

Ryosan Company, Limited

# 9th Medium-Term Management Plan

June 20, 2014

President, Naoto Mimatsu

## Corporate Philosophy (RS21)

Fundamental  
Belief

Strong belief that “the corporation is a public institution.”

Basic  
Philosophy  
(Business &  
Mission)

Enhance electronics system coordination  
Facilitate the harmonious fusion of  
human and technological progress

Management  
Philosophy  
(Management  
Principles)

Grow as a mission-based corporation  
Create corporate value  
Increase value convertibility

Three functions (essential functions of an electronics systems coordinator)

Constantly evolving these three functions enhances the level of customer satisfaction and our value



“The Information Function”

Information

Provide customers with accurate information by gathering data on the needs of the times and the trends in technology

“The Solutions Function”

Solution

Integrate expertise and knowledge with advanced technology to contribute to client solutions

“The Distribution Function”

Distribution

Deliver what the client needs at the required time and in optimum condition

## Management Environment and Issues to be Addressed

### Management Environment (Electronics Industry)

- Expansion of horizontal specialization alliances & reduction of entry barriers
- Slow growth of Japanese market & growing number of Japanese corporations shifting production overseas/engaging in overseas procurement
- Diversifying customer needs (from individual components to modules and OEM/ODM)

### Issues to be Addressed

- Reconstructing our business portfolio
- Expanding our corporate activities on a global scale
- Revising our profit/financial structure

## 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

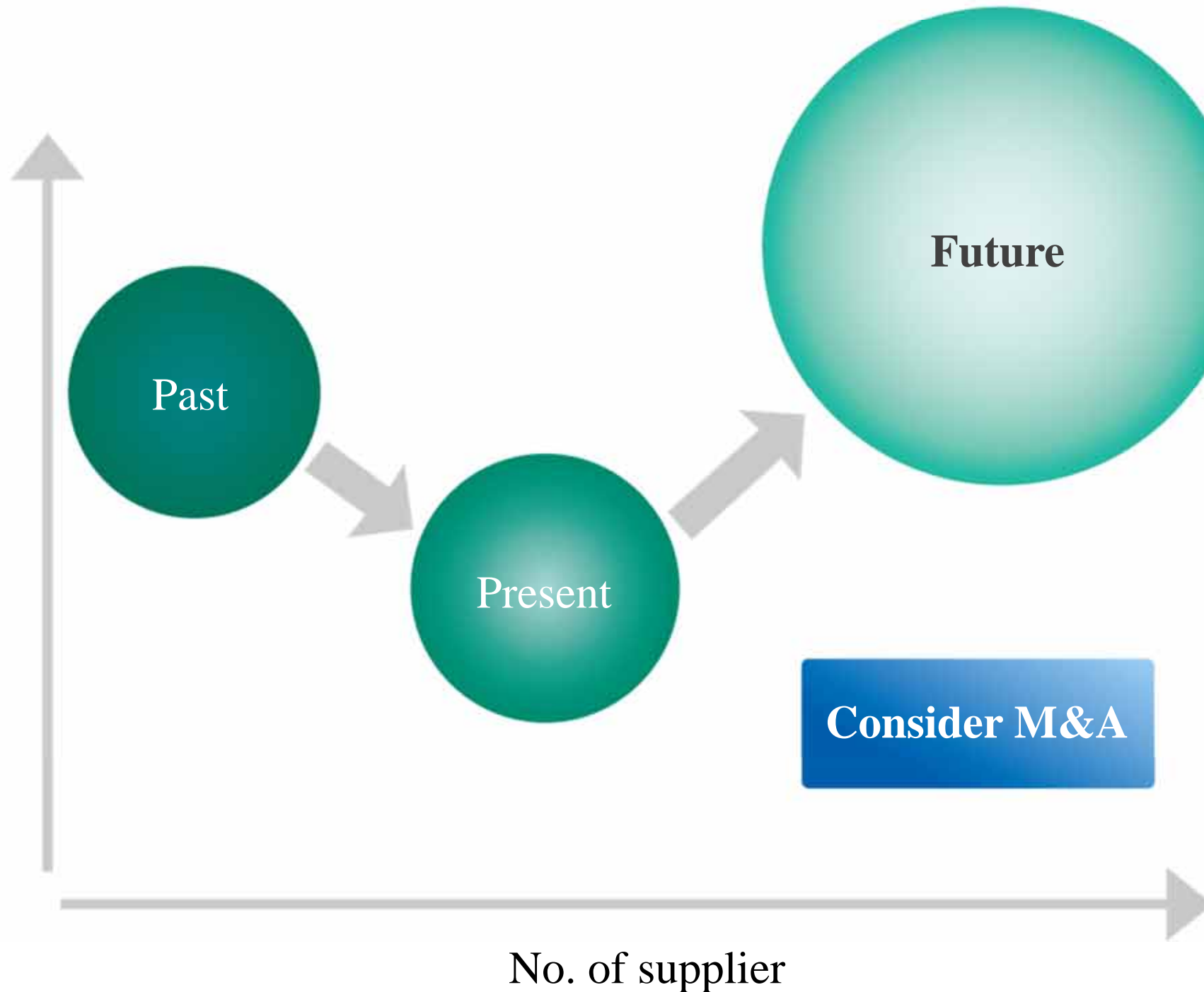
Further promotion of multi-vendor support to respond to customers' diversifying needs

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**

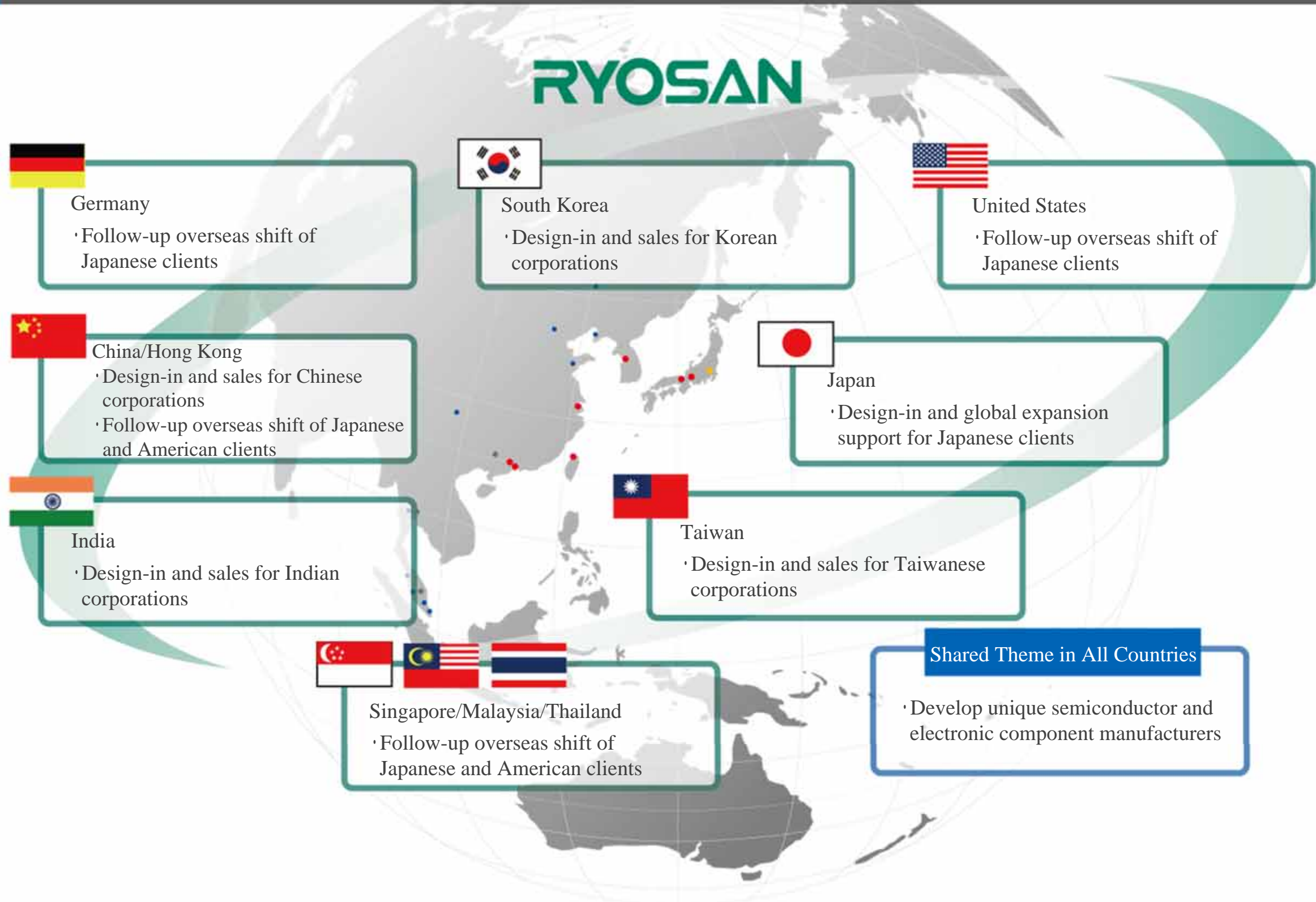
- Winbond Electronics Corp.
- Micrel Inc.
- STMicroelectronics N.V.
- Applied Micro Circuits Corporation
- Atmel Corporation
- Faraday Technology Corporation

**RINNOVENT**

- ON Semiconductor
- Yamaha Corporation

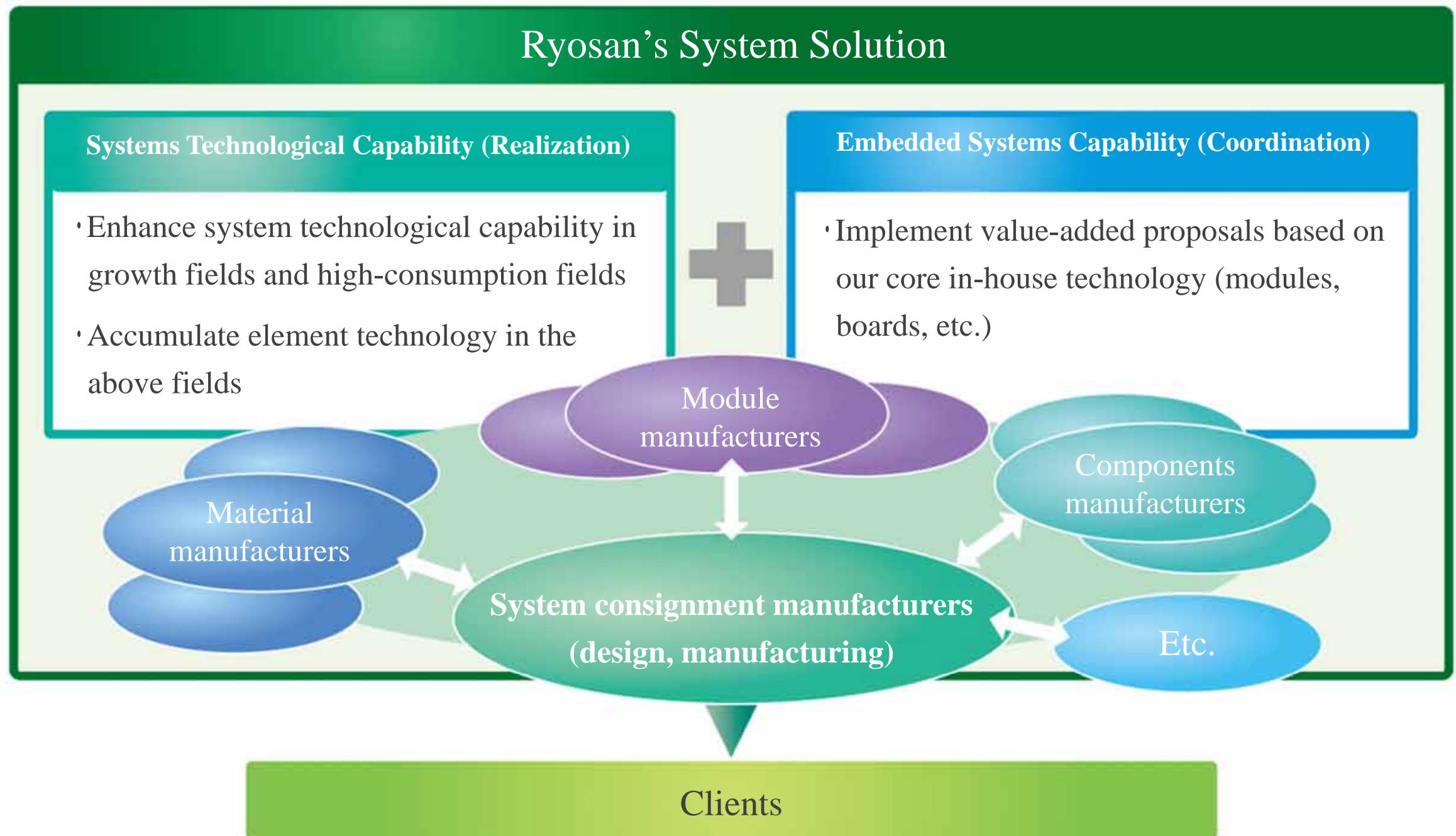
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## Strengthening global support to expand overseas business





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.