

Shareholders Social Meeting

Ryosan Company, Limited

June 20, 2014

1. Introduction of the New Board Structure

2. 9th Medium-Term Management Plan

3. FY2014 Business Plan

Notice

Business forecasts and all statement related to the future contained in this presentation are based on information currently possessed by the Company and on certain assumptions which we judge to be rational. Actual business performance may differ greatly depending on a variety of factors. The following is a list of major factors:

- Economic conditions in key markets (Japan and the rest of Asia), rapid changes in consumption trends and supply-demand balance for products
- Sharp fluctuations in the dollar-yen exchange rate
- Substantial fluctuation in prices in capital markets

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New Board Structure (Directors)

Representative Director	President Concurrently General Manager, Corporate Planning Headquarters	Naoto Mimatsu
Managing Director	General Manager, Sales Planning and Control Headquarters Concurrently General Manager, 3 rd Domestic Marketing and Sales Headquarters	Hiroyuki Kurihara
	General Manager, Engineering Headquarters Concurrently General Manager, 1 st Semiconductor Business Headquarters	Toshifumi Sakata
	General Manager, 1 st Domestic Marketing and Sales Headquarters Concurrently General Manager, 2 nd Semiconductor Business Headquarters	Kazunori Sato
Directors	General Manager, International Marketing and Sales Headquarters Concurrently General Manager, Electronic Components Business Headquarters	Koji Homma
	General Manager, 2 nd Domestic Marketing and Sales Headquarters	Hiroshi Shibuya
	General Manager, Production Headquarters	Satoshi Takabayashi
	General Manager, Finance and Accounting Headquarters	Hidekazu Sano
	General Manager, Electronic Equipment Business Headquarters	Yasuo Yoshiizumi
	General Manager, Administrative Headquarters	Iwao Sakamoto
	Outside Director	

New Board Structure (Auditors)

Full-time Corporate Auditor

Harumitsu Seki

Full-time Corporate Auditor

Ken Honda

Corporate Auditors

Kotaro Nakano

Corporate Auditors

Toshiyuki Fujino

Ryosan Company, Limited

9th Medium-Term Management Plan

Basic Stance

Basic stance of the 9th Medium-Term Management Plan

“Innovation”
and “growth”

Pursuing a business model shift which responds to changes in our business structure and sustainable independent growth

Universal Management Policy

Pursuing management essence, advancing management innovation, and yielding management results are the keys to conducting open and transparent corporate management and business activities with abundant creativity.

Growth Strategies

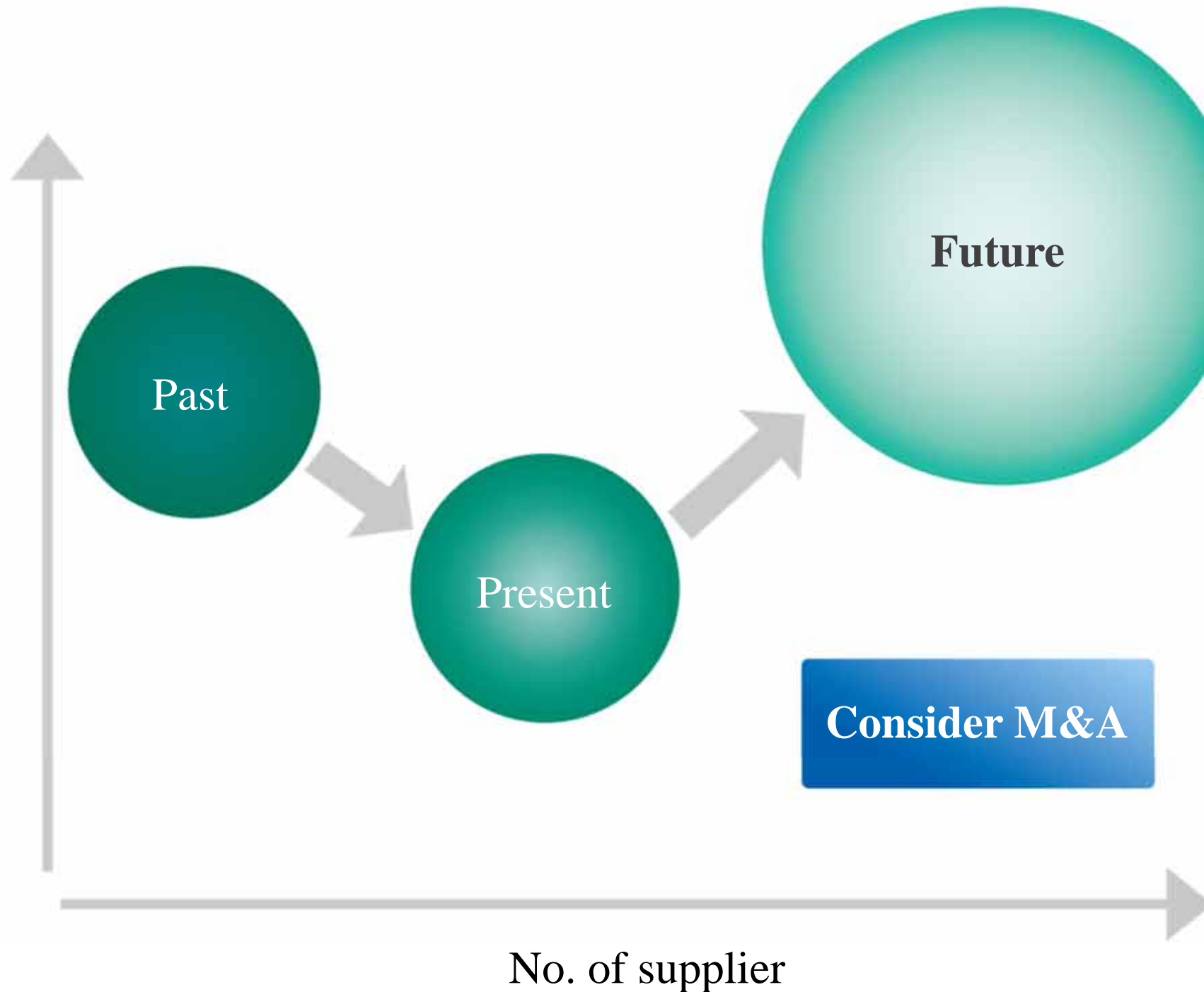
Further promotion of multi-vendor support to respond to customers' diversifying needs

Strengthening global support to expand overseas business

Strengthening system solution capabilities (capabilities in system engineering plus embedded systems) to create new business models

Further promotion of multi-vendor support to respond to customers' diversifying needs

Customer needs for which response is possible



RYOSAN

- Renesas Electronics Corporation

SAXIS

- NXP Semiconductors N.V.
- Macronix International Co., Ltd.
- Entropic Communications, Inc.
- Everspin Technologies, Inc.
- THine Electronics, Inc.

GYRONICS

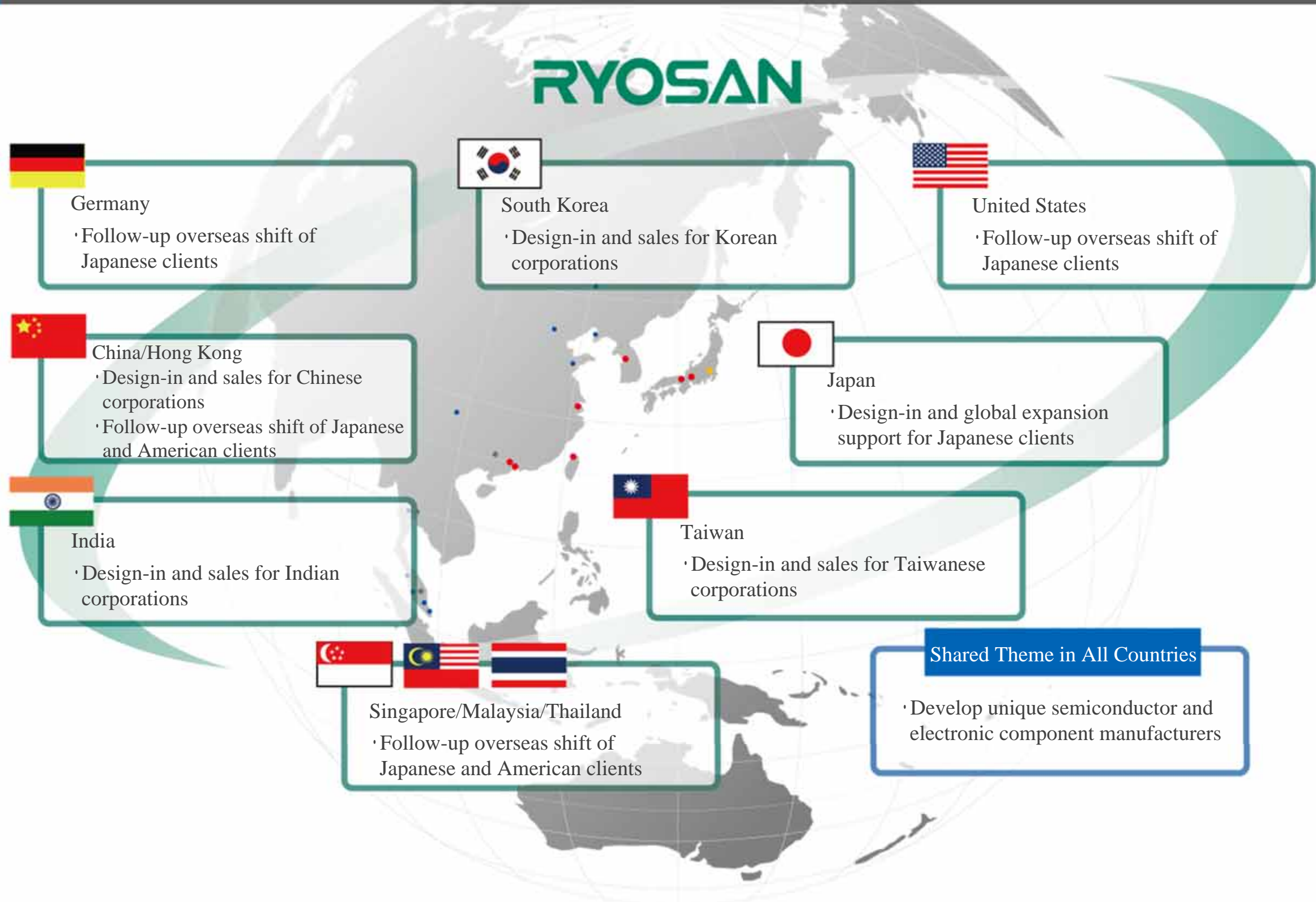
- Winbond Electronics Corp.
- Micrel Inc.
- STMicroelectronics N.V.
- Applied Micro Circuits Corporation
- Atmel Corporation
- Faraday Technology Corporation

RINNOVENT

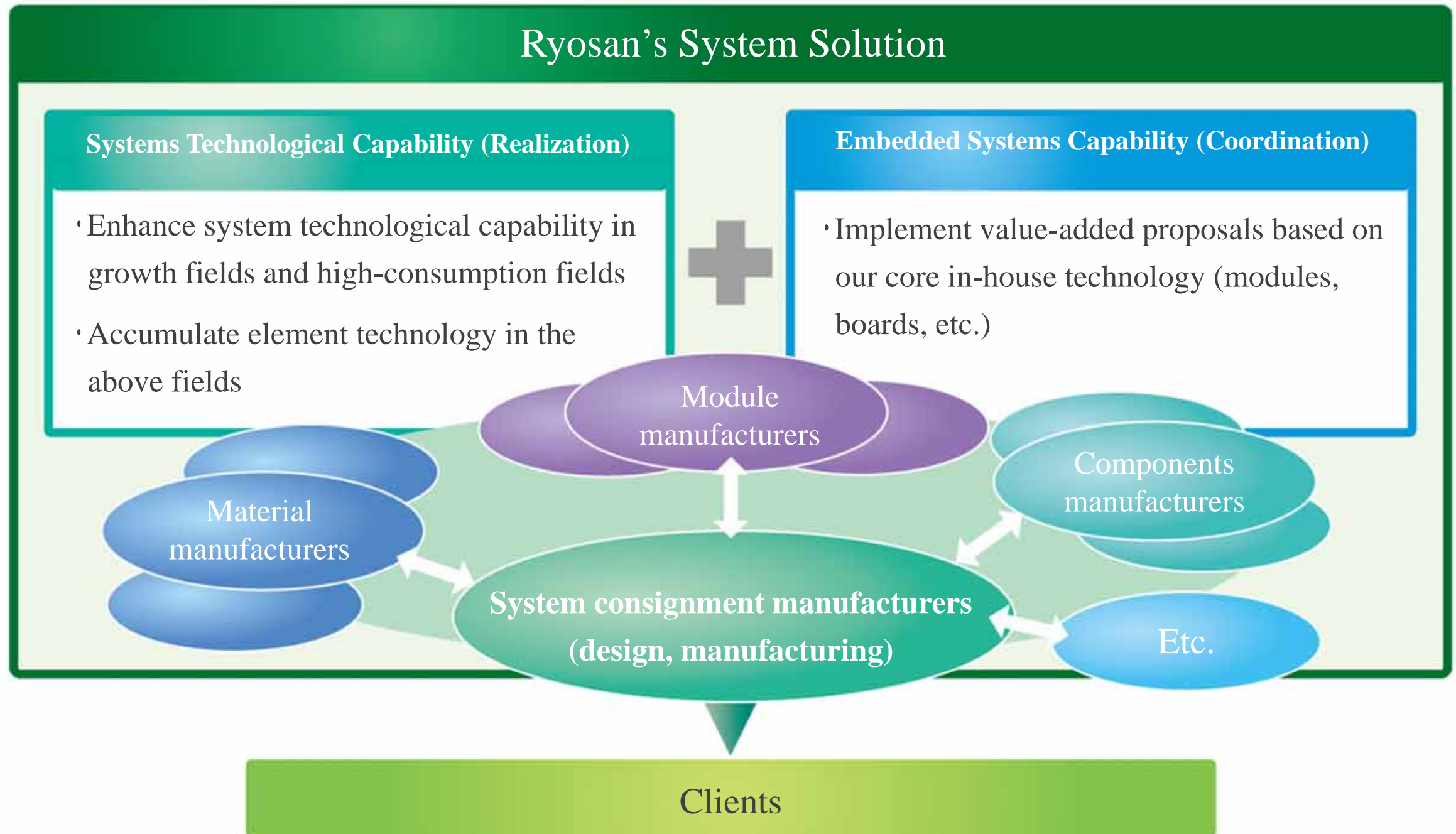
- ON Semiconductor corporation
- Yamaha Corporation

⋮

Strengthening global support to expand overseas business



Strengthening system solution capabilities to create new business models



Segment Strategies



Semiconductors
segment
strategy

Seeks to expand our business by strengthening design-in activities for products of the major manufacturer Renesas Electronics and foreign semiconductor manufacturers.



Electronic
components
segment
strategy

Seeks to expand our business in fields such as car electronics and industry by augmenting sales promotion activities which are aligned with supplier strategy.



Electronic
equipment
segment
strategy

Seeks to expand our business by strengthening our embedded system capability as a base for focusing on our system solution business which promotes module and component business through new resources, as well as by strengthening our facilities equipment business through advancement of the 3 business elements of hardware, materials and service.

Segment Strategies



Ryosan products segment strategy

Although transfer of the heat sink production business to Sankyo Tateyama, Inc. scheduled for September 1, 2014, Ryosan will continue to focus on sales activities for heat sinks as an agent.



Technology strategy

With a focus on semiconductor technology that we have accumulated over a period of many years as a technological trading company, the Ryosan Group will expand the field of technical support for electronic components and embedded products, and shall strengthen system technological capability which supports system solution capability.

Infrastructure Strategies

Reinforcing management in terms of quality

- Strengthen governance through outside directors and outside auditors.
- Enhance global internal controls.
- Strengthen CSR at group companies.
- Enhance global risk response capability (legal and tax aspects).

Strengthening of our management structure (Strengthening of consolidated management)

- Develop global information system (sales, logistics, accounting).
- Develop system to strengthen the profit/financial structure of group companies.
- Increase efficiency of headquarters functions (Headquarters Management Division).
- Utilize human resources through diversity management.

Basic Policy Regarding Redistribution of Profits to the Shareholders

Basic policy

- Sustain stable and high dividends; seek resumption of 80 yen dividends by FY2016.
- Continue to consider share repurchases based on trends in consolidated business performance, etc.

Consolidated dividend payout ratio

- 50% or higher each year.

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Overview of Consolidated Business Plan

	FY2013		FY2014		% Chg. YoY
	Results	Of total	Plan	Of total	
Net sales	2,383		2,270		(4.8)%
Gross margin	186	7.8%	186	8.2%	(0.0)%
SG & A expenses	134	5.6%	135	5.9%	+0.3%
Operating income	51	2.2%	51	2.2%	(0.9)%
Ordinary income	50	2.1%	53	2.3%	+4.9%
Net income	32	1.4%	34	1.4%	+5.5%
Earnings per share	¥101.86		¥108.06		
	Results	Of total	Plan	Of total	% Chg. YoY
Domestic sales	1,246	52%	1,250	55%	+0.3%
Overseas sales	1,137	48%	1,020	45%	(10.3)%

Overview of Business Plan by Segment

		FY2013		FY2014		% Chg. YoY
		Results	Of total	Plan	Of total	
Semiconductors	Net Sales	1,615		1,470		(9.0)%
	Operating income	32.0	2.0%	31.5	2.1%	(1.7)%
Electronic Components	Net Sales	543		560		+3.1%
	Operating income	14.6	2.7%	15.5	2.8%	+5.7%
Electronic Equipment	Net Sales	174		195		+11.4%
	Operating income	7.0	4.1%	5.5	2.8%	(22.4)%
Ryosan Products (Heat sinks)	Net Sales	50		45		(11.0)%
	Operating income	(0.5)		1.0	2.2%	
Adjustments		(1.8)		(2.5)		
Total	Net Sales	2,383		2,270		(4.8)%
	Operating income	51.4	2.2%	51.0	2.2%	(0.9)%

Plan for Redistribution of Profit to Shareholders

(Unit: 100 millions of yen)

