

February 1, 2008

To Whom It May Concern

Company Name: Nisca Corporation
(JASDAQ Code 6415)

Representative: Mamoru Tanaka
Representative Director / President

Inquiries: Akira Komiyama
General Manager, Administration
Department
(Tel: 0556-22-6600)

Notice of Announcement of Opinion in Support of Tender Offer for Shares of the Company

In regard to the public tender offer to purchase shares of the Company (“Tender Offer”) made by Canon FineTech Inc. (“Offeror”), the Company hereby informs you that, at a board of directors meeting of the Company held on February 1, 2008, it was resolved to express an opinion in support of the Tender Offer, as set out below, and to urge that all shareholders of the Company subscribe to the Tender Offer.

Please note that the resolution of the board of directors of the Company was made on the premises that it is expected that the Company will become a wholly-owned subsidiary of the Offeror in the case where the Tender Offer is successful, and that it is expected that the listing of the shares of the Company on the JASDAQ Securities Exchange will be abolished.

Details

1. Outline of Offeror (as of February 1, 2008)
 - (1) Trade Name Canon FineTech Inc. (Canon FineTech Kabushiki Kaisha)
 - (2) Main Business Content Manufacture and sale of digital copiers, laser printers, peripheral equipment for office equipment, color card/label printer, large size printers, cartridges, compound goods, etc.
 - (3) Date of Establishment December 14, 1953
 - (4) Location of Head Office 5540-11 Sakatemachi, Joso-shi, Ibaraki 303-8503, Japan
 - (5) Representative Representative Director/President Ikuo Soma
 - (6) Capitalization JPY3,451,396,000
 - (7) Constitution of Large Shareholders and Shareholding Ratios (as of December 31, 2007)

Translation

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|---|--------|
| Canon Inc. | 57.79% |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 2.88% |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 1.77% |
| State Street Trust and Banking Co., Ltd. | 1.57% |
| Canon FineTech Employee Shareholding Association | 1.17% |
| The Dai-Ichi Mutual Life Insurance Company | 1.13% |
| Sumitomo Mitsui Banking Corporation | 0.88% |
| Mizuho Bank, Ltd. | 0.85% |
| The Chase Manhattan Bank NA London SL Omnibus Account | 0.83% |
| RBC Dexia Investor Service Bank Account DUB Non-Resident Domestic | 0.71% |

(8) Relationship, Etc., Between Offeror and the Company

Capital Relationship: The Offeror holds 51.0% (5,236,000 shares) of the total issued and outstanding shares of the Company (as of December 31, 2007)

Personnel Relationship: Mr. Minoru Fujishima and Mr. Noriaki Yoshida, the statutory auditors of the Company, are also employees of the Offeror. Mr. Yasuaki Waki, an advisor to the Company, is also a director of the Offeror. Please note that, regardless of the acceptance or refusal of the Tender Offer, the Company intends to propose a resolution to elect Mr. Yasuaki Waki as a director of the Company at the annual general meeting of shareholders planned for March 2008, and Mr. Yasuaki Waki is expected to retire as a director of the Offeror upon the end of his term at the conclusion of the annual general meeting of shareholders of the Offeror planned for March 2008.

Trading Relationship: The Offeror purchases Company products from the Company.

Status as Related Parties: The Offeror constitutes the parent company of the Company.

2. Content of and Reason for the Opinion in Respect of the Tender Offer

(1) Content of the Opinion in Respect of the Tender Offer

At the board of directors meeting of the Company held on February 1, 2008, all 8 directors unanimously expressed their opinion in support of the Tender Offer and resolved to the effect that all shareholders of the Company should be encouraged to subscribe to the Tender Offer.

All statutory auditors of the Company, excluding Mr. Minoru Fujishima and Mr. Noriaki Yoshida, have expressed the opinion that they have no objection to the expression of support for the Tender Offer by the board of directors of the Company. Please note that the outside statutory auditors Mr. Minoru Fujishima and Mr. Noriaki Yoshida, who are also employees of the Offeror, have refrained from expressing an opinion regarding the discussion and resolution of the board of directors of the Company, in order to avoid any conflict of interest between the Company and

the Offeror.

(2) Basis and Reason for the Opinion Regarding the Tender Offer

The basis and reason, etc., for the resolution by the Company to the effect of the expression set out in the above (1) in respect of implementation of the Tender Offer are as follows:

a. Basis for the Opinion Regarding the Tender Offer

The Company received a request from the Offeror to implement the Tender Offer for the purpose of providing increased management resources from the Offeror Group in order to lead in the office equipment peripherals industry, by an organic integration of the low cost operation of the Company, from its solid development ability and manufacturing innovations, and the management resources of the Offeror, and make the Company a wholly-owned subsidiary of the Offeror. The Offeror also indicated that the purchase price under the Tender Offer (“Offer Price”) would be JPY2010 per share (this price is an amount equivalent to the average of the closing prices for shares of the Company during the one (1) month up to January 31, 2008, of JPY865 (rounded to a whole number) with an added premium of about 132.37% (rounded to two decimal places), and during the three (3) months up to January 31, 2008, of JPY926 (rounded to a whole number) with an added premium of about 117.06% (rounded to two decimal places)). Upon receiving the request, the representative director of the Company considered the fact, among others, that the Company is a subsidiary of the Offeror, and in order to avoid any conflicts of interest in the process of making a decision for an opinion regarding the Tender Offer and to make an impartial and fair determination of the appropriateness of the Offer Price based on expert knowledge, engaged Deloitte Tohmatsu FAS, a third person organization unconnected with the Company and Offeror, to calculate the value of the shares of the Company. Then, referring to the “Share Price Calculation Report” received from Deloitte Tohmatsu FAS, it was determined that the Offer Price was a reasonable price when compared to the value of the shares of the Company. In addition, considering the fact, among others, that the Company is a subsidiary of the Offeror, and for the purpose of avoiding any conflicts of interest in the process of making a decision for an opinion regarding the Tender Offer, and to carefully discuss an expression of support for the Tender Offer proposed by the representative director from the point of view of protection of the interests of ordinary shareholders, the board of directors of the Company established an independent review committee consisting of three outside experts (Mr. Masashi Okumura (Professor at Waseda University), Mr. Shinichiro Sakagami (certified public accountant), and Ms. Kayoko Naito (attorney)), as a review group for the board of directors of the Company, and requested its opinion as to (i) can it be said that the board of directors and representative director of the Company negotiated and investigated from the standpoint of the shareholders other than the Offeror in making an expression of opinion in support of the Tender Offer, and (ii) can it be said, in light of the Offer Price and conditions, etc., in the stock market, that a recommendation to subscribe to the Tender Offer by the board of directors of the Company to the shareholders is a reasonable decision. The independent review committee, as a result of its consideration of the report of the value of the shares of the Company noted above received by the representative director from Deloitte Tohmatsu FAS, a report regarding negotiation with the Offeror, and studying the content of advice received from Bingham McCutchen Murase, Sakai Mimura Aizawa - Foreign Law Joint Enterprise regarding the expression of opinion by the board of directors and representative director of the Company, and various materials provided by the

Company, and based on the premise that all information included is true and accurate and that no matters other than such information exist that would have a material effect on the calculation of the Offer Price, replied to the board of directors of the Company to the effect that (i) it can be found that the board of directors and representative director of the Company did negotiate and investigate from the standpoint of shareholders other than the Offeror in making an expression of opinion in support of the Tender Offer, and (ii) it can be found, in light of the Offer Price and conditions, etc., in the stock market, that a recommendation to subscribe to the Tender Offer by the board of directors of the Company to the shareholders is a reasonable decision.

Upon receipt of the above results, the Company, at the board of directors meeting on February 1, 2008, referring to the results of analysis of the share price of the Company made by the above outside experts and giving the utmost respect to the opinion of the independent review committee, studied the terms and conditions of the Tender Offer, including the appropriateness of the Offer Price, from the point of view of the financial condition of the Company and the Offeror, business synergies, protection of interests of the shareholders of the Company, trends in the price of shares of the Company, and various other aspects, and unanimously resolved the content of the opinion regarding the Tender Offer.

b. Reason for the Opinion Regarding the Tender Offer

The Offeror is primarily engaged in development, design, and manufacture of MFP (multi-function printer) office machines and office equipment peripherals and is surely and steadily pursuing expansion of a clear business scope, re-definition of strong points, and other important measures to ensure a solid foundation for the business. Also, among the mid-term consolidated management plan, it has as its management goals the achievement of consolidated gross sales of JPY220 billion and consolidated ordinary profit rate of 8.2%, and is aiming to create new enterprise value as a “manufacturing company” of products developed by itself.

On the other hand, the Company, after establishment in 1960 for the purpose of production of optical measuring equipment, commenced production of copy machine peripherals in 1978, and is presently engaged in the business of development and manufacture of office equipment peripherals. After listing its shares over the counter with the Securities Dealers Association of Japan in 1990, the Company became listed on the JASDAQ Stock Exchange (“JASDAQ”) in 2004 and is now still listed. The Offeror made a 28% equity investment in the Company in 1997, to make the Company an affiliate, and made an additional 23% equity investment in 2000 to make the Company a consolidated subsidiary. In order for the Offeror Group, including the Company, (“Offeror Group”) to maintain competitiveness in the market, each company of the group keeps its self business ratio (ratio of products developed and produced by itself) at a high level, and considers that it is essential to proceed with development, design, and manufacture of a product group that has high quality and strong competitive strength supported by differentiated technology. Also, in the changing market environment, in order to further maintain competitiveness, it is necessary for each company in the Offeror Group, including the Company, to not merely maintain present conditions, but to strengthen mutual cooperation and increase the effective use of the resources of each company. From such point of view, the Offeror Group, from the aspect of production, is proceeding to re-structure its manufacturing bases in the southern and eastern regions of China, with the goal of proceeding to consolidate and rationalize the production resources of the Offeror Group, and particularly in the south China region, 51%

of the shares of a subsidiary of the Offeror manufacturing office equipment peripherals was transferred to the Company in July 2007, and the business base was greatly strengthened. In addition, it is planned to consolidate the manufacturing bases in South China for office equipment peripherals in the fourth quarter of 2008.

The market conditions for office equipment peripherals are fluctuating greatly due to commencement of self development and manufacture of peripherals by office equipment makers, the fall of profit margins for peripherals in conjunction with the fall in prices of office equipment, and the increase in cost of investment in development and production of peripherals for POD type equipment, and the future of office equipment peripherals, a main support of the income of the Offeror Group, cannot be predicted. Therefore, the Offeror Group, in moving toward realization of the above goals for 2010, has made the restructuring of the office equipment peripherals business its greatest topic, and in order to assure a more solid business foundation for increased expansion of the business equipment business, plans to speed up the strengthening of development and design, and differentiation of product creation, by establishment of a clearly defined business scope of MFP for the Offeror and office equipment peripherals for the Company, and effective use of management resources, and is aiming to be number 1 in the office equipment peripherals industry. To assure realization of this goal, avoid any flow of profits to the outside, and be able to invest in the Company increased management resources and pursue the flexibility and efficiency of consolidated management, the Offeror considered that it was necessary to rethink the capital relationship with the Company and determined to make the Company a wholly-owned subsidiary. The Company also, together with being able to respond to the difficult market environment, upon taking into consideration the management strategy of the Offeror Group, decided that, by becoming a wholly-owned subsidiary of the Offeror, it will be able to benefit from the merits of being able to quickly implement large scale management decisions for improvement in core business structures and large development investments, etc., based on a mid to long-term point of view, instead of pursuing short-term profits with an eye on the market price for shares, and receive large investments of management resources at appropriate times, much more quickly than previously, and since it is considered that, by utilizing such merits to their greatest extent, it will be able to receive investment of additional management resources from the Offeror and, by that, aim to organically integrate low cost operation from the solid development ability and production improvements of the Company and the management resources of the Offeror, and together with the Offeror can lead the office equipment peripherals industry, and it was decided that maximizing group synergies will best realize the increase in enterprise value of the Company.

In addition, from the point of view of the results of the calculation of share value by Deloitte Tohmatsu FAS submitted to the Company, the Company decided that the Offer Price indicated by the Offeror can be said to be an appropriate price for shareholders other than the Offeror when seen from the points of the intrinsic value of shares of the Company, the conditions of the stock market, and the fair distribution of the synergy effect from becoming a wholly-owned subsidiary. Furthermore, the Offeror has assured a consideration time that can be generally said to be quite sufficient for consideration by shareholders of the Company as to whether to subscribe to the Tender Offer, by establishing a relatively long period of thirty (30) business days as the subscription period for the Tender Offer.

For the above reasons, the Company, at the board of directors meeting on February 1, 2008,

decided to resolve to express an opinion in support of the Tender Offer and to recommend that all shareholders of the Company subscribe to the Tender Offer, by deciding, upon consideration of the analysis by the outside experts and the opinion of the independent review committee set out in item a above, that the Tender Offer and making the Company a wholly-owned subsidiary of the Offeror contributes to an increase in enterprise value of the Company, and that the Offer Price is an appropriate price to the shareholders of the Company upon considering the synergies, etc., that will come from becoming a wholly-owned subsidiary as intended after the Tender Offer, and the Tender Offer has provided to the shareholders of the Company a sufficient consideration period for the sale of the shares of the Company.

c. Measures to Avoid Conflicts of Interest with the Offeror

As set out in the above item a, since the Company is a subsidiary of the Offeror, and in order to avoid any conflicts of interest between the Offeror and the Company, in expressing an opinion regarding the Tender Offer, the measure of engaging Deloitte Tohmatsu FAS, a third person organization, to calculate the Offer Price and making a full consideration of the received Share Price Calculation Report was taken. In addition, the Company took the measure of establishing an independent review committee of outside experts, and upon receiving its opinion regarding the reasonableness of expression of an opinion in support and the negotiation and investigation process for the expression of an opinion, gave the greatest deference to the opinion in making an expression regarding the Tender Offer.

As set out in the above (1), in the same way, to avoid conflicts of interest between the Company and the Offeror, the statutory auditors of the Company, Mr. Minoru Fujishima and Mr. Noriaki Yoshida, who are also employees of the Offeror, have refrained from providing any comment regarding the expression of opinion for the Tender Offer by the board of directors of the Company. In addition, again to avoid conflicts of interest between the Company and the Offeror, the board of directors also refrained from requesting any opinion regarding the Tender Offer from Mr. Yasuaki Waki, the advisor to the Company, who is also a director of the Offeror.

d. Events After the Tender Offer

The Offeror has not set any upper limit on the number of shares to be purchased in the Tender Offer, and will purchase all shares that subscribe to the Tender Offer.

In the case where the Offeror is unable to acquire all the issued and outstanding shares of the Company in the purchase of the shares of the Company, after completion of the Tender Offer, the Offeror intends to acquire all the issued and outstanding shares of the Company by a share exchange (including but not limited to the case where cash is delivered as consideration; “Share Exchange”) while offering an opportunity to the shareholders of the Company to exercise the right to demand purchase of the shares by the Company. The Offeror may also use the simplified organization restructuring system under paragraph 1 of Article 784 of the Company Law, and might implement it without obtaining a resolution of a shareholders meeting of the Company.

In regard to the method for acquisition of all the issued and outstanding shares of the Company, it is possible that the Offeror will acquire all the issued and outstanding shares of the Company

by some other method of similar effect (below, together with a Share Exchange, “Wholly-Owned Subsidiary Procedure”) in substitution for the above method, depending on the interpretation of relevant laws and regulations, the ratio of shareholding of the Offeror after the Tender Offer and the circumstances, etc., of the holding of shares of the Company by shareholders other than the Offeror.

In the case where the Wholly-Owned Subsidiary Procedure is taken, the shares to be delivered and/or the monetary amount are presently not fixed, but the valuation of the shares of the Company upon determining such shares and/or monetary amount is expected to be, absent any special circumstances, based on the same price as the Offer Price of the Tender Offer. Of course, the price could be different from the Offer Price under the Tender Offer due to changes in the environment for the business of the Company, the effect of fluctuations in the stock market and the performance of the Offeror and the Company, and other special circumstances. Also, in connection with the Wholly-Owned Subsidiary Procedures, there are cases where the shareholders of the Company could, in accordance with legal procedures, undertake a demand for purchase of shares against the Company, and in such case, the purchase price per share might be different from the Offer Price under the Tender Offer, or the economic value that the shareholders of the Company would receive pursuant to Wholly-Owned Subsidiary Procedures. In regard to the tax handling of the Tender Offer, Wholly-Owned Subsidiary Procedures, or a demand for purchase of shares upon Wholly-Owned Subsidiary Procedures, we ask that each person confirm with his/her own tax advisor.

Please note that the Tender Offer is not an invitation for exercise of voting rights by all shareholders of the Company at the shareholders meeting that might be called in the preceding procedures.

Also, at the present time, the shares of the Company are listed on JASDAQ, but since the Offeror has not set any upper limit on the purchase of shares under the Tender Offer, depending on the results of the Tender Offer, the shares of the Company may be delisted upon taking of the stipulated procedures of JASDAQ in accordance with its rules. Furthermore, even in the case where the standard for delisting is not reached upon conclusion of the Tender Offer, it is expected that the Company will become a wholly-owned subsidiary through the Wholly-Owned Subsidiary Procedures noted above, and it is expected that delisting will occur under the stipulated procedures of JASDAQ in accordance with its rules. After delisting, the shares of the Company cannot be traded on JASDAQ.

For the details of the above, please also see for reference the attached “Announcement of Commencement of Tender Offer for Shares of Nisca Corporation (Listed Subsidiary of Tender Offeror)” dated February 1, 2008.

3. Contents of Provision of Interests by Offeror or Specially Related Persons

None applicable.

4. Responsive Policy Relating to Basic Policy for Control of Company

None applicable.

5. Questions to Offeror

None applicable.

6. Demand for Extension of Tender Offer Term

None applicable.

Attached Materials: “Announcement of Commencement of Tender Offer for Shares of Nisca Corporation (Listed Subsidiary of Tender Offeror)” dated February 1, 2008

February 1, 2008

Company Name: Canon Finetech Inc.
(Code Number: 6421, First Section of the Tokyo Stock
Exchange)
Representative: Ikuo Soma,
President and Representative Director
Contact: Yuji Inoue,
Executive Director
Tel: +81-48-949-2111

**ANNOUNCEMENT OF COMMENCEMENT OF TENDER OFFER
FOR SHARES OF NISCA CORPORATION (LISTED SUBSIDIARY OF TENDER
OFFEROR)**

Canon Finetech (the “Company” or the “Tender Offeror”) is pleased to announce that the Company, at a board meeting held on February 1, 2008, resolved to launch a tender offer (the “Tender Offer”) with a view to acquiring all of the outstanding shares of common stock issued by Nisca Corporation (the “Target Company”) and to making it a wholly-owned subsidiary of the Company. The Company is contemplating making the Target Company a wholly-owned subsidiary through the Tender Offer and a series of procedures to be taken after the Tender Offer.

If the Company fails to acquire all of the outstanding shares of the Target Company through the Tender Offer, the Company intends to implement a share exchange (kabushiki-koukan) whereby the Target Company will become a wholly-owned subsidiary of the Company (including but not limited to a share exchange whereby money, etc. is delivered in exchange for the Target Company’s shares; the “Share Exchange”), providing an opportunity for the Target Company’s shareholders to exercise their appraisal rights, after completion of the Tender Offer. It is possible, however, that the Company will take other measures to the same effect, instead of the Share Exchange, to acquire all of the outstanding shares of the Target Company (hereinafter collectively, including the Share Exchange, referred to as the “Second Process”) depending upon, among others, the competent authorities’ interpretation of related laws and regulations.

In addition, since the Company has not set any upper limit on the number of shares to be purchased through the Tender Offer, subject to the outcome of the Tender Offer, the shares of the Target Company may be delisted upon completion of the Tender Offer following the prescribed procedures pursuant to the delisting criteria of Jasdaq Securities Exchange, Inc. (the “JASDAQ Stock Exchange”). Also, even in the event that the outcome of the Tender Offer does not make the shares of the Target Company delisted under such criteria, the shares will eventually be delisted, following the prescribed procedures in accordance with such criteria, as the Target Company is

expected to become a wholly-owned subsidiary of the Company through the Second Process. After the delisting, the shares of the Target Company may no longer be traded on the JASDAQ Stock Exchange.

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

The Target Company is a consolidated subsidiary of the Company by virtue of its holding of 51.00% of the total number of issued shares in the Target Company. The Company is now launching the Tender Offer with a view to acquiring all of the shares of common stock issued by the Target Company (excluding the Target Company's shares already held by the Company and treasury shares held by the Target Company; hereinafter the same).

(2) Decision Making Process for the Launch of the Tender Offer

The Company is principally engaged in independent development, design and manufacture of multifunctional printers ("MFP"), which form the main body of office machines, and peripheral devices for office machines, and, with a view to establishing a firm foundation for such business, the Company is steadily pursuing important policies such as development of well-defined business domains and reorganization of business locations. Also, in the mid-term consolidated business plan, the Company is targeting consolidated sales of JPY 220 billion and consolidated ordinary profit ratio of 8.2% in 2010 and is striving to create new enterprise value as a manufacturing company of originally developed products.

The Target Company was founded in 1960 for the purpose of producing optical measuring instruments, and began producing peripheral devices for copy machines in 1978. The Target Company is now in the business of development and manufacture of peripheral devices for office machines. The Target Company registered with the Japan Securities Dealers Association for over-the-counter stock exchange in 1990, and was listed on the JASDAQ Stock Exchange in 2004. The Company made the Target Company an affiliated company in 1997 by capital injection of 28%, and further made it a consolidated subsidiary in 2000 by additional capital injection of 23%.

Development, design and manufacture of high quality product lines with strong competitive power, supported by differentiated skills, is essential for the Company group including the Target Company group as a developing and manufacturing company with original business ratio (ratio of originally developed and manufactured products) of over 80%. Especially, optimal utilization of resources, in cooperation with the Target Company group, is needed for

the Company group. In terms of production, for the purpose of centralization of the Company group's production resources and optimal allocation of production bases, the Company is carrying out reorganization of production bases located in southern and eastern China. Notably, in southern China, the Company sold to the Target Company 51% of the shares of the Company's subsidiary in the business of production of peripheral devices for office machines in July 2007 and the Company has been striving for further enhancement of its operating base. Furthermore, the Company is aiming at centralizing its production bases in southern China for peripheral devices for office machines in the fourth quarter of 2008.

The market environment of peripheral devices for office machines is substantially changing due to, among others, commencement of independent development/production of peripheral devices by the manufacturers of a main body of office machines, decrease of profit margins of peripheral devices resulting from price reduction of office machines, and increasing cost of development/production investment in peripheral devices for POD models, and the Company cannot be optimistic about the future of peripheral devices for office machines, which are the pillar of the Company's profits. Given the foregoing, in order to achieve the goal in 2010, the Company group deems it the largest challenge to restructure the business of peripheral devices for office machines. The Company group is, with a view to establishing stronger operating base for further expansion of office machines business, intending to improve development/design of the products and to accelerate business expansion of differentiated products, by allocating MFP to the Company and peripheral devices for office machines to the Target Company, and thereupon making business domains defined clearer. With this business strategy, the Company group is aiming at becoming the leader in the market of peripheral devices for office machines.

In order to avoid profit outflow, to invest more business resources in the Target Company and to pursue flexibility and efficiency of consolidated business operations, the Company decided to make the Target Company a wholly-owned subsidiary through the Tender Offer. The Company group desires to be the leader in the market of peripheral devices for office machines by organically combining the Target Company's strong product development capability and the low cost operation to be attained through a production revolution, with the the Company's business resources.

Regardless of the outcome of the Tender Offer, the Target Company is planning to propose an agenda item, at the annual shareholders' meeting of the Target Company to be held in March 2008, to appoint Mr. Yasuaki Waki, who is a director of the Company and an advisor to the Target Company, as a director of the Target Company. Mr. Yasuaki Waki is expected to resign his position as a director of the Company as of the closing of the annual shareholders' meeting of the Company to be held in March 2008, when his term of office expires.

Also, the Target Company, at a board meeting held on February 1, 2008, resolved to support the Tender Offer and to recommend the shareholders of the Target Company to tender their shares in the Tender Offer.

(3) Measures Taken to Ensure Fairness of the Tender Offer Price

In order to ensure the fairness of the Tender Offer Price for the Target Company's shares in the Tender Offer, the Company obtained a valuation report (the "Valuation Report") from its financial adviser, Nomura Securities Co., Ltd. ("Nomura Securities"), which is a third party appraiser independent from both the Company and the Target Company. (Please note, however, that the Company has not obtained a fairness opinion from any third-party appraisers.) The Valuation Report was prepared based on the business plan which was examined by the Company based on the mid-term business goal provided by the Target Company to the Company. The Company examined the Tender Offer Price of 2,010 yen per share, referring to the Valuation Report prepared by Nomura Securities, considering the premiums granted over the market price in past tender offer cases for share certificates, etc. launched by non-issuers. Furthermore, the Tender Offer Price was determined after review of such factors as (i) whether or not the Target Company would support the Tender Offer, (ii) trends in the market price of the Target Company's shares, and (iii) the outlook for the Tender Offer and other factors, as well as the results of discussions and negotiations with the Target Company. The Purchase Price of 2,010 yen in the Tender Offer is equal to the average closing price of 865 yen (rounded off to the nearest whole number) of the common stock of the Target Company quoted on the JASDAQ Stock Exchange for the past 1 month (from January 4, 2008 through January 31, 2008) plus a premium of 132.37% (rounded to the second decimal place), and the closing price of 926 yen (rounded off to the nearest whole number) for the common stock of the Target Company quoted on the JASDAQ Stock Exchange for the past 3 months (from November 1, 2007 to January 31, 2008), plus a premium of 117.06% (rounded to the second decimal place).

The Target Company believed it necessary to follow deliberate procedures with respect to the price and other terms and conditions of the Tender Offer in order to ensure fairness thereof for the benefit of the shareholders of the Target Company other than the Company, because the Company is a parent company of the Target Company, and the Target Company resolved to newly establish an independent assessment committee consisting of the members independent from both the Tender Offeror and the Target Company and to consult the committee on the appropriateness, etc. of the Tender Offer. Thereafter, the committee, whose members were appointed by the board of directors of the Target Company, submitted to the board of directors its report regarding the items submitted for deliberation.

Also, the Target Company received a valuation report on the shares from Deloitte Tohmatsu FAS (“Deloitte Tohmatsu”), which is a third party appraiser independent from both the Company and the Target Company.

On the basis of the said reports, the Target Company, at a board meeting held on February 1, 2008, carefully reviewed the terms and conditions of the Tender Offer and resolved to support the Tender Offer, recommending the shareholders of the Target Company to tender their shares in the Tender Offer. (Please note, however, that the Target Company has not obtained a fairness opinion from any third-party appraisers.)

(4) Measures to Avoid Conflict of Interests

In order to avoid any conflict of interests between the Company and the Target Company, as noted above, the Company and the Target Company separately obtained, from a third party appraiser independent from both the Company and the Target Company, valuation reports regarding the Target Company’s shares and referred to such reports to determine the purchase price for the Target Company’s shares or to decide whether or not to support the Tender Offer.

Also, the resolution of the above Target Company’s board meeting was adopted, with reference to the valuation report from Deloitte Tohmatsu, the decision made by the independent assessment committee described above and the advice from the Target Company’s legal advisor, Bingham McCutchen Murase LLP, Sakai Mimura Aizawa Law Office - Foreign Law Joint Enterprise.

In addition, in order to avoid any conflict of interests between the Company and the Target Company, the following corporate auditors of the Target Company refrained from presenting their opinions in the discussions and in relation to the resolution of the board meeting of the Target Company regarding the Tender Offer: Minoru Fujishima and Noriaki Yoshida, each concurrently serving as an employee of the Company. Also, in order to avoid any conflict of interests between the Company and the Target Company, the board of directors of the Target Company refrained from seeking any advice in connection with the Tender Offer from the Target Company’s advisor, Yasuaki Waki, serving concurrently as a director of the Company.

(5) The Second Process

Since the Company has not set any upper limit or lower limit to the number of shares to be purchased through the Tender Offer, all of the tendered share certificates, etc. will be purchased through the Tender Offer.

If the Company fails to acquire all of the outstanding shares of the Target Company through the Tender Offer, the Company intends to acquire all of the outstanding shares of the Target Company through implementation of the Share Exchange, providing an opportunity for the Target Company's shareholders to exercise their appraisal rights, after completion of the Tender Offer. The Company may make use of a short form structural reorganization (ryaku-shiki-soshiki-saihen) as provided in Article 784, Paragraph 1 of the Companies Act with regard to the Share Exchange, and the Share Exchange may be implemented without any resolution by the shareholders' meeting of the Target Company.

It is possible, however, that the Company will take other measures to the same effect, instead of the Share Exchange, to acquire all of the issued shares of the Target Company depending upon, among others, the competent authorities' interpretation of related laws and regulations, the Company's shareholding ratio after the Tender Offer, and the shareholding status of other shareholders than the Company after the Tender Offer. Although the number/amount of shares or money, etc. to be delivered in connection with the Second Process has not been decided, the economic value of the Target Company's shares for the purpose of determining such number/amount of shares or money, etc. is expected to be calculated based upon the offer price in the Tender Offer, in principle. However, such economic value can be different from the offer price due to such special factors as changes in the circumstances surrounding the Target Company's business, fluctuations in the stock markets and fluctuations in the results of the operations of the Company and the Target Company. Under certain circumstances, shareholders of the Target Company may have the appraisal right pursuant to applicable laws; which price may differ from the offer price in the Tender Offer or the economic value which the Target Company's shareholders receive in connection with the Second Process. The shareholders of the Target Company are kindly requested to consult with their tax advisors with respect to tax-related matters in connection with the Tender Offer, the Second Process and exercise of the appraisal right in the Second Process.

The Tender Offer does not constitute a solicitation to the Target Company's shareholders as to how they should vote at the general shareholders' meetings that may be held in connection with the aforementioned procedures.

(6) Possibility of Delisting and Reason for Aiming for Delisting

The shares of the Target Company are currently listed on the JASDAQ Stock Exchange. However, since the Company has not set any upper limit on the number of shares to be purchased through the Tender Offer, subject to the outcome of the Tender Offer, the shares of the Target Company may be delisted upon completion of the Tender Offer, following the

prescribed procedures pursuant to the JASDAQ Stock Exchange's delisting criteria. Also, even in the event that the outcome of the Tender Offer does not make the shares of the Target Company delisted under such criteria, the shares will eventually be delisted following the prescribed procedures, in accordance with such criteria, as the Target Company is expected to become a wholly-owned subsidiary of the Company through the Second Process as mentioned in (5) above. After the delisting, the shares of the Target Company may no longer be traded on the JASDAQ Stock Exchange.

(7) Reason for Aiming for Delisting

Although the delisting of the shares of the Target Company itself is not the purpose of the Tender Offer, the Company decided to launch the Tender Offer with a view to making the Target Company a wholly-owned subsidiary of the Company, believing it necessary to make the Target Company a wholly-owned subsidiary in order to avoid profit outflow, to invest more business resources in the Target Company and to pursue flexibility and efficiency of consolidated business operations, which the Company believes will benefit the shareholders of both the Company and the Target Company.

(8) Important Agreements between the Tender Offeror and the Shareholders of the Target Company regarding Application for the Tender Offer

N/A

2. Outline of the Tender Offer

(1) Outline of the Target Company

| | | |
|--|---|--------|
| 1) Company Name | Nisca Corporation | |
| 2) Description of Business | Manufacturing and selling of OA equipment and optical measuring instruments | |
| 3) Date of Incorporation | January 8, 1960 | |
| 4) Address of Head Office | 430-1, Kobayashi, Masuho-cho, Minamikoma-gun, Yamanashi-ken | |
| 5) Name and Title of the Representative | Mamoru Tanaka President and Representative Director | |
| 6) Amount of Paid-in Capital | 2,102,430 thousand yen | |
| 7) Major Shareholders and Shareholding Ratio | Canon Finetech Inc. | 51.00% |
| | The Yamanashi Chuo Bank, Ltd. | 4.30% |
| | Nidec Logistics Corporation | 3.32% |
| | Kinuko Yamada | 2.93% |

| | | |
|---|---|--|
| | Nisca PS Association | 2.85% |
| | Nisca Employees Shareholding Association | 2.57% |
| | UBS AG LONDON Account-IPB Segregated Client Account (Securities Business Division, Citibank, Japan Ltd., Standing Proxy) | 1.51% |
| | The Master Trust Bank of Japan, Ltd. (Trust account) | 1.47% |
| | Minami Nippon Bank, Ltd. | 1.11% |
| | BK Finance Ltd. | 0.82% |
| | | (as of June 30, 2007) |
| 8) Relationship, etc. between the Tender Offeror and the Target Company | Capital Relationship | The Company owns approximately 51.00% of the total number of issued shares in the Target Company (5,236,000 shares) (as of June 30, 2007). |
| | Personnel Relationship | Mr. Yasuaki Waki, director of the Company, is concurrently serving as an adviser to the Target Company. Regardless of the outcome of the Tender Offer, the Target Company is planning to propose an agenda item, at the annual shareholders' meeting of the Target Company to be held in March 2008, to appoint Mr. Yasuaki Waki as a director of the Target Company. Mr. Yasuaki Waki is expected to resign his position as a director of the Company as of the closing of the annual shareholders' meeting of the Company to be held in March 2008, when his term of office expires. Minoru Fujishima and Noriaki Yoshida, the Target Company's corporate auditors, are concurrently serving as an employee of the Company. |
| | Business Relationship | The Company is purchasing products from the Target Company. |
| | Status as a Related Party | The Target Company is a consolidated subsidiary of the Company, and a related party of the Company. |

(2) Duration of the Tender Offer

- a. Tender Offer Period as of the filing of the Tender Offer Registration Statement (the "Registration Statement")

From Monday, February 4, 2008 to Monday, March 17, 2008 (30 business days)

b. Possible extension of the Tender Offer Period at the Target Company's request

N/A

(3) Purchase Price in the Tender Offer: 2,010 yen per share

(4) The Basis of Calculation, etc. of Purchase Price of the Tender Offer

a. Basis of Calculation

The Company obtained the Valuation Report from its financial adviser, Nomura Securities, which is a third party appraiser independent from both the Company and the Target Company on January 31, 2008, and referred to it in determining the purchase price for the Target Company's common stock in the Tender Offer.

Nomura Securities calculated the value per share of the common stock of the Target Company utilizing the Average Stock Price Analysis, the Comparison of Similar Companies Analysis and the Discounted Cash Flow Analysis (the "DCF Analysis"). The Valuation Report indicated that the value per share of the common stock of the Target Company was 859 yen - 931 yen based on the Average Stock Price Analysis, 1,340 yen - 1,460 yen based on the Comparison of Similar Companies Analysis and 1,583 yen - 2,038 yen based on the DCF Analysis. With respect to the Average Stock Price Analysis, the valuation has been made based on the average closing price of the Target Company's shares on the JASDAQ Stock Exchange during each of the following periods:

| Application Period of the Share Price | | Valuation per Share |
|---|--------------------------------------|---------------------|
| Closing price of the latest business day for calculation | January 30, 2008 | 863 yen |
| 3 business days' average following the latest disclosure of a material event (juyo-jijitsu) | January 28, 2008 to January 30, 2008 | 859 yen |
| Last 1-month average | January 4, 2008 to January 30, 2008 | 865 yen |
| Last 3-month average | October 31, 2007 to January | |

| | | |
|--------------------|----------|-------------------|
| | 30, 2008 | 931 yen |
| Calculation Result | | 859 yen - 931 yen |

The latest disclosure of a material event appearing in the above chart means the Target Company's announcement on January 25, 2008 of a summary report on its financial results (kessan-tanshin) for the fiscal year ended December 31, 2007.

In determining the purchase price in the Tender Offer, the Company reviewed the per share values presented by each method shown in the Valuation Report prepared by Nomura Securities, and the Company also considered the premiums granted over the market price in past tender offer cases for share certificates, etc. launched by non-issuers. The Valuation Report was prepared based on the business plan which was examined by the Company based on the mid-term business goal provided by the Target Company to the Company. Furthermore, the Tender Offer Price of 2,010 yen per share was determined after review of such factors as (i) whether or not the Target Company would support the Tender Offer, (ii) trends in the market price of the Target Company's shares, and (iii) the outlook for the Tender Offer and other factors, as well as the results of discussions and negotiations with the Target Company. The Purchase Price in the Tender Offer is equal to the average closing price of 865 yen (rounded off to the nearest whole number) of the common stock of the Target Company quoted on the JASDAQ Stock Exchange for the past 1 month (from January 4, 2008 through January 31, 2008) plus a premium of 132.37% (rounded to the second decimal place), and the closing price of 926 yen (rounded off to the nearest whole number) for the common stock of the Target Company quoted on the JASDAQ Stock Exchange for the past 3 months (from November 1, 2007 to January 31, 2008), plus a premium of 117.06% (rounded to the second decimal place).

b. Process of the Calculation

The market environment of peripheral devices for office machines is substantially changing due to, among others, commencement of independent development/production of peripheral devices by the manufacturers of a main body of office machines, decrease of profit margins of peripheral devices resulting from price reduction of office machines, and increasing cost of development/production investment in peripheral devices for POD models, and the Company cannot be optimistic about the future of peripheral devices for office machines, which are the pillar of the Company's profits. Given the foregoing, in order to achieve the goal in 2010, the Company group deems it the largest challenge to restructure the business of peripheral devices for office machines. The Company group

is, with a view to establishing stronger operating base for further expansion of office machines business, intending to improve development/design of the products and to accelerate business expansion of differentiated products, by allocating MFP to the Company and peripheral devices for office machines to the Target Company, and thereupon making business domains defined clearer. With this business strategy, the Company group is aiming at becoming the leader in the market of peripheral devices for office machines. In order to avoid profit outflow, to invest more business resources in the Target Company and to pursue flexibility and efficiency of consolidated business operations, the Company decided to make the Target Company a wholly-owned subsidiary through the Tender Offer.

The Company appointed Nomura Securities, which is a third party appraiser independent from both the Company and the Target Company, as the Company's financial adviser in December 2007 and started detailed examination and discussions/negotiations with the Target Company regarding the Tender Offer. The purchase price in the Tender Offer was determined in the following manner:

I. Name of the third party that provided a valuation report in determining the offer price

The Company obtained the Valuation Report on January 31, 2008, from Nomura Securities as a reference for determining the purchase price in the Tender Offer.

II. Outline of the Valuation Report

Nomura Securities calculated the value per share of the common stock of the Target Company utilizing the Average Stock Price Analysis, the Comparison of Similar Companies Analysis and the Discounted Cash Flow Analysis (the "DCF Analysis"). The Valuation Report indicated that the value per share of the common stock of the Target Company was 859 yen - 931 yen based on the Average Stock Price Analysis, 1,340 yen - 1,460 yen based on the Comparison of Similar Companies Analysis and 1,583 yen - 2,038 yen based on the DCF Analysis.

III. Process of determination of the Tender Offer Price based on the Valuation Report

In determining the purchase price in the Tender Offer, the Company reviewed the per share values presented by each method shown in the Valuation Report prepared by Nomura Securities, and the Company also considered the premiums granted over the market price in past tender offer cases for share certificates, etc. launched by

non-issuers. The Tender Offer Price of 2,010 yen per share was determined at Company's board meeting held on February 1, 2008, after review of such factors as (i) whether or not the Target Company would support the Tender Offer, (ii) trends in the market price of the Target Company's shares, and (iii) the outlook for the Tender Offer and other factors, as well as the results of discussions and negotiations with the Target Company.

IV. Measures Taken to Ensure Fairness of the Tender Offer Price

The Target Company believed it necessary to follow deliberate procedures with respect to the price and other terms and conditions of the Tender Offer in order to ensure fairness thereof for the benefit of the shareholders of the Target Company other than the Company, because the Company is a parent company of the Target Company, and the Target Company resolved to newly establish an independent assessment committee consisting of the members independent from both the Company and the Target Company and to consult the committee on the appropriateness, etc. of the Tender Offer. Thereafter, the committee, whose members were appointed by the board of directors of the Target Company, submitted to the board of directors its report regarding the items submitted for deliberation.

Also, the Target Company received a valuation report on the shares from Deloitte Tohmatsu, which is a third party appraiser independent from both the Company and the Target Company.

On the basis of the said reports, the Target Company, at a board meeting held on February 1, 2008, carefully reviewed the terms and conditions of the Tender Offer and resolved to support the Tender Offer, recommending the shareholders of the Target Company to tender their shares in the Tender Offer.

V. Measures to Avoid Conflict of Interests

In order to avoid any conflict of interests between the Company and the Target Company, as noted above, the Company and the Target Company separately obtained, from a third party appraiser independent from both the Company and the Target Company, valuation reports regarding the Target Company's shares and referred to such reports to determine the purchase price for the Target Company's shares or to decide whether or not to support the Tender Offer. Also, the resolution of the above Target Company's board meeting was adopted, with reference to the valuation report from Deloitte Tohmatsu, the decision made by the independent

assessment committee described above and the advice from the Target Company's legal advisor, Bingham McCutchen Murase LLP, Sakai Mimura Aizawa Law Office - Foreign Law Joint Enterprise.

In addition, in order to avoid any conflict of interests between the Company and the Target Company, the following corporate auditors of the Target Company refrained from presenting their opinions in the discussions and in relation to the resolution of the board meeting of the Target Company regarding the Tender Offer: Minoru Fujishima and Noriaki Yoshida, each concurrently serving as an employee of the Company. Also, in order to avoid any conflict of interests between the Company and the Target Company, the board of directors of the Target Company refrained from seeking any advice in connection with the Tender Offer from the Target Company's advisor, Yasuaki Waki, serving concurrently as a director of the Company.

c. Relationship with the Third Party Appraiser

Nomura Securities Co, Ltd. is not a related party of the Company or the Target Company.

(5) Number of Share Certificates, etc. to be Purchased in the Tender Offer

| Type of Share Certificates, etc. | (i) Expected Number of Shares to be Purchased if Converted into Shares (if any) | (ii) Minimum Number of Shares to be Purchased if Converted into Shares (if any) | (iii) Maximum Number of Shares to be Purchased if Converted into Shares (if any) |
|---|---|---|--|
| Share Certificates | 5,022,000 shares | — shares | — shares |
| Share Acquisition Right Certificates | — shares | — shares | — shares |
| Corporate Bond Certificates with Share Acquisition Rights | — shares | — shares | — shares |
| Depository Receipts for Share Certificates, etc. () | — shares | — shares | — shares |
| Total | 5,022,000 shares | — shares | — shares |

(Note 1) Since the Company has not set any upper limit or lower limit to the number of shares to be purchased through the Tender Offer, all of the tendered share certificates, etc. are to be purchased through the Tender Offer. Expected Number of Share Certificates, etc. to be purchased in the Tender Offer (“Expected Number to be Purchased”) represents, as shown in the “Expected Number of Shares to be Purchased if Converted into Shares (if any)” the number of shares which was calculated by deducting from the total of 10,267,000 issued shares in the Target Company as of June 30, 2007 (as shown in the 53rd Semi-annual Securities Report submitted by the Target Company on September 25, 2007), the 5,236,000 shares that the Company owns and the 9,000 treasury shares that the Target Company holds.

(Note 2) Shares constituting less than a whole unit will also be subject to purchase through the Tender Offer. However, to tender such shares, the relevant share certificates (unless such share certificates are kept in the custody of the Japan Securities Depository Center, Inc. (the “JSDC”) through the Tender Offer Agent (as described in “(11) Tender Offer Agent”)) must be submitted to the Tender Offer Agent.

(Note 3) The 9,000 treasury shares held by the Target Company as of June 30, 2007 are not planned to be purchased through the Tender Offer.

(6) Changes in Holding Ratio of Share Certificates, etc. After the Tender Offer

| | | |
|--|---------------|---|
| Number of Voting Rights of Share Certificates, etc., Owned by the Tender Offeror Before the Tender Offer | 52,360 units | (Holding Ratio of Share Certificates, etc. Before the Tender Offer: 51.04%) |
| Number of Voting Rights relating to Share Certificates, etc., Owned by the Specially Related Parties Before the Tender Offer | 1,740 units | (Holding Ratio of Share Certificates, etc. Before the Tender Offer: 1.70%) |
| Number of Voting Rights relating to Share Certificates, etc., to be Purchased | 50,220 units | (Holding Ratio of Share Certificates, etc. After the Tender Offer: 100.00%) |
| Number of Voting Rights of the Shareholders, etc. in Total of the Target Company | 102,578 units | |

(Note 1) The “Number of Voting Rights relating to Share Certificates, etc., to be Purchased”

is the total number of voting rights with respect to the “Expected Number of Shares to be Purchased” (5,022,000) in the Tender Offer.

(Note 2) The “Number of Voting Rights relating to Share Certificates, etc., Owned by the Specially Related Parties Before the Tender Offer” is the total number of voting rights with respect to the share certificates, etc. owned by each Specially Related Party (excluding the treasury shares held by the Target Company). However, given that shares certificates, owned by Special Related Parties (excluding the treasury shares held by the Target Company), constituting less than a whole unit are also subject to purchase through the Tender Offer, in order to avoid double counting, for the purpose of calculating “Holding Ratio of Share Certificates, etc., After the Tender Offer”, “Number of Voting Rights relating to Share Certificates, etc., Owned by the Specially Related Parties Before the Tender Offer” is not included in the numerator.

(Note 3) The “Number of Voting Rights of the Shareholders, etc. in Total of the Target Company” represents the number of voting rights of all the shareholders as of June 30, 2007 (as shown in the 53rd Semi-annual Securities Report submitted by the Target Company on September 25, 2007). However, given that shares constituting less than a whole unit are also subject to purchase through the Tender Offer, for the purpose of calculating “Holding Ratio of Share Certificates, etc. Before the Tender Offer” and “Holding Ratio of Share Certificates, etc., After the Tender Offer”, the “Number of Voting Rights of the Shareholders in Total of the Target Company” is calculated to be 102,580 units. This number is calculated by deducting the 9,000 treasury shares that the Target Company held as of June 30, 2007 (as shown in the said 53rd Semi-annual Securities Report) from the total of 10,267,000 issued shares in the Target Company as of June 30, 2007 (as shown in the said 53rd Semi-annual Securities Report).

(Note 4) The “Holding Ratio of Share Certificates, etc. Before the Tender Offer” and “Holding Ratio of Share Certificates, etc., After the Tender Offer” are rounded off to the second decimal place.

(7) Aggregate Purchase Price: 10,094 million yen

(Note) The “Aggregate Purchase Price” is calculated by multiplying the Tender Offer price per share (2,010 yen) by the Expected Number to be Purchased (5,022,000 shares).

(8) Method of Settlement

- a. Name and Address of Head Offices of Securities Companies and Banks, etc. in Charge of Settlement

Nomura Securities Co., Ltd.
9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

- b. Commencement Date of Settlement

Tuesday, March 25, 2008

- c. Method of Settlement

A notice of purchase will be mailed to the address or location of the tendering shareholder (or the standing proxy in the case of non-Japanese shareholders) without delay after the expiration of the Tender Offer Period. Payment of the purchase price will be made in cash. The Tender Offer Agent will, in accordance with the instructions of tendering shareholders, remit the purchase price without delay after the commencement date of settlement to the account designated by the tendering shareholder or pay at the head office or branch offices of the Tender Offer Agent.

- d. Method of Return of Share Certificates, etc.

In the event that all of the tendered share certificates, etc. are not purchased under the terms mentioned in “b. Conditions of Withdrawal of Tender Offer, Details thereof and Method of Disclosure of Withdrawal” under “(9) Other Conditions and Methods of Purchase, etc.”, promptly on or after the commencement date of settlement, (or the date of withdrawal, etc. in the event that the Tender Offer is withdrawn), the tendered share certificates, etc. will be mailed to tendering shareholder (or the standing proxy in the case of non-Japanese shareholders), or in cases where share certificates, etc. were kept in the custody of the Tender Offer Agent (or by JSDC through the Tender Offer Agent) as of the application, the share certificates, etc. will be returned to their original state of custody as of the application.

(9) Other Conditions and Methods of Purchase, etc.

- a. Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Financial Instruments and Exchange Law (the “Law”)

Since the Company has not set any upper limit or lower limit to the number of shares to be purchased through the Tender Offer, all of the tendered share certificates, etc. will be purchased through the Tender Offer.

b. Conditions of Withdrawal of Tender Offer, Details thereof and Method of Disclosure of Withdrawal

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9 and 1.12 through 1.18, Items 3.1 through 3.8, and Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Order of the Financial Instruments and Exchange Law (the “Enforcement Order”), the Tender Offeror may withdraw the Tender Offer. In the event that the Tender Offeror plans to withdraw the Tender Offer, it must make a public notice electronically, and then post notice in the Nihon Keizai Shimbun that such public notice has been made; provided, however, that, if it is difficult to make such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Cabinet Office Ordinance on Disclosure of Take Over Bid of Shares, etc. Conducted by Non-issuers (the “TOB Order”) and make the public notice immediately thereafter.

c. Conditions of Reduction of Purchase Price, etc., Details thereof and Method of Disclosure of Reduction

Should the Target Company conduct any of the acts listed in Article 13, Paragraph 1 of the Enforcement Order, in accordance with Article 27-6, Paragraph 1, Item 1 of the Law, the Tender Offer Price may be reduced in accordance with the criteria set forth under Article 19, Paragraph 1 of the TOB Order. In the event that the Tender Offeror plans to reduce the Tender Offer Price, it must make a public notice electronically, and then post notice in the Nihon Keizai Shimbun that such public notice has been made; provided, however, that if it is difficult to make such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the TOB Order and make the public notice immediately thereafter. If any reduction of the Tender Offer Price is made, purchase of the share certificates, etc. tendered before the date of such public notice will also be made in accordance with the conditions, etc. after such change(s).

d. Matters Concerning Tendering Shareholders’ Right of Cancellation of Application

Any tendering shareholder may cancel the agreements relating to the Tender Offer at any

time during the Tender Offer Period. Tendering shareholders who wish to cancel their tender must deliver, or send by mail, a cancellation notice stating that such tendering shareholder cancels his/her tender under the Tender Offer (the “Cancellation Notice”) together with a receipt of tender under the Tender Offer, to the head office or nationwide branch offices of the agent designated below by no later than 3:30 p.m. on the last day of the Tender Offer Period. Please note that the Cancellation Notice, if sent by mail, must be received by no later than 3:30 p.m. of the last day of the Tender Offer Period.

The agent who has the right to receive the Cancellation Notice:

Nomura Securities Co., Ltd. 9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo
(Or other nationwide branch offices)

No compensation for damages or penalty payment will be demanded of any tendering shareholder, etc. by the Company in the event that the application by the tendering shareholder, etc. is canceled. The cost of returning the share certificates, etc. held in the custody of the Tender Offeror will be borne by the Company.

e. Method of Disclosure if the Conditions or other Terms of Tender Offer are Changed

In the event the Tender Offeror intends to change the terms and conditions, etc. of purchase, etc. with respect to the Tender Offer, a public notice providing the details of the change must first be issued electronically and then a public notice to such effect shall be published in the Nihon Keizai Shimbun. However, when it is difficult to issue such public notice before the last day of the Tender Offer Period, the Tender Offeror shall first make a public announcement in accordance with the procedures described in Article 20 of the TOB Order and shall release a public notice immediately thereafter. Once the amendment of the terms of the Tender Offer takes effect, the terms of the Tender Offer after such amendment shall also be applicable to the purchase of the shares already tendered before the date of such public notice.

f. Method of Disclosure if Amendment Statement is Filed

If the Tender Offeror files an Amendment to the Registration Statement with the Director of the Kanto Local Financial Bureau, it will immediately make public those parts of such Amendment that relate to the contents of the Public Announcement of the Commencement of the Tender Offer in the way prescribed in Article 20 of the TOB Order. At the same time, the Tender Offeror will immediately amend the Tender Offer Explanatory Statement and deliver the amended Tender Offer Explanatory Statement to the tendering shareholders who have already received the original Tender Offer

Explanatory Statement. However, if the scope of such amendment is limited to a small portion, the Tender Offeror may, instead of delivering an amended Tender Offer Explanatory Statement, prepare and deliver a written document describing the reasons for such amendment, matters amended and the description after such amendment to the tendering shareholders.

g. Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be publicly announced in the way prescribed in Article 9-4 of the Enforcement Order and in Article 30-2 of the TOB Order on the date immediately following the last day of the Tender Offer Period.

h. Other Items

The Tender Offer will not be carried out in the U.S. or for the U.S., directly or indirectly, nor will it be conducted using U.S. mail service or other methods or means of inter-state trade or international trade, including but not limited to, telephone, telex, facsimile, e-mail, internet communication, or via securities exchange facilities in the U.S. Applying for the Tender Offer using the methods or means described above or via securities exchange facilities in the U.S., is not permitted. The Tender Offer registration statements and relevant documents may not be sent or distributed in, to, or from the U.S. by mail or other means. Such mail or distribution is not authorized. Application for the Tender Offer violating the above restrictions directly or indirectly will not be processed.

In case of application, tendering shareholders (or the standing proxy in the case of non-Japanese shareholders) may each be asked to represent and warrant the Tender Offer Agent to the effect that: they are not in the U.S. neither at the time of the application nor the time of sending an application form for the Tender Offer; that no information regarding the Tender Offer including its copy has been received or sent in, to or from the U.S., directly or indirectly; that mail services in the U.S. or other methods or means of inter-state trade or international trade (including but not limited to, telephone, telex, facsimile, e-mail, internet communication), or securities exchange facilities in the U.S. have not been used with respect to the Tender Offer or for signing and delivering the application form for the Tender Offer, directly or indirectly; and that they are not acting as an agent, a trustee or a mandatory for others without discretion (excluding cases where such others are giving all the instructions on the Tender Offer from outside the U.S.).

- (10) Date of Public Notice of Commencement of the Tender Offer

February 4, 2008

- (11) Tender Offer Agent

Nomura Securities Co., Ltd.
9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

3. Plan, etc. After the Tender Offer and Future Outlook

- (1) Plan, etc. After the Tender Offer

Please refer to “1. Purpose of the Tender Offer” for the plan, etc. after the Tender Offer.

- (2) Forecast of the Effect on Future Business Performance

The Company will disclose the Tender Offer’s impact on its forecast of the business performance for the fiscal year ending December 2008, promptly after it has been determined.

4. Other Items

- (1) Agreements between the Tender Offeror and Target Company or its Directors/ Officers, and the Details Thereof

The Tender Offer is supported by the Target Company’s board of directors.

- (2) Other Information Deemed to be Necessary for the Target Company’s Shareholders to Determine whether to Tender Their Shares

On January 25, 2008, the Target Company announced at the JASDAQ Securities Exchange a summary report on its financial results (kessan-tanshin) for the fiscal year ended December 31, 2007. According to such announcement, the non-consolidated profit and loss, etc. of the Target Company for the same period is as follows. Please note that the information below is a partial extract from the public announcement by the Target Company. The Company is not in a position to verify the accuracy or reliability of the contents, and actually the Company has not verified the same. Please see the press release made by the

Target Company for the details.

i. Profit and Loss (Non-consolidated)

| Fiscal Year Ended | December 2007 (53 rd Term) |
|--|--|
| Net sales (thousand yen) | 36,684,605 |
| Cost of sales (thousand yen) | 32,496,389 |
| Selling, general and administrative expenses (thousand yen) | 2,767,069 |
| Non-operating income (thousand yen) | 324,224 |
| Non-operating expenses (thousand yen) | 164,302 |
| Net income (thousand yen) | 855,486 |

ii. Per Share Information (Non-consolidated)

| | |
|----------------------------|----------|
| Net income per share (yen) | 83.40 |
| Dividend per share (yen) | 20.00 |
| Net assets per share (yen) | 1,641.10 |

- End of Statement -

Please be advised that any person who has accessed the information contained in this Press Release may be restricted from purchasing or otherwise trading the shares, etc. of Nisca Corporation, as a first recipient of information under the regulations on insider trading, until 12 hours have passed since the publication of this Press Release (i.e., since this press release is published on the Tokyo Stock Exchange's Timely Disclosure Information Access Service), pursuant to Article 167, Paragraph 3 of the Financial Instruments and Exchange Law and Article 30 of the Enforcement Order thereunder. In addition, please note that the Company shall not be held responsible for any criminal, civil or administrative charges brought against any person for his/her purchase or other trade.

This Press Release is for the announcement of the Tender Offer for shares of Nisca Corporation by the Company to the public and is not prepared for the purpose of soliciting the sale of share certificates related to the Tender Offer or a subscription to the Tender Offer. If you would like to offer for sale your shares in the Tender Offer, please ensure that you review the Tender Offer Explanatory Statement (*kokai kaitsume setsumeisho*) prepared by us in advance and offer your shares for sale at your own discretion as a shareholder.

This Press Release (or any part of it) or the distribution thereof shall not constitute grounds for any agreement in connection with the Tender Offer, and no agreement may be concluded on the basis of this Press Release (or a part of it) or the distribution thereof.

There may be some nations or regions which legally restrict the announcement, issuance or distribution of this Press Release. In such case, please pay attention to and comply with those restrictions. In the nations or regions where the execution of the Tender Offer is illegal, even if this Press Release is received, it shall not be deemed as a solicitation to apply to buy or to sell share certificates in connection with the Tender Offer, and it shall be deemed to be distribution of materials for reference purpose only.