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For Immediate Release

Ryosan Company, Limited

Representative: Naoto Mimatsu, President

Listing Code No.: 8140

Listing: First Section, Tokyo Stock Exchange

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Notice Concerning Non-Consolidated Incorporation-type Company Split and Transfer of Shares/Equity Interest of the New Company/Subsidiaries

The Company hereby announces that its Board of Directors resolved at a meeting held on March 25, 2014 to succeed the domestic business division involved in the heat sink production business (hereinafter referred to as “the Business”) to a new company through a company split (hereinafter referred to as “the Company Split”). Furthermore, the Board of Directors resolved to transfer all shares of the new company, all equity interest of Ryosan Electronics (Foshan) Co., Ltd. (hereinafter referred to as “the Chinese subsidiary”), a Chinese subsidiary which is an overseas business division of the Business, and all shares of Ryosan Engineering (Thailand) Co., Ltd. (hereinafter referred to as “the Thai subsidiary”), a Thai subsidiary, to Sankyo Tateyama, Inc. (hereinafter referred to as “Sankyo Tateyama”).

Note that the Company Split is a non-consolidated incorporation-type company split and a portion of disclosure items/content is abbreviated.

1. Purpose of the Company Split, transfer of shares and change to subsidiaries

As part of our efforts to implement a program of selection and concentration of our business, the Company has reviewed a variety of options related to the possibility of further development in the Business. As a result, the Company determined that transfer of the Business to Sankyo Tateyama will enable response to customer needs, and therefore made this resolution.

2. Overview of the Company Split and transfer of shares of the new company

(1) Schedule for the Company Split and transfer of shares

Agreement date for share transfer contract March 25, 2014

Date for resolution by Board of Directors approving incorporation-type company split April 2014
(tentative)

Effective date September 1, 2014 (tentative)

Share transfer date September 1, 2014 (tentative)

*The Company Split is a simple split as defined in Article 805 of the Companies Act. Therefore, the split is performed without receiving approval at a general meeting of stockholders.

(2) Method of the Company Split

The method is an incorporation-type company split (simple split) in which a new company is founding with the Company (Ryosan Company, Limited) being split.

(3) Share allotment associated with the Company Split

6,000 shares of common stock will be issued for the new company at the time of the Company Split. All shares will be allocated and delivered to the Company. On the same day as the effective date for the Company Split, the Company will transfer all relevant shares to Sankyo Tateyama.

(4) Treatment of share options and bonds with share options associated with the Company Split

The Company will not issue share options or bonds with share options.

(5) Increase/decrease in capital to the Company Split

There is no capital to be decreased due to the Company Split.

(6) Rights and obligations succeeded by the new company

The new company is scheduled to succeed from the Company the items defined in the new company split plan dated late April 2014 (tentative). Specifically, this refers to all assets, liabilities and contractual status belonging to the Business as of the effective date, all rights and obligations accompanying those contracts, and all permits and licenses which can be lawfully succeeded.

(7) Forecast for performance of obligations

The Company and the new company expect the performance of obligations incurred following the effective date of the Company Split.

(8) Overview of transfer of shares

The Company plans to transfer all shares of the new company to Sankyo Tateyama on September 1, 2014. For an overview of the new company, please refer to “3. Overview of parties to the Company Split.” For information on Sankyo Tateyama, please refer to “6. Overview of transfer destination for shares and equity interest.”

3. Overview of parties to the Company Split (as of September 30, 2013)

	Split Company	New Company
(1) Name	Ryosan Company, Limited	(To be determined)
(2) Address	2-3-5 Higashi-Kanda, Chiyoda-ku, Tokyo, Japan	(To be determined)
(3) Representative	Naoto Mimatsu, President	(To be determined)
(4) Areas of business	① Sale of semiconductors, electronic components and electronic equipment ② Development, manufacture and sale of Ryosan products	Manufacture and sale of heat sinks
(5) Capital	17,690 million yen	300 million yen
(6) Date of establishment	November 18, 1953	September 1, 2014 (tentative)
(7) Number of shares issued and outstanding	Common stock 31,500,000 shares	Common stock 6,000 shares
(8) Accounting period	March 31	(To be determined)
(9) Number of employees	1,229 (consolidated)	(To be determined)

(10) Chief shareholder and stockholding ratio	• NORTHERN TRUST CO. (AVFC) SUB A/C AMERICAN CLIENTS 15.41% • NORTHERN TRUST CO. AVFC RE U.S. TAX EXEMPTED PENSION FUNDS 6.03%	• Ryosan Company, Limited 100.0%	
(11) Financial condition and operating results of the split company for the last 3 years			
Accounting period	Fiscal 2011	Fiscal 2012	Fiscal 2013
Net assets	117,780 million yen (consolidated)	115,691 million yen (consolidated)	116,722 million yen (consolidated)
Total assets	163,479 million yen (consolidated)	167,079 million yen (consolidated)	160,220 million yen (consolidated)
Net assets per share	3,413.87 yen (consolidated)	3,457.13 yen (consolidated)	3,595.42 yen (consolidated)
Net sales	216,154 million yen (consolidated)	217,887 million yen (consolidated)	206,534 million yen (consolidated)
Operating income	6,078 million yen (consolidated)	3,511 million yen (consolidated)	3,673 million yen (consolidated)
Ordinary income	6,883 million yen (consolidated)	4,476 million yen (consolidated)	4,111 million yen (consolidated)
Net income	4,130 million yen (consolidated)	1,899 million yen (consolidated)	2,814 million yen (consolidated)
Net income per share	119.85 yen (consolidated)	55.90 yen (consolidated)	84.40 yen (consolidated)
Net income per share after dilution	80 yen	40 yen	60 yen

4. Overview of split business division

(1) Business activities of the split division

Heat sink production business

(2) Operating results for the split division (period ending March 31, 2013)

	Division (a)	The Company (consolidated) (b)	Ratio (a/b)
Net sales	3,486 million yen	206,534 million yen	1.6%

(3) Classification and book value for split assets and liabilities (as of December 30, 2013)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	806 million yen	Current liabilities	38 million yen
Fixed assets	898 million yen	Long-term liabilities	299 million yen
Total	1,704 million yen	Total	337 million yen

(Note) The Company's assets and liabilities to be split will be calculated by adding or subtracting to the values listed above any increases or decreases incurred until the date of the split.

5. Condition of the Company and the new company following the Company Split

For details on the name, address, representative, business activities, capital and accounting period of the Company and the new company following the Company Split, please refer to "3. Overview of parties to the Company Split." The Company (Ryosan Company, Limited) plans to transfer all shares of

the new company to Sankyo Tateyama on the effective date of the split. Based on consideration of various conditions including continuity of the Business and economic rationality, the Company selected Sankyo Tateyama from numerous candidates as the transfer destination for the Business. As per agreement with the acquiring company, we cannot disclose the acquisition cost. The acquisition cost was calculated based on rational negotiation by both parties, and as such is judged to be fair and appropriate.

6. Overview of transfer destination for shares and equity interest

(1) Name	Sankyo Tateyama, Inc.		
(2) Address	70 Hayakawa, Takaoka City, Toyama, Japan		
(3) Representative	Kiyotsugu Yamashita, President		
(4) Areas of business	① Development, manufacture and sale of commercial construction materials, residential construction materials, exterior construction materials, manufacture and sale of processed products made of rolled aluminum and other metals ② Casting, extrusion, processing and sale of aluminum and magnesium ③ Sale of commercial and general-purpose display fixtures, manufacture and sale of standard signs and other signage, shop equipment maintenance		
(5) Capital	15,000 million yen		
(6) Date of establishment	June 20, 1960		
(7) Number of shares issued and outstanding	31,554,629 shares		
(8) Accounting period	May 31		
(9) Number of employees	5,774 (as of November 30, 2013)		
(10) Chief shareholder and stockholding ratio	Sumitomo Chemical Company, Limited 7.08% Japan Trustee Services Bank, Ltd. (trust account) 6.72% The Master Trust Bank of Japan, Ltd. (trust account) 4.03%		
(11) Relation among companies which are party to the company split			
Capital relationship	There is no capital relationship.		
Personal relationship	There is no personal relationship.		
Business relationship	There is no business relationship.		
(12) Financial condition and operating results of the company for the last 3 years			
Accounting period	Fiscal 2011	Fiscal 2012	Fiscal 2013
Net assets	48,210 million yen (consolidated)	54,209 million yen (consolidated)	68,205 million yen (consolidated)
Total assets	212,172 million yen (consolidated)	212,862 million yen (consolidated)	216,545 million yen (consolidated)

(Note) On December 1, 2012, Sankyo Tateyama and Sankyo-Tateyama Holdings Inc. merged with Sankyo Tateyama as the surviving company. Therefore, the period ending May 31, 2011 (consolidated accounting period) and May 31, 2012 (consolidated accounting period) show actual results of Sankyo-Tateyama Holdings Inc.

7. Reason for change to subsidiaries

Due to the reason stated above in 1., the Company decided to transfer to Sankyo Tateyama all equity interest of the Chinese subsidiary and all shares of the Thai subsidiary which are overseas subsidiaries of the Company in the heat sink production business.

8. Overview of changing subsidiaries

(1) The Chinese subsidiary

(1) Name	RYOSAN ELECTRONICS (FOSHAN) CO.,LTD.
(2) Address	3-6 Nanhai Japanese Medium-sized Enterprises Industrial Park, Danheng Road,

	Danzao, Nanhai District, Foshan City, Guangdong, China	
(3) Representative	Satoshi Takabayashi, Chairperson	
(4) Areas of business	Manufacture and sale of heat sinks	
(5) Capital	200 million US dollar (about 166 million yen)	
(6) Date of establishment	November 2004	
(7) Main investor and proprietary equity	Ryosan Company, Limited 100%	
(8) Relationship between the listed company and this company	Capital relationship	The Company (Ryosan Company, Limited) finances 100% of capital for this company.
	Personal relationship	3 directors of this company also serve as executives of the Company. Also, 1 auditor of this company also serves as an auditor of the Company.
	Business relationship	There are debts and credits between this company and the Company.

(2) The Thai subsidiary

(1) Name	RYOSAN ENGINEERING (THAILAND) CO.,LTD.	
(2) Address	Amata Nakorn Industrial Estate, 700/339 Moo6, Bangna-Trading Road KM.57 Tambol Donhualor, Amphur Muang, Chonburi Province, 20000, Thailand	
(3) Representative	Satoshi Takabayashi, President	
(4) Areas of business	Manufacture and sale of heat sinks	
(5) Capital	50,350 thousand baths (about 136 million yen)	
(6) Date of establishment	June 1995	
(7) Main investor and proprietary equity	Ryosan Company, Limited 99.0% HONG KONG RYOSAN LIMITED 0.5% SINGAPORE RYOSAN PRIVATE LIMITED 0.5%	
(8) Relationship between the listed company and this company	Capital relationship	The Company (Ryosan Company, Limited) finances 99.0% of capital for this company.
	Personal relationship	2 directors of this company also serve as executives of the Company.
	Business relationship	There are no debts and credits between this company and the Company.

*The rate used for conversion into yen is the average rate for the period ended March 31, 2013.

9. Overview of the party for the equity and share transfer

Details of the party for transfer of the Chinese subsidiary equity and the Thai subsidiary shares are listed above in 6. Regarding the shares of the Thai subsidiary, Thai law requires at least 3 shareholders. Accordingly, the Company and overseas subsidiaries of the Company current hold shares in the Thai subsidiary.

10. Outlook

No material impact on the Company's performance is anticipated as a result of the Company Split and transfer of shares and equity interest.