

CSR 2015

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CEO Message

Status of Nissha Business

The Nissha Group has succeeded in expanding business operations by evolving our printing technologies and selectively focusing our management resources on fields such as IMD and touch panels. In the previous Fourth Medium-term Business Plan (FY2013–FY2015), our financial strength improved thanks to the rapid progress made by Devices business, whose core product is touch panels. The Devices business, however, requires an optimized portfolio of target markets as it relies largely on the consumer electronics industry prone to sharp fluctuations in demand. The Industrial Materials business and the Information and Communication business were unable to achieve a full recovery of performance, and need to improve profitability through an accelerated reorganization of business structure.



Fifth Medium-term Business Plan

Recognizing these challenges, in April 2015, the Nissha Group started operation of the Fifth Medium-term Business Plan based on a fundamental strategy for reorganizing our business portfolio. “We will acquire and merge new core technologies into printing technologies and completely reorganize our business portfolio in global growth markets”—in line with this new medium-term vision, we will seek to create new values and innovative product lineups through an expansion of our existing base of proprietary printing technologies combined with newly added core technologies, and branch out into markets with global potential to realize continuous, stable growth. Using return on equity (ROE) and return on invested capital (ROIC) as management indicators for measuring the results of our efforts, we will promote reorganization of our business portfolio from the perspectives of business profitability and capital efficiency.

Nissha's CSR

Nissha's business activities must both achieve financial growth for the company and create value for society. We believe this defines the “Co-existence” articulated in our corporate mission, and the corporate social responsibility (CSR) we are required to fulfill. Essential to realizing this is communication and collaboration between Nissha and our stakeholders.

Our new 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.

Aiming to be a Company that Creates Value for Global Society

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

Today, corporate management that merely adheres to the laws and customs of its own country is insufficient and unrecognized by global society. In basic CSR, we conform to standards based on the global template provided by the Electronic Industry Citizenship Coalition (EICC). By building and operating management systems in the areas of labor, safety and health, the environment, and ethics, we aim to strengthen our foundation as a corporation and be a company trusted by global society.

In strategic CSR, we promote initiatives to enhance our corporate value from a medium- to long-term perspective. Diversity is essential for Nissha to realize continuous growth. To promote diversity, we strive to enable all our employees—our most important management resources—to perform to their full potential regardless of gender, nationality, age, or disability. With a focus particularly on expanding women's participation in business, in June 2014, we welcomed Nissha's first female board member. Our new Life Innovation business, launched in April 2015, aims to contribute to safe, secure, and healthy lifestyles worldwide. By offering products and services that resolve society's challenges, we seek to be a company needed by society.

In Closing

Fiscal year 2016 will see the target date for realizing the United Nations' Millennium Development Goals (MDGs), and discussions are underway to design a post-2015 development agenda to succeed it, notably a set of Sustainable Development Goals (SDGs). For Nissha, where we aim to be a truly global company, it is more important than ever that we turn our eye to global society and address its challenges. To this end, we strive to listen to our stakeholders at all times and reflect your voices in our business activities. We hope you will give CSR Report 2015 a read and offer us your candid thoughts and advice.

We look forward to your further guidance and encouragement in the future.

June 2015
Junya Suzuki
President and CEO
Chairman of the Board



Nissha's CSR

Approach to CSR

Our new CSR Committee organized in April 2015 has eight subcommittees to promote the building and operation of a management system and work to achieve objectives in basic CSR and strategic CSR.

Nissha's Stakeholders

This section introduces Nissha's stakeholders and our communication channels, as well as examples of external assessment of Nissha activities.

United Nations Global Compact

We joined the United Nations Global Compact in April 2012 and declared our commitment to 10 principles in the areas of human rights, labor, the environment, and anti-corruption.

Approach to CSR

Nissha's CSR

With the start of our Fifth Medium-term Business Plan in fiscal year 2016, we have set forth a new approach to, target areas of, and a promotional structure for Nissha's CSR.

1. Nissha's CSR seeks to realize our corporate mission of "pursuing a mutually trustful Co-existence with society through our business activities utilizing a unique technology development, based on Printing as a core." We established a new brand statement, "Empowering Your Vision," expressing the ideal relationship of co-existence between Nissha and our stakeholders.
2. We redefined the target areas of our CSR activities as strategic CSR and basic CSR. In strategic CSR, we work to enhance our corporate value from a medium- to long-term perspective by determining key material challenges and promoting initiatives to resolve them. In basic CSR, we strive to reduce CSR risks by promoting compliance with the global template, the Electronic Industry Citizenship Coalition (EICC) Code of Conduct, as well as with customer demand.
3. We organized a new CSR Committee, chaired by the president, with eight subcommittees dedicated to areas such as labor and human rights, the environment, and safety and health. Each subcommittee presents a strategic CSR topic and a basic CSR topic, discusses it with the CSR Committee and the subcommittees, and works to achieve its objectives. Each subcommittee further operates a management system and reports the progress of activities as needed to its secretariat. Initiatives related to strategic CSR topics, in particular, are included in Monthly Business Review (MBR) reports. The CSR Committee convenes once a year and conducts a management review in the presence of the president serving as chair.

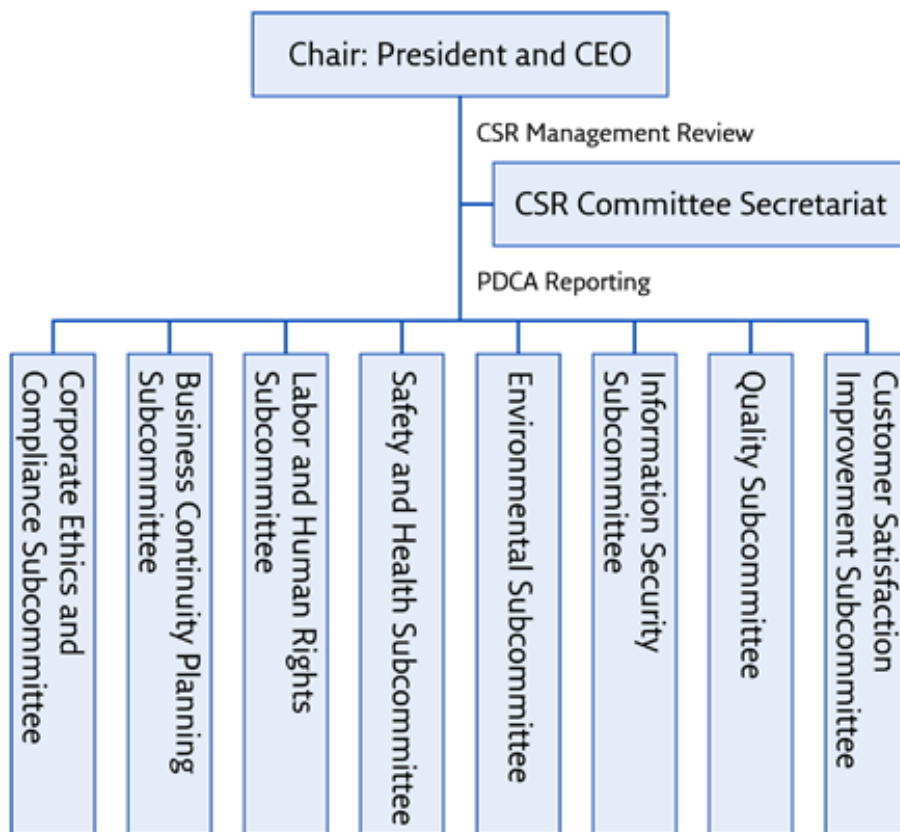
We identify the stakeholders that support Nissha operations as our customers, shareholders, employees, suppliers, and society. Toward realizing our corporate mission, we incorporate the voice of our stakeholders into business activities that contribute to a sustainable society. Both we and our stakeholders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

* Nissha's corporate mission and brand statement can be viewed here.

[Corporate Philosophy and Nissha Brand](http://www.nissha.com/english/company/philosophy.html) <http://www.nissha.com/english/company/philosophy.html>

CSR Management

The CSR Committee and each of its subcommittees, as a rule, build and operate a management system. Quality, Environmental, and other subcommittees that already have ISO certification are working to make continuous improvements and enhance performance. The Corporate Ethics and Compliance, and Labor and Human Rights subcommittees, however, had not operated a management system in the past. Following a CSR audit conducted by our customers in fiscal year 2015, Nitec Precision and Technologies, Inc. (NPT) started operating a management system. In the three years from fiscal year 2016 covered by the Fifth Medium-term Business plan, we will build and operate management systems based on the template provided by the EICC throughout the Nissha Group including overseas bases and at major suppliers.



CSR Committee Member

CSR Committee Chair: President and CEO

CSR Committee Vice Chair: Senior Director of Human Resources, General Affairs, and Legal Affairs

CSR Committee Secretary: General: Senior Director of Corporate Communications

CSR Committee Secretariat: Corporate Social Responsibility, Corporate General Affairs

Subcommittee Secretariats

Corporate Ethics and Compliance Subcommittee: Corporate Legal Affairs

Business Continuity Planning Subcommittee: Corporate General Affairs

Labor and Human Rights Subcommittee: Corporate Human Resources and Employee Benefits

Safety and Health Subcommittee: Corporate General Affairs

Environmental Subcommittee: Corporate General Affairs

Information Security Subcommittee: Corporate Information Technology and Management

Quality Subcommittee: Chief Quality Officer's Planning Office

Customer Satisfaction Improvement Subcommittee: Chief Quality Officer's Planning Office

Corporate Philosophy and Nissha Brand

Corporate Philosophy

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



Corporate Mission

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

Brand Statement

Empowering Your Vision

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

Brand Symbol



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

Shared Values

Growth Based on Customer Satisfaction

We create new value for our customers and transform it into a driver of growth.

Commitment to Results

We set challenging goals for ourselves and deliver results.

Magnify Leadership

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

Diverse Capabilities

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

Sustainability Through Integrity

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

Corporate Logo

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



Nissha's Stakeholders

Nissha's Stakeholders

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



Nissha's Circle of Trust

Customers

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

◆Communication channels

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

Shareholders

We have a total of 45,029,493 outstanding shares and 9,627 shareholders. In a breakdown of shareholders by type, 30.8% are Japanese financial institutions and securities firms, 24.1% other Japanese corporations, 17.2% Japanese individuals and others, 23.2% foreign institutions and individuals, and 4.7% treasury stock (as of the end of March 2015).

In addition to disclosing information, we create opportunities to meet directly and exchange dialogue with our shareholders and investors through IR events and one-on-one briefings.

Feedback and comments are reported regularly from IR representatives to management as well as at Board of Directors meetings, and used as a valuable resource for enhancing our corporate value.

◆Communication channels

Shareholders' meetings

Management briefings following shareholders' meetings

Financial results presentations and teleconferences for institutional investors

One-on-one briefings for institutional investors

Response to individual inquiries

Various materials (reports) published for shareholders and investors

IR information provided via the Nissha website

Information for socially responsible investment (SRI) screening companies

Employees

The Nissha Group has 3,596 employees. In a breakdown by region, 71.2% work in Japan, 17.1% in Asia, 11.5% in North America, and 0.2% in Europe (as of the end of March 2015). We promote the creation of safe, comfortable workplaces and offer support for diverse work styles, respecting our employees' human rights from a global perspective. We at Nissha believe our employees are our most important management resources, and aim to achieve growth for both the company and our employees.

◆Communication channels

Labor-management meetings

Safety and health meetings

Education and training

Personnel evaluation and interviews

Hotline (for reporting from within and outside the company)

Sexual harassment and mental health counseling

Awareness questionnaires and interviews

Suppliers

Nissha's global operations revolve around procurement activities and engagement with a large number of suppliers.

We strive to build partnerships of co-existence and co-prosperity with our suppliers, and create corporate value founded on integrity. We seek to evaluate our suppliers fairly, impartially, and comprehensively at all times, and promote CSR procurement.

◆Communication channels

Procurement activities in daily operations

CSR procurement briefings

ESG check sheets

CSR procurement and auditing

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

Society

The Nissha Group has 14 bases in Japan and 25 overseas, each of which carries out business activities with respect for the culture and climate of the region in which it operates.

We aim for widespread co-existence based on relationships of mutual trust with society. We promote communication with local communities not only to fulfill our basic responsibilities as a corporation but also to be a company that is needed by society. We strive to be aware of global social issues and play a role in resolving them.

◆Communication channels

Exchange events with community councils
 Factory and facility tours
 Cleanup activities in factory areas
 Next-generation support activities
 Support and promotion of arts and culture
 Visits to local care homes for the elderly
 Employee volunteer activities
 Social contribution activities in collaboration with NPOs

External Assessment

Major examples of external assessment in fiscal year 2015 are given below (Nissha Group in Japan).

Date	Certification/award	Company/base	Details
June 2014	AEO Exporter approval	Nissha Printing Co., Ltd.	To reinforce our trade management system, we obtained approval from Osaka Customs as an AEO Exporter, under the Authorized Economic Operator program. More on trade management http://www.nissha.com/english/csr/fairpractices/trademanage.html
Feb. 2015	Technology & Development Award (Parts & Materials), Toyota Motor Corporation	FIS Inc.	Technology & Development Awards are presented to suppliers that have greatly improved the appeal of Toyota products through use of the latest technology. FIS received the award for a hydrogen detector that realizes both high-speed detection and long service life. The technology is employed in the fuel cell vehicle MIRAI, released in December 2014.
Feb. 2015	Excellent Energy Management Promoter (Business) Japan Electric Association Hokuriku Branch Director's Award	Nitec Precision and Technologies, Inc. (NPT) Kaga Factory	Awards are presented by the Hokuriku Electricity Use Rationalization Committee, in cooperation with partner institutions and organizations, and similar committees in Toyama, Ishikawa, and Fukui prefectures, to individuals and businesses that have contributed greatly to the rationalization and efficient use of electricity and energy. NPT Kaga Factory received the award for its efforts and performance in energy management.
Dec. 2014	True Work-Life Balance Promoter Special Award, Kyoto City	Nissha Business Service Co., Ltd. (NBS)	NBS was recognized for its efforts to create an employee-friendly workplace and promote work-life balance, such as by encouraging employees to take days off for child nursing and establishing systems for child-rearing and family care support beyond statutory guidelines.
July 2014	Mie Blood Donor Award Mie Prefecture, Japanese Red Cross Society Mie Chapter and Mie Blood Center	Nitec Industries, Inc. (NII) Tsu Factory	NII Tsu Factory was recognized for its efforts to promote blood donation activities in-house on a continuous basis and its contribution to securing blood supply.

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

Subject Ares	ISO Standards			
	ISO9001	ISO/TS16949	ISO14001	ISO27001
Nissha Printing Co., Ltd. Headquarters	○ *1		○ *2	○
Nissha Printing Co., Ltd. Tokyo Division Headquarters	○ *1			○
Nissha Printing Co., Ltd. Osaka Division Headquarters	○ *1			○
Nitec Industries, Inc. Koka Factory	○		○	○
Nitec Industries, Inc. Tsu Factory	○		○	○
Nitec Precision and Technologies, Inc. Himeji Factory	○		○	○
Nitec Precision and Technologies, Inc. Kaga Factory	○		○	○
Nitec Precision and Technologies, Inc. Kyoto Factory	○			○
FIS Inc.	○		○	
Nitec Printing Co., Ltd. Yachiyo Factory	○		○	○
Nitec Printing Co., Ltd. Kyoto Factory	○			○
Nissha Business Service Co., Ltd.			○	
Eimo Technologies, Inc.	○	○		
PMX Technologies, S.A. de C.V.		○		
Guangzhou Nissha High Precision Plastics Co., Ltd.	○		○	
Nissha (Kunshan) Precision IMD Mold Co., Ltd.	○		○	
Southern Nissha Sdn. Bhd.	○		○	

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

*2. Only the management divisions have obtained certification.

United Nations Global Compact

On April 3, 2012, Nissha Printing Co., Ltd. joined the United Nations Global Compact.

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



The United Nations Global Compact's Ten Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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

Website: [United Nations Global Compact](https://www.unglobalcompact.org) <https://www.unglobalcompact.org>

Organizational Governance

Corporate Governance

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

Corporate Ethics and Compliance

With a new Corporate Ethics and Compliance Subcommittee, and managers and group leaders to conduct training in their respective divisions, we are making company-wide efforts to ensure thorough compliance.

Distribution of Added Value to Stakeholders

This section sums up our distributions of added value to stakeholders in fiscal year 2015.

Corporate Governance

Strengthening Corporate Governance toward Continuous Enhancement of Our Corporate Value

“We are committed to pursuing a mutually trustful Co-existence with society through our business activities utilizing a unique technology development, based on Printing as a core”—as stated in our corporate mission, we at Nissha believe that continuous enhancement of our corporate value comes from fulfilling our social responsibilities as a corporation and building a trustful relationship with our stakeholders. In line with this recognition, we position the strengthening of corporate governance as a key management priority and work to build and improve a structure for enhancing transparency and ensuring fairness in our business activities. We seek to achieve a structure that enables swift decision making amid changes in the business environment, and to reinforce internal controls in areas including management oversight functions, thorough compliance, and risk management.

Strengthening Corporate Governance



Appointment of Outside Directors for Increased Transparency

Nissha is a company with an audit and supervisory board comprising company auditors. Our governance structure is built upon a Board of Directors, an Audit & Supervisory Board, and corporate officers.

Our Board of Directors consists of seven members—a small group that facilitates a brisk, substantial exchange of views. The board holds regular meetings once a month and extraordinary meetings when necessary to receive reporting on the execution of business activities and make decisions regarding important matters. The president chairs the meetings. In addition to board meetings, for deliberations involving the direction of important matters we organize management meetings with members centering on the president and inside directors. Directors serve a term of office of one year, which allows for flexibility in responding to changes in the business environment and for increased transparency of management responsibilities each fiscal year.

Our seven-member Board of Directors includes three outside directors (ratio of outside directors: 42.9%), selected from figures with experience in business administration at other companies and researchers of corporate governance and business strategy. All of our outside directors participate actively in board meetings from an independent standpoint, offering objective, specialist advice and opinions regarding Nissha’s management activities overall, and contributing to enhanced transparency and reinforced management oversight by the Board of Directors. The three outside directors are elected as independent directors based on the judgment that they do not correspond with any item in the Tokyo Stock Exchange’s Guidelines Concerning Listed Company Compliance

III. 5. (3)-2, and therefore are fully independent and risk no conflict of interest with general shareholders.

Of the outside directors newly elected at the general meeting of shareholders in June 2014, one is Nissha's first female board member (ratio of female directors: 14.3%). We hope to turn diversity in the boardroom into an opportunity to promote diversity in the workplace and improve our vitality.

Adoption of the Corporate Officer System

We adopt a corporate officer system to segregate the Board of Directors' strategy-formulating and management oversight functions from the corporate officers' day-to-day business execution function. Corporate officers serve a term of office of one year. Six of our 18 corporate officers are hired from outside Nissha (ratio of mid-career hires: 33.3%) for a structure that promotes diversity and allows for flexibility in responding to changes in the business environment.

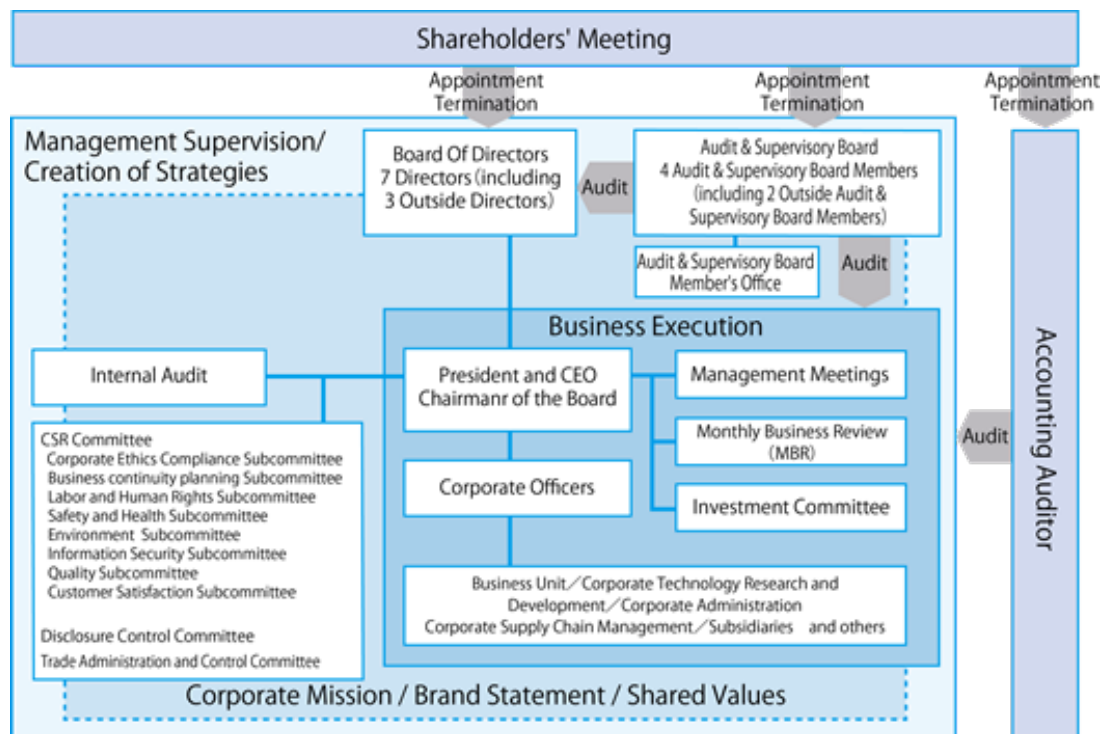
The corporate officers' business execution function is monitored through Monthly Business Review (MBR) meetings, organized to confirm the progress of plans, toward building a system for swiftly responding to changes in the business environment and ensuring that each business division is operating appropriately and efficiently.

Enhanced Auditing System

Our Audit & Supervisory Board consists of two inside corporate auditors (full-time) and two outside corporate auditors (part-time). The outside corporate auditors, selected from certified public accountants and lawyers, conduct audits drawing on advanced expertise toward maintaining and improving our governance structure. The two outside corporate auditors are elected as independent directors based on the judgment that they do not correspond with any item in the Tokyo Stock Exchange's Guidelines Concerning Listed Company Compliance III. 5. (3)-2, and therefore are fully independent and risk no conflict of interest with general shareholders.

The corporate auditors attend Board of Directors' meetings and other important meetings, examine requests for managerial decision and other important documents, visit Nissha's major offices and group companies for audit, and exchange views with the president, directors, and heads of business divisions on a regular basis in accordance with auditing policies and plans drawn up in line with standards determined by the Audit & Supervisory Board. In addition to collaborating closely through regular meetings with accounting auditors, the internal audit division, and the corporate division, the company auditors organize regular group-wide Audit & Supervisory Board meetings to enhance and strengthen audits of the Nissha Group overall. To ensure objectivity and effectiveness of audits, we have an Audit & Supervisory Board Members' Office staffed by employees dedicated to assisting the work of the corporate auditors.

Deloitte Touche Tohmatsu LLC is responsible for performing accounting audits appropriately and in adherence with the Companies Act and with the Financial Instruments and Exchange Act.



Remuneration for Directors and Corporate Auditors

Remuneration for directors and corporate auditors is set within the upper limit of total remuneration approved at the general meeting of shareholders (an annual maximum total of 430 million yen for directors and 50 million yen for corporate auditors).

Remuneration for directors consists of a basic compensation and bonus, the sums of which are determined in accordance with a policy established by the Board of Directors. Basic compensation is set according to the scope of the role and position of each director, and finally determined by president and CEO based on an evaluation of the contribution and performance of the director. Bonuses are determined by president and CEO and correspond to the degree of success in achieving performance targets based on business results (consolidated net sales, consolidated operating income to sales ratio, performance of the business the director is responsible for, etc.). A fixed sum is determined for outside directors, taking into account factors such as the business experience of each outside director.

Remuneration for corporate auditors is determined by negotiation with corporate auditors.

Title	Total remuneration (Million yen)	Remuneration by category (Million yen)		Number of board members
		Basic compensation	Bonuses	
Directors (excluding outside directors)	168	118	50	5
Audit & supervisory board members (excluding outside members)	21	21	-	3
Outside directors and outside supervisory board members	33	33	-	5

Total Remuneration and Number of Board Members (FY2015)

Internal Control System

With the objectives of ensuring effectiveness and efficiency of operations, reliability of reporting, and compliance, we are building an internal control system in line with the following Policy for Internal Control.

Policy for Internal Control

1. Systems necessary to ensure that the execution of duties by Directors, Members of the Board and employees complies with laws and regulations and the Company's articles of incorporation
- (i) The Company shall establish and enforce a Corporate Ethics and Code of Conduct based on

its corporate mission and Shared Values so as to comply with laws and social ethics from a global point of view.

(ii) The Company shall establish a Corporate Ethics and Compliance Subcommittee under Corporate Ethics and Compliance Rules 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, in order to appropriately address any compliance-related problems, "in-house reporting system" shall be established and operated, through which employees may provide information directly to the Company.

(iii) The Company shall elect multiple Outside Board Members to maintain and enhance the function of supervising the execution of duties by Directors, Members of the Board.

(iv) The Internal Audit Division, which is under the direct control of the President and Representative Director, shall analyze and evaluate the state of the establishment and operations of an Internal Control system, propose an improvement plan, and enrich the system.

(v) The Company shall not have any relationship with antisocial forces. The Company shall set a basic policy to counter antisocial forces and operate the policy in compliance with the Regulations regarding antisocial forces for responding to any unreasonable demands with a resolute attitude.

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

(i) The Company shall retain and manage information regarding execution of duties by Directors Members of the Board, including the minutes of the General Meetings of Shareholders, the minutes of the meetings of the Board of Directors and the requests for managerial decision, properly and with certainty pursuant to the laws and regulations and in-house regulations on information management, and the information shall be maintained in a condition which can be inspected.

(ii) The Company shall disclose important information on all Group companies 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

(i) The Company shall respond to the risk of managerial losses by organizing company-wide and cross-organizational subcommittees to manage the issues of corporate ethics and compliance, BCP, labor and human rights, safety and health, environment, information security, product quality, and improved customer satisfaction under the CSR Committee led by the President and CEO, Chairman of the Board as the acting Committee Chairman.

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

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

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

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

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

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

5. Systems necessary to ensure the proper operation of the business group consisting of the Company and its subsidiaries

(i) The Affiliated Company Management Regulations shall be formulated to set basic administration policy for all Group companies.

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

(iii) The corporate division shall manage the proper execution of operations at all Group companies and lead and counsel them, as necessary.

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

(v) In order to construct a framework to promote corporate ethics and compliance, managers and personnel in charge of such promotion shall be appointed in each division of each Group company. Corporate Ethics and Code of Conduct shall be prepared in the languages of major countries and made known to all Directors, Members of the Board, Audit & Supervisory Board Members, Corporate Officers and employees globally through training programs.

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

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

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

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

Directors, Members of the Board and employees shall quickly report to the Audit & Supervisory Board items that have a serious influence on all Group companies, the status of risk management, the results of internal audit, the status of internal reports and the details of such reports, etc. The Audit & Supervisory Board Members shall request the Directors, Members of the Board and employees to report the same as necessary.

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

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

(ii) The Audit & Supervisory Board Members shall attend not only the meetings of the Board of Directors, but also other important meetings (MBR: Monthly Business Review, etc.), and express their opinions as necessary. In addition, they shall also examine the requests for managerial decision and other important documents.

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

As can be seen, on top of building an internal control system and striving to enhance our corporate value, we submit assessment results in the form of internal control reports to the Prime Minister of Japan, and disclose the contents to our shareholders and investors.

We have in place a Disclosure Control Committee to ensure that information about all Nissha Group companies is disclosed promptly and in a timely manner in accordance with related laws and ordinances, and moreover that disclosure occurs swiftly, accurately, fairly, and on a continuous basis. The committee secretariat is responsible for compiling internal information, and the committee for deliberating on and determining whether that information requires timely disclosure. When disclosure is deemed necessary, the information is disclosed swiftly with approval from the Board of Directors. As an organization under the direct control of the president, the internal audit division is responsible for analyzing and assessing the status of preparation and operation of the internal control system, and for offering suggestions for improvement toward maintaining and enhancing order.

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.

In fiscal year 2015, we established a Risk Management Subcommittee, headed by the Executive Vice President in charge of administration, within the Management System Committee. Having defined risks that require addressing as “any thing or situation that hinders Nissha’s implementation of the corporate mission,” the subcommittee works to ferret out all conceivable risks associated with business processes—including those related to disasters, accidents, and compliance—and devise countermeasures for them. The Risk Management Subcommittee meets twice a year to narrow down the selection of particularly significant risks to eight items, and strives to counter those risks and make continuous improvements. Our cross-organizational committee, subcommittee, and superintending divisions play a pertinent role in reducing and coping with evident risks related to compliance, insider trading, product quality, the environment, information security, safety and health, and trade management.

In the area of crisis management, we have in place a set of Emergency Response Regulations stipulating that we set up a group-wide response task force headed by the president and CEO in the event of a serious interruption of business due to emergency over a certain level, such as a large earthquake or new global influenza epidemic. Furthermore, in fiscal year 2015, we promoted activities to enhance employee awareness about the general rules for action and response in an earthquake, such as stockpiling supplies at major bases in Japan, distributing “survival cards” listing information about what to expect and do should an earthquake strike to all officers and employees of the Nissha Group in Japan, and conducting emergency drills.

For the purpose of ensuring business continuity and maximum service to our customers, securing the safety of our employees and their families, and contributing to the restoration of communities and of society at large, we conduct desktop simulation exercises aimed at identifying risks and reviewing our business continuity plan (BCP) and related codes.

In fiscal year 2016, we established a CSR Committee chaired by the president that promotes risk management to counter or avoid risks that may have a significant impact on our business activities, and to be fully prepared in the event an emergency does occur.

Initiatives of Internal Audit

Internal Audit, to maintain impartiality and objectivity in its functions, serves as an independent corporate staff organization 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 corporate auditors every three months to establish mutual cooperation with the Audit &

Supervisory Board.

Audits in fiscal year 2015 focused on governance, compliance, and work processes at overseas bases and at consolidated subsidiaries in Japan. Internal Audit, as a third party, also performed an independent assessment of financial reporting-related internal controls in response to the internal control reporting system prescribed by the Financial Instruments and Exchange Act.

ESG Study Session by Outside Lecturer for Executives

On March 16, 2014, we organized a study session on environmental, social, and governance (ESG) led by an outside instructor for executives and strategy divisions.

We invited as instructor Mr. Masaru Arai,* chair of the non-profit organization Japan Sustainable Investment Forum (JSIF), to provide a lecture titled “Disclosure required by institutional investors and management of the future,” followed by a question and answer session. Participants from Nissha included the president and CEO, the chief financial officer (CFO), and managers of strategy divisions including Corporate Strategy Planning. Against a backdrop of the rapid expansion of ESG investing of late and the introduction of Japan’s Stewardship Code and Corporate Governance Code, a lively discussion took place regarding disclosure expected of companies and ideas toward the enhancement of corporate value from a long-term perspective.



* Mr. Masaru Arai

Chairman, JSIF (Japan Sustainable Investment Forum)

CEO, Corporate Value Research Institute

Member, Advisory Committee, Criteria Sub-committee (only member from Asia), FTSE ESG Advisory Committee

Member, CDP Japan Advisory Group

Member, the Independent Committee, Eco-stage Institute Japan

Elected Director, PRI Association Board (UN Principles for Responsible Investment) in June 2015

Corporate Ethics and Compliance

Guideline of the Corporate Ethics and Compliance

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

Guideline of the Corporate Ethics and Compliance

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

13 important points

Relationship with Customer and Supplier

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

Relationship with Shareholder

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

Relationship with Society

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

Relationship with Employee

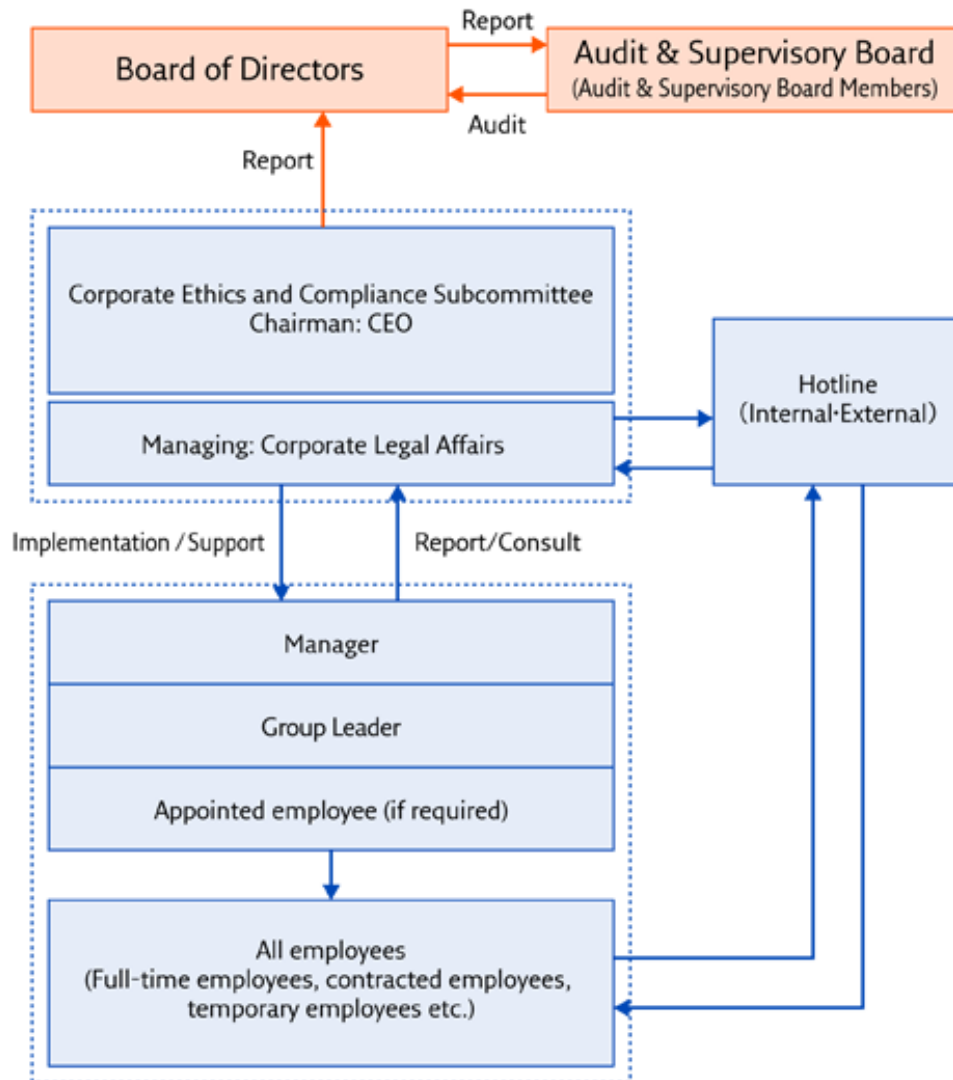
12. Respect of Human Rights
13. Safe, Healthy and Comfortable Workplace

Promotion Structure and Initiatives

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

specific cases, and even take on the role of consultant in their workplace. We designate every October as corporate ethics and compliance month, during which we offer group-wide training. In fiscal year 2015, the managers and group leaders led training sessions on two major themes—respect for human rights and appropriate handling of information—based on training material. In conjunction with the training sessions, we carry out a test on the 13 important points as well as a questionnaire on the Nissha Group's awareness of compliance. For the prevention of insider trading, we cover regulations against insider trading in our regular training programs in addition to educating employees through quarterly publications on the Nissha intranet. To promote free and fair transactions, we work to enhance employee awareness of our manual on the promotion of appropriate transactions as well as our code on exchanging information with competitors.

Corporate Ethics and Compliance Structure



Distribution of Added Value to Stakeholders

Our fiscal year 2015 distribution of added value to stakeholders is given in the table below.

Distribution to shareholders increased due to a resumption of dividends. That to employees also increased due to additions of consolidated subsidiaries. Increases in the amount of taxes paid and in internal reserves had an impact on distribution to government agencies and the company.

Distribution of Added Value to Stakeholders

Stakeholders	Amount (million yen)	Description	Remarks
Shareholders	429	Dividends	Figures published in financial results
Employees	5,923	Sum of expenses for salaries, wages, bonuses, and retirement benefits	Calculated by Corporate Social Responsibility, using results of the year ended March 31, 2015 (excluding personnel expenses included in manufacturing costs)
Creditors (financial institutions)	101	Interests	Figures published in financial results
Government agencies (national, local)	1,293	Sum of taxes paid including corporation tax, inhabitant tax, and enterprise tax	Figures published in financial results
Society	19	Money and in-kind donations, provision of facilities, and employees' volunteering services converted into monetary value (using methods established by Nippon Keidanren)	Calculated by Corporate Communications
Company (internal reserves)	10,816	Amount of increase in surpluses	Figures published in financial results

Human Rights

Basic Policy on Labor and Human Rights

We define Nissha's principles on labor and human rights in a basic policy toward realizing our corporate mission of pursuing a "mutually trustful co-existence with society." The policy is translated from Japanese into the English, Chinese, Korean, and Malay languages for group-wide distribution.

Basic Policy on Labor and Human Rights

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

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

June 16, 2014

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

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

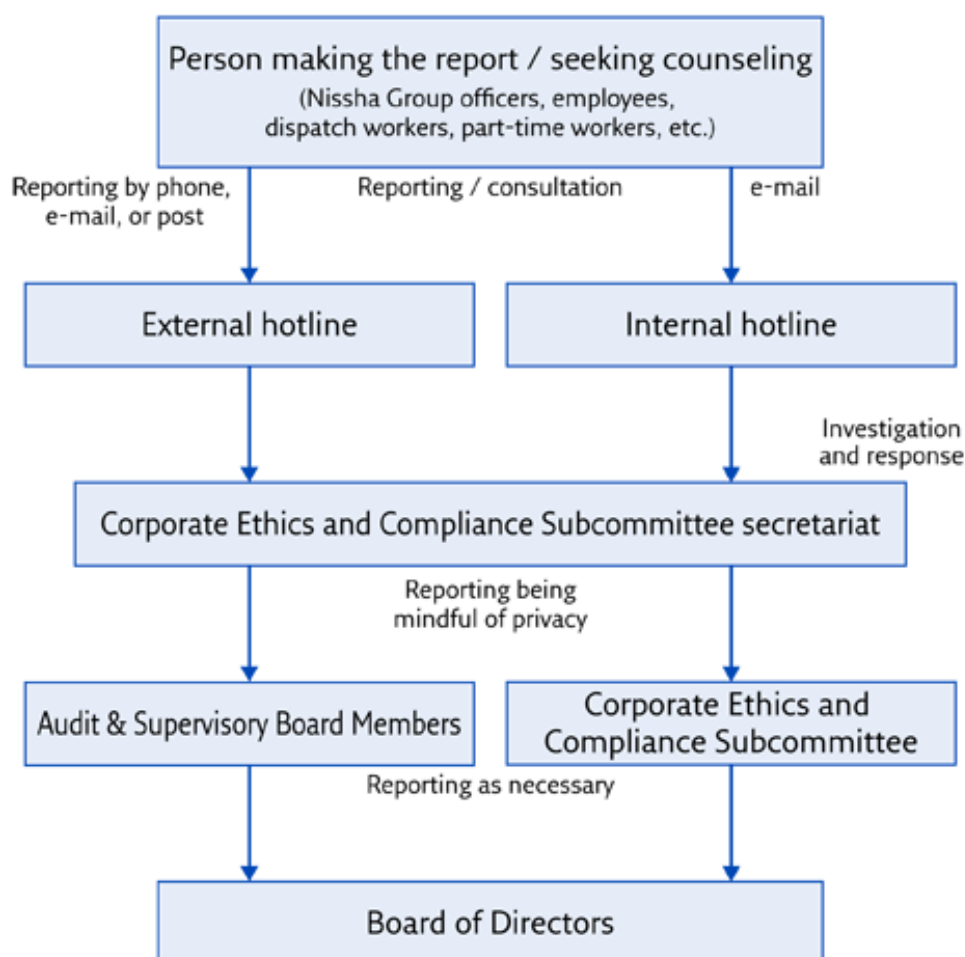
Hotline

To minimize risks and promote ethical conduct and compliance, as well as to enable the company to immediately verify facts, we have in place a system for internal reporting in the event of fraud, illegal activity, or unethical conduct by either an organization or an individual employee. The hotline, a dedicated telephone line, enables reporting from within the company and from outside (through a lawyer's office). Our Internal Reporting Code protects informers from any unfavorable treatment by either the company or other employees on account of their reporting. We also accept anonymous reports.

In fiscal year 2015, the hotline was used five times. The reports concerned mainly labor management. We are working to enhance employee awareness of this hotline through the Corporate Ethics and Code of Conduct Manual, as well as through the Nissha intranet and training, in order to further reinforce corporate ethics and compliance.

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.

Hotline Organizational Chart



Relationship with Labor Union

Nissha Printing Co., Ltd. has a solid relationship with the Nissha Labor Union,*1 joined by employees excluding managerial staff. It holds regular negotiations and discussions with the labor union, holding Management Council meetings every month to negotiate and discuss employees' labor conditions and to 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 labor union on a daily basis with the aim of reaching an agreement satisfactory to both.

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.

The Nitec Industries Labor Union,*2 organized at affiliated company Nitec Industries, Inc. (NII) holds negotiations and discussions about employees’ labor conditions. And 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 2015, the Nissha Group had no report either of a strike or lockout or of a situation that infringed on our employees’ freedom of association. We will continue to respect the mutual positions of both company and union, and build a sound relationship between labor and management.

*1 As of the end of March 2015, the Nissha Labor Union has a membership of 913.

*2 As of the end of March 2015, the Nitec Industries Labor Union has a membership of 476.

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.” We adhere to international norms and laws on human rights and labor standards, and strive for continuous improvement. In fiscal year 2015, we embarked to build management systems in the areas of labor and human rights toward preparing a structure for complying with the global template provided by the Electronic Industry Citizenship Coalition (EICC). A risk assessment concerning labor and human rights identified the possibility that Nitec Precision and Technologies, Inc. (NPT), which has no labor union, risks not selecting workplace representatives through democratic election. In response, NPT established a Workplace Improvement Committee as a forum for regular dialogue between workplace representatives selected through democratic election and management on improving the workplace environment and welfare benefits. We have also started to conduct CSR audits of suppliers, evaluating similar cases as noncompliant and calling for rectification.

The Fifth Medium-term Business Plan launched in fiscal year 2016 promotes the establishment of a structure in compliance with the EICC template at all Nissha Group bases, including those overseas, and at major suppliers. We are striving to reduce CSR risks also in the areas of freedom of association and collective bargaining through the operation of management systems in line with our basic policy.

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, 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.

Labor Practices

Human Resources Development

We believe that our employees are our most important management resource. We promote comprehensive education with the aim of achieving growth for both the Company and our employees.

Respect for Diversity

One of our Shared Values is Diverse Capabilities. To enhance our strengths as a company, we aim to create workplaces in which all employees can perform to their full potential.

Support for Diverse Work Styles

We support diverse work styles to help our employees to achieve work-life balance, and promote the creation of even more comfortable and motivating workplaces.

Safety and Health

We operate a Safety and Health Management System to standardize and enhance the level of initiatives throughout the Nissha Group. We also work to prevent lifestyle diseases and support the mental health of our employees.

Human Resources Development

Human Resources Development Policy

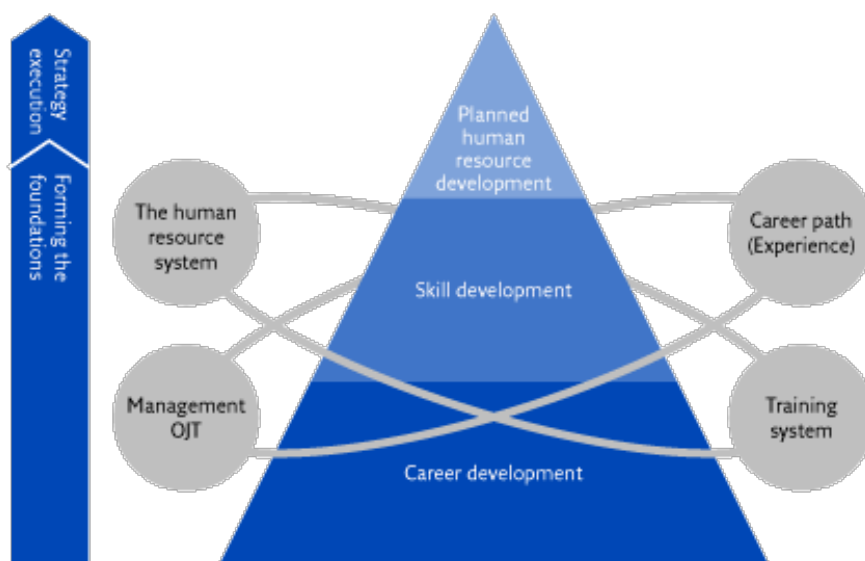
We implement a planned development of human resources needed for the company to grow and actively support our employees in the voluntary development of their skills with the aim of achieving growth for both the company and our employees.

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

Approach to Human Resources Development

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

Human Resources Development Model



Planned human resource development

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

Skill development

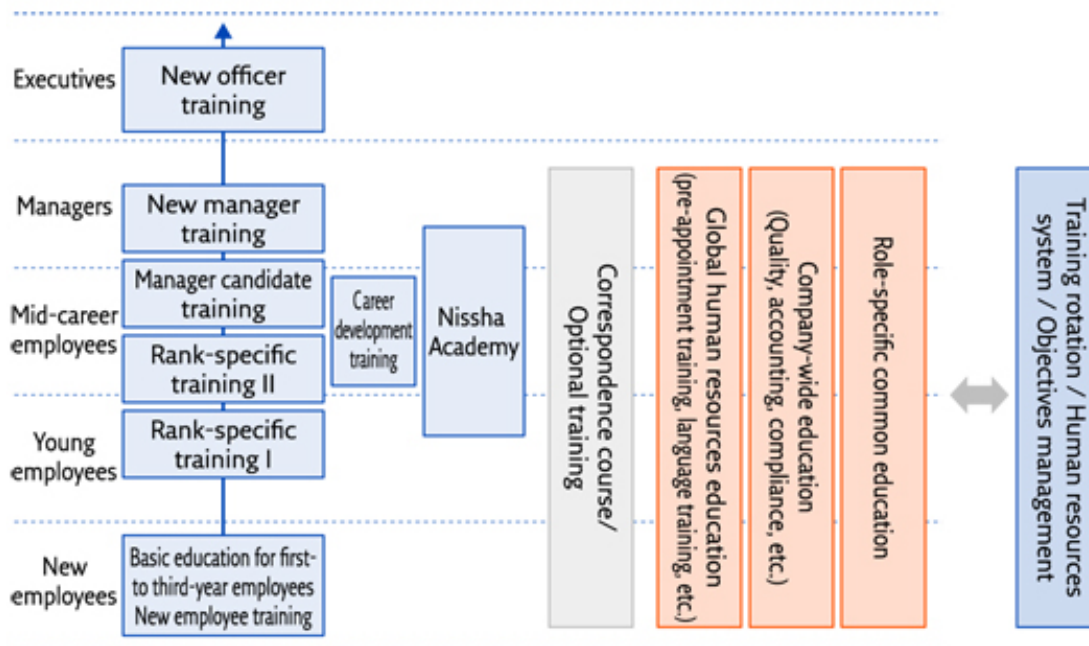
Individual employees voluntarily develop their skills and increase their market value.

→The company supports this and thereby enhances the quality of its human resources.

Career development

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

Training System Model



Education programs

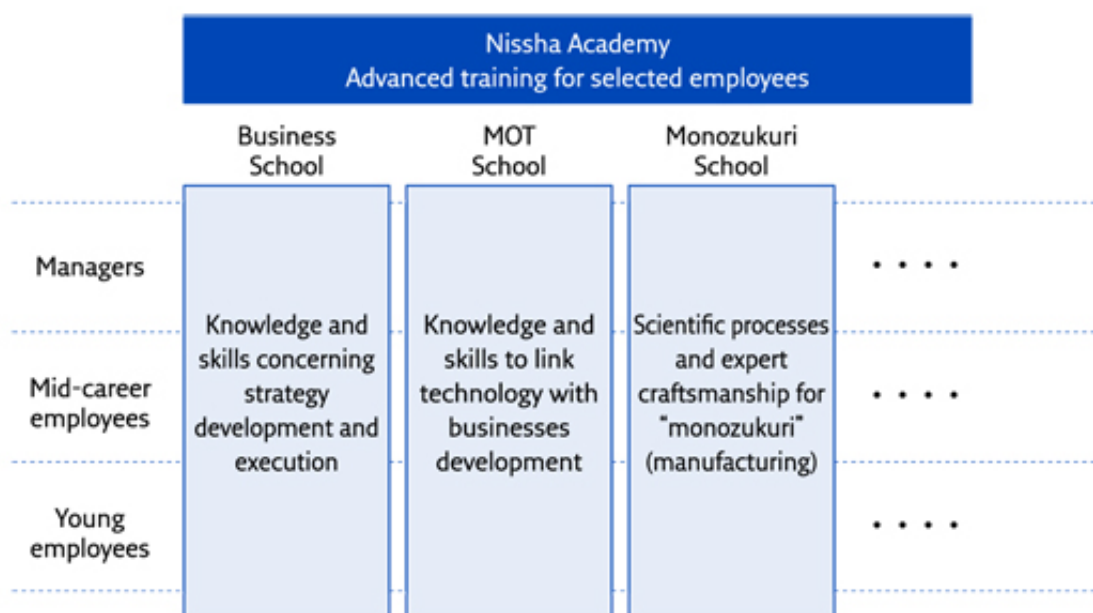
Area	Training
Planned human resource development	Nissha Academy (selective training for next-generation management candidates), rank-specific training, manager training, overseas appointee training, etc.
Skill development	Theme-specific training (leadership, problem-solving skills), foreign language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

Enhancement of Selective Human Resource Development

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

Nissha Academy has opened a Business School, which provides knowledge and skills in the proposal and execution of management strategies including accounting, finance, marketing, and human resources; and a Management of Technology (MOT) School, which aims to foster leaders capable of linking technology with management to create new businesses. Graduates of each school are given opportunities to practice what they have learned through involvement in projects and the drafting of medium-term business plans, for a consistent human resource development

program that integrates all three areas of planned human resource development, skill development, and career development. Nissha Academy plans to establish a variety of courses in future, such as for learning the scientific processes of “monozukuri” (manufacturing).



Company-wide Basic Education

While providing advanced, specialized selective education at Nissha Academy, we are also focusing on basic education in business skills for all employees. From fiscal year 2013 onward, in particular, we conduct company-wide training in accounting and cost on a continuous basis. The aim of the program is to have employees gain an understanding of the numerical figures associated with our business activities, and perform their job always with an awareness of how their work reflects in these figures. Starting in fiscal year 2015, we also offer basic education in quality control and improvement not only to relevant employees, as in the past, but also to young and mid-career employees throughout the company.

Training Programs in Fiscal Year 2015

In fiscal year 2015, corporate divisions organized a total of 24 training programs undertaken by 1,057 employees (822 men and 235 women). By area, skill development, centering on programs that call for voluntary participation, and career development, targeting primarily young employees, had a significant percentage of female participants. Planned human resource development, consisting of Nissha academy, manager training, and rank-specific training, had a high percentage of male participants. We expect the number of female participants to grow further, however, due to an anticipated increase in high-ranking females as a result of efforts to promote expanding women's participation in business, as well as through career development training programs in the planning for women employees.

Training program participants (full-times employees by gender)

Area	Male	Female	Total
Planned human resource development	175	13	188
Skill development	143	30	173
Career development	74	46	120
Others (quality training)	430	146	576
Total	822	235	1,057

* Numbers for skill development exclude participants in in-house TOEIC testing and correspondence courses

Training hours per participant (full-time employees by gender, unit: hour)

Area	Male	Female	Total
Planned human resource development	2.5	1.0	2.2
Skill development	2.9	2.5	2.8
Career development	1.6	6.4	2.4
Others (quality training)	0.4	0.7	0.5
Total	7.4	10.6	8.0

* Numbers for each area are calculated by dividing total training hours by gender by the number of full-time male and female employees

* Hours for skill development exclude participants in in-house TOEIC testing and correspondence courses

Respect for Diversity

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

Composition of "Nissha People"

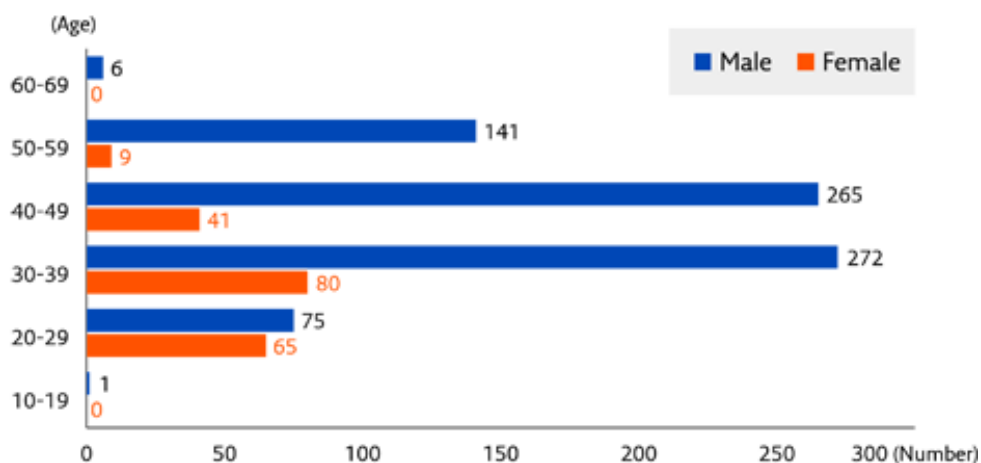
The diversity of the Nissha Group shows in our employee composition in terms of gender, age, and employment status. More than one-fourth of our employees work at Nissha Group companies outside Japan. Locally hired employees are appointed to upper management positions at overseas bases. The CEOs of three companies in North America are served by local hires (as of the end of March, 2015).

Composition of Nissha People

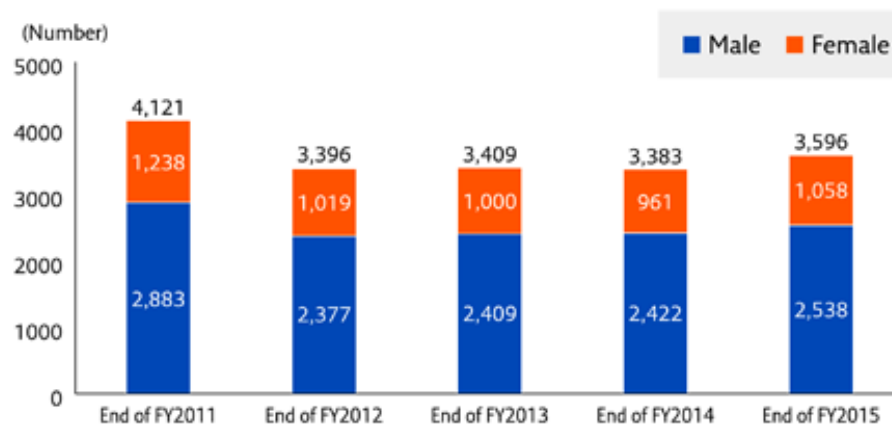
Fiscal year	Gender	Directors	Corporate officers	Nissha fellows	Managerial staff	Employees (total)	Average age	Average years of employment
End of FY2011	Male	9	15	1	195	845	38.3	13.1
	Female	0	0	0	6	214	31.5	6.7
End of FY2012	Male	6	16	1	181	781	38.5	13.4
	Female	0	0	0	6	202	31.7	7.5
End of FY2013	Male	7	14	1	177	666	39.8	14.8
	Female	0	0	0	6	195	32.9	8.7
End of FY2014	Male	7	13	1	182	662	40.9	15.3
	Female	0	0	0	6	175	33.9	9.4
End of FY2015	Male	6	13	1	204	760	41.4	15.2
	Female	1	0	0	7	195	34.7	9.3

*Directors include outside directors.

Composition by age (Nissha Printing Co., Ltd., as of the end of March, 2015)



Number of Nissha Group Employees

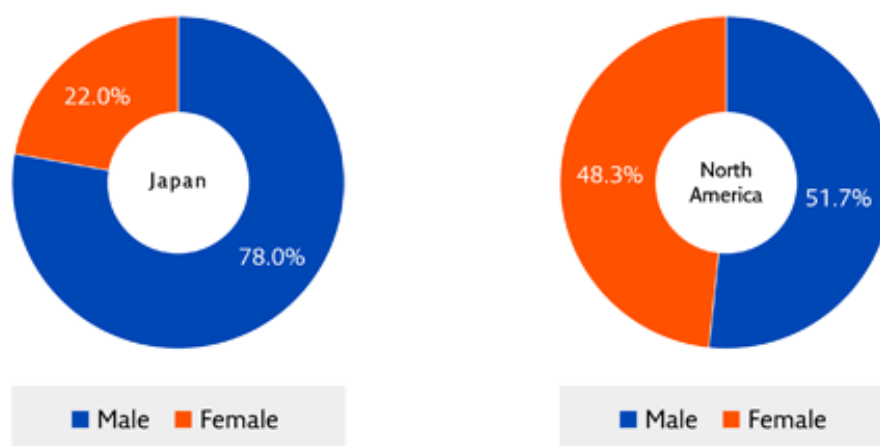


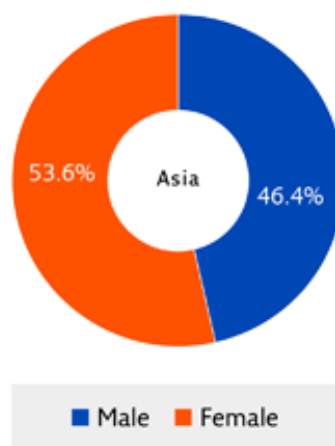
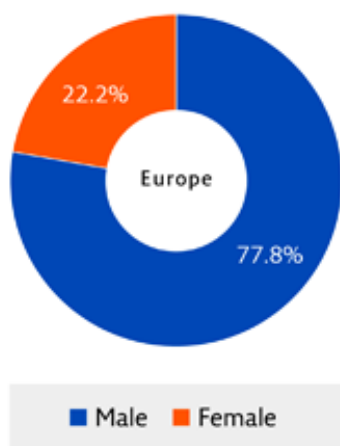
*Figures exclude temporary employees.

Composition by region (Nissha Group, as of the end of March, 2015)



Gender ratio by region

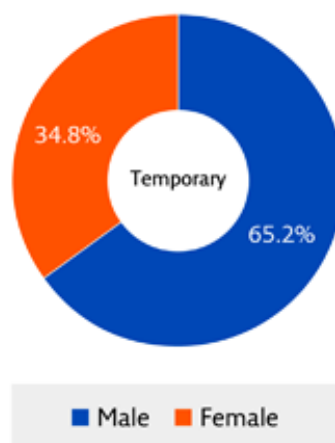
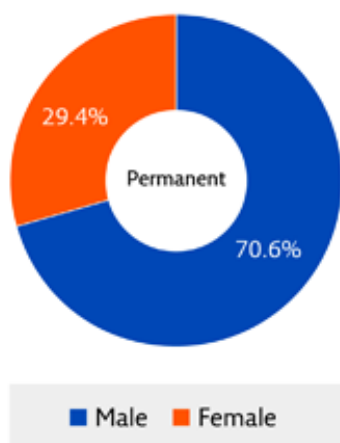




Composition by employment status (Nissha Group, as of the end of March, 2015)

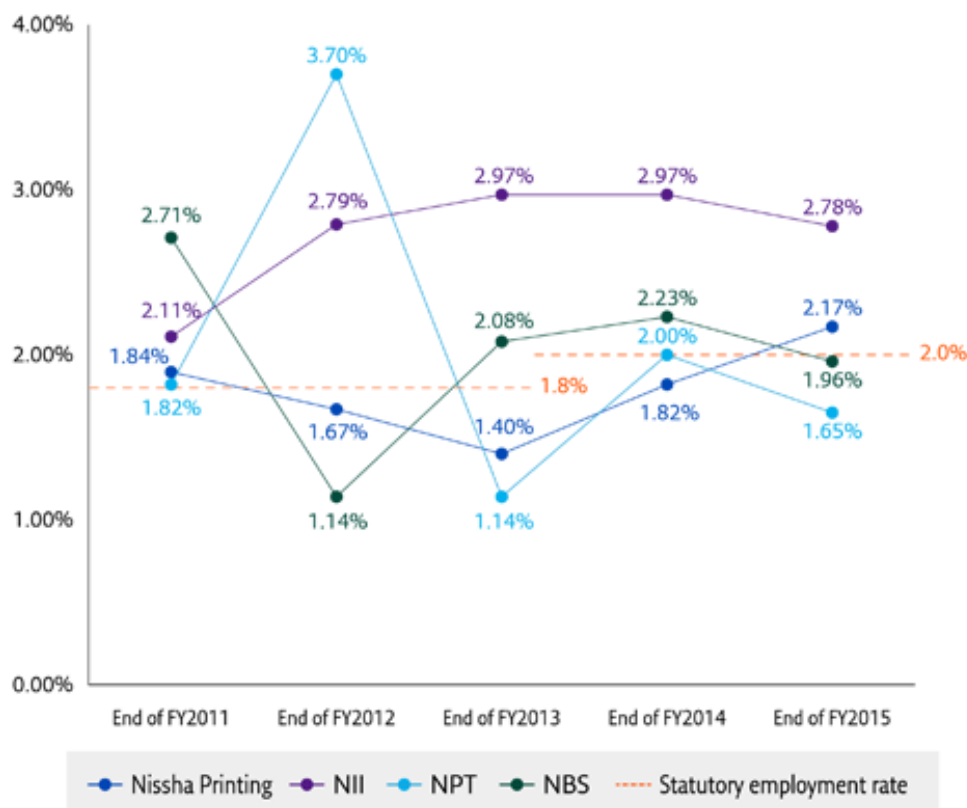


Gender ratio by employment status



Percentage of People with Disabilities Employed at Major Group Companies

The Nissha Group periodically interviews employees with disabilities and promotes their long-term employment. We work to create jobs by preparing workplace environments for and spreading understanding about the employment of people with disabilities. In fiscal year 2015, Nissha Printing Co., Ltd., with the largest number of employees, employed more people with disabilities than the statutory rate of 2.0%.



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

Expansion of Women's Participation in Business

In July 2014, we launched a project team led by Human Resources for expanding women's participation in business. As a first step, we sought to understand how women employees felt about working in the Nissha Group. We interviewed 134 women—about 30% of all women employees—at our headquarters and bases in Japan.

Many were of the view that they “got along well with their co-workers thanks to a comfortable workplace” and that Nissha provided a “broad range of systems for child-rearing support that are easy to use.” As much as 80% of our women employees felt “the Nissha Group is a good place to work” or that they “wish to continue working at Nissha.”

In response to questions concerning the will to take on managerial roles, however, many women were under the impression that “management seems like too large a responsibility” and they would “rather be a player than a manager.” Only 13% of our women employees “want to be a manager,” bringing to light the need to foster recognition and understanding of the role and work of management, and the challenge of a lack of role models.

The interviews also drew out requests unique to women for improving the workplace environment. Some views have led to actual changes at production facilities. We feel that expanding women's participation in different types of workplace requires a mechanism for translating the voices of women into practice in real life.

To expand women's participation in business, it is important to realize work-life balance for both women and men. Acting on this belief, in October 2014 we created a Work-Life Balance Support Guidebook and distributed it to all employees of the Nissha Group in Japan. In April 2015 we



Interview women employees

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

The Labor and Human Rights Subcommittee, launched within the CSR Committee in April 2015, has set key performance indicators (KPI) for the key topic of expansion of women's participation in business. We hope to continue in our efforts toward realizing the Diverse Capabilities cited in our Shared Values.



[NISSHINE on intranet](#)

Support for Diverse Work Styles

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

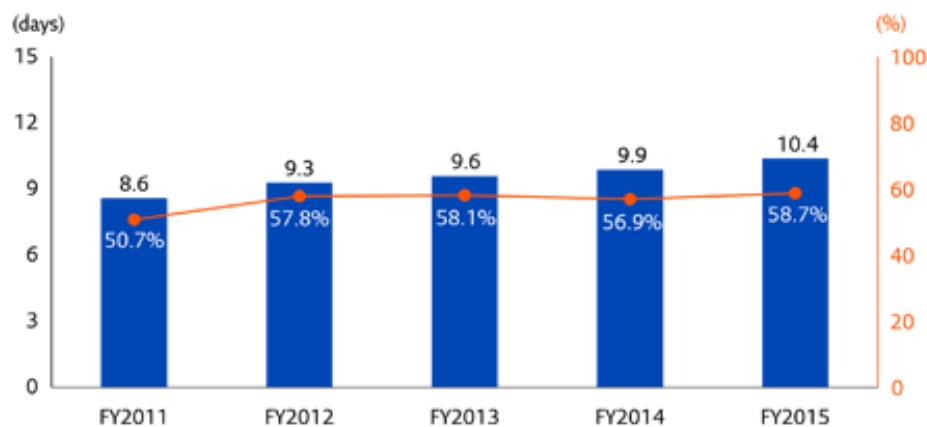
Introduction of Flexible Work Hours

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

Promotion of the Use of Paid Leave

To promote the use of paid leave, we encourage employees to take two days each under our summer and winter vacation planning systems, and offer a further two days in which employees may request to take paid leave on their birthday, that of a family member, or their wedding anniversary. As a result of ongoing efforts, the average paid leave taken in fiscal year 2015 exceeded 10 days. We plan to continue aiming for improvements in the percentage of paid leave used.

Average days and percentage of annual paid leave used



Reduction of Overtime Work

We are promoting a reduction of overtime work with the aim of encouraging employees to improve their work process and the way they manage their time, and thereby achieve work-life balance. Each month, departments that had a large amount of overtime work are questioned as to the causes, future outlook, and physical condition of employees. The findings are reported to management and the labor union, and furthermore reflected in personnel assignment decisions. In fiscal year 2015, the amount of overtime work decreased by 5.9% compared to the previous year, for a continuous year-on-year reduction of overtime work.

In an aim to comply with the global template provided by the Electronic Industry Citizenship Coalition (EICC), Nitec Precision and Technologies, Inc. (NPT) operates a unique alert system to meet the requirement "Total hours worked should never exceed local or national standards, or 60

hours per week, whichever is stricter.” The system takes a count of work hours in midweek, alerts the superior of any employee at risk of exceeding the standards, and prompts rigorous management of work hours during the remainder of the week.

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. Major support systems offered by Nissha are given below. 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, some of our efforts in child-rearing support exceed statutory guidelines.

Major child-rearing support systems

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

Major family care support systems

Support system	Nissha Group in Japan	Statutory coverage
Family care leave	Total 240 working days	Total 93 days
Shorter hours for family care*	Total 480 working days 3 hours per day	Total 93 days
Days off for family care	1 family member: 5 days 2 or more family members: 10 days Paid	1 family member: 5 days 2 or more family members: 10 days Either paid or unpaid

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

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

Distribution of Work-Life Balance Support Guidebook

To support our employees in achieving work-life balance, we created a Work-Life Balance Support Guidebook containing information on both in-house and outside systems for child-rearing and family care, and distributed it to all employees in October 2014. The contents are also published on the Nissha intranet since April 2015.



Kurumin Certification

In 2013, we received “Kurumin” certification for the second consecutive term, following 2009.

* 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.

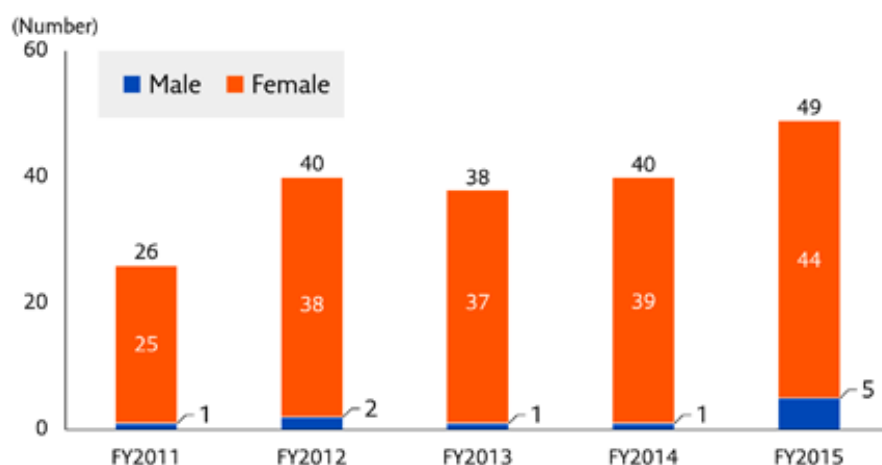


Kurumin Logo

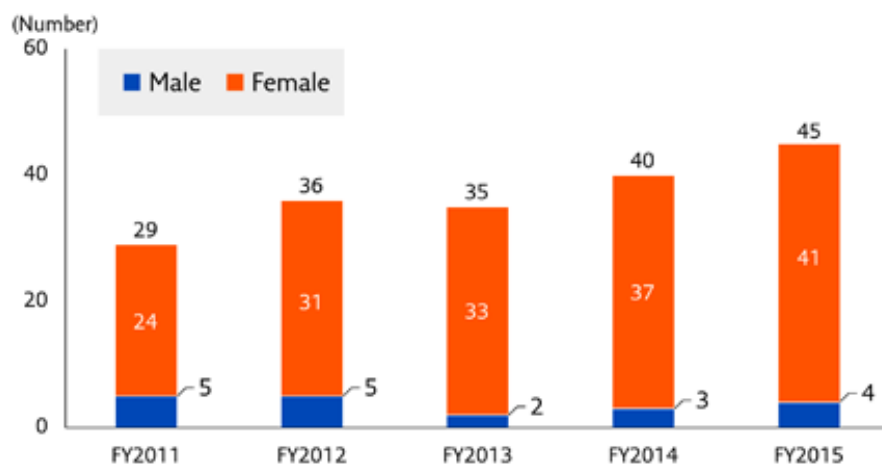
Status of Major Long-term Leave and Time Taken Off from Work (Nissha Group in Japan)

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

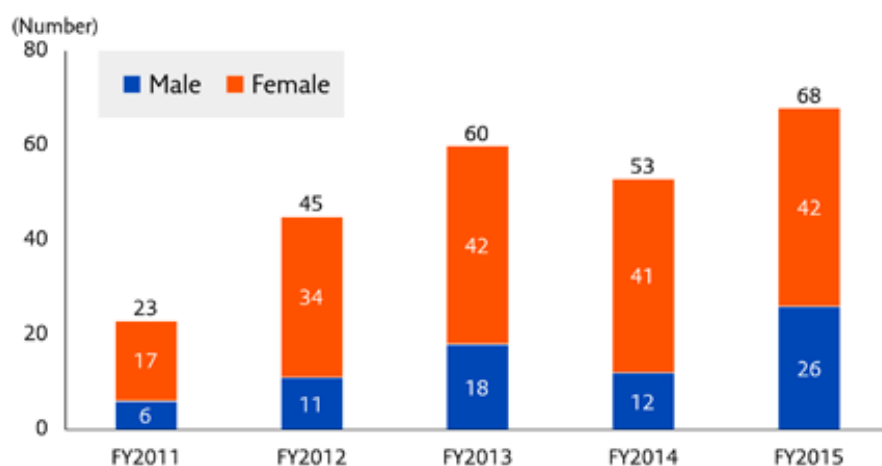
Number of employees who used child-rearing leave



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

Retention rate after child-rearing leave (1 year): Male 100%, Female 71%

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 (Nissha Group in Japan)

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

Support system	Gender	FY2011	FY2012	FY2013	FY2014	FY2015
Family care leave	Male	2	1	0	0	0
	Female	0	0	0	0	0
Shorter hours for family care	Male	0	0	0	0	0
	Female	0	0	1	0	1
Days off for family care	Male	0	0	0	4	1
	Female	0	2	2	2	2

Support for Reinstatement after Long-term Leave

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

Work at Home System

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

Outpatient Sick Leave System

In fiscal year 2016, we will introduce an outpatient sick leave system with the aim of supporting employees who require long-term outpatient treatment to continue working. The system will enable employees with specified disorders to take 10 days off per year for treatment.

Internal Job Posting System

The Nissha Group introduced an internal job posting system in fiscal year 2012 with the aim of providing employees with the opportunity to choose their own career path as well as appoint employees to positions that reflect their aptitude and thereby enhance our organizational strength. The company posts specific job openings internally, employees who meet the criteria apply for the job of their own will, and those who pass the screening are transferred to the relevant post. Employees who have transferred through the system are playing an active role in their new division.

		FY2012	FY2013	FY2014	FY2015
Number of job posting		21	7	33	27
Successful applicants (transferees)	Male	3	6	3	3
	Female	2	4	2	3

Awarding system

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

From fiscal year 2013 to fiscal year 2015, as many as 416 employees received the most prestigious President's Award, 124 employees the Top-Line Award recognizing contributors to sales expansion, and 338 employees the Nissha People Award celebrating workplace stars who epitomize our Shared Values and Code of Conduct. The awards are presented globally across the Nissha Group, with recipients including employees at overseas bases.

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

Safety and Health

Occupational Safety and Health Policy / Safety and Health Objectives

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

Occupational Safety and Health Policy

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

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

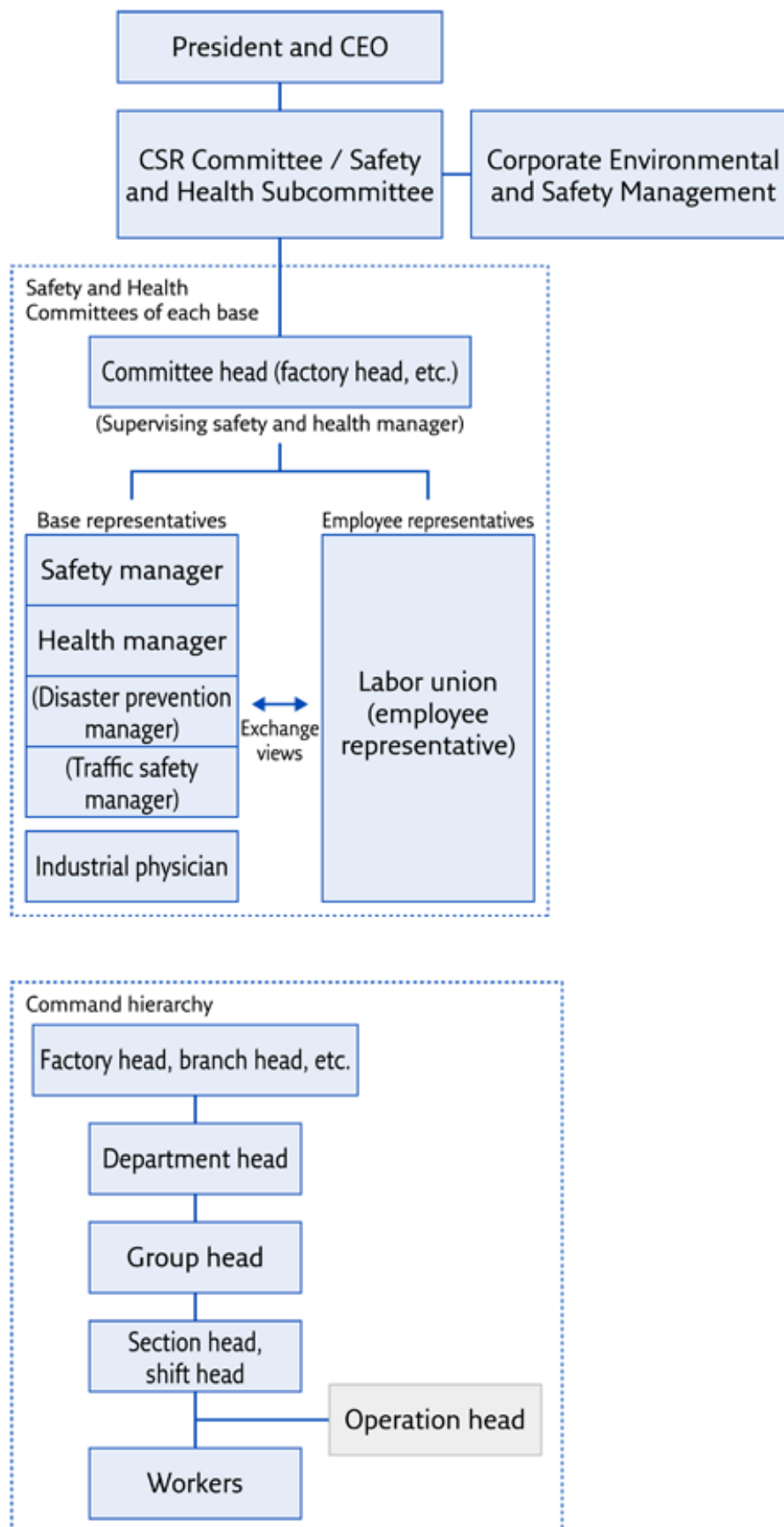
This policy will be distributed widely to all people in the Nissha Group as well as released to the general public.

Safety and Health Subcommittee / Safety and Health Management System

Toward further enhancing our safety and health management level, we drew up a Safety and Health Management Manual in January 2015. Each base is conducting activities, applying the plan-do-check-act (PDCA) cycle.

The former Safety and Health Section of the Management System Committee, responsible for the safety and health activities of the Nissha Group, was reorganized in fiscal year 2016 as the Safety and Health Subcommittee of the CSR Committee. The new organization reviews whether our management system is functioning effectively, oversees the Safety and Health Committees operated by each base, and works to standardize and upgrade initiatives throughout the Nissha Group.

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



Reduction of Workplace Risks—Risk Assessment

We continue in our efforts to conduct point-based evaluations of the dangers and harms that production equipment and chemical substances used in the workplace may have on workers, and to take measures starting with the highest risks. Based on the results of risk assessment, we work

to identify the remaining risks and reflect them in our management efforts. We have also organized a set of standards and launched an initiative to assess the risks of chemical exposure ahead of mandatory requirements being introduced in 2016.

Safety Patrols

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

Occurrence of Work-related Accidents

In fiscal year 2015, both the frequency and the severity of work-related accidents increased due to a rise over the previous year in injuries or casualties resulting in four or more days of leave. Starting with this CSR Report 2015, we present a breakdown by region (Japan and Asia) and by gender for the number of work-related accidents only.

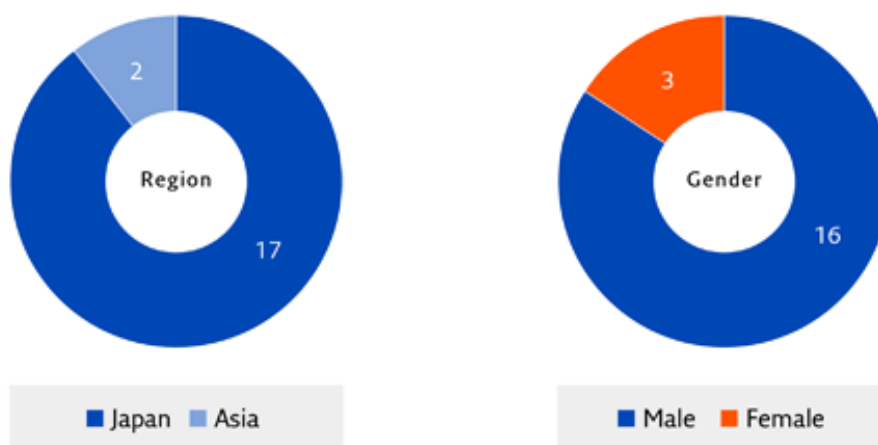
Occurrence of Work-related Accidents (Nissha Group in Japan)

Item	FY2011	FY2012	FY2013	FY2014	FY2015
Number of work-related accidents	20	23	21	16	17
Frequency of work-related accidents ^{*1}	0.41	0.16	1.15	0.00	0.77
Severity of work-related accidents ^{*2}	0.03	0.03	0.06	0.00	0.04
Number of working days lost	299	248	434	16	284

*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.

Number of Work-related Accidents (Nissha Group in Japan and Asia, by region and by gender)



*Work-related accidents at production bases in North America are measured by different standards, and therefore statistical data are incomplete at the time of this publishing. We plan to include the data in CSR Report 2016 and beyond.

Safety and Health Education and Training

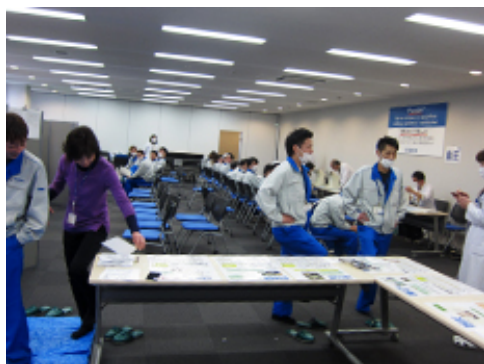
We provide education and training required in workplaces based on our Safety and Health

Education and Management Regulations. In fiscal year 2015, to respond to the concentration of work-related accidents in employees with limited on-site experience, we conducted training for supervisors in the basics of worker guidance as well as practical training in procedures for assessing the dangers and risks of chemical substances.



Safety and health training

Prevention of Lifestyle Diseases



Event for gauging health

We are carrying on with our efforts in exercise, diet, and smoking cessation as countermeasures for metabolic syndrome with the aim of preventing lifestyle diseases. In fiscal year 2015, we promoted exercise, and provided opportunities to learn about the benefits of exercise and specific exercise routines. In addition to health courses by industrial physicians and health lectures by outside instructors, we organized an original event for gauging health. Employees measured their grip strength, abdominal muscle strength, flexibility, sense of balance, reflex,

body fat, and girth, and received individual consultations using a fitness support leaflet. Learning the age of their physical strength through the measurement results proved to be a good opportunity to develop awareness about exercising on a regular basis. For promoting smoking cessation, we continue to organize Smokerlyzer events to measure the level of carbon monoxide in smokers' breath.

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

Mental Health Support

We launched efforts to provide mental health education in fiscal year 2010, and as part of our mental health checkup offering, introduced surveys on coping with work-related stress in fiscal year 2013. The survey results have been useful in self-care by helping employees identify and cope with their own stress. In future, we plan to use the survey results also in our organizational approach to improving workplace environments and promoting comfortable workplaces. As a first step in this initiative, in fiscal year 2015, we provided line care education about supporting the process of improving workplace environments for mental health.

- Line care education in improving workplace environments

As for support on a personal level, we have an outside web counseling service through which a specialized counselor offers mental health advice online. In fiscal year 2015, the service was used nine times.

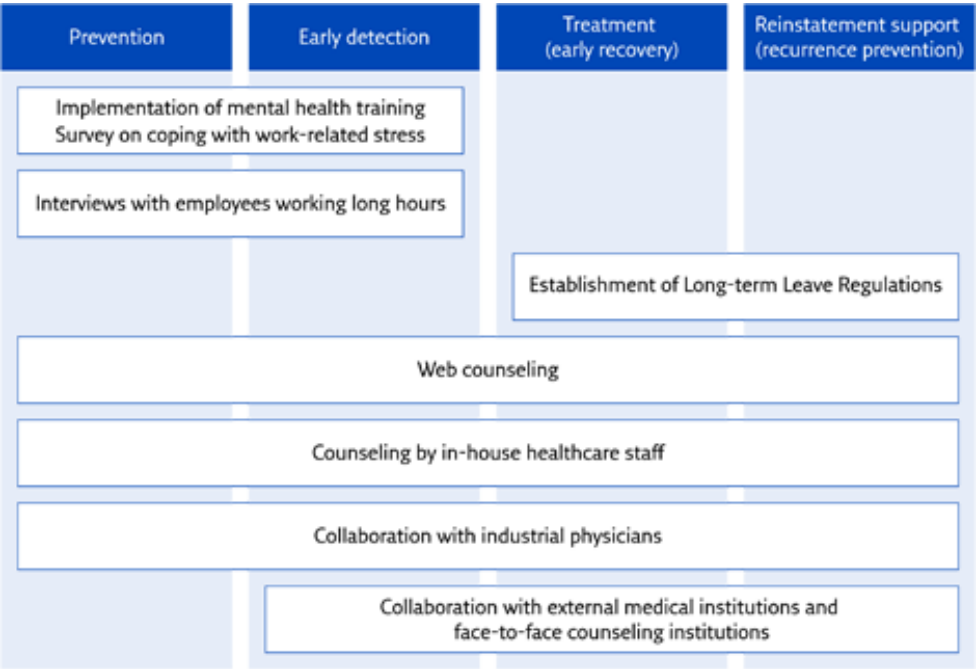
For employees who work long hours, our healthcare staff and industrial physicians offer consultation to understand their health condition and work with their supervisor and the human resources division to provide required follow-up guidance.

For employees who require special attention in terms of mental health, we follow our Long-term



Line care education

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.



Mental health support structure

The Environment

Environmental Policy and Management Structures

Our Environmental Policy aims for both business development and the realization of a sustainable society. We are working to make continuous improvements in our environmental management system.

Environmental Objectives and Status of Achievement

Our factories and relevant units set their own respective targets and work as one toward achieving the Nissha environmental objectives that serve as medium-term objectives.

Environmental Impact as a Result of Business Operations

This section sums up resource and energy usage (input) and gas, water, and waste emissions (output) by the Nissha Group in fiscal year 2015.

Prevention of Further Global Warming

This section reports on year-on-year changes in CO2 emissions and energy consumption, and on our efforts in management by basic unit.

Waste Management

This section reports on efforts in reducing waste, recycling, and converting waste into valuable resources at production bases in and outside Japan, and on risk management related to waste and the conversion of waste into valuable resources.

Monitoring and Prevention of Pollution

We have in place strict voluntary standards, and periodically undertake monitoring and measuring activities to prevent pollution.

Status of Waste Generation at Bases

This section uses graphs to introduce the status of waste generated at Nissha's major production bases in Japan in March 2015.

Environmental Policy and Management Structures

Environmental Policy and Management Structures

In April 2015, we established a new Environmental Subcommittee of the CSR Committee, which promotes environmental risk management in the Nissha Group through initiatives both in strategic CSR, aimed at enhancing our corporate value from a medium- to long-term perspective, and in basic CSR, seeking to build and maintain a structure for conforming to global standards such as that provided by the Electronic Industry Citizenship Coalition (EICC) toward strengthening our corporate foundation.

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

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

Overseas offices of the Nissha Group obtain ISO14001 certification individually. With support from the Corporate Environmental and Safety Management of Corporate General Affairs, they also undertake initiatives to build and maintain a structure in conformance with global standards such as the template provided by the Electronic Industry Citizenship Coalition (EICC).

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.

Establishment April 1, 2012

Continuous Improvements in the Environmental Management System (EMS)

We build an EMS not only at our major production bases but also at small production bases and sales bases. Each site focuses on its key management items and operates an effective EMS. With an eye toward improvement, in fiscal year 2015, we organized our sites into the four categories below.

1. ISO14001 certification sites
2. ISO14001 non-certified operation control and inspection sites
3. Compliance inspection sites
4. Chemical substance control and inspection sites

ISO14001 certification sites, which are also our major production bases, carried on implementing a unique environmental risk assessment process based on environmental hazards, taking into account the risks of a suspension in factory operations. This risk assessment process involves two pillars of activity: managing negative risks, and managing positive risks including the improvement of environmental performance in sync with business targets and quality targets.

ISO14001 non-certified operation control and inspection sites are small production bases that are included in the scope of EMS application, although they have not obtained certification. As operation control and inspection sites, we checked whether their maintenance and control processes are operated appropriately in compliance with laws and regulations.

Compliance inspection sites are sales bases that do not cover production functions. They operated an EMS to check whether waste management is conducted in compliance with laws and regulations.

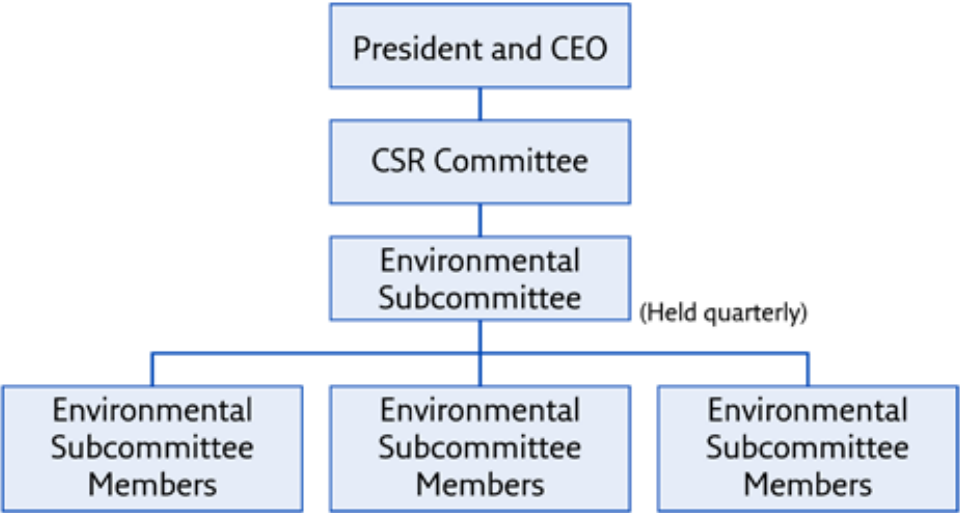
In fiscal year 2015, Nissha Business Service Co., Ltd. obtained ISO14001 certification.

In fiscal year 2016, we are set to promote ISO14001 certification for the product development divisions of the Industrial Materials and Devices business units.

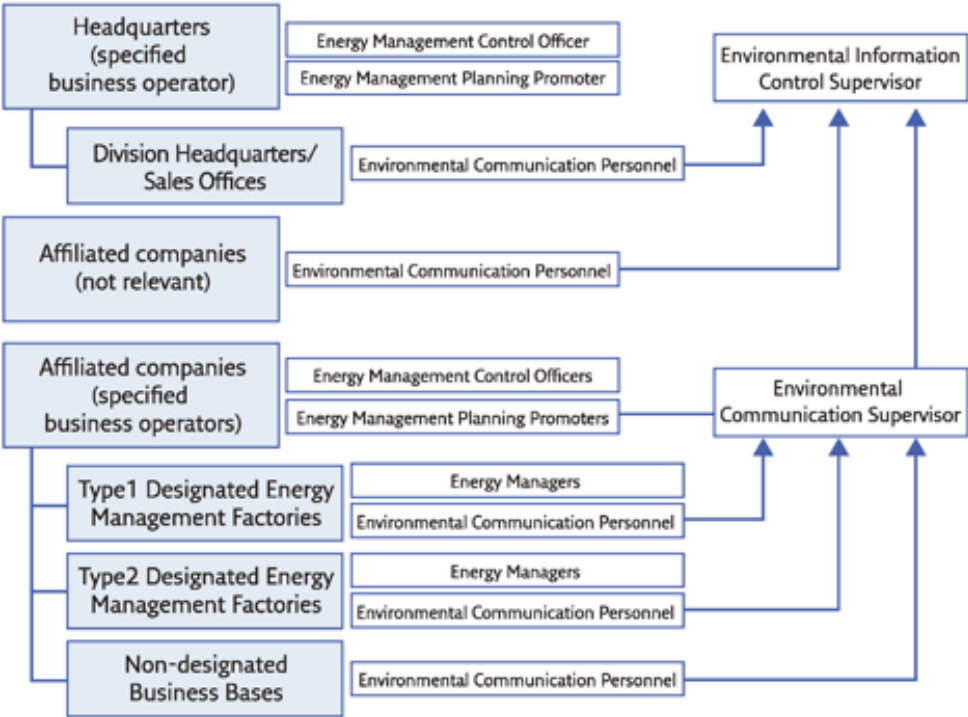
Amid the move to strengthen adherence to global standards including the requirements of customers and the EICC template, in fiscal year 2016, we plan to organize sites in the scope of EMS application into the three categories below, and promote efforts in EMS that also live up to global standards based on the ISO14001 management system.

1. Customer and EICC requirement compliance sites
2. ISO14001 certification sites
3. Compliance inspection sites

Many overseas offices of the Nissha Group build and operate an EMS individually.



Energy Management and Environmental Communication Structures



Environmental Objectives and Status of Achievement

The Nissha Group environmental objectives set in May 2012 serve as medium-term objectives covering the three-year period from fiscal year 2013 to fiscal year 2015 for the Nissha Group in Japan. In fiscal year 2015, the final year of this period, each factory and relevant division aimed to achieve its individual environmental targets toward achieving the objectives of the Nissha Group in Japan as a whole.

ISO14001 certification sites undertook environmental risk management and measures to reduce environmental risks, and all sites attained one risk level lower. As a result, we maintained zero environmental accidents and achieved our environmental objective.

In energy saving measures, Nitec Precision and Technologies, Inc. (NPT) Himeji Factory achieved its reduction target for CO₂ emissions but did not achieve its target CO₂ emissions rate, which indicates efficiency against production volume. In recognition of energy saving efforts implemented since its inception, NPT Kaga Factory received an Excellent Energy Management Promoter Japan Electric Association Hokuriku Branch Director's Award. Nitec Printing Co., Ltd. (NPC) Yachiyo Factory upgraded its air-conditioning system from a gas absorber to an electric chiller. Each factory worked toward improvement, and some, as mentioned above, won external recognition. However, the Nissha Group in Japan recorded a CO₂ emissions rate of 1.32 in fiscal year 2015 (compared to fiscal year 2012 results as 1.00), and we did not achieve our target.

In waste reduction measures, we recorded a waste generation rate of 0.79 in fiscal year 2015 (compared to fiscal year 2012 results as 1.00) and achieved our target, primarily due to a significant reduction in the volume of waste generated at NPT Kaga Factory.

In addition to items designated in the environmental objectives, each factory sets its own targets and works to achieve them. Having reviewed its wastewater treatment process, NPT Kaga Factory aimed to reduce the usage rate of chemical agents and achieved its target. Nitec Industries, Inc. (NII) sought to reduce the usage rate of organic solvents, but did not achieve its target due to a decline in production volume and conversion to small lot production. It did, however, produce results in resource reuse and cost reduction through efforts to sell organic solvents for recycling. We have officially begun to conduct CSR audits of our suppliers based on the template provided by the Electronic Industry Citizenship Coalition (EICC), and plan to approach major suppliers during the three-year period of the Fifth Medium-term Business Plan starting in fiscal year 2016. We also continue to conduct environmental workshops in which employees visit local elementary schools and nurseries neighboring production bases. Participants number more than 4,000 children at a total of 78 schools since we started the initiative in 2007.

Nissha Environmental Objectives

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

1. Prevention of pollution

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 2015

Certification sites implement measures to reduce environmental risks* classified as H2 or more on the hazard assessment list (make efforts to attain one risk level lower)

* The degree of severity may not change after measures are implemented in some cases

- * H2 or more refers to hazards on the hazard assessment list that affect areas outside the factory
- * H2 is equivalent to “maintain” in the conventional classification, and should be addressed in accordance with the designated procedure
- * The risk of environmental hazards by degree of severity and possibility, assessed in nine levels in a matrix (Risk levels from highest to lowest: VH, H1, H2, H3, H4, L1, L2, L3, VL)

2. Prevention of global warming

Reduce CO2 emissions rate (basic unit) by 3% or more by fiscal year 2015 (Base: Average of fiscal year 2012 results)

Certification sites reduce annual CO2 emissions rate by 1% or more compared to the previous year by basic unit, derived from factors such as production volume, through improvements in work processes (efficiency) and quality

- * Each organization may set KPI or quality targets as environmental targets
- * Companies classified as “specific business operator” in the Act on the Rational Use of Energy use the basic unit reported under the act
- * A default emission factor (0.555 kg-CO2 / kwh) is used to monitor fluctuations resulting from initiatives

3. Reduction of waste

Reduce waste generation rate (basic unit) by 3% or more by fiscal year 2015 (Base: Average of fiscal year 2012 results)

(1) Control waste generation

Certification sites reduce annual waste generation rate by 1% or more compared to the previous year by basic unit, derived from factors such as production volume, through improvements in work processes (efficiency) and quality

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

(2) Promote the selling of waste for recycling

Certification sites set individual target rates and work to sell waste for recycling

- * Maintain zero emissions

4. Reduction of hazardous chemical substances

Certification sites reduce usage rate of hazardous chemical substances

Work to reduce {(usage or purchase volume) / (production volume, treatment volume, or number of units)}

(Certification sites set individual targets)

Results and Assessment in Fiscal Year 2015 and Fiscal Year 2014–2015

1. Prevention of pollution

Target: Certification sites implement measures to reduce environmental risks classified as H2 or more on the hazard assessment list (make efforts to attain one risk level lower)

Results in Fiscal Year 2015
<p>Certification sites Nitec Industries, Inc. (NII) Koka Factory and Tsu Factory, Nitec Precision and Technologies, Inc. (NPT) Himeji Factory and Kaga Factory, Nitec Printing Co., Ltd. (NPC) Yachiyo Factory, and Nissha Business Service Co., Ltd. (NBS) created a hazard assessment list and took measures to reduce risks. These sites primarily organized training in substance leakage. NPT Kaga Factory worked to prevent pipe leakage in its wastewater treatment process.</p> <p>Assessment: Satisfactory</p>

Results in Fiscal Year 2014–2015
<p>All certification sites took measures to reduce risks and attained one risk level lower. As a result, we maintained zero environmental accidents and achieved our environmental objective. From fiscal year 2016 onward, we plan to conduct environmental hazard assessment taking into account risk assessment of steady-state chemical substances.</p> <p>Assessment: Satisfactory</p>

2. Prevention of global warming

Target: Certification sites reduce annual CO2 emissions rate by 1% or more compared to the previous year by basic unit, derived from factors such as production volume, through improvements in work processes (efficiency) and quality

Results in Fiscal Year 2015
<p>The Nissha Group in Japan recorded a CO2 emissions rate of 1.14 in fiscal year 2015 (compared to fiscal year 2014 results as 1.00), and we did not achieve our target. Although some factories produced results in measures linked with quality-related activities, such as improvement of yield rate, NPT Himeji factory, which accounts for 30% of CO2 emissions in the Nissha Group in Japan, did not achieve its target by basic unit.</p> <p>Assessment: Unsatisfactory</p>

Results in Fiscal Year 2014-2015
<p>The Nissha Group in Japan recorded a CO2 emissions rate of 1.32 in fiscal year 2015 (compared to fiscal year 2012 results as 1.00), and we did not achieve our target. However, in recognition of energy saving efforts implemented since its inception, NPT Kaga Factory received an Excellent Energy Management Promoter Japan Electric Association Hokuriku Branch Director's Award.</p> <p>Assessment: Poor</p>

Issues: The environmental objectives of the Nissha Group in Japan serve as medium-term objectives covering a three-year period. Although each factory promotes various energy saving measures to achieve its targets, we have had difficulty maintaining a steady basic unit due to a succession of mass production launches and factory reorganizations. Appropriate management of the basic unit will be required from fiscal year 2016 onward with the addition of new bases to the group through M&A.

3-1. Control waste generation

Target: Certification sites reduce annual waste generation rate by 1% or more compared to the previous year by basic unit, derived from factors such as production volume, through improvements in work processes (efficiency) and quality

Results in Fiscal Year 2015

We recorded a waste generation rate of 0.65 in fiscal year 2015 (compared to fiscal year 2014 results as 1.00), primarily due to a significant reduction in the volume of waste generated at NPT Kaga Factory. NII did not achieve its target by basic unit due to unstable production volumes stemming from a conversion to small lot production and factory reorganization. NPT Kaga Factory worked to reduce the amount of sludge generated by improving its wastewater treatment process.

Assessment: Satisfactory

Results in Fiscal Year 2014-2015

The Nissha Group in Japan recorded a waste generation rate of 0.79 in three years (compared to fiscal year 2012 results as 1.00), and we achieved our target, primarily due to a significant reduction in the volume of waste generated at NPT Kaga Factory.

Assessment: Satisfactory

Issues: The environmental objectives of the Nissha Group in Japan serve as medium-term objectives covering a three-year period. Although each factory promotes various waste reduction measures to achieve its targets, we have had difficulty maintaining a steady basic unit due to a succession of mass production launches and factory reorganizations. Appropriate management of the basic unit will be required from fiscal year 2016 onward with the addition of new bases to the group through M&A.

3-2. Promote the selling of waste for recycling

Target: Certification sites set individual target rates and work to sell waste for recycling

* Maintain zero emissions

Results in Fiscal Year 2014-2015

Through efforts to sell organic solvents for recycling, NII Koka Factory dramatically improved its target rate from 8.51% in fiscal year 2014 to 36.8% in fiscal year 2015. Through an initiative to separate and sell waste, NBS is a contributor to efforts made by the Nissha Group in Japan for selling waste for recycling.

Assessment: Satisfactory

4. Reduction of hazardous chemical substances

Target: Certification sites reduce usage rate of hazardous chemical substances

Results in Fiscal Year 2014-2015

NPT Kaga Factory improved its wastewater treatment process and worked to reduce the usage rate of chemical agents. NPT Himeji factory aimed to reduce the rate of chemical agents used in the production process and achieved its target.

Assessment: Satisfactory

Environmental Impact as a Result of Business Operations

In order to grasp the impact of our business operations on the environment, we conduct surveys of resource and energy usage (input) and gas, water, and waste emissions (output). The results for the Nissha Group in fiscal year 2015 are given in the table below.

Input and Output at Nissha Group Production Bases

Input for the Nissha Group in Japan decreased slightly, by about 4%, compared to fiscal year 2014. By business, Devices saw an increase of around 6% primarily due to an increase in materials used in product manufacturing accompanying full-scale production using a new process at Nitec Precision and Technologies, Inc. (NPT) Kaga Factory. Industrial Materials saw the effects of a reorganized product portfolio. At Nitec Industries, Inc. (NII) Koka Factory, the usage of film increased by approximately 70%, solvents by 20%, and ink by 40%. At NII Tsu Factory, the usage of film decreased significantly due to a shift to new film production. Information and Communication saw a decrease in the usage of paper by roughly 6% due to a decline in production volume. We welcomed FIS Inc. (FIS) into the Nissha Group in fiscal year 2015, and plan to disclose information about its various activities under Life Innovation starting in fiscal year 2016.

In terms of output for the Nissha Group as a whole, CO₂ emissions remained nearly level and waste emissions decreased by about 5% compared to fiscal year 2014. At 2,594,000 m³, water emissions increased by roughly 4% from the previous year.

At overseas bases, input increased by around 21% compared to the previous year due to a rise in production volume. Input increased particularly at Guangzhou Nissha High Precision Plastics Co., Ltd. by a significant 60%, at Nissha (Kunshan) Precision IMD Mold Co., Ltd. by 20%, at Eimo Technologies, Inc. by 13%, and at Southern Nissha Sdn. Bhd. by 4%. Molded resin accounts for more than 90% of materials used at overseas production bases.

INPUT

Production bases in Japan

Industrial Materials	PET/acryl film	2,372 t
	Solvents	1,388 t
	Gravure Ink	1,276 t
	Others	182 t
Devices	Materials used in product manufacturing processes	8,175 t
	Others	441 t
Information and Communication	Paper	21,802 t
	Ink	280 t
	Others	82 t
FIS	Materials used in product manufacturing processes	31 t
Total		36,028 t

Overseas production bases

	Resin	2,652 t
	Molds and molding materials	76 t
	Touch panels (components)	4 t
	Others	114 t
Total		2,846 t
Total for Nissha Group		38,874 t

Including production bases in Japan and overseas

Energy	Electricity	177,280 MWh
	Gas	7,864,000 m ³
Water	Tap water	886,000 m ³
	Underground water	92,000 m ³
	Industrial water	1,639,000 m ³

OUTPUT

Production bases in Japan

Recyclable resources (items sold for recycling)	Waste containing noble metals	
	Metal waste	
	Rasin waste	
	Paper waste	6,468 t
Recyclable resources (industrial waste)	Waste plastic	
	Iron scrap, waste cans	
	Waste solvents, waste ink, waste cloth	
	Waste acid, alkali	
	Sludge, others	8,441 t
Waste for simple incineration/landfill	General business waste	
	Others (industrial waste)	2,020 t
Total		16,929 t

Overseas production bases

	Total waste	256 t
Total		256 t

Including production bases in Japan and overseas

Emissions	CO ₂	114,717 t
	VOC	1,381 t
including volume of after combustion and treatment		
Wastewater		2,594,000 m ³

Prevention of Further Global Warming

Status of CO₂ Emissions at Nissha

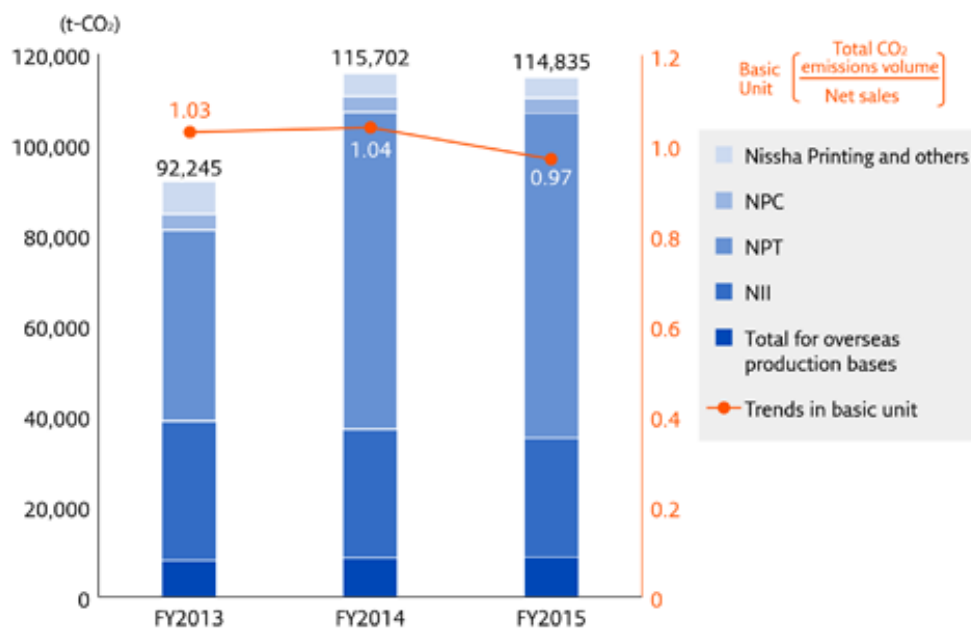
In fiscal year 2015, CO₂ emissions from Nissha bases in Japan totaled 106,087 t-CO₂, for a reduction of about 1% compared to 107,101 t-CO₂ in the previous year. CO₂ emissions from overseas production bases amounted to 8,748 t-CO₂ for an increase of 2% compared to 8,601 t-CO₂ in the previous year.

The reduction at bases in Japan resulted primarily from the significant decrease in emissions from Nitec Industries, Inc. (NII) Tsu Factory stemming from a reorganization of product portfolio. CO₂ emissions from NII Tsu Factory amounted to 6,566 t-CO₂ in fiscal year 2015, for a roughly 37% decrease compared to 10,431 t-CO₂ in the previous year. On the other hand, emissions from NII Koka Factory were 19,768 t-CO₂, for a 10% increase compared to 17,979 t-CO₂ in the previous year. Due to the full-scale start of mass production, those from Nitec Precision and Technologies, Inc. (NPT) Kaga Factory were 31,438 t-CO₂, also for a 10% increase compared to 28,693 t-CO₂ in the previous year.

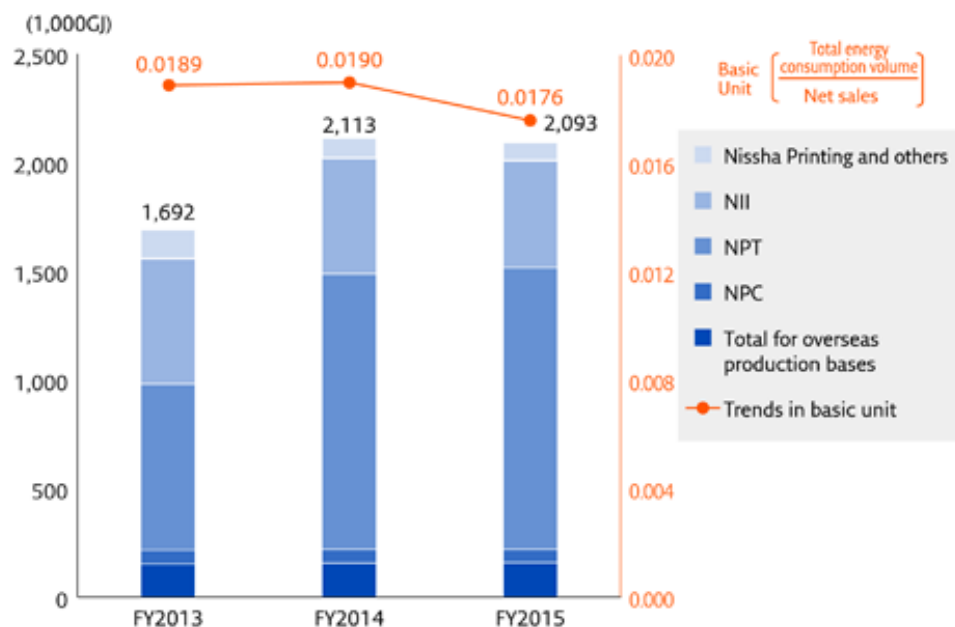
CO₂ emissions from overseas production bases increased at Southern Nissha Sdn. Bhd., Guangzhou Nissha High Precision Plastics Co., Ltd., and Nissha (Kunshan) Precision IMD Mold Co., Ltd., but decreased by around 4% compared to the previous year at Eimo Technologies, Inc., a subsidiary of Nissha USA. At 4,645 t-CO₂, emissions from Eimo Technologies account for more than half of the volume of all overseas production bases combined.

The Nissha Group emits virtually no energy-related greenhouse gases other than CO₂, and their effects are minimal.

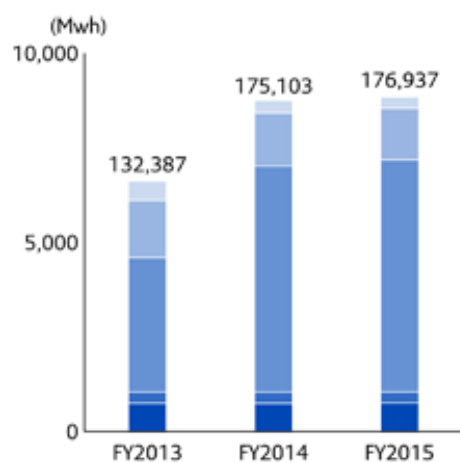
Trends in CO₂ Emissions Volumes and Basic Unit



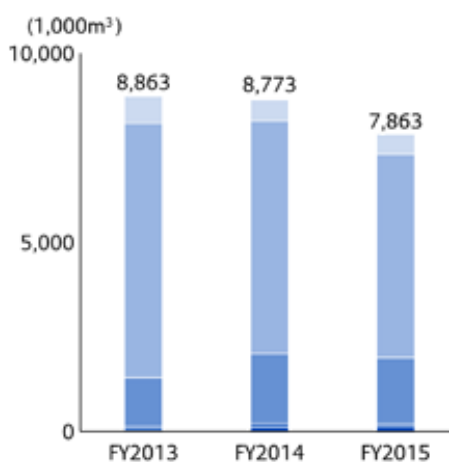
Trends in Energy Consumption and Basic Unit



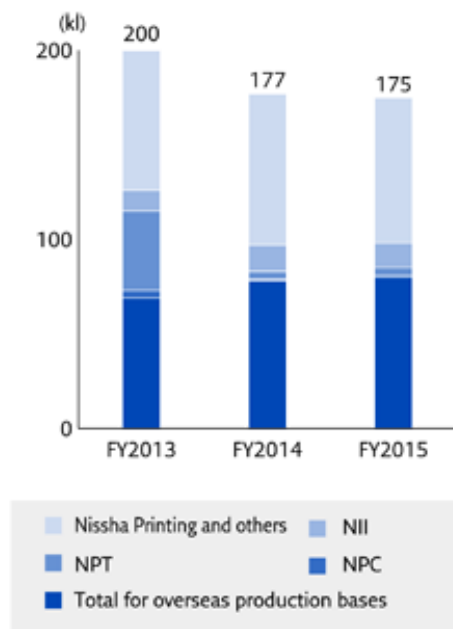
Trends in Electricity Consumption



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. To comply with the legal requirements in line with this shift, in fiscal year 2014 we started managing emissions under a basic unit based on factors such as production volume per company. With 1.00 indicating the benchmark fiscal year 2014 results of Nissha Printing Co., Ltd. and each affiliated company that constitutes a production base, we set fiscal year 2015 targets at 0.99 or less. The results are given in the table below. Nissha in Japan did not achieve the company-wide target by basic unit, as the results of NPT Himeji Factory dropped significantly below its basic unit.

We have had difficulty managing basic units appropriately due to cases of imbalance between production and emissions volumes, stemming from new product releases, new mass production launches, and factory reorganizations accompanying a shift in product portfolio during the three-year period covered by our environmental objectives serving as group-wide medium-term objectives. More appropriate management of the basic units of CO₂ and waste emissions will be required from fiscal year 2016 onward with the addition of new bases to the group through M&A.

Company	Basic Unit (based on production volume etc. respectively)			FY2015 Evaluation
	FY2014 Results	FY2015 Target	FY2015 Results	
Nissha Printing Co., Ltd. (Headquarters, Tokyo, Osaka and others)	1.00	0.99 or less	0.54	○
Nitec Industries, Inc. (Koka, Tsu)	1.00	0.99 or less	0.90	○
Nitec Precision and Technologies, Inc. (Himeji)	1.00	0.99 or less	1.61	×
Nitec Precision and Technologies, Inc. (Kaga)	1.00	0.99 or less	0.86	○
Nitec Printing Co., Ltd. (Yachiyo, Kyoto)	1.00	0.99 or less	1.01	×
Nissha Group in Japan	1.00	0.99 or less	1.14	×

* CSR Report 2014, issued in June 2014, contained the following errors. CO₂ emissions volumes for fiscal year 2013 and fiscal year 2014 were incorrectly given due to a miscalculation of emissions accompanying gas consumption at NPT Himeji Factory. The correct figures are given in this report.

Waste Management

Waste Management and Zero Emissions

In fiscal year 2015, the Nissha Group generated a total 16,929 tons of waste for a 5% reduction compared to fiscal year 2014. The primary reason is the decrease in production volume at Nitec Precision and Technologies, Inc. (NPT). The volume of simple incineration and landfill waste similarly decreased, amounting to 2,020 tons for a 12% reduction.

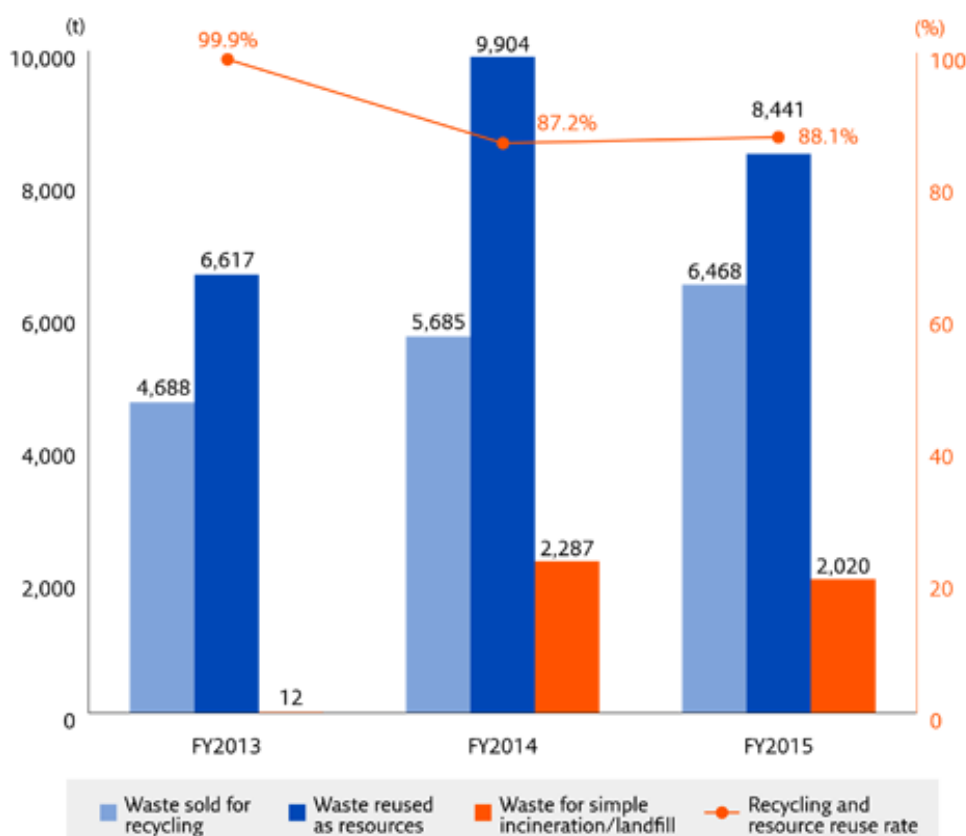
Our recycling and resource reuse rate was 88.1%, for an improvement of 1 percentage point compared to the previous year. We fell short of achieving our zero emissions target (a recycling and resource reuse rate of 99.5% or more), however, as sludge generated at NPT Kaga Factory cannot be recycled.

NPT Kaga Factory is working to reduce the volume of sludge generated through improvements in its wastewater treatment process. Its recycling and resource reuse rate improved from 64.5% in the second half of fiscal year 2014 to 71.5% in the second half of fiscal year 2015. Further reductions in the amount of sludge generated from NPT Kaga Factory are expected to contribute to a significant improvement in the recycling and resource reuse rate of the Nissha Group in Japan in fiscal year 2016.

Status of Recycling and Converting Waste into Valuable Resources

We continued to make efforts to convert waste into valuable resources. In fiscal year 2015, we sold 38.2% of all waste generated for an increase of 6 percentage points compared to the previous year. Similarly, the material recycling rate was 56.3% for an increase of 2 percentage points compared to fiscal year 2014. Nitec Industries, Inc. (NII) is making active efforts to sell waste solvents for recycling, as it offers the benefits of a lighter burden on the environment as well as cost reductions.

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



Status of Initiatives at Overseas Production Bases

Asian production bases Guangzhou Nissha High Precision Plastics Co., Ltd., Nissha (Kunshan) Precision IMD Mold Co., Ltd., and Southern Nissha Sdn. Bhd. generated a total 256 tons of waste in fiscal year 2015 for a 32% increase compared to fiscal year 2014. In a breakdown by company, the year-on-year increase was 41% at Southern Nissha, 14% at Guangzhou Nissha, and 89% at Nissha Kunshan due to increases in production volume and other factors. On the other hand, recycling and resource reuse rates remained level, with all Asian production bases achieving their target again this year. Southern Nissha achieved a rate of 99.0% against a target of 90.0% or more, Nissha Kunshan achieved a rate of 89.1% against a target of 86.3% or more, and Guangzhou Nissha achieved a rate of 72.0% against a target of 71.0% or more.

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

	FY2013	FY2014	FY2015
All waste generated (tons)	99	194	256

Recycling and resource reuse rates in Asian production bases (FY2015)

	Targets	Results	Evaluation
Guangzhou Nissha	71.0% or more	72.0%	Satisfactory
Nissha Kunshan	86.3% or more	89.1%	Satisfactory
Southern Nissha	90.0% or more	99.0%	Satisfactory

Risk Management Related to Waste and Waste Converted in Valuable Resources

We recognize largely three types of waste-related risk:

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

Based on laws and customer demand, we have created a set of Nissha Waste Management Regulations that enables all bases 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 small amounts of substances 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 that use a checklist original to Nissha.

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

Monitoring and Prevention of Pollution

Measures to Help Prevent Pollution

We undertake monitoring and measuring activities to prevent pollution. Based on 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

Unit: m3 for discharged water, mg/l for others (except PH)

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	FY2013		FY2014		FY2015	
				Analysis value	Evaluation	Analysis value	Evaluation	Analysis value	Evaluation
Discharged water	5200	5000	5000	5112	△	5143	△	5,017	△
pH	5.8~8.6	5.8~8.6	6.5~8	6.6~8	○	6.7~7.6	○	6.9~7.5	○
BOD	120	10	9	9	○	6.3	○	4.4	○
COD	120	10	9	9.9	△	10.3	×	8.9	○
SS	150	5	4.5	1.3	○	1.5	○	1.9	○
n-hexane derived substances	Mineral oil 5 Vegetable oil 30	1	0.9	< 0.5	○	0.8	○	0.9	○
Phenol	5	0.1	0.08	< 0.005	○	< 0.005	○	< 0.005	○
Copper	3	0.5	0.4	0.01	○	0.07	○	0.05	○
Zinc	2	1.5	1.2	0.02	○	0.02	○	0.01	○
Soluble iron	10	0.15	0.08	0.02	○	0.01	○	0.02	○
Soluble manganese	10	0.05	0.045	0.02	○	0.03	○	0.04	○
Chromium	2	0.02	0.02	< 0.02	○	< 0.02	○	< 0.02	○
Nitrogen	60	10	9	9.3	△	7.4	○	8	○
Phosphorus	8	1	0.45	0.19	○	0.24	○	0.25	○

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

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

Measurements of Wastewater Quality

Unit: mg/l

Items measured	Regulatory value (Prefecture)	Voluntary standard	FY2013		FY2014		FY2015	
			Analysis value	Evaluation	Analysis value	Evaluation	Analysis value	Evaluation
pH	5.8~8.6	6.2~8.2	7.8	○	7.9	○	8	○
BOD	160 or less	40 or less	66	△	72	△	29.6	○
COD	160 or less	80 or less	71	○	84	△	33.8	○
SS	200 or less	20 or less	17	○	11	○	10	○
n-hexane derived substances	30	15 or less	0.6	○	1.7	○	1.4	○

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

Measurements of Soot and Smoke

Unit: g/m³N

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

Items measured	Regulatory value	Voluntary standard	FY2013				FY2014				FY2015	
			Mar. 1	Evaluation	Nov. 12	Evaluation	Mar. 19	Evaluation	Sep. 3	Evaluation		
Dust	0.10	0.003	<0.003	○	<0.003	○	<0.001	○	<0.002	○	Measurements not taken due to discontinued use of soot and smoke generating facilities	
Nitrogen oxide	150.0	71.3	58.0	○	74.0	△	53.0	○	59.0	○		

Nitec Industries, Inc. (NII) Tsu Factory

Measurements of Site Outer Boundaries

To the best of our ability we voluntarily measure and monitor odor concentrations.

Items measured	Regulatory value	Voluntary standard	FY2013				FY2014				FY2015			
			Jul. 31	Evaluation	Jan. 22	Evaluation	Jul. 30	Evaluation	Mar. 3	Evaluation	Jul. 28	Evaluation	-	Evaluation
Odor measurement (Odor index by organoleptic examination)	-	-	<10	○	<10	○	<10	○	<10	○	<10	○	-	-

*Measurements were not taken in the second half of fiscal year 2015 due to discontinued use of gravure printing presses.

Management of Chemical Substances

In fiscal year 2015, we reported the use of nine PRTR-designated chemical substances.

Nitec Industries, Inc. (NII) Koka Factory

Unit: kg

PRTR No.	Name of chemical substance	FY2013			FY2014			FY2015		
		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	1,070	410	○	727	250	○	1,720	580	○
80	Xylene	3,780	2,210	○	9,260	4,100	○	16,700	5,500	○
88	Hexavalent chromium compounds	0.1	0.0	○	0.1	0.0	○	0.1	0.0	○
296	1,2,4-Trimethylbenzene	0.0	0.0	○	0.0	0.0	○	0.0	0.0	○
300	Toluene	124,000	89,400	○	97,200	73,100	○	143,000	7,800	○
392	n-hexane	4,300	2,300	○	0.0	0.0	○	4,500	2,600	○

Nitec Industries, Inc. (NII) Tsu Factory

Unit: kg

PRTR No.	Name of chemical substance	FY2013			FY2014			FY2015		
		Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required/ not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required/ not required	Discharge volume into the atmosphere	Volume transferred to industrial waste processing companies	Reporting required/ not required
53	Ethylbenzene	-	-	-	3,900	1,100	○	250	2,500	○
80	Xylene	1,350	1,200	○	3,600	1,000	○	210	2,100	○
88	Hexavalent chromium compounds	0.1	0.1	○	0.1	0.1	○	0.1	0.1	○
300	Toluene	25,700	22,900	○	71,000	20,000	○	980	9,900	○

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

Unit: kg

PRTR No.	Name of chemical substance	FY2013			FY2014			FY2015		
		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	0.0	○
272	Water-soluble copper salts (excluding complex salt)	0.0	2,630	○	0.0	277,000	○	0.0	1,950	○

*The volumes of ferric chloride transferred from NPT Himeji Factory in FY2013 and FY2014 were given incorrectly in CSR Report 2014, issued in June 2014. The data have been corrected based on guidance from the Ministry of Economy, Trade and Industry, and are given correctly in this report.

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

Unit: kg

PRTR No.	Name of chemical substance	FY2013			FY2014			FY2015		
		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
64	Silver and water-soluble silver compounds	0.0	0.0	○	-	-	-	-	-	-
71	Ferric chloride	-	-	-	0.0	0.0	○	0.0	0.0	○
272	Water-soluble copper salts (excluding complex salt)	-	-	-	0.0	0.0	○	0.0	0.0	○

Status of Waste Generation at Bases

Status of Waste Generation at Major Production Bases (March 2015 Results)

Nitec Industries, Inc. (NII) Koka Factory

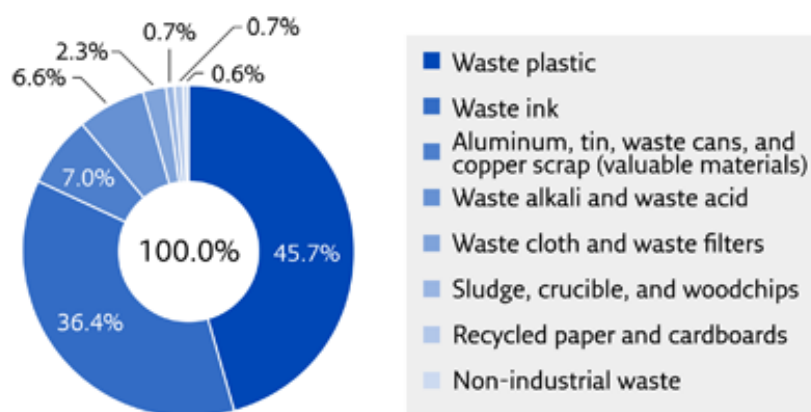
Location: Koka City, Shiga Prefecture

Acquisition of ISO14001 Certification: June 2007

Production items: Transfer foils (the Industrial Materials business)



Recycling and resource reuse rate: 100.0%



Nitec Industries, Inc. (NII) Tsu Factory

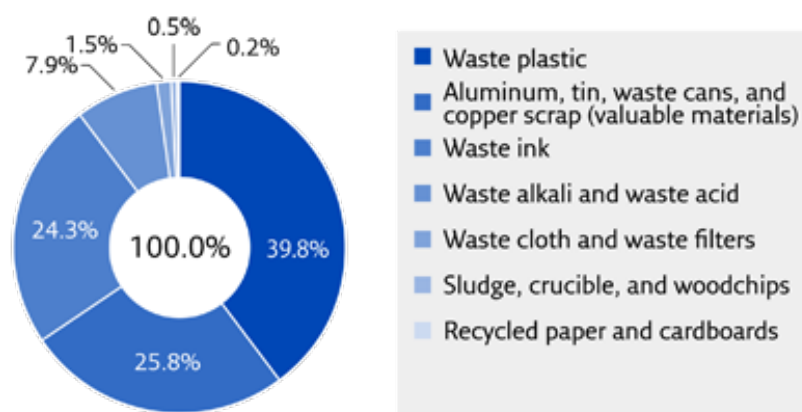
Location: Tsu City, Mie Prefecture

Acquisition of ISO14001 Certification: March 2012

Production items: Transfer foils (the Industrial Materials business)



Recycling and resource reuse rate: 100.0%



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

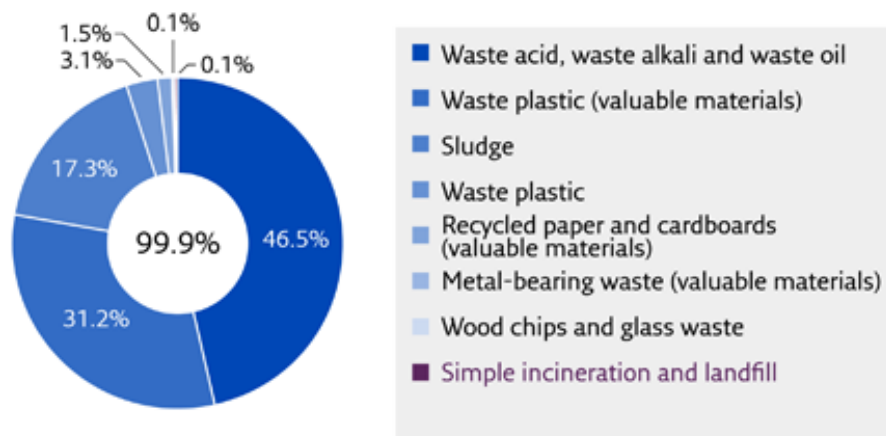
Location: Himeji City, Hyogo Prefecture

Acquisition of ISO14001 Certification: March 2014

Production items: Touch panels (the Devices business), dye-sensitized solar cell



Recycling and resource reuse rate: 99.9%



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

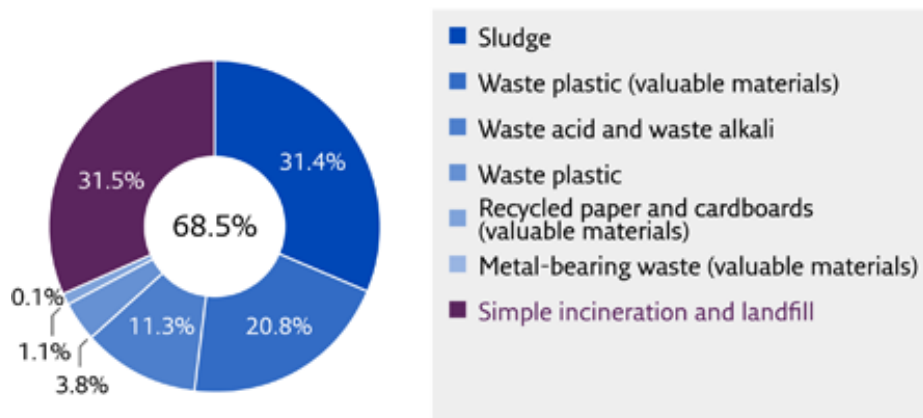
Location: Kaga City, Ishikawa Prefecture

Acquisition of ISO14001 Certification: March 2014

Production items: Touch panels (the Devices business)



Recycling and resource reuse rate: 68.5%



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

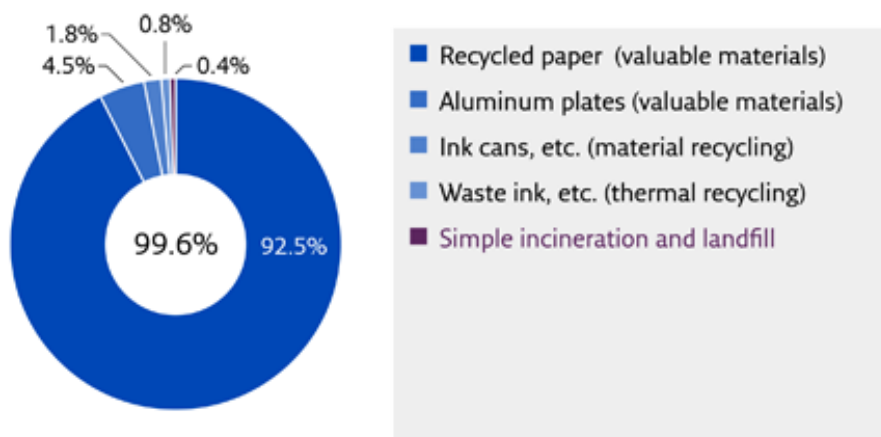
Location: Yachiyo City, Chiba Prefecture

Acquisition of ISO14001 Certification: December 2004

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



Recycling and resource reuse rate: 99.6%



Fair Operating Practices

Initiatives Related to Information Security

We are working to maintain and improve a highly reliable and safe information security management system in line with our Information Security Policy.

Initiatives Related to Intellectual Property

Under a basic policy of protecting intellectual property, we are making efforts to respect the intellectual property of third parties and to obtain rights for and use that of our own.

Initiatives Related to Conflict Minerals

We established Underlying Philosophy Concerning Corporate Responsibility for Minerals Procurement in March 2014, where we declared to make sincere response engaging in minerals procurement.

Trade Management

Efforts in trade management are essential for business continuation. We obtained approval as an AEO Exporter in June 2014, and as an AEO Importer in June 2015.

Partnership with Our Suppliers

We promote CSR procurement based on our Basic Purchasing Policy in an aim to realize co-existence with our suppliers and enhance mutual corporate value.

Initiatives Related to Information Security

The spread of the Internet and the broad use of smartphones and other devices have ushered in a convenient era in which anyone can connect with the online community easily at all times. On the other hand, the risks are increasing of everyone becoming either a victim or perpetrator of information leakage.

We at the Nissha Group recognize the paramount importance of not leaking outside the company or beyond related parties information about our employees, personal information, and information entrusted to us by our customers and suppliers, particularly highly confidential information assets such as information on new products and state-of-the-art technologies.

All our employees adhere to our Information Security Policy, which we drew up in and implement since 2005 with the aim of building a highly reliable and safe information security management system (ISMS).

Information Security Policy

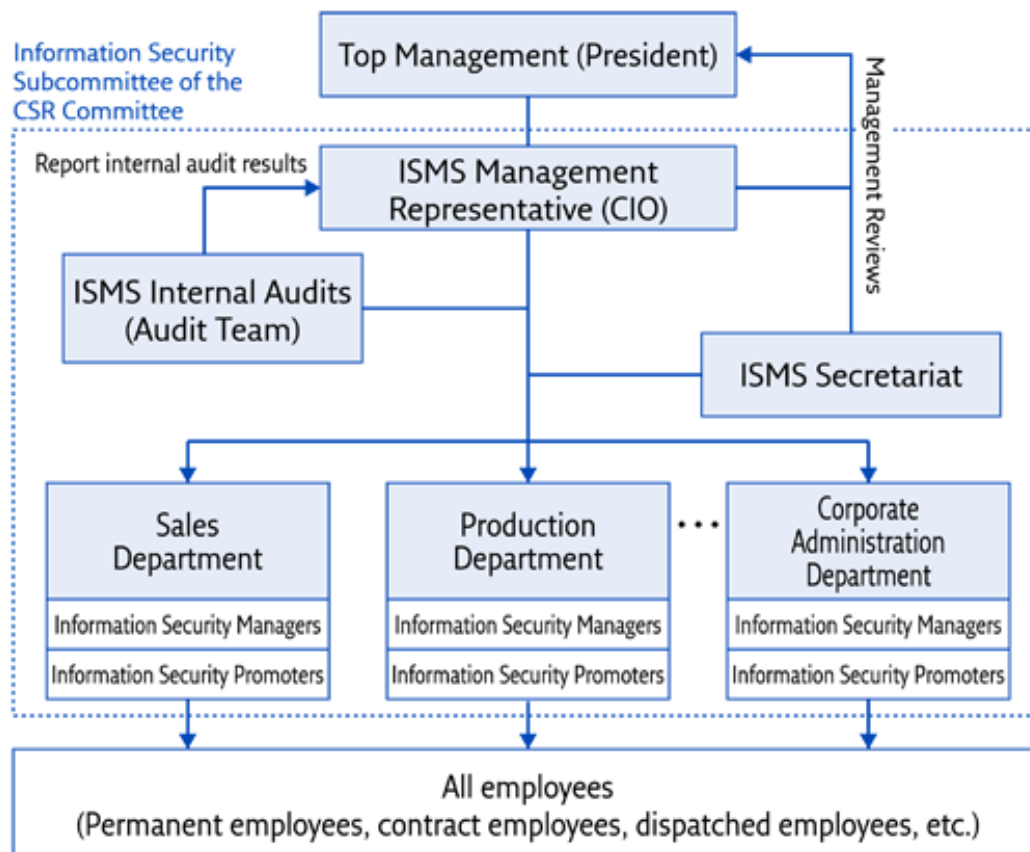
Nissha and its subsidiaries committed to establish, maintain, and improve highly reliable and secure an information security management system to protect our own business information and the information assets, which we acquire from customers, suppliers and employees, etc., through our business activities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

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

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.



Initiatives in Information Security Management

In September 2005, we obtained ISO27001 certification, a global standard for ISMS. Since then, we have built and continuously maintained and improved an ISMS unique to the Nissha Group. Through the operation of our ISMS, we have performed risk assessment and analyses related to information assets, determined and strived for information security targets, complied with related laws and regulations, conducted internal audits, and appropriately followed processes such as management reviews, thereby reducing the risks of information security incidents and accidents. In fiscal year 2015, the Nissha Group focused particularly on the following initiatives.

1. Complete revision of information security-related regulations

We carried on with our initiative from the previous year in expanding company-wide our revised information security-related regulations addressing changes in the IT environment. In addition to organizing our information security structure and dealing with smart devices, social networking services, and bring-your-own-device (BYOD), we reinforced the content of our information security education materials.

2. Strengthening of information security education

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

3. Expansion of ISO27001 examination and certification

Nitec Precision and Technologies, Inc. (NPT) Himeji Factory obtained ISO 27001 certification with an eye to more advanced, continuous operation of its unique ISMS.

4. Survey toward expanding ISMS to overseas bases

We conducted a survey of overseas bases toward ISMS operation, such as through questionnaires and on-site interviews.

5. Response to new ISO 27001 (2013 version)

We made preparations for certification in the following year by updating related documents and conducting internal audits.

In fiscal year 2016, we plan to obtain certification in the new version of ISO27001 and start operation of ISMS at overseas bases. The Nissha Group will actively continue in our efforts to keep up with the rapid changes in the IT environment, and reduce risks and strengthen management of information security.

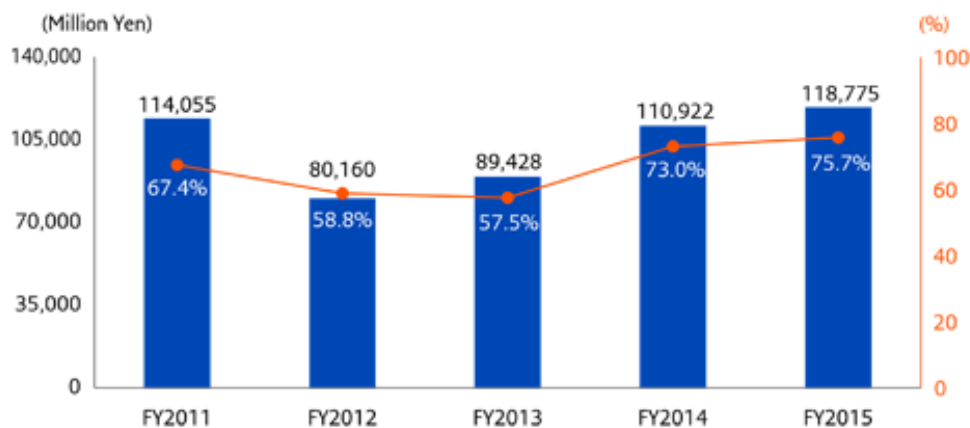
Trade Management

Enhancement of Trade Management Structure

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

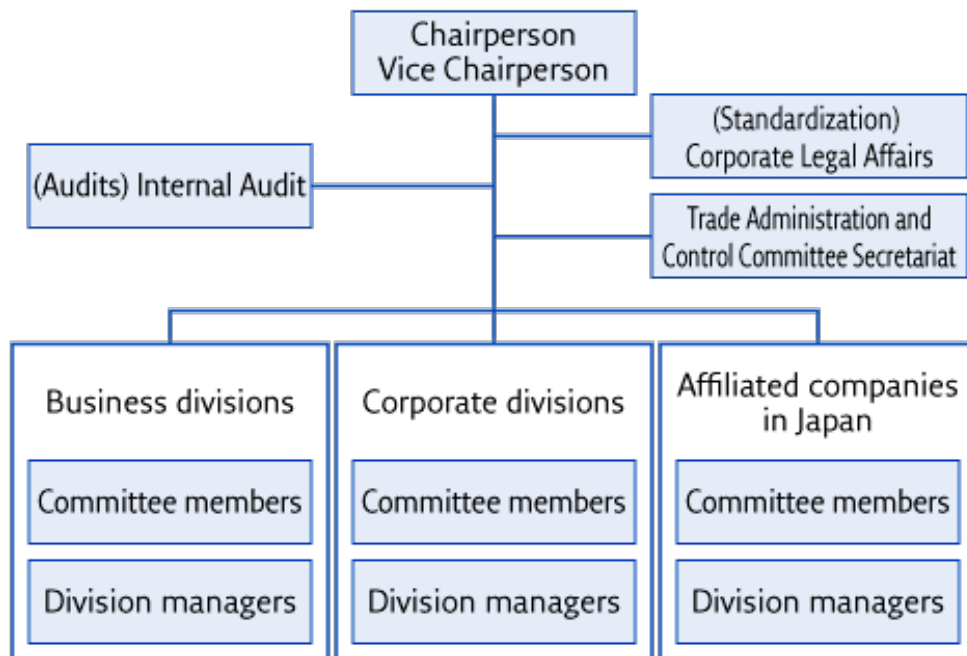
We earn an increasing proportion of our sales overseas, with the percentage reaching 75.7% in fiscal year 2015. For a company like us, efforts in trade management are essential for business continuation.

Net sales and percentage of overseas sales



Trade Management Structure

The Trade Administration and Control Committee works to strengthen trade management under the chairperson served by a director appointed by the president. Thorough management in daily operations is assigned to committee members and division managers at business divisions, corporate divisions, and affiliated companies in Japan. In fiscal year 2016, the committee secretariat plans visit our overseas bases for employee education toward expanding trade management efforts to overseas affiliated companies.



AEO Approval Status

Following approval as an AEO Exporter in June 2014, we obtained approval as an AEO Importer on June 15, 2015. Presentation of the certification was held on June 26, 2015 at the Osaka Customs Headquarters.

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



Certificate of AEO Importer

Fiscal Year 2015 Initiatives and Future Challenges

In fiscal year 2015, we carried on with our initiatives from the previous year in fortifying security export control and furthering export management not only of cargo but also of services (technological information). Meanwhile, we also worked toward obtaining approval as an AEO Importer. Members of the Trade Administration and Control Committee from each business unit organized secretariat meetings every month, and as part of its efforts to fortify company-wide trade management initiatives, implemented rank-specific training for select groups of participants: sessions for all employees to acquire basic knowledge, sessions for managers and trade-related workers aiming to acquire more specialized knowledge in trade-related duties, and sessions for executives. It also invited an instructor from Osaka Customs to conduct a special session on imports, kicking off efforts to obtain approval as an AEO Importer. Through these efforts, awareness has improved about prohibited articles and restricted articles based on import control, and the number of submissions for export and import application continued to increase significantly. We are also carrying on with our efforts toward thorough compliance with rules for completing and submitting customs documents required with actual exports and imports.

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

company-wide level toward appropriate cargo control and improved employee awareness of security.

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

Authorized Economic Operator (AEO) Program

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

Initiatives Related to Intellectual Property

Approach to Intellectual Property

The protection of intellectual property is our basic policy as well as a key item of our Guideline of the Corporate Ethics and Compliance. We make active efforts to respect the intellectual property of third parties and to obtain rights for and use that of our own.

Intellectual Property Management acts as the central body for protecting intellectual property. With the aim of expanding the performance of business units and ensuring a competitive advantage for new businesses, it works to establish intellectual property strategies for the entire Nissha Group and meet internal needs to secure intellectual property rights.

Basic policy for protection of intellectual property (from the Guideline of the Corporate Ethics and Compliance)

1. We will acknowledge the importance of our technologies and brands as intellectual property and will undertake their appropriate management.
2. We will report any invention arising through our business operations in accordance with our Company regulations.
3. We will strive to avoid the breach of third-party intellectual property rights.

Promotion of Patent Application

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

Monitoring of Other Companies' Patents

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

Intellectual Property Training Programs

We organize internal training programs so that employees may deepen their understanding of and properly protect intellectual property. In fiscal year 2015, 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.

Photo:

Intellectual property training program

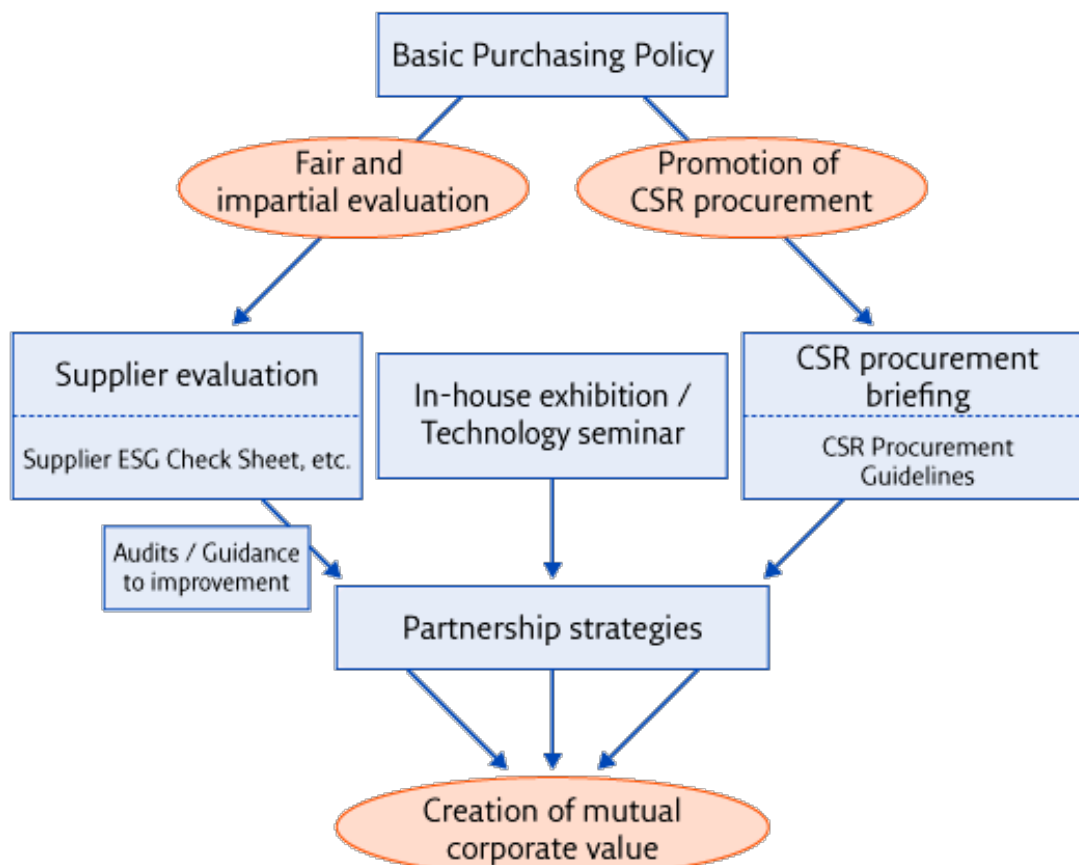
Instructor: Mr. Tatsushi Gocho, Representative Director,
TechnoProducer Corporation

Commissioned organizer: CKS Corporation



Partnership with Our Suppliers

We at Nissha procure the raw materials, components, equipment, and services necessary to make 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 social responsibility, and enhancing mutual corporate value.

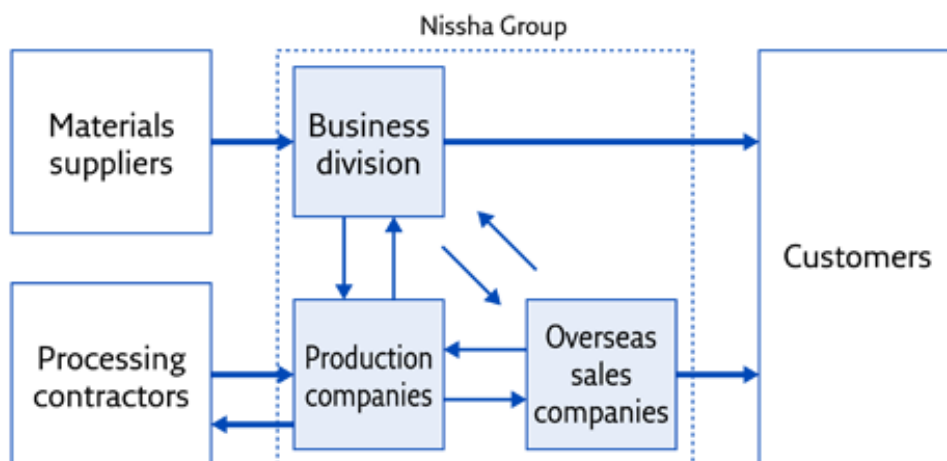


Procurement and purchasing as a truly global company
→Fair evaluation / CSR procurement

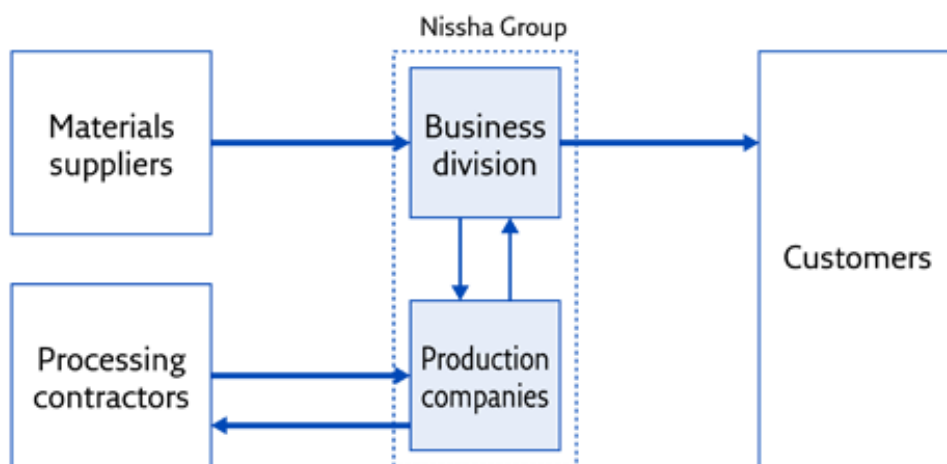
Expansion of Our Supply Chain

We collaborate with various suppliers in conducting our business activities.

Supply Chain of the Industrial Materials and Divices Businesses



Supply Chain of the Information and Communication Business



Start of CSR Supplier Audits

We started CSR supplier audits covering four areas—labor and human rights, safety and health, environmental protection, and ethics—drawing on the global template provided by the Electronic Industry Citizenship Coalition (EICC) and on our customers' own code of conduct based on this EICC template. In fiscal year 2015, we carried out audits at a total of five major materials suppliers of the Devices business and companies that dispatch workers to our factories. Although we have conducted audits related to quality and the environment in the past, the inclusion of the EICC template has led to a reduction in CSR risks and further enhanced the content of the audits.

Auditors are selected from Nissha employees who have undertaken and passed EICC auditor training. 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 of 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, the auditors check that CA and PA have been taken and the noncompliance has been remedied, bringing the CSR audit to completion. From fiscal year 2016 onward, we will expand the CSR audits to particularly important suppliers of all business units.

In moving forward with this initiative, we revised our Basic Purchasing Policy and, based on this revision, further implemented an extensive review of our CSR Procurement Guidelines as well as the Supplier ESG Check Sheet, a self-assessment questionnaire (SAQ). Our plan is to hold CSR procurement briefing sessions and distribute the ESG Check Sheet for our suppliers to complete prior to auditing. Before the end of fiscal year 2018, we hope to remedy all instances of noncompliance uncovered by the audits and build a structure in conformance with the EICC template.

Fields of the supplier self-check sheet

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

Development of Procurement Personnel

We make continuous efforts to educate procurement personnel and promote transactions with our suppliers based on fairness, impartiality, and integrity in line with our Basic Purchasing Policy. In fiscal year 2015, we conducted training in relevant laws such as the Act against Delay in Payment of Subcontract Proceeds, as well as a procurement test created in-house, which attracted 117 participants from a total of seven offices and production bases in Japan. The test included questions on relevant laws, on our basic approach to procurement, and on communication skills. In preparation for the test, we also invited an outside lecturer to provide training in topics selected from the questions. The test results are analyzed and used to plan the contents of the next training session toward enhancing our employees' skills.



Training by an outside lecturer



Procurement test

In-house Exhibitions

In an ongoing effort to strengthen partnerships, we host in-house exhibitions in which we invite our suppliers to introduce their products and new technologies to the employees of various Nissha departments. In fiscal year 2015, we sought cooperation from two suppliers associated with the Devices business and the Information and Communication business.



In-house exhibitions

Basic Purchasing Policy

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

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

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

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

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

Establishment April 2, 2009
Amendment June 30, 2015
Nissha Printing Co., Ltd.

Initiatives Related to Conflict Minerals

Since the adoption in August 2012 of the final provision of the Dodd-Frank Act*1 (Section 1052) requiring companies to report whether conflict minerals are contained in their products, we at Nissha have responded to many inquiries from our customers. The major conflict minerals used in Nissha products include tin used in some decoration films and in ITO film*2 for touch panels, and gold used in FPC*3 plating.

We procure all of the materials that make up our products, identify those that contain conflict minerals, and then ask our suppliers of the relevant materials not to source minerals produced in the Democratic Republic of Congo or adjoining countries.

In fiscal year 2015, we completed our investigation of smelters and countries of origin concerning all of the conflict minerals we use. Further, in response to customer demand, we have embarked on an initiative to switch suppliers of all conflict minerals to Conflict-Free Smelters, or designated smelters that do not source minerals produced in the Democratic Republic of Congo or adjoining countries.

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 drawn up in March 2014.

Underlying Philosophy Concerning Corporate Responsibility for Minerals Procurement

The Nissha group is deeply concerned that a portion of the conflict minerals extracted by the Democratic Republic of the Congo and its neighboring countries are being used as a source of funding for militia that through acts of looting, violence and forced labor are infringing on fundamental human rights.

In April 2012, Nissha became a signatory to the “Global Compact” as advocated by the United Nations. We at Nissha have fully embraced the Ten Principles stated in the Global Compact as a cornerstone of our Corporate Mission. Based upon our recognition of the importance of these principles and aiming for co-existence with our stakeholders, we are committed to non-use of these conflict minerals, as raw materials in our products as they result in an infringement of basic human rights. Accordingly where our company becomes aware of the use of any conflict minerals, we will immediately implement all measures required regarding that use.

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

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

March 12, 2014

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

*1. Dodd-Frank Act: The Dodd-Frank Wall Street Reform and Consumer Protection Act (USA) requires companies to report whether any conflict minerals they use were produced in the Democratic Republic of Congo or adjoining countries.

*2. ITO film: Film with a transparent conducting coating of indium tin oxide (ITO).

*3. FPC: Flexible printed circuits (FPC) that maintain their electrical properties when flexed.

Consumer Issues

Responsibility to Our Customers / Quality-related Initiatives

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

Quality Policy

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

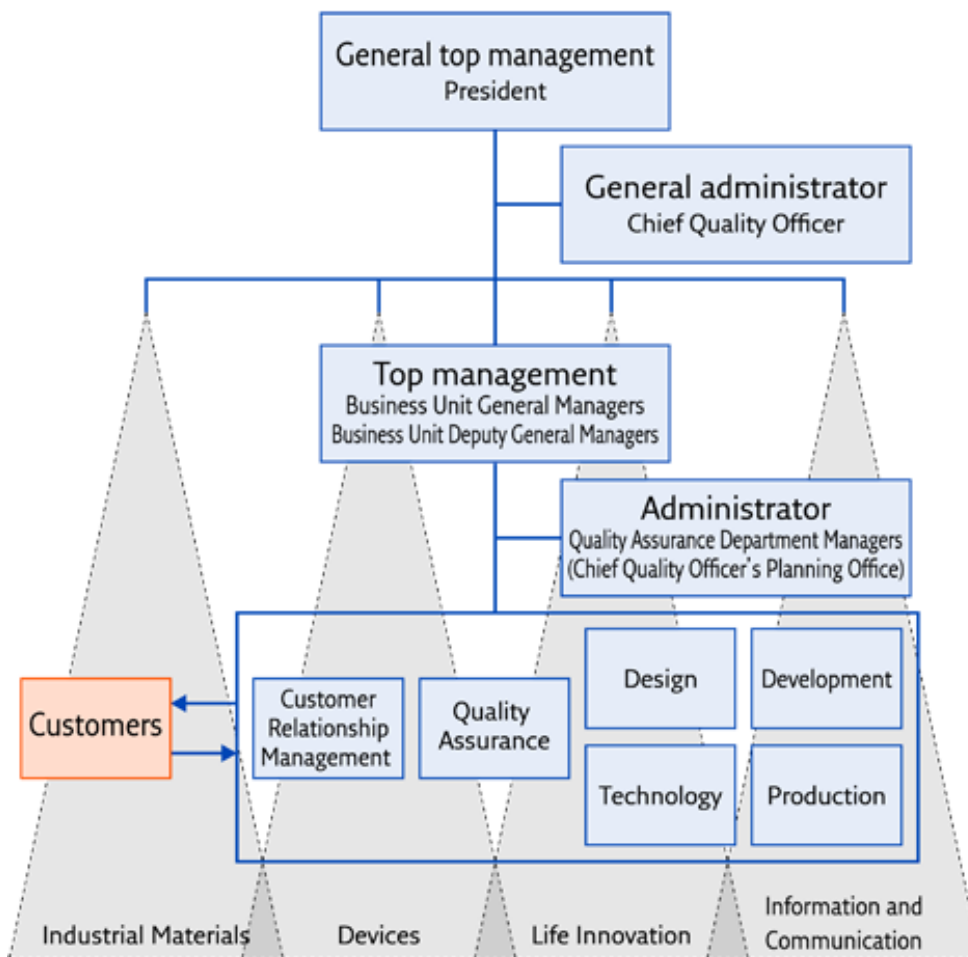
1. We aim for quality that stands up to the customer's expectations.
2. We pursue Zero Defects in our products.
3. We provide products which satisfy customer requirements and conform to relevant legislation and regulations.
4. We establish and maintain a quality management system, and continually improve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

April 1, 2011

Junya Suzuki
President and CEO
Chairman of the Board

Quality Management System (QMS)

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



Nissha Total Quality Management (NTQM)

Our NTQM initiative seeks to build and improve a mechanism for keeping promises with our customers as well as complying with laws and regulations. NTQM clarifies the procedures followed at each business unit, such as design reviews (DR), reliability tests, and supplier management. We believe that improving the accuracy of these procedures will enable us to provide products and services with even higher levels of quality and safety. In fiscal year 2016, we will embark to create a mechanism for supporting new businesses.

Five Musts for the Systematization of Work

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

Five Musts for the Systematization of Work

1. Standardize work.
Standardization clarifies the required input, as well as the work you have to perform.
2. First of all, check the input.
Begin your work by checking for any fault in input.
3. Incorporate the customer viewpoint into the output.
Not only customers for the Company, but your immediate customers, internal and external. In your work, you must aim at an output that meets QCDS from all your customers.
4. Reinforce the system using human factors.
Human factors should be used to cover those areas of work which cannot be covered by the system alone. Your communication and teamwork will reinforce the system.

5. Make continuous efforts to improve the system.

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

Small-group Activities

The accumulation of bits of wisdom and creativity from all employees is the source of great improvements in work processes. The small-group activities we restarted in July 2011 are an important mechanism for mustering our knowledge and strengths. And the Company-wide Presentation Meeting of Small-group Activities we have held every six months since October 2011 unveils various results of improvement. The presentation meetings are designed to reward not only the results but also the thought process and creativity that produced the results, as well as the skills for explaining these in an easy-to-understand manner.

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

Improvement Proposal System

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

Education and Training Activities

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

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

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

Customer Satisfaction Improvement Subcommittee

We established a Customer Satisfaction Improvement Subcommittee under the CSR Committee. With the Chief Quality Officer (CQO) Planning Office, which oversees all matters related to quality, functioning as a secretariat, the subcommittee conducts investigations and analyses to improve customer satisfaction, provides education to raise employee awareness, and promotes improvements in systems.

From Department-based Optimization to Company-wide Optimization

The next process is the customer—this is a Japanese maxim related to quality improvement. It means that all workers in every process must have in mind the customer, who might be workers in the production process following theirs. We at Nissha promote the recognition of ties between one's own department and others', and even ties between work processes across the whole company, in terms of "input" and "output." Hence we stress the importance of links between internal processes and the orderly division of roles. By having all employees stand in the customers' shoes, we aim to break free of department-based optimization and strive for company-wide optimization. We believe that basic concepts like this and the sorting out of functions will build Nissha's foundation as a manufacturing company.

Quality and Safety of Products

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

Up to fiscal year 2015, 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.

Initiatives Related to 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.

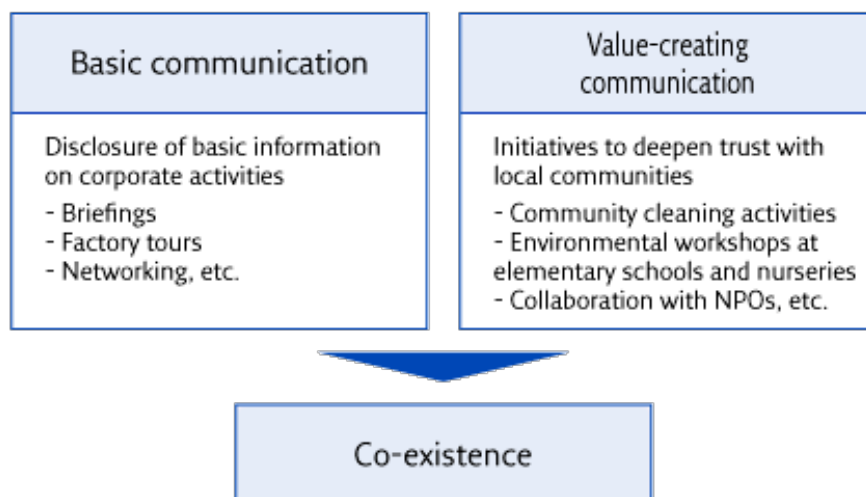
When selecting new materials in the design and development stages, we conduct design reviews related to materials and assess compliance with our criteria. Our factories are building a mechanism for accepting materials that meet our criteria, ensuring traceability, identifying and separating noncompliant 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.

Community Involvement and Development

Promoting Communication with Local Communities

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



Basic Social Contribution Policy

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

Basic Social Contribution Policy

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

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

Initiatives for Next Generation Support and Humanitarian Support

Environmental Workshops at Local Elementary Schools and Nursery Schools

Our employees mainly at production sites in Japan visit local elementary schools and nursery schools and conduct environmental workshops. This initiative, which started in fiscal year 2008, has reached some 4,000 children in a total of 78 schools as of the end of March 2015.

In fiscal year 2015, workshops were held at two elementary schools in Kyoto, two elementary schools in Kaga, Ishikawa Prefecture, and four nursery schools in Koka, Shiga Prefecture. At the elementary schools, children learned about preventing global warming, how to separate waste, and

other environmental initiatives that are close to their daily lives. In addition, we introduced the “Secrets of Printing” and the “Secrets of Touch Panels” as part of a uniquely Nissha program, aiming to encourage an interest in creating items (monozukuri) as well as fostering their concepts of occupations.



Workshops Held in Collaboration with an NPO

With the aim of developing in children an interest in the environment and unleashing their creativity and imagination, we are holding “Machikusa Mikke!” workshops in collaboration with the NPO Kids Meet Artists (Director: Haruka Idegami). In this program, the children observe the weeds (Machikusa) that generally go unnoticed in daily life, guided by the artist Shinpei Shigemoto, who coined the term Machikusa, give them original names of their choice, and make presentations about them. Following this, they create their own original Machikusa cards, or make Machikusa maps which record where they were discovered. In fiscal year 2015, the workshop was held at two shrines in the Rakuhoku area of Kyoto where children from the Jidokan (local children’s hall) of each location participated, in addition to an elementary school near the Kyoto Headquarters. Since its start in 2010, this workshop has been run a total of 13 times, with around 600 children participating.



Support for Kyoto City Inquiry Learning Center for Career Education

We are sponsors of the Children’s Monodzukuri Project in Kyoto run by the Kyoto City Board of Education. In addition to exhibiting in a corporate booth at the Kyoto City Inquiry Learning Center for Career Education, Kyoto Monodzukuri-no-Dendo (Monodzukuri Hall of Fame), we provide teaching materials and programs for the workshops held at the Monozukuri Workshop. In this program, the children themselves used staplers and tape to create simple touch panels, which were lit up using LED lights.



In fiscal year 2015, 22 elementary schools and about 1,300 children participated in our program. We hope that this will provide an opportunity for them to gain an interest in creating things through familiar items in their daily lives.

Human Support Activities in Partnership with TABLE FOR TWO

Since April 2013, the corporate cafeteria at Nissha’s Kyoto Headquarters implements a program in partnership with TABLE FOR TWO International (Director: Masahisa Kogure), where with each purchase of a meal, 20 yen is donated to provide one school lunch for children in developing countries. The cafeteria designates every Friday as TABLE FOR TWO (TFT) day and serves a healthy TFT menu. While enjoying lunch as usual, employees have the opportunity to deliver a meal to children in Africa. The program has taken root thanks in part to its simplicity. In October 2014, the cafeteria also staged an in-house campaign in conjunction with World Food Day, where employees filled a blank map of Africa with stickers, and the company donated 20 yen for every sticker to TFT. Over seven TFT Fridays, the campaign collected a total of 2,002 stickers worth 2,002 meals. In June 2015, we presented the contents of this initiative at an activity report meeting organized by TABLE FOR TWO International.



In October 2014, we further hosted a Stand Up Take Action event, offering employees the opportunity to participate in a global campaign to end poverty and achieve one of the Millennium Development Goals (MDGs). Representative members of Nissha divisions running the TFT



today.

program gathered with the suppliers of our daily meals. Together they read their declaration—"We will stand up to eradicate poverty across the world"—and took a group photograph. Although our activities in the cafeteria by no means represent tremendous action, we believe they will help to build a global perspective and lead the individual participants to take action, starting with what they can do

Membership in Community Organizations

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

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

Company Outline

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

Company Outline

View our company outline and a list of major group companies.

Company Outline <http://www.nissha.com/english/company/outline.html>

Nissha's Business Fields

View our business fields and an outline of our global operations.

Nissha's Business Fields <http://www.nissha.com/english/company/about/business/index.html>

Global Network

View the bases of our global network.

Global Network <http://www.nissha.com/company/office.html>

Company Outline

Name	Nissha Printing Co., Ltd.
Headquarters	3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan
President and CEO, Chairman of the Board	Junya Suzuki
Founded	October 6, 1929
Established	December 28, 1946
Capital	¥5,684,790 thousand
Employees	955 (Consolidated number of employees: 3,596) *As of End of March 2015
Business outline	Nissha is mainly developing the 4 business areas of Industrial Materials , Devices , Life Innovation and Information & Communication . At the same time, Nissha is accelerating the creation of Research & Development for advance.
Consolidated Subsidiaries	31
Equity Method Affiliates	3*
Bases	Japan: 14 (including affiliated companies) Overseas: 28 (including locally incorporated companies and equity method affiliates)
Major Group Companies	<p>【Japan】</p> <p>Nitec Industries, Inc. Nitec Precision and Technologies, Inc. SiMICS Co., Ltd. FIS Inc. Nissha Printing Communications, Inc. Nitec Printing Co., Ltd. Nissha F8, Inc. M crossing Co., Ltd. Nissha Business Service Co., Ltd.</p> <p>【Overseas】</p> <p>Nissha USA, Inc. Eimo Technologies, Inc. Si-Cal Technologies, Inc. PMX Technologies, S.A. de C.V. Nissha Europe GmbH H.I.G. Luxembourg Holdings 28 S.a.r.l. AR Metallizing N.V. AR Metallizing S.r.l. AR Metallizing Ltd. ARM Embalagens Ltda.</p>

Nissha Korea Inc.
Nissha Industrial and Trading (Shenzhen) Co., Ltd.
[Nissha \(Kunshan\) Precision IMD Mold Co., Ltd.](#)
Guangzhou Nissha High Precision Plastics Co., Ltd.
Hong Kong Nissha Co., Ltd.
Taiwan Nissha Co., Ltd.
Nissha Industrial and Trading Malaysia Sdn. Bhd.
Southern Nissha Sdn. Bhd.
*NS Tech Co., Ltd.
*TPK Film Solutions Limited

Nissha's Business Fields

What's Nissha?

Industrial Materials

Devices

Life Innovation

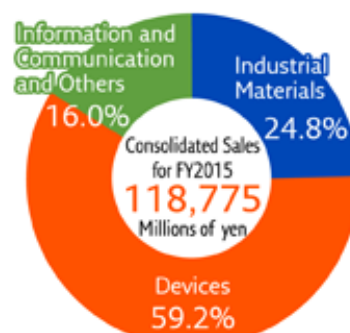
Information &
Communication

The company's name, Nissha Printing, may conjure up an image of a company that prints publications such as books. Of course, Nissha's technologies are highly rated in that area; but its business is not only confined to that. The specific technologies that the company has developed based on printing are used in a variety of fields and help make people's lives richer.



Headquarters

Nissha is developing the 4 business areas of "[Industrial Materials](#)", "[Devices](#)", "[Life Innovation](#)" and "[Information & Communication](#)". We handle decorative films and printing related materials field comprising "IMD" as the main product in our Industrial Materials business, and the touch input device "FineTouch" series in our Devices business. In our Life innovation business, we handle gas sensors and DDS(Drug Delivery System) and the Information & Communication business, we provide printing media and a wide range of services that support general communication strategies, on a one-stop basis.

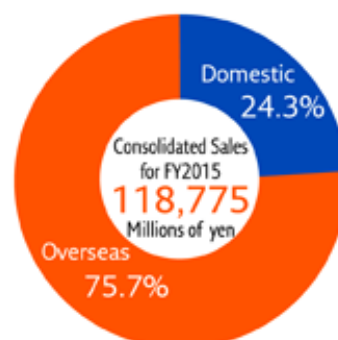


Sales breakdown by business field for FY2015 (ended March 31, 2015)

* [Nissha Printing Communications, Inc.](#) operates the Information and Communication business of Nissha Printing Co., Ltd.

Globally trusted Technology

Nissha's technology is highly regarded not only by customers in Japan, but throughout the world. Overseas sales have vastly surpassed domestic sales.



Sales breakdown by overseas vs. domestic for FY2015

Nissha products are customized for each and every product provided to our customers. Our business would not be viable without the trust of our customers.

Nissha's way of carrying out business is to work near to our customers throughout the world in a way that answers our customers' needs. The number of our global bases has now reached 28.



Editorial Policy

The Nissha CSR Report is published annually to serve as a communication tool for building a “mutually trustful Co-existence with society,” as set forth in our corporate mission. CSR Report 2015 is compiled with the objective of disclosing widely to our stakeholders information regarding Nissha’s initiatives and performance in fiscal year 2015 (April 2014–March 2015), following the editorial policy given below.

Guidelines Used as Reference

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

Period Covered

The information contained in this report, in principle, covers the period from April 2014 to March 2015. Some reporting is also done regarding activities carried out after April 2015.

Publication Dates

Current issue: June 2015

Next issue: June 2016 (planned)

Last issue: June 2014

Selection of Items for Reporting

The contents of this report reflect the guidelines given above as well as questionnaires regarding corporate evaluation, the global template provided by the Electronic Industry Citizenship Coalition (EICC), and demand from our customers. Editing is conducted in line with the core sections of ISO26000 while taking into consideration significance for both society and Nissha’s stakeholders, and for Nissha itself, drawing on the views of our various stakeholders, including customers. The process of selecting items for reporting is given in the table below. In identifying relevant topics and prioritizing items, the CSR Department, responsible for editing, organizes meetings and interviews with various Nissha divisions and makes a selection with approval from the president and CEO.

Step 1 Identify relevant topics	Topics with an impact on the Nissha Group and our supply chain are extracted, consulting the G4 guidelines and the core sections of ISO26000.
Step 2 Prioritize items	Individual items are prioritized taking into account significance for the Nissha Group and the degree of impact on society.
Step 3 Validation	The relevance of the items is confirmed from the standpoint of our stakeholders, based on evaluation by external experts.
Step 4 Review	The contents are reviewed against those of the previous report, other initiatives undertaken during the period covered, and trends in the global society before being finalized.

Scope of Reporting

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

Significant activities conducted by companies in our supply chain are also included in this report.

Nissha Businesses and Major Affiliated Companies

Industrial Materials

Nitec Industries, Inc. (NII)

Eimo Technologies, Inc.

Si-Cal Technologies, Inc.

PMX Technologies, S.A. de C.V.

Guangzhou Nissha High Precision Plastics Co., Ltd.

Nissha (Kunshan) Precision IMD Mold Co., Ltd.

Southern Nissha Sdn. Bhd.

Devices

Nitec Precision and Technologies, Inc. (NPT)

SiMICS Co., Ltd.

* Nissha Printing Co., Ltd. acquired SiMICS Co., Ltd. as a subsidiary as of April 1, 2015.

Life Innovation

FIS Inc. (FIS)

Information and Communication

Nissha Printing Communications, Inc. (NCI)

Nitec Printing Co., Ltd. (NPC)

Nissha F8, Inc.

* The planning and production function of NCP Co., Ltd. was integrated into Nissha Printing Co., Ltd., and its creative photography function into Nissha F8, Inc., as of April 1, 2015.

Variations in Scope of Reporting

Changes in Nissha Group companies in fiscal year 2015, as well as the impact on the scope of reporting, are given in the table below.

Date	Contents	Impact on scope of reporting
Apr. 2014	F8 Photo Studio Inc. was acquired as a subsidiary through the acquisition of all shares * The company was renamed Nissha F8, Inc. as of April 1, 2015	Minor
June 2014	FIS Inc. was acquired as a subsidiary through a simple share exchange	New information, primarily related to the environment, is included starting with this report
Aug. 2014	Nissha Industrial and Trading Malaysia Sdn. Bhd. was established as a sales subsidiary in Malaysia, with	Minor

	operations commencing in November	
Oct. 2014	Nissha Sales Promotion & Products Co., Ltd. was dissolved and liquidated	Minor
Nov. 2014	The production facility of Nitec Industries, Inc. Tsu Factory was transferred to the Inhon Group, in Taiwan, in an agreement to establish a strategic collaborative relationship	The transfer of the production facility had an impact on some reporting under The Environment (Monitoring and Prevention of Pollution / Management of Chemical Substances)
Jan. 2015	Polymer Tech Mexico S.A. de C.V. was acquired through Nissha USA, Inc. and Eimo Technologies, Inc. * The company was renamed PMX Technologies, S.A. de C.V. in March 2015	Minor

With the launch of a new Life Innovation business division on April 1, 2015, Nissha Printing Co., Ltd. now operates four businesses including Industrial Materials, Devices, and Information and Communication. The Information and Communication business was spun off as a wholly owned subsidiary named Nissha Printing Communications, Inc., effective from July 1, 2015.

Publishing Division and Contact for Inquiries

Nissha Printing Co., Ltd.

CSR, Corporate Communications

Tel: +81-(0)75-811-8111

Fax: +81-(0)75-823-5344

Inquiries: [Nissha website "Contact us" page](http://www.nissha.com/english/inquiry/index.html) <http://www.nissha.com/english/inquiry/index.html>

GRI Content Index

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General Standard Disclosures		Location in CSR report	Pages on PDF
Strategy and Analysis			
G4-1	a. Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	CEO Message	2-3
G4-2	a. Provide a description of key impacts, risks, and opportunities.	CEO Message	2-3
Organizational Profile			
G4-3	a. Report the name of the organization.	Company Outline	92-93
G4-4	a. Report the primary brands, products, and services.	Nissha's Business Fields	94-95
G4-5	a. Report the location of the organization's headquarters.	Company Outline	92-93
G4-6	a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Global Network	91
G4-7	a. Report the nature of ownership and legal form.	Company Outline	92-93
G4-8	a. Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Nissha's Business Fields	94-95
G4-9	a. Report the scale of the organization, including: <input type="checkbox"/> • Total number of employees <input type="checkbox"/> • Total number of operations <input type="checkbox"/> • Net sales (for private sector organizations) or net revenues (for public sector organizations) • <input type="checkbox"/> Total capitalization broken down in terms of debt and equity (for private sector organizations) <input type="checkbox"/> • Quantity of products or services provided	Company Outline	92-93
		Nissha's Business Fields	94-95
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Respect for Diversity> Composition of Nissha People	33-36
G4-11	a. Report the percentage of total employees covered by collective bargaining agreements.	Human Rights> Relationship with Labor Union	26-27
G4-12	a. Describe the organization's supply chain.	Partnership with Our Suppliers> Expansion of Our Supply Chain	79
G4-13	a. Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: <input type="checkbox"/> • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • <input type="checkbox"/> Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) <input type="checkbox"/> • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	Editorial Policy> Variations in Scope of Reporting	97-98
Commitments to External Initiatives			
G4-14	a. Report whether and how the precautionary approach or principle is addressed by the organization.	Corporate Governance> Risk Management	20
		Environmental Policy and Management Structures	49-51
G4-15	a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	CEO Message	2-3
		United Nations Global Compact	13
G4-16	a. List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <input type="checkbox"/> • Holds a position on the governance body • <input type="checkbox"/> Participates in projects or committees • Provides substantive funding beyond routine membership dues <input type="checkbox"/> • Views membership as strategic	Community Involvement and Development> Membership in Community Organizations	90

Identified Material Aspects and Boundaries			
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Editorial Policy> Scope of Reporting Global Network	97 91
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Editorial Policy> Selection of Items for Reporting	96
G4-19	a. List all the material Aspects identified in the process for defining report content.		
G4-20	a. For each material Aspect, report the Aspect Boundary within the organization, as follows: <input type="checkbox"/> <input type="checkbox"/> • Report whether the Aspect is material within the organization • If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: –The list of entities or groups of entities included in G4-17 for which the Aspect is not material or –The list of entities or groups of entities included in G4-17 for which the Aspects is material • <input type="checkbox"/> Report any specific limitation regarding the Aspect Boundary within the organization	Editorial Policy> Scope of Reporting	97
G4-21	a. For each material Aspect, report the Aspect Boundary outside the organization, as follows: <input type="checkbox"/> <input type="checkbox"/> • Report whether the Aspect is material outside of the organization <input type="checkbox"/> <input type="checkbox"/> • If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified <input type="checkbox"/> <input type="checkbox"/> • Report any specific limitation regarding the Aspect Boundary outside the organization	Editorial Policy> Scope of Reporting	97
G4-22	a. Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Prevention of Further Global Warming> Basic Unit Management by Production Volume and Its Issues	60
G4-23	a. Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Editorial Policy> Variations in Scope of Reporting	97-98
Stakeholder Engagement			
G4-24	a. Provide a list of stakeholder groups engaged by the organization.	Nissha's Stakeholders	9-11
G4-25	a. Report the basis for identification and selection of stakeholders with whom to engage.	Nissha's Stakeholders	9-11
G4-26	a. Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Nissha's Stakeholders	9-11
G4-27	a. Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Nissha's Stakeholders Partnership with Our Suppliers> Start of CSR Supplier Audits	9-11 79-80
Report Profile			
G4-28	a. Reporting period (such as fiscal or calendar year) for information provided.	Editorial Policy> Period Covered	96
G4-29	a. Date of most recent previous report (if any).	Editorial Policy> Period Covered	96
G4-30	a. Reporting cycle (such as annual, biennial).	Editorial Policy> Period Covered	96
G4-31	a. Provide the contact point for questions regarding the report or its contents.	Editorial Policy> Publishing Division and Contact for Inquiries	98
GRI Content Index			
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	GRI Content Index	99
Assurance			
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Assurance has not been sought for the sustainability report.	–
Governance			
Governance Structure and Composition			
G4-34	a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Corporate Governance Approach to CSR	15-21 5-6
G4-35	a. Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Approach to CSR	5-6

G4-36	a. Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Approach to CSR	5-6
G4-37	a. Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Corporate Governance> Nissha's Management and Business Execution System Approach to CSR> CSR Management Human Rights> Relationship with Labor Union	17 5-6 26-27
G4-38	a. Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> • Executive or non-executive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of under-represented social groups • Competences relating to economic, environmental and social impacts • Stakeholder representation 	Corporate Governance Respect for Diversity> Composition of Nissha People	15-21 33-36
G4-39	a. Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Corporate Governance> Appointment of Outside Directors for Increased Transparency	15-16
G4-40	a. Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> • Whether and how diversity is considered • Whether and how independence is considered • Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved 		
G4-41	a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures 		
Highest Governance Body's Role in Setting Purpose, Values, and Strategy			
G4-42	a. Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Approach to CSR	5-6
Highest Governance Body's Competencies and Performance Evaluation			
G4-43	a. Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Corporate Governance> ESG Study Session by Outside Lecturer for Executives	21
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.		
Highest Governance Body's Role In Risk Management			
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Approach to CSR Corporate Governance> Internal Control System	5-6 17-21

G4-46	a. Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Approach to CSR Corporate Governance> Internal Control System	5-6 17-21
G4-47	a. Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Approach to CSR Corporate Governance> Internal Control System	5-6 17-21
Highest Governance Body's Role In Sustainability Reporting			
G4-48	a. Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Editorial Policy> Selection of Items for Reporting	96
Highest Governance Body's Role in Evaluating Economic, Environmental and Social Performance			
G4-49	a. Report the process for communicating critical concerns to the highest governance body.	Approach to CSR Corporate Governance> Internal Control System	5-6 17-21
G4-50	a. Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.		
Remuneration and Incentives			
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: <ul style="list-style-type: none"> • Fixed pay and variable pay: –Performance-based pay –Equity-based pay –Bonuses –Deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	Corporate Governance> Remuneration for Directors and Corporate Auditors	17
G4-52	a. Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.		
G4-53	a. Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.		
G4-54	a. Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.		
G4-55	a. Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.		
Ethics and Integrity			
G4-56	a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Corporate Philosophy and Nissha Brand	7-8
G4-57	a. Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Human Rights> Hotline	26
G4-58	a. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Human Rights> Hotline	26
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G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		
G4-EC3	Coverage of the organization's defined benefit plan obligations		
G4-EC4	Financial assistance received from government		
Aspect: Market Presence			
G4-DMA			
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	Respect for Diversity> Composition of Nissha People	33-36
Aspect: Indirect Economic Impacts			
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G4-EC7	Development and impact of infrastructure investments and services supported		
G4-EC8	Significant indirect economic impacts, including the extent of impacts		
Aspect: Procurement Practices			
G4-DMA			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation		
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Aspect: Materials			
G4-DMA		Approach to CSR	5-6
		Environmental Policy and Management Structures	49-51
		Environmental Objectives and Status of Achievement	52-55
G4-EN1	Materials used by weight or volume	Environmental Impact as a Result of Business Operations	56-57
G4-EN2	Percentage of materials used that are recycled input materials		
Aspect: Energy			
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		Environmental Policy and Management Structures	49-51
		Environmental Objectives and Status of Achievement	52-55
G4-EN3	Energy consumption within the organization	Environmental Impact as a Result of Business Operations	56-57
		Prevention of Further Global Warming	58-60
G4-EN4	Energy consumption outside of the organization		
G4-EN5	Energy intensity	Prevention of Further Global Warming	58-60
G4-EN6	Reduction of energy consumption		
G4-EN7	Reductions in energy requirements of products and services		
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		Environmental Policy and Management Structures	49-51
G4-EN8	Total water withdrawal by source	Environmental Impact as a Result of Business Operations	56-57
G4-EN9	Water sources significantly affected by withdrawal of water		
G4-EN10	Percentage and total volume of water recycled and reused		
Aspect: Biodiversity			
G4-DMA			
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		
G4-EN13	Habitats protected or restored		
G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		
Aspect: Emissions			

G4-DMA		Approach to CSR	5-6
		Environmental Policy and Management Structures	49-51
		Environmental Objectives and Status of Achievement	52-55
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Environmental Impact as a Result of Business Operations	56-57
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Prevention of Further Global Warming	58-60
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G4-DMA		Approach to CSR	5-6
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G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff		
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		Environmental Policy and Management Structures	49-51
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G4-DMA			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce		
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G4-DMA			
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G4-EN32	Percentage of new suppliers that were screened using environmental criteria		
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G4-DMA			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		
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Sub-Category: Labor Practices and Decent Work			
Aspect: Employment			
G4-DMA			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region		
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G4-LA3	Return to work and retention rates after parental leave, by gender	Support for Diverse Work Styles> Status of Major Long-term Leave and Time Taken Off from Work (Nissha Group in Japan)	40-41
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		Safety and Health> Occupational Safety and Health Policy / Safety and Health Objectives, Safety and Health Committee / Safety and Health Management System	43-44
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs		
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Safety and Health> Occurrence of Work-related Accidents	45
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation		
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Aspect: Diversity and Equal Opportunity			
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		Respect for Diversity	30-37
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Aspect: Equal Remuneration for Women and Men			
G4-DMA			

G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Employees are treated appropriately regardless of gender; no imbalance exists in basic salary between men and women.	–
Aspect: Supplier Assessment for Labor Practices			
G4-DMA		Partnership with Our Suppliers> Start of CSR Supplier Audits, Basic Purchasing Policy	79-81
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria		
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken		
Aspect: Labor Practices Grievance Mechanisms			
G4-DMA		Approach to CSR	5-6
		Human Rights> Relationship with Labor Union	26-27
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Human Rights> Hotline	26
Sub-Category: Human Rights			
Aspect: Investment			
G4-DMA			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		
Aspect: Non-discrimination			
G4-DMA		Approach to CSR	5-6
		Human Rights> Basic Policy on Labor and Human Rights	25
G4-HR3	Total number of incidents of discrimination and corrective actions taken		
Aspect: Freedom of Association and Collective Bargaining			
G4-DMA		Approach to CSR	5-6
		Human Rights> Basic Policy on Labor and Human Rights	25
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Human Rights> Relationship with Labor Union	26-27
Aspect: Child Labor			
G4-DMA		Approach to CSR	5-6
		Human Rights> Basic Policy on Labor and Human Rights	25
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		
Aspect: Forced or Compulsory Labor			
G4-DMA		Approach to CSR	5-6
		Human Rights> Basic Policy on Labor and Human Rights	25
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		
Aspect: Security Practices			
G4-DMA			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations		
Aspect: Indigenous Rights			
G4-DMA			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken		
Aspect: Assessment			
G4-DMA			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments		
Aspect: Supplier Human Rights Assessment			

G4-DMA		Partnership with Our Suppliers> Start of CSR Supplier Audits, Basic Purchasing Policy	79-81
G4-HR10	Percentage of new suppliers that were screened using human rights criteria		
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken		
Aspect: Human Rights Grievance Mechanisms			
G4-DMA			
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms		
Sub-Category: Society			
Aspect: Local Communities			
G4-DMA			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs		
G4-SO2	Operations with significant actual and potential negative impacts on local communities		
Aspect: Anti-corruption			
G4-DMA		Approach to CSR	5-6
		Corporate Ethics and Compliance	22-23
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		
G4-SO4	Communication and training on anti-corruption policies and procedures	Corporate Ethics and Compliance> Promotion Structure and Initiatives	22-23
		Partnership with Our Suppliers> Start of CSR Supplier Audits	79-80
G4-SO5	Confirmed incidents of corruption and actions taken		
Aspect: Public Policy			
G4-DMA			
G4-SO6	Total value of political contributions by country and recipient/beneficiary		
Aspect: Anti-competitive Behavior			
G4-DMA		Approach to CSR	5-6
		Corporate Ethics and Compliance	22-23
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		
Aspect: Compliance			
G4-DMA		Approach to CSR	5-6
		Corporate Ethics and Compliance	22-23
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		
Aspect: Supplier Assessment for Impacts on Society			
G4-DMA		Partnership with Our Suppliers> Start of CSR Supplier Audits, Basic Purchasing Policy	79-81
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society		
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken		
Aspect: Grievance Mechanisms for Impacts on Society			
G4-DMA			
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		
Sub-Category: Product Responsibility			
Aspect: Customer Health and Safety			
G4-DMA		Approach to CSR	5-6
		Consumer Issues> Quality and Safety of Products	87
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement		

G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Consumer Issues> Quality and Safety of Products	87
Aspect: Product and Service Labeling			
G4-DMA		Approach to CSR Consumer Issues> Quality Policy, Quality Management System (QMS). Customer Satisfaction Improvement Committee	5-6 84-87
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements		
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		
G4-PR5	Results of surveys measuring customer satisfaction		
Aspect: Marketing Communications			
G4-DMA		Approach to CSR Corporate Ethics and Compliance	5-6 22-23
G4-PR6	Sale of banned or disputed products		
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes		
Aspect: Customer Privacy			
G4-DMA		Approach to CSR Initiatives Related to Information Security> Information Security Policy · Information Security Management Structure	5-6 70-71
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		
Aspect: Compliance			
G4-DMA		Approach to CSR Corporate Ethics and Compliance	5-6 22-23
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		