

For Immediate Release**Ryosan Company, Limited**

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Listing: First Section, Tokyo Stock Exchange

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Notice Concerning Acquisition of Common Stock of**Edal Electronics Company Limited (易達電子有限公司) (Hong Kong)**

Ryosan Company, Limited (“Ryosan”) announced today that it acquired the 100% shares of Edal Electronics Company Limited (易達電子有限公司) (“Edal”), a semiconductor distributor in Hong Kong, on March 10, 2017.

1. Summary of the company

(1) Company name	Edal Electronics Company Limited (易達電子有限公司)
(2) Address	Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong
(3) Business	Semiconductor distributor
(4) Established	1987
(5) Sales	HK\$623M (¥9.0B) (FY 2016)
(6) Employees	82 (as of April 30, 2016)
(7) New company name	Edal Electronics Company Limited (易達電子有限公司) No change

2. Background

In its Medium-Term Business Plan (FY2014-FY2017), in response to changes in its business environment, Ryosan is promoting business model shifts and is pursuing sustainable growth. As a key measure for achieving this plan, Ryosan is focusing on rebuilding its growth path.

This acquisition is important for Ryosan to establish a new bridgehead of marketing in Southern China, an area with heavy concentration of electric industries. Through this strategic investment, Ryosan envisions a blueprint that will accelerate rebuilding its growth path through expanding global business, considering that the Japanese electric market has been matured and room for further business growth is rather limited.

Founded in 1987 and headquartered in Hong Kong, Edal has a strong presence in Southern China distributing semiconductor products to leading local electronics manufactures. This

acquisition is expected to spur further expansion of Ryosan's global operation through adding the customers of Edal.

3. Forecast

This acquisition will have negligible impact on Ryosan's consolidated financial results.