Partnering for Growth **Annual Report 2008**

For the Year Ended March 31, 2008

Taking a proactive approach and turning our vision into a reality


NISSHA

Working globally
in a wide-range of fields
at the forefront of technology

Business creativity supported by unique technologies that garner society's trust

Letter to Shareholders

Fellow Shareholders:

We've grown Nissha sales from ¥66.857 billion to ¥101.650 billion, an increase of 65.8%, in the past 5 years. We've developed businesses that have achieved increasing sales and operating profits for the sixth consecutive year, with overseas sales exceeding 50% of the total.

In FY2008, our core business of Decorative Film (known as "Nissha IMD") has seen an increase of 8.9% year on year, and has allowed us to achieve the #1 position in the IMD marketplace. This has come from the film for mobile phones and notebook PCs sales, at 56.9% and 22.7% of Nissha IMD sales respectively. Our secondary business in Touch Input (known as "Nissha FineTouch") is also growing. We've seen sales of products with our TouchWindow technology generate ¥18.271 billion an increase of 61.1%.

In addition, we've increased the production capacity at two of our factories. This has allowed us to roll-out more products in a more efficient manner for our customers, and therefore increase our sales. In FY2008, ended March 31, 2008, we also acquired a company specializing in the automotive and health care industries in the US. This addition will help us to significantly further our strategy and product deployment in the American markets.

Nissha's technology has established its unparalleled presence and reputation in the global market. Through in-depth discussions with our customers and experts in a wide-range of fields, we've been able to identify trends in the market and deliver leading-edge solutions to meet and exceed our customers' expectations.

Nissha owes its success not only to the strength and vision of our leaders and the performance of all our employees, but also to our valued customers and partners. Together our efforts have created value for our shareholders, and will continue to do so into the future.

To partnering for growth.

Sincerely,

Junya Suzuki
President and CEO
Representative Director of the Board

Our brand statement, “Trend Meets Technology”, represents Nissha’s commitment to providing products and services with the latest technology to the global market, and delivering customer satisfaction.

Trend Meets Technology

Corporate Profile

Nissha is a company that delivers printing-based technology solutions to customers around the world. We are driven by a passion to find the needs and wants of the marketplaces we serve. To achieve this, we identify relevant trends and then use distinctive and ever-evolving technologies to provide our customers and the market with the best products and services in the field.

Nissha (TYO:7915) specializes in 3 main categories: Decorative Film, Touch Input, and General Printing & Information Media. Our technology supplies customers in the mobile phone, PC, consumer electronics, automotive interior, publishing, and fine art industries.

The last two years have seen Nissha receive numerous awards and recognition. These include: a Best Supplier Award from LG Electronics for our TouchWindow technology; a commendation from Hewlett-Packard for our contribution to advancing the development of surface decoration technology; and the accreditation of ISO9001, ISO14001, and ISO27001 for all our Japan-based activities, and at a growing number of our global subsidiaries.

As a leader in innovation with almost 80 years of printing technology experience, Nissha is a trusted supplier to many of the world's largest companies. Though our history is long, our desire to deliver our customers with the highest level of quality, service and satisfaction remains unchanged.

Corporate Philosophy

Nissha will continue to accelerate the development and execution of plans to create new business segments. This will be done through our unique technology as well as by maximizing the competency of employees who hold the key to our success. Nissha's Corporate Philosophy outlines our beliefs that will allow us to sustain this growth and keep the company moving forward into the future.

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.

Financial Highlights

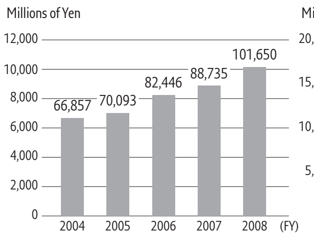
Nissha Printing Co., Ltd. and Subsidiaries.
Years ended March 31

	Millions of Yen					% change
	2004	2005	2006	2007	2008	2007 vs 2008
For the Year						
Net Sales	66,857	70,093	82,446	88,735	101,650	+14.6%
Sales in Japan	44,127	43,108	44,832	45,831	46,775	+2.1%
Sales outside Japan	22,730	26,985	37,614	42,904	54,874	+27.9%
Operating Income	8,210	9,433	15,143	15,290	16,771	+9.7%
Net Income	4,368	5,670	8,980	9,503	10,275	+8.1%
Return on Equity	9.9%	11.6%	15.8%	14.0%	13.2%	-0.8%
At Year-End						
Shareholders' Equity	45,583	51,829	61,855	73,758	82,245	+11.5%
Total Assets	92,350	92,209	107,895	126,763	142,358	+12.3%

	Yen					% change
	2004	2005	2006	2007	2008	2007 vs 2008
Per Share						
Net Income (Basic)	98.34	132.69	205.41	219.74	237.6	+8.1%
Annual Cash Dividends	17.00	24.00	34.00	40.00	45.00	+12.5%
Shareholders' Equity	1,079.30	1,195.65	1,428.00	1,705.46	1,901.87	+11.5%
Stock Information (March 31)						
Stock Price	1,690	1,715	4,430	3,120	4,890	+56.7%
Market Capitalization (Millions of yen)	76,100	77,226	199,481	140,492	220,194	+56.7%

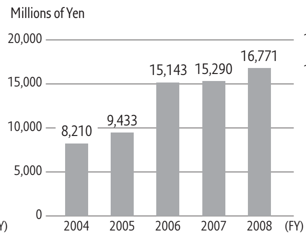
Sales

+14.6%
¥101,650 million
A new record



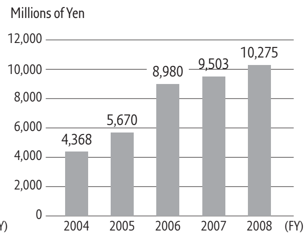
Operating Income

+9.7%
¥16,771 million
A new record



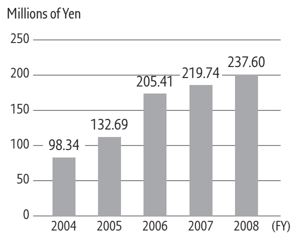
Net Income

+8.1%
¥10,275 million
A new record



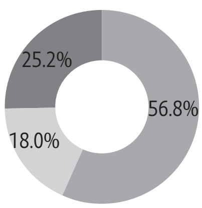
Net Income per Share

+8.1%
¥237.60
A new record



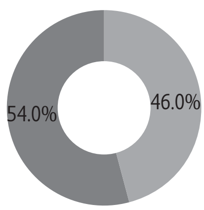
Sales by Business Segment

	Millions of Yen					% change
	2004	2005	2006	2007	2008	2007 vs 2008
Industrial Materials	33,116	36,934	48,543	53,004	57,724	+8.9%
Touch Input Devices	8,503	8,842	8,764	11,339	18,271	+61.1%
General Printing	25,238	24,317	25,139	24,392	25,654	+5.2%
Total	66,857	70,093	82,446	88,735	101,650	+14.6%



Proportion of Sales by Business Segment

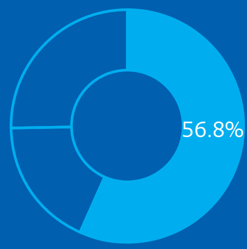
- Industrial Materials 56.8%
- Touch Input Devices 18.0%
- General Printing 25.2%



Proportion of Sales by in/outside Japan

- Sales in Japan 46.0%
- Sales outside Japan 54.0%

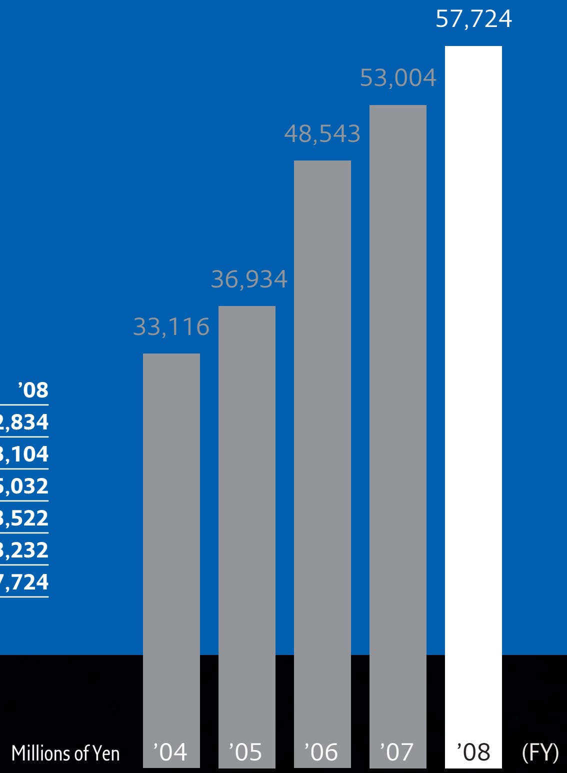
At a Glance



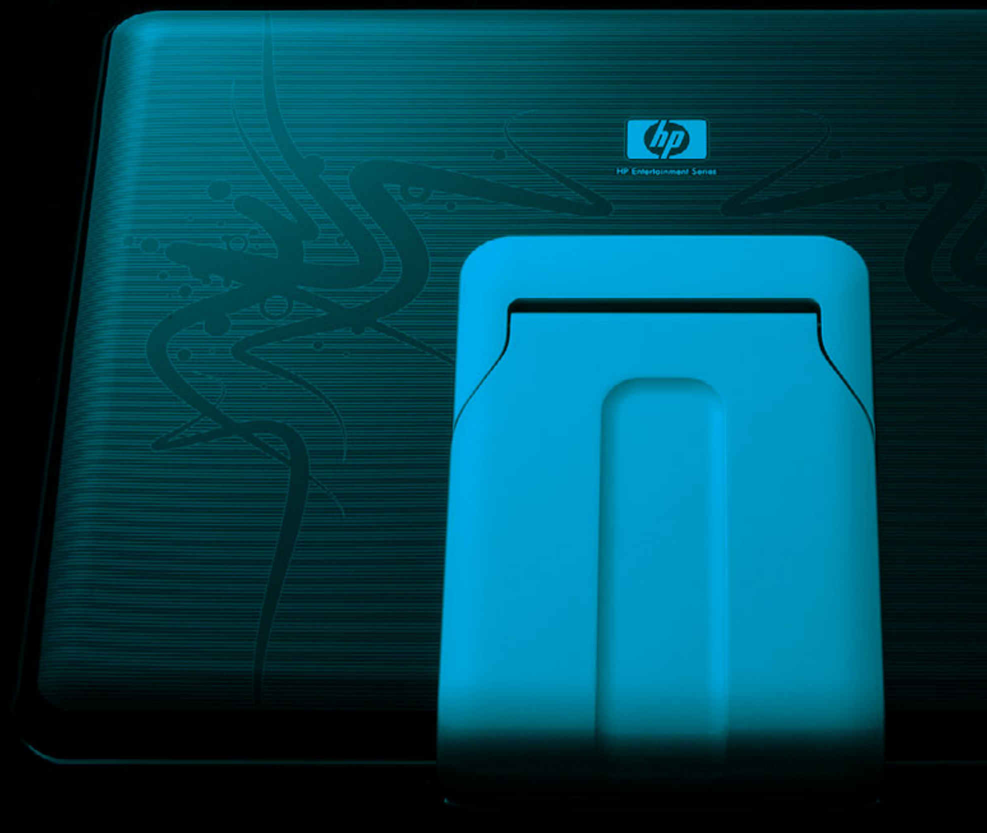
In the Industrial Materials Business Unit, our most successful product was heat transfer foil such as “Nissha IMD” used to carry out printing for plastic products, and in decorations for a variety of items that surround us in our daily lives. These include, mobile phones, notebook computers, home appliances, automotive interiors and containers for cosmetics.

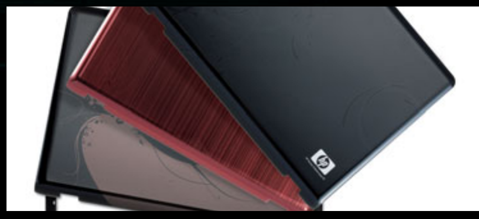
This consolidated fiscal year, there was an increase in the use of this foil for use in low-priced models of mobile phones, which caused the average sales price to fall, and as a result affected sales which struggled to increase. However, demand for use in notebook computers, which emphasize design, saw large growth on a global basis. Therefore, consolidated sales amounted to ¥57.724 billion, up 8.9 percent year-on-year.

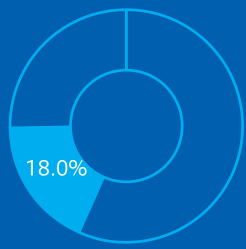
Millions of Yen (FY)	’04	’05	’06	’07	**’08**
Mobile phones	24,358	28,575	39,057	36,070	**32,834**
Notebook PCs	0	0	0	5,793	**13,104**
Automotive interiors	1,127	1,350	2,431	4,286	**5,032**
Home appliances	3,960	3,825	3,318	4,044	**3,522**
Others	3,671	3,184	3,737	2,811	**3,232**
Total	33,116	36,934	48,543	53,004	**57,724**



Industrial Materials



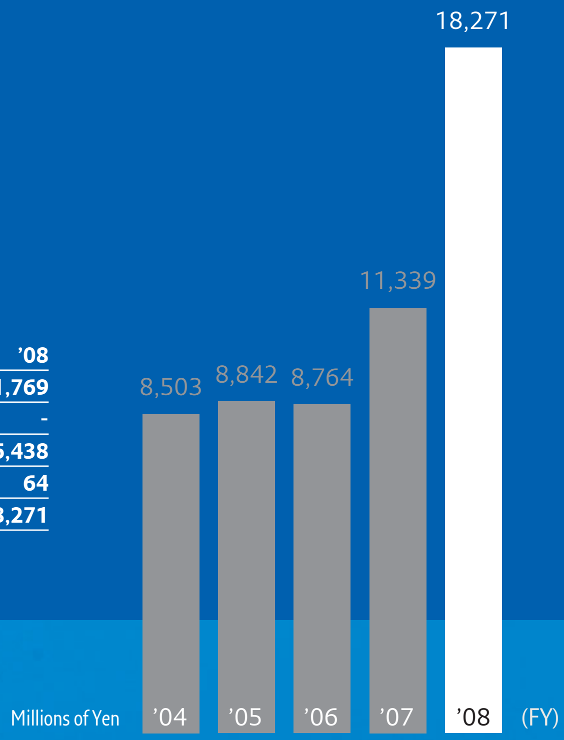




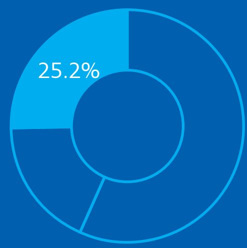
In the Input Devices Business Unit, our main product for this year was the touch panel for use in items such as mobile phones, portable gaming gears and electronic dictionaries.

This unit, for this consolidated fiscal year, saw large growth from global markets of our FineTouch *"TouchWindow"* product. This is used often in mobile phones, particularly for new products that emphasize design and product decoration. Therefore, consolidated sales amounted to ¥18.271 billion, a large increase of 61.1 percent compared with the previous consolidated fiscal year.

Millions of Yen (FY)	'04	'05	'06	'07	**'08**
Mobile phones	1,006	1,681	2,878	5,099	**11,769**
PDAs	2,299	1,907	1,756	924	-
Portable gaming gears +Other input devices	2,199	2,858	2,971	5,125	**6,438**
Other electronic products	2,999	2,396	1,159	191	**64**
Total	8,503	8,842	8,764	11,339	**18,271**

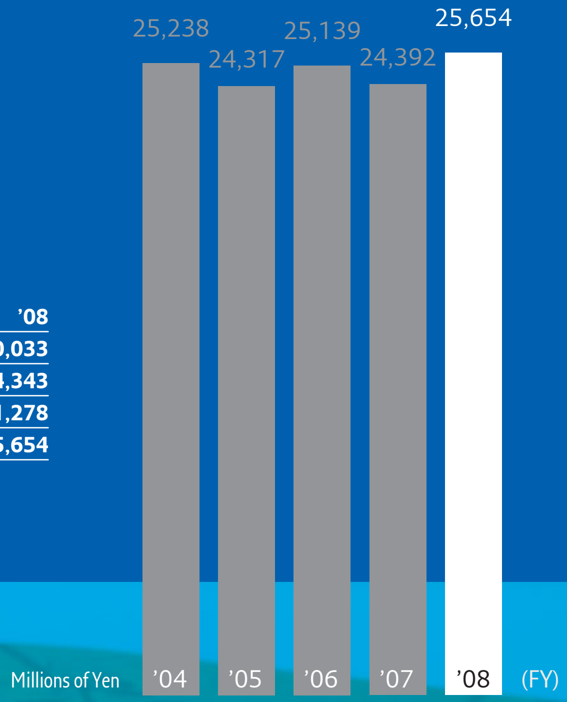


Touch Input Devices



In the General Printing & Information Media Business Unit, the majority of our sales came from the “commercial printing” of items such as catalogs and sales promotion goods, and “publication printing” of items such as commercial materials, books, and magazines.

In this unit this consolidated fiscal year, as a result of actively developing our sales activities to receive orders and pushing our brand capabilities to the forefront, consolidated sales amounted to ¥25.654 billion, up 5.2 percent year-on-year.



Millions of Yen (FY)	’04	’05	’06	’07	**’08**
Commercial printing	19,175	18,293	19,527	18,902	**20,033**
Publishing printing	5,101	4,852	4,382	4,435	**4,343**
Others	962	1,172	1,230	1,055	**1,278**
Total	25,238	24,317	25,139	24,392	**25,654**

General Printing & Information Media

Expanding Opportunities

An Interview with Junya Suzuki, President and CEO

Nissha plans to keep expanding its business, especially in the global market.

Looking back over the past year, summarize the trends of the industry and the market .

In fiscal 2008, Nissha's products and services backed by our technological competence were clearly recognized in the global market. We have obtained high customer satisfaction levels by offering various products and services based on our printing technology as a core.

This is especially true in the last 10 years. The industrial materials unit (mainly Nissha IMD) succeeded in pinning down the market trends that increasingly placed importance on design as the market grew. Since about 2 years ago, beginning with mobilephones, this design trend has started spreading rapidly into notebook computers, and expanding into domains Nissha can become further involved in.

In the personal computer industry, driven by the huge jump in the communication environment and other factors, use of mobile communication devices is increasing and people are shifting from desktop personal computers to notebook computers.

Another trend with notebook computers is the shift from business use (commercial) to personal use (consumers). In this regard, it is recognized that differentiating products by exterior design is now considered to be an important strategy of personal computer manufacturers.

In terms of the design differentiation, Nissha IMD has earned a positive reputation in terms of decoration and mass production. And the sales of personal computer makers who aggressively adopted Nissha IMD has likewise started grow. We believe that this trend will continue.

As for the input devices unit (mainly Nissha FineTouch), another growth area, use of their products was in the past limited and largely used only for PDAs. However, since the previous year, their products have been rapidly adopted for mobile phones and portable game consoles. With regards to game consoles, since software development for them is now centered on touch input, it has been an indispensable way to mount touch input devices on hardware.

In the case of mobile phones, although the introduction of touch input functions is limited in light of the market as a whole, designers' needs for seamless surface and touch input conscious user interfaces (UI) are now forming a trend and therefore Nissha sees promising growth in this area in the future. In particular, the touch panel with decoration (FineTouch "*TouchWindow*") developed by Nissha has expanded design flexibility for products and accelerated the touch input trend.

How would you evaluate Nissha's business results of this year?
In the market trends as stated above, we have established our position as a leading company both in IMD and touch input. As a result, I believe that we appropriately expanded our production capacity by foreseeing demand, which resulted in enriching our supply system. Therefore we achieved reasonable results.

What are the biggest obstacles Nissha needs to overcome in order to achieve continued growth?
In order to realize sustainable growth, we must be sensitive to market trends and raise our competence in implementing measures to respond to the market's needs. For this purpose, we face an urgent challenge in human resources development. Because our businesses are expanding rapidly, we must make our corporate capabilities more and more sophisticated in all respects, both in terms of quality and quantity, as a global-oriented company.

Since human resources cannot be developed in a short period of time, we have positioned a program to strengthen human resources development as an important management strategy.

Our corporate statement "Trend Meets Technology" delivers messages that our customers' satisfaction will be maximized when a fusion between our technological capabilities and human resources capabilities are realized. Implementing Trend Meets Technology in a steady manner is an essential management challenge for us, but a very worthwhile practice.

What is Nissha's management target?
Our basic management target is to increase our customers' satisfaction in the global market through our various products and services, based on printing technologies as a core. As a result, we aim at increasing earnings and maximizing our corporate value.

What measures is Nissha taking to secure its foundation? And would you explain the progress of Nissha's cost reduction initiatives?
Quality of products and services is a factor that has the most direct influence on the degree of customers' satisfaction. Especially, as our mission is to supply not ready-made products (commodities) but custom-made products tailored to each customer's specifications, we invest our resources in maintenance and improvement of quality to the greatest extent possible.

Furthermore, since we consider that improving quality and efficiency in our production system directly leads to cost reduction and shorter delivery time, considering those challenges as two sides of the same coin, we can implement action items for improvement. For those action items, we have set refined metrics (assessment indicators) to measure the performance and the Board of Directors also observes the performance depending on the level of importance.

From a medium-to-long-term viewpoint, what is Nissha's growth strategy?
The industrial material division and the electronics division have become leaders in the global market. We will expand those divisions. This will be done by developing further added value in terms of technologies and creating new applications.

Nissha IMD has one of the most superior construction methods in the respect that it provides customers' products with added value through superior design. We plan to broaden the range of product fields in which Nissha IMD is adopted.

This is also true in the case of Nissha FineTouch. Seeing the increase in the use of touch input panels for the mobile-phone market, it is expected that the culture surrounding touch input devices will likewise spread into all aspects of our lives. In any case, it is important for us to accurately understand the market's trends and our customers' needs and make efforts so that Nissha's products are the number one choice. Luckily, we have succeeded in steadily building direct relationships with brand manufacturers (OEM companies) even though we too are a maker of production materials and parts. It is our advantage that we are in a position to obtain the final market information accurately and faster than anyone else.

How do you rate the achievements and progress of the Medium-term Management Plan at this point in time?
The last year of the ongoing Medium-term Management Plan is fiscal 2009, ending March 31, 2009. As for past achievements to this date, our corporate performance has continued to be stable. It is important to implement this year's plans in a steady manner.

Can you talk about Nissha's shareholder return policy and its approach to raising corporate value in the future?
Nissha is a future-oriented company with a focus on continuous growth. For this reason, we are implementing capital investments that commensurate with market trends in a timely manner. We prioritize investment in our businesses during growth stages and would like to benefit our customers through increased corporate value. As for our dividend policy, although we have not set a concrete target for cash dividends per share, we have stable growth principally in mind.

You have stated that Nissha must transform itself into a truly global corporation, which means the development of the overseas

business is critical. How is Nissha going to do this?
In order to keep expanding our businesses, the most important objective is the expansion of business in the global market. The ratio of consolidated sales in the overseas market in fiscal 2008, ended March 31, 2008, was 54% and it is becoming clear that globalization of Nissha's businesses is advancing.

However, capabilities within the company are not advancing at the same pace as the globalization of our businesses and sales. In order to maintain our global customer base, Nissha itself must further grow to become a more global corporation. This means that we must globalize not only our business divisions, such as sales, technological development, product, and quality, but also every cell of Nissha including the management divisions. I have a strong devotion and commitment to achieving success in this regard.

Junya Suzuki
President and CEO
Representative Director of the Board

Nissha's Business Strategy Revealed

In this section you will read about three different perspectives on Nissha's business strategy and what makes the company so influential in the marketplace. The first feature article explains the reasons why Nissha's products have achieved top worldwide market share. The second article details the story of how "the fusion of design and function" has consistently allowed Nissha to develop innovative solutions for its customers. The final perspective takes a look at what it's like to be at the frontlines of "Trend Meets Technology". We hope that this information will help our shareholders better understand Nissha, and the value behind our company.

Enhancing Production to Stay on Top

An Interview with Yoshiharu Tsuji, Vice-President

Nissha's sales have increased steadily in recent years. To keep pace, we are further increasing production capacity and innovating production engineering technologies to deliver our products to more customers around the world.

What is the most important aspect of Nissha's production? Especially, in the case of touch input devices and industrial materials?
It is to foster process innovation so that we can respond to various requests and trends more quickly.

The basic approach of Nissha's process innovation is "response to fluctuations of demand". Many of Nissha's customers are leading manufacturers throughout the world and we receive a huge number of orders on a global basis. When one Nissha product is being used in a customer's hit product, it often becomes necessary for us to urgently increase production. By keeping extra capacity in reserve to handle such situations and by making efforts to improve yield, we are able to avoid loosing business opportunities.

As new products and the diversification of supply according to a trend are demanded, and by maintaining abilities to flexibly respond with existing production lines, we are able to reduce the chances of loosing business opportunities and to increase the capacity utilization ratios of our factories. This also allows us to control capital investment on expansion of our production capacity.

In addition to the above measures, how well we can respond to various needs leads to differentiating ourselves from our competitors. Nissha possesses an extensive amount of know-how in the area of production technologies that we have accumulated since the 1980s for industrial material IMD and since the 1990s for touch input devices. We will continue to make improvements so that we can reliably respond to our customers' needs and enhance our competitiveness in the future.

What production challenges are you facing amid the rapid expansion of Nissha's businesses?
Human resources development activities and production technology innovation are the greatest.

Given the rapid increase in demand for Nissha's products on a worldwide basis, sales of the industrial materials division increased by 74% and sales of the electronics division increased more than 2 times in 5 years. We have never seen such a rapid expansion in our corporate history.

With these conditions, human resource development and production technology innovation have become challenges to be tackled by the production division in order to maintain stable supply and to respond to fluctuations of demand.

How will you tackle the challenge of human resources development?
We are increasing the speed in enhancing leadership and other capabilities of employees in management positions and in developing human resources that support operations on the ground.

Every Nissha product requires the know-how accumulated over a long period of time based on our printing technologies. For production, the know-how enables us to improve yield and quality. The development of human resources is becoming even more important than improvements in our facilities.

In response to production needs in recent years, we built factories in Kaga and Koka in Japan and started additional production there. In preparation for when the factory will be able to operate at full capacity, it has become a pressing issue for us to develop human resources. For this reason, we have introduced a human resources development system that enables us to facilitate the acquisition of skills by employees more efficiently and are working to secure a superior workforce.

What initiatives are being taken for product technology innovation?

We are working to ensure flexibility in production lines and continue to produce the high quality products we are known for.

If we simply think of mass production alone, we can attain efficiency by producing one product in the same production line. However, considering the requirements to respond to our customers' needs and trends, a production line that lacks a multiplicity of uses will lead to a drop in the factory's utilization ratio.

If we secure flexibility in our production lines, such as a production line that is capable of manufacturing multiple models, space required for facilities will become smaller and the travel distances to carry goods between facilities becomes shorter. Moreover, investment efficiency will be improved. In these ways, by enhancing flexibility in production lines, we are working to build simple factories.

Next, the reason to include the assurance of high quality as part of the technology innovation is because we have emphasized quality since the time we started as a printing company. We have also found that the number one reason our customers choose us over the competition, is because of our consistent high quality.

For quality control, we have developed a mechanism in which workers confirm and guarantee quality and defective goods are not sent to the next step. Also, in the final process, quality is confirmed by direct observation to ensure no defective goods are shipped.

What are the main strengths of Nissha in terms of its industrial materials business?

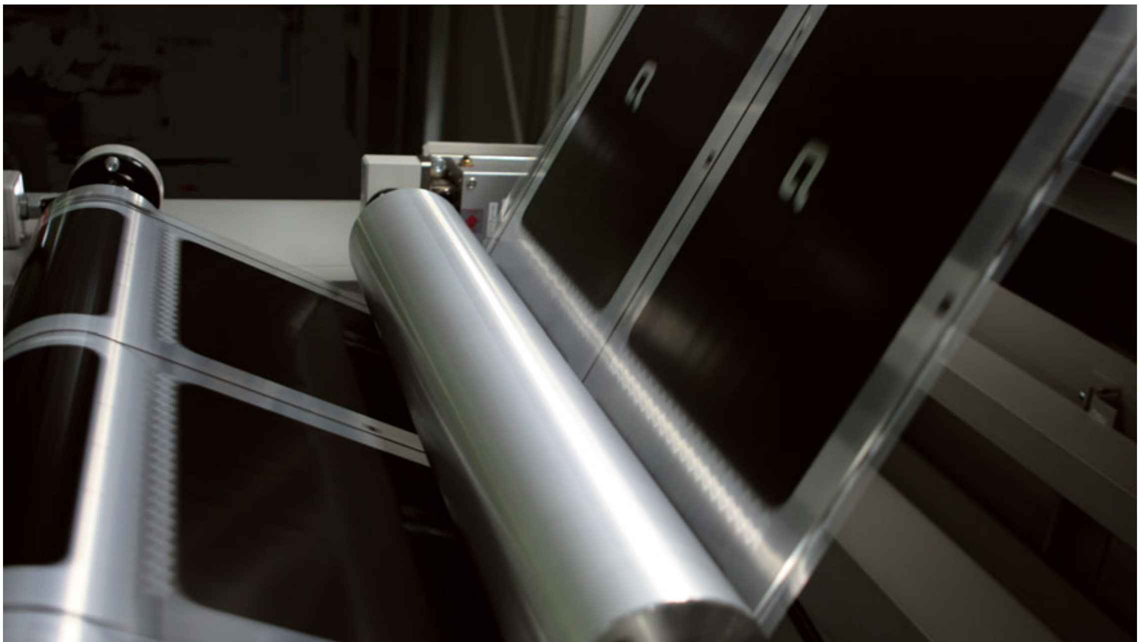
Nissha is overwhelmingly the Number 1 vendor in the area of the IMD method and that set manufacturers make inquiries directly to us during the early stages of their product's design creation, and because of our ability to respond to trends.

Having direct relationships with set manufacturers, we can further understand their needs, such as production volume, and also we can make proposals before a trend arises, generating a virtuous cycle.

As one good example, I can point out that our IMD was introduced to one notebook computer model for consumers by Hewlett-Packard in 2006. This stylish notebook computer model adopted our IMD technology and met the needs of the market and consequently Hewlett-Packard developed hit products in rapid-fire succession. As a result, Nissha built a win-win relationship with Hewlett-Packard.

One of the reasons why customers choose Nissha IMD is that our specifications of IMD are suited for mass production. In a business model for industrial material business, a processor manufacturer is first asked to invest in molds and foil feeders and Nissha sells foil to them. For manufactures with factories worldwide, we can say that Nissha IMD is the best choice as it enables them to mass produce products anywhere with the same quality.

In order to support mass production by process companies, we established business bases in places where our factories are located and are working to respond on a global scale.



What are the main strengths of Nissha's input devices business?

I would have to say it is Nissha's originality based on the fusion of design and function and flexibility in production.

As the touch input device industry is becoming increasingly challenging, it becomes important for Nissha not only to differentiate our products through our efforts toward quality in terms of permeability and durability, but also to further maintain originality.

One of our product's originality of which is enhanced as a result of a fusion between design and function is FineTouch *"TouchWindow"*. This enables us to further raise the level of design flexibility for products by a fusion of touch screen and decoration printing. With the decoration, internal structures such as the circuit are hidden and are not visible externally and the touch window can be mounted directly on the product surface, which results in not only eliminating the frame and step of the display portion which were the previous characteristics of Touch-Panel-mounted products, but also in making thinner designs possible. In these ways, we are greatly expanding the range of designs of Touch-Panel-mounted products.

With regard to flexibility in production, as Nissha has introduced two major methods, the resistive method and the capacitive method, it is important for Nissha to keep maintaining a system which allows us to use any of the methods depending on a trend and the needs of our customers. Although currently demand for the resistive method is far higher than the other, it is Nissha's strength to maintain a system in which it can use any of the methods in the same production line depending on future trends. Also, as Nissha's product development teams are involved in the whole process design and development stages to support set manufacturers, we have built relationships in a manner that allows us to directly receive orders not from ODM makers but from set manufacturers themselves. Therefore, a certain degree of capacity is necessary for Nissha to expand production based on our customers' needs.

Yoshiharu Tsuji

Corporate Vice President,
Representative Director of the Board
General Manager, Industrial Materials and Input Devices Business Unit

Leadership by Innovation

A Report from Ron Lander, Business Advisor

Nissha is extending their competitive innovation advantage by "The Fusion of Design & Function" that is a philosophy that answers the call of customers need.

In today's markets a technology provider is faced with a difficult task—how to balance innovation and create customer engagement. What is the right ratio and does the core competencies allow for the proper leveraging of these two necessary components to be successful.

Nissha has been a technology innovator for almost 80 years and has brought numerous ground breaking technologies to the market for many industries. In recent time Nissha has adopted a new initiative "Trend Meets Technology", this is a bold and exciting new approach. This initiative is the corner stone of a new era in customer relationships, technology solutions and brand building for Nissha. By leveraging core technology, evaluating current customer interaction, and fusing it with design creates new portfolio opportunities. This new culture of thinking has given Nissha another large step its innovative journey.

Delivery is a key for new Innovation. The two components for successful delivery are technical innovation and first to deliver that technology. Nissha has always been on the cutting edge of innovation, it is a corporate culture. They have taken on innovation that is inline with their core competencies but also realizing that reaching beyond that which they know is just as important. Realizing this important strategic fact is proof positive of a future that will benefit the company and shareholders alike.

How do you amass the talent of expertise in Nissha to create an environment that inspires success? Its by having leadership, Nissha's leadership has conviction that makes this new strategy possible. Consumer understanding, brand building and technology innovation are conveyed throughout the company as a culture. "Off the shelf technology isn't good enough", a company needs to lead the way. Nissha is ahead of the curve by being first with technology innovation and exceptional leadership.

"The Fusion of Design and Function" is a philosophy that answers the call of customers' needs for innovation in technology and design. Global companies must step up and deliver the technologies that offer solutions and fulfills the needs of well designed products. Nissha has and will continue to deliver integrated solutions that give the broadest design possibilities for its customers.

In the past 10 years design has reached new levels of understanding globally. The average person now "Gets" or "Senses" design. With this new societal design understanding there comes an elevated expectation that design simply "has to work". This is where the fusion takes place, at the intersection of design and technology. Nissha is poised, located and executing at this cross road. Nissha has the finest technology portfolio and continues to innovate compelling design solutions. By offering design elements such as trends research, technology conceptualization and deign dialogue have given Nissha an advantage. They have maintained a leadership role as innovator in Design solutions, with a deepening sense of strategy focused in a direction will only set the mark higher for others to follow.

The future of touch solutions is determined by the innovation and adoption of technology offered by the best technology companies, Nissha is the leader. Another factor when evaluating the future of touch-based systems is that we need to really understand the reason why the consumer will adopt such a technology. If we understand the pull, we can create the push. For manufactures of touch technologies, this is key! The design science, which Nissha has adopted, is a clear path to understanding this need.

Due to the size and architectural challenges from smaller products (ie. Smart Phones), hardware manufactures are forced to come up with human interface solutions that integrate touch. Smart phone and like devices are going to be first with innovative Graphical User interfaces (GUI) and physical touch technology integration. It is essential that these device manufactures have the correct technology solutions. From these indicators, we can look into the future of the consumer electronic market and see that integration by necessity will happen.

This is a great opportunity for Nissha. With the release of the mobile phones with touch panels and ultra mobile computers that utilize touch as the main interface, the consumer will adopt this technology with great speed. The consumer desire for touch is increasing and the demand of touch interactive form factors will remain high. We will see a great increase of companies trying to integrate touch in the next year with touch technology being mainstream within 4 years in the consumer electronic markets. This technology is strategic in the Nissha's portfolio and placed appropriately ahead of the adoption curve.

A proven record with years of expertise in touch and decorative technologies, Nissha is the industry leader. "The Fusion of Design and Function" is offered in the ever increasing and compelling technology portfolio. The future is very exciting and the possibilities are limitless. With a fortified innovation lab and a deep commitment to shareholders, Nissha has once again perfected the formula for a continued history of success.

Ron Lander

President of Diagonal Thinking and currently serves as a business strategy advisor for Nissha. He was previously the Director of Technology Integration at Nokia Design among other managerial positions with engineering based companies. Mr. Lander served in the United States Navy and attended Seattle University.

Maximizing Customer Value

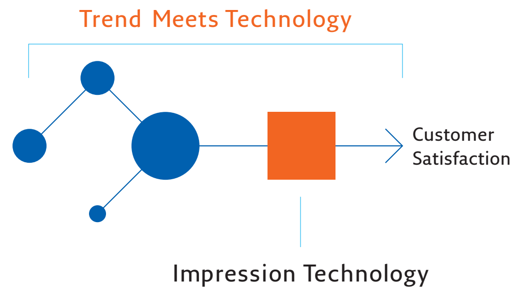
Insight from Nissha's Business Development Team

"TrendMeetsTechnology" drives all employees at Nissha to improve customer satisfaction by developing unique and innovative ways to meet the needs of our customers.

The meaning of "Trend Meets Technology"

Nissha's brand statement, "Trend Meets Technology", signifies our promise to supply products and services based on advanced technology to the global market, while providing the highest level of customer satisfaction.

We make full use of Nissha's core competence, "Impression Technology" (high grade expression technology evolving in a variety of areas based on printing technology), and believe firmly that our stance of proactively giving concrete form to all kinds of trends in the market leads to the improvement of value for stakeholders and the complete satisfaction of our customers.



Trend

Represented by circles, symbolizes finding the needs of the market and our customers.

Technology

Represented by the square, symbolizes the approach behind our products and services, called Impression Technology.

Customer Satisfaction

When Trend Meets Technology, our customers are satisfied.

Studying trends and developing new business

Nissha has a Business Development Department named Design and Technology Marketing that, based on the idea that "social trends in our lives have a direct connection to the product designs developed by our customers", proactively seeks opportunities where our "Impression Technology" can be useful or where we may be able to make proposals that add value to our customers' business.

The Design and Technology Marketing team divides trends into three categories: social trends, design trends, and technology trends. While they always have a pulse on the latest developments in each area, the decision on which area to focus on for any given project ultimately comes down to understanding the needs of our customers. Our staff then discusses how Nissha's technology relates to these trends and our customers' products.

For example, "transparency" is a current social trend. One question that came forward was how can it be used as a design trend? In response to this, the

Design and Technology Marketing team identified keywords such as “glass” and “clean” from among many candidates. The team then looked at how Nissha’s technology related to these keywords. The result was that they found the concept of being “flat” worked well together and fit the trend of “transparency” as part of a technology trend. The fusion of the concept of “flat” connected to Nissha’s touch panel technology resulted in a mobile phone with a seamless surface. In this way, the teams mission is to analyze trends and reflect the results on Nissha’s business development efforts.

While many companies tend to overlook the value obtained by combining several strategy elements, because they focus too much on individual strategies, Nissha has succeeded in giving diversity to its strategies and proposals through the fusion of several technologies and ideas. In another example, we launched an advanced new product by fusing our decorative printing technology with design and touch panel and input technology to create the *“TouchWindow”* which has gained support from many customers.

Giving shape to customer needs with Nissha IMD

Hewlett-Packard (HP) wanted to develop a notebook PC incorporating a delicate graphic never seen before, by making the Japanese Zen garden (the rock garden of a Zen temple) its motif. However, facing the many restrictions of conventional coating methods the team was left to consider the idea of abandoning the project temporarily. Using Nissha IMD, with its excellent design reproducibility and strong mass productivity, a solution was devised. During the development phase of the product, the Design and Technology Marketing team of Nissha obtained information from the HP design team about what it would develop in the future and proposed what solutions could be produced with the Nissha IMD technology.

As a result of successfully overcoming the project’s challenges, this product became a hot seller, receiving a variety of design awards. The wave pattern reproduced on the surface of the jet-black casing gives a texture to the product like nothing seen before. The product marks a departure from notebook PCs that have existed to this point.

This is just one example of how Nissha works with leading companies from around the world from the initial design phase, through to the early phase of the development of a new product to add value.

Nissha’s proactive approach, not only gives shape to our customers’ needs as well as meet their requirements, but enhances our customers’ satisfaction. This also strengthens ties between our customers and us, and provides both sides with a distinct advantage.

Technology that enhances life’s pleasure

Developing better ways to meet customers' needs

A shared excitement for building excellence

Collaborating to develop innovative solutions

Discovering new trends
in every corner of the planet

Delivering outstanding quality to the world

Corporate Governance

Overview
Nissha places coexistence as its corporate philosophy, and this is based on mutual trust with wide-reaching aspects of society, achieved by fulfilling its social responsibilities as a corporation and conducting fair business activities. We believe it is essential that we enhance corporate governance in conformity with laws and social ethics.

Nissha has formulated a variety of compliance rules including the "Corporate ethics and declaration of compliance," which we position as our code of conduct so that we can comply with laws, articles of incorporation and social norms. Further, in order to realize our coexistence with all our stakeholders who surround Nissha, we have formulated rules such as the basic management principle, action guidelines, environmental policies, and basic principles of information security.

Management and Execution Structure
Considering factors such as our Company's size, business efficiency and mobility, our board of directors meetings are currently composed of seven internal directors and two outside directors. Our board of auditors' meetings are composed of two internal auditors (full-time auditors) and two outside auditors (part-time auditors).

Participants at our board of directors' meetings make decisions our important business operations, while supervising the execution of each director's duties. In principle these meetings are held once a month. In addition, management is continually considering the level of importance of each issue that arises, and holding special meetings of the board as necessary to address them.

In June 2008, we introduced the Corporate Officer system, and while enhancing the functions of our business operations, and promptly responding to any changes in our management environment, we are appropriately and efficiently running each department.

The meetings of the board of auditors decide on audit policies and the assignment of work, and in accordance with those decisions each auditor audits the legality and appropriateness of the directors' execution of their duties.

In our internal control system, we have set up an internal audit department which fulfills the functions of internal auditing; a legal department which fulfills the functions of legal work; and an auditors office as a department that helps the auditing officers perform their audits. Regarding important matters that relate to compliance, we consult legal advisers as needed and conduct any essential investigations. Further, to ensure the appropriateness of our financial reporting, we have a disclosure control committee. And to enhance our promotion of CSR (corporate social responsibility) we have set up and are operating management conferences to discuss issues relating to the conservation of the environment, information security, and health and safety. We have also established a corporate ethics and compliance committee and a risk management committee.

Internal Control System and Maintenance
Based on our policy for internal control, Nissha has a structure to ensure the appropriateness of its business activities.

Policy for Internal Control
Based on the Companies Law and enforcement regulations for the Companies Law, Nissha has set up a structure (hereinafter called "internal control"), to ensure the appropriateness of its business operations. Details of this internal control are as follows:

1. **Structure to ensure the directors and employees execute their duties in compliance with laws, ordinances and our articles of incorporation**
   The rules to do with our compliance structure, such as the "President's declaration of compliance," outline a code of conduct to ensure our directors and employees execute their duties in accordance with laws, ordinances, articles of incorporation and social norms.
   Further, to maintain a structure to ensure the appropriateness of our financial reporting, we have established an internal control department, and created an internal control auditing system to make sure that no improprieties or errors occur in our business processes. We have set up and are operating an "internal whistleblower counter (called Nissha hotline)" which employees can use to directly give information on any acts or similar activities that they suspect may violate laws or regulations.

2. **Structure to store and manage information on the directors' execution of their duties**
   Based on our information management policy, we store and manage information on the directors' execution of their duties in a state in which it can be easily, appropriately and assuredly searched according to the media on which it is stored, and we keep it in a state in which it can be looked at if the need arises.

3. **Rules and other structures for managing the risk of loss**
   We have established a basic policy for risk management, and while clarifying our stance on activities for controlling risks, based on the risk management rules we have set up a risk management committee, and we are monitoring any risks that span the whole organization and dealing with them on a companywide basis. We are controlling risks that relate to areas such as compliance, information security, disasters, the environment and product quality by setting up meetings of persons with responsibility for those respective areas. The activities of these risk management meetings are periodically reported to the meetings of the board of directors and the meeting of the board of auditors.

4. **Structure to ensure the directors execute their duties efficiently**
   By having a system of operating officers, we are maintaining a structure for business operations and we separate the formulation of strategies at meetings of the board of directors and management oversight from business operation functions.
   The representative director appropriately delegates authorities to the vice presidents, clarifies their responsibility structure, and efficiently and effectively gives them instructions. Further, the president maintains a structure in which the vice presidents report to the representative director on the state of implementation of

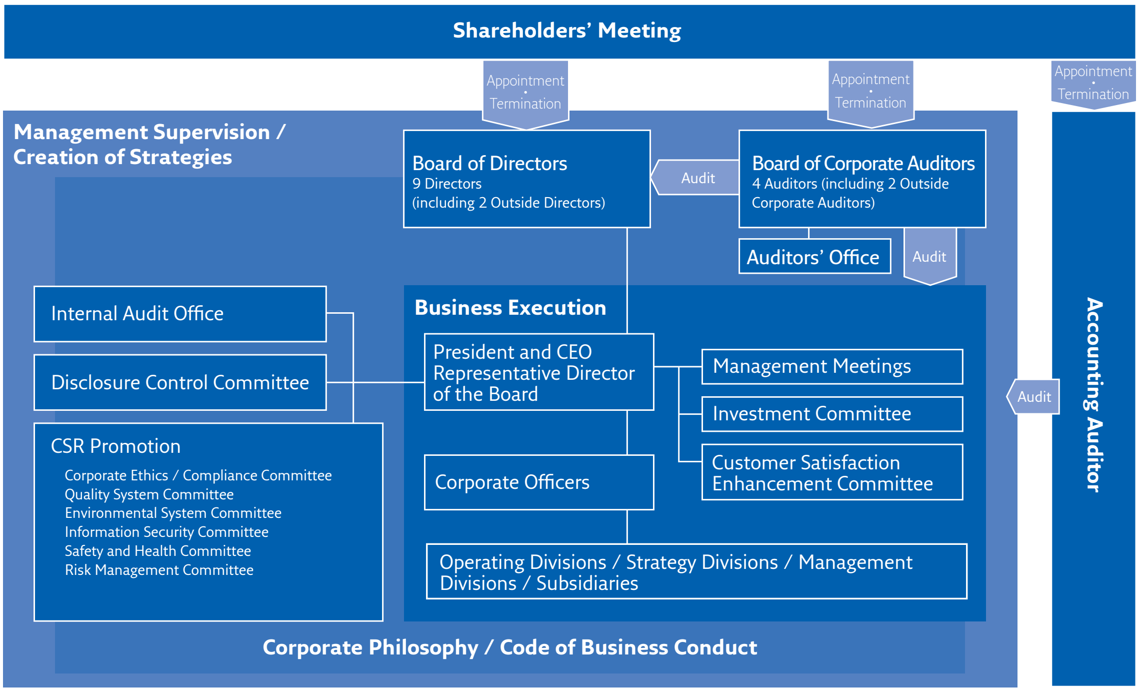
their duties, and with which it can be confirmed that they are executing those duties in an efficient manner.

5. **Structures to ensure the appropriateness of oper ations of the corporate group consisting of Nissha and its subsidiaries**
We appoint various directors as persons with responsibility and they bear various types of responsibility for operations that take place in the corporate group consisting of Nissha and its subsidiaries. We give those directors authorities and responsibilities that make up structures to abide by rules and laws, and risk management systems; and the risk management committee and the related departments in the headquarters promote and control these structures in a cross-sectional manner.

6. **Matters regarding audit assistants and ensuring the independence of those assistants from the directors, if the auditors ask us to appoint assistants to help them in their duties**
We have set up auditors' office and the employees that belong exclusively to it help the auditors perform their duties. The auditors' office is attached to the board of auditors' meetings, and is an organization that is independent from the board of directors.

7. **Structure for directors and employees to report to auditors and other structures regarding reporting to auditors**
We have set up a structure to allow directors and employees to promptly report to the meetings of the board of auditors. It is an internal whistleblower counter (called Nissha hotline), which they can use to report on legal matters as well as matters that could have a serious effect on the corporate group, made up of Nissha and our subsidiaries, and the situation regarding implementation of internal audits.

8. **Other structures to ensure the effectiveness of audits by auditors**
We have established a meeting which is held periodically to allow the board of auditors' meetings and the representative director to exchange opinions.



Nissha's Management and Business Execution System

Audits by the Auditors and Internal Audits
Following the audit policy and audit plan that are in compliance with the audit standards as stipulated in the meetings of the board of auditors, auditors attend the meetings of the board of directors and other important meetings, and examine important documents and other materials for approval, conduct visiting audits on each major office and subsidiary, have periodic meetings with the representative director, and link up with departments such as the internal audit department. Further, in the internal control system they monitor and examine the directors' execution of their duties. In addition, they ask accounting auditors to give explanations on audit plans and the state of execution of their duties, and they monitor the independence of the accounting auditors and the state of execution of their duties. The internal audit department (six members) periodically conducts audits, centering on the appropriateness of the operations conducted in each department.

Accounting Audits
Nissha employs the services of the accounting auditors Deloitte Touche Tohmatsu, as accounting auditors in accordance with the Companies Law, to conduct accounting audits in accordance with the Financial Instruments and Exchange Law. There are no special interests among Deloitte Touche Tohmatsu, its employees who audit Nissha, and Nissha. Further, we have concluded an auditing contract with Deloitte Touche Tohmatsu, based on which we pay remunerations for audits in accordance with the Companies Law and for audits in accordance with the Financial Instruments and Exchange Law.

Details of the certified public accountants and auditing assistants who executed their duties in the current term are as follows.

Names of certified public accountants who conducted operations
Designated members, managing partners:
Shigeo Tanji, Hirokazu Miura
Persons assisting in the work of accounting audits:
Three certified public accountants and eleven junior accountants

Outside Directors and Outside Auditors
There are no special interests among the outside directors, outside auditors and Nissha.

In the 87th general meeting of shareholders held on June 29, 2006, we amended our articles of incorporation and established a rule regarding limited liability contracts with outside auditors.

An outline of the details of the limited liability contracts Nissha concluded with the outside auditor Yoshio Nakano and the outside auditor Shigeaki Momoo, based on our articles of incorporation, is as follows.

Regarding the responsibility stipulated in item 1, article 423 of the Companies Law, when outside auditors conduct operations as auditors in good faith and without gross negligence, the amount of their liability for damages to Nissha shall be limited to the minimum amount as stipulated in item 1, article 425 of the Companies Law.

Maintenance of Risk Management System
Regarding the variety of risks that may arise in all our business operations, risk analysis and investigations for countermeasures are conducted in advance, and deliberations are made at the meeting of the board of directors as the need arises. Further, in April 2005 we formulated a "basic policy for risk management," and we are clarifying Nissha's policies while conducting and promoting risk management.

Officers' Remunerations and Other Emoluments
Remunerations paid to directors: ¥374 million
In addition to the amount shown above, we paid salaries and bonuses of ¥131 million to directors for their work as employees.
Remunerations paid to auditors: ¥39 million
Directors' bonuses: ¥90 million

Note: In the 88th general meeting of shareholders held on June 28, 2007, accompanying the decision to abolish the system of providing a bonus to retiring directors, and based on halting the provision of bonuses to retiring officers, the above monetary amounts do not include the amounts below which are reserves for officers who will retire from now on:
Directors: ¥744 million
Auditors: ¥25 million

Auditors' Remuneration
Remuneration based on item 1, article 2 of the Certified Public Accountant Law: ¥27 million
Remuneration based on work other than that mentioned above (work to assist in the internal control): ¥9 million

Introduction of Countermeasures (Buyout Defense) Against Large-Scale Purchases of the Company's Shares
The Company introduced countermeasures (buyout defense) (referred to below as this "Plan" large-scale purchases of the Company's shares by the resolution of the general meeting of shareholders in June 2007, for the sake of ensuring and increasing corporate value and the common interests of shareholders.

This Plan has established procedures which consists of the submission of information on the large-scale purchase to the Company by the purchaser, evaluation and discussion of the purchase by an independent committee, etc., in order to ensure necessary and sufficient time and information for shareholders to judge whether or not they should accept the purchase or for the Company's Board of Directors to propose an alternative plan and in order to enable the Company's Board of Directors to negotiate with the purchaser on behalf of all shareholders if a large-scale purchase which leads the purchaser's Holding Ratio of Share Certificates, etc. pertaining to the Company's shares to 20% or more is undertaken, and demands the observance of these procedures from the purchaser.

If a large-scale purchaser appears and an independent committee judges that the large-scale purchase significantly damages the corporate value of the Company and the common interests of shareholders, taking into consideration that such as the large-scale purchaser does not observe the procedures, etc., the Company's Board of Directors will respect the advice of the independent committee and implement the gratis issue of new share warrants, etc., as countermeasures in accordance with necessity. In addition to the establishment of the aforementioned independent committee, this Plan has established systems providing information to all shareholders, ensuring transparency, and precluding arbitrary judgments by the Board of Directors. For further details of this Plan, please refer to the press release of the Company made on May 16, 2007, available at the website below.
http://www.nissha.co.jp/ir/pdf/kaiji070516_3.pdf

Looking from the Outside In

Planning Our Future—The New Corporate Officer System
In responding to requests from inside and outside the Company, as part of our corporate governance reform, we introduced a corporate officer system and increased the number of outside directors. At the same time, we must transform the statuses of management and administration into those in line with the purposes of the reform of our system.

Unlike the past corporate director system and the general manager system, outside directors are now required to be clearly aware of their responsibility to supervise the execution of operations under all-round management and achieve accountability to stakeholders. In addition, they are required to have wide-ranging knowledge and deep insight concerning the Company's management, environment, and corporate strategies.

Corporate officers are obligated to have a commitment to achieve plans, and they are held responsible to the Board of Directors for their business execution. In order to ensure plans are carried out and to clarify their corresponding responsibility, it is necessary for CEO to accurately control and supervise commitments of corporate officers to realize goals in a Monthly Review Meeting. Outside directors are committed to maintain stern supervision to meet the interests of stakeholders typified by shareholders.

With respect to management of operations, it is necessary to build and enhance a system of operations management in conjunction with expansion of our business and also to improve management capabilities of middle-managers. In particular, human resources, both with regards to finding new talent and professional development, throughout our global operations has remained insufficient and must be improved.

We are continually proud of our employees' contributions and the performance of their duties in good faith — and view this as beneficial to our stakeholders. It is necessary for us to maintain a system in which we enhance individual capabilities based on a positive corporate culture and communicate the outcome into enhancement of organizational capability and on-going awareness.

Kenji Kojima, Outside Director

Strong Leadership and Continuous Improvement
At Nissha, the CEO emphasizes to integrate views from outsiders and to carry out their own reforms.

The continuous efforts strongly led by the CEO have served to create an atmosphere where participants feel comfortable to speak out freely and thus cultivate a culture of continuous improvement. I, as an outside director, highly evaluate the management approach of the CEO. As for strengthening corporate governance "from within management", I believe it is functioning well and deserves recognition.

Of the key words emphasized by the president, "Proactive", "Can-do Spirit", and "Bad News First", especially the keyword "Bad News First" serves as the most essential factor in fostering an open organization among employees.

I think that another important factor in terms of Nissha's strengths is consciousness and the behavior of directors and employees. I see that every officer and employee is working diligently and while I know this is a long-time Nissha tradition, I can't help feeling proud of them. I feel Nissha's power for development of its business and proactive approach towards various reforms is moving along well as business expands.

On the other hand, there are some areas that will pose a challenge. The greatest of these is that as the president's message and strength continues to spread throughout the company, it may become more difficult for other board members and employees to raise objections to the president's decisions. While this is a challenge, I believe we will be able to address it without issue.

Another issue, is how to best respond to the recent trend of introducing takeover defense measures. Building an environment aimed at strengthening corporate governance in listed companies is now a subject of debate, and we must be aware of the fact that listed companies with a strong percentage of owner-ownership may face stricter monitoring from outsiders. Therefore I believe that reinforcing our corporate governance within the management is becoming increasingly necessary.

Tamio Kubota, Outside Director

Directors, Corporate Auditors and Corporate Officers

Director, Member of the Board

Shozo Suzuki
Chairperson Emeritus and Member of the Board

Junya Suzuki
President and CEO
Representative Director of the Board

Yoshiharu Tsuji
Corporate Vice President,
Representative Director of the Board
General Manager, Industrial Materials and Input Devices Business Unit

Takuji Shibata
Executive Vice President, Member of the Board
Production, Quality and Process Engineering
Industrial Materials

Takao Hashimoto
Executive Vice President, Member of the Board
Technology Research and Development
Industrial Materials and Input Devices

Yutaka Inada
Executive Vice President, Member of the Board
General Manager, General Printing and Information Media Business Unit

Masaru Takahashi
Executive Vice President, Member of the Board
General Manager, Finance and Accounting

Tamio Kubota
Outside Board Member

Kenji Kojima
Outside Board Member

Corporate Auditor

Michio Taniguchi
Corporate Auditor

Keiji Ohashi
Corporate Auditor

Yoshio Nakano
Outside Corporate Auditor

Shigeaki Momoo
Outside Corporate Auditor

Corporate Officer

Takuji Shibata
Executive Vice President, Member of the Board

Takao Hashimoto
Executive Vice President, Member of the Board

Yutaka Inada
Executive Vice President, Member of the Board

Masaru Takahashi
Executive Vice President, Member of the Board

Haruhiro Ikemoto
Senior Vice President, Tokyo Marketing and Sales, General Printing and Information Media Business Unit

Toshikazu Imamura
Senior Vice President, Production and Strategy Planning, General Printing and Information Media

Hisayuki Ito
Senior Vice President, Sales and Marketing, Japan and Korea, Industrial Materials and Input Devices

Keiji Kishi
Senior Vice President, Corporate Technology Research and Development, Automotive Business, Industrial Materials

Masayuki Mitamura
Senior Vice President, International Marketing and Sales, Industrial Materials and Input Devices

Syunichi Nishimura
Senior Vice President, Production, Input Devices

Hitoshi Konishi
Vice President, Corporate Social Responsibility

Yasurou Nonaka
Vice President, General Affairs, Human Resources and Legal Affairs

Kentaro Fujii
Vice President, Production Engineering, Industrial Materials

Hayato Nishihara
Vice President, Corporate Finance Strategy, Personnel and Training

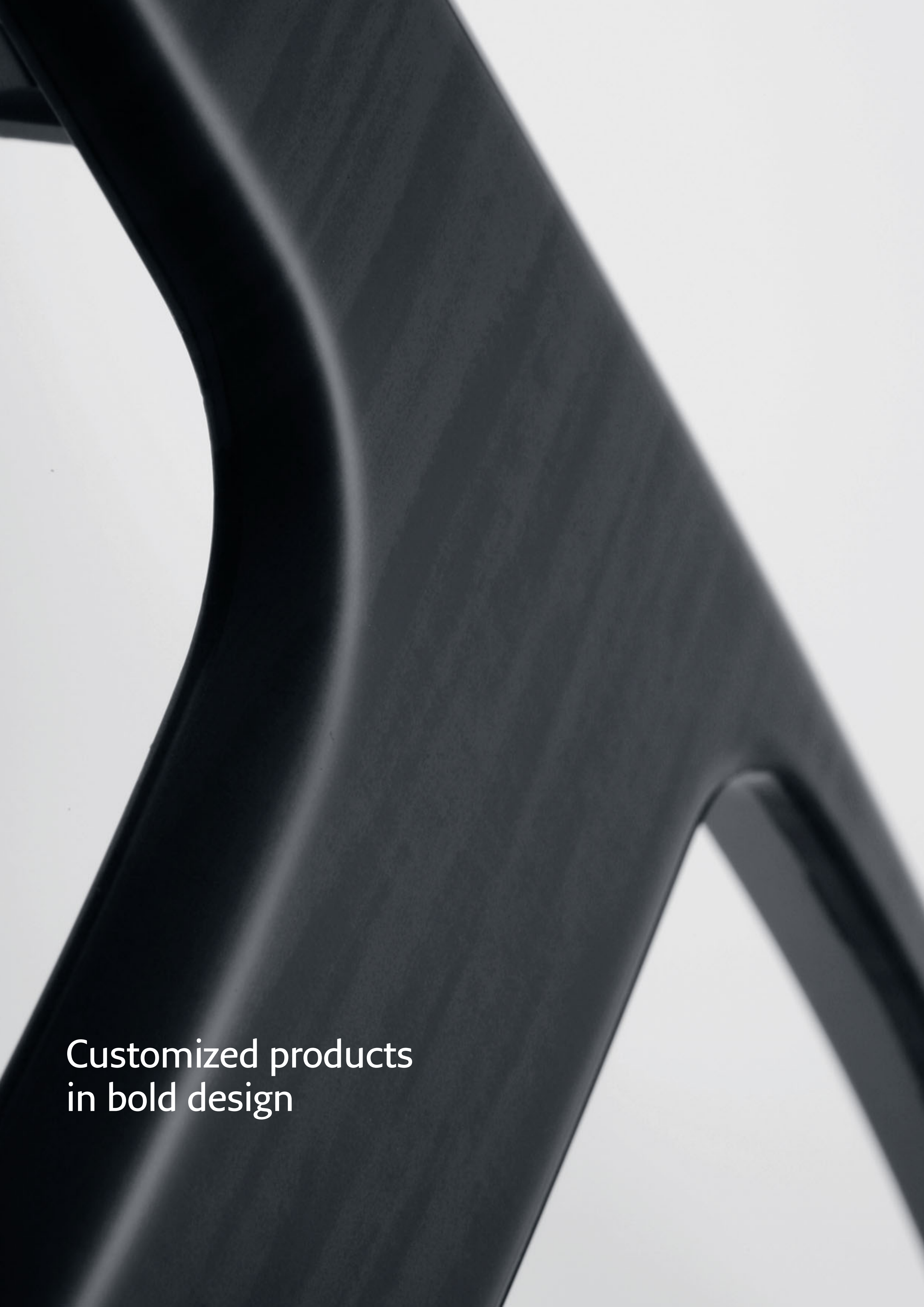
Kensuke Narita
Vice President, Sales Promotion Tools and Materials, General Printing and Information Media

Tenri Isoda
Vice President, General Manager, Koka Factory

Syunji Murase
Vice President, Marketing and Sales, Osaka and Kyoto, General Printing and Information Media

Tamio Kubota　Masaru Takahashi　Kenji Kojima　Takuji Shibata　Takao Hashimoto　Yutaka Inada

Shozo Suzuki　Junya Suzuki　Yoshiharu Tsuji



Customized products in bold design

Technology that embraces fine details

A history of printing, a passion for perfection

Financial Section

Financial Review

Nissha Printing Co., Ltd. and Subsidiaries

For the years ended March 31, 2004 to 2008	Millions of Yen 2004	2005	2006	2007	2008	% change 2007 vs 2008
FOR THE YEAR						
Net Sales	66,857	70,093	82,446	88,735	101,650	+14.6%
Sales in Japan	44,127	43,108	44,832	45,831	46,775	+2.1%
Sales outside Japan	22,730	26,985	37,614	42,904	54,874	+27.9%
Operating Income	8,210	9,433	15,143	15,290	16,771	+9.7%
% of Net Sales	12.3%	13.5%	18.4%	17.2%	16.5%	-4.1%
Net Income	4,368	5,670	8,980	9,503	10,275	+8.1%
Net Cash Provided by Operating Activities	5,102	8,159	11,629	7,590	11,648	+53.5%
Net Cash Used in Investing Activities	(17,837)	(530)	(14,506)	(8,884)	207	+102.3%
Net Cash Provided by (Used in) Financing Activities	6,922	(6,590)	(703)	(807)	(1,618)	-100.5%
Capital Expenditures	3,371	3,329	6,378	14,991	12,817	-14.5%
Depreciation	2,468	2,514	2,596	3,197	4,813	+50.5%
AT YEAR-END						
Shareholders' Equity	45,583	51,829	61,855	73,758	82,245	+11.5%
Total Assets	92,350	92,209	107,895	126,763	142,358	+12.3%
Long-Term Debt	10,352	10,148	10,180	10,209	7,361	-27.9%
Cash and Cash Equivalents	17,530	18,558	15,363	13,490	22,938	+70.0%
RATIOS						
Return on Sales	6.5%	8.1%	10.9%	10.7%	10.1%	-0.6%
EBITDA Ratio	16.0%	17.3%	21.5%	20.9%	21.2%	+0.3%
Current Ratio	178.2%	222.3%	217.2%	197.9%	184.9%	-13.0%
Fixed Ratio	85.9%	84.3%	79.3%	84.5%	84.6%	+0.1%
Return on Equity	9.9%	11.6%	15.8%	14.0%	13.2%	-0.8%
Shareholders' Equity	49.4%	56.2%	57.3%	58.2%	57.8%	-0.4%

	Yen 2004	2005	2006	2007	2008	% change 2007 vs 2008
PER SHARE						
Net Income (Basic)	98.34	132.69	205.41	219.74	237.6	+8.1%
Annual Cash Dividends	17.00	24.00	34.00	40.00	45.00	+12.5%
Shareholders' Equity	1,079.30	1,195.65	1,428.00	1,705.46	1,901.87	+11.5%
STOCK INFORMATION (MARCH 31)						
Stock Price	1,690	1,715	4,430	3,120	4,890	+56.7%
Market Capitalization (Millions of yen)	76,100	77,226	199,481	140,492	220,194	+56.7%
Number of Shares Issued (shares)	45,029,493	45,029,493	45,029,493	45,029,493	45,029,493	+0.0%

SALES BY BUSINESS SEGMENT

	Millions of Yen 2004	2005	2006	2007	2008	% change 2007 vs 2008
Industrial Materials	33,116	36,934	48,543	53,004	57,724	+8.9%
Touch Input Devices	8,503	8,842	8,764	11,339	18,271	+61.1%
General Printing	25,238	24,317	25,139	24,392	25,654	+5.2%
Total	66,857	70,093	82,446	88,735	101,650	+14.6%

Management's Discussion and Analysis

Business Overview

The global economy in the current consolidated business year saw events such as an increase in the price of commodities because of a sharp rise in the price of oil, and concerns of a fall in the economy Due to the subprime loan issue that occurred in the U.S. Effects also started to become apparent in Japan, such as higher gasoline prices, an appreciation of the yen and falling stock prices.

Further, amid these economic conditions, in the consumer electronics market, in which many of Nissha's products are used, there is an increasing progression in globalization and the removal of borders, and competition to develop new technologies and products is becoming more severe in all countries, as is price competition. In particular, that trend became further prominent because of its conspicuousness in up-and-coming countries such as China and India. On the other hand, there were changes in the trends in the market surrounding Nissha, and increasing importance was placed on design in order to provide products with higher added-value. That has become a tailwind for Nissha, whose strength is shown in technological fields that combine functionality and design.

Based on this kind of market environment, Nissha is placing the upmost priority on increasing customer satisfaction, and in order to meet our customers' expectations for that, we made a collective effort and executed its second three-year interim business plan, and maintained the Group's structure. For example our touch panel plant in Kaga City, Ishikawa Prefecture, or the transfer foil printing plant in Koka City, Shiga Prefecture, while actively pressing forward with the augmentation of our manufacturing capabilities, we then further enhanced our activities for quality control. Further, in order to accurately meet the needs of our customers, particularly our overseas ones, we have spread out to new bases in places such as Chennai in India and San Jose in the U.S.; upgraded and expanded the functions of our base in Shanghai, China; enhanced our network; and made efforts to make things more convenient for our customers. At the end of December 2007, we conducted an M&A (corporate buyout) and founded Eimo Technologies, Inc. in Michigan, U.S, as a plastic molding plant that handles parts for use in areas such as interiors of cars.

Meanwhile, in these times of great change, Nissha as a type of company that tends to look forward from a global viewpoint, will grow further and we believe that the most important element for continuing to provide our customers with new value is precisely our employees' skills (i.e. the abilities of our human resources). So we have maintained a new policy to nurture human resources, and we have begun to make efforts to train and educate employees in an orderly sequence.

As a result of these business developments, in our consolidated business results for the current consolidated business year, we posted sales of ¥101.650 billion (up 14.6 percent year-on-year), the first time Nissha's sales have exceeded the ¥100 billion mark in the consolidated accounts. Looking at profits, operating profit was ¥16.771 billion (up 9.7 percent year-on-year), current ordinary income were ¥15.580 billion (down 4.5 percent year-on-year), and current net income was ¥10.275 billion (up 8.1 percent year-on-year).

Further, looking at our non-consolidated operating results, sales were ¥97.592 billion (up 17.0 percent year-on-year), operating profit was ¥10.919 billion (down 7.8 percent year-on-year), current ordinary income were ¥10.152 billion (down 22.0 percent year-on-year), and current net profit was ¥6.723 billion (down 10.6 percent year-on-year).

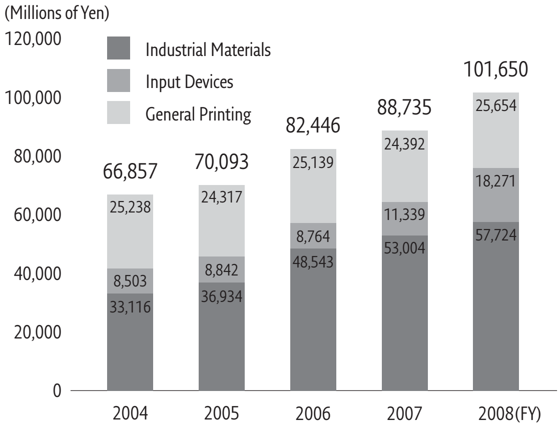
Net Sales/Operating Income

Looking at our operating results in the current consolidated fiscal year, sales were up 14.6 percent compared with the previous consolidated fiscal year, and amounted to ¥101.650 billion. Among these sales, our overseas sales accounted for ¥54.874 billion, or 54.0 percent of our consolidated sales. Our overseas sales were mainly achieved at our Industrial Materials Department and Touch Input Devices Department.

As a result, compared with the previous consolidated fiscal year our operating income increased by 9.7 percent, standing at ¥16.771 billion.

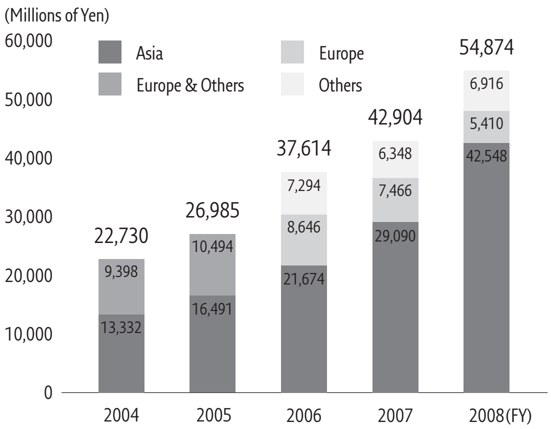
Net Sales by Business Segment (For the years ended March 31)

	Millions of Yen				
	2004	2005	2006	2007	2008
Industrial Materials	33,116	36,934	48,543	53,004	57,724
Input Devices	8,503	8,842	8,764	11,339	18,271
General Printing	25,238	24,317	25,139	24,392	25,654
Total	66,857	70,093	82,446	88,735	101,650



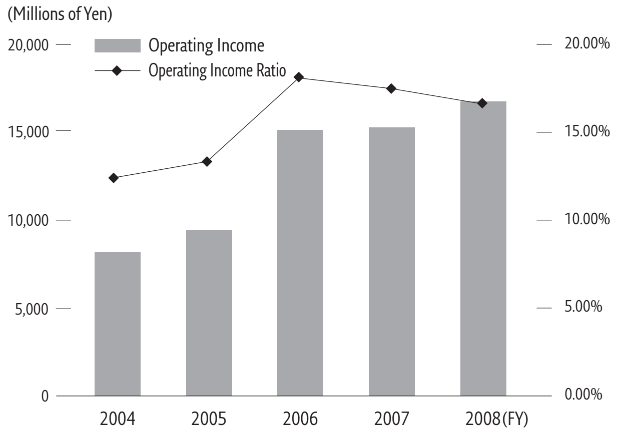
Overseas Sales by Destination (For the years ended March 31)

	Millions of Yen				
	2004	2005	2006	2007	2008
Asia	13,332	16,491	21,674	29,090	42,548
Europe			8,646	7,466	5,410
Others			7,294	6,348	6,916
Europe & Others	9,398	10,494			
Total	22,730	26,985	37,614	42,904	54,874
Rate of overseas sales (%)	34.0	38.5	45.6	48.4	54.0



Operating Income/Operating Profitability (For the years ended March 31)

	Millions of Yen				
	2004	2005	2006	2007	2008
Operating Income	8,210	9,433	15,143	15,290	16,771
Operating Income Ratio	12.3%	13.5%	18.4%	17.2%	16.5%



Ordinary Income

Looking at our non-operating profit and loss, we posted a non-operating income of ¥1.083 billion, which was mainly made up of dividend income, interest revenue and gain on sale of marketable securities. On the other hand, with the increasing appreciation of the yen, we booked an exchange loss of ¥1.657 billion.

As a result, our current ordinary income fell by 4.5 percent compared with the previous consolidated fiscal year, and were ¥15.58 billion.

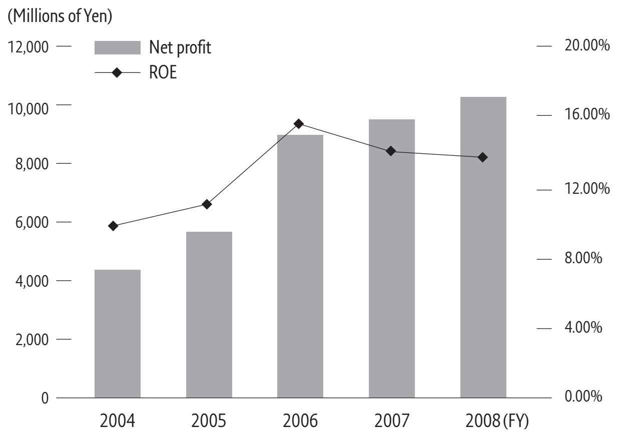
Net Income

Looking at our extraordinary gain or loss, in addition to posting a reversal of allowance for doubtful receivables of ¥1.58 billion, as asset utilization measures from things such as sale of land we booked a gain from sales of fixed assets of ¥476 million.

As a result of the above, current net income was up 8.1 percent compared with the previous consolidated fiscal year, and stood at ¥10.275 billion. Further, current net income per share was up ¥17.86 compared with the previous consolidated fiscal year, reaching ¥237.60, and our rate of return on equity fell by 0.8 percentage points to 13.2 percent.

Net Income/Return on Equity (For the years ended March 31)

	Millions of Yen				
	2004	2005	2006	2007	2008
Net profit	4,368	5,670	8,980	9,503	10,275
ROE	9.9%	11.6%	15.8%	14.0%	13.2%



Assets/Liabilities/Equities

Nissha's total assets at the end of the consolidated fiscal year amounted to ¥142.358 billion, up ¥15.594 billion compared with the previous consolidated fiscal year. Current assets amounted to ¥72.812 billion, up ¥8.395 billion compared with the previous consolidated fiscal year. The main factors for this increase included increases in cash and savings, bills receivable and accounts receivable, and inventories that accompanied the increased sales. Fixed assets amounted to ¥69.545 billion, up ¥7.199 billion. The main factor for this increase was the increase of ¥7.237 billion in tangible fixed assets as a result of our investment in facilities, mainly in the Industrial Materials Department and Touch Input Devices Department.

The total amount of Nissha's liabilities at the end of the current consolidated fiscal year was ¥60.113 billion, up ¥7.107 billion compared with the end of the previous consolidated fiscal year. Current liabilities were ¥39.382 billion, up ¥6.826 billion. The main factors for this increase were increases in items such as bills payable connected to facilities, and bills payable and trade accounts payable that accompanied factors such as the increase in purchase budget and investment in facilities. Further, fixed liabilities stood at ¥20.731 billion, up ¥281 million.

Shareholders' equity at the end of the current consolidated fiscal year were ¥82.245 billion, up ¥8.487 billion compared with the end of the previous consolidated fiscal year. The main factors for this increase were the increase in accumulated earnings because we posted net income for this term of ¥10.275 billion.

As a result of the above, our shareholders' equity per share increased by ¥196.41 compared with the previous consolidated fiscal year, to stand at ¥1,901.87, and our shareholders' equity ratio fell by 0.4 percentage points to 57.8 percent.

Dividend Policy

It is Nissha's aim to deliver a stable and ongoing payment of dividends, we make it a basic policy to appropriate profits while considering factors such as our business results in this fiscal year, forecasts of future results, and dividend payout ratios.

Nissha's basic policy for distribution of earnings retained is to pay dividends twice a year: an interim dividend and a year-end dividend. Our board of directors is the decision-making body with respect to the interim dividends, while the general meeting of shareholders is the one for the year-end dividend.

Based on these policies, it was decided at the meeting of the board of directors held on November 6, 2007, that we would pay an interim dividend of ¥20 per share for the current fiscal year, but we increased this to ¥25 per share for the year-end dividend.

In order to expand our businesses from a medium- and long-term point of view, we are effectively using our internal reserves centering on activities such as capital investment and research and development.

Nissha has stipulated in its articles of incorporation that "according to the decision made at the meeting of the board of directors, we will pay an interim dividend on the base date of September 30 each year."

Cash Flows

On a consolidated basis this consolidated fiscal year, cash and cash equivalents (hereinafter called "funds") grew by ¥9.448 billion compared with the previous consolidated fiscal year, and amounted to ¥22.938 billion at the end of the current consolidated fiscal year.

The status of each of our cash flows this consolidated fiscal year and the main factors behind them, are as follows.

Cash flow from operating activities

Funds from operating activities came to ¥11.648 billion, up ¥4.058 billion compared with the previous consolidated fiscal year. The main factors for this increase were the fact that we posted income before income taxes and minority interests of ¥17.531 billion, and depreciation of ¥4.813 billion. On the other hand, the main factors for the reduction in funds were payments of income tax of ¥6.492 billion, an increase of ¥2.570 billion in notes and accounts receivable, and an increase of ¥1.584 billion in inventory.

Cash flow from investing activities

As a result of our investment activities, funds amounted to ¥207 million, up ¥9.091 billion compared with the previous consolidated fiscal year. The main factors for this increase included the fact that we posted income of ¥5.012 billion from redemption of government and corporate bonds, and decrease in short-term investments of ¥6.195 billion. On the other hand, this consolidated fiscal year we spent ¥10.5 billion on investments in facilities and acquired tangible fixed assets, mainly in the Industrial Materials Department and Touch Input Devices Department.

Cash flows from financing activities
We used ¥1.618 billion in financing activities, and compared with the previous consolidated term this outlay was up ¥811 million. The main factors for this increase included the fact we posted dividend payments of ¥1.857 billion.

	2007	2008	
For the years ended March 31	Actual	Actual	Change
CF from operating activities	7,590	11,648	4,058
CF from investing activities	(8,884)	207	9,091
(Free CF)	(1,294)	11,855	13,149
CF from financing activities	(807)	(1,618)	(811)
Increase/decrease in cash & cash equivalents	(1,873)	9,448	11,321

Millions of Yen

Capital Expenditures

1. Outline of capital investment and other matters

In Nissha (Nissha and its affiliated subsidiaries), in order to win the trust of our customers and make them feel safe about Nissha, we believe it is vitally important to maintain a system for stably supplying products that are of a high quality and that have high added-value.

To that end, in the current term we have begun efforts to further improve the capabilities of our manufacturing bases both within and outside Japan, including the touch panel plant in Kaga City in Ishikawa Prefecture, and the heat transfer foil printing plant in Koka City, Shiga Prefecture. Further, while also improving our product quality control, we actively made capital investments in order to even further improve our manufacturing efficiency and technical development capabilities. We have expectations that by increasing customer satisfaction through those kinds of capital investments, that will have the effect of connecting to expanding the orders we receive thereafter.

As a result of the above, we made ¥5.850 billion of capital investment in the Industrial Materials Department, ¥4.419 billion in the Touch Input Devices Department, ¥794 million in the Printing Information Department, and ¥1.755 billion in the Administrative Overhead Department. On a Group-wide basis our capital investment amounted to ¥12.817 billion.

A breakdown of the main items of our capital investment is as follows.

Industrial Materials	Nitec Industries, Inc. Koka Factory 2 (Koka City, Shiga) new construction
Touch Input	Nitec Precision, Inc. Kaga Factory 2 (Kaga City, Ishikawa) introduction of production capacity
	Nitec Precision, Inc. Kaga Factory 3 (Kaga City, Ishikawa) new construction
General Printing	Introduction of double-sided 8 sheet-feed offset printing

2. State of main items of capital investment

The main items of capital investment conducted in Nissha (Nissha and affiliated subsidiaries) are as follows.

Company proposing capital investment

Place of business	Departments	Purpose of production capacities	Book values (Millions of Yen)					
			Buildings and structures	Machinery and equipment	Land(m^2)	Others	Total	Number of employee
Headquarters & Headquarters's capacity (Nakagyo-ku, Kyoto)	Industrial materials Touch input General printing	Sales Production facilities Administration	3,187	1,063	25 (36,105)	1,671	5,949	666

Note: Among the book values, "Others" refers to tools, equipment, apparatus, and buildings under construction.
Further, excluding buildings under construction, the above monetary amounts do not include consumption tax or other taxes.

Domestic subsidiaries

Name	Place of business		Departments	Purpose of production capacities	Book values (Millions of Yen) Buildings and structures	Machinery and equipment	Land (m²)	Other	Total	Number of employees
Nitec Industries, Inc.	Koka Factory	Koka, Shiga	Industrial materials	Production facilities	2,200	1,729	1,626 (87,877)	1,668	7,224	180
	Kameoka Factory	Kameoka, Kyoto	Industrial materials	Production facilities	1,898	2,054	2,245 (19,660)	226	6,423	286
	Kyoto Factory	Nakagyo, Kyoto	Industrial materials	Production facilities	552	592	5 (7,347)	14	1,163	147
Nitec Mold Engineering, Inc.	Kameoka Factory	Kameoka, Kyoto	Industrial materials	Production facilities	599	199	709 (6,208)	104	1,611	143
	Yodo Factory	Fushimi, Kyoto	Industrial materials	Production facilities	95	94	234 (2,138)	32	457	46
	Kumihama Factory	Kyotango, Kyoto	Industrial materials	Production facilities	153	177	62 (10,883)	23	417	49
	Kaga Factory	Kaga, Ishikawa	Industrial materials	Production facilities	64	129	37 (4,864)	5	235	31
Nitec Precision, Inc.	Kaga Factory	Kaga, Ishikawa	Touch input	Production facilities	1,242	2,015	338 (43,836)	65	3,660	190
	Kyoto Factory	Nakagyo, Kyoto	Touch input	Production facilities	8	1,214	6 (9,116)	56	1,284	86
Eastern Nissha Printing Co., Ltd.	Tokyo Factory	Yachiyo, Chiba	General Printing	Production facilities	478	1,018	48 (17,765)	17	1,563	60

Notes:

1. Among the book values, "Others" refers to tools, equipment, apparatus, and buildings under construction.

Further, excluding buildings under construction, the above monetary amounts do not include consumption tax or other taxes.

2. Of the book values, "Others" refers to tools, appliances, apparatus and building under construction.

Further, other than the amount shown for building under construction, the monetary amounts shown above do not include consumption tax or other taxes.

Items stated in "Buildings and structures," "Machinery, Equipment and vehicles," "Land" and "Others" for Nitec Industries, Inc.; Nitec Mold Engineering, Inc.; Nitec Precision, Inc.; and Eastern Nissha Printing Co., Ltd. include items loaned by organizations such as Nissha submitting the financial report. The stated values of those items loaned from organizations such as Nissha submitting the financial report are their book values recorded in such organizations.

3. Construction of new facilities and plans for demolition and other retirement

Nissha (Nissha and its affiliated subsidiaries) formulates capital investment plans by comprehensively considering factors such as business forecasts, industry trends, and investment efficiency. In principle, each consolidated company formulates its own facility plans, but when making plans at places such as group meetings, we make adjustments centering on Nissha submitting the financial report.

Further, our plans for construction of major facilities as of the end of the current consolidated fiscal year are as follows. Moreover, we do not plan to sell or dispose of any major facilities, other than routine sales and disposals to replace the facilities.

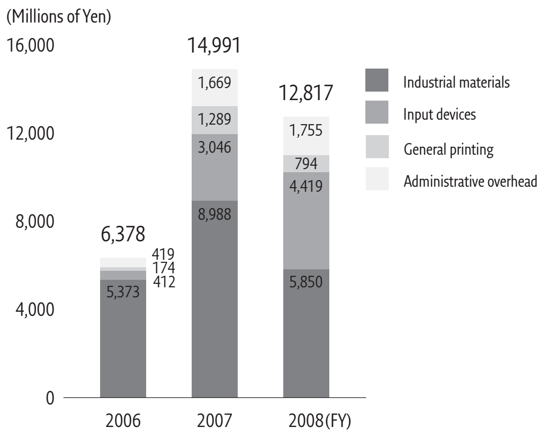
Name	Place of business	Departments	Purpose of production capacities	Expected amount of investments: Total amount (Millions of Yen)	Expected amount of investments: Paid amount (Millions of Yen)	Funding method	Launch and completion: Date of Launch	Launch and completion: Date of completion
Nissha Printing Co., Ltd. & Nitec Industries, Inc.	Koka, Shiga	Industrial materials	New construction etc.	14,109	4,009	Own fund	Feb. 2008	Mar. 2009
Nitec Precision, Inc. etc.	Kaga, Ishikawa	Touch input	New construction etc.	12,721	2,321	Own fund	Dec. 2007	Mar. 2009
Nissha Printing Co., Ltd. Etc.	Kyoto etc.	General information	Production facilities etc.	800	–	Own fund	Apr. 2008	Mar. 2009
Nissha Printing Co., Ltd. Etc.	Kyoto etc.	Administration	Headquarters maintenance etc.	2,900	–	Own fund	Apr. 2008	Mar. 2009
Total	–	–	–	30,530	6,330	–	–	–

Notes:

1. Monetary amounts do not include consumption tax or other taxes.
2. In terms of the capacities after the relevant facilities have been completed, details of the individual work involved vary depending on the details of the orders received, and because there are many types of complicated work, we have calculated a fixed manufacturing capability, and we have not stated any capacity usage ratios because it is hard to calculate them accurately.
3. Of the total amount of our planned investment of ¥30.53 billion, we have spent ¥6.33 billion this current consolidated fiscal year. The remaining ¥24.20 billion represents the total planned investment amount for the fiscal year ending in March 2009.

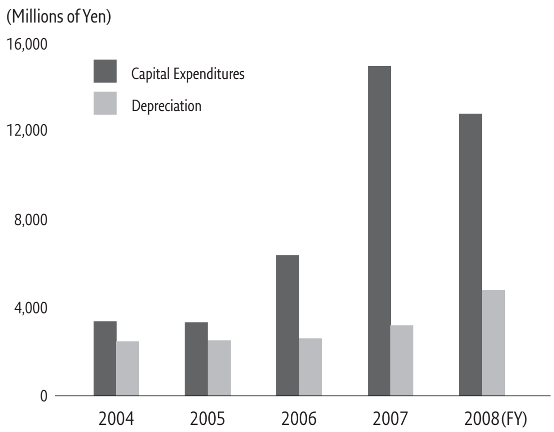
Capital Expenditure by Business Segment (For the years ended March 31)

	Millions of Yen		
	2006	2007	2008
Industrial materials	5,373	8,988	5,850
Input devices	412	3,046	4,419
General printing	174	1,289	794
Administrative overhead	419	1,669	1,755
Total	6,378	14,991	12,817



Capital Expenditures/Depreciation (For the years ended March 31)

	Millions of Yen				
	2004	2005	2006	2007	2008
Capital Expenditures	3,371	3,329	6,378	14,991	12,817
Depreciation	2,468	2,514	2,596	3,197	4,813



R&D Activities

Nissha (Nissha and its affiliate subsidiaries) places “combining design and function” as its basic concept of development, and is actively engaged in the research and development of state-of-the-art products and systems that practice “Trend Meets Technology”.

In Nissha’s current R&D activities, the corporate R&D Department is developing new businesses that will be the foundation of our growth from a long-term point of view. The Technological Development Headquarters is conducting development as a medium-term business strategy. And each of the respective manufacturing departments is overseeing the development of products to meet the short-term needs of our customers.

In the current consolidated fiscal year, the total amount that Nissha as a whole spent on research and development came to ¥1.015 billion, which was spent on basic and applied research conducted at the Technological Development Headquarters.

Business Risks and Other Risks

The risks which we think could affect Nissha’s operating performance and financial status and Nissha’s stock price are as follows. Further, forward-looking statements contained in this material are judgments of Nissha made as of the end of this consolidated fiscal year.

Customer needs and market trends

In the order-receiving environment of Nissha, all departments are seeing increasing trends of diversification, small lots, switching to shorter delivery periods, switching to high-quality goods, and advancement of technology; and price competition is also becoming extremely severe.
Amid such conditions, Nissha places the utmost priority on customer satisfaction, and is accurately assessing the market trends. While working to provide technologies, products and services that meet our customers’ needs, we are refining a group system to ensure that Nissha can stably supply products and services. However, if there are any major changes in customers’ needs or market trends regarding the technologies, products and services we are providing, it could affect Nissha’s operating results and financial situation.

Trends of demand in related industries

In Nissha’s business, profits are increasing mainly in the Industrial Materials Department and Touch Input Devices Department, and a look at a breakdown of sales also shows the Industrial Materials Department accounts for 56.8 percent, while the Touch Input Devices Department accounts for 18.0 percent. Because both those departments are developing operations to cope with trends in demands in related industries including mainly the mobile phone, notebook computer, household electrical goods and automobile industries, if there are any major changes in those industries it could affect Nissha’s operating results and financial situation.

Exchange rate fluctuations

In the current consolidated fiscal year, Nissha’s overseas sales accounted for 54.0 percent of all our sales, and there were trends for these overseas sales to increase, for regions such as Asia and the U.S. These overseas transactions are mainly done in yen, but recently there have been increasing trends for them to be conducted in foreign currencies such as U.S. dollars. In the current consolidated fiscal year, affected by the appreciation of the yen since the fourth term, we posted an exchange loss of ¥1.657 billion as a non-operating expense. From now on, if we conduct even more transactions denominated in foreign currencies and there are major changes in exchange rates, it could affect Nissha's operating results and financial situation.

Marketable securities held

At the end of the current consolidated fiscal year, Nissha held marketable securities worth ¥3.704 billion and investment securities of ¥23.003 billion, and the majority of them were stocks and bonds with market prices. Nissha determines characteristics of the marketable securities it holds, such as the financial status, trends of business results and ratings of the issuers, and sufficiently confirms the safety of such securities. However, if factors such as considerable changes in stock exchanges or bond defaults occur, it could affect Nissha's operating results and financial situation.

Notes and accounts receivable and inventories

At the end of the current consolidated fiscal year, Nissha had notes and accounts receivable (trade notes and accounts) worth ¥27.869 billion and inventories worth ¥13.735 billion. Accompanying the growth in sales, we are seeing a trend for those assets to increase and Nissha is enhancing its credit control and proper stock control, among other things. From now on, if there are major changes in the values of these assets because of factors such as bad debts it could affect Nissha's operating results and financial situation.

Consolidated Balance Sheets

Nissha Printing Co., Ltd. and Subsidiaries

March 31, 2008 and 2007	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars (Note 1) 2008
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	¥ 22,938	¥ 13,490	$ 229,380
Short-term investments (Note 4)	1,072	7,267	10,720
Marketable securities (Note 5)	3,704	5,009	37,040
Notes and accounts receivable:			
Trade notes	2,383	3,553	23,830
Trade accounts	25,486	21,047	254,860
Other	295	221	2,950
Allowance for doubtful receivables	(259)	(1,746)	(2,590)
Inventories (Note 6)	13,735	11,733	137,350
Deferred tax assets (Note 10)	1,474	2,103	14,740
Prepaid expenses and other current assets	1,984	1,740	19,840
Total current assets	72,812	64,417	728,120
PROPERTY, PLANT AND EQUIPMENT			
Land	6,567	5,581	65,670
Buildings and structures	21,951	21,223	219,510
Machinery and equipment	24,363	24,024	243,630
Tools, furniture and fixtures	5,801	4,862	58,010
Construction in progress	6,061	630	60,610
Total	64,743	56,320	647,430
Accumulated depreciation	(25,471)	(24,286)	(254,710)
Net property, plant and equipment	39,272	32,034	392,720
INVESTMENTS AND OTHER ASSETS			
Investment securities (Note 5)	23,003	25,507	230,030
Deferred tax assets (Note 10)	1,782	671	17,820
Other assets	5,489	4,134	54,890
Total investments and other assets	30,274	30,312	302,740
TOTAL	¥ 142,358	¥ 126,763	$ 1,423,580

See notes to consolidated financial statements.

March 31, 2008 and 2007	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars (Note 1) 2008
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term borrowings (Note 7)	¥ 2,116	¥ 2,762	$ 21,160
Current portion of long-term debt (Note 7)	3,807	61	38,070
Notes and accounts payable:			
Trade notes	6,401	6,453	64,010
Trade accounts	12,046	10,736	120,460
Construction notes	5,315	4,440	53,150
Construction accounts	1,763	1,365	17,630
Other	412	655	4,120
Accrued income taxes	3,508	3,220	35,080
Accrued expenses and other current liabilities	4,014	2,864	40,140
Total current liabilities	39,382	32,556	393,820
LONG-TERM LIABILITIES			
Long-term debt (Note 7)	7,361	10,209	73,610
Liability for retirement benefits (Note 8)	6,528	7,338	65,280
Deferred tax liabilities (Note 10)	5,888	2,849	58,880
Other	954	53	9,540
Total long-term liabilities	20,731	20,449	207,310
EQUITY (Notes 9 and 13)			
Common stock,			
authorized, 180,000,000 shares;			
issued 45,029,493 shares in 2008 and 2007	5,685	5,685	56,850
Capital surplus	7,355	7,354	73,550
Retained earnings	60,455	52,041	604,550
Unrealized gain on available-for-sale securities	10,604	10,510	106,040
Foreign currency translation adjustments	431	440	4,310
Treasury stock - at cost:			
1,787,339 shares in 2008 and 1,783,641 shares in 2007	(2,289)	(2,276)	(22,890)
Total	82,241	73,754	822,410
Minority interests	4	4	40
Total equity	82,245	73,758	822,450
TOTAL	¥ 142,358	¥ 126,763	$ 1,423,580

Consolidated Statements of Income

Nissha Printing Co., Ltd. and Subsidiaries

Years Ended March 31, 2008 and 2007	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars (Note 1) 2008
NET SALES	¥ 101,650	¥ 88,735	$ 1,016,500
COST OF SALES	72,828	63,202	728,280
Gross profit	28,822	25,533	288,220
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	12,051	10,243	120,510
Operating income	16,771	15,290	167,710
OTHER INCOME (EXPENSES):			
Interest and dividend income	646	449	6,460
Interest expense	(186)	(156)	(1,860)
Foreign exchange gain (loss) - net	(1,657)	441	(16,570)
Reversal of allowance for doubtful receivables	1,580	859	15,800
Other - net	377	259	3,770
Other income (expenses) - net	760	1,852	7,600
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	17,531	17,142	175,310
INCOME TAXES (Note 10):			
Current	6,813	6,817	68,130
Deferred	442	822	4,420
Total income taxes	7,255	7,639	72,550
MINORITY INTERESTS IN NET INCOME	(1)	(0)	(10)
NET INCOME	¥ 10,275	¥ 9,503	$ 102,750

	Yen 2008	Yen 2007	U.S. Dollars 2008
PER SHARE OF COMMON STOCK (Note 2.q):			
Net income	¥ 237.60	¥ 219.74	$ 2.38
Cash dividends applicable to the year	45.00	40.00	0.45

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Nissha Printing Co., Ltd. and Subsidiaries

Years Ended March 31, 2008 and 2007	Millions of Yen									
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-Sales Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Treasury Stock
BALANCE, APRIL 1, 2006	43,253,123	¥ 5,685	¥ 7,352	¥ 44,314	¥ 6,522	¥ 222	¥ (2,240)	¥ 61,855		¥ 61,855
Reclassified balance as of March 31, 2006									¥ 4	4
Net income				9,503				9,503		9,503
Cash dividends, ¥39.00 per share				(1,686)				(1,686)		(1,686)
Bonuses to directors and corporate auditors				(90)				(90)		(90)
Repurchase of treasury stock	(8,354)						(38)	(38)		(38)
Disposal of treasury stock	1,033		2				2	4		4
Net increase in unrealized gain on available-for-sale securities					3,988			3,988		3,988
Net change in foreign currency translation adjustments						218		218		218
BALANCE, MARCH 31, 2007	43,245,802	5,685	7,354	52,041	10,510	440	(2,276)	73,754	4	73,758
Net income				10,275				10,275		10,275
Cash dividends, ¥43.00 per share				(1,861)				(1,861)		(1,861)
Repurchase of treasury stock	(3,801)						(13)	(13)		(13)
Disposal of treasury stock	153		1				0	1		1
Net increase in unrealized gain on available-for-sale securities					94			94		94
Net change in foreign currency translation adjustments						(9)		(9)		(9)
Net change in the year									0	0
BALANCE, MARCH 31, 2008	43,242,154	¥ 5,685	¥ 7,355	¥ 60,455	¥ 10,604	¥ 431	¥ (2,289)	¥ 82,241	¥ 4	¥ 82,245

	Thousands of U.S. Dollars (Note 1)								
	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-Sales Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Treasury Stock
BALANCE, MARCH 31, 2007	$ 56,850	$ 73,540	$ 520,410	$ 105,100	$ 4,400	$ (22,760)	$ 737,540	$ 40	$ 737,580
Net income			102,750				102,750		102,750
Cash dividends, $0.4 per share			(18,610)				(18,610)		(18,610)
Repurchase of treasury stock						(130)	(130)		(130)
Disposal of treasury stock		10				0	10		10
Net increase in unrealized gain on available-for-sale securities				940			940		940
Net change in foreign currency translation adjustments					(90)		(90)		(90)
Net change in the year								0	0
BALANCE, MARCH 31, 2008	$ 56,850	$ 73,550	$ 604,550	$ 106,040	$ 4,310	$ (22,890)	$ 822,410	$ 40	$ 822,450

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Nissha Printing Co., Ltd. and Subsidiaries

Years Ended March 31, 2008 and 2007	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars (Note 1) 2008
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 17,531	¥ 17,142	$ 175,310
Adjustments for:			
Income taxes - paid	(6,492)	(8,060)	(64,920)
Depreciation and amortization	4,813	3,224	48,130
Increase in liability for retirement benefit	160	58	1,600
Decrease in allowance for doubtful receivables	(1,485)	(786)	(14,850)
Changes in assets and liabilities:			
Increase in notes and accounts receivables	(2,570)	(1,186)	(25,700)
Increase in inventories	(1,584)	(3,262)	(15,840)
Increase in notes and accounts payable	1,137	1,334	11,370
Other - net	138	(874)	1,380
Net cash provided by operating activities	11,648	7,590	116,480
INVESTING ACTIVITIES:			
Proceeds from redemption of government and corporate bonds	5,012		50,120
Purchases of property, plant and equipment	(10,500)	(10,429)	(105,000)
Proceeds from sales of marketable and investment securities	1,150	2,003	11,500
Purchases of marketable and investment securities	(413)	(683)	(4,130)
Decrease in short-term investments	6,195	264	61,950
Payment for purchase of Eimos America division of S&B Industry, Inc. (Note 3)	(1,818)		(18,180)
Other - net	581	(39)	5,810
Net cash provided by (used in) investing activities	207	(8,884)	2,070
FINANCING ACTIVITIES:			
Dividends paid	(1,857)	(1,685)	(18,570)
Net increase in short-term borrowings	(645)	993	(6,450)
Net of purchases and proceeds from sales of treasury stock	(13)	(33)	(130)
Other - net	897	(82)	8,970
Net cash used in financing activities	(1,618)	(807)	(16,180)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(789)	228	(7,890)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,448	(1,873)	94,480
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,490	15,363	134,900
CASH AND CASH EQUIVALENTS AT END OF YEAR	¥ 22,938	¥ 13,490	$ 229,380

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nissha Printing Co., Ltd. and Subsidiaries

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law (formerly, the Japanese Securities and Exchange Law) and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2007 financial statements to conform to the classifications used in 2008.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Nissha Printing Co., Ltd. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥100 to $1, the approximate rate of exchange at March 31, 2008. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. *Principles of Consolidation* - The consolidated financial statements as of March 31, 2008 include the accounts of the Company and its 23 (22 for the year ended March 31, 2007) subsidiaries (together, the "Group").

Under the control or influence concept, those companies over whose operations the Company, directly or indirectly, is able to exercise control are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. *Business Combination* - In October 2003, the Business Accounting Council (the "BAC") issued a Statement of Opinion, "Accounting for Business Combinations", and on December 27, 2005, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures" and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures". These new accounting pronouncements were effective for fiscal years beginning on or after April 1, 2006.

The accounting standard for business combinations allows companies to apply the pooling of interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests.

For business combination that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

The Company acquired 100% of the net assets of Eimos America division of S&B Industry, Inc. on January 1, 2008 and accounted for it by purchase method of accounting. The related goodwill is systematically amortized by the straight-line method over 5 years.

c. *Cash Equivalents* - Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits which mature or become due within three months of the date of acquisition.

d. *Marketable and Investment Securities* - All of the Group's securities are classified as available-for-sale securities and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of Equity. The cost of securities sold is determined based on the moving-average method.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

e. *Inventories* - Inventories are stated at cost determined by the specific identification method for finished products and work in process, and by the moving-average method for raw materials and supplies.

f. *Allowance for Doubtful Receivables* - The allowance for doubtful receivables is stated at an amount considered to be appropriate based on the Group's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

g. *Property, Plant and Equipment* - Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its domestic subsidiaries is computed by the declining-balance method, while the straight-line method is principally applied to foreign subsidiaries, using rates based on the estimated useful lives of the assets. Property, plant and equipment of the Company and its domestic subsidiaries acquired on and after April 1, 2007 are depreciated by the declining-balance method in accordance with the revised corporate tax law, which is effective for fiscal years beginning on and after April 1, 2007. The effect of this treatment was to decrease income before income taxes and minority interests for the year ended March 31, 2008 by ¥125 million ($1,250 thousand). The range of useful lives is principally from 7 to 50 years for buildings and structures, from 3 to 12 years for machinery and equipment, and from 5 to 15 years for tools, furniture and fixtures.

h. *Long-lived Assets* - The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

i. *Liability for Retirement Benefits* - Employees who retire at or after the age of 55 are entitled to approximately 30% of their benefits in the form of an annuity. The funds for the annuity payments are entrusted to an outside trustee.

The Company accounts for the liability for the retirement benefits based on projected benefit obligation and plan assets at the balance sheet date.

Retirement benefits to directors and corporate auditors are provided at the amount that would be required if all directors and corporate auditors retired at each balance sheet date.

j. *Research and Development* - Research and development costs are charged to income as incurred. Such costs were ¥1,015 million ($10,150 thousand) and ¥740 million for the years ended March 31, 2008 and 2007, respectively.

k. *Leases* - All leases of the Company and its domestic subsidiaries are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that are deemed to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's and to the lessor's financial statements.

l. *Bonuses to Directors and Corporate Auditors* - Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

m. *Income Taxes* - The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

n. *Appropriations of Retained Earnings* - Appropriations of retained earnings are reflected in the financial statements for the following year upon shareholders' approval.

o. *Foreign Currency Transactions* - All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statement of income to the extent that they are not hedged by forward exchange contracts.

p. *Foreign Currency Financial Statements* - The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for Equity, which is translated at historical rates. Differences arising from such translation are shown as "Foreign currency translation adjustments" as a separate component of equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

q. Per Share Information - Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares less treasury stock which used in the computation were 43,243,785 and 43,248,145 shares for the years ended March 31, 2008 and 2007, respectively.

The diluted net income per common share is not disclosed because the Group does not have dilutive securities.

Cash dividends charged to retained earnings are those actually paid during the year, which represent the year-end dividends for the preceding fiscal year and interim dividends for the current fiscal year.

r. New Accounting Pronouncements

Measurement of Inventories - Under Japanese GAAP, inventories are currently measured either by the cost method, or at the lower of cost or market. On July 5, 2006, the ASBJ issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories", which is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price.

Lease Accounting - On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions", which revised the existing accounting standard for lease transactions issued on June 17, 1993.

Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, however, other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements.

The revised accounting standard requires that all finance lease transactions should be capitalized. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements - Under Japanese GAAP, a company currently can use the financial statements of foreign subsidiaries which are prepared in accordance with generally accepted accounting principles in their respective jurisdictions for its consolidation process unless they are clearly unreasonable. On May 17, 2006, the ASBJ issued ASBJ Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". The new task force prescribes: 1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, 2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process, 3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material:

(1) Amortization of goodwill

(2) Actuarial gains and losses of defined benefit plans recognized outside profit or loss

(3) Capitalization of intangible assets arising from development phases

(4) Fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets

(5) Retrospective application when accounting policies are changed

(6) Accounting for net income attributable to a minority interest

The new task force is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

3. BUSINESS COMBINATION

On January 1, 2008, the Company acquired 100% of the net assets of Eimos America division (“Eimo Business”) of S&B Industry, Inc. Eimo Business sells decorative films used in product areas such as mobile phones, PCs, and automobiles. This acquisition was made to advance the strategy of plastic in mold decoration business of the Company in the U.S.A. The results of operations for Eimo Business are included in the Company’s consolidated statement of income from the date of acquisition.

The Company accounted for this business combination by the purchase method of accounting. The acquisition cost was ¥1,818 million ($18,180 thousand) in cash. The total cost of acquisition has been allocated to the assets acquired and the liabilities assumed based on their respective fair values. Goodwill recorded in connection with the acquisition totaled ¥292 million ($2,920 thousand).

The estimated fair values of the assets acquired and the liabilities assumed at the acquisition date are as follows:

	Millions of Yen	Thousands of U.S. Dollars
Current assets	¥ 1,249	$ 12,490
Fixed assets	607	6,070
Goodwill	292	2,920
Total assets acquired	2,148	21,480
Current liabilities	330	3,300
Total liabilities assumed	330	3,300
Net assets acquired	¥ 1,818	$ 18,180

The pro forma information of consolidated statement of income for the year ended March 31, 2008 is omitted because there would be no material impact if this business acquisition had been completed as of April 1, 2007, the beginning of the current fiscal year.

4. SHORT-TERM INVESTMENTS

Short-term investments at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Time deposits other than cash equivalents	¥ 1,072	¥ 7,267	$ 10,720

5. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Current:			
Government and corporate bonds	¥ 3,704	¥ 5,009	$ 37,040
Non-current:			
Marketable equity securities	¥ 21,840	¥ 20,595	$ 218,400
Government and corporate bonds	899	4,841	8,990
Other	264	71	2,640
Total	¥ 23,003	¥ 25,507	$ 230,030

Information regarding the carrying amounts and aggregate fair values of securities at March 31, 2008 and 2007 were as follows:

	Millions of Yen			
	2008			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 2,968	¥ 17,889	¥ 117	¥ 20,740
Debt securities	4,917	1	325	4,593
Other	29	4	2	31

	Millions of Yen			
	2007			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 2,882	¥ 15,671	¥ 57	¥ 18,496
Debt securities	9,940	4	104	9,840
Other	29	9	2	36

	Thousands of U.S. Dollars			
	2008			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$ 29,680	$ 178,890	$ 1,170	$ 207,400
Debt securities	49,170	10	3,250	45,930
Other	290	40	20	310

Securities whose fair value is not readily determinable as of March 31, 2008 and 2007 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Available-for-sale:			
Equity securities	¥ 1,099	¥ 2,099	$ 10,990
Debt securities	10	10	100
Other	234	34	2,340
Total	¥ 1,343	¥ 2,143	$ 13,430

Proceeds from sales of available-for-sale securities for the year ended March 31, 2008 were ¥1,150 million ($11,500 thousand). Gross realized gains on these sales for the year ended March 31, 2008 were ¥151 million ($1,510 thousand).

The carrying values of debt securities by contractual maturities at March 31, 2008 are as follows:

	Carrying Amount	
	Millions of Yen	Thousands of U.S. Dollars
Due in one year or less	¥ 3,900	$ 39,000
Due after one year through five years	703	7,030
Total	¥ 4,603	$ 46,030

6. INVENTORIES

Inventories at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Finished products	¥ 3,597	¥ 2,994	$ 35,970
Work in process	8,396	7,904	83,960
Raw materials	1,706	796	17,060
Supplies	36	39	360
Total	¥ 13,735	¥ 11,733	$ 137,350

7. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings at March 31, 2008 and 2007 were represented by loans from financial institutions. The weighted average annual interest rates applicable to the short-term borrowings were 2.20% and 2.47%, respectively.

Long-term debt at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Unsecured 0.7% bonds due 2009	¥ 3,000	¥ 3,000	$ 30,000
Unsecured 1.0% bonds due 2011	7,000	7,000	70,000
Unsecured loans from banks, 1.1% to 6.8% due serially to 2013	1,168	270	11,680
Total	11,168	10,270	111,680
Less current portion	(3,807)	(61)	(38,070)
Long-term debt, less current portion	¥ 7,361	¥ 10,209	$ 73,610

At March 31, 2008, annual maturities of long-term debt were as follows:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2009	¥ 3,807	$ 38,070
2010	136	1,360
2011	7,086	70,860
2012	104	1,040
2013 and thereafter	35	350
Total	¥ 11,168	$ 111,680

The carrying amounts of assets pledged as collateral for short-term borrowings of ¥375 million ($3,750 thousand) at March 31, 2008 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Investment securities	¥ 3,563	$ 35,630

8. RETIREMENT BENEFITS

The Company and certain subsidiaries have severance payment plans for employees.
Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

The liability for retirement benefits at March 31, 2007, included retirement benefits for directors and corporate auditors of ¥970 million. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

Effective June 28, 2007, the Company terminated its unfunded retirement allowance plan for directors and corporate auditors. The outstanding balance of retirement allowances for directors and corporate auditors as of June 28, 2007, was reclassified to the long-term liabilities in the year ended March 31, 2008.

The liability for employees' retirement benefits at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Projected benefit obligation	¥ 7,870	¥ 8,065	$ 78,700
Fair value of plan assets	(1,321)	(1,350)	(13,210)
Unrecognized actuarial loss	(21)	(347)	(210)
Net liability	¥ 6,528	¥ 6,368	$ 65,280

The components of net periodic benefit costs for the years ended March 31, 2008 and 2007 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Service cost	¥ 418	¥ 385	$ 4,180
Interest cost	161	161	1,610
Expected return on plan assets	(13)	(7)	(130)
Recognized actuarial loss	61	62	610
Net periodic benefit costs	¥ 627	¥ 601	$ 6,270

Assumptions used for the years ended March 31, 2008 and 2007 are set forth as follows:

	2008	2007
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	1.0%	0.5%
Recognition period of actuarial gain/loss	10 years	10 years

9. EQUITY

Since May 1, 2006, Japanese companies have been subject to the Corporate Law of Japan (the "Corporate Law"), which reformed and replaced the Commercial Code of Japan. The significant provisions in the Corporate Law that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Corporate Law, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria. The Corporate Law permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Corporate Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve and surplus

The Corporate Law requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Corporate Law, the total amount of additional paid-in capital and legal reserve may be reserved without limitation. The Corporate Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Corporate Law also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Corporate Law, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity. The Corporate Law also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Suck treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

10. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.6%, respectively for the years ended March 31, 2008 and 2007. Foreign subsidiaries are subject to income taxes of the countries in which they operate.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities at March 31, 2008 and 2007 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Deferred tax assets (Current):			
Accrued bonuses	¥ 657	¥ 593	$ 6,570
Accrued enterprise tax	264	269	2,640
Allowance for doubtful receivables	13	657	130
Other	729	630	7,290
Less valuation allowance	(189)	(46)	(1,890)
Total	¥ 1,474	¥ 2,103	$ 14,740
Deferred tax assets (Non-current):			
Liability for retirement benefits	¥ 2,624	¥ 2,950	$ 26,240
Other	1,252	659	12,520
Less valuation allowance	(781)	(707)	(7,810)
Total	¥ 3,095	¥ 2,902	$ 30,950
Deferred tax liabilities (Non-current):			
Unrealized gain on available-for-sale securities	¥ 7,154	¥ 5,076	$ 71,540
Other	47	4	470
Total	¥ 7,201	¥ 5,080	$ 72,010
Net deferred tax assets	¥ (2,632)	¥ (75)	$ (26,320)

A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2007, and the actual effective tax rate reflected in the accompanying consolidated statements of income is as follows:

Normal effective statutory tax rate	40.6%
Expenses permanently not deductible for income tax purposes	0.7
Dividend income deductible for income tax purposes	(0.3)
Less valuation allowance	3.6
Other - net	0.0
Actual effective tax rate	44.6%

Information on 2008 accounts is omitted because there was no significant difference between the normal effective statutory tax rate and the actual effective tax rate.

11. LEASES

(Lessee)

The Group leases certain machinery and equipment.

The minimum rental commitments under noncancellable operating lease at March 31, 2008 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Due within one year	¥ 9	$ 90
Due after one year	4	40
	¥ 13	$ 130

(Lessor)

The Company leases machinery and equipment as lessor. Leased property whose ownership does not transfer to the lessee at March 31, 2008 and 2007, was as follows:

	Machinery and Equipment		
	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Acquisition cost	¥ 67	¥ 97	$ 670
Accumulated depreciation	48	66	480
Net leased property	¥ 19	¥ 31	$ 190

Expected revenues under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Due within one year	¥ 11	¥ 17	$ 110
Due after one year	2	14	20
Total	¥ 13	¥ 31	$ 130

Rental revenues and depreciation expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Rental revenues	¥ 17	¥ 21	$ 170
Depreciation expense	9	12	90

12. CONTINGENT LIABILITIES

At March 31, 2008, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Trade notes discounted	¥ 838	$ 8,380

13. SUBSEQUENT EVENTS

The following was approved at the Shareholders' General Meeting of the Company held on June 27, 2008:

The following appropriations of retained earnings at March 31, 2008

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥25.0 ($0.25) per share	¥ 1,081	$ 10,810

14. SEGMENT INFORMATION

a. Operations in Different Industries

The Group's main operations are to manufacture and sell printings. Under Japanese accounting regulations, the Group is not required to disclose industry segment information because their main industry segment represented more than 90% of its operations.

b. Foreign Operations

Under Japanese accounting regulations, the Group is not required to disclose foreign operations information because sales and total assets in Japan represented more than 90% of those of the Group.

c. Net Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2008 and 2007 were summarized as follows:

	Net Sales to Customers Outside Japan			Percentage of Consolidated Net Sales	
	Millions of Yen		Thousands of U.S. Dollars		
	2008	2007	2008	2008	2007
Asia	¥ 42,548	¥ 29,090	$ 425,480	41.9%	32.8%
Europe	5,410	7,466	54,100	5.3	8.4
Other	6,916	6,348	69,160	6.8	7.2
Total	¥ 54,874	¥ 42,904	$ 548,740	54.0%	48.4%

Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Nissha Printing Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Nissha Printing Co., Ltd. and subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nissha Printing Co., Ltd. and subsidiaries as of March 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 27, 2008

Member of
Deloitte Touche Tohmatsu

Investor Information

Nissha Printing Co.,Ltd. As of March 31, 2008

Corporate Data

Founded
October 6, 1929
Established
December 28, 1946
Capitalization
¥5,684,790 thousand
Number of Employees
863 (Consolidated: 3,126)
Fiscal Year-End
March 31
Corporate Web Site
Corporate Information
http://www.nissha.co.jp/english/index.html
IR Information
http://www.nissha.co.jp/english/ir/index.html

Contact Points for Investors

3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan
T +81 75 823 5139 F +81 75 823 5344

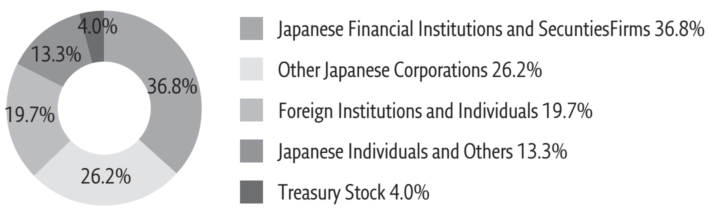
Shareholder Services

Transfer Agent in Japan
Mizuho Trust & Banking Co., Ltd., Head Office Transfer Department
2-1 Yaesu 1-chome, Chuo-ku, Tokyo, Japan
T 0120 288 324 (toll free only in Japan)

Stock Information

Securities Code
7915 (Japan)
Number of Shares Authorized
180,000,000 shares
Number of Shares Issued
45,029,493 shares
Number of Shareholders
4,206
Number of Shares per Trading Unit
100 shares
As of June 1, 2006, number of shares of one lot was reduced to 100 shares from 1,000 shares.
Stock Listings
Tokyo, Osaka

Breakdown of Shareholders by Type

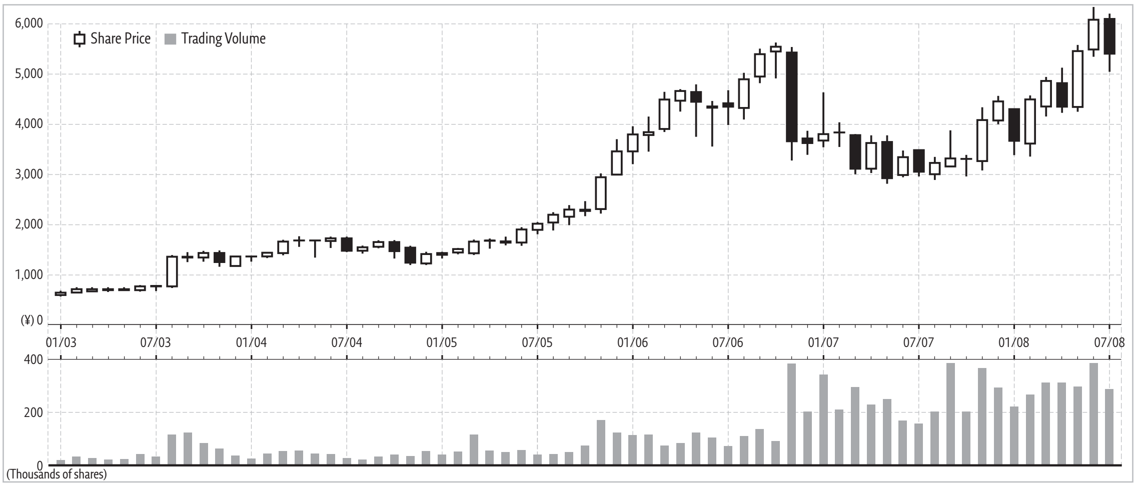


Major Shareholders (Top 10)

Shareholders	Number of Shares held (thousands)	Percentage of shareholding
Taiyo Fund, L.P.	2,960	6.57
Suzuki Kosan Co., Ltd.	2,563	5.69
Meiji Yasuda Life Insurance Company	2,341	5.20
Japan Trustee Services Bank, Ltd. (Trust Account)	2,243	4.98
Mizuho Bank, Ltd.	2,076	4.61
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,646	3.66
The Bank of Kyoto, Ltd.	1,442	3.20
Kyoto Shinkin Bank	1,155	2.56
Dainippon Ink and Chemicals, Incorporated (Change name to DIC Corporation on April 2008)	905	2.01
Oji Paper Co.,Ltd	894	1.99

*Our company has 1,787 thousands shared of treasury stock (Share of Stocks per all issued stocks : 3.97%), and it is excluded from the abobe list.

Monthly Share Price Range and Trading Volume



Global Network

Japan

Nissha Printing Co., Ltd

Headquarters

Tokyo Division Headquarters

Osaka Division Headquarters

Nagoya Sales Office

Kobe Sales Office

Affiliated Companies

Eastern Nissha Printing Co., Ltd.

Nitec Industries, Inc.

Nitec Industries, Inc. Kyoto Factory

Nitec Industries, Inc. Koka Factory

Nitec Precision, Inc.

Nitec Mold Engineering, Inc.

Nitec Mold Engineering, Inc. Kameoka Factory

Nitec Mold Engineering, Inc. Kumihama Factory

Nitec Mold Engineering, Inc. Kaga Factory

NCP Co., Ltd.

Nissha Belart Co., Ltd.

Nissha Intersystems Co., Ltd.

Nissha Asset Management Co., Ltd.

Nissha Business Service Co., Ltd.

DDN Co., Ltd.

Nissha SP Products, Co., Ltd.

North America

Nissha USA, Inc. Chicago Head Office

Nissha USA, Inc. San Diego Office

Nissha USA, Inc. Detroit Office

Nissha USA, Inc. Austin Office

Nissha USA, Inc. San Jose Office

Nissha USA, Inc. Houston Office

Eimo Technologies, Inc.

Europe

Nissha Europe GmbH Düsseldorf Head Office

Nissha Europe GmbH Helsinki Office

Nissha Europe GmbH Oulu Office

Nissha Europe GmbH London Office

Nissha Europe GmbH Kristianstad Office

Nissha Europe GmbH Copenhagen Office

Nissha Europe GmbH Ulm Office

Asia

Nissha Printing Co., Ltd. Chennai Office

Nissha Korea Inc. Seoul Head Office

Nissha Korea Inc. Gumi Office

Nissha Industrial and Electronics Trading (Shanghai) Co., Ltd.

Nissha Industrial and Electronics Trading (Shanghai) Co., Ltd. Beijing Branch.

Nissha Industrial and Electronics Trading (Shanghai) Co., Ltd. Shenzhen Branch.

Hong Kong Nissha Co., Ltd. Head Office

Taiwan Nissha Co., Ltd.

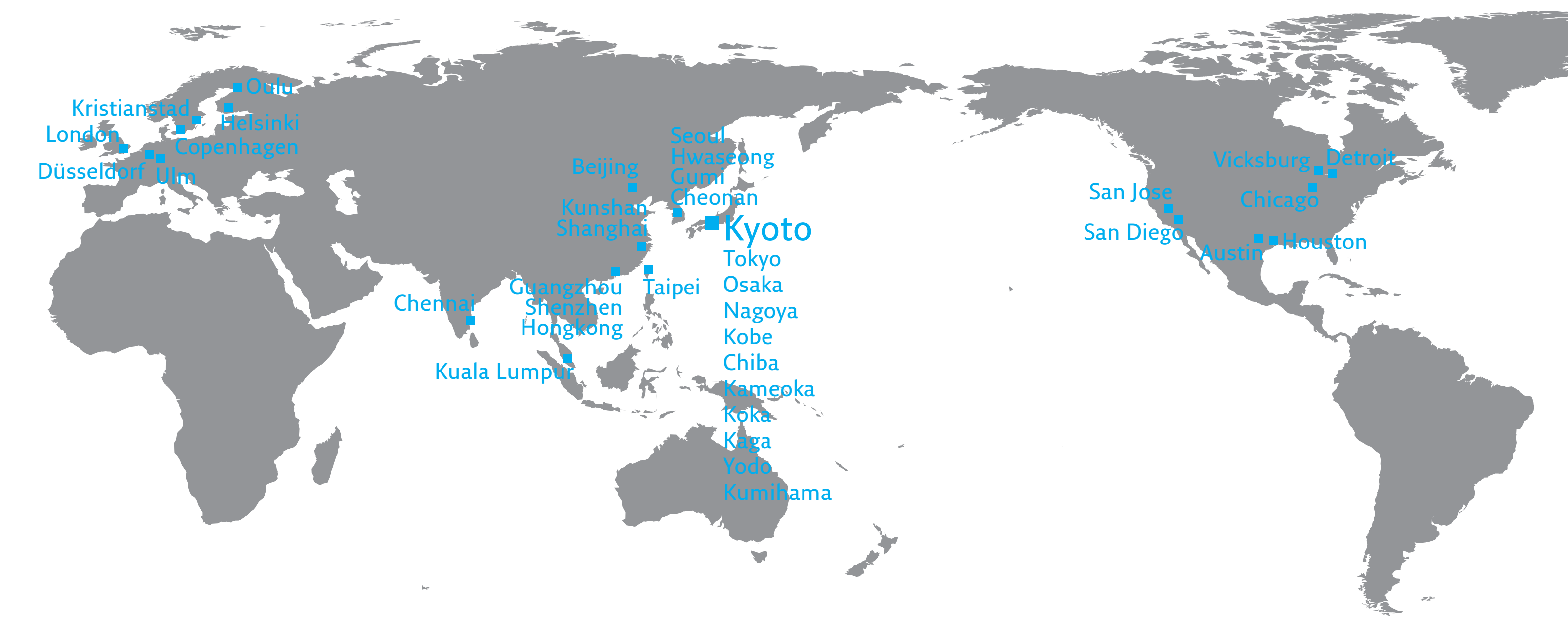
Southern Nissha Sdn. Bhd.

Guangzhou Nissha High Precision Plastics Co., Ltd.

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

Nissha Korea High Precision Plastics Inc.

NME Korea Inc.



www.nissha.co.jp

Nissha Annual Report 2008
For the Year Ended March 31, 2008

For the latest information, and a copy of this Annual Report, please visit our website.
The Annual Report can be found on our website.

The CSR Report

Nissha publishes a CSR Report to promote understanding of its CSR activities. The report introduces these activities from various perspectives, such as the environment, human rights, labor and contribution to local communities, as well as Nissha's relationship with stakeholders.
The CSR Report can also be found on our web site:
http://www.nissha.co.jp/english/csr/index.html

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Trend Meets Technology

Nissha Printing Co.,Ltd.