



Become a truly global company

Nissha (Nissha Printing Co., Ltd. and its group companies) drafted the Corporate Mission, Management Policy, and Code of Conduct based on the company's medium-term business plan, first implemented in 2003. Implementation of the Third Medium-term Business Plan began in April 2009. "Become a truly global company" was established as the company's medium-term vision, and the Management Policy and Code of Conduct were revised. As stated in the Corporate Mission, Nissha is working to realize "a mutually trustful Co-Existence with society" through business activities that utilize proprietary printing technologies, and will continue to be a company that is trusted by all stakeholders.

Corporate Mission

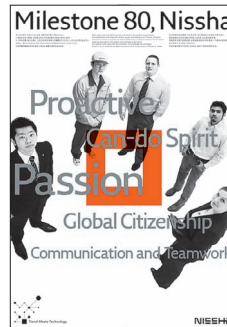
We are committed to pursuing a mutually trustful Co-Existence with society through our business activities utilizing a unique technology development, based on PRINTING as a core.

Management Policy

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

Code of Conduct

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



Milestone 80 — a junction on the road to further growth

Nissha will celebrate its 80th birthday on October 6, 2009. To commemorate this important milestone in our history and looking forward to continued growth in the future, the fiscal year 2010 (April 1, 2009 - March 31, 2010), which is the first year of implementation of the Third Medium-term Business Plan, has been designated the Milestone 80 year. Rather than reflecting on our history, this milestone year will mark the start of initiatives necessary for survival and continued growth in the future of both Nissha and Nissha People with a focus on our future direction and the required course of action.

Editorial Policy

The CSR Report 2009 has been compiled with the objective of disclosing to our numerous stakeholders, including customers, information regarding Nissha's initiatives and business performance in the fiscal year 2009 (April 1, 2008-March 31, 2009).

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

Period Covered and Scope of Reporting

Period covered: Information and numerical data contained in this report, in principle, covers the period from April, 2008 to March, 2009. Some reporting has also been done regarding activities carried out after April 2009. Numerical data has been compared with corresponding data for the three-year period between April, 2006 and March, 2009.

Scope of reporting: The information and numerical data contained in this report mainly focus on activities conducted by Nissha Group. Where information for the entire group is not available, the scope of reporting has been indicated separately in footnotes on each relevant page.

- Nissha refers to Nissha Printing Co., Ltd. and its group companies. The Headquarters and affiliated companies, such as Nissha Intersystems Co., Ltd., located within the headquarter premises are collectively referred to as the "Headquarters".
- Eastern Nissha Printing Co., Ltd. changed its company name to Nitec Printing Co., Ltd. on July 1, 2009.
- Technical terms and other terminology unique to Nissha have been explained within the text or in separate footnotes throughout the report.
- The Nissha CSR Report is published every year, and is also posted on the company website.

Guidelines used as reference

— Environmental Reporting Guidelines 2007, issued by the Japanese Ministry of

the Environment

— Sustainability Reporting Guidelines 2006 (Global Reporting Initiative)

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Nissha has established “Become a truly global company” as its medium-term vision, and is currently implementing the Third Medium-term Business Plan.

The Third Medium-term Business Plan

Activities implemented under the Second Medium-term Business Plan were completed in the fiscal year 2009. Formulated mainly as a strategy for future growth, the medium-term business plans focus on six priority strategies. In the fiscal year 2009, emphasis was placed on strengthening “Leadership and implementation skills” in order to effectively implement strategies on the worksites, and make realization of the company strategy each employee’s goal at work. The Nissha Group worked in concert toward achieving these goals.

The global economic crisis that began in the autumn of 2008 greatly affected Nissha’s business performance as well. Despite radical efforts to strengthen sales and increase the number of orders received as well as to reduce internal costs, financial results for the 4Q of the fiscal year 2009 were grim.

“Become a truly global company,” was established as the company’s medium-term vision and initiatives under the Third Medium-term Business Plan (April 2009 - March 2012) are currently underway. There are many overseas markets where Nissha technologies can be used extensively and we are committed to raising our capabilities from a global perspective to seize those opportunities. The Third Medium-term Business Plan is an action plan that details strategies, implementation items, and the course of action to be taken, and sets evaluation indicators, focusing on the goals Nissha aims to achieve in three years from now.

Under the Third Medium-term Business Plan, fulfillment of corporate social responsibility (CSR) continues to be a strategic implementation item of the Corporate Mission. Based on the thinking that all implementation items specified in the strategy are linked to the Corporate Mission, Nissha clarified its future

direction by redefining the Management Policy, and Code of Conduct.

Communication with Stakeholders

With the aim of further promoting communication with stakeholders, Nissha established the Corporate Communications Division in the fiscal year 2010. The new division will work to promote awareness of the company through PR activities, enhance internal communication, implement strategic IR, carry out socially responsible purchasing jointly with suppliers, and take action to improve communication with local communities. In addition to its business activities, Nissha is committed to enhancing enterprise value in the long term by building even better relationships with all stakeholders through initiatives to actively promote communication on a global scale and gain trust. We will continue to aim for growth together with our stakeholders.

New Personnel Systems

In order to create systems that are fair and gain the understanding of all employees, Nissha has for some time been engaged in restructuring its personnel system. In April 2009, a new personnel system was initiated for managerial staff. Plans call for a new system to be put in place for general employees in April 2010, following continued discussions by the Human Resource Management System Review Committee.

Consideration for the Environment

Consideration for the environment is undoubtedly a priority management issue for Nissha, a production company. The revised Management Policy clarifies the positioning of environmental



A handwritten signature in black ink, which appears to read 'Junya Suzuki'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Junya Suzuki
President and CEO
Representative Director of the Board

management within the Third Medium-term Business Plan, and recognizes the increasing importance of initiatives to reduce CO₂ emissions, in particular. In the fiscal year 2010, the Operation Administration was established, and environmental management system control functions and environmental management functions were consolidated to enable more efficient response to environmental issues. By expanding the functions and activities of the Environmental Conservation Committee Nissha will step up future initiatives to promote environmental management, including responses to the Act on the Rational Use of Energy that went into effect in April 2009; participation in the printing industry's Voluntary Action Plan; setting new environmental goals for the company (April 2009 - March 2012); and strengthening company-wide action.

Environmental Initiatives at Overseas Bases

In the fiscal year 2009, we engaged in environmental preservation activities at our overseas production bases in other parts of Asia, focusing on initiatives to quantitatively determine environmental performance with regard to energy consumption and discharge of waste. As a result, we were able to raise the environmental awareness of local employees and considerably improve the recycling and resource reuse rates at production bases in Malaysia and China. Nissha will continue its efforts to enhance environmental performance at all overseas bases.

Milestone 80

As Nissha prepares to celebrate the 80th anniversary of its establishment on October 6, 2009, we re-acknowledge the efforts of our founder Naoki Suzuki and many others who built up the company as we know it today. Many aspects of the company's

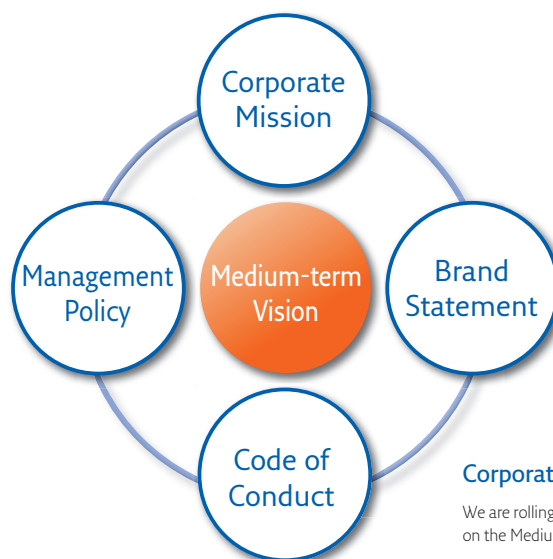
current profile can be attributed to the dramatic globalization that has taken place in recent years. These new aspects alone, however, do not represent the true Nissha. Nissha was built on a strong business foundation that was developed over the years and a rich technology base.

The fiscal year 2010 does not merely mark the 80th anniversary of Nissha's founding. As a forward-looking company that continues to show steady growth, we have designated the year as "Milestone 80" - an important milestone year during which to present and implement in a strategic manner action that will determine the future direction of the company - so that ten or twenty years later we can look back on this period as an important turning point in our history. Towards this goal, we plan to develop and implement wide-ranging programs including new business strategies, technology development, and internal restructuring.

In Conclusion

Nissha views the current economic crisis, brought about by global financial instability, as an opportunity for further growth. To realize this we must clarify our internal and external corporate social responsibilities and carry out activities to fulfill them. By implementing activities that reflect the true spirit of CSR we will fulfill our responsibilities as a truly global company and strive to achieve Co-Existence with society at large.

We look forward to your continued understanding and support.



Corporate Mission Dynamics

We are rolling out the Corporate Mission based on the Medium-term Vision.

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

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

Currently, Nissha conducts operations in three business fields -Industrial Materials, Input Devices, Information and Communication. The Industrial Materials business accounts for 52.6% of total income, while the Input Devices business and the Information and Communication business contribute 28.0% and 19.4% respectively (fiscal year 2009 financial results).

Nissha has also stepped up global expansion of business operations. In the fiscal year 2009, 62.7% of total sales were from overseas business activities. Nissha's current overseas network comprises 25 sales and production bases in different parts of the world.

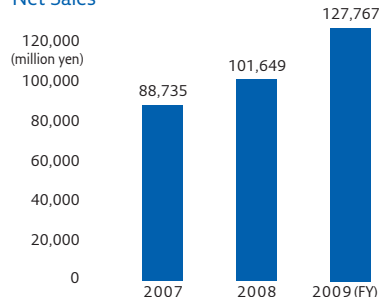
Nissha will continue to develop innovative technologies that will evolve with the times to provide ever greater value and satisfaction.

- Company Name:** Nissha Printing Co., Ltd.
- Headquarters:** 3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan
- President and CEO:** Junya Suzuki
President and CEO, Representative Director of the Board
- Founded on:** October 6, 1929
- Established:** December 28, 1946
- Number of Permanent Employees (as of the End of March 2009):**
3,631 (on a consolidated basis);
907 (on an unconsolidated basis)
- Capitalization:** 5,684,790 thousand yen

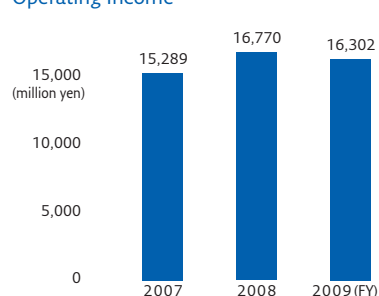
Map of Nissha's Worldwide Bases



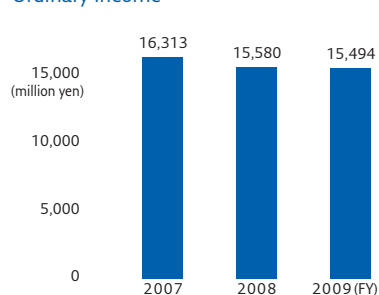
Net Sales



Operating Income

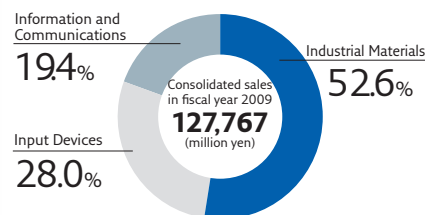


Ordinary Income

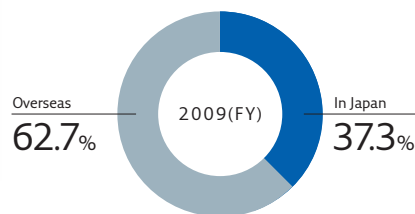


Breakdown of Consolidated Sales in Fiscal Year 2009

1) Breakdown of sales by business



2) Breakdown of sales by region



To provide customers value-added products and enhance customer satisfaction through worldwide application of technologies that were developed in Kyoto based on the expertise gained from the printing business, Nissha is currently expanding its expressive, creative, and technological skills on a global scale.



Industrial Materials Business - Expression of Beauty

Nissha has gained international reputation as a leading company for the development of decoration technologies that allows a rich variety of beautiful designs to be created with great precision and freedom of expression on the surface of various products. These technologies have been adopted in a wide range of applications including in the Nissha IMD system that simultaneously performs plastic molding and design transfer; the Nissha IML system that can be used to decorate more complex 3-D surfaces; and derivative technologies that can be used to decorate both sides of objects. In the future, as consumer needs become increasingly sophisticated, Nissha will take measures to respond with regard to both design and functionality.

Major Products

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

Major Applications

- Personal computers, mobile phones, home appliances, electronics, vehicle exteriors and interiors, cosmetic packages, and stationery.



Input Devices Business - Facilitating Easy Communication

Nissha utilized its original photomechanical technology in electronic parts to develop the Nissha FineTouch, a touch input device that boasts a high degree of precision and excellent functionality. The touch screen panel is widely used on mobile game machines and mobile phones, and enjoys the world leading market share. The touch window that uses highly expressive decoration technologies to incorporate decoration on the touch screen panel has also won acclaim as a next-generation input device that seeks to expand the degree of freedom in product design.

Major Products

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

Major Applications

- Mobile phones, personal computers, mobile game machines, car navigation systems and digital cameras, electronic dictionaries, home appliances, and other equipment



Information and Communication Business - Rich and Varied Creations

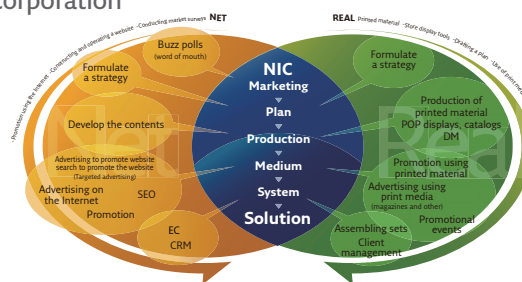
In addition to publication printing, characterized by a high degree of expressiveness, Nissha offers a wide variety of products and services including the sales promotion and marketing solutions that use the Internet. Nissha boasts a comprehensive line-up of products and services to support all aspects of a customer's communication strategy. Nissha also contributes to the field of culture and arts through the restoration and replication of cultural assets and other art objects using high-precision technological skills, creation of digital archives, and other services.

Major Products

- Print media
Publishing printing, commercial printing
- Sales promotion
Campaigns, events, and POP displays
- Net & Real (solution using the Internet and printed material)
Promotion using the Internet
- Art solutions
Restoration and replication, digital archives

Development of New Businesses - Nissha Interactive Corporation

In December 2008, Nissha established its first joint venture company, Nissha Interactive Corporation, together with eLife Inc. The new company provides comprehensive sales promotion solutions utilizing both the Net & Real (solution using the Internet and printed material). To support all aspects of a customer's communication strategy, activities range from formulating strategies based on analyses of consumer insight surveys to setting up store displays and implementing sales promotional campaigns.



The Third Medium-term Business Plan Goals

Nissha began implementation of the new medium-term (three-year) business plan on April 1, 2009. The first such plan was introduced in the fiscal year 2004, making this the third. The medium-term business plan envisages the type of company, Nissha should be or should aim to be in the medium term, and draws up an action plan with strategies and items that must be implemented towards realizing that goal. It is a growth-focused business plan that seeks to ensure survival and further growth of the company in the future.

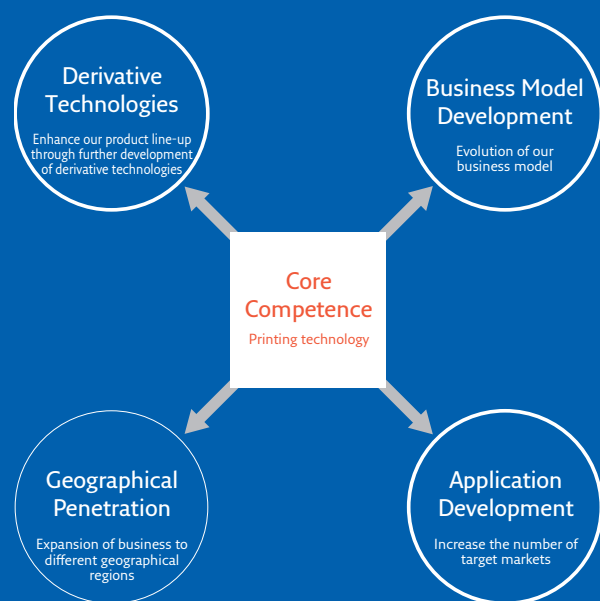
The Second Medium-term Business Plan that was completed in the fiscal year 2009 emphasized enhancing customer satisfaction as the primary requisite of a growth plan. A Balanced Score Card (BSC) was created and activities were implemented in a well-balanced manner from the four perspectives. The global economic crisis resulting from a financial meltdown in America and the appreciation of the yen against the US dollar significantly affected our business performance in the fiscal year 2009, the last year of the Second Medium-term Business Plan. Global expansion of business operations, however, contributed to sales and overall growth for the three-year period surpassed initial plans.

Under the Third Medium-term Business Plan, Nissha has established the goal of “becoming a truly global company” as its medium-term vision. We will continue to provide unique value in global markets and strive to become a company that earns further commendation from its stakeholders, including customers. To realize this future image of the company, we must further raise the capabilities and technical skills of our employees and strengthen internal structures; take measures to increase understanding and acceptance of different cultures, ways of thinking and working; and enhance communication skills to reach agreements through discussion and dialogue. To emphasize Nissha’s position and activities as a global citizen, the Code of Conduct, that all Nissha employees are expected to observe, incorporates “to practice ethical and fair spirited behavior”.

The Corporate Mission defines the scope of Nissha’s business as “business activities utilizing a unique technology development, based on PRINTING as a core.” Through business expansion in the area of our core competence, namely printing technologies, we will seek continued growth. The Third Medium-term Business Plan establishes four vectors for future

business expansion in line with our core competence.

- 1) Enhance our product line-up through further development of derivative technologies
Printing technologies, core competence, have diverse applications. For over 40 years, the fundamental concept underlying Nissha’s growth strategies has been to develop printing technologies that “enable printing on all surfaces other than water and air.”
- 2) Geographic expansion of business
We will aim to expand our business operations so that Nissha technologies and products are directly or indirectly used in high-growth markets around the world.
- 3) Increase the number of target markets
Nissha’s technologies and products have diverse and wide-ranging applications in a number of markets. We will continue to expand operations to include the growth industry of the particular period.
- 4) Evolution of our business model
Developing technologies or manufacturing products alone does not constitute a business. Nissha is constantly working to develop business models that are adapted to meet changing market environments.



Vectors for Expansion of Sales

In order to realize the medium-term vision, and continuing from the Second Medium-term Business Plan, Nissha has divided the Third Medium-term Business Plan into four individual implementation items based on the four perspectives of the BSC (Balanced Score Card).

Financial perspective: Nissha will aim to maximize enterprise value by expanding operations in terms of increased sales, profits, and cash flow, as well as focusing on improving ROE and ROA.

Customer (stakeholder) perspective: Nissha will strive to further raise QCDS (quality, cost, delivery, and support) standards and implement speedier responses, while providing high value-added products that suit consumer needs. We are also making efforts to improve interactive communication with stakeholders.

Internal process perspective: Nissha will implement initiatives such as reducing costs through improved production efficiency, accelerating technology development, and reinforcing environmental responses.

Finally, learning and growth perspective: To implement all of the above strategies, Nissha will further concentrate its efforts on employee training, enhanced utilization of information systems, and strengthening of the internal structures.

The direction for each business division’s strategy is outline below.

- **Industrial Materials Business**

The Industrial Materials Business will develop new technologies and production methods that meet consumer needs, while expanding the current product line-up and increasing the number of target markets. Reform of internal processes will also be implemented with an eye to raising profitability.

- **Input Devices Business**

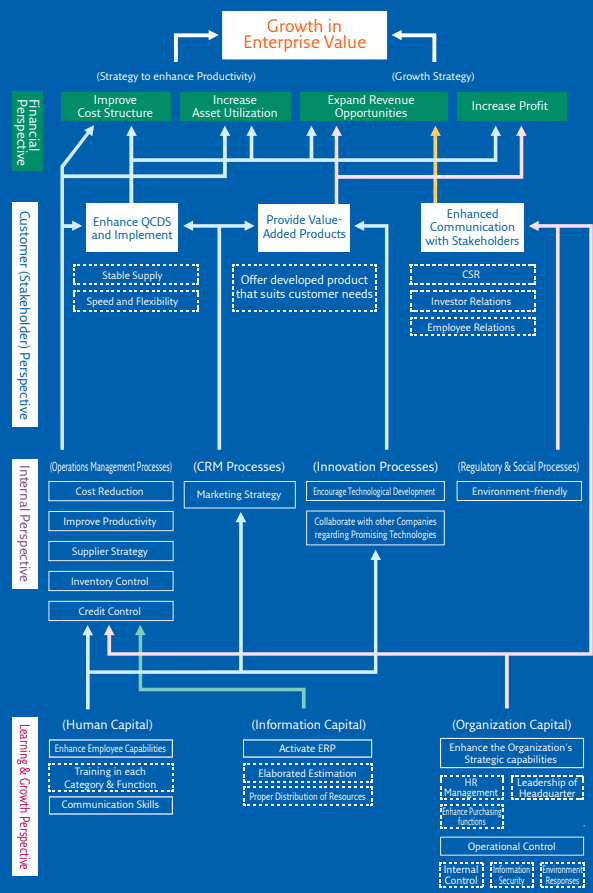
The Input Devices Business will seek to provide new value to customers by expanding its production capabilities and implementing a vertical reorganization of the value chain focusing on production structures. The division will also promote collaboration with other companies for the development of peripheral technologies and materials required to provide consumers value-added products.

- **Information and Communications Business**

The Information and Communications Business will redefine its area of operations to shift from a business

structure focused on paper as a print media to providing comprehensive services that support communication-related needs of customer companies. In conjunction with this shift, the division will assess the resources and capabilities that will be required under the new structure, and aim to revive profitability by implementing the Third Medium-term Business Plan.

The start of the fiscal year 2010 was marked by turmoil due to the global economic crisis. However, we are confident that the markets we are targeting for our technologies still hold potential. We will respond to changes in social and business environments in a timely manner and invest our management resources primarily in areas where we have a competitive edge, to pursue further growth and become a “strong company” that is undeterred by external factors such as economic downturns or currency fluctuations.



Strategy Map

Corporate Ethics and Code of Conduct

Nissha considers it important that all employees (hereafter referred to as Nissha People) follow the corporate ethics and observe regulatory compliance. In July 2008, Nissha consolidated the Employee's Manual of Conduct, which consisted of separate booklets in different languages, into the Corporate Ethics and Code of Conduct. In the fiscal year 2009, study meetings were held at all overseas bases. Plans call for further strengthening compliance promotion related structures throughout the Nissha Group in the future.



Corporate Ethics and Code of Conduct

Corporate Ethics and Compliance Declaration

In order to respond in an appropriate manner to increasing societal awareness regarding observance of corporate ethics and to emphasize a shared understanding of the issue within the group, the Corporate Ethics and Compliance Declaration comprised of ten compliance requirements was drafted in 2008 based on the Policy for Internal Control

Corporate Ethics and Compliance Declaration

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

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

Basic Policy and Preparations Towards the Elimination of Antisocial Forces

1. Basic Policy

Based on the Policy for Internal Control, Nissha drafted the Corporate Ethics and Compliance Declaration. Nissha's basic policy is to have no relationship with antisocial forces that pose a threat to the safe and orderly functioning of society and to take a firm stand against such forces and groups.

2. Status of Preparations

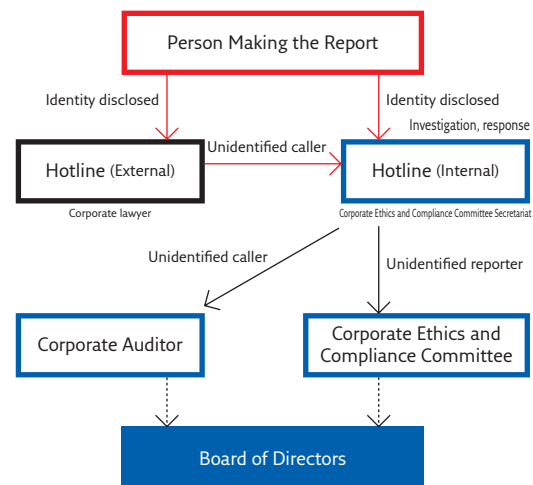
In order to put into practice the company's basic thinking regarding antisocial forces, Nissha is distributing manuals and other information regarding observance of corporate ethics and regulatory compliance at various internal training programs, as well as conducting dedicated training programs on a systematic and ongoing basis.

The General Affairs, Headquarters oversees the implementation of initiatives to deal with antisocial forces. Through information exchange and cooperation with law enforcement authorities, corporate lawyers, and relevant committees the department works to reduce risks and prevent potential damage to the company caused by antisocial forces.

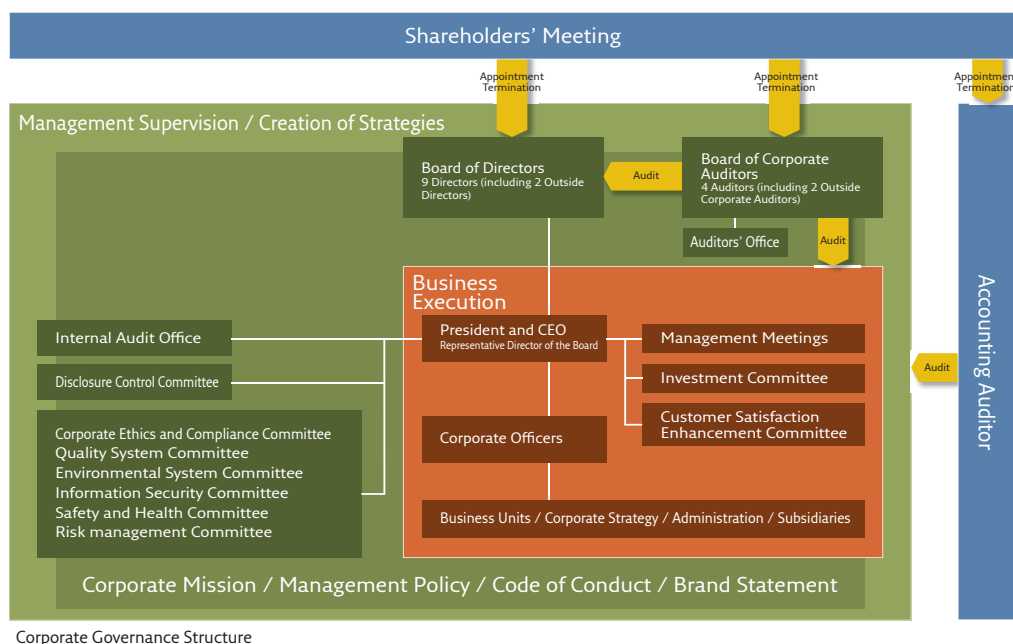
System for Internal Reporting

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

Since its establishment in 2006, the Nissha Hotline has been used five times. Most of the reports were regarding harassment. Although employees can also report such instances to their immediate supervisors or to the person in charge in the Corporate Human Resources, the management is aware of the need to establish a hotline that can sufficiently cope with the current number of employees and business sites. Action must also be taken to enhance employee awareness regarding the system and improve the level of response.



System Diagram of the Hotline



Corporate Governance Structure

Basic Approach Regarding Corporate Governance Structures

Nissha believes that it is important to enhance its corporate governance structures according to legal and social ethics, based on the Corporate Mission.

As the code of conduct to help employees observe rules and regulations, the articles of incorporation, and societal norms, Nissha has established different rules regarding compliance, such as the Corporate Ethics and Compliance Declaration. We have also drafted policies to realize Co-Existence with all stakeholders of the Nissha Group, including the Management Policy, the Code of Conduct, the Environmental Policy, and the Information Security Policy.

Further, in order to incorporate a third party perspective to our corporate governance, the Board of Directors includes two outside directors and two outside corporate auditors. Nissha has also created several management committees, including the Disclosure Control Committee that ensures the appropriateness of financial reporting, the Corporate Ethics and Compliance Committee, and the Risk Management Committee. Through these measures, Nissha is aiming to strengthen its corporate governance structures.

Basic Approach to the Internal Control System

Nissha's Policy for Internal Control comprises of eight articles, one of which requires the establishment of "structures to ensure that directors and employees execute their duties in compliance with laws and regulations and the articles of incorporation". Based on this policy and in accordance with the Company Law and the Ordinance for Enforcement of the Companies Law, we are creating structures to ensure proper conduct of business.

The Internal Control Department in particular, has been strengthened to ensure the appropriateness of important business functions, such as financial reporting. The department works jointly with the Disclosure Control Committee to promote internal control. Documents related to term end financial statements are first verified by the

Internal Audit Office that functions as an individual entity, then audited and certified by an external accounting auditor. Next, the contents are approved by the Disclosure Control Committee and then the board of directors, before disclosure. The marketable securities reports and reports on internal control for the fiscal year 2010 will be verified and approved by the Disclosure Control Committee then audited and certified by an accounting auditor, and submitted to the Kanto Local Finance Bureau via the Electronic Disclosure for Investors' Network (EDINET), an electronic disclosure system established by the Japanese Financial Services Agency.

Risk Management

Nissha has drafted a Basic Policy for Risk Management and is clarifying its approach towards risk management initiatives. The Risk Management Committee established in accordance with the risk management regulations monitors risks throughout the company and implements company-wide responses. Risks associated with compliance, information security, accidents and disasters, environmental and quality-related issues are managed by individual subcommittees and other relevant structures. Results of activities are reported periodically at board of directors and corporate auditors.

Remuneration for Directors

The 90th marketable securities reports for the fiscal year 2009 contain the following information:

Remuneration paid to directors: 279 million yen

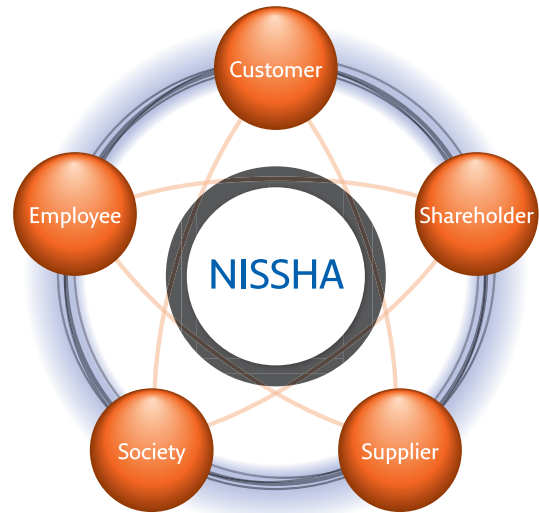
The above figure includes 91 million yen paid as annual bonuses to directors.

In addition to the above, 62 million yen was also paid as salaries towards execution of their duties as employees of the company, and as bonuses.

Co-Existence with Stakeholders

In April 2006, we classified the stakeholders who support Nissha's operations into Customer, Shareholder, Supplier, Society, and Employee. The relationship of trust between Nissha and its stakeholders was named Nissha's Circle of Trust. As specified in the Corporate Mission, we are committed to the realization of Co-Existence with society based on mutual trust through activities utilizing proprietary printing-based technologies. This commitment is an indication of our loyalty to our stakeholders.

Further, Nissha is implementing CSR activities to help preserve the environment, and support future generations.



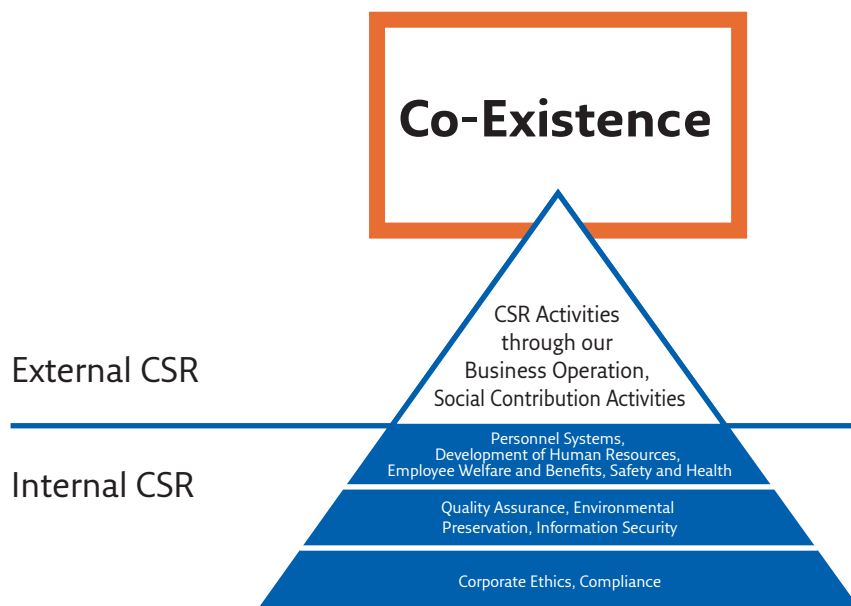
Approach to CSR (Corporate Social Responsibility)

Nissha has divided its corporate social responsibilities in to "internal CSR" activities and "external CSR" activities.

"Internal CSR" activities refer to the fundamental responsibilities of a company towards society, for which corporate ethics and compliance constitute the base. They include activities that we have been diligently implementing over time—environmental preservation activities, promotion of safety and health, development of human resources, establishment of appropriate personnel systems, employee benefits, information security, quality assurance, and supply chain management.

"External CSR" encompasses social contribution activities

and initiatives to enhance societal value. Social contribution activities are carried out in line with our Basic Social Contribution Policy, focusing on communication with local communities. Initiatives to enhance societal value include measures to enhance environmental value and societal value through business activities. By implementing strategic initiatives to tackle issues in the areas of both internal and external CSR, Nissha will promote the fulfillment of its CSR and maximize enterprise value.



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

Nissha Quality Assurance Structure

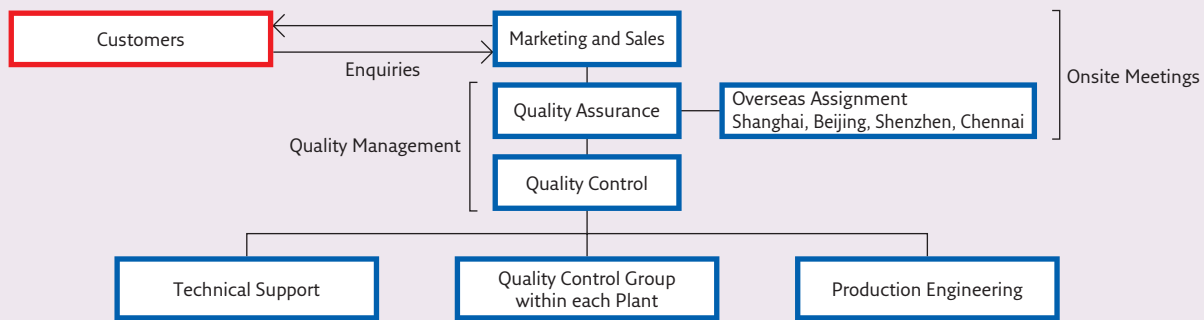
Nissha is promoting company-wide quality assurance measures to provide customers with products they can safely use.

Quality assurance structures (see figure below) have been put in place in the Industrial Materials and Input Devices Business Unit to enable appropriate and speedy responses to customer enquiries. The sales division, that is the contact point for customers, immediately reports any enquiries it receives from customers to the Quality Management. Under the guidance of the Quality Assurance, response measures are investigated jointly with relevant departments. The Quality Control then sends out instructions to all production bases and the Quality Control group established within each production base takes immediate action. Nissha ensures that initial response is made within 24 hours of receiving the enquiry. All information regarding customer enquiries is stored in a digital database. Relevant employees within the company can quickly access this information and confirm the status of investigations and response via the Intranet using the Nissha Quality Report (NQR) system.

We also hold regular meetings with our customers to discuss quality-related issues and are implementing optimal quality assurance activities. Quality managers from Japan are

assigned to our bases in China (Shanghai, Beijing, and Shenzhen) and India (Chennai) to enable speedy responses to customers in the respective countries. Further, onsite internal meetings are held with representatives from our bases in Europe and North America. Nissha is thus constantly in tune with customer needs.

The Information and Communication Business Unit regularly holds Quality Control Committee meetings organized by the Quality Assurance to discuss in detail customer enquiries regarding quality, and future responses. At the same time, Nissha is implementing various training programs within the company to enhance employee capabilities and skills in the area of product quality. These include fundamental process-related training programs for newly recruited employees, training on Nissha’s unique technologies such as in the replication and reprinting business, and visits to paper processing plants and tours of other worksites to study new equipment, as well as comprehensive training programs on website creation and related trends. Nissha also holds joint training programs for its employees and suppliers, covering a wide range of topics including monitoring and prevention of quality-related problems, documentation methods, traceability, environmental issues, and information security.



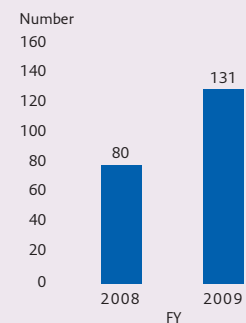
Quality assurance structures of the Industrial Materials and Input Devices Business Unit

Control Criteria for Environmental Management Substance

In the fiscal year 2007, Nissha formulated its Control Criteria for Environmental Management Substance that clearly specifies substances prohibited from use and those whose usage must be regulated. By implementing these standards, Nissha aims to ensure thorough compliance with relevant rules and regulations, reduce environmental impact, and lessen the harmful effects on living organisms, including human beings. The management standards have been set at a level that meets customer expectations, and are revised in a timely manner to respond to changes in those expectations. The standards currently in operation comply with the EU RoHS Directive (formulated in 2006) and REACH regulations (issued in June 2007).

Confirming Product Safety

Nissha has introduced the usage of various analytical tools to verify and enhance the safety features of products it delivers to customers. The number of product safety verifications conducted is increasing each year, and Nissha is making timely and accurate reports of the analysis results.



Number of product safety verifications conducted using internal analytical devices

Quality Policy

As a manufacturing company, consistently raising the quality of products manufactured at its plants is of utmost importance to Nissha. It is our mission to constantly live up to the trust that consumers, the end users of our products, place in us by responding to their needs and expectations. Based on the awareness that enhancing and maintaining quality is an important aspect of the company's social responsibility, we formulated the Quality Policy in 1997 that put forth to the whole company Nissha's basic stance on quality as a priority management issue.

● Quality Policy

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

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

Acquisition of ISO9001 Certification

Almost all Nissha production bases in Japan and overseas have completed the acquisition of ISO9001 certification, the international standard for quality assurance.

In line with ISO9001 standards, we are operating an objective quality management system based on facts and figures and are working to make continual improvements to quality.

Internal Auditing

Nissha conducts internal quality audits to verify whether its quality management system is functioning efficiently and effectively. Qualified internal auditors conduct quality audits twice every year. The audit results, status of related activities and other information is passed on to the Quality Management System Committee and then to senior management for a management review. Irregularities in internal quality audits call for corrective measures to be taken. Where necessary, the internal auditors help the relevant department resolve the issue by conducting follow-up audits and proposing a course of action. Nissha is also striving to achieve quality goals set by individual departments through activities centered on internal ISO9001 training

programs held periodically at all bases.

In the future, Nissha will continue to provide product quality that fulfills customer expectations by working to standardize quality management methods and share information across the group.

Customer Satisfaction

Nissha has positioned customer satisfaction as a top priority management item, and is implementing a comprehensive and balanced management strategy. The Management Policy reaffirms Nissha's commitment to ensuring "customer satisfaction through quality, cost, delivery, services and speed". Specific implementation items in this area are continually monitored using internal Key Performance Indicator (KPI). We established the Customer Satisfaction Enhancement Committee in October 2006, and as a tool to determine customer evaluation of our products, conducted Customer Satisfaction Surveys at each Business Unit through to January 2008.

In order to further raise customer satisfaction, Nissha believes that it must consistently focus attention on receiving customer feedback, accurately grasp and analyze customer evaluation of Nissha products, and reflect them in improvement activities.

Commendations from Customers

In appreciation of the high quality of business transactions and support services provided by Nissha to its customers, we received the 2008 Best Supplier Award from LG Electronics Inc., and the Best Partner Award 2008 from Quanta Computer Inc.



2008 Best Supplier Award from LG Electronics Inc.



Best Partner Award 2008 from Quanta Computer Inc.

Information Security Policy

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

● Information Security Policy

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

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

Initiatives Related to Information Security

Almost all affiliated companies of the Nissha Group in Japan have obtained ISO27001 certification (the international standard for information security management systems), and we are now working towards maintaining and further improving security levels on a continual basis.

Information security managers, supervisors and promotion personnel have been appointed in each department to analyze and evaluate potential and existing risks to information assets, conduct risk assessments, and identify necessary management measures. The department

manager sets information security goals and drafts a response action plan for potential risks. He/She works to reduce risk through measures aimed at achieving the goals of this action plan. Employee training programs, regular internal audits, and a review by the company president himself at meetings of the Information Security System Committee are held twice a year to ascertain the continued appropriateness, validity and efficiency of the information security management system.

Detailed methods of implementing information security measures have been summarized into the Information Security Manual Attachment. The manual specifies measures that must be taken regarding, for example, proper management of employee entry and exit into office areas depending on the level of security required in the particular area; installation and maintenance of network devices, servers and computers; regular backup of information stored; and the usage of CD-ROMs, USB flash drives and other electronic media.

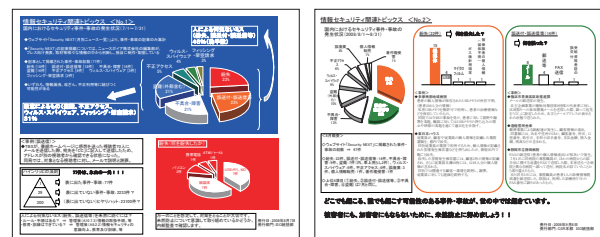
Publication of “Information Security-related Incidents” Newsletter

High levels of information security cannot be maintained by just restricting access to information or operating a management system. Nissha believes that it is crucial to enhance the awareness of all employees regarding the importance of information security.

Towards this end, Nissha is publishing the “Information Security-related Incidents” newsletter that contains summarized versions of various information security-related incidents that occurred in Japan. The newsletter is being utilized by individual departments for employee education and as a tool to focus attention on the issue, with the aim of further enhancing and maintaining high information security levels.



An internal training program in progress



“Information Security-related Incidents” Newsletter

So as to enhance understanding of the company and ensure a high evaluation of its enterprise value from stakeholders and investors, Nissha discloses information in a prompt and timely manner. We also use numerous information processing tools and take proactive steps to improve communication.

Information Disclosure Policy

Nissha discloses corporate information in a prompt and timely manner, with due consideration to the accuracy, fairness and continuity of information disclosed, so as to promote understanding of the company among shareholders and investors, and garner an appropriate evaluation of the company's enterprise value. The Disclosure Control Committee is charged with ensuring the appropriateness of financial statements issued by the company. Further, by providing feedback to senior management regarding evaluation by shareholders and investors of the information disclosed, Nissha is working to raise enterprise value.

Communication with Investors

Nissha has positioned Investor Relations (IR) activities as an important initiative that serves to enhance mutual understanding between the company and its investors.

We hold meetings with institutional investors and securities analysts approximately 400 times a year in an effort to maintain smooth communication. Meetings held several times a year to explain the company's results briefings and individual meetings with shareholders provide opportunities for investors to engage in discussion directly with members of the senior management. In October 2008, investors were taken on a factory tour of the NII Koka Factory in Shiga Prefecture, Japan.



Factory tour

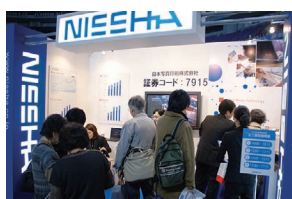
Since the fiscal year 2009, with the objective of increasing the amount of information made available to overseas investors, we began expanding our English language information tools and are taking proactive steps to enhance communication.

- Creation of other English language information tools, in addition to the Annual Report
- Speedy provision of information, such as financial results, to overseas investors using telephone conference and other means
- Overseas road shows (July 2008: UK and Singapore; December 2008: US)



Annual Report

Nissha is also working to enhance communication with individual investors by increasing opportunities to meet with them at various events. At these events, investors can actually see



The Nissha Booth at an IR Fair

and try out Nissha products to gain a better understanding of the company's business activities.

- Participation in IR Fairs: August 2008 - Tokyo, February 2009 - Osaka
- Company briefing: November 2008 - Kyoto

Nissha is also focusing on enhancing the contents of its website as one means of disclosing information in a fair and speedy manner. The design of the "Investors" page was changed in October 2008 to make it easier to use. The contents of the page were also improved by adding a page that includes, in an easy-to-understand style, information about Nissha's business activities.



"Investors" page

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

<http://www.nissha.co.jp/english/ir/index.html>

Questionnaire to Shareholders

Nissha conducts questionnaire-based surveys of all its shareholders twice a year. In the fiscal year 2009, we received a variety of opinions from a total of approximately 700 shareholders. The results of the questionnaire-based surveys are disclosed in the booklet "Business Report" sent to shareholders, and used as feedback to improve IR activities.

Dividend Policy

Based on the fundamental policy of continuing to pay stable dividends to its shareholders, Nissha will determine the rate for the current and future fiscal terms taking wide-ranging factors such as business performance, payout ratio, and the financial state of the company into consideration.

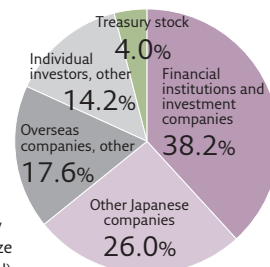
Regarding effective utilization of internal cash reserves, the current focus is on investments in facilities and R&D in areas of high growth, with a view to enhancing enterprise value in the medium- to long-term.

Shareholder Composition

Total number of shares issued: 45,029,493

Number of shareholders: 6,985

(as of the end of March 2009)



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

Nissha drafted the Basic Purchasing Policy with the objective of creating and maintaining a partnership with suppliers through “Co-Existence and mutual benefit”. We aim to realize Co-Existence based on mutual trust, while promoting initiatives from the perspective of CSR purchasing, such as concluding the Basic Supplier Agreement with business partners.

- 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.

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

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

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

Drafting of the Basic Purchasing Policy

Nissha drafted the Basic Purchasing Policy in April 2009. The policy seeks to realize the Corporate Mission, and establishes Nissha’s commitment to constantly creating new enterprise value for both companies through material purchasing based on good faith. It also states that Nissha will always evaluate its suppliers in a fair, equitable and comprehensive manner, and strive to achieve CSR purchasing.

Firstly, Nissha will discipline ourselves and aim to build a mutually beneficial relationship (a “win-win” relationship) with suppliers. Beginning in the fiscal year 2010, the Basic Purchasing Policy has been put into operation for suppliers, and plans call for measures to promote CSR purchasing at all contracted companies in the future.

Training for the Procurement and Sourcing

Even before the Basic Purchasing Policy was formulated, a training program was held in August 2008 for the Procurement and Sourcing to promote awareness of corporate ethics and compliance and the importance of CSR purchasing. Materials used for the training included the Corporate Ethics and Code of Conduct, as well as a compilation of customer expectations, and information on the status at other companies. It provided participants an opportunity to reflect on their positions as employees of the Procurement and Sourcing. Nissha plans to continue holding

similar training programs in the future to develop a mindset regarding purchasing that befits a global company.

In the fiscal 2010, the initial year of the Third Medium-term Management Strategy, Procurement and Procurement Management were created within the Procurement and Sourcing. The Procurement will work to refine all aspects of QCDS, an area of growing importance, while the Procurement Management will focus on measures to reduce potential supply risks and collection of relevant information. Concentrating on the activities of these two groups, Nissha will implement initiatives jointly with suppliers to achieve CSR purchasing.

Conclusion of Basic Supplier Agreements

To further strengthen relationships with its business partners, in September of 2008 the Procurement and Sourcing began promoting the signing of Basic Supplier Agreements with Tier 1 suppliers. The contents of the Basic Supplier Agreements are not merely restricted to selling and buying, but cover items such as quality assurance, safety and health, environmental preservation, protection of personal and confidential information - underlying all of which is the shared awareness of striving to realize CSR purchasing. It also marks the start of activities geared toward realizing a mutually beneficial relationship (a “win-win” relationship) that ensures business continuity for both companies.

Nissha established the Basic Social Contribution Policy as part of its efforts to realize “a mutually trustful Co-Existence with Society”, as stated in the Corporate Mission. Centered on this policy, we will continue to actively implement more effective social contribution activities.

Establishment of the Basic Social Contribution Policy

Nissha’s approach to social contribution has been defined in the Basic Social Contribution Policy. Nissha is committed to efficiently utilizing the management resources it possesses, and carrying out appropriate social contribution activities as a global citizen. The four major areas that Nissha aims to contribute to are: environmental protection, next generational support, promotion and support of the arts and culture, and human support activities.

In the fiscal year 2010, the Corporate Communications was created to promote enhanced communication with local communities under the Third Medium-term Business Plan and centered on the Basic Social Contribution Policy.

• 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 generational support, promotion and support of the arts and culture, and human support activities.

Environmental Learning Classes at Elementary Schools

In December 2007, Nissha started conducting environmental learning classes at elementary schools, and activities are being continued in the fiscal year 2010 as well. Nissha employees visit schools to convey to students the message that each and every individual plays an important role in helping to preserve the environment, and that it is important to implement environmental initiatives at home as well.

In the fiscal year 2009, under the themes of “Environmental 3R and Printing Technology,” “The Secret Behind Printing (Color and Ecology) and Eco-Friendliness while Shopping,” approximately 1,000 elementary school students participated in environmental learning classes held 27 times at 13 schools, mainly in the regions surrounding Nissha’s production bases. We request all homeroom teachers and students who participate in these classes to send us their opinions and impressions. One of the participants commented that his/her awareness of environmental issues was heightened after attending the classes, while another was surprised to see what “dots” used in printing



An environmental learning class being conducted at an elementary school

processes looks like. Feedback from other participants concerning difficult to understand contents is reflected in improvements made to the program. Nissha received a letter of appreciation for its efforts from the Kyoto City government in the fiscal year 2008, and again in the fiscal year 2009 from the Kaga City government, Ishikawa Prefecture.

Amuse Art Jam

Amuse ArtJam, a large-scale art exhibition organized by Amuse Inc., was held on October 4 and 5 at the Museum of Kyoto.

This event, held six times in the past, had more than 5,000 applicants and was visited by over 70,000 people. It is gaining popularity as an event that acts as a stepping stone to success for budding artists. In 2008, 82 pieces of art created by young, extremely talented artists that passed the first screening were exhibited, attracting large crowds.

Nissha has been supporting this cause since the fiscal year 2005, and is one of the sponsors of this event. The Nissha Award (Sponsor’s Award) for 2008 was won by Takao Nakagawa.



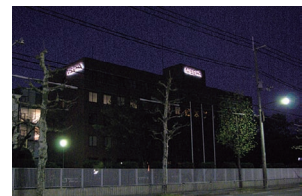
Takao Nakagawa who won the Nissha Award

Lights Down Event at Nissha Group Offices

Since April 2008, all Nissha Group offices in Japan have been participating in Lights Down event, in principle on the second Friday of every month, as part of an initiative to reduce CO₂ emissions and raise the environmental awareness of all employees. This environmentally-friendly initiative expresses Nissha’s cooperation and support for the “Do You Kyoto ?” project being promoted by Kyoto City in which the 16th of each month is designated the “Do You Kyoto ?” day (a day to do something good for the environment) to mark the signing of the Kyoto Protocol on February 16. Nissha plans to continue this initiative in the future.



Before lights down



After lights down

Nissha believes that its employees are its most important management resources, and is devoting its energies towards human resource development. Based on the newly established Human Resources Development Policy, we are aiming to achieve growth for both the company and our employees.

New HRM Systems

In order to create systems that are fair and gain the understanding of all employees, Nissha has created the Human Resource Management System Review Committee and is currently engaged in restructuring its human resource management (HRM) systems. In April 2009, a new personnel system was initiated for managerial staff based on the newly formulated Basic HRM Policy. Plans call for a new system to be put in place for general employees in April 2010, following continued discussions with the labor union.

- Basic HRM Policy

Image of requested human resources
Considering "Good Faith" the foundation of everything we do,

1. "The autonomous human resources": The human resources who think and act independently in line with the Corporate Mission and management vision (From Reactive to Proactive)
2. "The human resources who will take on a challenge": The human resources who will grasp hold of change rapidly and take on challenges boldly.
3. "The global human resources": The human resources who can conceive and execute business from a global perspective.

Fundamental Concept of HRM

1. Providing chances to "Growing" human resources: Providing chances to employees who fulfill their responsibility and have strong drive to grow
2. Fair evaluation and treatment: Fairly evaluating performance for one's role and responsibility and reflecting to treatment
3. Support for growth: Promoting human resource development and career development
4. Respect for diversity: Respecting diverse human resources and working styles as a global company
5. Stability of employment and livelihood: Trying to stabilize employment and livelihood of employees as our social responsibility

- New HRM System for Managerial Staff

Focus: Clear definition of roles

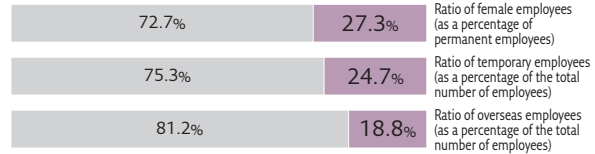
- Streamlining of grades from six to three (broad banding)
- Classifying job families into "Management" and "Expert"

Diversity of "Nissha People"

In conjunction with the expansion of business operations, Nissha employees have also become increasingly diverse. As of the end of March 2009, female employees constituted 27.3%, temporary employees 24.7%, and overseas employees 18.8% of the workforce.

Nissha collectively refers to all its directors and employees, regardless of their employment status, location of work, or nationality, as "Nissha People". While emphasizing the need for a shared set of values and working to foster unity among

Nissha People, Nissha also respects diversity among Nissha People and in their working styles. We are promoting the implementation of various initiatives to enable all Nissha People to realize their full potential at the workplace.



Example of initiatives in the fiscal year 2009 to promote diversity

- 1) Appointment of a locally recruited person as the president of an overseas subsidiary (January 2009)
- 2) Enhanced recruitment of women in managerial posts
- 3) Change of employment status from temporary to permanent employee (80 employees)

Re-employment of Retired Employees

Nissha has introduced the re-employment system for retired employees (retirement age of 60), in order to efficiently utilize their extensive knowledge, capabilities and technical skills. This system allows employees who meet certain requirements to continue working with the Nissha Group until the age of 65. To date, all applicants have been re-employed.

Further, in April 2009 Nissha introduced a system to support retired employees seek re-employment outside the Nissha Group utilizing an agency that offers dedicated services. In the future, Nissha plans to further improve its systems designed to motivate retired employees and help them live meaningful lives.

Support for Achieving a Balance between Work and Family Life

Based on the Next Generation Nurturing Support Measures Promotion Law, Nissha has drawn up and is implementing an action plan that promotes the creation of work environments that facilitate a balance between work and child rearing. As a result, in April 2009 we received certification from the Ministry of Health, Labour and Welfare as a company that is standards-compliant.



"KURUMIN mark" certifying that Nissha's action plan and its implementation meet the requirements of the law

Rate of paid leave taken	Number of female employees who took maternity leave	Number of employees who took time off from work for child-rearing	Number of employees who worked shorter hours for child-rearing	Number of employees who took time off from work for family-care leave
40.3%	11	16	14	0

Status of long-term leave and time taken off from work during the fiscal year 2009 (scope of data: Nissha group in Japan)

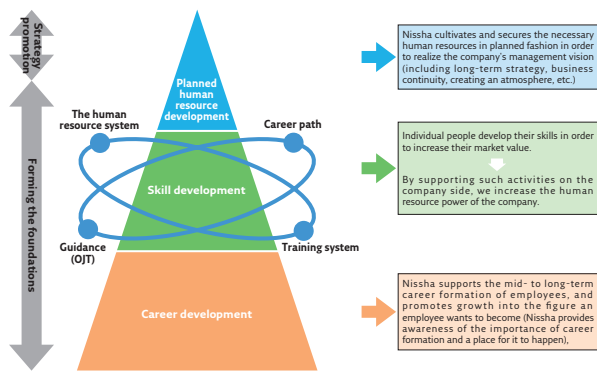
Human Resources Development Policy

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

Basic Approach to Human Resources Development

Nissha is promoting the development of human resources through collaboration between business divisions and worksites, centered on the activities of the Human Resource Development (initially called the Personnel and Training), that was established in the fiscal year 2008 within the Corporate Strategy.

In line with its basic thinking on human resources development, Nissha is implementing comprehensive activities, including training programs, on-the-job training (OJT), medium- to long-term career development, and the creation of personnel systems to support these programs, in the three areas of “Planned human resource development”, “Skill development”, and “Career development”.



Human Resource Development Model

Implementation of Internal Training Programs

Nissha implements a variety of training programs, including rank-specific training programs such as for newly recruited employees or for managerial staff; specialized education for technical personnel; language training suited to meet specific job requirements; and theme-specific training programs.

Employees can choose to apply for any theme-specific training program they wish to attend. The contents of these programs are reviewed and revised, and the type and frequency are also increased once every six months, after which information is posted on the Intranet and on company notice boards. In the fiscal year 2009, numerous employees of Nissha Group, including from overseas bases, participated

in these training programs. 14,680 hours were spent on training programs and the cumulative number of participants reached 613.

Regarding promotion of the self development support system that has been in operation for some time at Nissha, guidebooks for distance learning on the subject have been prepared and distributed to employees to actively encourage employees to engage in self-study.

Towards Further Enhancement of Human Resource Development Programs

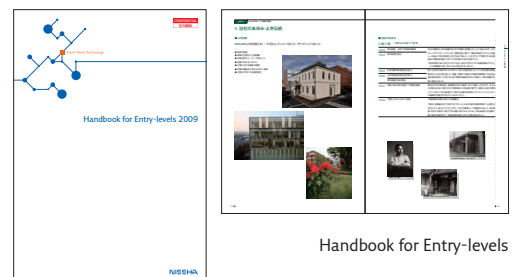
The topics covered by human resource development programs at Nissha are constantly reviewed and revised to suit the needs of the company as a whole as well as of individual employees, and the contents of each program are studied and improved to enhance effectiveness.

In the fiscal year 2009, the Global Leadership Workshop was held with the objective of developing leaders with a global perspective. The program, conducted in English, mainly targeted young leaders at overseas bases. Seminars on Nissha Corporate Mission and policies, and workshops on leadership skills were held at the Nissha Headquarters, and tours of production sites were organized.

Further, the contents of education for new graduates and new employees with work experience were radically revised to enable newly-recruited employees to contribute to the company as quickly as possible.

As part of these activities, a handbook created to enhance understanding among newly-recruited Nissha People, of the Corporate Mission, company outline and details of initiatives being implemented was also revised, as was the content of related seminars.

Plans for training of new graduates by relevant departments were newly introduced to promote smooth on-the-job training. With regard to new employees with work experience, plans were drawn up to ensure smooth acceptance by all departments, and a new training program for new employees with work experience was organized. Nissha is currently examining several methods of enhancing its human resource development programs, and will continue to do so in the future with the aim of achieving growth for both the company and employees.



Handbook for Entry-levels

Basic Policy on Safety and Health

Nissha believes that ensuring the safety and mental and physical health of all employees of the Nissha Group is a basic management requisite. We have formulated a basic policy on safety and health that emphasizes the creation of safe and comfortable work environments as well as sound mental and physical health of employees based on mutual trust and interaction. Through effective communication, soliciting ideas from employees, and other initiatives that call for full employee participation, Nissha aims to eliminate workplace casualties. The company will, in particular, focus on the creation of structures to ensure sound mental and physical health of employees, setting of voluntary targets, reduction and elimination of risks, and the creation of safe and comfortable work environments.

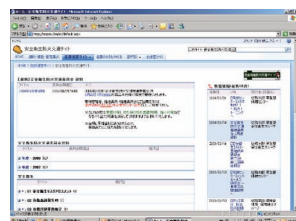
Safety and Health Management Structures

Safety and Health Committee have been established at all business units of the Nissha Group in Japan. Each committee is chaired by the head of the respective unit, and comprises of the General Safety and Health Manager, Safety Officer, Health Officer, union representatives, employee representatives, and other members who meet once or more a month to report on Safety and Health action plans and results, proposals, and improvement items; make proposals; and discuss and examine enquiries.

The Nissha Headquarters acts as the secretariat and the Safety and Health Secretariat Committee meets once every three months. Individual Safety and Health Secretariat Committee report on the status of initiatives being implemented and share information and examples of best practices to enhance collaboration and the level of standardization.

Establishment of a Safety and Health/Fire Prevention/Traffic Safety Website

Nissha has established a Safety and Health/Fire Prevention/Traffic Safety website on Nissha Portal, the company's portal site, with the objective of posting reports regarding initiatives in these areas and providing and sharing relevant information. The site is divided into sections titled Safety and Health, Fire Prevention, Traffic Safety, Employee's Healthcare, and Precautions against the New Influenza Virus (H1N1). Reports regarding activities implemented by all business sites of the Nissha Group are posted on the site to enable all employees to share information regarding related education and training programs.



The top page of the site

Precautions against the New Influenza Virus

In August 2008, Nissha drafted an action plan and formulated preventive measures against infection by the new influenza virus. As part of efforts to share information with employees, we held explanatory meetings for managers and posted relevant web sites for general employees on the Nissha Portal.

While the company is proceeding with stocking up on goods designed to help prevent an infection it has made available to all staff, via the Nissha Portal, materials such as the action plan, and documents prepared for the explanatory meetings with managers.

The Second Hachi Hachi Kids Day Held

Continuing from 2007, the second Hachi Hachi Kids Day for employees' children was held on August 8, 2008. Children of Nissha Group employees in the Kansai region (from fourth to sixth grade of elementary school) were invited to visit the Nissha worksites their mothers or fathers work in. Twenty children participated in a tour of the Nissha Headquarters factory and learnt more about printing processes through simple quizzes, making for meaningful day.



Children listen to explanations on printing processes

Employee Healthcare Initiatives

The Employee's Healthcare within the Headquarters works mainly with occupational health professionals and health officers at each business site towards promoting and maintaining good mental and physical health of all Nissha Group employees. Initiatives taken in the fiscal year 2009 include the introduction of online mental health counseling and holding of mental health seminars conducted by external specialists in the field.

Frequency of Work-related Accidents*

Until the fiscal year 2008, the frequency of work-related accidents was calculated only at the Headquarters, but beginning in the fiscal year 2009, collection of data was expanded to group companies in Japan. In the future, Nissha plans to continue emphasizing improvements in safety and health for the entire group.

Headquarters	Tokyo Division Headquarters	Osaka Division Headquarters	NII Kameoka	NII Kyoto	NII Koka	NPI Kaga
0.0	0.0	0.0	1.4	1.8	2.2	2.3
NPI Kyoto	NME Yodo	NME Kameoka	NME Kumihama	Eastern Nissha (now NPC)	NBS	Average
0.0	0.0	0.0	0.0	13.6	0.0	1.3

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

In formulating the Third Medium-term Business Plan, Nissha reviewed and revised its Management Policy. Under the new plan, environmental management has been positioned as a top priority management item, defined as the “environmentally Oriented solutions, products and activities”. Nissha is committed to fulfilling its corporate social responsibilities by promoting environmental management through strategies and implementation items that embody the Management Policy.

Environmental Objectives and Environmental Management Structures

Nissha has renewed the company-wide environmental objectives for the three-year period between the fiscal year 2010 and the fiscal year 2012. With regard to measures to help reduce global warming, in particular, we have set the goal of reducing the CO₂ emissions rate (total emissions volume/net sales) by 5% compared to the first half of the fiscal year 2009, the base year. This means that even a 5% increase in sales will not result in increased total CO₂ emissions.

In order to achieve these company-wide environmental objectives, each department has set individual goals and is taking action to realize them. Environmental management systems based on ISO14001 certification have been established at group companies in Japan and overseas, and each department is working to achieve its environmental objectives through an action plan. Nissha conducts internal environmental audits twice a year as well as management reviews to realize ongoing improvements through the PDCA (Plan, Do, Check, Act) cycle. Further, Environmental Conservation Committee participated mainly by Environmental Conservation Committee members of individual business bases are held on a monthly basis to monitor and take action pertaining to the company’s environmental impact and performance, trends in customer requirements and environmental laws and regulations, and above all complaints and other indications from people in the communities surrounding Nissha production sites.

Environmental Policy

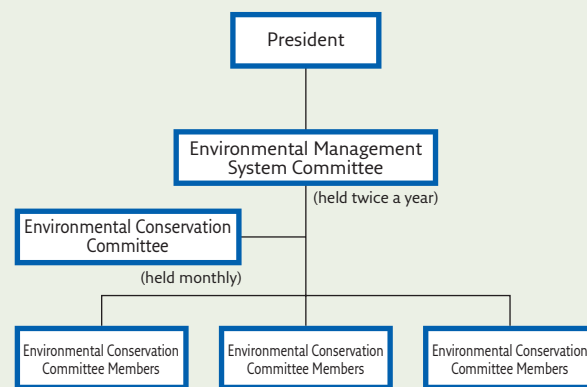
Nissha and its subsidiaries consider that the global environmental protection is the most important issue in our activities of production, development, sales and administration in Japan, and also on our products and services. And we make effort to preserve the global environment by environmentally conscious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

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

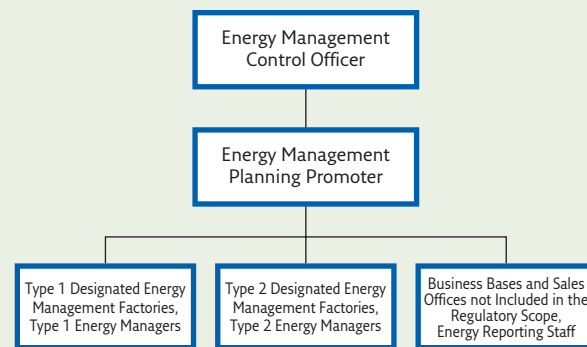
Responses to the Act on the Rational Use of Energy and Participation in the Voluntary Action Plan

As part of initiatives to respond to the Act on the Rational Use of Energy (that went into effect in April 2009), Nissha is creating structures to gauge and report on the status of energy consumption at business bases and sales offices that hitherto required no reporting. The status of group-wide energy consumption is determined based on reports from personnel in charge of Energy Management Control Officer, Energy Management Planning Promoter, Energy Manager and Energy Reporting Staff at each individual business base.

Furthermore, Nissha participated in the voluntary action plan to implement measures to help reduce global warming and create a recycling-based society that was submitted to the Ministry of Economy, Trade and Industry by the Japan Federation of Printing Industries. By participating in this voluntary action plan, Nissha fully expresses its ever expanding sense of social responsibility in regard to dealing with the environment in which enterprises operate. The state of achievement of environment objectives and the content of the activities by each department are a pivotal continuation of environmental measures, specifically as responses to the Act on the Rational Use of Energy and to the issue of voluntary activities.



Nissha Environmental Management Structure



Responses to the Act on the Rational Use of Energy

The fiscal year 2009 was the final year for the implementation of activities to achieve the Nissha environmental objectives established in April 2007. The results of those activities and the new Nissha environmental objectives for the fiscal year 2010 are listed below.

Subject	Fiscal year 2008-2009 objectives	Fiscal year 2009 results	Evaluation	Fiscal year 2010-2012 Nissha environmental objectives
Waste reduction, recycling and reuse	<ul style="list-style-type: none"> - Waste zero emission (recycle/reuse ratio: 99.5%) - 5-point or more reduction in ratio of waste (including valuable resources) to net sales (Base year: the fiscal year 2007) 	<ul style="list-style-type: none"> - Achieved a waste recycling and resource reuse rate of 99.4% - Reduce the ratio of waste (including items sold for recycling)/total production by 15.6 percentage points 	Fair	<ul style="list-style-type: none"> - Waste zero emission (recycle/reuse ratio: 99.8%) - 5% or more reduction in ratio of waste (including items sold for recycling) to net sales (Base year: the average for the period between April and September 2008)
	<ul style="list-style-type: none"> - Production departments to prevent waste generation by reducing the ratio of nonconforming products (Numerical targets to be established for each production unit) 	<ul style="list-style-type: none"> - Some of the departments did not achieve their goals. This is attributed to the change in production methods to adapt to ever-stricter product appearance standards and the shift in demand to highly complex products. 	Fair	<ul style="list-style-type: none"> - Production departments to prevent waste generation by reducing the ratio of nonconforming products (Numerical targets to be established for each production unit)
Prevention of global warming	<ul style="list-style-type: none"> (1) 6-point reduction in usage ratio of electrical/gas energy and water (ratio of usage to net sales or production output) (2) 6-point reduction in CO₂ generation ratio (ratio of CO₂ generation to net sales or production output) (3) 2-point reduction of CO₂ generation 	<ul style="list-style-type: none"> - Headquarters: Electricity consumption-fiscal year 2009 average 12.8 - Reduction of 6.4 percentage points (fiscal year 2007 average 19.2) - Headquarters: Gas consumption-fiscal year 2009 average 13.1 - Reduction of 6.7 percentage points (fiscal year 2007 average 19.8) - Headquarters: CO₂ emissions rate- fiscal year 2009 average 9.9 - Reduction of 5 percentage points (fiscal year 2008 average 14.9) 	Good	<ul style="list-style-type: none"> - New objectives - Reduce the CO₂ emissions rate (total emissions volume/net sales) by 5% (even a 5% increase in sales will not result in increased total CO₂ emissions) - *Administrative offices to set goals per square meter
Prevention of environmental pollution	<ul style="list-style-type: none"> - 5% or more reduction in usage ratio of organic solvents (e.g. toluene, xylene, methanol, MEK, acetic ethyl; Base year: the fiscal year 2007) 	<ul style="list-style-type: none"> - Headquarters: 4 substances subject to the PRTR law - The NII Kameoka and Koka factories surpassed target figures in the first half of the fiscal year, but lagged behind in the second half. The NII Kyoto factory did not achieve its annual target. 	Poor	<ul style="list-style-type: none"> - Reduction in usage ratio of organic solvents (Base: the average for the period between April and September 2008)
Burden reduction by manufacturing and development	<ul style="list-style-type: none"> - Adoption of environment-friendly manufacturing processes, raw and processed materials, sub materials, packaging, and logistics 	<ul style="list-style-type: none"> - Improved preparation efficiency through digital management of color sample files at NII Kyoto - Introduced equipment to reuse cleansing solvents at Eastern Nissha Printing Co., Ltd. - Switched to returnable boxes and reused packaging material at NME Kumihama 	Good	<ul style="list-style-type: none"> - Adoption of environment-friendly manufacturing processes, raw and processed materials, sub materials, packaging, and logistics
	<ul style="list-style-type: none"> - Development of environment-conscious products 	<ul style="list-style-type: none"> - Used environmentally considerate design to develop products 	Good	<ul style="list-style-type: none"> - Development of environment-conscious products
	<ul style="list-style-type: none"> - Offering manufacturing processes and products that reduce the environmental load of customers 	<ul style="list-style-type: none"> - Made presentations to customers on production methods with reduced environmental impact - Revised the Nissha Control Criteria for Environmental Management Substance 	Good	<ul style="list-style-type: none"> - Offering manufacturing processes and products that reduce the environmental load of customers
Other	<ul style="list-style-type: none"> - Promotion of environmental conservation activities in the course of carrying out work 	<ul style="list-style-type: none"> - Conduct Lights Down Event at Nissha group offices once a month - Distributed reusable shopping bags (Mottainai bags) to reduce the usage of plastic bags - Held environmental learning classes at environmental schools 	Good	<ul style="list-style-type: none"> - Promotion of environmental conservation activities in the course of carrying out work

*For the calculation of usage and occurrence ratios, we use production output.

Environmental Initiatives and Results

Nissha's efforts to help reduce global warming saw a reduction in the electricity consumption rate (electricity consumption/net production) at the Headquarters by 6.4 percentage points; gas consumption rate (gas consumption/net production) by 6.7 percentage points; tap water consumption rate (tap water consumption/net production) by approximately 28 percentage points; and CO₂ emissions rate by 5 percentage points. All the fiscal year 2009 environmental targets with the fiscal year 2007 as the base year were achieved.

Calculations for waste recycling and resource reuse rates resulted in an average rate of 99.4% for Nissha's operations in Japan in the fiscal year 2009. It is due to revised calculations for waste recycling and resource reuse rates at the NII Kameoka and NME Kumihama factories.

With regard to prevention of pollution, targets for some of the implementation items related to the reduction of organic solvent usage were achieved in the first half of the fiscal year 2009, thanks to higher production volumes. Some of the targets were revised at the start of the second half of the fiscal year. The unstable production conditions at factories that began in the autumn, however, greatly impacted usage and targets were not achieved.

In order to respond to trends in national and regional laws and regulations and customer expectations, the Quality Assurance of each Business Unit takes the initiative to revise in

a timely manner the Nissha Control Criteria for Environmental Management Substance that specifies the management standards of such chemical substances in Nissha products.

The Environmental Conservation Committee that meets every month also focuses its attention on complaints received from residents in the area around Nissha's production bases. In the fiscal year 2009, 7 complaints were received at the Headquarters. Action taken includes changing the rotary press catalyst in response to a complaint regarding foul odor, and moving the container for waste that was determined to be the cause of a complaint regarding noise. Nissha will continue to treat complaints from members of the local community seriously and make necessary improvements.

Setting of the Next Nissha Environmental Objectives

In the next set of Nissha Environmental Objectives established for the period between the fiscal year 2010 and the fiscal year 2012, as part of efforts to help prevent further global warming Nissha has taken up the challenge of further reducing the CO₂ emissions rate (total emissions volume/net sales) by 5% (even a 5% increase in sales will not result in increased total CO₂ emissions). With regard to the elimination of waste generated (zero-emission target promotion), the new target aims to achieve recycle/reuse ratio of 98% or more. Company-wide initiatives are being implemented to achieve the zero-emission target (recycle / reuse ratio : 99.8%) in Japan by March 2011.

Nissha business operations—purchasing a variety of raw materials and utilizing resources and energy to provide products to consumers—all impact the environment in many ways. A flowchart showing the environmental impact caused by Nissha’s business operations in the fiscal year 2009 has been included in this report as well. Although data collection was limited to Nissha’s operations in Japan, in the future, we plan to extend the scope to the entire group, including overseas affiliates.

Environmental Impact Caused by Nissha’s Business Operations in Japan

In Japan, Nissha’s business operations, including production and processing, usage of printing paper and PET film, energy and water consumption, and treatment of waste, all adversely affect the environment in diverse ways. The figure below shows the total amount of resources input into and the total volume of substances discharged from Nissha operations in the fiscal year 2009. Until the fiscal year 2008, information was available only for the Headquarters. Since the fiscal year 2009, however, Nissha expanded the scope of data collection to all group in Japan. In the future, Nissha will figure out these data including overseas affiliates.

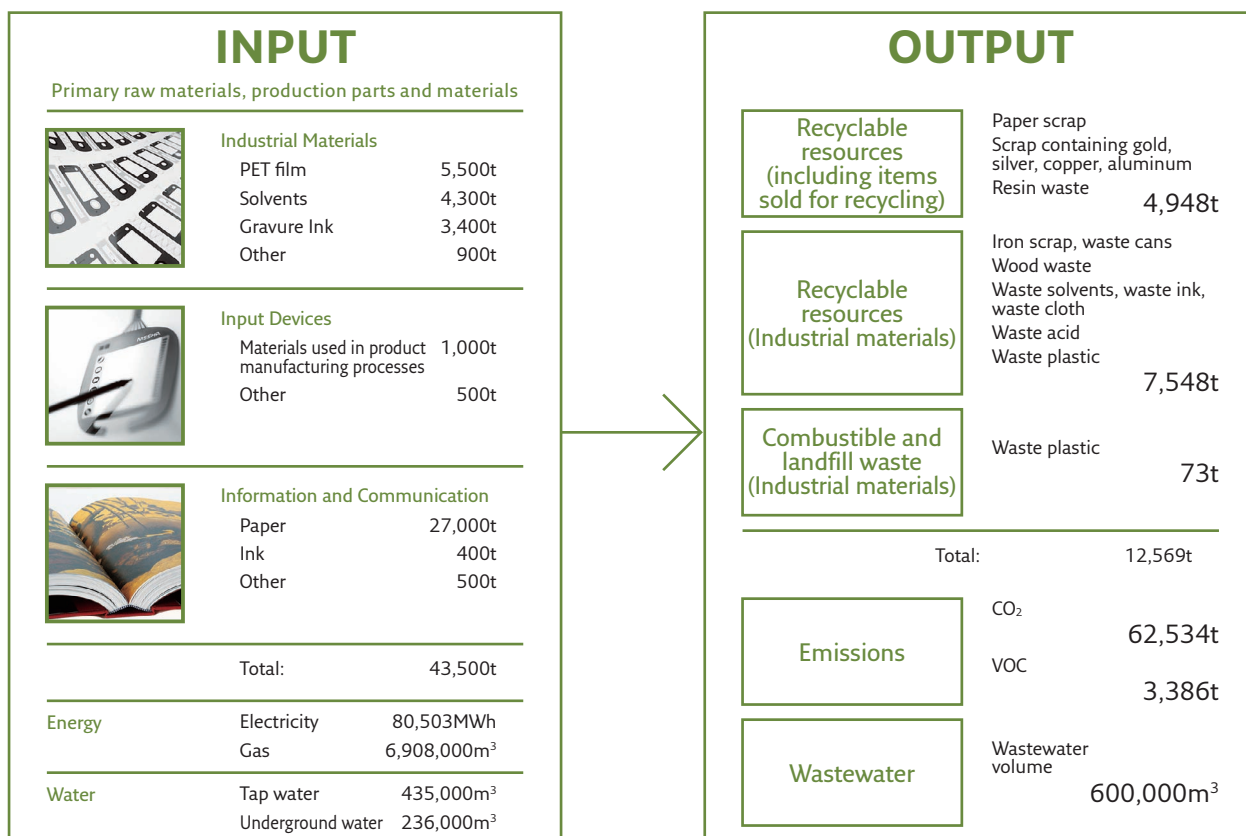
Headquarters Factory

The total volume of resources input into business operations at the Headquarters Factory in the fiscal year 2009 was about 14,700 tons, approximately 20% lower than the roughly 18,400 tons in the fiscal year 2008. This was made possible by an across-the-board reduction in all business fields (Industrial Materials, Input Devices, and Information and Communication). The total volume of substances discharged was 5,014 tons, a 300 ton reduction from the fiscal year 2008. With regard to the recyclable resources (including items sold for recycling and other industrial waste) amounted to

5,007 tons and combustible and landfill waste to 7 tons. The Headquarters Factory thus maintained the recycling and resource reuse rate at 99.9%. CO₂ emissions reduced by 1,091 tons, from 20,324 tons in the fiscal year 2008 to 19,233 tons in the fiscal year 2009, while VOC emissions were down by 137 tons to 964 tons. The wastewater discharge volume in the fiscal year 2009 was 253,000 m³, an increase of 7,000 m³ compared to the previous fiscal year.

Nissha Operations in Japan

A breakdown of the total volume of resources input shows the Information and Communication Business Base accounting for the largest share of approximately 64%, comprised mainly of paper used for printing. PET film, solvents, ink and other substances utilized by the Industrial Materials Business Base amounted to approximately 32% of the total. The volume of resources input by the Input Devices Business Base was about 3% of the whole and it is mainly used in product manufacturing processes. Of the total volume of substances discharged, recyclable resources (including items sold for recycling and other industrial waste) constituted 12,496 tons, and combustible and landfill waste 73 tons, for a recycling and resource reuse rate of 99.4%. CO₂ emissions were approximately 62,500 tons, VOC emissions 3,386 tons, and wastewater discharge volume approximately 600,000 m³.



Scope of data collection: Nissha production bases in Japan

In the fiscal year 2009, CO₂ emissions from Nissha operations increased both in Japan and overseas mainly due to increased emissions at new production sites. CO₂ emissions from existing bases, on the other hand, are either reducing or leveling out. Since the increase in production volume exceeded the proportionate increase in CO₂ emissions, actual benefits were seen.

Status of CO₂ Emissions at Nissha

In the fiscal year 2009, CO₂ emissions from Nissha operations in Japan totaled 62,534 tons, significantly exceeding 50,965 tons in the fiscal year 2008 for an increase of about 23% (or approximately 11,600 tons). CO₂ emissions mainly increased due to start of operations at newly established factories in two production bases, Nitec Industries, Inc. Koka Factory (an increase of approximately 9,500t-CO₂) launching Factory No. 2, and Nitec Precision, Inc. Kaga Factory (an increase of approximately 6,900t-CO₂) launching Factory No. 3. CO₂ emissions from other production bases decreased by approximately 12% (about 4,800t-CO₂).

Looking at CO₂ emissions by production base, emissions from the Kameoka Factory of Nitec Industries, Inc. stayed the same despite a significant increase in net production by about 24%. At the Headquarters, CO₂ emissions reduced by approximately 5% regardless of a roughly 4% increase in net production. Total CO₂ emissions from all Nissha operations in Japan rose by only about 30% against an increase in net production by about 58%.

Nissha's overseas production bases are also engaged in initiatives to reduce CO₂ emissions. In the fiscal year 2009, however, CO₂ emissions unfortunately increased by 68% to 8,076t-CO₂, mainly due to the addition of emissions volumes from Eimo Technologies that became a subsidiary of Nissha USA in December 2007. CO₂ emissions from production bases in other parts of Asia remained roughly constant. Having determined CO₂ emissions volumes in the fiscal year 2009, in accordance with initial plans, Nissha has set reduction targets per basic unit in the fiscal year 2010 and is actively working to achieve them.

Initiatives to Reduce CO₂ Emissions

Nissha's initiatives to reduce CO₂ emissions in the fiscal year 2009 included replacing old lighting fixtures at factories, switching from outdated gas-fueled air-conditioning to electrical air-conditioners, and reducing defects and time loss during production processes to decrease energy consumption by equipment. We also implemented activities to enhance the "mieruka" (visualization) of reduction targets by determining in quantitative terms energy consumption in different areas such as equipment, air-conditioning, lighting fixtures, and electrical sockets.

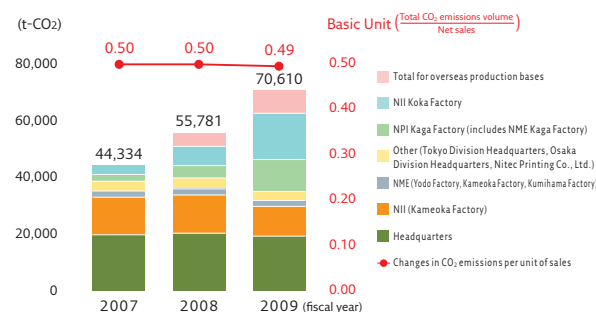
Nissha also participated in the printing industry's voluntary action plan to implement measures to help reduce global warming and create a recycling-based society thus reaffirming its commitment as an environmentally considerate company.

The global economic crisis that began in the autumn of 2008 badly affected Nissha's operations as well. The basic

unit efficiency at major factories got worse as production conditions at factories began to show signs of instability. On the other hand, CO₂ emissions decreased at some production bases compared to the same period of the previous year.

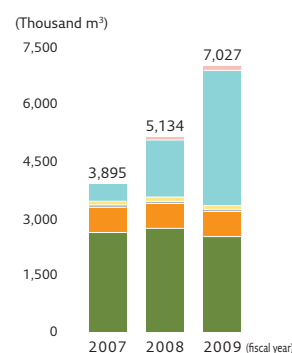
Nissha will strengthen structures to determine energy consumption as required by Act on the Rational Use of Energy that went into effect in April 2009, while aiming to realize the goal of helping to prevent further global warming specified in the Nissha Environmental Objectives to be completed by the end of March 2011.

Trends in CO₂ Emissions Volumes and Basic Unit

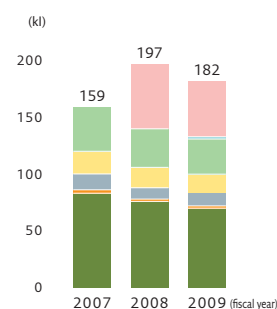


* Calculated based on the Manual for Calculating and Reporting Greenhouse Gas Emissions Volumes.
 * All decimals have been rounded off to the next whole number, so the total may not tally in some cases.
 * Figures for overseas production bases have been included since the fiscal year 2008.
 * The CO₂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

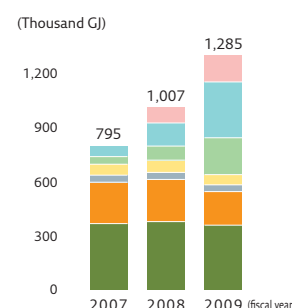
Trends in Gas Consumption



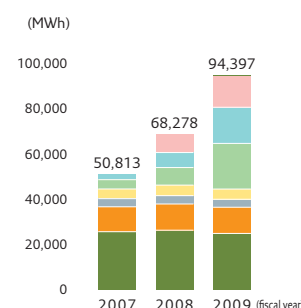
Trends in Gasoline, Diesel, and Heavy Oil Consumption



Trends in Energy Consumption



Trends in Electricity Consumption



With regard to the management of waste at Nissha's business sites in Japan in the fiscal year 2009, the total volume of waste (including items sold for recycling) and other industrial waste amounted to 12,569 tons, approximately 15% more than in the fiscal year 2008; combustible and landfill waste also increased by roughly 20% to 73 tons. The recycling and resource reuse rate was 99.4%. The Headquarters continues to maintain a high "zero-emission target*" rate with a recycling and resource reuse rate of 99.9%.

* Zero-emission target: Refers to a recycling and resource reuse rate of 99.5% or more

Drop in the Recycling and Resource Reuse Rate for Nissha Operations in Japan to 99.4%

In the fiscal year 2009, the waste recycling and resource reuse rate for Nissha operations in Japan dropped to 99.4% due to adjustments made to calculations for the Kameoka Factory of Nitec Industries, Inc. and the Kumihama Factory of Nitec Mold Engineering, Inc. The Nissha Group will work in concert to raise the rate and achieve "zero emissions".

The Osaka Division Headquarters, which is a sales base, achieved "zero emissions" with a recycling and resource reuse rate of 99.9% in March 2008. This was finally made possible after several years by recycling waste that until now had been incinerated or sent to landfills, thus overcoming an issue commonly faced in a multi-tenant office building. This high rate of recycling and resource reuse is being maintained in the fiscal year 2010 as well.

Establishment of the Waste Management Standards for Nissha Business Sites in Japan

The Waste Management Standards for Nissha Business Sites in Japan was created in August 2008 based on the Waste Disposal and Public Cleansing Law and other related regulations, in order to standardize the level of waste management.

Beginning in September 2008, Nissha, under the initiative of the Environmental Management, conducted inspections of the waste management status at all its bases in Japan, including branch offices located in urban multi-tenant office buildings, based on the Waste Management Standards.

No instances of regulatory non-compliance were found, and guidance was provided to each business site regarding waste management from the perspectives of safety, accident prevention and information management with a view to further enhancing the level of risk management. In the future, Nissha will continue to strengthen waste management across the group based on the Waste Management Standards.

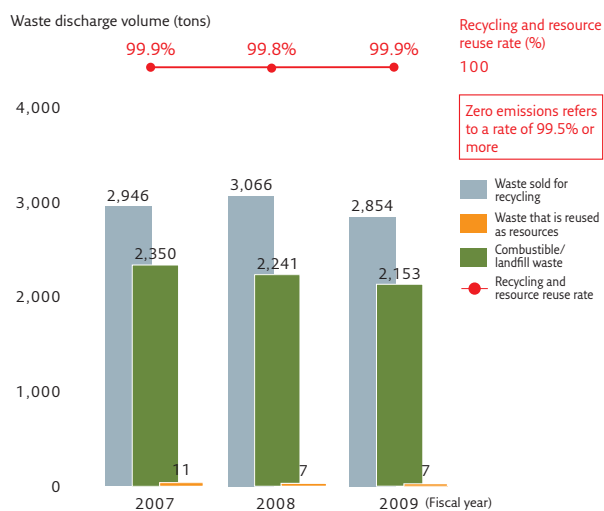
Initiatives at Overseas Production Bases

Nissha is also engaged in activities to sort and reduce waste at its overseas production bases with consideration to conditions in each country and region. Southern Nissha, Malaysia, achieved a recycling and resource reuse rate of more than 90% between February and March 2009, while Nissha (Kunshan), China, averaged 88% in the second half of the fiscal year 2009. Nissha attributes this to enhanced

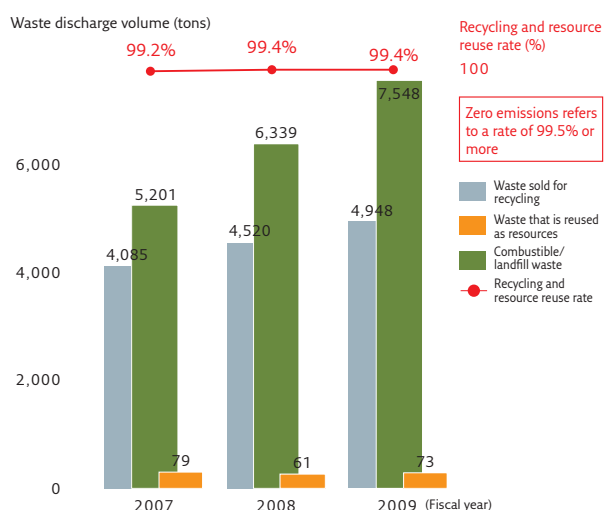
environmental awareness of all its employees. New goals for the fiscal year 2010 have been set for Southern Nissha, Guangzhou Nissha, Nissha (Kunshan) and Nissha Korea High Precision Plastics, and initiatives are currently underway.

Trends in Waste Discharge Volume and Recycling and Resource Reuse Rate

[Headquarters]



[Nissha Operations in Japan]



* Numerical data has been included for Nitec Mold Engineering, Inc. and Nitec Industries, Inc. (Koka Factory) since the fiscal year 2007, and for Osaka and Tokyo Division Headquarters from the fiscal year 2008.

Status of Waste Generated in the Fiscal Year 2009

Items sold for recycling	Waste containing metals	Recovery of metals and refining	398,485kg	3.17%
	Metals, iron waste	Reuse of metals	257,698kg	2.05%
	Resin (plastic) waste	Reuse of resin chips	945,907kg	7.53%
	Paper waste (recyclable used paper)	Paper material (recycled paper)	3,345,491kg	26.62%
	Subtotal (V)		4,947,581kg	39.36%
Recycling and reuse of resources	Iron scrap	Reuse of iron (*when an expense is incurred)	360,625kg	2.87%
	Waste plastics	Used to make artificial plants, Refuse Paper & Plastic Fuel (RPF), and as combustion heat source	4,523,887kg	35.99%
	Paper waste	Used to make Refuse Paper & Plastic Fuel (RPF), and as combustion heat source	122,750kg	0.98%
	Wood waste (discarded pallets)	Used to make wooden chips, etc.	51,513kg	0.41%
	Timber waste (after pruning trees)	Used to make fertilizers, etc	34,316kg	0.27%
	Glass and ceramic waste	Made into cullets, civil engineering and construction materials, etc.	16,576kg	0.13%
	Waste oils and solvents	Reused as thinners, combustion improvers, and as combustion heat source	1,883,435kg	14.99%
	Waste cloth (used to wipe solvents)	Used as combustion improvers, and as combustion heat source	168,460kg	1.34%
	Waste acids	Used as neutralizing agents and cooling liquids in incineration ovens (spray combustion)	140,536kg	1.12%
	Waste alkaline liquids	Used as neutralizing agents and cooling liquids in incineration ovens (spray combustion)	140,096kg	1.11%
	Sludge	Refined after recovery of metals; used as civil engineering and construction materials	95,483kg	0.76%
	* General waste	* When used as a combustion heat source	10,352kg	0.08%
	Subtotal (R)		7,548,029kg	60.05%
Combustible and landfill waste	General waste		12,747kg	0.10%
	Sludge		50,200kg	0.40%
	Other		10,071kg	0.08%
	Subtotal (D)		73,018kg	0.58%
Total (V + R + D)			12,568,628kg	100.00%
Recycling and resource reuse rate (V + R) / (V + R + D)			99.4%	

Scope of data collection: Nissha production bases in Japan

Recalculation of the Recycling and Resource Reuse Rate for Kameoka Factory, Nitec Industries, Inc. and Kumihama Factory, Nitec Mold Engineering, Inc.

The recycling and resource reuse rates for Kameoka Factory, Nitec Industries, Inc. and Kumihama Factory, Nitec Mold Engineering, Inc., both Nissha group companies, were recalculated.

It was assumed that the sludge discharged from the Kameoka Factory was being recycled as civil engineering materials and it was calculated under resource reuse. Further investigations however showed that it was being processed as landfill waste.

Also, at the Kumihama Factory, a small quantity of waste was found to be improperly sorted.

Both the miscalculations were discovered through direct inspections of the final waste processing site or on-site checks. They were mistakes made during final waste processing checks based on contracts or manuals and there was no regulatory non-compliance.

Nissha took this opportunity to check the status of waste management at all Nissha bases in Japan, including at subcontracted companies, and implement training to related personnel.

The recycling and resource reuse rates at both factories has been recalculated as shown on the right.

Recycling and resource reuse rate
Nissha bases in Japan
2007 (FY) 99.4% → 99.2%
2008 (FY) 99.8% → 99.4%

As of September 2008
Nitec Industries, Inc. Kameoka Factory
99.9% → 97.3%
Nitec Mold Engineering, Inc.
99.6% → 99.0%

Nissha has established voluntary standards for measures to help prevent further pollution, that are stricter than regulatory values, and each department is taking meticulous action to achieve them. With regard to substances subject to the PRTR law, Nissha is taking steps to determine discharge volumes and volumes that are transferred to other locations, as well as to improve management precision, reduce usage and switch to alternative substances.

Measures to Help Prevent Further Pollution

Nissha undertakes monitoring and measuring activities to prevent pollution. Based on strict voluntary standards, Nissha monitors and conducts periodic testing to voluntarily determine the level of atmospheric pollutants, wastewater quality, noise, vibration, foul odor, and VOC's (Volatile Organic Compounds).

Results of Measurements to Check Wastewater Quality

NII Koka Factory

Items measured	Regulatory value	Voluntary standard	Unit	Minimum value		Maximum value	
				Factory final measurements			
Water inlet							
Wastewater temperature	<45.00	<40.00	°C	18.40	○	29.80	○
Hydrogen ion concentration (PH)	5.0< >9.0	5.2< >8.5	—	7.00	○	8.90	△
Amount of suspended matter (SS)	<600.00	<500.00	mg/l	Less than 5	○	430.00	○
Chemical oxygen demand (COD)	—	30	mg/l	3.90	○	29.00	○
Biochemical oxygen demand (BOD)	<600.00	<35.00	mg/l	1.60	○	34.00	○
Iodine consumption	<220.00	<16.00	mg/l	Less than 10	○	15.00	○
Nitrogen	<60.00	<18.00	mg/l	1.70	○	17.00	○
Total phosphorus	<10.00	<2.00	mg/l	0.07	○	1.20	○

NPI Kaga Factory

Items measured	Regulatory value	Voluntary standard	Unit	Minimum value		Maximum value	
				Water outlet No.2, 3 and 5			
Water inlet							
Hydrogen ion concentration (PH)	5.8< >8.6	6.7< >8.0	—	6.90	○	7.90	○
Amount of suspended matter (SS)	<120.00	<60.00	mg/l	1.00	○	42.00	○
Biochemical oxygen demand (BOD)	<80.00	<40.00	mg/l	0.50	○	15.00	○
n-hexane	<30.00	<15.00	mg/l	0.50	○	0.50	○
Fe	<10.00	<5.00	mg/l	0.14	○	0.78	○
Cu	<3.00	<1.50	mg/l	0.17	○	0.50	○

Headquarters

Items measured	Regulatory value	Voluntary standard	Unit	Minimum value		Maximum value	
				Water outlet No.1-6			
Water inlet							
Hydrogen ion concentration (PH)	5.0< >9.0	6.5< >7.9	—	6.70	○	7.80	○
Biochemical oxygen demand (BOD)	<600.00	<200.00	mg/l	1.00	○	160.00	○
Cu	<3.00	<0.87	mg/l	0.01	○	0.38	○
Total Cr	<2.00	<0.15	mg/l	0.02	○	0.08	○
Cr+6	<0.40	<0.02	mg/l	0.02	○	0.02	○
Fe	<10.00	<1.60	mg/l	0.01	○	1.20	○
B	<10.00	<0.32	mg/l	0.007	○	0.40	△
Pb	<0.10	<0.02	mg/l	0.00	○	0.00	○
Total P	<32.00	<7.20	mg/l	0.05	○	6.90	○
Total N	<240.00	<80.00	mg/l	0.50	○	59.00	○

List of Measurements of Gases Discharged from Boilers and Water Cooling Equipment (Measured in Accordance with the Air Pollution Control Law)

Headquarters

Name of chemical substance	Regulatory unit	Regulatory value	FY2007		FY2008		FY2009	
			August	February	August	February	August	February
Dust	g/m ³ N	0.10	—	0.003	—	0.003	—	0.003
NOx	ppm	150	68	76	43	50	40	54

Note: The maximum value of readings taken on several boilers has been recorded here.

List of Measurements Taken in Accordance with the Air Pollution Control Law and the Offensive Odor Control Law

Along the border of the Headquarters site

Name of chemical substance	Regulatory unit	Regulatory value ^(Note 1)	FY2007		FY2008		FY2009	
			June	December	June	December	June	December
Methanol	cm ³ /m ³	7	0.4 or less	0.4 or less	0.4 or less	0.4 or less	0.4 or less	0.4 or less
Methyl ethyl ketone	cm ³ /m ³	3	0.2	0.2	0.2 or less	0.2 or less	0.2 or less	0.2 or less
Xylene	cm ³ /m ³	3	0.5 or less	0.5 or less	0.5 or less	0.5 or less	0.5 or less	0.5 or less
Toluene	cm ³ /m ³	2	0.2 or less	0.2 or less	0.2 or less	0.2 or less	0.2 or less	0.2 or less
Hydrogen chloride	cm ³ /m ³	0.2	0.05 or less	0.05 or less	0.05 or less	0.05 or less	0.05 or less	0.05 or less
Ethyl acetate	cm ³ /m ³	3 ^(Note 2)	0.1 or less	0.1 or less	0.1 or less	0.1 or less	0.1 or less	0.1 or less
Sulfuric acid	mg/m ³	0.03	0.01 or less	0.023	0.01 or less	0.01 or less	0.01	0.01
Chromium and its compounds	mg/m ³	0.002	0.001 or less	0.001 or less	0.001 or less	0.001 or less	0.001 or less	0.001 or less

*The maximum of several readings taken along the site border have been recorded here

*Figures with three decimal places denote minimum or below minimum readings on the analytical equipment

Note 1: In accordance with Kyoto Prefectural ordinances to protect and create the environment and regulatory standards related to hazardous substances, under the Air Pollution Control Law

Note 2: Regional specifications and setting of standards under the Offensive Odor Control Law (Kyoto Prefectural notice).

Management of Chemical Substances

In the fiscal year 2009, Nissha Headquarters reported the use of four substances subject to the PRTR law—toluene, chromium and trivalent chromium compounds, hexavalent chromium compounds, and water-soluble copper salts.

The NII Kameoka Factory reported the use of toluene and vinyl acetate.

Usage of xylene and toluene increased at the NII Koka Factory due to proliferation and expansion of factory facilities.

Substances Subject to the PRTR Law

Unit: kg

	PRTR No.	Name of chemical substance	FY2008			FY2009		
			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
Nissha Printing Co., Ltd.	68	Chromium and trivalent chromium compounds	0	250	○	0	260	○
	69	Hexavalent chromium compounds	0	170	○	0	20	○
	207	Water-soluble copper salts (excluding complex salts)	0	4,900	○	0	2,700	○
	227	Toluene	180,000	110,000	○	180,000	120,000	○
Nissha Intersystems Co., Ltd.	227	Toluene	46,000	27,000	○	46,000	28,000	○
Kameoka Factory (Nitec Industries, Inc.)	102	Vinyl acetate	200	420	—	260	360	○
	227	Toluene	210,000	120,000	○	210,000	110,000	○
Koka Factory (Nitec Industries, Inc.)	63	Xylene	4,500	850	○	10,000	2,300	○
	227	Toluene	74,000	29,000	○	210,000	72,000	○

*Substances subject to reporting from the Kameoka printing plate factory are not included.

Note: Individual figures have been rounded off to the nearest whole number

Nissha Headquarters Factory Receives the Japan Federation of Printing Industries Chairman's Award as an Environmentally Excellent Factory

The Nissha Headquarters Factory (and all factories within the Headquarters site) was awarded the Japan Federation of Printing Industries Chairman's Award at the 7th Printing Industry Environmentally Excellent Factory Awards (organized by the Japan Federation of Printing Industries). Nissha applied for the award in May 2008, following which audits of documents and onsite surveys were conducted by the federation in July,

and the final selection was made in August. Representatives from Nissha attended the commemorative ceremony and awards function held in September.

Nissha sincerely appreciates this high evaluation of the Headquarters' ongoing environmental initiatives by an external organization. It was new motivation and made Nissha promote the implementation of more advanced environmental measures.



Nissha considers the provision of high-quality products to customers to be its primary responsibility as a manufacturer. In addition to superior product functions and an excellent finish, Nissha seeks to consistently improve overall quality. We will strive to maintain ISO certification in the areas of quality, environmental performance and information security.

ISO standard	Relevant product	Relevant area											Date of acquisition (initial registration)		
		Head-quarters	Tokyo Division Head-quarters	Osaka Division Head-quarters	Eastern Nissha Printing Co., Ltd.	NII (Kameoka)	NII (Koka)	NPI (Kaga)	NME (Kameoka)	NME (Kumihama)	Southern Nissha Sdn.Bhd.	Guangzhou Nissha High Precision Plastics Co., Ltd.		Nissha (Kunshan) Precision IMD Mold Co., Ltd.	
ISO9001	Touch-screen related products (TS products)	○	○												1998.7
								○							2002.4
	Simultaneous molding and transfer foil (IMD transfer foil)	○	○												2000.3
						○									2001.8
							○								2007.2
	Simultaneous molding and transfer products (IMD transfer products)	○	○												2000.3
									○						2002.4
												○			2004.2
	IML film IML products										○				2004.9
		○	○				○			○					2005.3
	Molds									○	○				2005.11
														○	2007.3
	Foil transfer devices									○					2008.3
TOUCH PANEL													○	2009.2	
Printing and multi-media related products	○	○	○											2000.9	
					○									2002.4	
ISO14001		○													2001.6
															2003.7
															2003.12
			○	○	○										2004.12
											○				2006.6
												○			2006.3
													○		2006.8
														○	2007.2
								○							2007.6
ISO27001 Plans are currently being drawn up for acquisition by overseas affiliates.		○ *1	○ *1	○ *1											2005.9
		○ *2	○ *2	○ *2	○										2006.8
		○ *3	○ *3			○	○	○	○	○					2007.10
Certifying organization		Bureau Veritas Japan									BVQI				

The ○ mark indicates companies that have already acquired certification.
 *1: Sales division of Information and Communication Business Unit, NCP
 *2: Production division of Information and Communication Business Unit, Corporate Strategy, Administration
 *3: Industrial Materials and Input Devices Business Unit

On the Nissha Printing Co., Ltd. CSR Report



Katsuhiko Kokubu

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1. Clear Stance on CSR

Nissha Printing Co., Ltd. has positioned CSR activities within the Third Medium-term Business Plan, formulated in 2009 with the objective of “becoming a truly global company”. President and CEO, Junya Suzuki states in his message that Nissha views the current economic crisis as an opportunity for further growth and will implement activities that reflect the true spirit of CSR. Further, the company has also put forth the thinking of “Internal CSR” and “External CSR” and is committed to fulfill its internal CSR while enhancing the areas of external CSR.

2. Creation of a Management System that Emphasizes CSR

Having clearly expressed its intentions toward the fulfillment of its CSR, as the next step, Nissha must now establish a system that focuses on management from the perspective of CSR. The company is currently implementing its management plan using a “Balanced Score Card”. One possible future direction may be to systematically incorporate CSR elements into the Balanced Score Card to develop a “Sustainability Balanced Score Card”. In order to achieve this, Nissha must specify goals for its CSR activities and manage their implementation using the PDCA cycle.

3. Incorporation of the Concept of Materiality

Since CSR activities are responsibilities towards society, Nissha must constantly study trends related to its stakeholders who are a part of that society. This must be done by collecting a wide range of opinions such as holding dialogues with stakeholders, and conducting questionnaire surveys. Analyzing the wide range of opinions from the perspective of materiality (focusing on what is most material) is effective in determining the direction a company’s CSR activities should take as part of the corporate business plan. The CSR report is a vital tool toward that end and I anticipate that Nissha’s report will serve that purpose.

4. Sincere Efforts for the Environment

Nissha is earnestly carrying out environmental initiatives, and the detailed information on those initiatives provided in this report conveys the company’s sincerity in this area. Construction of new facilities in Japan and overseas due to expansion of sales tends to result in an overall increase in environmental impact. But the company’s commitment to reduce CO₂ emissions is evident in the next environmental objectives it has set—to ensure that even a 5% increase in sales will not result in increased total CO₂ emissions. Management of both CO₂ emissions per unit of sales and total CO₂ emissions are extremely important for companies in the future, and I highly commend Nissha on its efforts to do so. The major portion of Nissha’s income is from its overseas operations. Nissha is implementing environmental activities at overseas production bases on par with those in Japan, but increased environmental impact is expected in conjunction with worldwide expansion of business operations. Enhanced levels of environmental activities are required in the future. I believe that creating indices for environmental efficiency and resource productivity that all companies should aim to achieve, will be effective towards this end.

Trend Meets Technology

Nissha Printing Co., Ltd. CSR Report 2009

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

About the front cover of the CSR report

The front cover for this report was designed by Takao Nakagawa who won the Nissha Award in the AMUSE ARTJAM 2008 in Kyoto, an art exhibition that is held with the objective of discovering and supporting budding artists. The event is co-sponsored by Nissha.

A trendy design with vivid colors that create a lasting impression

Profile of Takao Nakagawa

Nakagawa was born in 1979 in Wakayama Prefecture, Japan.

He graduated from the Illustration Department of Osaka Designers' College in March 2004, and completed graduate studies from the Graduate Course of Visual Design in the same college in March 2005.

Major awards won include:

10th Liquitex Biennale Schools Category - Best School Award

Pater's Gallery Competition 2007 - Akira Hirakawa Award

3rd Illustration Competition "Note-Ten" - Accepted

164th The Choice - Accepted

9th Illustration Competition "Note-Ten" - Accepted

A number of other awards



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