

Ryosan Company, Limited

FY2015 Results Meeting

Fiscal year ended March 31,2016

May, 2016

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President

Notice

Business forecasts and all statements 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

1. FY2015 Overview
2. Initiatives Toward FY2016

1. FY2015 Overview

Consolidated Statements of Operation

FY2015
Overview

(Unit: ¥ Billion)

	a	b	c	d	e	f
	FY2014		FY2015			FY2015
	Actual	(%)	Actual	(%)	c-a (%)	Plan
1 Sales	233.5		228.1		(2.3)%	235.0
2 Gross Margin	19.5	8.4%	19.3	8.5%	(1.1)%	19.0
3 SG&A	13.5	5.8%	13.7	6.0%	+1.3%	13.3
4 Operating Income	5.9	2.5%	5.5	2.4%	(6.5)%	5.7
5 IBT	5.4	2.3%	5.5	2.5%	+2.3%	5.7
6 Net Profit	3.2	1.4%	3.6	1.6%	+14.7%	3.8
7 EPS(¥)	101.80		119.77		+17.7%	122.51
8 Domestic Sales	125.8	53.9%	133.4	58.5%	+6.0%	135.0
9 Overseas Sales	107.6	46.1%	94.7	41.5%	(12.0)%	100.0

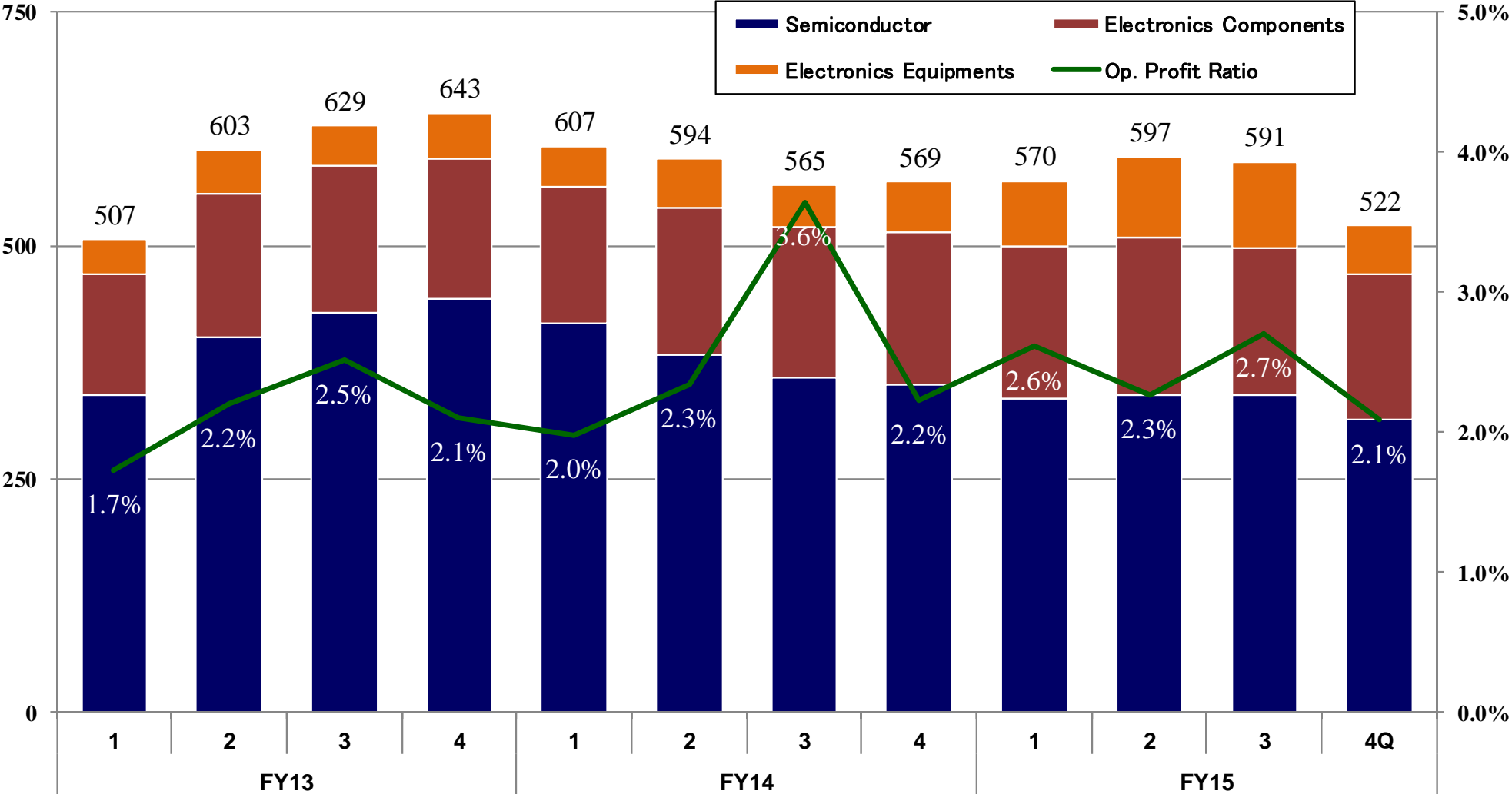
() Minus Figure

(Unit: ¥ Billion)

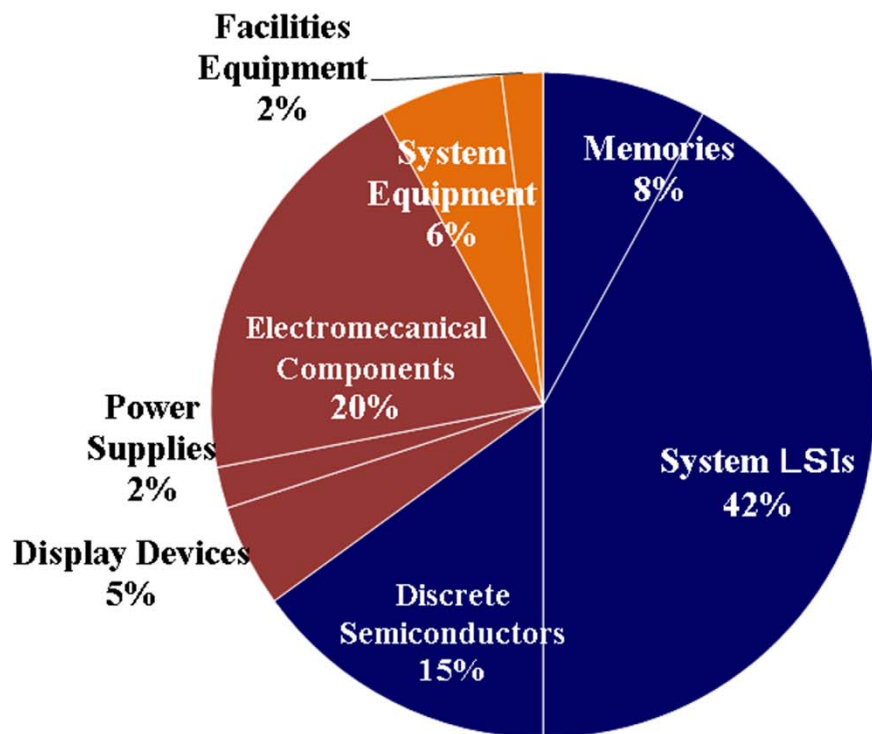
		a	b	c	d	e	f
		FY2014		FY2015			
		Actual	%	Actual	%	Change	Plan
Semiconductor	Sales	151.2		133.1		(12.0)%	140.0
	Op. Profit	3.5	2.3%	3.0	2.2%	(15.1)%	3.1
Electronic Components	Sales	62.9		64.9		+3.2%	66.0
	Op. Profit	1.6	2.6%	1.5	2.4%	(4.8)%	1.7
Electronic Equipment	Sales	19.3		30.1		+55.3%	29.0
	Op. Profit	1.1	5.4%	1.5	5.0%	+43.1%	1.3
Adjustment		(0.2)		(0.5)			(0.4)
Total	Sales	233.5		228.1		(2.3)%	235.0
	Op. Profit	5.9	2.5%	5.5	2.4%	(6.5)%	5.7

() Minus Figure

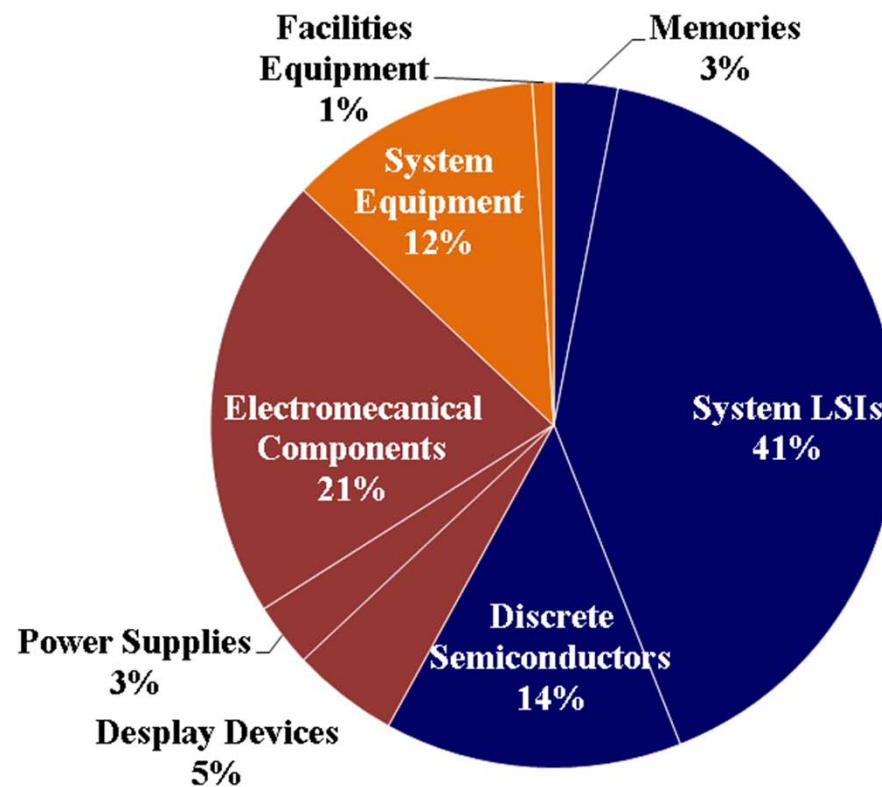
(Unit: ¥Hundred Mil)



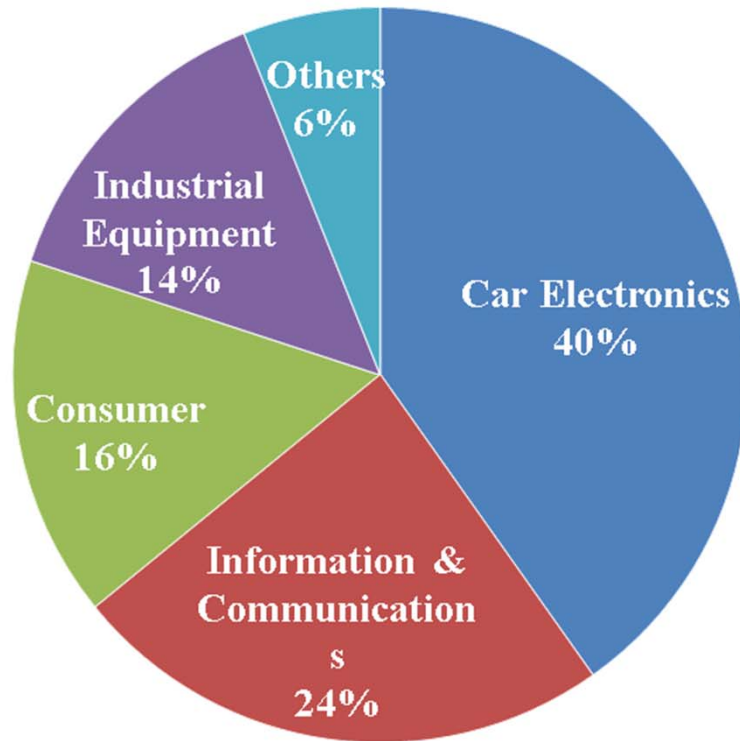
FY2014



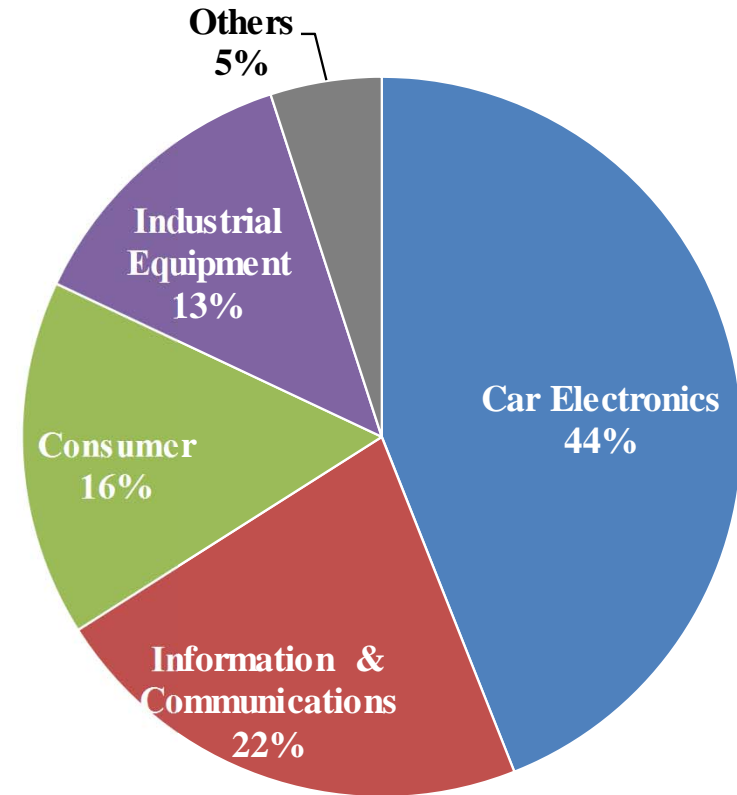
FY2015



FY2014



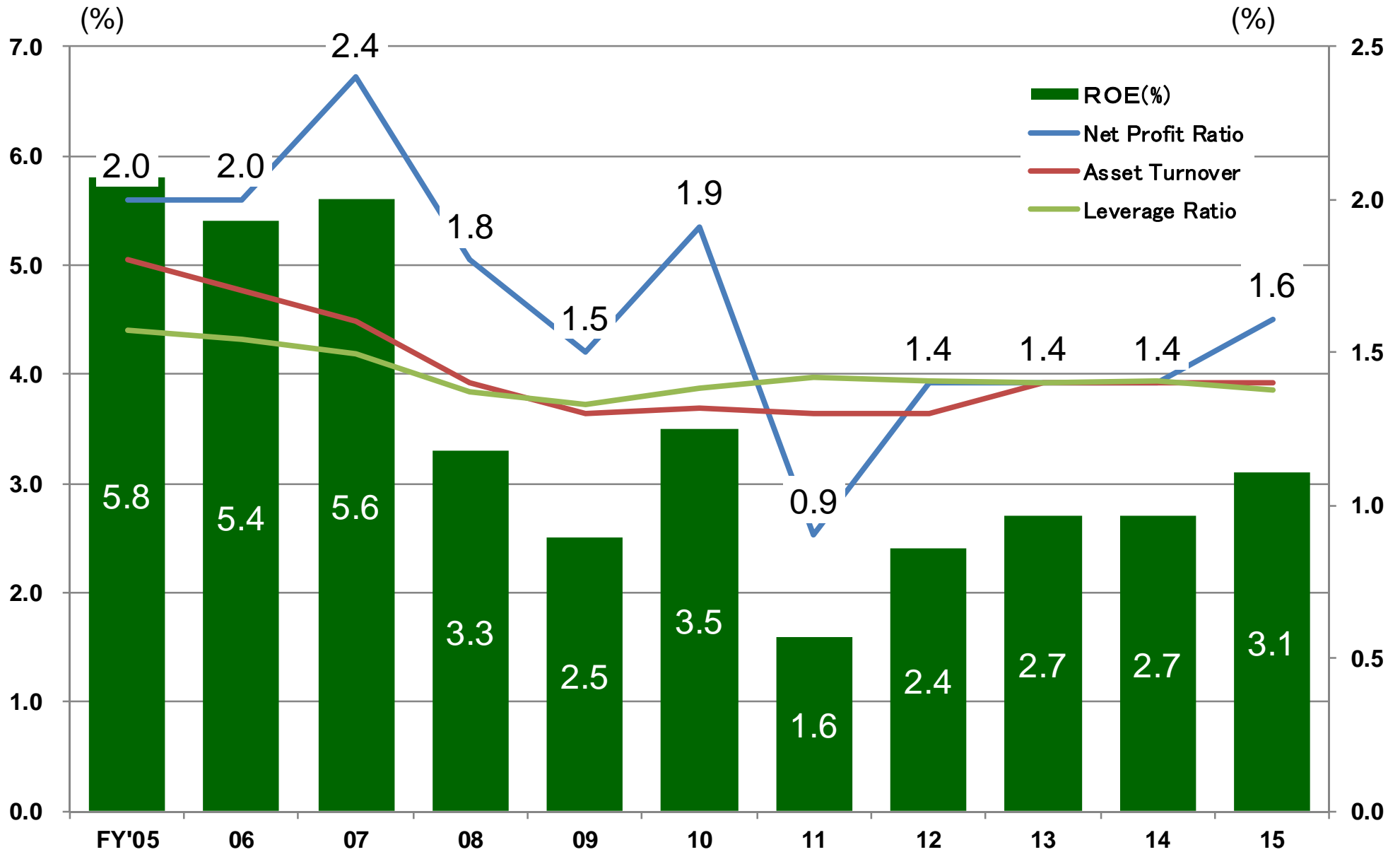
FY2015



Consolidated Balance Sheet

FY2015
Overview

		a	b	c	d	(Unit: ¥ Billion)
		FY2014	FY2015	b-a	Break Downs	
1	Current Assets	149.2	139.1	(10.0)	▪ Cash & Deposits	(5.1)
					▪ Notes & Account Receivables	(4.4)
2	Non-Current Assets	19.5	17.8	(1.7)		
3	Total Assets	168.8	157.0	(11.8)		
4	Liabilities	47.0	41.6	(5.3)	▪ Accounts Payable	(2.7)
					▪ Short Term Debt	(2.8)
5	Shareholders' Equity(SE)	121.8	115.3	(6.4)	▪ Retained Earnings	+3.6
					▪ Treasury Stock	(4.7)
					▪ Dividend	(2.7)
					▪ Foreign Currency Translation Adj	(1.9)
6	Total Liabilities & SE	168.8	157.0	(11.8)		
7	SE(%)	72.2%	73.5%	+1.3		() Minus Figure



2. Initiatives Toward FY2016

Commitment to the 9th Mid-Term Business Plan

1. Basic Stance

“Innovation” & “Growth”

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

2. Description of Initiatives

Reestablish
Growth Path

▪ Create New Business Models (Strengthen system solution capability)

Create Project
Business

▪ Promote Multi-Vendor Support
(Expand new suppliers and products in current business)

Expand Current
Business

▪ Strengthen Global Support to Expand Global Business
(Aim at being a global distributor)

Improve Capital
Efficiency

▪ Proactive Investment Toward Growth

▪ Repurchase of Own Shares

Name:

19th Embedded System EXPO

Term:

May 11th~13th,2016

Venue:

Tokyo Big Sight, Japan



Solutions

IoT Solutions

Total coordination by sensors/cloud etc.

Automotive Connectivity

One stop solutions for automotive networks

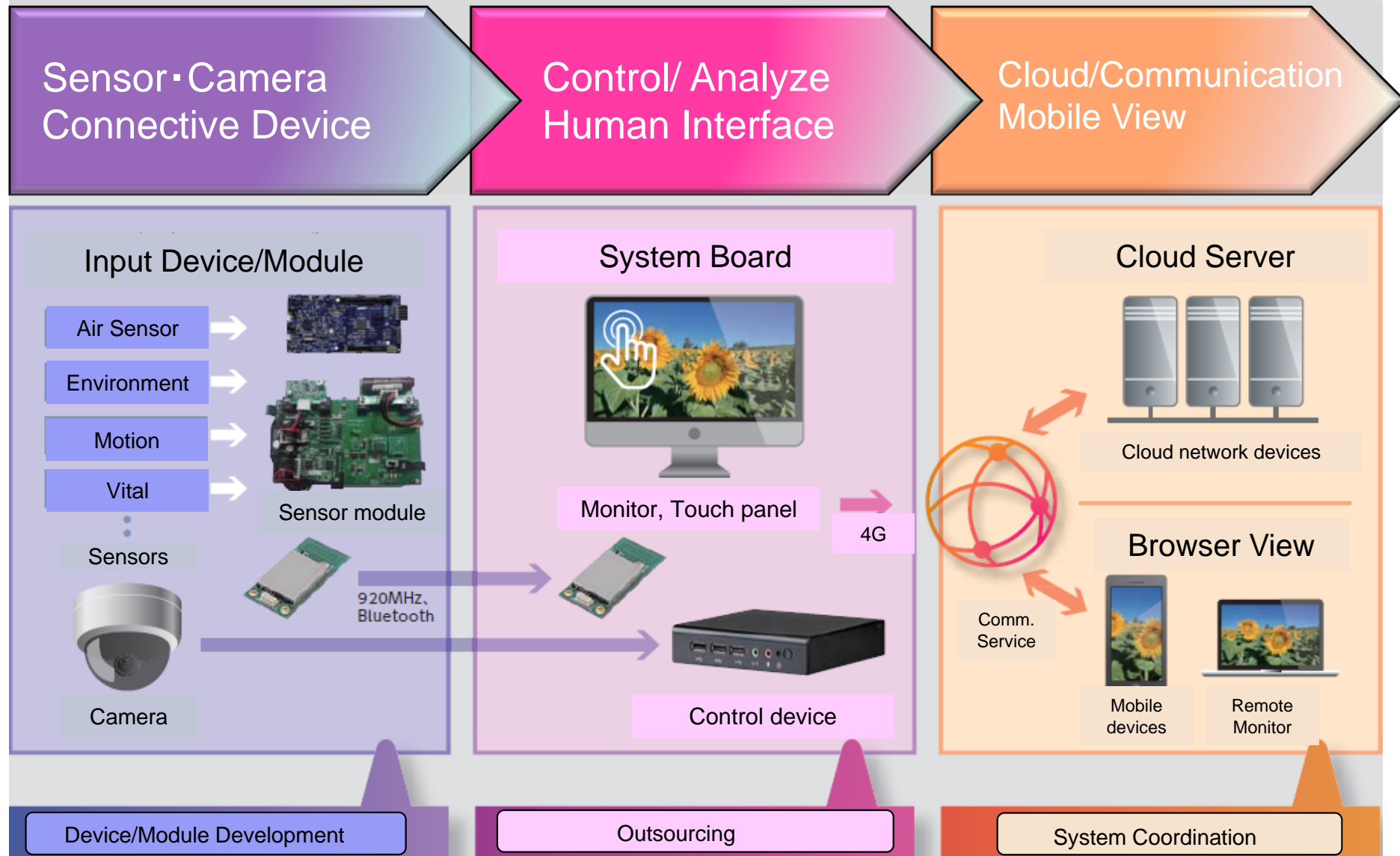
Aerial Imaging

Application of optical technology

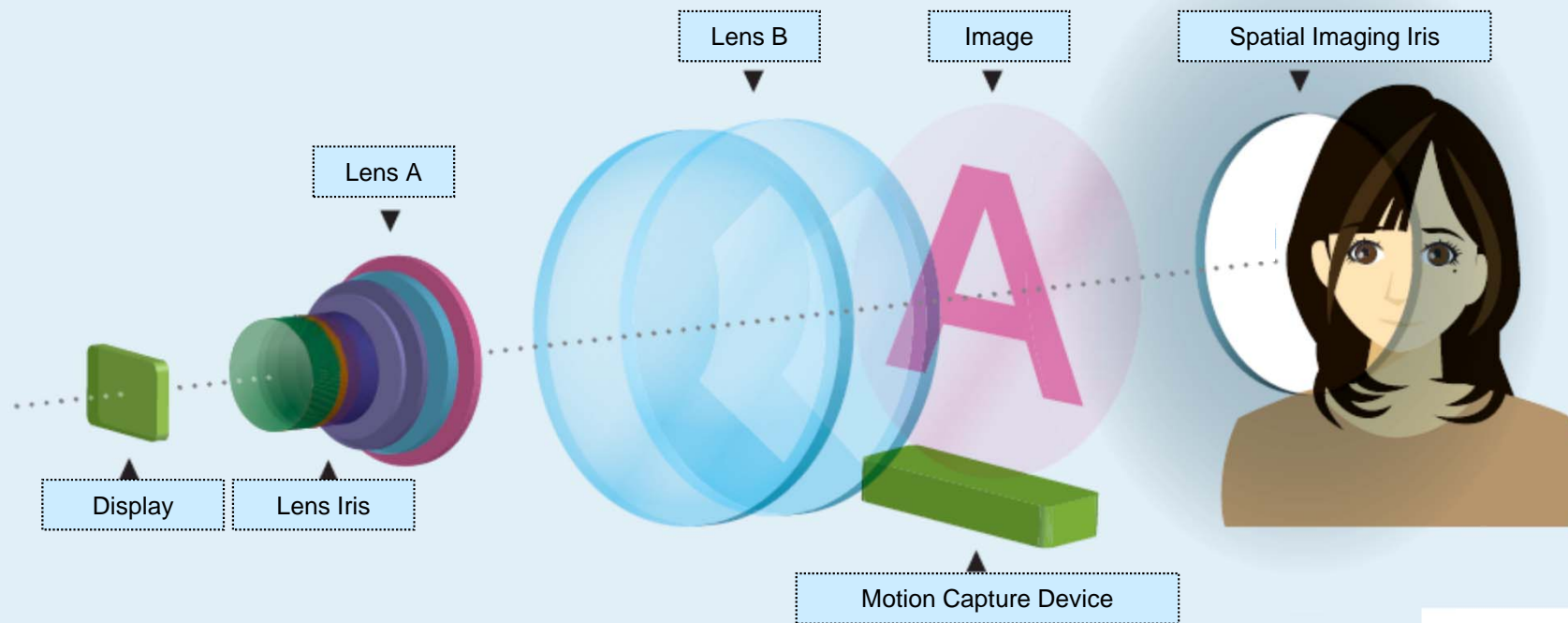
Touch Sensing Platform

Curve-bend, water-proof touch modules

- Mobile interface/application to analyze and/or control data through the Internet
- IoT systems run on android



Demonstration Image
[Under Development]



Highlights

- Immune to a disturbance from natural light
- Specify eye points & visual field range

Expected Application

- Usage under natural light**
Automotive monitors
Monitors for outdoor use
- Peep Prevention Function**
ATM, Ticket machines
- Non-Contact Operation Devices**
ATM, Medical equipment, Amusement



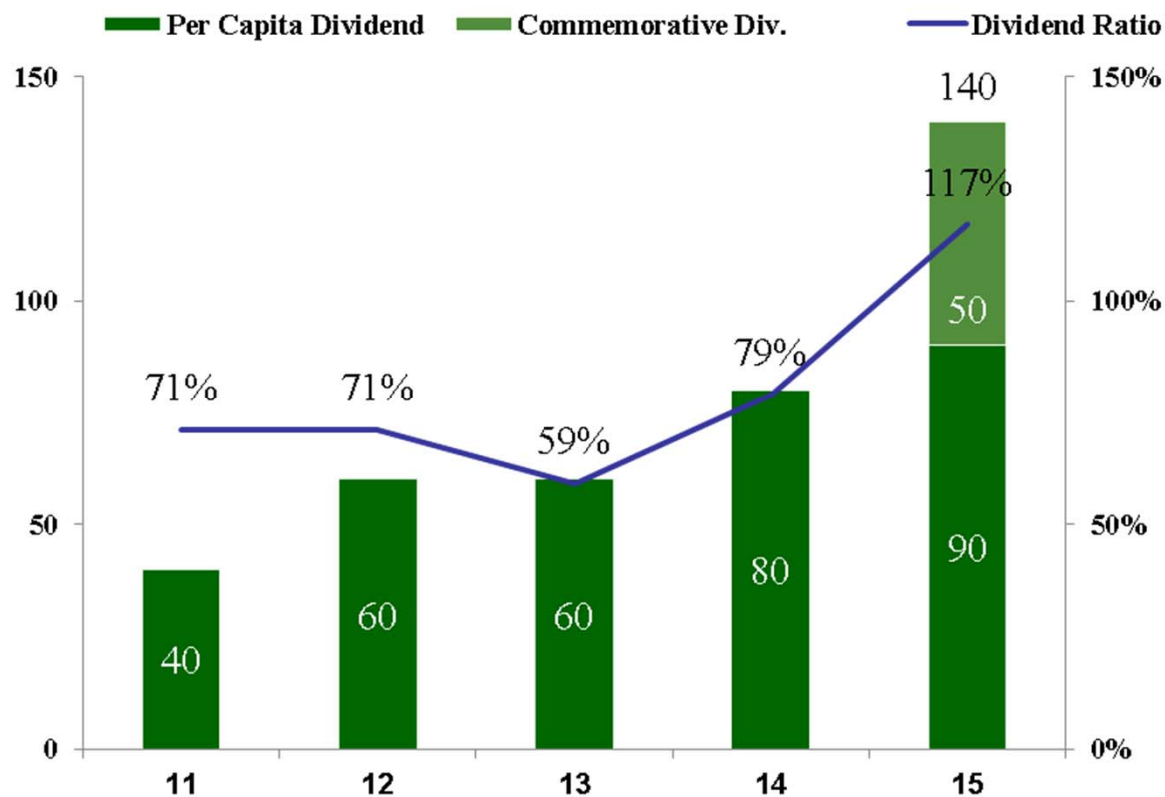
■ Proactive investment toward growth

- Proactive investment to “Re-establish a Growth Path”

■ Acquiring treasury stock

- Acquisition of Own Shares
- Commemorative Dividends for 30 years of listing

(Unit: ¥)



Term	Shares (Thousand)	Value (¥Mil)
Aug ~ Nov 2011	1,000	1,719
Feb 2013	1,000	1,982
May ~ June 2013	1,000	1,799
Feb ~ June 2015	445	1,336
Oct 2015	230	696
Nov 2015 ~ Feb 2016	1,320	4,006

<p>Management Quality Implementation and promotion of the Ryosan spirits</p>	<ul style="list-style-type: none">▪ Review human resource training program
<p>Corporate Governance</p>	<ul style="list-style-type: none">▪ Clarify supervisory functions from execution functions.<ul style="list-style-type: none">— Transition to a Company with an Audit and Supervisory Committee— Introduction of an Executive Officer System▪ Corporate Governance Code (Japan)
<p>Management infrastructure</p>	
<p>Develop Global Information System</p>	<ul style="list-style-type: none">▪ Business process re-engineering

■ Goals

- Reinforce management in terms of quality and streamline the Board through clarifying the supervisory function and execution function

■ Initiatives/Measures

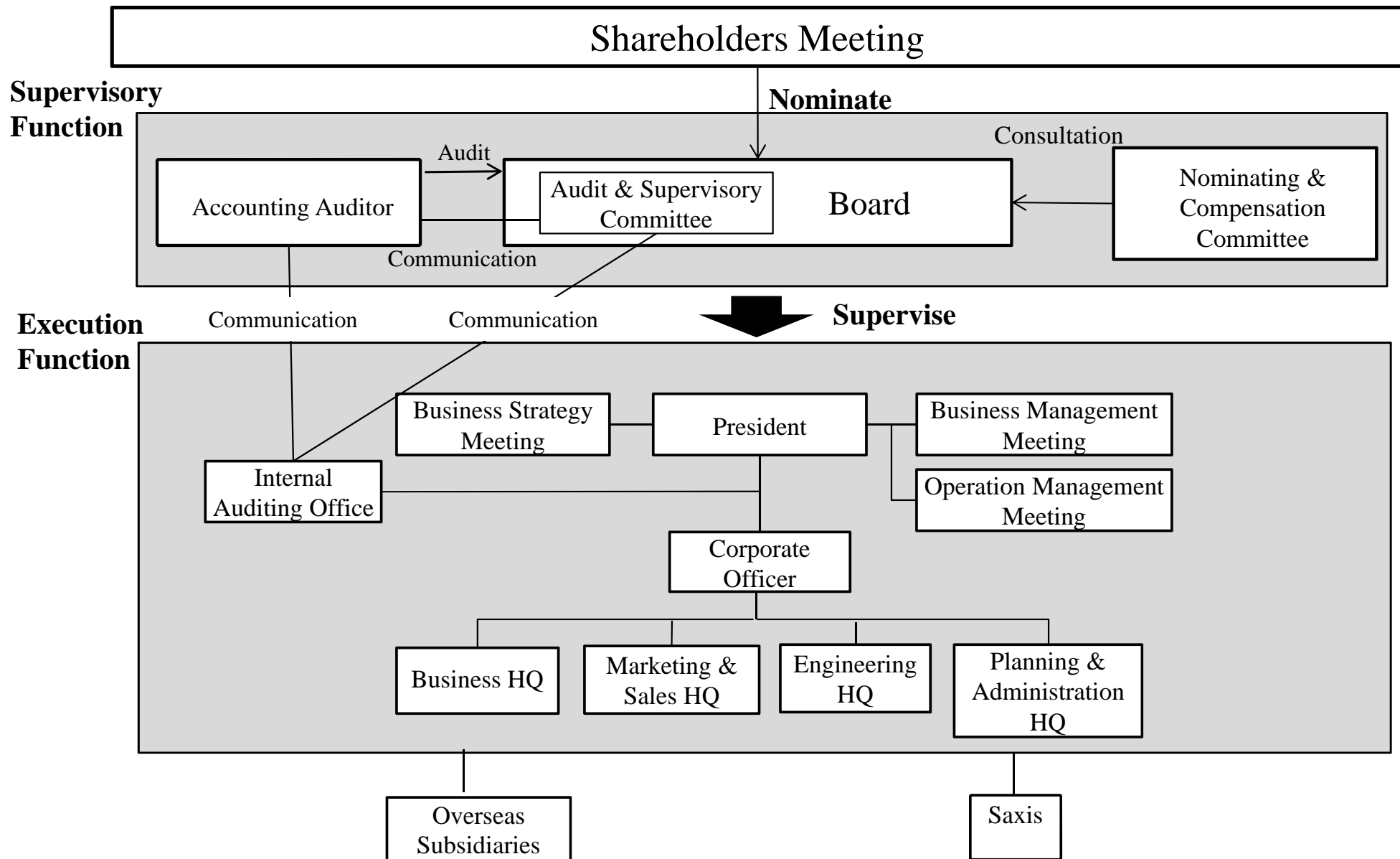
<Management Quality>

- Construct an Audit and Supervisory Committee
 - Strengthen supervisory functions by the Board
 - Encourage discussions aimed at achieving sustained corporate growth and improving the Company's corporate value in the mid to long-term, as well as discussions based on shareholders' perspectives

<Management Efficiency>

- Introduce Corporate Officers
 - Focus on business promotion
 - Speedy decision making

■ Governance Structure



(Unit: ¥ Billion)

	FY2015		FY2016		
	Actual	%	Plan	%	Change
Sales	228.1		230.0		+0.8%
Gross Margin	19.3	8.5%	19.6	8.5%	+1.5%
SG & A Expenses	13.7	6.0%	14.0	6.1%	+1.6%
Operating Income	5.5	2.4%	5.6	2.4%	+1.1%
IBT	5.5	2.5%	5.6	2.4%	+0.1%
Net Profit	3.6	1.6%	3.7	1.6%	+0.8%
EPS(¥)	119.77		125.57		+4.8%
Domestic Sales	133.4	58.5%	130.0	57.0%	(2.5)%
Overseas Sales	94.7	41.5%	100.0	43.0%	+5.6%

() Minus Figure

(Unit: ¥ Billion)

		FY2015		FY2016		
		Actual	%	Plan	%	Change
Semiconductor	Sales	133.1		136.0		+2.2%
	Op. Profit	3.0	2.2%	3.4	2.5%	+15.1%
Electronic Components	Sales	64.9		68.5		+5.5%
	Op. Profit	1.5	2.4%	2.0	2.8%	+26.5%
Electronic Equipment	Sales	30.1		25.5		(15.3)%
	Op. Profit	1.5	5.0%	0.8	2.9%	(50.2)%
Adjustment		(0.5)		(0.5)		
Total	Sales	228.1		230.0		+0.8%
	Op. Profit	5.5	2.4%	5.6	2.4%	+1.1%

() Minus Figure

■ Dividend

- Aim at increasing payout ratio over 50%

FY2015(Actual)	FY2016(Plan)
¥90 (ex. Commemorative div. ¥50)	¥90

■ Acquisition of Own Stocks

- Plan to implement continuous acquiring of own shares by 1 million shares per year