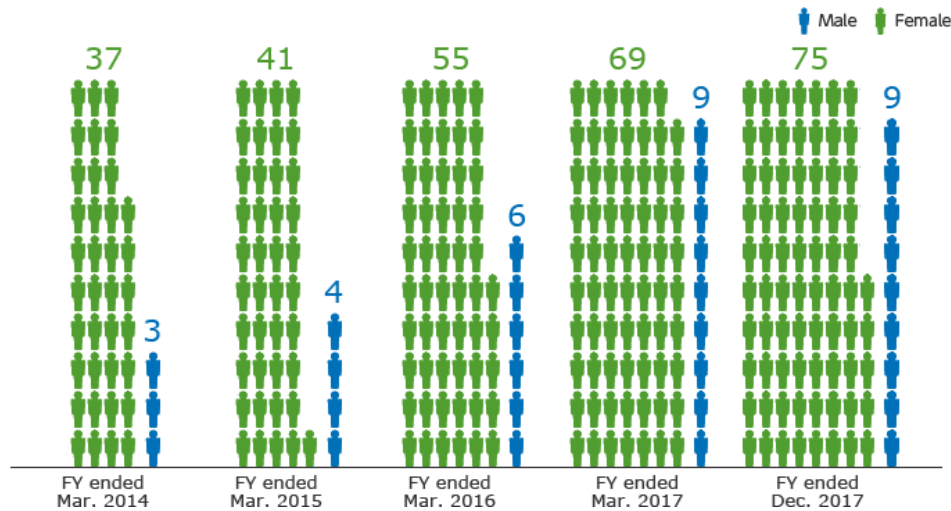


Number of employees who used child-rearing leave

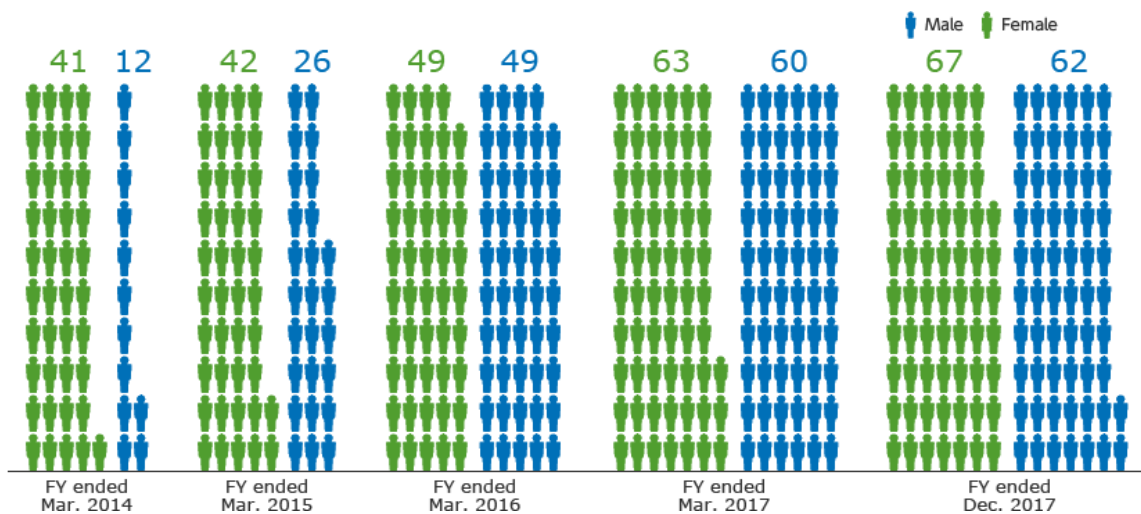
The number of employees who used child-rearing leave, worked shorter hours for child-rearing, and took days off for child nursing are given in the graphs below.



Number of employees who worked shorter hours for child-rearing



Number of employees who took days off for child nursing



Reinstatement rate after child-rearing leave: Male 100%, Female 100%

Reinstatement rate = $\frac{\text{Number of employees reinstated after child-rearing leave in the current fiscal year}}{\text{Number of employees expected to be reinstated after child-rearing leave in the current fiscal year}} \times 100$

Retention rate after child-rearing leave (1 year): Male 88.8%, Female 96.4%

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 Group intranet.

Support system	Gender	FY ended March 2013	FY ended March 2014	FY ended March 2015	FY ended March 2016	FY ended December 2017
Family care leave	Male	0	0	0	0	0
	Female	0	0	0	0	1
Shorter hours for family care	Male	0	0	1	1	0
	Female	0	0	0	0	1
Days off for family care	Male	4	1	4	7	9
	Female	2	2	4	5	7

Outpatient Sick Leave System

In fiscal year ended March 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. Three employees used the system in fiscal year ended December 2017.

Reduction of Overtime Work

Nissha Group companies in Japan promote the reduction of overtime work on an ongoing basis. Twice a month, we notify all divisions of overtime hours recorded.* Managers use this information to provide a reminder about overtime work to employees in their division. Divisions that recorded a large amount of overtime work are questioned as to the causes and the physical condition of employees in an effort to improve awareness about work time management. In the fiscal year ending December 2017, Nissha Group companies in the Kyoto area increased the days per month designated for clocking out at the scheduled time from one to two.

Moving forward, we will work to further reduce overtime work and at the same time aim to produce greater results without relying on long work hours, in line with our basic group-wide strategy of improving productivity.

*The Japanese government's guidelines for promoting work-life balance set a nationwide target of reducing the percentage of employees who work more than 60 hours per week to 5.0% by 2020. With this in mind, all Nissha Group companies in Japan are working to manage work hours on a weekly basis.

Internal Job Posting System

The Nissha Group introduced an internal job posting system in fiscal year ended March 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	FY ended March 2014		FY ended March 2015		FY ended March 2016		FY ended March 2017		FY ended December 2017	
Number of job posting	33		27		8		0		0	
Successful applicants (transferees)	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	3	2	3	3	1	0	-	-	-	-

* Job openings posted twice a year up to FY ended March 2015, and once a year since FY ended March 2016

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 the fiscal year ended December 2017, 33 employees received the most prestigious President's Award, zero employees the Top-Line Award recognizing contributors to sales expansion, and 105 employees the Nissha People Award celebrating workplace stars who epitomize our Shared Values. 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, and promote thorough awareness of this policy. In order to translate this policy into reality, in the fiscal years ended March 2017 and December 2017, we designated zero work-related accidents as a medium-term safety and health objective. Starting in the fiscal year ending December 2018, we are working to further prevent work-related accidents under a new set of medium-term objectives covering the three-year period of the Sixth Medium-term Business Plan (FY2018.12–FY2020.12).

Occupational Safety and Health Policy

Nissha Group 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

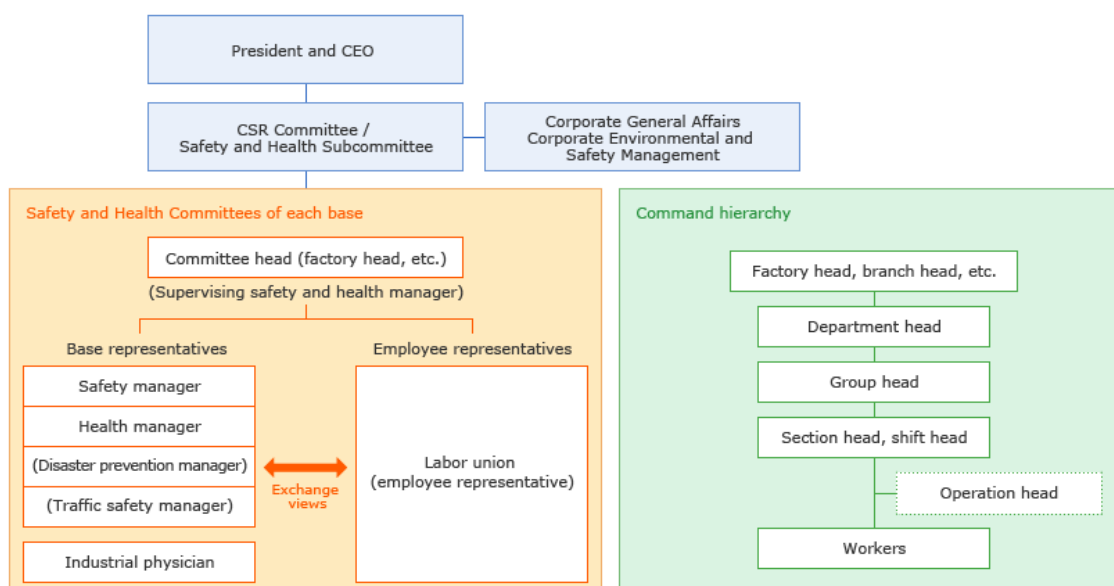
Junya Suzuki
Chairman of the Board
President and CEO
Nissha Co., Ltd.

Safety and Health Management System / Safety and Health Subcommittee

The CSR Committee's Safety and Health Subcommittee is headed by the president and responsible for the safety and health activities of the Nissha Group. It compiles quarterly reports on the progress of our safety and health objectives, the measures taken by each base on work-related accidents, safety and health performance such as occurrence of work-related accidents, and internal audits and corrective measures based on the audits. The subcommittee conducts year-end reviews on whether our management system is functioning effectively, and oversees the Safety and Health Committees operated by each base, toward improving the level of safety and health activities throughout the Nissha Group. Once a year, the CSR Committee reports to the Board of Directors on the contents of and status of corrective measures on work-related accidents.

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 each workplace. The members meet to report on work-related accidents and corrective measures, and to exchange views and propose measures for improvement toward realizing a safe and comfortable workplace. Any work-related accidents that occur at each base, together with corrective measures on them, are promptly reported to the Safety and Health Subcommittee for sharing with other bases. The corrective measures are reported from the officer overseeing the base and the head of the subcommittee to the president for appropriate review.

Safety and Health Management Structure



Occurrence of Work-related Accidents

The majority of accidents in the fiscal year ended December 2017 involved cuts, crashes, and workers being caught or trapped in machines. Thanks to a decrease in accidents resulting in days of leave, however, we saw improvement in both the frequency and severity of work-related accidents. Through measures established in response, such as repair of equipment and review of workflows, we are working on corrective action.

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

Item	FY ended March 2014	FY ended March 2015	FY ended March 2016	FY ended March 2017	FY ended December 2017
Frequency of work-related accidents*1	1.21	0.92	1.16	1.99	1.45
Severity of work-related accidents*2	0.00	0.04	0.02	0.02	0.01
Fatal accidents	0	0	0	0	0

*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

Figures include accidents involving temporary employees

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

The number of work-related accidents at the Nissha Group in Japan and major overseas production bases in the fiscal year ended December 2017 are given in the table below. Overseas figures represent accidents that resulted in days of leave.

	Male	Female	Total
Japan	23	9	32

North America	9	5	14
Central and South America	3	0	3
Europe	10	4	14
Asia	1	3	4

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. In selecting materials used in our products, we have also incorporated a mechanism for evaluating the health hazards of chemical substances into the design review process toward assessing the risks to workers during mass production.

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, the heads of each base carry out special safety patrols during Japan's national safety week in July toward enhancing workplace awareness about safety.

Safety and Health Education and Training

We provide education and training required in workplaces based on our Safety and Health Education and Management Regulations. Contents center on regular programs comprising training for environmental safety promoters, training in procedures for handling and assessing the risks of chemical substances, and lessons in using an automated external defibrillator (AED) in preparation for emergencies. In the fiscal year ended December 2017, employees obtained qualification as "RST trainer," or Ministry of Health, Labour and Welfare certified safety and health education trainer for coaching foremen responsible for workplace safety and health, and organized sessions at major production bases in Japan.



Training for environmental safety promoters

Category of Training and Attendance

Category	Lesson/Session	Attendance FY ended December 2017
General training	New employee training (safety and health)	31
Safety training	Risk assessment training (safety and health, chemical substances)	86 (2 bases)
	Environmental safety promoter training	52
	Foreman education by RST trainer	10 (2 bases)
	Ergonomics and chemical substance handling training	30
	Health training (organic solvent handling, chemical substance risk assessment)	30
	Safety training (lesson in safety and health case studies at other companies)	42
	General life saving lesson	27
	AED lesson	14



Nissha Co., Ltd. was certified as a Health and Productivity Management Organization in the large enterprise category (White 500) for the second consecutive year at an announcement ceremony on February 20, 2018, co-hosted by the Japanese Ministry of Economy, Trade and Industry, and Nippon Kenko Kaigi. Certification was granted in recognition of our initiatives for promoting health-conscious activities, specifically including those posted below. We will continue to encourage the participation of all in creating safe, comfortable workplace environments and promoting sound physical and mental health.

Health Promotion Initiatives

We carry out various initiatives on a continuous basis with the aim of preventing lifestyle diseases, and maintaining and enhancing the health of employees.

In the fiscal year ended December 2017, we organized courses by an industrial physician and by a health fitness programmer toward promoting exercise habits. Participants practiced and learned about diet for enhancing the effects of exercise from the industrial physician, and simple, correct strength training and stretch exercises from the health fitness programmer.

In the fiscal year ending December 2018, we plan to organize an original event for measuring bone density, gauging blood-vessel age, and promoting smoking cessation. Employees will receive an explanation of their measurement results along with advice on improving dietary, exercise, and lifestyle habits using a specially prepared leaflet. Our ongoing Smokerlyzer session will 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

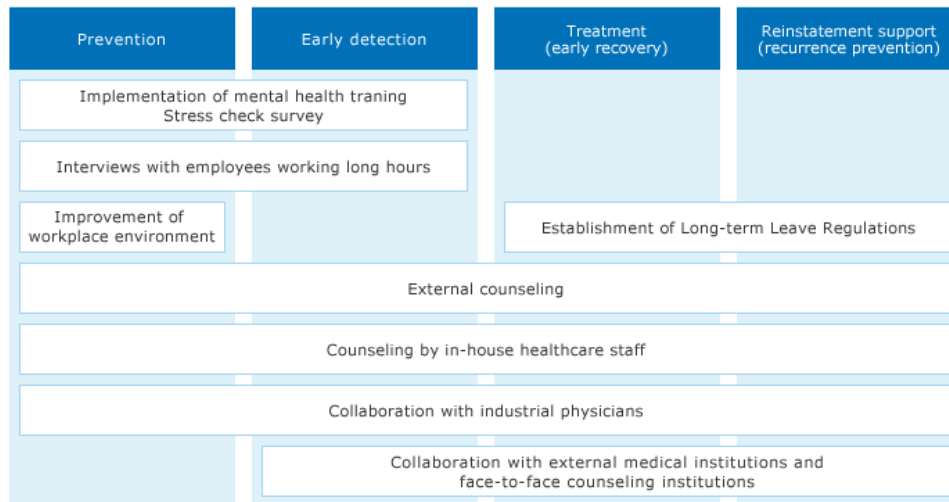
As part of our mental health support offering, we organize mental health classes, covering self-care and line care, by a clinical psychologist each year since the fiscal year ended March 2010, and introduced stress check surveys in the fiscal year ended March 2013 ahead of a mandatory system coming into effect in December 2015. In the fiscal year ended December 2017, we distributed a mental health handbook to all employees so that they can recognize and cope with stress based on their survey results.

We also continue to promote the creation of employee-friendly workplaces. In fiscal year ended March 2015, we provided line care education about supporting the process of improving workplace environments. And in fiscal year ended March 2016, we sought pilot workplaces for administering general checkups with the aim of creating pleasant 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, and then formulated a plan based on the members' input, and set to work topic by topic. Ideas for creating employee-friendly workplaces are published in our internal newsletter to familiarize employees with the concept. In future, we plan 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 have difficulty juggling their work schedule with an appointment, and offering the benefit of privacy protection, the service is used several times each year.

For employees working long hours, appointments are arranged with our healthcare staff and industrial physician. This helps us understand the employees' health condition as well as coordinate with their superior and the human resources division in providing any required follow-up.

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, Safety and Health Subcommittee of the CSR Committee operates the management system suitable to business operations of the Nissha Group. It builds and operates an environmental, safety and health management system incorporating an environmental management system based on ISO14001, a safety and health management system based on OHSAS18001, and customer requirements, and works toward continuous improvement at bases of the Nissha Group in Japan. Its duty is to maintain a structure that complies not only with laws and regulations but also with global standards such as the code of conduct provided by the Responsible Business Alliance (RBA).

Our Environmental Policy aims for business development and the realization of a sustainable society. We work to promote this policy to all employees of the Nissha Group. Toward achieving Nissha environmental objectives, which serve as group-wide medium-term goals, each factory and organization sets its own targets, and creates and implements an action plan. Environmental targets correspond to quality-related key performance indicators (KPI) and target values so that they link directly with everyday tasks.

The subcommittee comprises an environmental and safety management representative and sub-subcommittee members selected from each headquarters division and site. The Environmental and Safety Management Group in Corporate General Affairs functions as secretariat and operates the subcommittee under the general supervision of the management. In basic CSR, where we aim to strengthen our foundation as a corporation, the subcommittee builds and maintains a structure for conforming to global standards such as that provided by the RBA. In strategic CSR, it works to improve our environmental, social, and governance (ESG) rating. Through these activities, the subcommittee promotes risk management in areas of the environment and safety, and plays a role in corporate governance across the Nissha Group.

With the start of the Sixth Medium-term Business Plan on January 1, 2018, we are set to carry out activities to enhance our environmental performance, including addressing the ever-pressing issue of climate change, through the diverse capabilities, passion, and leadership of the global Nissha Group.

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

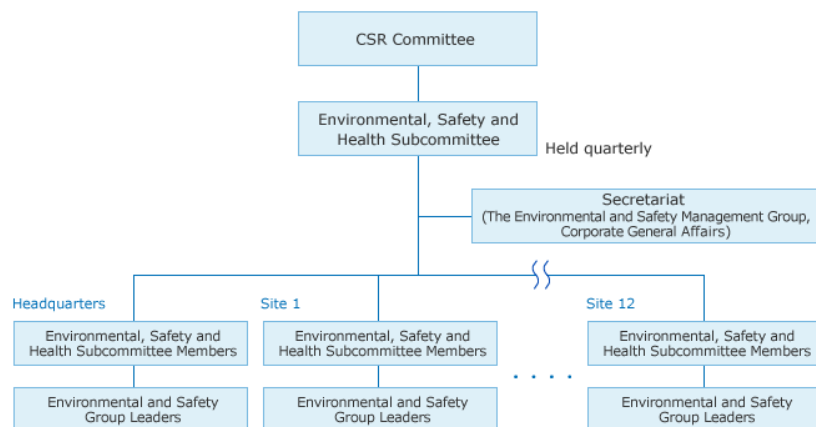
Operation of Environmental Management System

The scope of application of our environmental management system (EMS) extends to not only major production bases but also small production bases and sales bases with little impact on the environment. We divide these EMS sites into ISO14001 certification and non-certification sites so that we can set meaningful priorities in tune with the actual circumstances of each location, check and correct key management items through internal audits, and operate an effective EMS.

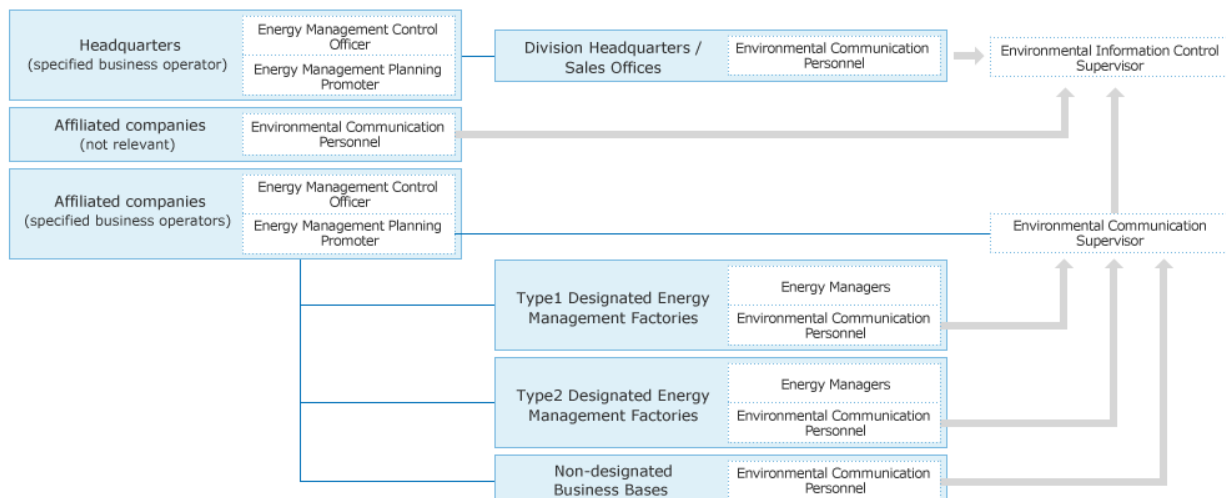
At ISO14001 certification sites, which are also our major production bases, specific activities are based both on negative risks to be maintained, managed, and improved through environmental risk assessment, and on positive risks, which we view as environmental performance to be enhanced in sync with business targets and quality targets. Our environmental management not only conforms to procedures and legal obligations but also links with our business operations, in line with the revised ISO14001 standard requiring strategic environmental management. We build and operate a leaner internal audit structure combining environmental internal audits with safety and health internal audits, which are conducted based on ISO14001 as well as codes of conduct provided by the RBA and our customers.

In this way, through compliance with relevant legislation and with the needs of our customers, we promote strategic environmental management with an eye to enhancing the level of environmental and safety performance throughout the Nissha Group.

Nissha Group Environmental Management Structure



Energy Management and Environmental Communication Structures



Environmental Objectives and Status of Achievement

The Nissha environmental objectives defined in April 2015 represent medium-term goals covering the three-year period between the fiscal years ended March 2016 and December 2017 for the Nissha Group in Japan. In the fiscal year ended December 2017, the final year of this period, each factory and relevant division aimed to achieve its individual environmental targets toward fulfilling the objectives of the Nissha Group in Japan as a whole.

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

Assessment	Satisfactory
Results	ISO14001 certification sites are working on environmental risk management and measures to reduce environmental risks. In the fiscal year ended December 2017, they carried over measures from the previous year to focus on training in response to substance leakage and for emergencies, on top of making continuous efforts in rainwater management. Nitec Precision and Technologies, Inc. (NPT) Tsu Factory, which started mass production in the fiscal year ended December 2017, also implemented the same measures. As a result, the Nissha Group in Japan maintained zero environmental accidents and achieved our environmental objective.

2. Prevention of global warming

Target: Reduce CO₂ 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

Assessment	Poor
Results	Major factories of the Nissha Group in Japan undertook measures to reduce CO ₂ emissions by basic unit. NPT Himeji Factory recorded 0.65, and NPT Kaga Factory 0.09 with the start of mass production (compared to the previous year's results as 1.00), for significant improvement. Nitec Industries, Inc. (NII) Koka Factory, at 1.11, did not achieve its target despite various activities aiming for improvement on account of the conversion to high-mix, small-lot production. Nitec Printing Co., Ltd. (NPC) also failed to meet its target by basic unit despite efforts to improve efficiency owing to a decrease in production volume. As a result, we did not achieve our objective.

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

Assessment	Satisfactory
Results	Major factories of the Nissha Group in Japan undertook measures to reduce waste. NPT Himeji Factory recorded 0.86 and NPT Kaga Factory 0.68 (compared to the previous year's results as 1.00), leading to improvement. NPT Kyoto Factory, at 1.27, did not

achieve its target despite efforts toward finer printing pitch. NII Koka Factory, at 0.99, achieved its target regardless of the conversion to high-mix, small-lot production. NPC also fell short of its target even though improvements in work efficiency led to a reduction in the amount of waste generated.

In the promotion of zero emissions (recycling and resource reuse rate of 99.5% or more), thanks to ongoing efforts at NPT Kaga Factory to reduce the amount of wastewater sludge generated, which must be sent to landfill, our recycling and resource reuse rate has improved year by year, from 88.1% in the fiscal year ended March 2015, to 91.8% in the fiscal year ended March 2016, to 97.5% in the fiscal year ended March 2017, to 99.9% in the fiscal year ended December 2017. As a result, we achieved our environmental objectives of both waste reduction and zero emissions.

4. Reduction of hazardous chemical substances

Target: Certification sites reduce usage rate of hazardous chemical substances

Assessment	Poor
Results	In the fiscal year ended December 2017, we saw the effects of cost improvement at NPT Himeji Factory, which worked to reduce usage of cleaning solvents, and at NPT Kaga Factory, that of flocculants for wastewater treatment. NPC Yachiyo Factory fell short of its target despite efforts to reduce usage of solvents. As a result, we did not achieve our objective.

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

Assessment	Satisfactory
Results	<p>We introduce the viewpoint of environmental consciousness and the reduction of environmental impact into products and production processes. In the fiscal year ended December 2017, Nissha's engineering and development divisions continued to work on saving resources and developing environment-conscious products.</p> <p>Nissha FIS, Inc. (FIS) is undertaking development of environment-friendly products such as power-saving sensors. NPT Himeji Factory made efforts to reduce usage of raw and intermediate materials. NII conducted reviews in product design and process design, and worked to reduce usage of toluene and xylene.</p> <p>With the start of the Sixth Medium-term Business Plan, we have defined a new set of Nissha environmental objectives to be aimed at by ISO14001 certification sites of the Nissha Group in Japan during the six-year period between the fiscal years ending December 2018 and December 2023.</p>

New Environmental Objectives from Fiscal Year Ending December 2018

We have defined a set of environmental objectives for the Nissha Group applicable between the fiscal years ending December 2018 and December 2023. Whereas our previous set of environmental objectives covered a three-year period, the new set covers a six-year period with the aim of carrying out activities over the longer term.

Nissha Group Environmental Objectives

[FY2018.12–FY2023.12]

Scope: Nissha Group in Japan ISO14001 certification sites ("certification sites")

1. Prevention of pollution

(1) Maintain zero environmental accidents (accidents that affect areas outside the factory)

(2) For environmental risks classified as significant environmental aspects on the hazard assessment list, implement measures and reduce the possibility of occurrence by one level by December 31, 2023

- * The degree of severity may not change after measures are implemented
- * For items classified as "maintain," follow the designated procedure and strive to prevent environmental accidents
- * Risk levels in the environmental hazard assessment list are given separately in the Safety and Health Management Manual

2. Attention to climate change

(1) Reduce CO₂ emissions rate (basic unit) by 6% or more by the fiscal year ending December 2023

(2) Reduce CO₂ emissions rate (basic unit) by 1% or more compared to the previous year

Baseline: Results in fiscal year ended December 2017

- * 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
- * Use the default value (0.555 kg-CO₂/kWh) as emission factor

<Sample initiatives>

In the area of fixed energy consumption, upgrade energy-saving facilities and equipment In the area of variable energy consumption, improve production efficiency, quality, and work processes Make effective use of space, e.g., through solar power generation, outdoor greening, and energy-saving design

3. Reduction of waste

(1) Reduce waste generation rate (basic unit) by 6% or more by the fiscal year ending December 2023

(2) Reduce waste generation rate (basic unit) by 1% or more compared to the previous year

(3) Maintain zero emissions (recycling and resource reuse rate of 99.5% or more)

(4) Reduce cost of waste treatment

Baseline: Results in fiscal year ended December 2017

- * Each organization may set KPI or quality targets as environmental targets
- * Indexes need not be the same as the CO₂ emissions rate basic unit (production volume may be substituted with number of items produced)

<Sample initiatives>

Promote multi-sourcing and resource reuse

Control the amount of waste generated, e.g., by reducing use of raw materials

4. Reduce use of water Reduce use of water by improving production efficiency and saving water (Certification sites set individual targets)

5. Reduce use of chemical substances Certification sites reduce usage rate of chemical substances (Certification sites set individual targets)

6. Environment-conscious design

(1) Introduce the viewpoint of energy saving, resource saving, durability, recycling, and so on in product design and development

(2) Design environment-conscious processes and reduce the environmental impact of production

<Sample initiatives>

Assess positive risks

Design and develop products that do not contain substances prohibited in the Nissha Control Criteria for Chemical Substances in Purchased Products

7. Enhance environmental performance in supply chain / value chain Enhance environmental performance based on customer requirements and the RBA code of conduct (applicable sites only)

Note 1: Nissha Group environmental objectives, as a rule, cover a six-year period

Note 2: Nissha Group environmental objectives are to be reviewed in line with changes in internal (e.g., medium-term business plan) and external circumstances

Note 3: Each site selects applicable items from Nissha Group environmental objectives

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 the fiscal year ended December 2017 are given in the table below.

With the change in fiscal year end date from March 31 to December 31, input and output in the fiscal year ended December 2017 represent the results of a nine-month period (April–December) at production bases in Japan, and as usual a twelve-month period (January–December) at overseas production bases. Results for the Graphic Controls Group, acquired as a subsidiary in August 2016, covered a four-month period (September–December 2016) in the previous report but account for a twelve-month period (January–December) starting in the fiscal year ended December 2017.

For the above reasons, the results presented in this report cannot be compared with those of the previous year under the same conditions. Nevertheless, the Devices business saw a significant increase in both input and output primarily owing to the start of full-scale mass production for large orders at Nitec Precision and Technologies, Inc. (NPT). The Information and Communication business saw a decline in both input and output mainly due to a decrease in production volume with a production tie-up since April 2016 reaching full scale at Nitec Printing Co., Ltd. (NPC).

INPUT

Production bases in Japan		
Industrial Materials	PET/acryl film	1,546t
	Solvents	1,212t
	Gravure Ink	1,443t
	Others	153t
Devices	Materials used in product manufacturing processes	10,120t
	Others	4,497t
Information and Communication	Paper	6,419t
	Ink	67t
	Others	70t
FIS	Metallic materials	2t
	Resin materials	2t
	Half-finished goods	31t
	Total for production bases in Japan	25,564t

Overseas production bases		
	Resin	4,439t
	Molds and molding materials	93t
	Touch sensors	0t
	Paper	66,022t
	Cardboards	244t
	Aluminum	119t
	Chemical substances	10,389t
	Others	1,756t
	Total for overseas production bases	83,062t
	Total for Nissha Group	108,625t

Including production bases in Japan and overseas		
Energy	Electricity	218,104MWh
	Gas	8,894,000m ³
Water	Tap water	923,000m ³
	Underground water	9,000m ³
	Industrial water	1,679,000m ³

OUTPUT

Production bases in Japan		
Recyclable resources (items sold for recycling)	Waste containing noble metals	6,798t
	Metal waste	
	Resin waste	
	Paper waste	
Recyclable resources (industrial waste)	Waste plastic	12,157t
	Iron scrap, waste cans	
	Waste solvents, waste ink, waste cloth	
	Waste acid, alkali	
Waste for simple incineration/landfill	Sludge, others	17t
	General business waste	
	Others (industrial waste)	
	Total for production bases in Japan	18,972t

Overseas production bases		
	Total waste	12,178t
	Total for overseas production bases	12,178t

Including production bases in Japan and overseas		
Emissions	CO ₂	139,817t
	VOC (including volume of after combustion and treatment)	1,340t
Wastewater		2,440,000m ³

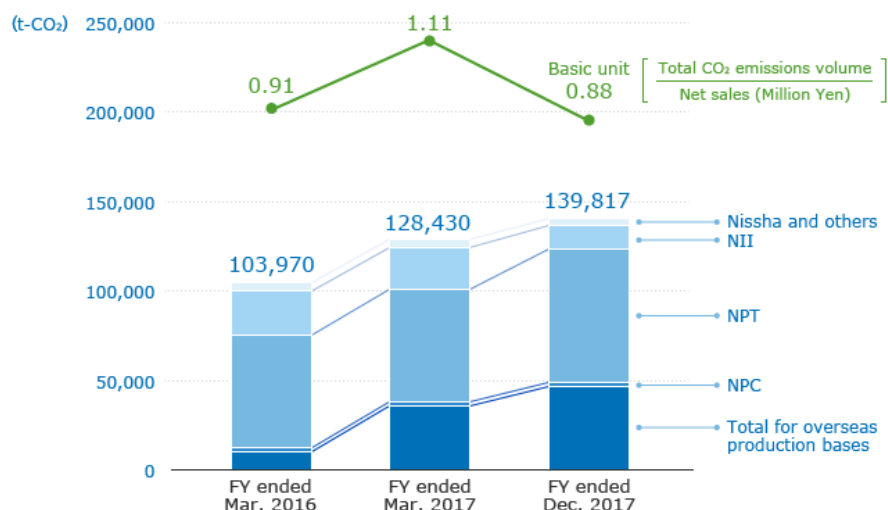
Prevention of Further Global Warming

Risks involving climate change are a great challenge for corporate activities. As part of our CSR efforts, we at the Nissha Group set and work toward target values especially in reducing CO₂ emissions, a cause of global warming and thus climate change.

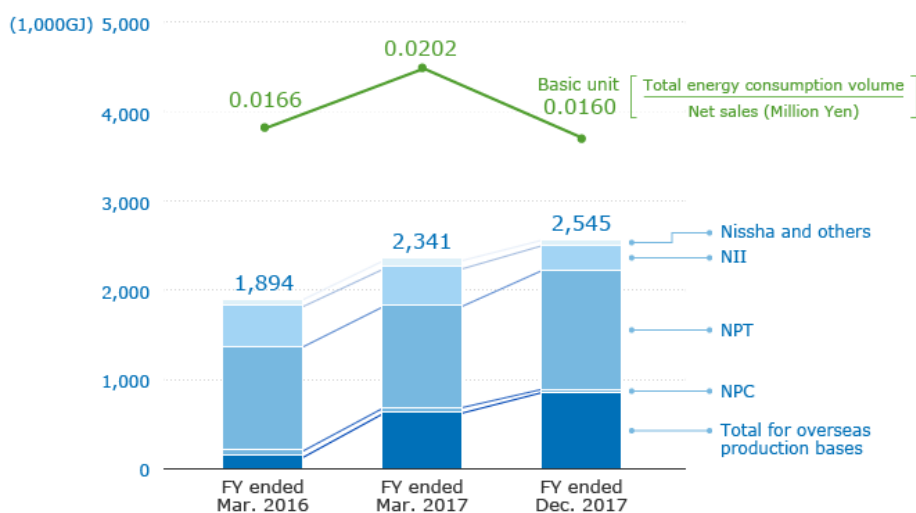
Status of CO₂ Emissions at Nissha Group

CO₂ emissions and energy consumption at the Nissha Group between the fiscal years ended March 2016 and December 2017 are given in the graphs below. With the change in fiscal year end date, data for the Nissha Group in Japan in the fiscal year ended December 2017 cover a nine-month period from April to December (and a twelve-month period, from April to March, in FY2016.3 and FY2017.3).

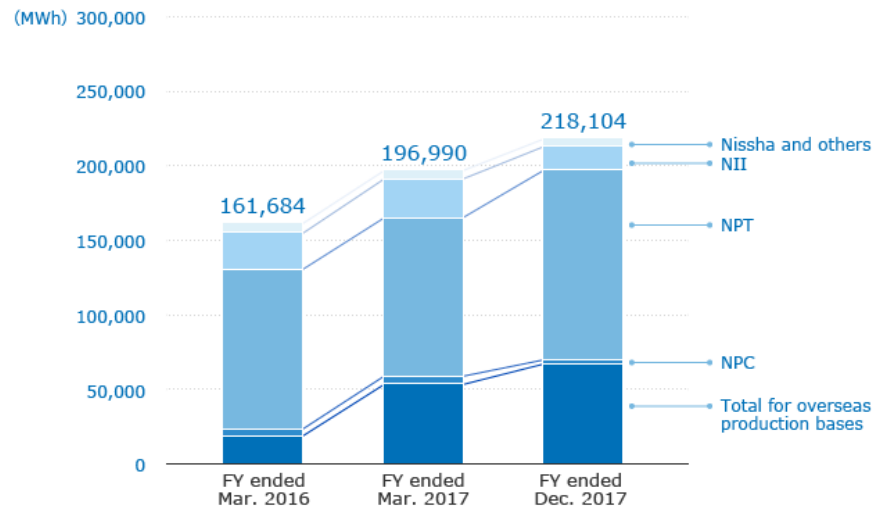
Trends in CO₂ Emissions Volumes and Basic Unit



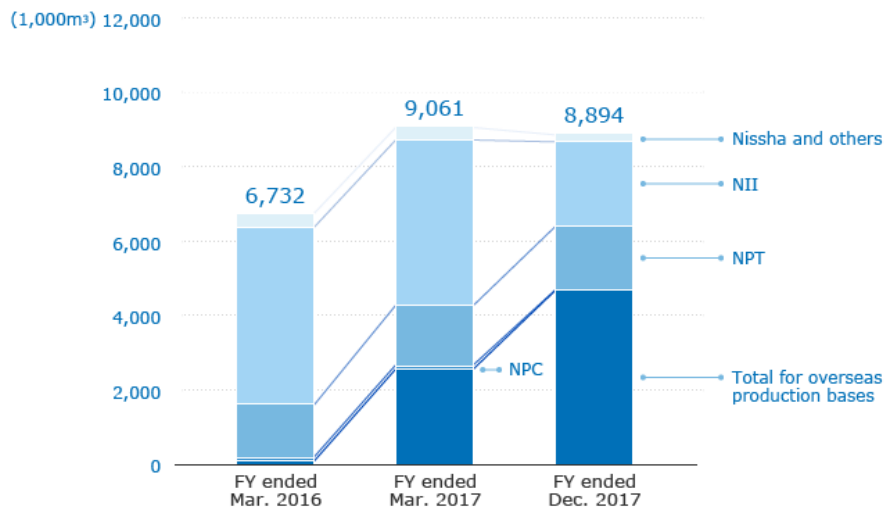
Trends in Energy Consumption and Basic Unit



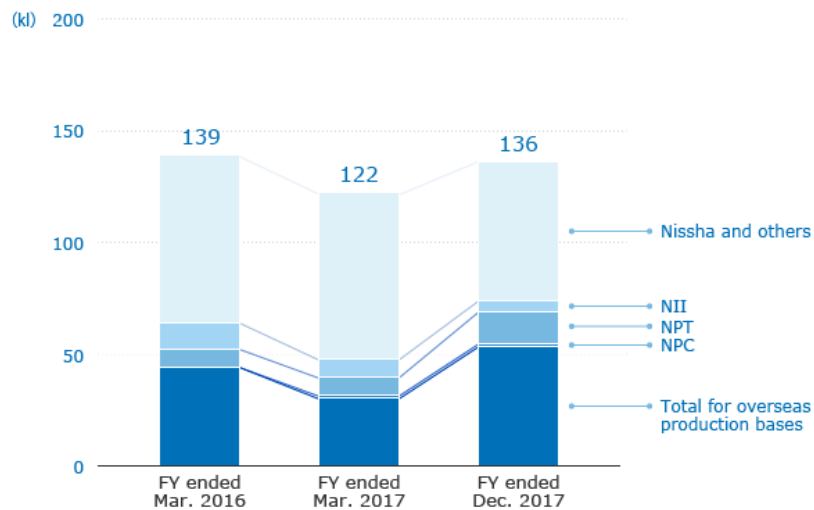
Trends in Electricity Consumption



Trends in Gas Consumption



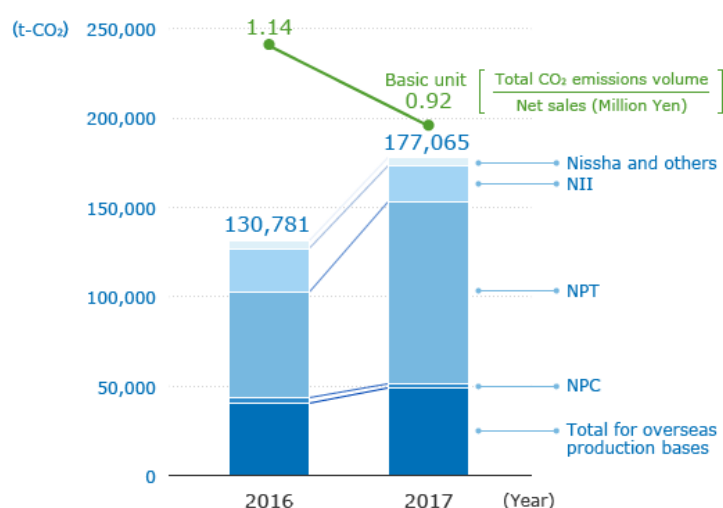
Trends in Gasoline, Diesel, and Heavy Oil Consumption



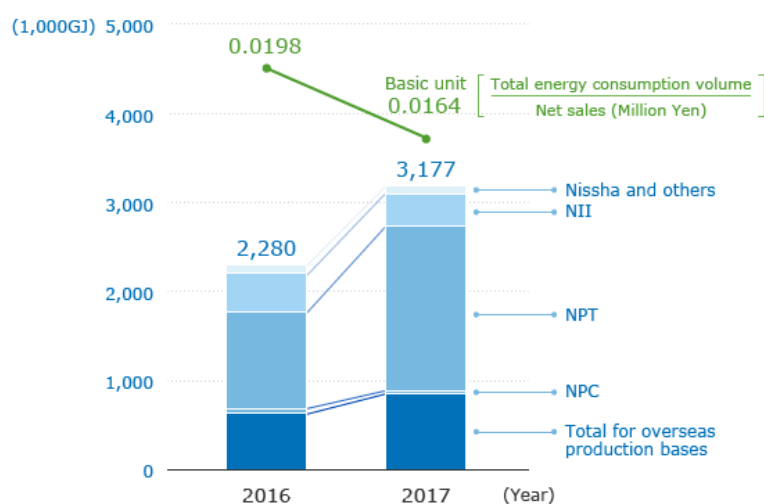
Comparison of CO₂ Emissions in 2016 and 2017

In order to compare results under equal conditions, we have re-calculated data for the periods representing January–December 2016 and January–December 2017, as given below. CO₂ emissions from the Nissha Group in January–December 2017 totaled 174,387 t-CO₂, for an approximately 39% increase compared to the previous year. Emissions from the Nissha Group in Japan in 2017 amounted to 127,746 t-CO₂, for a 42% year-on-year increase. The result comes mainly from the start of mass production for large orders in the Devices business and rises in emissions at Nitec Precision and Technologies, Inc. (NPT) Kaga Factory and Tsu Factory, contributing to a 71% increase in emissions from NPT. Emissions from Nitec Industries, Inc. (NII), a production base of the Industrial Materials business, decreased by 17% to 18,951 t-CO₂. CO₂ emissions from overseas production bases in 2017 amounted to 46,641 t-CO₂. With data for the Graphic Controls Group, which joined the Nissha Group in the fiscal year ended March 2017, covering a four-month period in 2016 and a twelve-month period in 2017, the share of CO₂ emissions from overseas production bases rose to about 27% in 2017. The Nissha Group emits virtually no energy-related greenhouse gases other than CO₂, and their effects are minimal.

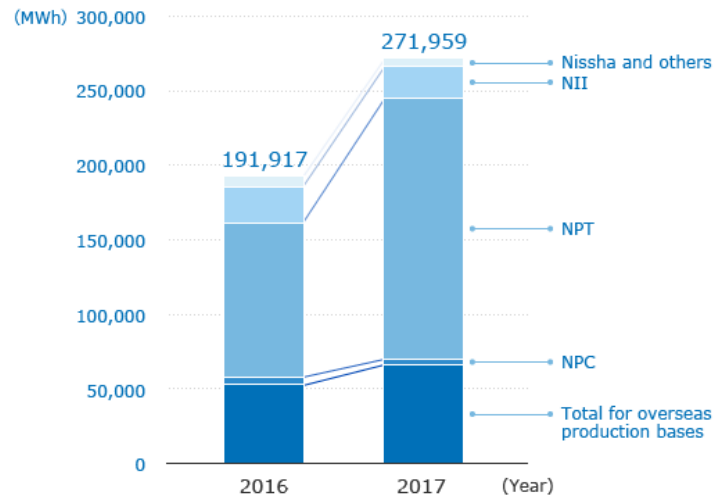
Trends in CO₂ Emissions Volumes and Basic Unit



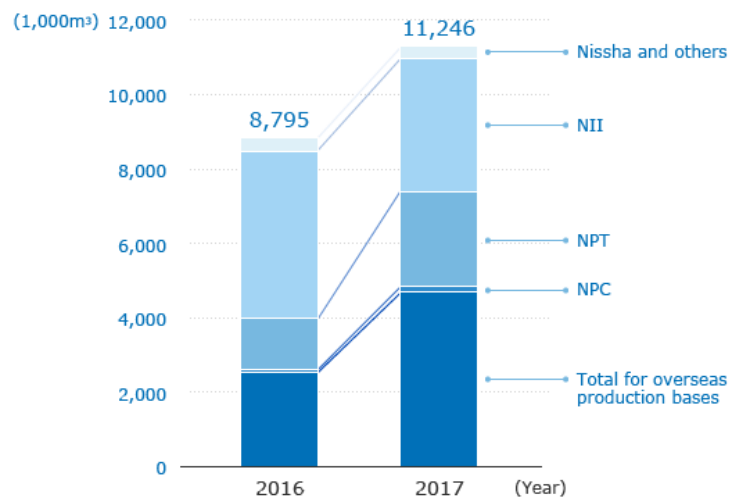
Trends in Energy Consumption and Basic Unit



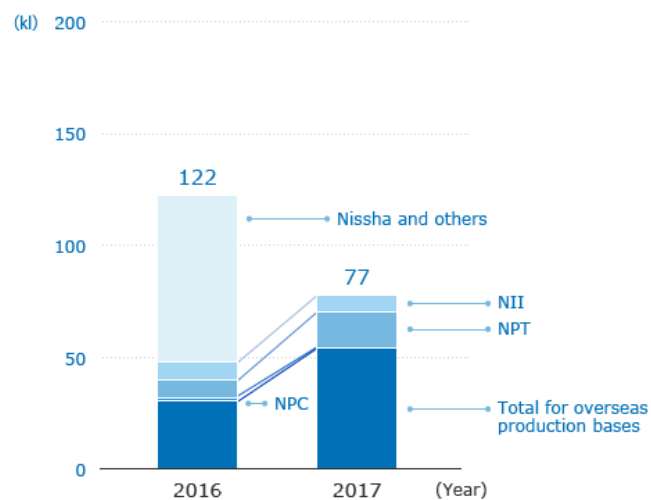
Trends in Electricity Consumption



Trends in Gas Consumption



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 legal requirements in line with this shift, since the fiscal year ended March 2014 we manage emissions under a basic unit based on factors such as production volume per company.

With 1.00 indicating benchmark results of each major affiliated company that constitutes a production base of the Nissha Group in the fiscal year ended March 2017, we set targets for the fiscal year ended December 2017 at 0.99 or less. The results are given in the table below.

Starting in the fiscal year ending December 2018, we changed the name of a Nissha Group environmental objective from "Prevention of global warming" to "Adaptation to climate change." In cooperation with production bases, the Environmental, Safety and Health Subcommittee of the CSR Committee will work to reduce fixed energy consumption and streamline variable energy consumption in continuous efforts toward improvement by basic unit.

Company	Basic Unit (based on production volume etc.)			FY ended Dec. 2017 Evaluation
	FY ended Mar. 2017 Results	FY ended Dec. 2017 Target	FY ended Dec. 2017 Results	
Nissha Co., Ltd. (Global Headquarters, Tokyo and others)	1.00	0.99 or less	0.98	○
Nitec Industries, Inc., Koka	1.00	0.99 or less	1.11	×
Nitec Precision and Technologies, Inc., Himeji	1.00	0.99 or less	0.64	○
Nitec Precision and Technologies, Inc., Kaga	1.00	0.99 or less	0.12	○
Nitec Precision and Technologies, Inc., Kyoto	1.00	0.99 or less	1.46	×
Nitec Printing Co., Ltd., Yachiyo and Kyoto	1.00	0.99 or less	1.15	×

Note: Evaluations are based on April–December 2017 results

Initiative in Scope 3 Management

In line with the move in recent years to report indirect emissions from companies through their supply chain, defined by the Carbon Disclosure Project (CDP) as Scope 3 sources, and to promote reductions toward improving the company's ESG rating,* the Environmental, Safety and Health Subcommittee continues to lead efforts at Nissha to survey Scope 3 emissions and improve our ESG rating.

In the fiscal year ended December 2017, CO₂ emissions amounted to 2,797 t-CO₂ from employee commuting, 1,406 t-CO₂ from business travel, 30,851 t-CO₂ from major logistics suppliers in Japan, and 13,095 t-CO₂ from major materials suppliers in Japan.

We plan to continue our efforts in Scope 3 management in cooperation with our suppliers.

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

* ESG rating: A method of evaluating companies based on environmental, social, and governance criteria

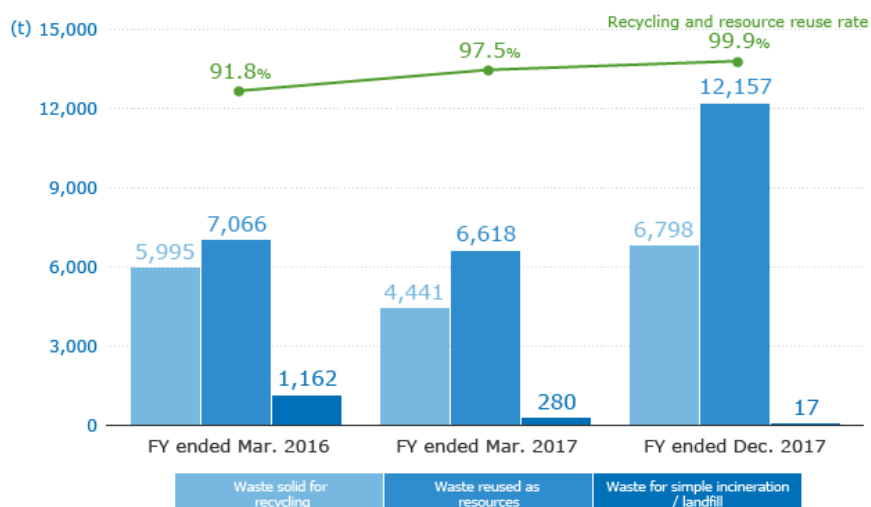
Waste Management

Initiatives of the Nissha Group in Japan

In the fiscal year ended December 2017, the Nissha Group in Japan generated a total of 18,972 tons of waste in the nine-month period between April and December 2017. This is a drastic increase, considering that the amount of waste generated was 11,339 tons in the fiscal year ended March 2017, representing the twelve-year period between April 2016 and March 2017. The surge comes mainly from the start of mass production for large orders at Nitec Precision and Technologies, Inc. (NPT) Kaga Factory and Tsu Factory.

By contrast, the volume of simple incineration and landfill waste amounted to 17 tons, for a dramatic year-on-year decrease from 208 tons, thanks to the start of efforts at NPT Kaga Factory to recycle sludge through an improved wastewater treatment method. As a result, our recycling and resource reuse rate was 99.9% in the fiscal year ended December 2017, for a 2.4 point improvement from 97.5% in the fiscal year ended March 2017, and we achieved our zero emissions target (a recycling and resource reuse rate of 99.5% or more).

Trends in Recycling and Resource Reuse (Nissha Group in Japan)



All waste generated in Asian production bases (Guangzhou Nissha, Nissha Kunshan, Nissha Precision Technologies Malaysia)

	FY ended March 2016	FY ended March 2017	FY ended December 2017
All waste generated (tons)	226	207	231

Recycling and resource reuse rates in Asian production bases (FY ended December 2017)

	Targets	Results	Evaluation
Guangzhou Nissha	72% or more	74%	○
Nissha Kunshan	88.9% or more	91%	○

	Targets	Results	Evaluation
Nissha Precision Technologies Malaysia	90% or more	97%	○

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 Group 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).

In the fiscal year ending December 2018, we completed the introduction of an electronic manifest at major production bases of the Nissha Group in Japan.

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	FY ended March 2016		FY ended March 2017		FY ended December 2017	
					Analysis value	Evaluation	Analysis value	Evaluation	Analysis value	Evaluation
Discharged water	5,200	5,000	5,000	m ³	4,613	○	4,969	○	4,976	○
pH	5.8~8.6	5.8~8.6	6.5~8.0		7.0~7.5	○	6.9~7.6	○	6.8~8.0	○
BOD	120.0	10.0	9.0	mg/L	3.1	○	3.5	○	1.4	○
COD	120.0	10.0	9.0	mg/L	4.9	○	4.8	○	4.6	○
SS	150.0	5.0	4.5	mg/L	1.3	○	0.9	○	3.0	○
n-hexane derived substances	Mineral oil 5 Vegetable oil 30	1.0	0.9	mg/L	0.5	○	0.8	○	0.6	○
Phenol	5.0	0.1	0.1	mg/L	< 0.005	○	< 0.005	○	< 0.005	○
Copper	3.00	0.50	0.40	mg/L	0.01	○	0.05	○	0.03	○
Zinc	2.00	1.50	1.20	mg/L	0.01	○	0.02	○	< 0.01	○
Soluble iron	10.00	0.15	0.08	mg/L	0.02	○	0.02	○	< 0.01	○
Soluble manganese	10.000	0.050	0.045	mg/L	0.040	○	0.050	△	0.05	△
Chromium	2.00	0.02	0.02	mg/L	< 0.02	○	< 0.02	○	< 0.02	○
Nitrogen	60.0	10.0	9.0	mg/L	3.6	△	4.2	○	5.4	○
Phosphorus	8.00	1.00	0.45	mg/L	0.02	○	0.02	○	0.14	○

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

Items measured	Regulatory value (Prefecture)	Voluntary standard	Unit	FY ended March 2016				FY ended March 2017				FY ended December 2017			
				Fab3		Fab5		Final effluent (Average)		Final effluent (Maximum)		Final effluent (Average)		Final effluent (Maximum)	
pH	5.8~8.6	6.2~8.2		7.5	○	-	-	7.4	○	7.7	○	7.5	○	7.6	○
BOD	160 or less	40 or less	mg/L	32.0	○	-	-	7.5	○	27.0	○	31.5	○	47.0	-
COD	160 or less	80 or less	mg/L	39.0	○	-	-	9.1	○	26.0	○	35.4	○	63.0	○
SS	200 or less	20 or less	mg/L	4.4	○	-	-	2.6	○	4.2	○	15.6	○	26.0	-
n-hexane derived substances	30.0	15 or less	mg/L	0.5	○	-	-	0.5	○	0.5	○	0.5	○	0.5	○

*Final effluent from Fab 3 and Fab 5 was integrated since FY 2016.

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

Items measured	Regulatory value (Water Pollution Control Act)	Agreement value of Tsu City environmental conservation	Voluntary standard	Unit	FY ended March 2016				FY ended March 2017				FY ended December 2017			
					Jun.		Dec.		Jun.		Dec.		Jun.		Dec.	
pH	5.8~8.6	5.8~8.6	6.5~8		-	-	-	-	-	-	-	-	8.0	○	7.8	○
BOD	120.0	≤20.0	≤20.0	mg/L	-	-	-	-	-	-	-	-	9.4	○	< 5.0	○
COD	120.0	≤20.0	≤20.0	mg/L	-	-	-	-	-	-	-	-	6.1	○	3.6	○
SS	150.0	≤70.0	≤70.0	mg/L	-	-	-	-	-	-	-	-	< 1.0	○	< 2.0	○
N-hexane	5.0	≤5.0	≤5.0	mg/L	-	-	-	-	-	-	-	-	< 1.0	○	< 2.0	○
Phenol	5.0		5.0	mg/L	-	-	-	-	-	-	-	-	< 0.025	○	< 0.5	○
Copper	3.0	≤3.0	≤3.0	mg/L	-	-	-	-	-	-	-	-	< 0.01	○	< 0.1	○
Zinc	2.0	≤2.0	≤2.0	mg/L	-	-	-	-	-	-	-	-	< 0.01	○	< 0.1	○
Soluble iron	10.0	≤10.0	≤10.0	mg/L									0.2	○	0.3	○
Soluble manganese	10.0		10.0	mg/L	-	-	-	-	-	-	-	-	< 0.1	○	< 0.1	○
Chromium	2.0		2.0	mg/L	-	-	-	-	-	-	-	-	< 0.04	○	< 0.1	○
Coliform bacteria	3,000	≤3,000	≤3,000	unt/mL									< 30.0	○	58	○
Nitrogen	60.0	≤10.0	≤10.0	mg/L									7.1	○	1.0	○
Phosphorus	8.0	≤1.0	≤1.0	mg/L									0.03	○	< 0.1	○
Fluorine	8.0		8.0	mg/L	-	-	-	-	-	-	-	-	0.1	○	-	
Cadmium	0.03		0.03	mg/L	-	-	-	-	-	-	-	-	< 0.005	○	-	
Cyanide	1.0		1.0	mg/L	-	-	-	-	-	-	-	-	< 0.1	○	-	
Lead	0.1		0.1	mg/L	-	-	-	-	-	-	-	-	< 0.02	○	-	

Hexavalent chromium	0.5		0.5	mg/L	-	-	-	-	-	-	-	-	< 0.04	○	-	
Arsenic	0.1		0.1	mg/L	-	-	-	-	-	-	-	-	< 0.01	○	-	
Total mercury	0.005		0.005	mg/L	-	-	-	-	-	-	-	-	< 0.0005	○	-	

Management of Chemical Substances

For fiscal year ended December 2017, we reported the use of nine PRTR-designated chemical substances.

Nitec Industries, Inc. (NII) Koka Factory

Unit: kg

PRTR No.	Name of chemical substance	FY ended March 2016			FY ended March 2017			FY ended December 2017		
		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	3,100	820	○	4,300	1,000	○	2,109	530	○
80	Xylene	25,000	6,500	○	25,000	6,400	○	16,261	4,219	○
88	Hexavalent chromium compounds	0.1	0.0	○	0.1	0.0	○	0.1	0.0	○
296	1,2,4-Trimethylbenzene	750	470	○	1,300	530	○	2,258	1,114	○
300	Toluene	200,000	120,000	○	83,000	48,000	○	66,399	39,970	○
392	N-hexane	8,500	5,400	○	5,300	3,000	○	5,261	3,227	○

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

Unit: kg

PRTR No.	Name of chemical substance	FY ended March 2016			FY ended March 2017			FY ended December 2017		
		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	1,700.0	○	0.0	330	○	0.0	330	○
453	Molybdenum and its compounds							0.0	0.0	○

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

Unit: kg

PRTR No.	Name of chemical substance	FY ended March 2016			FY ended March 2017			FY ended December 2017		
		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
82	Silver and its compounds (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	○	-	-	-	-	-	-

Nitec Industries, Inc. (NPT) Tsu Factory

Unit: kg

PRTR No.	Name of chemical substance	FY ended March 2016			FY ended March 2017			FY ended December 2017		
		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	○

*Added to scope of reporting in the fiscal year ended December 2017

Status of Waste Generation at Bases

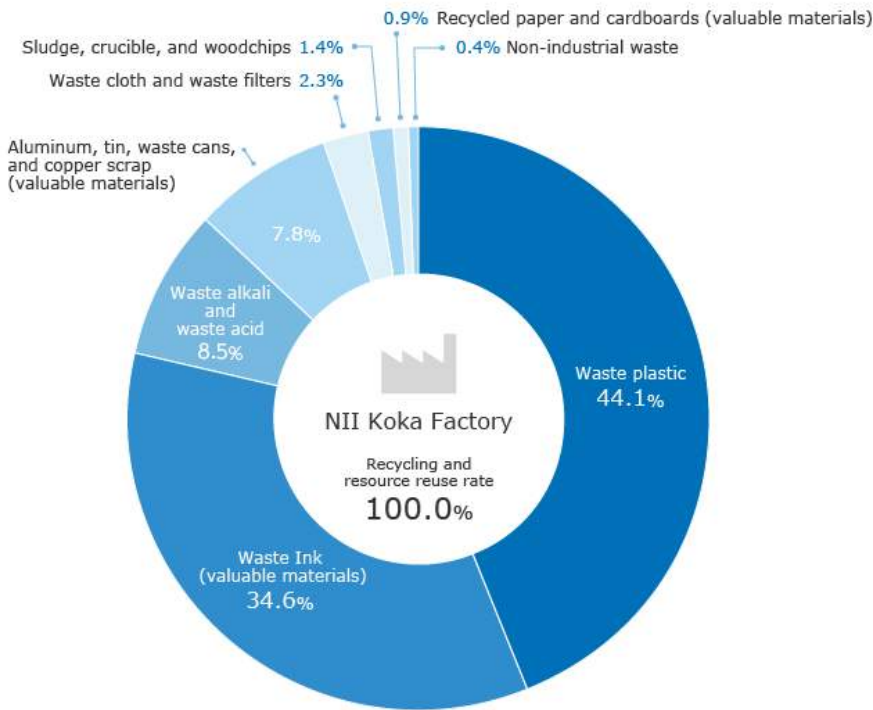
Status of Waste Generation at Major Production Bases (December 2017 Results)

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: 100.0%

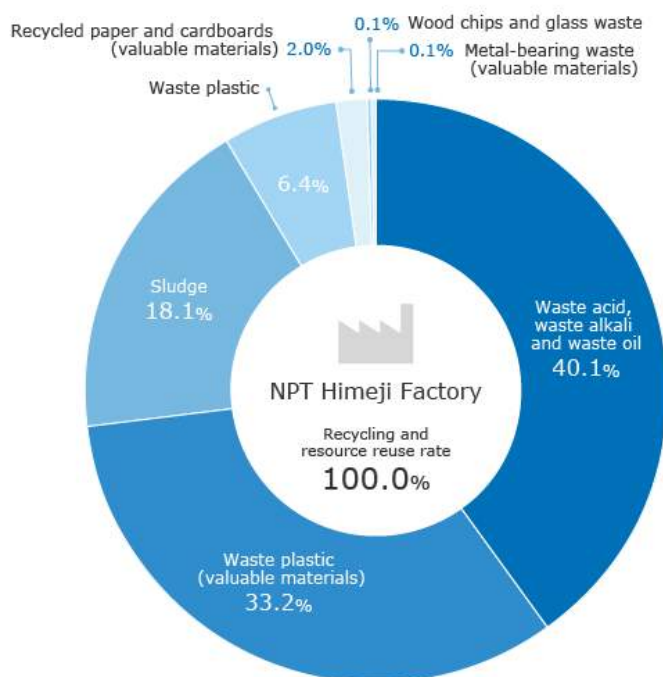


Nitec Precision and Technologies, Inc. (NPT) Himeji Factory



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

Recycling and resource reuse rate: 100.0%

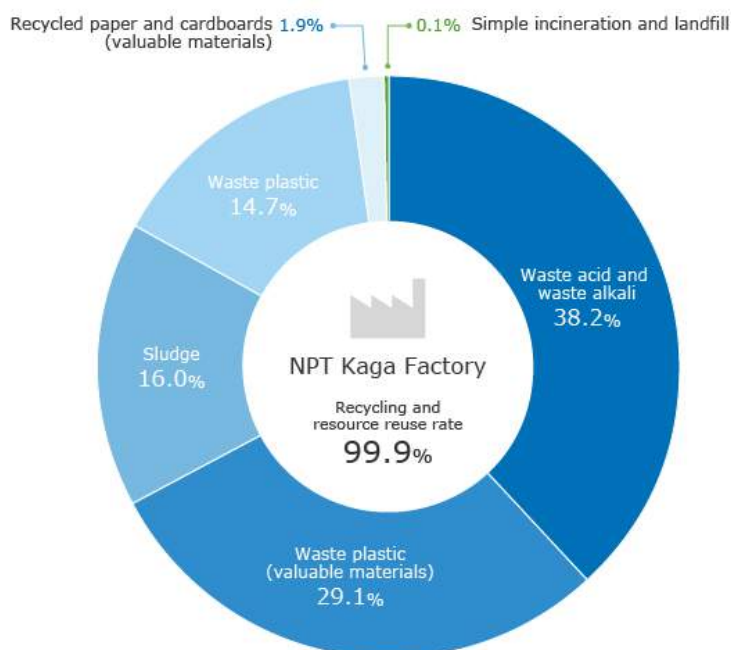


Nitec Precision and Technologies, Inc. (NPT) Kaga Factory



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

Recycling and resource reuse rate: 99.9%



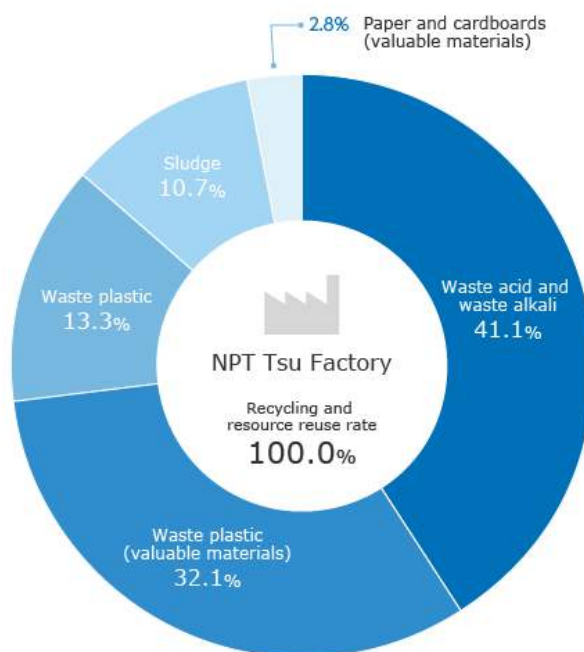
Nitec Precision and Technologies, Inc. (NPT) Tsu Factory



Location: Tsu City, Mie Prefecture

Production items: Touch sensors (the Devices business)

Recycling and resource reuse rate: 100.0%



Nitec Printing Co., Ltd. (NPC) Yachiyo Factory

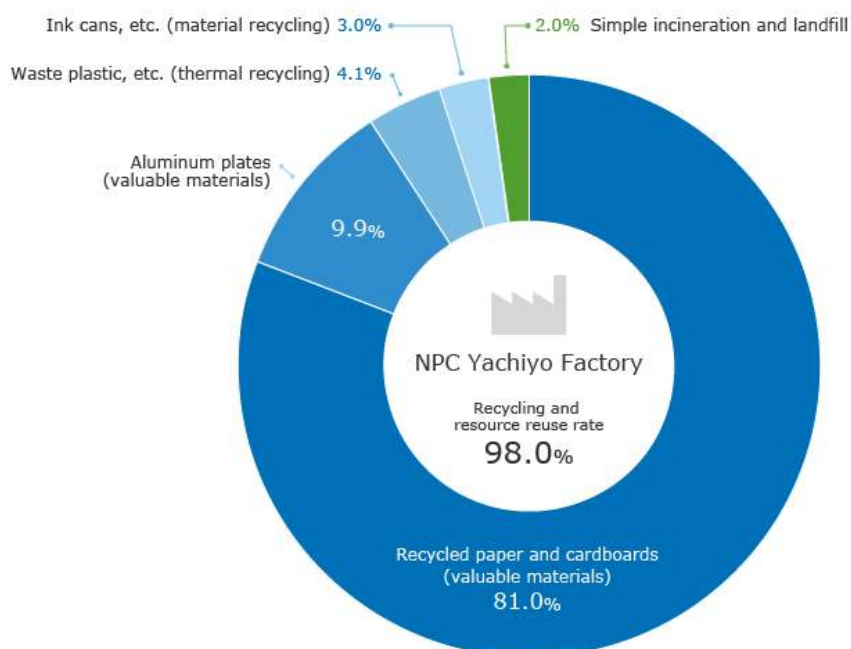


Location: Yachiyo City, Chiba Prefecture

Acquisition of ISO14001 Certification: December 2004

Production items: Printing and binding of books, catalogs, leaflets, etc., using sheet offset press (the Information and Communication business)

Recycling and resource reuse rate: 98.0%



Fair Operating Practices

We address various challenges not only in-house
but also in cooperation with our suppliers,
with the aim of enhancing our corporate value and being a Nissha
that our customers will feel safe in choosing.



Initiatives Related to Information Security

Information Security Policy

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 recognize the importance of never leaking outside the company (or beyond related parties) information entrusted to us by our customers and suppliers, information about our employees, and particularly highly confidential information assets such as information on new products and state-of-the-art technologies, and personal information. 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 Group 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 Co., Ltd.

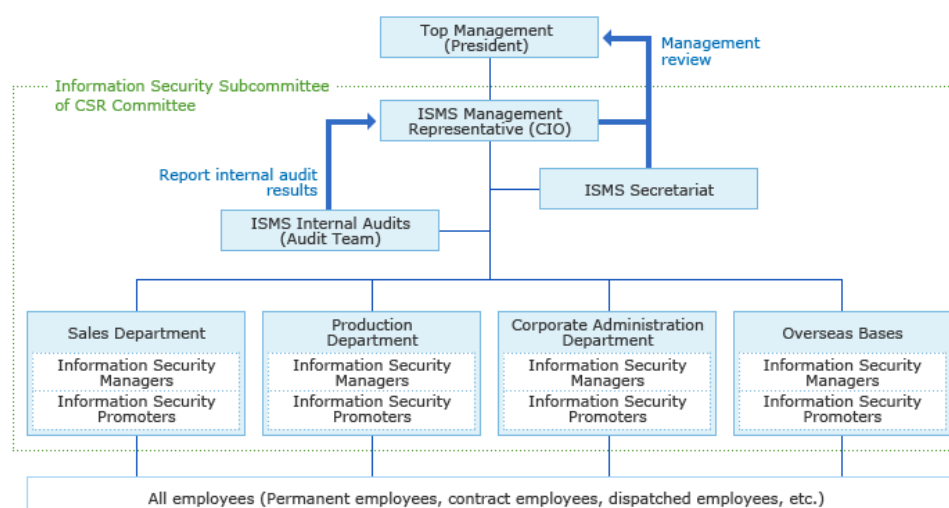
Information Security Management Structure

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

Rapid advances in information technology and the diversification and spread of IT devices pose not only conventional security risks such as information leakage and tampering caused by virus infection and cyberattacks, but also the risks of casual posts, tweets, rumors, and reviews on social media harming a company's image and its brand value. Companies today are required to address such risks to their trust from society. Moreover, with the swift global popularization of bring-your-own-device (BYOD), companies are required to manage a broader range of information appliances, beyond company-issued computers to personally owned devices used at work. Dealing with these risks appropriately and promptly is considered a corporate social responsibility. (Nissha supports BYOD since December 16, 2013.)

At the Nissha Group, we work to maintain and improve our ISMS by naming the Chief Information Officer (CIO) as ISMS management representative of an ISMS secretariat established within the IT Department.

We select information security managers and promoters from each department to promote thorough operation of our ISMS. And we organize regular reviews by top management, ISMS internal audits, and ISO 27001 screenings by an outside examination institute, recognizing these as good opportunities for improving our ISMS.

Information Security Education

Preventing the occurrence of information security incidents and accidents requires the formulation of policies and regulations, and more importantly, that all employees take disciplined action with sufficient awareness of information security.

At the Nissha Group, we provide education based on an Information Security Self-Defense Guide (SDG) that reflects the contents of our Information Security Policy toward ensuring thorough understanding of information security in all Nissha People.

ISO27001 Certification

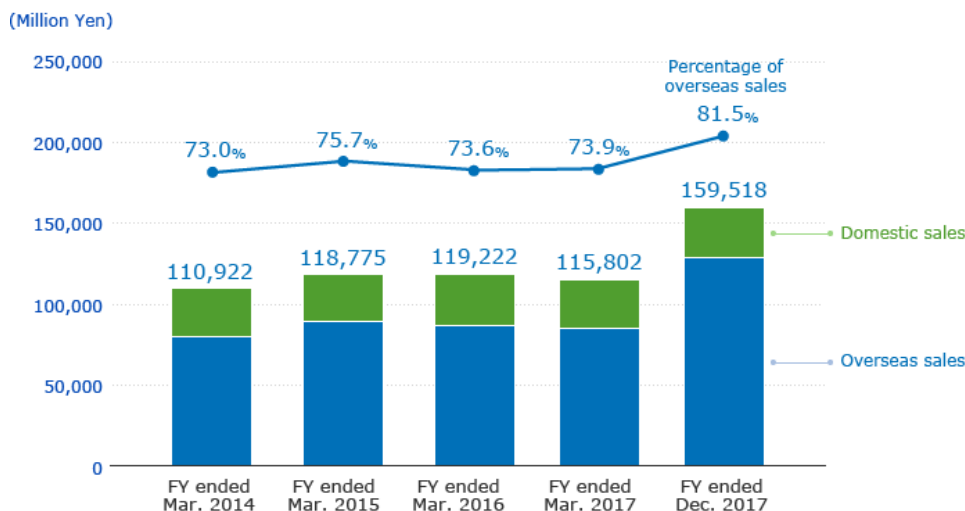
The Nissha Group has obtained ISO27001 certification, a global standard for ISMS, and worked to expand the scope of application across bases and divisions. At present, our focus is on global expansion of compliance with ISO27001 requirements.



Trade Management

We at the Nissha Group earned 81.5% of our sales outside Japan in the fiscal year ended December 2017. With overseas operations expanding each year, efforts in trade management are essential from the perspective of business continuity.

Net sales and percentage of overseas sales



Trade Management Policy and Management Structure

We have in place a Trade Management Policy covering the entire Nissha Group. As an Authorized Economic Operator (AEO), we also establish rules and regulations, and maintain a structure toward continuous improvement of trade management.

Trade Management Policy

Nissha and its subsidiaries comply with legal requirements and agreements in trade and strive for continuous improvements in the trade management system for the achievement of our Mission.

1. We comply with applicable trade control laws and regulations in each country and region, and with international regimes.
2. We designate a person responsible for trade management, and develop, maintain and improve the trade management system.
3. We pursue good trusting relationships with official agencies in each country and region and international logistics companies etc.
4. We provide necessary education on trade to employees and other parties concerned.

Established on October 1, 2016

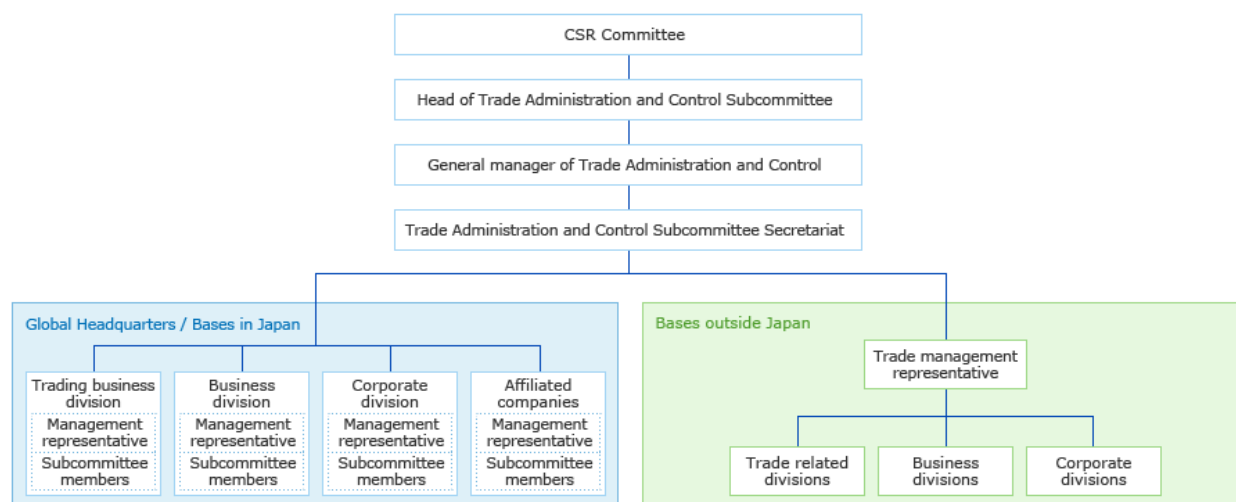
Revised on January 1, 2018

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

Full-scale trade management at the Nissha Group in Japan started with the launch of the Trade Administration and Control Committee in 2011. Initiatives were passed on in 2016 to the Trade Administration and Control Subcommittee, under the framework of the CSR Committee.

The Trade Administration and Control Subcommittee, headed by the corporate officer responsible for Corporate Supply Chain Management, oversees the entire Nissha Group. In Japan, thorough management in daily operations is assigned to subcommittee members and division managers at each business division, corporate division, and affiliated company. Outside Japan, where legal systems and business practices vary by country and region, oversight is assigned to trade management representatives at each base.

Trade Administration and Control Subcommittee



Based on our Trade Management Policy, we establish the Basic Rules of Trade Management as well as other rules and regulations on trade-related operations required of an AEO. Individual Nissha divisions draw on these to compile work standards and operating procedures, and carry out import and export operations. At overseas affiliated companies, we are working to promote the Trade Management Policy and the Basic Rules of Trade Management, and to create management documents.



Initiatives on FY ended December 2017

In the fiscal year ended December 2017, we reviewed our educational programs on trade management and organized an education system. Through enhanced group-wide rank-specific programs in Japan, we continue in our efforts to ensure appropriate export and import procedures and raise employee awareness of security. We also conduct regular internal audits in order to check and evaluate the status of trade management operations, and provide thorough follow-up education to divisions at which findings or concerns have surfaced, toward ensuring higher levels of safety and operational quality, and strengthening compliance.

We hope to continue striving for safe, secure, and speedy international logistics services that meet the demands of our customers and of society.

AEO Approval

Nissha Co., Ltd. obtained approval as an AEO Exporter in June 2014, and as an AEO Importer in June 2015. In May 2016, we received our first post-audit and maintained our status as AEO Exporter.

As of the end of 2017, 58 companies in Japan are approved as both AEO Importer and AEO Exporter. Being one of these companies with dual approval, we have in place a system for safe and smooth international logistics.

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



Authorized Economic Operator (AEO) Program

The AEO program is designed to secure and facilitate global trade and to strengthen a country's international competitiveness by providing benefits such as reduced or simplified customs controls to operators with cargo security management and compliance structures. The September 11, 2001, terrorist attacks on the United States raised awareness of the necessity of an international framework for reinforcing anti-terrorism measures by ensuring both security and efficiency in the international movement of goods. In 2006, the World Customs Organization (WCO) adopted a set of AEO guidelines as a global standard and the basis on which countries enact laws and operate their respective AEO programs. Japan launched its AEO program in 2006, starting with exporters and expanding gradually into the current form.

Initiatives Related to Intellectual Property

Approach to Intellectual Property

Nissha Group raises the protection of intellectual property in our Guideline of the Corporate Ethics and Compliance as one of the key items, 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

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 Group 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 Group products for our customers.

Monitoring of Other Companies' Patents

We periodically research and continuously monitor other companies' patents so that Nissha Group 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 the fiscal year ended December 2017, 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. Tatsushi Gocho, Patent Attorney,
Associate Professor of Osaka Institute of
Technology
Commissioned organizer: CKS Corporation

Partnership with Our Suppliers

We at Nissha Group 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 our Mission, the Nissha Group build relationships of trust with our suppliers through mutually fair procurement.

We evaluate our suppliers fairly, impartially, and comprehensively based on the following criteria.

- 1.Stable business foundation and reliable management principles
- 2.Excellent technology development, stable supply, and quality servicing capabilities
- 3.Adaptability to changes in the business environment
- 4.Safety of products and services, consistency of quality, and competitiveness of prices and lead times
- 5.Effective business continuity management

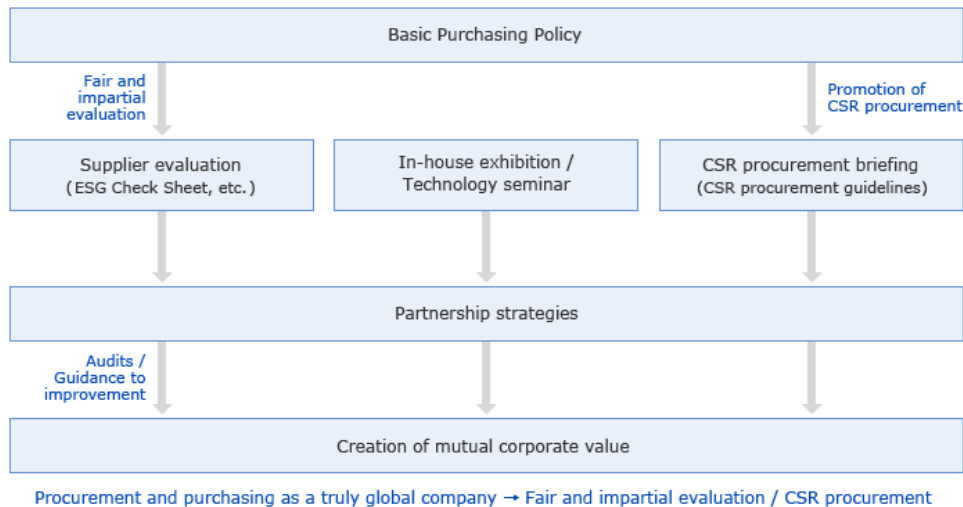
We promote CSR procurement by working with our suppliers in the following areas.

- 1.Labor and human rights
- 2.Health and safety
- 3.Environment
- 4.Ethics
- 5.Information security

Established on April 2, 2009
Revised on January 1, 2018

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

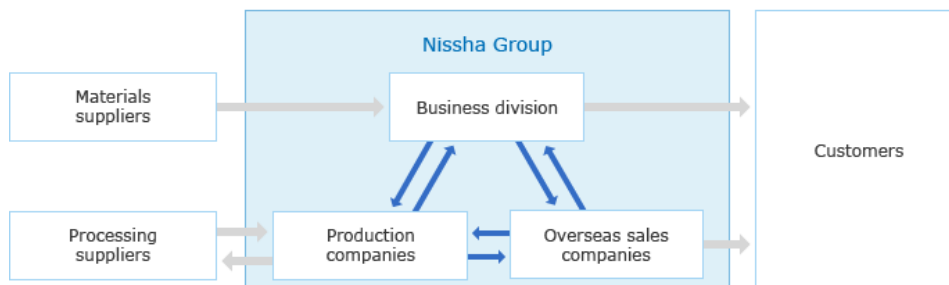
Basic Approach to CSR Procurement Promotion



Expansion of Our Supply Chain

We collaborate with various suppliers in conducting our business activities. And its supply chain is expanding globally.

Supply Chain of the Industrial Materials and Devices Businesses



CSR Supplier Audits

We conduct CSR audits on our suppliers. The audits cover five areas—labor, health and safety, environmental, ethics, and management system—drawing on the global code of conduct provided by RBA (Responsible Business Alliance) and on our customers' own code of conduct based on this RBA template. Prior to auditing, we organize a briefing to explain the background, purpose, standards, and flow of the CSR audit. 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. Roughly three months later, auditors checked that CA and PA have been taken and the noncompliance has been remedied, bringing the CSR audit to completion.

From fiscal year 2015 onward, we carry out audits focusing on particularly important suppliers and new suppliers. In the fiscal year ended December 2017, with the start of full-scale mass production at Nitec Precision and Technologies, Inc. (NPT) prompting recognition of the high risk of human rights issues, we conducted audits at four suppliers including temporary employment agencies. This combined with the 14 companies audited to date brings the total to 18. The audits detected 183 instances of noncompliance (84 related to labor and human rights, 53 to safety and health, 29 to the environment, 12 to ethics, and 5 to

management system). Working hours management and retirement process were among the main findings.

We will continue with CSR audits at particularly important suppliers in the future. In the fiscal year ending December 2018, we plan to conduct audits at outsourcing contractors and temporary employment agencies.

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

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.

Initiatives on FY ended December 2017

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

In order to promote legally appropriate transactions, we invite an outside instructor (attorney) and organize lectures at bases of the Nissha Group in Japan. In the fiscal year ended December 2017, we attracted a great number of divisions by expanding the scope of participation from procurement divisions to the Nissha Group's finance divisions, responsible for payment, and divisions in charge of providing services.

Since the participants had already deepened their basic knowledge through previous sessions, this year we added to the basic course optional instructions in shaped components (sokeizai) industry guidelines and printing industry guidelines, offering the opportunity to study industry-specific best practices in transactions.



Training for new procurement personnel

We conducted training for eight new hires in and transferees to procurement divisions of the Nissha Group in Japan, covering the basic knowledge needed by employees engaging in procurement operations. The session attracted many observers even from outside the procurement divisions.

Procurement program

In order to foster next-generation leaders (managers), we conduct job-specific selective training for procurement divisions of the Nissha Group in Japan. The program ran for three consecutive years since the fiscal year ended March 2016, with 13 employees selected from various divisions participating in the final year, the fiscal year ended December 2017. Training was divided into a total of six sessions, four by an outside instructor and two by an in-house instructor. The participants gained basic knowledge for procurement divisions, as well as knowledge in laws and contracts and in reading financial statements. They were required to submit a report and take an online test to ensure that the knowledge gained through the training took root in their minds.



Program Participation

Lecture/Training	Participants in FY2017
Basic course	151 (total of 5 bases)
Training for new procurement personnel	8 (100% attendance)
Procurement program	13 (total)

* Training curriculum for new procurement personnel: Procurement personnel basics; procurement at Nissha; Basic Purchasing Policy; purchasing control regulations; CSR procurement; quality, cost, delivery, service (QCDS); Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors

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 by smelters not identified as conflict free.

In fiscal year ended December 2017, 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 Group 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 Group is presently implementing ongoing control systems for conflict minerals which we maintain continuously.
2. Nissha Group will promptly provide to its customers conflict minerals information including its smelters, etc.
3. Nissha Group 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.

Established on March 12, 2014
Revised on January 1, 2018

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

*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.

*3. Conflict free: Not sourced from a conflict zone.

Initiatives Related to Anti-corruption

The United Nations Global Compact to which Nissha 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 Responsible Business Alliance (RBA).

The Nissha Group cites prohibition of corrupt practices as an important point of our Guideline of the Corporate Ethics and Compliance. We formulated a new set of Nissha Anti-Corruption Guidelines on April 1, 2017, and are working to promote the background and purpose to bases in and outside Japan. At overseas bases, particularly in Asia, we conducted interviews and training about initiatives in the prohibition of corrupt practices. The interviews turned up no significant issue within the Nissha Group; however, we will continue to keep an eye on certain regions in which bribery and corruption are rife.

We plan to continue keeping an eye on movements in the global community as well as the situation in the Nissha Group, and will review the contents of our initiatives as the need arises.

Nissha Group Anti-Corruption Guidelines

The Nissha Group makes clear that all officers and employees are prohibited from presenting customers, suppliers, and government officials, either directly or indirectly, with gifts or entertainment that may constitute corrupt practice, and observes Japan's Unfair Competition Prevention Act, the United States' Foreign Corrupt Practices Act, the United Kingdom's Bribery Act, and the regulations of other countries and regions regarding anti-corruption.

1. We neither present to nor accept from customers, suppliers, and government officials offers of unfair advantage.
2. We neither present to nor accept from customers, suppliers, and government officials offers with gifts or entertainment that exceed the limit permitted by internal standards, laws, and regulations.
3. We strive to understand the circumstances of the Nissha Group overall, and periodically review our initiatives.
4. We respond with sincerity to requests from our customers for cooperation in investigations, by providing necessary information.

Established on April 1, 2017

Revised on January 1, 2018

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

Tax Policy

Nissha Group will compliance with tax laws and regulations in each country and each region with our group tax policy, in order to fulfill our corporate social responsibilities (CSR).

Nissha Group Tax Policy

■ Basic policy

Nissha Group will strive to minimize tax risks, enhance our corporate value by complying with tax laws and regulations in each country and each region.

Nissha Group will pay close attention to the trends in the international tax framework such as Base Erosion Profit Shifting (BEPS) project and make properly responses to such changes while aspiring to be a truly global company.

1. Nissha Group's approach to tax planning

Nissha Group will enter into transactions with a business purpose and a business activity and in case we approach to tax planning, we will implement it properly and efficiently in compliance with tax laws and regulations.

Our group will consider taxes as an essential factor in our business planning and make use of available tax incentives within the scope of normal business activities. However, we will not engage in transactions for the primary purpose of tax avoidance and transactions without any actual business activities.

2. The level of risk to taxation that Nissha Group is prepared to accept

Nissha Group's tax policy is to minimize tax risks wherever possible when undertaking tax matters. We will work to identify, evaluate, and manage tax risks in each country and region to reduce such risks, and where there is significant uncertainty or complexity in relation to tax risks, we will ask for advice from third parties.

3. The approach of Nissha Group towards its dealings with Tax authorities in each country and region
Nissha Group believe that we can build and maintain good relationship with tax authorities in each country and region corresponding with them and disclosing necessary information in a sincere and appropriate manner.

Therefore, We will strive to provide necessary information appropriately and cooperatively in response to requests from tax authorities in each country and region while issuing tax returns properly and paying appropriate amount of tax according to tax laws and regulations in each country and region. If tax authorities inform us of tax adjustments, we will immediately take appropriate measures to prevent similar issues happen unless we file a petition of objection against their action or interpretation.

4. The approach of Nissha Group to risk management and governance arrangements in relation to taxation in each country and region

Nissha Group's tax policy is reviewed and controlled by our group's Chief Financial Officer who is responsible for our group's tax strategy and policies, and the status is reported to Board of Directors on an on-going basis through our group's Chief Financial Officer.

Where there is significant uncertainty or complexity in relation to application or interpretation of tax laws, we will take appropriate measures after seeking external advices.

5. UK content

On September 2016, HMRC in the UK put a bill of "Large businesses: publish your tax strategy" into force.

Nissha Group's tax policy also meets their requirement.

December 25, 2017

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 Group 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

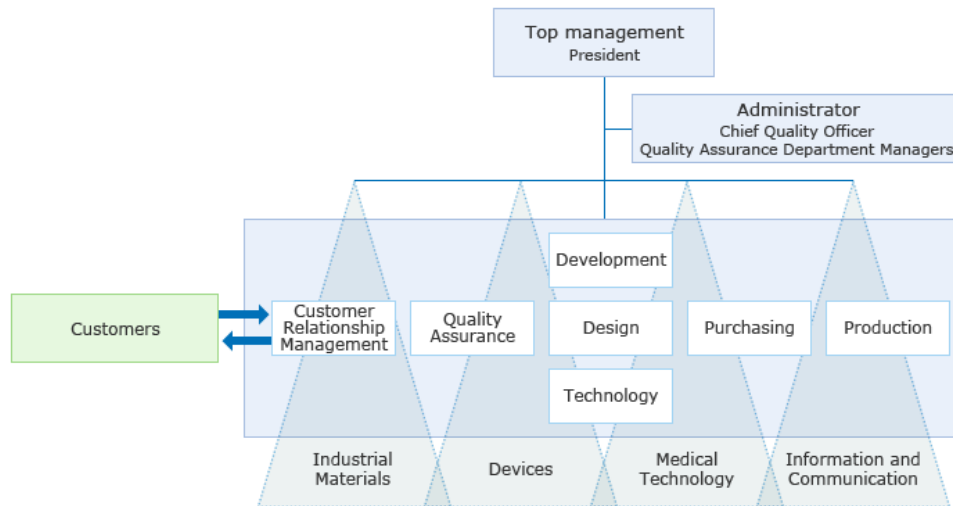
Junya Suzuki
Chairman of the Board
President and CEO
Nissha Co., Ltd.

Quality Management System (QMS)

We operate a quality management system that meets the requirements of international standard ISO 9001:2008, and promote improvements in quality under our comprehensive quality assurance initiative Nissha Group Total Quality Management (NTQM).

We have also obtained IATF 16949 (ISO/TS 16949) certification, covering the quality management system in the automotive industry. Certification for decorative molding was obtained by Nissha Precision Technologies Malaysia Sdn. Bhd. in 2016 and by Nissha (Kunshan) Precision IMD Mold Co., Ltd. in 2017, and that for touch sensor modules by Nitec Precision and Technologies, Inc. (NPT) Kyoto Factory also in 2017. With Nissha Co., Ltd. obtaining a Class 2 medical devices marketing license and manufacturing license in 2017, and FIS Inc. becoming a registered medical device manufacturer of Hyogo Prefecture, we are making steady efforts to build a quality assurance structure that fits our new business segments.

Quality Assurance Structure



Nissha Group 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.

Five Musts for the Systematization of Work

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.

Quality Slogan



Taking action with a strong awareness of the customer is essential to quality improvement. All Nissha Group employees are required to perform their daily duties with a sense of responsibility, and create quality in the eyes of the customer.

To this end, in April 2017 we established the quality slogan given above. The Japanese have a maxim that reads, “the next process is the customer.” The “me” in the slogan says each employee should take on a leading role in delivering quality to the customer. And this “customer” may be external customers of the Nissha Group or internal workers in the production process following one’s own. The slogan is communicated thoroughly across Nissha Group companies both in and outside Japan, along with a sense of “responsibility to all customers, internal or external.”

Company-wide Optimization

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 Group’s foundation as a manufacturing company.

Continuous Improvement

The accumulation of bits of insight and ingenuity from all employees is the source of great improvements in work processes. This approach forms the foundation of Nissha Group’s small-group activities and improvement proposal system. We recognize these as important mechanisms to work on and develop across the Nissha Group.

We also plan and execute various education programs on a continuous basis. Underpinning our enthusiasm about human resources development are the ideas that the quality of people plus the quality of work equals the quality of the company, and employees are our most important management resources.

Training	<ol style="list-style-type: none">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, Taguchi methods, etc.)5) Improvement tool training (industrial engineering, production-sales-inventory (PSI), human error prevention, “5 Whys” cause-and-effect analysis, etc.)6) Other training (equipment maintenance, etc.)
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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

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 ended December 2017, 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

Nissha Group's brand statement "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. Through various forms of communication, we aim to be a corporate group that is trusted by local communities and needed by society.

*Nissha Philosophy: Our Mission and Brand Statement can be viewed here.
<http://www.nissha.com/english/company/philosophy.html>

We promote communication in various ways such as by disclosing information about Nissha Group companies and business activities widely on our website, and by enhancing mutual understanding between production bases and local communities through briefing sessions on factory activities, factory tours, and social events. Our efforts also extend to cleanup activities near production sites, environmental workshops by Nissha Group employees at local elementary schools and nursery schools, and next generation support in collaboration with NPOs, all with the aim of realizing the "Co-existence" cited in our corporate mission.

Basic Social Contribution Policy

We at Nissha Group 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 our Mission.

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

Initiatives for Next Generation Support

Children's Workshop "Machikusa Mikke!"

In collaboration with the NPO Kids Meet Artists (Director Haruka Idegami), we organize the children's workshop "Machikusa Mikke!" (Wild-plant Hunt) with the aim of developing in children an interest in the environment and unleashing their creativity and imagination. Since its launch in the fiscal year ended March 2010, the program has been conducted a total of 21 times with participation of about 800 children.

In the workshops, guided by artist Shimpei Shigemoto, aka "Professor Machikusa," the children observe weeds (Machikusa, or "city grass") that generally go unnoticed in daily life, give them original names of their choice, and photograph them with a digital camera. Later, the children make presentations of their findings and use the photographs to create Machikusa cards.

On October 28, 2017, we organized a session of "Kyoto Rakuho Machikusa Mikke!" sponsored by the NPO Kyoto Rakuho Moritomizunokai, comprising 30 shrines and temples in the Rakuho area of Kyoto, at Kyoto

City Shimogamo Elementary School (Sakyo-ku, Kyoto). Sixteen pupils from the 3rd to 5th grade hunted for Machikusa in the school playground, named and photographed them, used the photos to create Machikusa cards, and made presentations of their findings.



Presentation of Nissha Award at 12nd Supreme Moving Toy Contest in Kyoto

In the field of next generation support given in our Basic Social Contribution Policy, Nissha Co., Ltd. is a sponsor of the Children's Monozukuri Project run by the Kyoto City Board of Education. We host a corporate booth at the Monozukuri Hall of Fame in the Kyoto City Inquiry Learning Center for Career Education, and provide teaching materials and programs for elementary school pupils with the hope of nurturing children's curiosity in "monozukuri," or manufacturing.

As part of these activities, we supported the 12th Supreme Moving Toy Contest in Kyoto (sponsored by the Children's Monozukuri Project Promotion Council, the Kyoto City Board of Education, and others), held on January 21, 2018, at Kyoto Kogakuin Senior High School. Our role was to provide teaching materials and run a corporate booth.

The toy contest invites elementary school pupils from the 3rd to 6th grade to make their own rubber-powered toy and join the competition. Events include a speed and distance competition of racing cars made by the children, and a design and performance competition of decoration cars.

This year's event attracted about 1,100 visitors including some 600 elementary school pupils. The intense race saw the setting of numerous new records, each kindling such excitement that it chased away the winter chill. We provided a racing car assembly kit and original stickers for the beginners' category targeting third and fourth graders, and presented certificates of merit, trophies, and medals to top-ranking contestants as the Nissha Award.

Our corporate booth featured a quiz titled "Explore Nissha's 5 mysteries," where visitors searched for hints in a display panel and answered questions on a tablet computer. The corner attracted a lively crowd of elementary school pupils, who read and reread the panel, interacted with the tablet, and enjoyed the game with parents and friends.



Environmental Workshops at Local Elementary Schools

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

In the fiscal year ended December 2017, workshops were held at two elementary schools in Kyoto, home to our Global Headquarters, and two in Kaga City, Ishikawa Prefecture, home to one of our production bases. The children learn about preventing global warming, how to separate garbage, and other environmental activities closely associated with their daily lives. As a uniquely Nissha program, we introduce the secrets of printing and of touch panels with the aim of sparking interest in "monozukuri," or manufacturing, and fostering a sense of professional values. Participants in this initiative, which started in the fiscal year ended March 2008, number about 4,600 children at 91 schools to date.



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 ended December 2017, we cosponsored the exhibitions and events given below.

Exhibition / event	Schedule	Venue
Kyoto National Museum 120th Anniversary Commemorative Special Exhibition "Kaiho Yusho"	April 11 to May 21, 2017	Kyoto National Museum , Heisei Chishinkan Wing
Chanoyu - The Arts of Tea Ceremony, The Essence of Japan	April 11 to June 4, 2017	Tokyo National Museum Heiseikan
The 5th KYOTOGRAPHIE International Photography Festival	April 15 to May 14, 2017	TORAYA Kyoto Gallery, Kyoto Municipal Museum of Art Annex, etc.
Alberto Giacometti	June 14 to September 4, 2017	The National Art Center, Tokyo
2017 NHK Historical Drama "Naotora: The Lady warload" "Sengoku! from Ii Naotora to Naomasa" Special Exhibition	July 4 to August 6, 2017	Edo-Tokyo Museum
Wonderland of Buddhist Hell Scenes	July 15 to September 3, 2017	Mitsui Memorial Museum
Kyoto National Museum 120th Anniversary Commemorative Special Exhibition "National Treasures: Masterpieces of Japan"	October 3 to November 26, 2017	Kyoto National Museum , Heisei Chishinkan Wing

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 Co., Ltd.
Kyoto Employers' Association	Executive director	Nissha Co., Ltd.
Kyoto Association of Corporate Executives	Chair	Nissha Co., Ltd.
Kyoto Industrial Association	Director	Nissha Co., Ltd.
Printers Association of Japan	Executive director	Nissha Co., Ltd.
The Japan Kanji Aptitude Testing Foundation	Director	Nissha Co., Ltd.
Kyoto Institute of Technology	Joint management council	Nissha Co., Ltd.

	member	
Ritsumeikan University Business School	Advisory board member	Nissha Co., Ltd.
Nissha Foundation for Printing Culture and Technology	Representative director	Nissha Co., Ltd.
Japanese Society of Printing Science and Technology	Councilor	Nissha Co., Ltd.

Company Outline

For the company outline and further information on Nissha Group, 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 Co., Ltd.
Global Headquarters	3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan
Chairman of the Board, President and CEO	Junya Suzuki
Founded	October 6, 1929
Established	December 28, 1946
Capital	¥12,119.79 million *as of the end of March, 2018
Employees	784 (Consolidated number of employees : 5,409) *as of the end of March, 2018
Business outline	<p>Nissha is mainly developing the 4 business areas of Industrial Materials, Devices, Medical Technologies and Information and Communication. At the same time, Nissha is accelerating the creation of Development for advance.</p> <p>>For more detail of our business, please check this link http://www.nissha.com/english/products/index.html </p>
Consolidated Subsidiaries	68
Equity Method Affiliates	3*
Bases (Subsidiaries included)	Japan: 16 Overseas: 45 (Equity method affiliates are not included)
Major Group Companies	<p>【Japan】 Nitec Industries, Inc. Nitec Precision and Technologies, Inc. Nissha FIS, Inc. Nissha SiMICS, Inc. mui Lab, Inc. Nissha Printing Communications, Inc. Nitec Printing Co., Ltd. Nissha F8, Inc. M crossing Co., Ltd. Nissha Business Service Co., Ltd. Rakuhoku Landscape, Inc.</p> <p>【Overseas】 Nissha USA, Inc. Eimo Technologies, Inc. Nissha Si-Cal Technologies, Inc. Nissha PMX Technologies, S.A. de C.V. Nissha Medical International, Inc. Graphic Controls Holdings, Inc. Graphic Controls Acquisition Corp. Biomedical Innovations, Inc. Lead-Lok, Inc. CEA Medical Manufacturing, Inc. Sequel Special Products, LLC Graphic Controls Canada Company Graphic Controls Ltd.</p>

	<p> Crown Graphic N.V. DIA-Nielsen GmbH & Co. K.G. S.A.Societe Guyot Graphco Integral Process SAS Tyrolmed GmbH CEA Global Dominicana, S.R.L. Nissha Europe GmbH Nissha Schuster Kunststofftechnik Nissha Back Stickers Nissha Back Stickers International AR Metallizing N.V. AR Metallizing S.r.l. AR Metallizing Ltd. ARM Embalagens Ltda. Málaga Productos 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. Nissha Precision Technologies Malaysia Sdn. Bhd. Nissha Flooring Industries Sdn. Bhd. Nissha Vietnam Co., Ltd. 【Equity Method Affiliates】 NS Tech Co., Ltd.* Nissha and Lens Technologies (Changsha) Company Limited* </p>
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What's Nissha?

Nissha's Business Fields

We are a future oriented company that contributes to the realization of rich lives of people through various products and services. Nissha's Touch Sensors lead the way in touch input technology today, our surface decoration technology can change the looks from plastic to wood, we manufacture medical devices. Nissha progress technologies since our founder 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

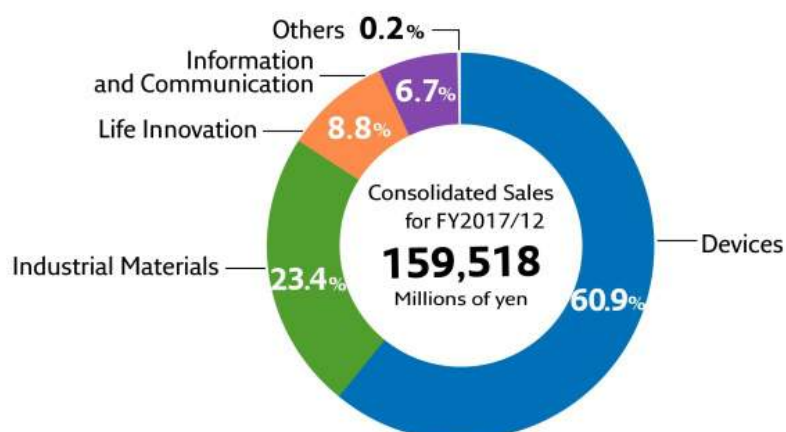
Nissha Group is developing the 4 business segments of "Industrial Materials", "Devices", "Medical Technologies" and "Information and Communication". We handle decorative films and printing related materials field comprising "IMD, IML" and "Metallized Paper" as the main products in our Industrial Materials business, and the touch input device "FineTouch" series and Gas Sensors in our Devices business. In our Medical Technologies business, we handle medical devices and consumable products globally and the Information and Communication business, we provide printing media and a wide range of services that support general communication strategies, on a one-stop basis.

*"IMD" and "IML" are registered trademark or a trademark of Nissha Co., Ltd.

* Nissha's Touch Sensor "FineTouch" is a registered trademark or a trademark of Nissha Co., Ltd.

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

Sales breakdown by business field



*We have changed a method of translating performance of overseas subsidiaries and others from FY2017.3. And, we have changed the name of Life Innovation to Medical Technologies from January 2018.

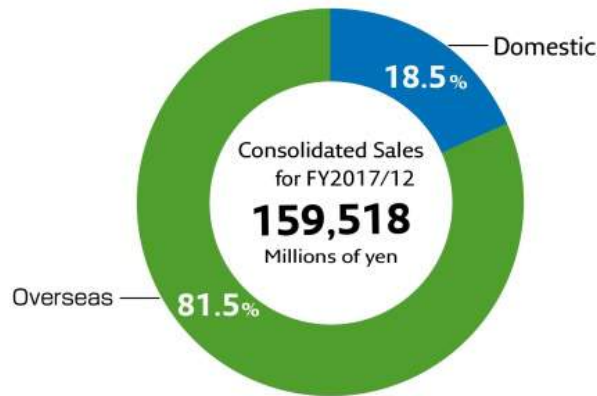
The Company change the fiscal year end date from March 31 to December 31 at 2017. The period of December 2017, which is the elapsed period, is the nine-month account settlement period from April 1, 2017 to December 31, 2017.

Globally Trusted Technology

Nissha Group's technology is highly regarded not only by customers in Japan, but throughout the world. Nissha Group 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 Group'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



*We have changed a method of translating performance of overseas subsidiaries and others from FY2017.3.

The Company change the fiscal year end date from March 31 to December 31 at 2017. The period of December 2017, which is the elapsed period, is the nine-month account settlement period from April 1, 2017 to December 31, 2017.

Industrial Materials

IMD and IML, the technology to transfer both function and design on surfaces

The major products of our Industrial Materials Business are IMD and IML, which apply 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 and IML bring, its functional strengths such as its ability to withstand scratches or fingerprints, and its simple production process are why IMD and IML are 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.

http://www.nissha.com/english/products/industrial_m/imd/index.html
http://www.nissha.com/english/products/industrial_m/imd/index.html



IMD for Automotive Interior

IMD and IML use 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" and "IML" are registered trademark or a trademark of Nissha Co., Ltd.

Used in the following ways

Automotive interior, Smartphone, Consumer electronics, Cosmetics, Stationery and Housing equipment, etc.



"Electric Toothbrush (Doltz)" "Shaver (3 Blades)"
Panasonic Corporation Products



Vacuum Cleaner Cover Panel
Electrolux "Ergothree"



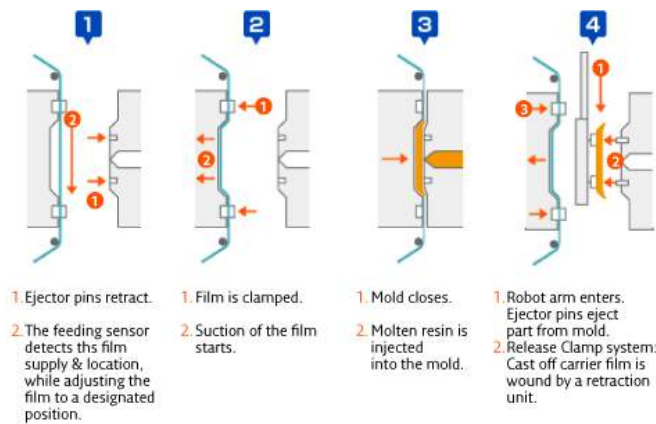
Industrial Equipment Smartphone Back Cover
Sharp Corporation "Aquos S2"

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)



Nissha Group's Metallized paper is used in products by approximately 300 companies in 80 countries



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.

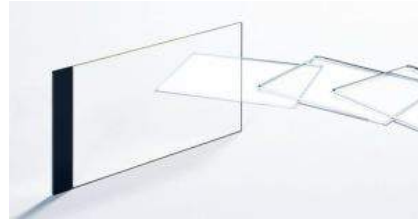
Nissha Group's metallized paper is used widely in the labels and packaging of beverage, food, and consumer products by approximately 300 companies in 80 countries.

>for more detail, please check this link.

http://www.nissha.com/english/products/industrial_m/metallize.html

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 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. We also handle innovative Gas Sensors technology and systems combining Sensors with Wireless Technology.



* FineTouch is a Nissha's Touch Sensor with outstanding accuracy and functionality.

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

Used in the following ways

Nissha makes small-to-medium-sized transparent Touch Sensors. These are largely supplied for use in smartphones, tablets and portable games gears. Touch Sensors have gained attention for their "usability" and "fun operation". Applications are gradually spreading to a variety of other devices. We are aiming to expanding into a wide range of businesses by providing devices, services, and systems with sensing functions in addition to Touch Sensors. These will be targeted at a range of markets, including Medical Devices and Health Care, Agriculture, Education, Housing Equipment, Industrial Equipment, and Automobiles.



Mobile Robotic Phone

"RoBoHoN" Sharp Corporation

*RoBoHoN is a trademark of Sharp Corporation



Mobile Gaming Gear

"Nintendo Switch™" Nintendo Co., Ltd.

*Nintendo Switch is a trademark of Nintendo Co., Ltd.



Industrial Equipment

"TC8000/TC51/TC56" Touch Computer Series
Zebra Technologies, Inc.

The force sensor

The force sensor 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.

>for more detail, please check this link.
<http://www.nissha.com/english/products/dev/force.html>



Gas Sensors

Our gas sensor business, led by Nissha Group company Nissha 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.

>for more detail, please check this link.
<http://www.nissha.com/english/products/dev/gas.html>



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.



Medical Technologies

Contributing to Healthy and Enriched Life



Medical Technologies aims to contribute to safe, secure, and healthy life through business activities in the fields of medical devices business. We manufacture and sell our own brand products to medical institutions, while also providing contract manufacturing services for major medical device manufacturers globally.

Medical Devices Brand —Vermed—



Vermed manufactures and provides dependable, high quality and easy to use consumable medical products such as electrodes, medical chart paper and medical surgical devices to service hospitals in the North and Central America and Europe.

Medical Devices Contract Manufacturing —Biomedical Innovations—



Biomedical Innovations is the leading contract manufacturer for innovative concept or established medical product. We design, rapid prototype and manufacture. The products are wearables, surgical instrument, etc.

Information and Communication

Innovating Business Through Communication Design

Nissha Group identifies and clarifies the customers issues in communication strategies and designs communication policies to solve those issues. Nissha Group has a wide range of products and solution development expertise, including for Commercial Printing, Publication Printing, Sales Promotions, Web Solutions, Creative Design and Cultural Asset Art Solutions. We aim to improve value for customers by making full use of our products and services.

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



Service example

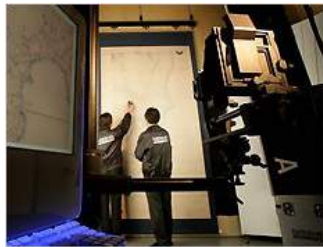
AR application "Cazasmart"

We have 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 Group 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 CSR Report is published annually to serve as a communication tool between the Nissha Group and our stakeholders. CSR Report 2018 covers our initiatives and performance in the fiscal year ended December 2017 (April–December 2017), following the editorial policy given below.

Guidelines Used as Reference

- The core option of the GRI Sustainability Reporting Standards
- 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 2017 to December 2017. Some reporting is also done regarding activities carried out after January 2018.

Publication Dates

Current issue: March 2018
Next issue: April 2019 (planned)
Last issue: June 2017

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" refers to "Nissha Co., Ltd." alone. "Nissha Group" refer to Nissha 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 Group 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
Nissha FIS, Inc.	Devices
Nissha SiMICS, Inc.	Devices
mui Lab, Inc.	Devices
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, Inc.	Others

Nissha USA, Inc.	Industrial Materials, Devices
Eimo Technologies, Inc.	Industrial Materials
Nissha Si-Cal Technologies, Inc.	Industrial Materials
Nissha PMX Technologies, S.A. de C.V.	Industrial Materials
Graphic Controls Acquisition Corp.	Medical Technologies
Graphic Controls Ltd.	Medical Technologies
Nissha Europe GmbH	Industrial Materials, Devices
Nissha Schuster Kunststofftechnik	Industrial Materials
Nissha Back Stickers	Industrial Materials
AR Metallizing N.V.	Industrial Materials
AR Metallizing S.r.l.	Industrial Materials
AR Metallizing Ltd.	Industrial Materials
Nissha ARM Embalagens Trading Do Brasil Ltda.	Industrial Materials
Málaga Productos 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
Nissha Industrial and Trading Malaysia Sdn. Bhd.	Industrial Materials
Nissha Precision Technologies Malaysia Sdn. Bhd.	Industrial Materials
Nissha Vietnam Co., Ltd.	Devices

Variations in Scope of Reporting

Date	Contents	Impact on scope of reporting
July 2017	Nissha Group company Nitec Precision and Technologies, Inc. commenced operations of its Tsu Factory.	CSR Report 2018 contains information on the Tsu Factory ranging from July to December 2017.
October 2017	Nissha Printing Co., Ltd. was renamed Nissha Co., Ltd. as of October 6, 2017.	CSR Report 2018 uses the name Nissha Co., Ltd. in text, and Nissha Printing Co., Ltd. for topics on and before October 5.
October 2017	Nissha Co., Ltd. wholly owned subsidiary Nissha USA, Inc. concluded a business transfer agreement and acquired the printed electronics business of subsidiaries Si-Cal Technologies, Inc. and GSI Technologies, LLC on October 10, 2017.	The event has no impact on the contents of CSR Report 2018.

Date	Contents	Impact on scope of reporting
October 2017	Nissha Co., Ltd. consolidated subsidiary Graphic Controls Group (headquartered in USA) concluded a share transfer agreement, completed share acquisition, and acquired as a subsidiary French medical device manufacturer Integral Process SAS on October 31, 2017.	The event has no impact on the contents of CSR Report 2018.
October 2017	Nissha Co., Ltd. established mui Lab, Inc., engaging primarily in development and sales of "mui," a new interface product for the IoT market, on October 27, 2017.	The event has no impact on the contents of CSR Report 2018.
November 2017	Nissha Co., Ltd. Devices business concluded a basic agreement on production of touch sensors with major Chinese glass cover manufacturer Lens Technology Co., Ltd., its subsidiary Lens International (HK) Limited, and a joint venture formed by the three companies, Nissha and Lens Technologies (Changsha) Company Limited, on November 6, 2017.	The event has no impact on the contents of CSR Report 2018.

Publishing Division and Contact for Inquiries

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 CSR, Corporate Communications
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 Fax: +81-(0)75-823-5344
 Inquiries: [Nissha website "Contact us" page](#)
<http://nissha.com/english/inquiry.html>

GRI Content Index

Nissha CSR Report 2018 published in "CSR" of our website conforms to the core option of GRI Sustainability Reporting Standards. A content index is scheduled to be posted on this page in early July 2018.

GRI Content Index	Disclosure			Location in CSR Report	Pages on PDF
General Disclosures					
1. Organizational profile					
GRI 102 : General Disclosures 2016	102-1	Name of the organization	a. Name of the organization.	Company Outline	104-105
	102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	What's Nissha?	106-112
	102-3	Location of headquarters	a. Location of the organization's headquarters.	Company Outline	104-105
	102-4	Location of operations	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	Nissha Group	104-105
	102-5	Ownership and legal form	a. Nature of ownership and legal form.	Company Outline	104-105
	102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	What's Nissha?	106-112
	102-7	Scale of the organization	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	Company Outline What's Nissha?	104-105 106-112
	102-8	Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work	Respect for Diversity > Composition of "Nissha People"	40-42

			<p>performed by workers who are not employees.</p> <p>e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c</p> <p>(such as seasonal variations in the tourism or agricultural industries).</p> <p>f. An explanation of how the data have been compiled, including any assumptions made.</p>		
102-9	Supply chain		a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	Partnership with Our Suppliers > Expansion of Our Supply Chain * We are considering disclosure of our supply chain for Life Innovation business.	87
102-10	Significant changes to the organization and its supply chain		<p>a. Significant changes to the organization's size, structure, ownership, or supply chain, including:</p> <p>i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;</p> <p>ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);</p> <p>iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</p>	Environmental Impact as a Result of Business Operations Editorial Policy	63-64 113-115
102-11	Precautionary Principle or approach		a. Whether and how the organization applies the Precautionary Principle or approach.	Corporate Governance > Risk Management Environmental Policy and Management Structures > Continuous Improvements in the Environmental Management System (EMS)	25-26 59
102-12	External initiatives		a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	CEO Message Nissha Group's CSR > United Nations Global Compact	2 10-11
102-13	Membership of associations		a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	Along with Local Communities > Membership in Community Organizations	101-102
2. Strategy					
102-14	Statement from senior decision-maker		a. 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 its strategy for addressing sustainability.	CEO Message	2
102-15	Key impacts, risks, and opportunities		a. A description of key impacts, risks, and opportunities.	CEO Message Nissha Group's CSR > Materiality	2 4-6
3. Ethics and integrity					
102-16	Values, principles, standards, and norms of behavior		a. A description of the organization's values, principles, standards, and norms of behavior.	Nissha Group's CSR > Approach to CSR	3
102-17	Mechanisms for advice and concerns about ethics		<p>a. A description of internal and external mechanisms for:</p> <p>i. seeking advice about ethical and lawful behavior, and organizational integrity;</p> <p>ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.</p>	Human Rights > Hotline	33

4. Governance					
	102-18	Governance structure	<p>a. Governance structure of the organization, including committees of the highest governance body.</p> <p>b. Committees responsible for decision-making on economic, environmental, and social topics.</p>	<p>Corporate Governance > Overview of Corporate Governance</p> <p>Nissha Group's CSR > CSR Management</p>	<p>17-22</p> <p>3-4</p>
	102-19	Delegating authority	<p>a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.</p>	<p>Nissha Group's CSR > CSR Management</p>	<p>3-4</p>
	102-20	Executive-level responsibility for economic, environmental, and social topics	<p>a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.</p> <p>b. Whether post holders report directly to the highest governance body.</p>	<p>Nissha Group's CSR > CSR Management</p>	<p>3-4</p>
	102-21	Consulting stakeholders on economic, environmental, and social topics	<p>a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</p> <p>b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.</p>	<p>Corporate Governance > Overview of Corporate Governance</p> <p>Nissha Group's CSR > CSR Management</p> <p>Human Rights > Freedom of Association and Collective Bargaining, Relationship with Labor Union</p>	<p>17-22</p> <p>3-4</p> <p>34-35</p>
	102-22	Composition of the highest governance body and its committees	<p>a. Composition of the highest governance body and its committees by:</p> <ul style="list-style-type: none"> i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation. 	<p>Corporate Governance > Overview of Corporate Governance</p> <p>Respect for Diversity > Composition of "Nissha People"</p>	<p>17-22</p> <p>40-42</p>
	102-23	Chair of the highest governance body	<p>a. Whether the chair of the highest governance body is also an executive officer in the organization.</p> <p>b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.</p>	<p>Corporate Governance > Overview of Corporate Governance > Role of the Board of Directors</p>	<p>19</p>
	102-24	Nominating and selecting the highest governance body	<p>a. Nomination and selection processes for the highest governance body and its committees.</p> <p>b. Criteria used for nominating and selecting highest governance body members, including whether and how:</p> <ul style="list-style-type: none"> i. stakeholders (including shareholders) are involved; ii. diversity is considered; iii. independence is considered; iv. expertise and experience relating to economic, environmental, and social topics are considered. 	<p>Corporate Governance > Overview of Corporate Governance</p>	<p>17-22</p>
	102-25	Conflicts of interest	<p>a. Processes for the highest governance body to</p>	<p>Corporate Governance ></p>	

			<p>ensure conflicts of interest are avoided and managed.</p> <p>b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <p>i. Cross-board membership;</p> <p>ii. Cross-shareholding with suppliers and other stakeholders;</p> <p>iii. Existence of controlling shareholder;</p> <p>iv. Related party disclosures.</p>	Overview of Corporate Governance > Role of the Board of Directors	19
	102-26	Role of highest governance body in setting purpose, values, and strategy	a. 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 topics.	Nissha Group's CSR > Approach to CSR Nissha Group's CSR > CSR Management Corporate Governance > Internal Control System	3 3-4 23-25
	102-27	Collective knowledge of highest governance body	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.		
	102-28	Evaluating the highest governance body's performance	<p>a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.</p> <p>b. Whether such evaluation is independent or not, and its frequency.</p> <p>c. Whether such evaluation is a self-assessment.</p> <p>d. 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.</p>		
	102-29	Identifying and managing economic, environmental, and social impacts	<p>a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.</p> <p>b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	Nissha Group's CSR > Approach to CSR Nissha Group's CSR > CSR Management Corporate Governance > Internal Control System	3 3-4 23-25
	102-30	Effectiveness of risk management processes	a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	Nissha Group's CSR > Approach to CSR Nissha Group's CSR > CSR Management Corporate Governance > Internal Control System	3 3-4 23-25
	102-31	Review of economic, environmental, and social topics	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	Nissha Group's CSR > Approach to CSR Nissha Group's CSR > CSR Management Corporate Governance > Internal Control System	3 3-4 23-25
	102-32	Highest governance body's role in sustainability reporting	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	Nissha Group's CSR > Materiality	4-6

	102-33	Communicating critical concerns	a. Process for communicating critical concerns to the highest governance body.	Nissha Group's CSR > Approach to CSR Nissha Group's CSR > CSR Management Corporate Governance > Internal Control System	3 3-4 23-25
	102-34	Nature and total number of critical concerns	a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns.	Nissha Group's CSR > CSR Management	3-4
	102-35	Remuneration policies	a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	Corporate Governance > Overview of Corporate Governance > Nomination and Remuneration Committee, Policy on Determining Remuneration of Directors, Members of the Board and Audit and Supervisory Board Members	20-22
	102-36	Process for determining remuneration	a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization.	Corporate Governance > Overview of Corporate Governance > Nomination and Remuneration Committee, Policy on Determining Remuneration of Directors, Members of the Board and Audit and Supervisory Board Members	20-22
	102-37	Stakeholders' involvement in remuneration	a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals.		
	102-38	Annual total compensation ratio	a. 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.		
	102-39	Percentage increase in annual total compensation ratio	a. Ratio of the 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.		
5. Stakeholder engagement					
	102-40	List of stakeholder groups	a. A list of stakeholder groups engaged by the organization.	Nissha Group's CSR > Nissha Group's Stakeholders	7-10
	102-41	Collective bargaining	a. Percentage of total employees covered by	Human Rights > Relationship	34-35

		agreements	collective bargaining agreements.	with Labor Union	
	102-42	Identifying and selecting stakeholders	a. The basis for identifying and selecting stakeholders with whom to engage.	Nissha Group's CSR > Nissha Group's Stakeholders	7-10
	102-43	Approach to stakeholder engagement	a. 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 Group's CSR > Nissha Group's Stakeholders	7-10
	102-44	Key topics and concerns raised	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	Nissha Group's CSR > Nissha Group's Stakeholders Partnership with Our Suppliers > CSR Supplier Audits Human Rights > Building and Operation of a Management System, Freedom of Association and Collective Bargaining	7-10 87-89 32-34
6. Reporting practice					
	102-45	Entities included in the consolidated financial statements	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. 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 Nissha Group	113 104-105
	102-46	Defining report content and topic Boundaries	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	Nissha Group's CSR > Materiality	4-6
	102-47	List of material topics	a. A list of the material topics identified in the process for defining report content.	Nissha Group's CSR > Materiality	4-6
	102-48	Restatements of information	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Safety and Health > Occurrence of Work-related Accidents Prevention of Further Global Warming > Status of CO ₂ Emissions at Nissha Group	53-54 65-66
	102-49	Changes in reporting	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	Editorial Policy > Variations in Scope of Reporting	113
	102-50	Reporting period	a. Reporting period for the information provided.	Editorial Policy > Period Covered	113
	102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	Editorial Policy > Period Covered	113
	102-52	Reporting cycle	a. Reporting cycle.	Editorial Policy > Period Covered	113
	102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.	Editorial Policy > Publishing Division and Contact for Inquiries	115
	102-54	Claims of reporting in accordance with the GRI Standards	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance	GRI Content Index Editorial Policy	116-157 113-115

			with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.		
	102-55	GRI content index	<p>a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.</p> <p>b. For each disclosure, the content index shall include:</p> <p>i. the number of the disclosure (for disclosures covered by the GRI Standards);</p> <p>ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;</p> <p>iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.</p>	GRI Content Index	116-157
	102-56	External assurance	<p>a. A description of the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If the report has been externally assured:</p> <p>i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;</p> <p>ii. The relationship between the organization and the assurance provider;</p> <p>iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.</p>	Assurance has not been sought for the sustainability report.	
Material topics					
Economic					
Economic Performance					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p>		

			vii. Specific actions, such as processes, projects, programs and initiatives		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>		
GRI 201 : Economic Performance 2016	201-1	Direct economic value generated and distributed	<p>a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>i. Direct economic value generated: revenues;</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p> <p>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</p> <p>b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	Distribution of Added Value to Stakeholders	30
	201-2	Financial implications and other risks and opportunities due to climate change	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <p>i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;</p> <p>ii. a description of the impact associated with the risk or opportunity;</p> <p>iii. the financial implications of the risk or opportunity before action is taken;</p> <p>iv. the methods used to manage the risk or opportunity;</p> <p>v. the costs of actions taken to manage the risk or opportunity.</p>		
	201-3	Defined benefit plan obligations and other retirement plans	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <p>i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</p> <p>ii. the basis on which that estimate has been arrived at;</p> <p>iii. when that estimate was made.</p> <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary</p>		

			schemes, regional, or country-based schemes, or those with financial impact.		
	201-4	Financial assistance received from government	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <ul style="list-style-type: none"> i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>		
Market Presence					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		
GRI 202 : Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<p>a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.</p> <p>b. When a significant proportion of other workers (excluding employees) performing the</p>		

			<p>organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.</p> <p>c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.</p> <p>d. The definition used for 'significant locations of operation'.</p>		
	202-2	Proportion of senior management hired from the local community	<p>a. Percentage of senior management at significant locations of operation that are hired from the local community.</p> <p>b. The definition used for 'senior management'.</p> <p>c. The organization's geographical definition of 'local'.</p> <p>d. The definition used for 'significant locations of operation'.</p>	Respect for Diversity > Composition of "Nissha People"	40-42
Indirect Economic Impacts					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		
GRI 203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	<p>a. Extent of development of significant infrastructure investments and services supported.</p> <p>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</p> <p>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</p>		
	203-2	Significant indirect	a. Examples of significant identified indirect		

		economic impacts	<p>economic impacts of the organization, including positive and negative impacts.</p> <p>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>		
Procurement Practices					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		
GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	<p>a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).</p> <p>b. The organization's geographical definition of 'local'.</p> <p>c. The definition used for 'significant locations of operation'.</p>		
Anti-corruption *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p>	Nissha Group's CSR > Materiality Editorial Policy	<p>4-6</p> <p>113-115</p>

			c. Any specific limitation regarding the topic Boundary.		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>Nissha Group's CSR > CSR Management</p> <p>Nissha Group's CSR > Materiality</p> <p>Human Rights > Hotline</p> <p>Corporate Ethics and Compliance > Guideline of the Corporate Ethics and Compliance, Promotion Structure and Initiatives</p> <p>Initiatives Related to Anti-corruption</p>	<p>3-4</p> <p>4-6</p> <p>33</p> <p>28-29</p> <p>91</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	Nissha Group's CSR > CSR Management	3-4
GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	<p>a. Total number and percentage of operations assessed for risks related to corruption.</p> <p>b. Significant risks related to corruption identified through the risk assessment.</p>		
	205-2	Communication and training about anti-corruption policies and procedures	<p>a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.</p> <p>d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	<p>Initiatives Related to Anti-corruption</p> <p>Corporate Ethics and Compliance > Promotion Structure and Initiatives</p>	<p>91</p> <p>28-29</p>
	205-3	Confirmed incidents of corruption and actions taken	<p>a. Total number and nature of confirmed incidents of corruption.</p> <p>b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</p> <p>c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</p> <p>d. Public legal cases regarding corruption brought against the organization or its employees during</p>		

			the reporting period and the outcomes of such cases.		
Anti-competitive Behavior					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	Nissha Group's CSR > Materiality Editorial Policy	<p>4-6</p> <p>113-115</p>
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline Corporate Ethics and Compliance > Guideline of the Corporate Ethics and Compliance, Promotion Structure and Initiatives	<p>3-4</p> <p>4-6</p> <p>33</p> <p>28-29</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	Nissha Group's CSR > CSR Management	<p>3-4</p>
GRI 206 : Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<p>a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.</p> <p>b. Main outcomes of completed legal actions, including any decisions or judgments.</p>		
Environmental					
Materials					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management</p>		

			<p>approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>		
GRI 301 : Materials 2016	301-1	Materials used by weight or volume	<p>a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:</p> <p>i. non-renewable materials used;</p> <p>ii. renewable materials used.</p>	Environmental Impact as a Result of Business Operations	63-64
	301-2	Recycled input materials used	<p>a. Percentage of recycled input materials used to manufacture the organization's primary products and services.</p>		
	301-3	Reclaimed products and their packaging materials	<p>a. Percentage of reclaimed products and their packaging materials for each product category.</p> <p>b. How the data for this disclosure have been collected.</p>		
Energy *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	Nissha Group's CSR > Materiality Editorial Policy	<p>4-6</p> <p>113-115</p>
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline Environmental Policy and Management Structures Environmental Objectives and Status of Achievement	<p>3-4</p> <p>4-6</p> <p>33</p> <p>58-59</p> <p>60-62</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p>	Nissha Group's CSR > CSR Management	3-4

			<ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	<ul style="list-style-type: none"> a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used. 	Environmental Impact as a Result of Business Operations Prevention of Further Global Warming	63-64 65-69
	302-2	Energy consumption outside of the organization	<ul style="list-style-type: none"> a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used. 		
	302-3	Energy intensity	<ul style="list-style-type: none"> a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both. 	Prevention of Further Global Warming	65-69
	302-4	Reduction of energy consumption	<ul style="list-style-type: none"> a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used. 		
	302-5	Reductions in energy requirements of products and services	<ul style="list-style-type: none"> a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used. 		
Water					
GRI 103 :	103-1	Explanation of the	a. An explanation of why the topic is material.	Nissha Group's CSR >	

Management Approach 2016		material topic and its Boundary	<p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<p>Materiality</p> <p>Editorial Policy</p>	<p>4-6</p> <p>113-115</p>
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>Nissha Group's CSR > CSR Management</p> <p>Nissha Group's CSR > Materiality</p> <p>Human Rights > Hotline</p> <p>Environmental Policy and Management Structures</p>	<p>3-4</p> <p>4-6</p> <p>33</p> <p>58-59</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<p>Nissha Group's CSR > CSR Management</p>	<p>3-4</p>
GRI 303 : Water 2016	303-1	Water withdrawal by source	<p>a. Total volume of water withdrawn, with a breakdown by the following sources:</p> <p>i. Surface water, including water from wetlands, rivers, lakes, and oceans;</p> <p>ii. Ground water;</p> <p>iii. Rainwater collected directly and stored by the organization;</p> <p>iv. Waste water from another organization;</p> <p>v. Municipal water supplies or other public or private water utilities.</p> <p>b. Standards, methodologies, and assumptions used.</p>	<p>Environmental Impact as a Result of Business Operations</p>	<p>63-64</p>
	303-2	Water sources significantly affected by withdrawal of water	<p>a. Total number of water sources significantly affected by withdrawal by type:</p> <p>i. Size of the water source;</p> <p>ii. Whether the source is designated as a nationally or internationally protected area;</p> <p>iii. Biodiversity value (such as species diversity and endemism, and total number of protected species);</p> <p>iv. Value or importance of the water source to local communities and indigenous peoples.</p> <p>b. Standards, methodologies, and assumptions used.</p>		
	303-3	Water recycled and reused	<p>a. Total volume of water recycled and reused by the organization.</p> <p>b. Total volume of water recycled and reused as a percentage of the total water withdrawal as specified in Disclosure 303-1.</p>		

			c. Standards, methodologies, and assumptions used.		
Biodiversity					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		
GRI 304 : Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:</p> <ul style="list-style-type: none"> i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km² (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation). 		
	304-2	Significant impacts of activities, products, and	a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of		

		services on biodiversity	<p>the following:</p> <ul style="list-style-type: none"> i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). b. Significant direct and indirect positive and negative impacts with reference to the following: <ul style="list-style-type: none"> i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts. 		
	304-3	Habitats protected or restored	<ul style="list-style-type: none"> a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals. b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures. c. Status of each area based on its condition at the close of the reporting period. d. Standards, methodologies, and assumptions used. 		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<ul style="list-style-type: none"> a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk: <ul style="list-style-type: none"> i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern 		
Emissions *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary. 	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	<ul style="list-style-type: none"> a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities 	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Nissha Group's CSR > Nissha Group's Stakeholders > External Assessment Human Rights > Hotline	3-4 4-6 9-10 33

			<p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>Environmental Policy and Management Structures</p> <p>Environmental Objectives and Status of Achievement</p>	<p>58-59</p> <p>60-62</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<p>Nissha Group's CSR > CSR Management</p>	3-4
	GRI 305 : Emissions 2016				
	305-1	Direct (Scope 1) GHG emissions	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>Environmental Impact as a Result of Business Operations</p> <p>Prevention of Further Global Warming</p>	<p>63-64</p> <p>65-69</p>
	305-2	Energy indirect (Scope 2) GHG emissions	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>		
	305-3	Other indirect (Scope 3) GHG emissions	<p>The reporting organization shall report the following information:</p> <p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs,</p>	<p>Prevention of Further Global Warming > Initiative in Scope 3 Management</p>	69

			<p>PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>		
	305-4	GHG emissions intensity	<p>a. GHG emissions intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p>	Prevention of Further Global Warming	65-69
	305-5	Reduction of GHG emissions	<p>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Base year or baseline, including the rationale for choosing it.</p> <p>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>e. Standards, methodologies, assumptions, and/or calculation tools used.</p>	Prevention of Further Global Warming > Status of CO ₂ Emissions at Nissha Group	65-66
	305-6	Emissions of ozone-depleting substances (ODS)	<p>a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.</p> <p>b. Substances included in the calculation.</p> <p>c. Source of the emission factors used.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>		
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<p>a. Significant air emissions, in kilograms or multiples, for each of the following:</p> <p>i. NOX</p> <p>ii. SOX</p> <p>iii. Persistent organic pollutants (POP)</p> <p>iv. Volatile organic compounds (VOC)</p> <p>v. Hazardous air pollutants (HAP)</p> <p>vi. Particulate matter (PM)</p> <p>vii. Other standard categories of air emissions identified in relevant regulations</p> <p>b. Source of the emission factors used.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>		
Effluents and Waste *					
GRI 103 :	103-1	Explanation of the	a. An explanation of why the topic is material.	Nissha Group's CSR >	4-6

Management Approach 2016		material topic and its Boundary	<p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<p>Materiality</p> <p>Editorial Policy</p>	113-115
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>Nissha Group's CSR > CSR Management</p> <p>Nissha Group's CSR > Materiality</p> <p>Nissha Group's CSR > Nissha Group's Stakeholders > External Assessment</p> <p>Human Rights > Hotline</p> <p>Environmental Policy and Management Structures</p> <p>Environmental Objectives and Status of Achievement</p>	<p>3-4</p> <p>4-6</p> <p>9-10</p> <p>33</p> <p>58-59</p> <p>60-62</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<p>Nissha Group's CSR > CSR Management</p>	3-4
GRI 306 : Effluents and Waste 2016	306-1	Water discharge by quality and destination	<p>a. Total volume of planned and unplanned water discharges by:</p> <p>i. destination;</p> <p>ii. quality of the water, including treatment method;</p> <p>iii. whether the water was reused by another organization.</p> <p>b. Standards, methodologies, and assumptions used.</p>	<p>Environmental Impact as a Result of Business Operations</p>	63-64
	306-2	Waste by type and disposal method	<p>a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <p>i. Reuse</p> <p>ii. Recycling</p> <p>iii. Composting</p> <p>iv. Recovery, including energy recovery</p> <p>v. Incineration (mass burn)</p> <p>vi. Deep well injection</p> <p>vii. Landfill</p> <p>viii. On-site storage</p> <p>ix. Other (to be specified by the organization)</p> <p>b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <p>i. Reuse</p> <p>ii. Recycling</p> <p>iii. Composting</p> <p>iv. Recovery, including energy recovery</p> <p>v. Incineration (mass burn)</p> <p>vi. Deep well injection</p> <p>vii. Landfill</p>	<p>Environmental Impact as a Result of Business Operations</p> <p>Status of Waste Generation at Bases</p>	<p>63-64</p> <p>76-78</p>

			<p>viii. On-site storage</p> <p>ix. Other (to be specified by the organization)</p> <p>c. How the waste disposal method has been determined:</p> <p>i. Disposed of directly by the organization, or otherwise directly confirmed</p> <p>ii. Information provided by the waste disposal contractor</p> <p>iii. Organizational defaults of the waste disposal contractor</p>		
	306-3	Significant spills	<p>a. Total number and total volume of recorded significant spills.</p> <p>b. The following additional information for each spill that was reported in the organization's financial statements:</p> <p>i. Location of spill;</p> <p>ii. Volume of spill;</p> <p>iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization).</p> <p>c. Impacts of significant spills.</p>		
	306-4	Transport of hazardous waste	<p>a. Total weight for each of the following:</p> <p>i. Hazardous waste transported</p> <p>ii. Hazardous waste imported</p> <p>iii. Hazardous waste exported</p> <p>iv. Hazardous waste treated</p> <p>b. Percentage of hazardous waste shipped internationally.</p> <p>c. Standards, methodologies, and assumptions used.</p>		
	306-5	Water bodies affected by water discharges and/or runoff	<p>a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on:</p> <p>i. the size of the water body and related habitat;</p> <p>ii. whether the water body and related habitat is designated as a nationally or internationally protected area;</p> <p>iii. the biodiversity value, such as total number of protected species.</p>		
Environmental Compliance					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts.</p> <p>For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	Nissha Group's CSR > Materiality Editorial Policy	<p>4-6</p> <p>113-115</p>
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p>	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Corporate Ethics and Compliance > Guideline of the Corporate Ethics and	<p>3-4</p> <p>4-6</p> <p>28-29</p>

			iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	Compliance, Promotion Structure and Initiatives Human Rights > Hotline Environmental Policy and Management Structures	33 58-59
	103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	Nissha Group's CSR > CSR Management	3-4
GRI 307 : Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.	Environmental Objectives and Status of Achievement	60-62
Supplier Environmental Assessment *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline Environmental Policy and Management Structures Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	3-4 4-6 33 58-59 87-89
	103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	Nissha Group's CSR > CSR Management	3-4
GRI 308 : Supplier Environmental	308-1	New suppliers that were screened using	a. Percentage of new suppliers that were screened using environmental criteria.	Partnership with Our Suppliers > Basic Purchasing Policy, CSR	87-89

Assessment 2016		environmental criteria		Supplier Audits	
	308-2	Negative environmental impacts in the supply chain and actions taken	<p>a. Number of suppliers assessed for environmental impacts.</p> <p>b. Number of suppliers identified as having significant actual and potential negative environmental impacts.</p> <p>c. Significant actual and potential negative environmental impacts identified in the supply chain.</p> <p>d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.</p> <p>e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.</p>	Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	87-89
Social					
Employment *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline, Building and Operation of a Management System Respect for Diversity > Enhancement of Systems and Communication Tools	3-4 4-6 32-33 44
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	Nissha Group's CSR > CSR Management	3-4
	401-1	New employee hires and employee turnover	<p>a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.</p> <p>b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.</p>		
	401-2	Benefits provided to full-	a. Benefits which are standard for full-time		

		time employees that are not provided to temporary or part-time employees	<p>employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:</p> <ul style="list-style-type: none"> i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. <p>b. The definition used for 'significant locations of operation'.</p>		
	401-3	Parental leave	<p>a. Total number of employees that were entitled to parental leave, by gender.</p> <p>b. Total number of employees that took parental leave, by gender.</p> <p>c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.</p> <p>d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.</p> <p>e. Return to work and retention rates of employees that took parental leave, by gender.</p>	<p>Support for Diverse Work Styles</p> <p>> Status of Major Long-term Leave and Time Taken Off from Work</p> <p><small>*We are considering future disclosure of overseas situation and efforts.</small></p>	48-50
Labor/Management Relations					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		
GRI 402 :	402-1	Minimum notice periods	a. Minimum number of weeks' notice typically	Human Rights > Relationship	34-35

Labor/Management Relations 2016		regarding operational changes	<p>provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.</p> <p>b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.</p>	with Labor Union	
Occupational Health and Safety *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<p>Nissha Group's CSR > Materiality</p> <p>Editorial Policy</p>	<p>4-6</p> <p>113-115</p>
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>Nissha Group's CSR > CSR Management</p> <p>Nissha Group's CSR > Materiality</p> <p>Nissha Group's CSR > Nissha Group's Stakeholders > External Assessment</p> <p>Human Rights > Hotline</p> <p>Human Resources Development > Safety and Health > Occupational Safety and Health Policy / Safety and Health Objectives, Safety and Health Management System / Safety and Health Subcommittee</p> <p>The Environment > Environmental Policy and Management Structures</p>	<p>3-4</p> <p>4-6</p> <p>9-10</p> <p>33</p> <p>52-53</p> <p>58-59</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	Nissha Group's CSR > CSR Management	3-4
GRI 403 : Occupational Health and Safety 2016	403-1	Workers representation in formal joint management-worker health and safety committees	<p>a. The level at which each formal joint management-worker health and safety committee typically operates within the organization.</p> <p>b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.</p>	<p>Safety and Health > Safety and Health Management System / Safety and Health Subcommittee</p> <p>Human Rights > Relationship with Labor Union</p>	<p>52-53</p> <p>34-35</p>
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and	<p>a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by:</p> <p>i. region;</p>	Safety and Health > Occurrence of Work-related Accidents, Occurrence of Work-related Accidents	53-54

		number of work-related fatalities	ii. gender. b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by: i. region; ii. gender. c. The system of rules applied in recording and reporting accident statistics.		
	403-3	Workers with high incidence or high risk of diseases related to their occupation	a. Whether there are workers whose work, or workplace, is controlled by the organization, involved in occupational activities who have a high incidence or high risk of specific diseases.		
	403-4	Health and safety topics covered in formal agreements with trade unions	a. Whether formal agreements (either local or global) with trade unions cover health and safety. b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements.		
Training and Education *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline, Building and Operation of a Management System Human Resources Development > Human Resources Development Policy, Approach to Human Resources Development	3-4 4-6 32-33 37-38
	103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	Nissha Group's CSR > CSR Management	3-4
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	Human Resources Development > Training Programs in Fiscal Year 2017	38
	404-2	Programs for upgrading employee skills and	a. Type and scope of programs implemented and assistance provided to upgrade employee skills.		

		transition assistance programs	b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.		
	404-3	Percentage of employees receiving regular performance and career development reviews	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	Human Rights > Fair Evaluation and Treatment	34
Diversity and Equal Opportunity *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline, Building and Operation of a Management System Human Resources Development > Programs to Promote Diversity Respect for Diversity	3-4 4-6 32-33 39 40-45
	103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	Nissha Group's CSR > CSR Management	3-4
	405-1	Diversity of governance bodies and employees	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	Respect for Diversity > Composition of "Nissha People"	40-42
	405-2	Ratio of basic salary and remuneration of	a. Ratio of the basic salary and remuneration of women to men for each employee category, by	Human Rights > Wage Management	34

		women to men	significant locations of operation. b. The definition used for 'significant locations of operation'.		
Non-discrimination *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline, Basic Policy on Labor and Human Rights, Building and Operation of a Management System	3-4 4-6 32-33
	103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	Nissha Group's CSR > CSR Management	3-4
	406-1	Incidents of discrimination and corrective actions taken	a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	Not applicable	
Freedom of Association and Collective Bargaining					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.		
	103-2	The management	a. An explanation of how the organization		

		approach and its components	<p>manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>		
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</p>	<p>Human Rights > Freedom of Association and Collective Bargaining</p> <p>Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits</p>	<p>34</p> <p>87-89</p>
Child Labor					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<p>Nissha Group's CSR > Materiality</p> <p>Editorial Policy</p>	<p>4-6</p> <p>113-115</p>
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>Nissha Group's CSR > CSR Management</p> <p>Nissha Group's CSR > Materiality</p> <p>Human Rights > Hotline</p> <p>Human Rights > Basic Policy on Labor and Human Rights, Building and Operation of a Management System</p>	<p>3-4</p> <p>4-6</p> <p>33</p> <p>32-33</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p>	Nissha Group's CSR > CSR Management	3-4

			<ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"> a. Operations and suppliers considered to have significant risk for incidents of: <ul style="list-style-type: none"> i. child labor; ii. young workers exposed to hazardous work. b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of: <ul style="list-style-type: none"> i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor. 	Human Rights > Basic Policy on Labor and Human Rights Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	32 87-89
Forced or Compulsory Labor *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary. 	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	<ul style="list-style-type: none"> a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline, Basic Policy on Labor and Human Rights, Building and Operation of a Management System	3-4 4-6 32-33
	103-3	Evaluation of the management approach	<ul style="list-style-type: none"> a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	Nissha Group's CSR > CSR Management	3-4
GRI 409 : Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<ul style="list-style-type: none"> a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: <ul style="list-style-type: none"> i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. 	Human Rights > Basic Policy on Labor and Human Rights Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	32 87-89

			b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.		
Security Practices					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		
GRI 410 : Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	<p>a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.</p> <p>b. Whether training requirements also apply to third-party organizations providing security personnel.</p>		
Rights of Indigenous Peoples					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management</p>		

			<p>approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>		
GRI 411 : Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	<p>a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.</p> <p>b. Status of the incidents and actions taken with reference to the following:</p> <p>i. Incident reviewed by the organization;</p> <p>ii. Remediation plans being implemented;</p> <p>iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;</p> <p>iv. Incident no longer subject to action.</p>		
Human Rights Assessment					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>Nissha Group's CSR > CSR Management</p> <p>Nissha Group's CSR > Materiality</p> <p>Human Rights > Hotline, Building and Operation of a Management System</p>	<p>3-4</p> <p>4-6</p> <p>32-33</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management</p>	Nissha Group's CSR > CSR Management	3-4

			approach; iii. any related adjustments to the management approach.		
GRI 412 : Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	Human Rights > Building and Operation of a Management System	32-33
	412-2	Employee training on human rights policies or procedures	a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations. b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.		
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. b. The definition used for 'significant investment agreements'.		
Local Communities					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.		
	103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives		
	103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.		
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:		

			<ul style="list-style-type: none"> i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes. 		
	413-2	Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none"> a. Operations with significant actual and potential negative impacts on local communities, including: <ul style="list-style-type: none"> i. the location of the operations; ii. the significant actual and potential negative impacts of operations. 		
Supplier Social Assessment *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary. 	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	<ul style="list-style-type: none"> a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	3-4 4-6 33 87-89
	103-3	Evaluation of the management approach	<ul style="list-style-type: none"> a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	Nissha Group's CSR > CSR Management	3-4
GRI 414 : Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> a. Percentage of new suppliers that were screened using social criteria. 	Partnership with Our Suppliers > Basic Purchasing Policy, CSR Supplier Audits	87-89
	414-2	Negative social impacts	<ul style="list-style-type: none"> a. Number of suppliers assessed for social 	Partnership with Our Suppliers	

		in the supply chain and actions taken	<p>impacts.</p> <p>b. Number of suppliers identified as having significant actual and potential negative social impacts.</p> <p>c. Significant actual and potential negative social impacts identified in the supply chain.</p> <p>d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.</p> <p>e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.</p>	> Basic Purchasing Policy, CSR Supplier Audits	87-89
Public Policy					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>		
GRI 415 : Public Policy 2016	415-1	Political contributions	<p>a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.</p> <p>b. If applicable, how the monetary value of in-kind contributions was estimated.</p>		
Customer Health and Safety					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the</p>	Nissha Group's CSR > Materiality Editorial Policy	<p>4-6</p> <p>113-115</p>

			organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.		
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>Nissha Group's CSR > CSR Management</p> <p>Nissha Group's CSR > Materiality</p> <p>Nissha Group's CSR > Nissha Group's Stakeholders > External Assessment</p> <p>Human Rights > Hotline</p> <p>Corporate Ethics and Compliance > Guideline of the Corporate Ethics and Compliance, Promotion Structure and Initiatives</p> <p>Consumer Issues > Quality Slogan, Quality and Safety of Products</p>	<p>3-4</p> <p>4-6</p> <p>9-10</p> <p>33</p> <p>28-29</p> <p>96-97</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	Nissha Group's CSR > CSR Management	3-4
GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii. incidents of non-compliance with regulations resulting in a warning;</p> <p>iii. incidents of non-compliance with voluntary codes.</p> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	Consumer Issues > Quality and Safety of Products	97
Marketing and Labeling					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts.</p> <p>For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>		

	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 		
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 		
GRI 417 : Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	<p>a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling:</p> <ul style="list-style-type: none"> i. The sourcing of components of the product or service; ii. Content, particularly with regard to substances that might produce an environmental or social impact; iii. Safe use of the product or service; iv. Disposal of the product and environmental or social impacts; v. Other (explain). <p>b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.</p>		
	417-2	Incidents of non-compliance concerning product and service information and labeling	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:</p> <ul style="list-style-type: none"> i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>		
	417-3	Incidents of non-compliance concerning marketing communications	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:</p> <ul style="list-style-type: none"> i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. <p>b. If the organization has not identified any non-</p>		

			compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.		
Customer Privacy *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<p>Nissha Group's CSR > Materiality</p> <p>Editorial Policy</p>	<p>4-6</p> <p>113-115</p>
	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>Nissha Group's CSR > CSR Management</p> <p>Nissha Group's CSR > Materiality</p> <p>Human Rights > Hotline</p> <p>Initiatives Related to Information Security</p> <p>Nissha Group's CSR > Nissha Group's Stakeholders > External Assessment</p> <p>The Environment > Waste Management > Risk Management Related to Waste and Waste Converted in Valuable Resources</p>	<p>3-4</p> <p>4-6</p> <p>33</p> <p>85</p> <p>9-10</p> <p>71</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	Nissha Group's CSR > CSR Management	3-4
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <p>i. complaints received from outside parties and substantiated by the organization;</p> <p>ii. complaints from regulatory bodies.</p> <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	No complaint has been reported.	
Socioeconomic Compliance *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p>	<p>Nissha Group's CSR > Materiality</p> <p>Editorial Policy</p>	<p>4-6</p> <p>113-115</p>

			c. Any specific limitation regarding the topic Boundary.		
	103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline Corporate Ethics and Compliance > Guideline of the Corporate Ethics and Compliance, Promotion Structure and Initiatives	3-4 4-6 33 28-29
	103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	Nissha Group's CSR > CSR Management	3-4
GRI 419 : Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. c. The context against which significant fines and non-monetary sanctions were incurred.	Consumer Issues > Quality and Safety of Products	97
Material topics specific in Nissha					
Grievance Mechanisms *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline, Relationship with Labor Union Corporate Ethics and Compliance	3-4 4-6 34-35 28-29

			vii. Specific actions, such as processes, projects, programs and initiatives		
	103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	Nissha Group's CSR > CSR Management	3-4
Index				Human Rights > Hotline	33
Transport *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary. 	Nissha Group's CSR > Materiality Editorial Policy	4-6 113-115
	103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	Nissha Group's CSR > CSR Management Nissha Group's CSR > Materiality Human Rights > Hotline	3-4 4-6 33
	103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	Nissha Group's CSR > CSR Management	3-4
Index					
Business Continuity Plan *					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary. 	Prevention of Further Global Warming > Initiative in Scope 3 Management Nissha Group's CSR > Materiality Editorial Policy	69 4-6 113-115

	103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	<p>Nissha Group's CSR > CSR Management</p> <p>Nissha Group's CSR > Materiality</p> <p>Human Rights > Hotline</p>	<p>3-4</p> <p>4-6</p> <p>33</p>
	103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<p>Nissha Group's CSR > CSR Management</p>	<p>3-4</p>
Index				<p>Corporate Governance > Risk Management</p>	<p>25-26</p>