This notice has been translated from the original notice in Japanese. In the event of any discrepancy, the original notice in Japanese shall prevail.

NOTICE OF THE 64th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Stock Code: 8150
May 29, 2015

Dear Shareholder:

You are cordially invited to attend the 64th Ordinary General Meeting of Shareholders of Sanshin Electronics Co., Ltd. (the "Company"), which will be held at 10:00 a.m. (reception starts at 9:00 a.m.) on Friday, June 19, 2015, in the Conference Room on the 10th floor of the Company's headquarters, at 4-12, Shiba 4-chome, Minato-ku, Tokyo.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing. Please review the attached reference materials and exercise your vote by indicating "for" or "against" for each agenda item listed on the enclosed proxy card, affix your seal and return it to us no later than 5:10 p.m. on Thursday, June 18, 2015.

Sincerely yours,

Mitsumasa Matsunaga

Chairman/CEO

Sanshin Electronics Co., Ltd.

4-12, Shiba 4-chome, Minato-ku, Tokyo, Japan

Meeting Details

Agenda:

Items to be reported

1. The Business Report, the Consolidated Financial Statements, and the report of the audit of the consolidated accounts by the Independent Auditors and Board of Corporate Auditors for the 64th term, from April 1, 2014 to March 31, 2015, will be reported at the meeting.
2. The Non-Consolidated Financial Statements for the 64th term, from April 1, 2014 to March 31, 2015, will be reported at the meeting.

Items to be resolved

Item 1: Payment of term-end dividends from retained earnings

Item 2: Partial amendment to Articles of Incorporation

Item 3: Appointment of Ten (10) Directors

Item 4: Appointment of One (1) Corporate Auditor

When attending the meeting in person, please present the enclosed proxy card at the reception desk.
If any amendments are made to reference materials for the General Meeting of Shareholders, the business report, and consolidated and non-consolidated financial statements, they will be posted on the Company website at http://www.sanshin.co.jp.

(Attachment)

Business Report

(From April 1, 2014 to March 31, 2015)

I. Matters concerning the Current Status of the Corporate Group

(1) Business Progress and Results

During the consolidated fiscal year under review, although the global economy maintained a strong recovery in the United States as well as it continued to improve gradually overall in Europe, with concerns such as China's economic expansion slowing down, it cannot dispel a sense of anxiety over the future. In Japan, despite some signs of weakness in demand accompanying the consumption tax hike, the economy is on a moderate recovery path, supported by economic and monetary-easing policies taken by the government, as well as the weakening yen and lower price of crude oil.
In the electronics industry, the increase in demand for mobile devices, including smartphones and tablet PCs, as well as for automobile-related products continued to drive the semiconductor and electronic component markets. Meanwhile, in the domestic IT industry, despite the drop in demand following the pre-tax hike purchasing rush, the IT investment was on a moderate uptrend reflecting the popularization of new technologies and environments such as cloud and big data.
Under these circumstances, we committed to strengthen business power and to improve the management foundation, as well as we strove to improve sales and profitability.
As a result, in this consolidated fiscal year, sales increased 14.0% year-on-year to ¥219,091 million, operating profit increased 29.5% to ¥3,260 million, ordinary profit increased 17.3% to ¥3,117 million, and net profit increased 10.9% to ¥2,003 million. The return on equity (ROE) was 3.1% (3.0% in the previous term).
Consolidated performance by business segment for the term is as follows.

[Device segment]

In the device business segment, our leading products are semiconductors (including system LSIs, microcomputers, LCD driver ICs, memories, etc.) and electronic components (including connectors, capacitors, circuit boards, etc.). These products are sold mainly to the electronics manufacturers. We also provide technical support, such as software development and module development.
In the consolidated period under review, despite a decline in sales for the TOY sector, sales for social and industrial/vehicle-mounted systems as well as information and communication sector remained solid.
As a result, consolidated segment sales increased 15.0% year-on-year to ¥202,451 million for the current consolidated fiscal year. Furthermore, the segment profit rose substantially to ¥1,470 million (up 36.8% from the previous term), as a result of net sales growth.
Orders received stood at ¥208,695 million, and the order backlog was ¥37,673 million.

[Solution segment]

In the solution business segment, we are committed to planning and developing infrastructure with information communication network operations at the core, mainly for private companies, government agencies and local municipalities, as well as to ensuring its operation and maintenance. Especially, as for our core system, we offer services deriving from provision of package software, such as customization according to individual development. Furthermore, we also provide to broadcast stations and production companies editing and transmitting of video content, as well as establishing of distribution systems, centered on products from suppliers abroad.
In the current consolidated fiscal year, sales to public institutions rose substantially due to the expansion of equipment updates in anticipation of the digitalization of wireless communication for firefighting and emergency services in local municipalities. Still, our new commercial products such as portable video transmitters recorded increased sales.
As a result, consolidated segment sales increased 2.8% year-on-year to ¥16,639 million for the current consolidated fiscal year. The segment profit ended at ¥1,646 million (up 4.0% from the previous term).
Orders received totaled ¥16,301 million, while the order backlog stood at ¥1,186 million.

(2) Capital Investment Activities

The total amount of facility investments made in this consolidated fiscal year was ¥305 million. The main investments are as follows:

・Update for PC	¥90 million
・Update for management accounting systems	¥66 million
・Update for sales management systems	¥61 million

(3) Financing Activities

Loans from financial institutions were the main means of raising funds in this fiscal year, and there is no special item to be noted here.

(4) Future Challenges

(Basic management policies)
The Company's basic policy is to adhere to the corporate philosophy of "Trust, Principles and Sincerity" in order to earn reputation as "the Chosen" among general electronics trading companies to prove its value based on a wide range of solutions provided to its customers and suppliers.
In the device business, in order to assist all client companies active in home appliances, automobiles and industrial devices operations in their efforts for globalization, the Company has been striving to establish overseas subsidiaries and provide goods and services, as well as it has been serving as a coordinator for its customers and suppliers through extensive product range and suppliers' enhanced technological strength in product development. Furthermore, in the solution business, the Company has been actively acting as a system integrator with information and communication network at the core of its contributions to clients' business development. Sanshin Electronics will continue to increase the Group's present value proving why customers and suppliers choose us.
In managing its businesses, the Company will continue to fulfill its mission as a good corporate citizen by developing a system that enables diverse personnel to play an active role in the Company, as well as by continuing to reduce the environmental impact of its operations, just to mention a few actions.

(Target business indicators)
By establishing the return on equity (ROE) as one of the Company's important business indicators, we will endeavor to improve earnings.

(Basic policies for profit distribution)
The Company's fundamental policy for dividends is to determine an appropriate amount through comprehensive consideration for returning profits to shareholders while also ensuring sufficient internal reserves. Based on this policy, the Company has raised its consolidated dividend payout ratio from 30% to 50% in order to realize further return of profits to shareholders.

(Medium-term business strategy and future challenges)
The Group is currently implementing its V66 Medium-Term Management Plan, which will end on March 31, 2018 - the closing date for its 66th term. We will be working on improving business performance by increasing our market share and improving the rate of return, at the same time as further reinforcing our partnerships and expanding business opportunities, through new commercial product offers and total solutions. In an earnest effort to achieve all these, the Group will tackle the following challenges:

1) Strengthening of business capabilities

a. Promotion of strategies by market segment (Device business)

The Company has managed to attract new suppliers and consequently has enhanced its product lineup. In order to get these products into many more markets, Sanshin Electronics will focus efforts on expanding sales in each market segment of social and industrial/vehicle-mounted systems, as well as of information and communication, while sharing the products it handles on a group-wide level. We will also actively develop kit solutions inspired by the Group's product lineup.

b. Strengthening of capabilities to expand overseas businesses (Device business)

In the device business, the overseas sales ratio has increased. Sanshin Electronics will tackle business expansion exploiting opportunities for local design-in projects, not to mention its support for Japanese client companies in their shift to overseas production. The Company will further enhance lineup by exploring new commercial products of local manufacturers, concomitantly with expanding sales to local enterprises by partnering with local distributors.

c. Promotion of new businesses (Device business)

The Company has established a new business model that raises the product lineup it handles and other companies' services to the Group's managerial resources such as technological capabilities, know-how or networks. Their horizontal development will contribute to boost earnings in the device business.

d. Strengthening of system proposals and constructing functions (Solution business)

The pillar for making profit in the solution business is stock business, such as maintenance or management support services. To expand the stock business, our big challenge is to strengthen system proposals and constructing functions, as we need to boost sales of systems providing maintenance and management support in order to do that. The Company will take on this big challenge by augmenting its human resources and reinforcing its close tie-ups with business partners.

Moreover, we will encompass a diverse array of system proposals, including dealing with cloud computing needs, through Sanshin Data Center launched in January this year.

e. Strengthening of cross-sell (Solution business)

To expand our earnings scale, we also need to reinforce our response to the needs of current customers. We divide the solution business into six business units: information communication networks, public offices, firefighting and disaster prevention, embedded systems, application software and image editing. The Company will further share customer needs among its business units and accelerate cross selling across its departments. The Company will also tackle cross selling across all its operations by strengthening collaboration with the device business.

2) Strengthening of management foundation

a. Reinforcement of human resources and organization

At Sanshin Electronics, our human resources are regarded as the Group's greatest managerial resource. Therefore, the Company will further reinforce its human resources, make effective task assignments considering their diversity, and heighten the collective strengths of its organization. Especially in the solution business, as dealing with technological updates such as cloud computing has become a requisite, the Company is committed to reinforcing personnel and providing periodical training on the latest technologies.

b. IT infrastructure development to boost earnings

The Company will strive to develop an IT infrastructure for enhanced management, by constantly updating the ERP systems, early detecting the gap in sales planning and promptly dealing with it. Furthermore, we will work on improving operations support system functions, increasing the business negotiation progress ratio and reducing inventory risks.

(5) Trends in Assets and Operating Results of the Company

	61st Term (From April 1, 2011 to March 31, 2012)	62nd Term (From April 1, 2012 to March 31, 2013)	63rd Term (From April 1, 2013 to March 31, 2014)	64th Term (From April 1, 2014 to March 31, 2015)
Net Sales (million yen)	144,159	147,963	192,240	219,091
Operating Profit (million yen)	1,008	2,032	2,517	3,260
Ordinary Profit (million yen)	802	1,629	2,658	3,117
Net Profit (million yen)	516	1,131	1,806	2,003
Net Profit Per Share (yen)	17.10	38.67	63.78	71.11
Total Assets (million yen)	79,882	82,916	93,522	101,672
Net Assets (million yen)	58,716	59,916	62,255	65,619

(6) Status of Parent Company and Principal Subsidiaries

1. Parent company

Not applicable.

2. Principal subsidiaries

Company Name	Address	Main Business	Capital	Equity Position
SANSHIN ELECTRONICS (HONG KONG) CO., LTD.	5/F., First Group Centre, 14 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong	1. Sales of semiconductors, electronic components and equipment 2. Import/export of semiconductors, electronic components and equipment	US Dollar (US$) 12,820,500	100%
SANSHIN ELECTRONICS SINGAPORE (PTE) LTD.	28 Genting Lane #05-03 Platinum 28, Singapore 349585	1. Sales of semiconductors, electronic components and equipment 2. Import/export of semiconductors, electronic components and equipment	US Dollar (US$) 1,939,728	100%
TAIWAN SANSHIN ELECTRONICS CO., LTD.	6, Shen Hsiang Tang Bldg., 146, Sung Chiang Road, Taipei, Taiwan, R.O.C.	1. Sales of semiconductors, electronic components and equipment 2. Import/export of semiconductors, electronic components and equipment	Taiwan New Dollar (NT$) 160,000,000	100%

Company Name	Address	Main Business	Capital	Equity Position
SANSHIN ELECTRONICS CORPORATION	14 Goodyear Suite100, Irvine, California 92618,U.S.A.	1. Sales of semiconductors, electronic components and equipment 2. Import/export of semiconductors, electronic components and equipment	US Dollar (US$) 3,000,000	100%
SANSHIN ELECTRONICS KOREA CO., LTD.	8F, Textile Bldg., 518, Teheran-Ro, Gangnam-gu, Seoul, 135-713, Korea	1. Sales of semiconductors, electronic components and equipment 2. Import/export of semiconductors, electronic components and equipment	South Korean Won (W) 5,000,000,000	100%
SANSHIN ELECTRONICS (THAILAND) CO., LTD.	898 Ploenchit Tower 13F B2, Ploenchit Road, Lumpini, Pathumwan Bangkok, 10330, Thailand	1. Sales of semiconductors, electronic components and equipment 2. Import/export of semiconductors, electronic components and equipment	Thai Baht (THB) 100,000,000	*100%
SANSHIN ELECTRONICS (SHANGHAI) CO., LTD.	2511 Shanghai International Trade Center, 2201 Yan An West Road, Shanghai, The People's of Republic of China	1. Sales of semiconductors, electronic components and equipment 2. Import/export of semiconductors, electronic components and equipment	Chinese Renminbi (Yuan) (RMB) 31,899,720	*100%
SANSHIN NETWORK SERVICE CO., LTD.	4-12, Shiba 4-chome, Minato-ku, Tokyo	1. Design, construction, installation, maintenance, operation, and management of telecommunications systems 2. Design and installation of circuits and telephone equipment in telecommunications systems 3. Sales of equipment and devices related to telecommunications systems	Japanese Yen (¥) 30,000,000	100%

Note: 1. The percentages marked with an asterisk (*) include indirect holdings.

(7) Principal Businesses (as of March 31, 2015)

The Group is developing the device business and solutions business. A description of each segment is provided in the overview of results per business segment in “(1) Business Progress and Results”.

(8) Principal Offices (as of March 31, 2015)

SANSHIN ELECTRONICS CO., LTD.

Headquarters:	4-12, Shiba 4-chome, Minato-ku, Tokyo
Branches:	Osaka Branch, Tachikawa Branch, Sendai Branch, Shizuoka Branch, Nagoya Branch, Takamatsu Branch, Utsunomiya Branch, Suwa Branch, Kyoto Branch, Hiroshima Branch, Tokushima Branch, Nagaoka Branch, Kochi Sub-branch
Other Business Places:	Atsugi Distribution Center, Osaka Distribution Center,

AXIS DEVICE TECHNOLOGY CO., LTD.	Headquarters: Tokyo
SANSHIN NETWORK SERVICE CO., LTD.	Headquarters: Tokyo
SANSHIN MEDIA SOLUTIONS CO., LTD.	Headquarters: Tokyo
SANSHIN ELECTRONICS (HONG KONG) CO., LTD.	Headquarters: Hong Kong
SHANGHAI LIAISON OFFICE, SHENZHEN LIAISON OFFICE, PHILIPPINE REPRESENTATIVE OFFICE	
SANSHIN ELECTRONICS (SHANGHAI) CO., LTD.	Headquarters: China
SANSHIN ELECTRONICS (SHENZHEN) CO., LTD.	Headquarters: China
SANSHIN ELECTRONICS KOREA CO., LTD.	Headquarters: Korea
SANSHIN ELECTRONICS SINGAPORE (PTE) LTD.	Headquarters: Singapore
SAN SHIN ELECTRONICS (MALAYSIA) SDN. BHD.	Headquarters: Malaysia
SANSHIN ELECTRONICS (THAILAND) CO., LTD.	Headquarters: Thailand
TAIWAN SANSHIN ELECTRONICS CO., LTD.	Headquarters: Taiwan
SANSHIN ELECTRONICS CORPORATION	Headquarters: U.S.A.
DETROIT BRANCH OFFICE	

(9) Employees (as of March 31, 2015)

Number of Employees	Change from the End of the Previous Term
690 (91)	down 10 (+3)

Notes: 1. The number of employees represents the number of those actually at work.
2. The annual average number of temporary employees (part-time and entrusted workers) is enclosed in ( ).

(10) Principal Lenders (as of March 31, 2015)

Lender	Outstanding Loan Amount
	(Million yen)
Sumitomo Mitsui Banking Corporation	1,021
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	120
Sumitomo Mitsui Trust Bank, Limited.	120

(11) Other Significant Matters concerning the Current Status of Corporate Group

Not applicable.

II. Shares Outstanding (as of March 31, 2015)

(1) Number of shares authorized to be issued:

76,171,000 shares

(2) Number of shares issued:

29,281,373 shares

(3) Number of shareholders as of the end of the term under review:

3,371

(4) Major shareholders (Top ten companies)

Name of Shareholder	Number of Shares Held (Thousands of shares)	Ratio of Shares Held (%)
Matsunaga Eiichi, Ltd.	1,600	5.68
Japan Trustee Services Bank, Ltd. (Re-trust [entrustment of trust assets] from Sumitomo Mitsui Trust Bank, Limited. and Employee Retirement Benefit Trust of Renesas Electronics Corporation)	1,049	3.72
Japan Trustee Services Bank, Ltd. (Trust Account)	1,009	3.58
Sumitomo Mitsui Banking Corporation	1,000	3.55
Japan Securities Finance Co., Ltd.	771	2.74
CBNY DFA INTL Small Cap Value Portfolio	684	2.43
The Master Trust Bank of Japan, Ltd. (Trust Account)	663	2.36
Japan Trustee Services Bank, Ltd. (Trust Account 9)	618	2.19
State Street Bank and Trust Company 505223	597	2.12
Goldman Sachs International	565	2.01

(Notes) 1. The Company has 1,102,116 shares of treasury stock, but is excluded from the major shareholders above.
2. Shareholding ratio is calculated with treasury shares excluded.

III. Stock Acquisition Rights, etc.

Not applicable.

IV. Officers

(1) Directors and Corporate Auditors (as of March 31, 2015)

Position	Name	Responsibility within the Company	Important Concurrent Roles, etc.
Chairman/CEO (Representative Director)	Mitsumasa Matsunaga		
President/COO (Representative Director)	Toshiro Suzuki	In charge of Audit Department and General Manager of Corporate Strategy Department	
Senior Vice President	Masashi Akabane	Senior General Manager of Electronic Devices Sales Promotion Division	
Senior Vice President	Mitsuo Kamoshita	Senior General Manager of Solution Marketing & Sales Division	Representative Director and President of SANSHIN NETWORK SERVICE CO., LTD.
Senior Vice President	Yasuhiko Ota	Senior General Manager of Eastern Japan Marketing & Sales Division and in charge of Device Marketing & Sales Administration Section	
Associate Senior Vice President	Fumihide Kitamura	Senior General Manager of International Operations Division	Chairman of the Board of TAIWAN SANSHIN ELECTRONICS CO., LTD.
Associate Senior Vice President	Nobuyuki Hatano	Deputy Senior General Manager of Solution Marketing & Sales Division	
Associate Senior Vice President	Akio Misono	Senior General Manager of Finance & Accounting Division	
Associate Senior Vice President	Shun-ichi Nakagawa		External Director of Comany Inc.
Corporate Auditor (Standing)	Keiji Nishio		
Corporate Auditor (Standing)	Shin-ichi Miura		
Corporate Auditor	Katsuya Sato		Lawyer
Corporate Auditor	Minoru Matsumoto		Certified Public Accountant, External Auditor of JASTEC Co., Ltd.

(Notes) 1. Associate Senior Vice President Shun-ichi Nakagawa is External Director, and Corporate Auditors Katsuya Sato and Minoru Matsumoto are both External Auditors. The Company has designated them as independent director and auditors, respectively, as per the provisions of the Tokyo Stock Exchange, and has given notice to this effect to the mentioned Stock Exchange.

2. Corporate Auditor Minoru Matsumoto is qualified as a chartered accountant, and has a considerable degree of knowledge about financial and accounting matters.

3. The Company has introduced the executive officer system. Vice President Koji Sakamoto served as Senior General Manager of Administration Division, and Vice President Ritsuo Kamon served as Senior General Manager of Western Japan Sales Division.

4. During this consolidated fiscal year, the following changes were made to the position and duties of Director.

Name	Previous Position	Current Position	Date of Change
Mitsumasa Matsunaga	President In charge of Audit Department	Chairman	June 20, 2014
Mitsumasa Matsunaga	Chairman	Chairman/CEO	August 20, 2014
Toshiro Suzuki	Associate Senior Vice President Senior General Manager of Administration Division and General Manager of Corporate Strategy Department	President In charge of Audit Department and General Manager of Corporate Strategy Department	June 20, 2014
Toshiro Suzuki	President In charge of Audit Department and General Manager of Corporate Strategy Department	President/COO In charge of Audit Department and General Manager of Corporate Strategy Department	August 20, 2014
Mitsuo Kamoshita	Associate Senior Vice President Senior General Manager of Solution Marketing & Sales Division	Senior Vice President Senior General Manager of Solution Marketing & Sales Division	June 20, 2014
Yasuhiko Ota	Associate Senior Vice President Senior General Manager of 2nd Marketing & Sales Division	Senior Vice President Senior General Manager of 2nd Marketing & Sales Division	June 20, 2014
Yasuhiko Ota	Senior Vice President Senior General Manager of 2nd Marketing & Sales Division	Senior Vice President Senior General Manager of Eastern Japan Marketing & Sales Division and in charge of Device Sales Administration Section	October 1, 2014
Keiji Nishio	Associate Senior Vice President Senior General Manager of Finance & Accounting Division	Corporate Auditor (Standing)	June 20, 2014
Fumihide Kitamura	Associate Senior Vice President Deputy Senior General Manager of International Operations Division	Associate Senior Vice President Senior General Manager of International Operations Division	October 1, 2014

* As of April 1, 2015, Mr. Toshiro Suzuki has become President and COO in charge of Audit Department and Corporate Planning Department, while Mr. Yasuhiko Ota has become Senior General Manager of Marketing & Sales Administration Division and Senior General Manager of Eastern Japan Marketing & Sales Division.

5. The table below lists the Directors and Corporate Auditors who have retired during this consolidated fiscal year.

Name	Date of retirement	Reasons for retirement	Title, duties and important concurrent roles, etc., at the time of retirement
Yoshihiro Masada	June 20, 2014	Expiration of the term of office	Senior Vice President Senior General Manager of 1st Marketing & Sales Division

Hiromi Ishii	June 20, 2014	Expiration of the term of office	Senior Vice President Senior General Manager of Western Japan Sales Division
Fumiaki Urase	June 20, 2014	Expiration of the term of office	Senior Vice President Senior General Manager of International Operations Division Chairman of the Board of TAIWAN SANSHIN ELECTRONICS CO., LTD.
Taro Yonekawa	June 20, 2014	Resignation	Corporate Auditor (Standing)
Yutaka Suzuki	June 20, 2014	Expiration of the term of office	Corporate Auditor Certified Public Accountant, External Director of Mitsui High-tec Inc.

(2) Compensation to Be Paid to Directors and Corporate Auditors

1. Total compensation for this fiscal year

Post	Number of Officials	Amount to Be Paid
Directors (External Directors)	13 (1)	¥163 million (¥3 million)
Corporate Auditors (External Corporate Auditors)	6 (3)	¥36 million (¥9 million)
Total	19	¥199 million

Notes:
1. The Directors and Corporate Auditors above include four Directors and two Corporate Auditors (including one External Corporate Auditor) resigned at the conclusion of the 63rd Ordinary General Meeting of Shareholders held on June 20, 2014.
2. The amount of compensation for Directors does not include the salaries of Directors who concurrently serve as employees.
3. The upper limit on the total amount of compensation to be paid to Directors was set at ¥420 million per year (excluding the employee salaries) at the 56th Ordinary General Meeting of Shareholders held on June 22, 2007.
4. The upper limit on the total amount of compensation to be paid to Corporate Auditors was set at ¥50 million per year at the 42nd Ordinary General Meeting of Shareholders held on December 21, 1993.
5. As of March 31, 2015, the amount to be paid to current Directors includes ¥33 million in funds set aside as allowances for bonuses to eight (8) out of nine Directors, by excluding one External Director. The Company abolished bonuses for Corporate Auditors in the 54th term.

2. Retirement benefits paid to Officers for this fiscal year

At the 55th annual meeting of shareholders, which was held on June 23, 2006, approval was given for discontinuing payments in line with abolishing the retirement benefit system for directors. Following the resolution, we paid the following retirement benefits to Officers resigned at the conclusion of the 63rd Ordinary General Meeting of Shareholders held on June 20, 2014.

・2 million yen to one Director

(3) Matters concerning External Officers

1. State of significant posts held concurrently at other corporations, and relations between the Company and the location of the other posting

Position	Name	Location of Concurrent Post	Duties of Concurrent Post	Relationship with Location of Concurrent Post
Associate Senior Vice President	Shun-ichi Nakagawa	Comany Inc.	External Director	No special relationship exists
Corporate Auditor	Minoru Matsumoto	JASTEC Co., Ltd.	External Corporate Auditor	No special relationship exists

2. Major activities in the fiscal year under review

• Status of attendance at meetings of the Boards of Directors and Corporate Auditors

	Board of Directors Meetings (a total of 13 meetings)		Board of Corporate Auditors Meetings (a total of 18 meetings)	
	Number of Meetings Attended	Attendance Rate	Number of Meetings Attended	Attendance Rate
Associate Senior Vice President Shun-ichi Nakagawa	10	100%	-	-
Corporate Auditor Katsuya Sato	13	100%	18	100%
Corporate Auditor Minoru Matsumoto	10	100%	14	100%

Note: Mr. Shun-ichi Nakagawa and Mr. Minoru Matsumoto were newly elected at the 63th Ordinary General Meeting of Shareholders held on June 20, 2014. After the assumption of their respective position, Associate Senior Vice President Shun-ichi Nakagawa has attended 10 meetings of the Board of Directors, while Corporate Auditor Minoru Matsumoto has attended 14 meetings of the Board of Corporate Auditors.

• Advice and Suggestions Provided at Meetings of the Boards of Directors and Corporate Auditors

Associate Senior Vice President Shun-ichi Nakagawa provides advice and suggestions in terms of corporate governance, risk management and other issues based on his experience in corporate management at another listing company as well as his expertise as an external officer at another listing company.

Corporate Auditors Katsuya Sato and Minoru Matsumoto provide the advice and suggestions necessary for securing legal compliance of the Company’s management from the viewpoints of their positions as a lawyer and a certified public accountant, respectively.

3. Outline of the liability limitation contract

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Associate Senior Vice President Shun-ichi Nakagawa and Corporate Auditors Katsuya Sato and Minoru Matsumoto, which limit their liability for damages prescribed in Article 423, Paragraph 1 of the mentioned Companies Act. The amount of their liability under these agreements is limited by laws and regulations.

V. Status of Independent Auditor

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC.

(2) Amount of Compensation

	Amount to be Paid
Compensation to be paid to independent auditors for the fiscal year under review	¥44 million
Total of cash and other assets to be paid by the Company and subsidiaries to independent auditors	¥44 million

Notes: 1. Among principal subsidiaries of the Company, overseas subsidiaries were subject to audits by a person other than the accounting auditor who audits the Company (overseas certified public accountant or person equivalent to the qualification of audit corporation) (limited to an audit subject to a foreign law equivalent to the Companies Act or the Financial Instruments and Exchange Act of Japan).

2. The auditing contract between the Company and the Independent Auditors makes no distinction between auditing services based on the Corporate Law and auditing services based on the Financial Instruments and Exchange Law. Since no real distinction can be made in practice, the amount paid represents the total amount.

(3) Policy concerning Decisions to Dismiss or Not to Reappoint Independent Auditors

When there is any difficulty in execution of duties by the Accounting Auditor and their fulfillment is deemed necessary, the Board of Corporate Auditors shall determine the content of the proposal regarding whether to dismiss or not reappoint the Accounting Auditor to be submitted to the General Meeting of Shareholders. Furthermore, if the Accounting Auditor is deemed to fall under any of the items prescribed in Article 340, Paragraph 1 of the Companies Act, the Board of Corporate Auditors shall dismiss the Accounting Auditor based on consent of all corporate auditors. In this case, the Corporate Auditor designated by the Board of Corporate Auditors shall report on the dismissal of the Accounting Auditor and the reason thereof at the first General Meeting of Shareholders following the dismissal.

Note: Following the “Act for Partial Revision of the Companies Act” (Act No. 90/2014) effective as of May 1, 2015, the authority in determining the proposal regarding whether to dismiss or not reappoint an Accounting Auditor has changed from the Board of Directors to the Board of Corporate Auditors.

VI. System for Securing Appropriateness of Operations

Following are the key points of the decisions made in order to secure a system for ensuring the compliance of Directors' execution of duties in line with laws and regulations as well as with the Articles of Incorporation and a system for securing the appropriateness of the business operations of the Company.

(1) System for Securing Compliance of Execution of Duties by Directors and Employees with Laws and Regulations and Articles of Incorporation

- The Company shall set the code of conduct in line with the company creed and philosophy where its directors and employees are required to comply with, and ensure that each and every director and employee is thoroughly informed of this code.
- The Company shall set compliance rules and establish a framework for compliance, including an internal reporting (whistle-blower) system.
- When detecting serious legal violation or other important matters concerning compliance, Directors shall immediately notify Corporate Auditors and report it at a meeting of the Board of Directors or a corporate management meeting without any delay.
- The Company shall set up an internal audit department that is independent from operational divisions and responsible for auditing the operational processes thereof in order to prevent and detect illegal acts and improve the processes.
- Corporate Auditors shall be allowed not only to attend meetings of the Board of Directors on a permanent basis but also to participate in other important meetings and committee meetings as necessary. In addition, Corporate Auditors shall regularly hold meetings to seek the opinions of Independent Auditors.
- The Company shall stipulate explicitly the obligation to break off relations with antisocial forces in the code of conduct. Furthermore, it shall establish a department to handle such antisocial forces and take all necessary measures such as formulating a communication framework to contact the police and lawyers in the case of emergency, collecting and managing information, preparing regulations and manuals, and so on.

(2) System for Storage and Management of Information concerning Directors' Execution of Duties

- Directors shall store and manage documents and other information materials concerning their execution of duties appropriately in accordance with the rules set by the Company.
- Directors, corporate auditors and employees at the internal audit department may access such information at any times.

(3) Rules concerning Risk Management

- The Company has established risk management regulations, and clearly states the risks that it faces.
- Under the directions of its General Risk Committee, which is headed by the company president, the Company manages risk for the entire Group.
- As well as clarifying the supervisory department for each risk, the General Risk Committee sets up individual committees as required, and prepares systems for enabling swift and effective responses to be made when risks arise. Also, the Company formulates a Business Continuity Plan (BCP) that assumes the occurrence of a large scale earthquake related disaster.
- The General Risk Committee makes reports to the Board of Directors, as necessary, on the state of responses being made for risks that have arisen.
- Regarding potential risks requiring response, after assessing these, the General Risk Committee reviews the effectives of the risk policies and associated management systems, and then reports on their findings to the Board of Directors.

(4) System for Securing Efficiency of Execution of Duties by the Group’s Directors

- The Company shall hold a regular meeting of the Board of Directors every month and hold an extraordinary meeting of the Board of Directors as necessary.
- In addition, the Company shall regularly hold a corporate management meeting with the participation of Executive Directors, Standing Corporate Auditors and others, for which sufficient deliberations shall be conducted in advance on particularly important matters to be determined by the Board of Directors.
- With regard to the execution of operations based on decisions made at a meeting of the Board of Directors, the divisions and officials in charge thereof as well as the execution procedures shall be determined based on the rules concerning the allocation of operational responsibilities and authorities. Furthermore, by similarly maintaining necessary regulations and providing execution proceedings for each subsidiary, the Company aims to streamline execution of duties by each subsidiary's corresponding director.

(5) System for Securing Appropriateness of Operations of the Group

- All companies belonging to the Sanshin Electronics Group shall be required to comply with the Group creed and philosophy, the code of conduct and the compliance rules, and the Company shall ensure that directors and all employees of its subsidiaries are thoroughly informed. Each subsidiary shall maintain necessary regulations for itself based on the above rules.
- The Sanshin Electronics Group as a whole, including subsidiaries, shall implement measures to cope with the serious risks. Each subsidiary shall maintain necessary regulations for itself based on the above rules.
- Subsidiaries are required to obtain prior approval from and submit reports to the Company with regard to important matters as specified in the rules concerning the supervision of subsidiaries and affiliated companies.
- The Company shall regularly provide directors and employees of subsidiaries with opportunities to have the Company’s Directors and Corporate Auditors reporting on the execution of their respective duties.
- Corporate Auditors shall conduct necessary audits with regard to subsidiaries, too.

(6) Systems for Ensuring the Reliability of Financial Reporting

- To ensure the reliability of the Group’s financial reporting and the effective and appropriate submission of the internal control reports, the Company shall set the Internal Control Management Regulations and introduce the framework to evaluate the effectiveness of the internal control system on a regular basis and to correct inadequacies, if any.

(7) System for Accommodating Corporate Auditors' Requests for Assistant Employees and Independence of Said Employees from Directors

- Corporate Auditors shall be given the authority to issue instructions to the internal audit division with regard to matters necessary for their auditing activities.
- Concerning instructions received from Corporate Auditors with regard to matters necessary for their auditing activities, employees at the internal audit department shall not be bound by the chain of command leading down from Directors.
- The Company shall respect the Corporate Auditors' opinions with regard to matters related to the appointment, transfer, evaluation, disciplinary actions and so forth, of the employees at the internal audit department.

(8) Systems for Reporting by Directors and Employees to Corporate Auditors and for Securing Effective Audits by Corporate Auditors

- Corporate Auditors shall be given the authority to request necessary reports from directors and employees at any time.
- The Representative Directors shall provide the Corporate Auditors with opportunities to exchange opinions with them regularly.
- The internal audit department shall make sure to submit reports to Corporate Auditors after conducting audits of operations, etc.
- The Company shall establish an appropriate system for the reporting of matters concerning compliance, such as legal violation, to Corporate Auditors by setting compliance rules.
- Any disadvantageous treatment given to directors and employees who contribute through reports to audits by corporate auditors, or to directors, corporate auditors and employees of subsidiaries is prohibited.
- When Corporate Auditors request to the Company the payment in advance for the expenses related to the execution of their auditing duties, the Company shall pay such costs or amortize the liability immediately. Moreover, in order to pay the expenses incurred in the execution of duties by Corporate Auditors, the Company shall allocate a certain amount of budget each year.

Note: Following the "Act for Partial Revision of the Companies Act" (Act No. 90/2014) and the "Ordinance for Partial Revision of the Enforcement of the Companies Act" (Ministry of Justice Ordinance No. 6/2015), both effective as of May 1, 2015, partial revisions were performed and thus the foregoing represent the revised specifications.

CONSOLIDATED BALANCE SHEET
Sanshin Electronics Co., Ltd.
As of March 31, 2015

	Millions of yen
ASSETS	
Current assets:	
Cash and deposits	12,489
Notes and accounts receivable-trade	59,474
Merchandise	17,359
Partly-finished work	0
Accrued income	208
Deferred tax assets	604
Others	5,211
Allowance for doubtful accounts	(10)
Total current assets	95,336
Non-current assets:	
Property and equipment	
Buildings and structures	1,777
Land	2,053
Leased assets	143
Others	56
Total property and equipment	4,031
Intangible assets:	281
Investments and other assets:	
Investment securities	1,681
Other investments	542
Allowance for doubtful accounts	(202)
Total investments and other assets	2,022
Total non-current assets	6,335
TOTAL	101,672

Note: Figures are rounded down to the nearest million yen.

CONSOLIDATED BALANCE SHEET
Sanshin Electronics Co., Ltd.
As of March 31, 2015

	Millions of yen
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
Current liabilities:	
Notes and accounts payable-trade	31,264
Short-term loans payable	1,737
Lease obligations	50
Accrued corporate tax, etc.	765
Allowance for bonuses to employees	636
Allowance for bonuses to directors and corporate auditors	33
Others	1,055
Total current liabilities	35,542
Non-current liabilities:	
Lease obligations	93
Deferred tax liabilities	173
Net defined benefit liabilities	123
Others	119
Total non-current liabilities	510
Total liabilities	36,052
NET ASSETS:	
Shareholders' equity:	64,152
Capital stock	14,811
Capital surplus	15,329
Retained earnings	34,775
Treasury stock	(763)
Accumulated other comprehensive income:	1,466
Valuation difference on available-for-sale securities	539
Deferred hedge gains (losses)	72
Foreign currency translation adjustments	849
Remeasurements of defined benefit plans	4
Total net assets	65,619
TOTAL	101,672

Note: Figures are rounded down to the nearest million yen.

CONSOLIDATED PROFIT AND LOSS STATEMENT
Sanshin Electronics Co., Ltd.
For the year ended March 31, 2015

		Millions of yen
Net sales		219,091
Cost of sales:		205,375
Gross profit		13,715
Selling, general and administrative expenses:		10,455
Operating profit		3,260
Non-operating profit:		
Interest income	10	
Dividend income	25	
Others	67	103
Non-operating expenses:		
Interest expenses	22	
Sales discounts	28	
Foreign exchange loss	41	
Loss on sales of electronically recorded monetary claims	148	
Others	5	246
Ordinary profit		3,117
Extraordinary profits:		
Gain on sale of non-current asstes	2	
Gain on sale of investment securities	0	2
Extraordinary losses:		
Loss on retirement of non-current assets	3	3
Net profit before tax and other adjustments		3,116
Income taxes:		
Current	1,206	
Deferred	(93)	1,112
Income before minority interest		2,003
Net profit		2,003

Note: Figures are rounded down to the nearest million yen.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Sanshin Electronics Co., Ltd.

For the year ended March 31, 2015

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2014	14,811	15,329	33,400	(763)	62,778
Cumulative effects of changes in accounting policies			(65)		(65)
Restated balance	14,811	15,329	33,334	(763)	62,712
Changes during the term					
Dividends from retained earnings			(563)		(563)
Net profit			2,003		2,003
Acquisition of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes during the term	—	—	1,440	(0)	1,440
Balance as of March 31, 2015	14,811	15,329	34,775	(763)	64,152

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income	
Balance as of April 1, 2014	485	84	(870)	(223)	(523)	62,255
Cumulative effects of changes in accounting policies						(65)
Restated balance	485	84	(870)	(223)	(523)	62,189
Changes during the term						
Dividends from retained earnings						(563)
Net profit						2,003
Acquisition of treasury stock						(0)
Net changes of items other than shareholders' equity	54	(11)	1,719	228	1,989	1,989
Total changes during the term	54	(11)	1,719	228	1,989	3,430
Balance as of March 31, 2015	539	72	849	4	1,466	65,619

Note　Figures are rounded down to the nearest million yen.

Notes to Consolidated Financial Statements

(Notes on the Basic Important Points for Preparing the Consolidated Financial Statements of This Term)

1. Scope of consolidation

Number of consolidated subsidiaries: 8

Names of companies:

SANSHIN ELECTRONICS (HONG KONG) CO., LTD.
SANSHIN ELECTRONICS SINGAPORE (PTE) LTD.
TAIWAN SANSHIN ELECTRONICS CO., LTD.
SANSHIN ELECTRONICS CORPORATION
SANSHIN ELECTRONICS KOREA CO., LTD.
SANSHIN ELECTRONICS (THAILAND) CO., LTD.
SANSHIN ELECTRONICS (SHANGHAI) CO., LTD.
SANSHIN NETWORK SERVICE CO., LTD.

Number of non-consolidated subsidiaries: 4

Names of companies:

SANSHIN MEDIA SOLUTIONS CO., LTD.
AXIS DEVICE TECHNOLOGY CO., LTD.
SANSHIN ELECTRONICS (SHENZHEN) CO., LTD.
SAN SHIN ELECTRONICS (MALAYSIA) SDN. BHD.

Rationale for exclusion of non-consolidated subsidiaries from the scope of consolidation:

The size of each of the non-consolidated subsidiaries is small, and each company’s total assets, net sales and net profit or loss (amount corresponding to equity) and retained earnings (amount corresponding to equity) are small in size and neither does significantly affect the consolidated financial statements.

The standards for judging whether or not the subsidiary has materiality are based on the past five-year average net profit or loss on the part of both the Company and the subsidiaries.

2. Application of equity method

Non-consolidated subsidiaries to which the equity method is not applied

Names of companies:

SANSHIN MEDIA SOLUTIONS CO., LTD.
AXIS DEVICE TECHNOLOGY CO., LTD.
SANSHIN ELECTRONICS (SHENZHEN) CO., LTD.
SAN SHIN ELECTRONICS (MALAYSIA) SDN. BHD.

Rationale for non-application of the equity method:

Based on each of the non-consolidated subsidiaries' net income or loss (amount corresponding to equity) and retained earnings (amount corresponding to equity) etc., and neither does significantly affect the Company's consolidated financial statements, nor have importance as a whole, even if excluded from the subject of equity method.

The standards for judging whether or not the subsidiary has materiality are based on the past five-year average net profit or loss on the part of both the Company and the subsidiaries.

3. Matters concerning accounting methods

A. Valuation standards and methods for major assets

a. Available-for-sale securities

Other available-for-sale securities

With market value: At market value, using the fair market value at the end of this consolidated fiscal year. (Appraisal differences are dealt with by means of the direct capital influx method, with cost of securities sold calculated by means of the moving average method.)

Without market value: At cost, using the moving average method.

b. Derivatives

At market value.

c. Inventories

Merchandise: Primarily at cost, using the moving average method. (Figures stated on balance sheets are calculated by means of the write-down method based on a decline in profitability.)

Partly-finished work: At cost, using the specific identification method. (Figures stated on balance sheets are calculated by means of the write-down method based on a decline in profitability.)

B. Depreciation method for major depreciable assets

a. Property and equipment (Excluding leased assets): Primarily the declining-balance method. However, buildings (excluding equipment and installations) are depreciated on the straight-line method. The useful life of buildings and structures is 15 to 50 years; for other property and equipment, it is 3 to 20 years.

b. Intangible assets: (Excluding leased assets): Straight-line method. The estimated useful life of software for internal use is 3 to5 years.

c. Leased assets: Straight-line method using the lease period as the useful life and zero residual value.

C. Accounting standards for major allowances

a. Allowance for doubtful accounts:

Provided at an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the rate of actual collection losses with respect to the remaining receivables.

b. Allowance for bonuses to employees:

Allowance for employees' bonuses is provided at an amount applicable to this consolidated fiscal year based on the estimated amount to be paid in the next year.

c. Allowance for bonuses to directors and corporate auditors:

Allowance for officers' bonuses is provided at an amount applicable to this consolidated fiscal year based on the estimated amount to be paid in the next year.

D. Major foreign currency transactions

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the consolidated-fiscal-year-end spot market exchange rates; any foreign exchange gains and losses from transactions are specified in the statement of income. Assets and liabilities of overseas subsidiaries are translated into yen at the exchange rates in effect as of the fiscal year end, and revenues and expenses are translated into yen at the average exchange rates for the fiscal year. The resulting translation adjustments are included in the foreign currency translation adjustment in net assets.

E. Significant hedge accounting

a. Hedge accounting methods:

Primarily the deferred hedge accounting method

Hedge accounting is adopted for foreign currency receivables and payables, etc. on exchange forward contracts.

b. Hedging instruments and hedged items:

Hedging instrument:	Foreign currency forward contracts
Hedged items:	Both payables and receivables, and forecasted transactions denominated in foreign currencies

c. Hedge policy:

The Company uses foreign currency derivatives as a means of hedging exposure to foreign currency risk. Such transactions are all carried out with the finance department of the Company as the lead department, according to Company regulations. The Company does not enter into derivatives for trading or speculative purposes not stated in its regulations.

d. Hedge effectiveness assessment:

Hedge effectiveness is evaluated at least every six months by evaluating whether the cash flow changes in the hedged item and cash flow changes in the hedge instrument cancel each other out at a high level.

F. Accounting standards for net defined benefit liability

Net defined benefit liability is provided in the amount equal to the benefit obligations minus the pension assets based on the projected amount at the end of this consolidated fiscal year, in order to prepare for the allowance for employees' severance and retirement benefits. The retirement benefit obligations are calculated using a payment calculation standard which is a method of attributing projected retirement benefits for the service period up to the current consolidated fiscal year.

The prior service expenses are amortized by the straight-line method for a given number of years (10 years) within employees' average remaining years of service, at the time of occurrence. The actuarial gains and losses are amortized in the year subsequent to their occurrence, by the straight-line method or a given number of years (10 years) within employees'average remaining period of service.

Unrecognized actuarial gains and losses and unrecognized past service expenses are reflected in remeasurements of defined benefit plans in the accumulated other comprehensive income of net assets, after adjusting for tax effects.

G. Consumption tax and similar taxes

Excluded from transaction amounts for the Company and its consolidated domestic subsidiaries.

Notes to Changes in the Accounting Principles

(Application of the Accounting Standards for Retirement Benefits)

We have adopted “Accounting Standards regarding Retirement Benefits” (Application Guidance of Corporate Accounting Standards, No. 26, May 17, 2012; hereinafter referred to as the “Accounting Standards for Retirement Benefits”) and “Application Guidelines for Accounting Standards regarding Retirement Benefits” (Application Guidance of Corporate Accounting Standards, No. 25, March 26, 2015; hereinafter referred to as the “Application Guidelines for Retirement Benefits”) from the consolidated fiscal year under review, on provisions stipulated in the texts of the Sector 35 of the Accounting Standards for Retirement Benefits and of the Section 67 of the Application Guidelines for Retirement Benefits: we have revised the accounting method for retirement benefit obligations and service liabilities, and we have changed our method of attributing projected retirement benefits from a fixed amount standard to a payment calculation standard along with changing the method of discount determination to a method that uses single-weighted average discount rate reflecting timing and amounts, either than the discount rate based on the average remaining years of service.

To apply the Accounting Standards regarding Retirement Benefits, we comply with the transitional handling stipulated in the Section 37 of the Accounting Standards for Retirement Benefits, and effect of changes of accounting method for retirement benefit obligations and service expenses, financial effects are added to or subtracted from retained earnings, at the beginning of the consolidated period under review.

As a result, net defined benefit liability increased by ¥102 million, while retained earnings decreased by ¥65 million, as of the beginning of the consolidated period under review.

Notes to the Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment ¥ 5,140 million
2. Liabilities for guarantees
   Guarantees for bank borrowings
   Employees* ¥50 million

* Of loan guarantees to financial institutions concerning employee's borrowings to acquire housing, the portion to which home loan insurance applies has almost no risk attached and thus is excluded from liabilities for guarantees.

Notes to the Consolidated Statement of Changes in Shareholders' Equity

1. Matters concerning types and numbers of outstanding shares and treasury shares

	No. of shares at the beginning of Fiscal 2014 (consolidated)	Increase in No. of shares during Fiscal 2014 (consolidated)	Decrease in No. of shares during Fiscal 2014 (consolidated)	No. of shares at the end of Fiscal 2014 (consolidated)
Outstanding shares				
Common shares	29,281,373	―	―	29,281,373
Total	29,281,373	―	―	29,281,373
Treasury shares				
Common shares (Note)	1,101,952	164	―	1,102,116
Total	1,101,952	164	―	1,102,116

Note: The common stock increased by 164 treasury shares due to the purchase of 164 odd-lot shares.

2. Matters concerning dividends

A. Payment of dividends

Resolution	Type of shares	Total amount of dividends (¥million)	Dividends per share (¥)	Record date	Effective date
The ordinary general meeting of shareholders on June 20, 2014	Common shares	281	10	March 31, 2014	June 23, 2014
The Board of Directors meeting on November 22, 2014	Common shares	281	10	September 30, 2014	December 10, 2014

B. Out of dividends whose record date is within this consolidated fiscal year, those for which the effective date will come after the end of this fiscal year

Resolution	Type of shares	Total amount of dividends (¥million)	Sources of dividends	Dividends per share (¥)	Record date	Effective date
The ordinary general meeting of shareholders on June 19, 2015 (scheduled)	Common shares	845	Retained earnings	30	March 31, 2015	June 22, 2015

Financial Instruments

1. Matters concerning the state of financial instruments

(1) Policy Initiatives for Financial Instruments

The Group operates performs fund management by operating with safe and secure financial instruments, and primarily performs fund procurement through bank loans. Derivatives are used to avoid the risk of exchange rate fluctuations, and we do not perform speculative trading.

(2) Financial instruments, Risks Involved and Risk Management Systems

Notes and accounts receivable, which are operating receivables, are exposed to customer credit risks. Operating receivables in foreign currency, which arise from our efforts to globally expand business, are also exposed to the risk of exchange rate fluctuations. Regarding customer credit risk, in accordance with company regulations, we have established systems for performing term administration and balance management, as well as regularly evaluating major clients' credit statuses. As for exchange rate fluctuation risks, we use forward exchange contracts to offset any risks that these may pose towards our netted position of notes and accounts payable in mainly foreign currency.

Shares, which are investment securities, are exposed to the risk of fluctuations in market values, although these are mainly shares in companies that we have business relations with, and periodically evaluated market values are reported to the board of directors.

Notes and accounts payable, which are business debts, all have a payment deadline of within one year. Although some of these are exposed to exchange rate fluctuation risks, as a result of being derived from imports from overseas and therefore being in foreign currency, we perform risk management for our netted position of operating receivables in the relevant foreign currency.

Loans are mainly funds procured for business transactions. Although floating-rate borrowings are exposed to interest rate fluctuation risks, the Group manages these by distributing repayment dates so that short term loans may be repaid flexibly when there is a financing surplus.

Regarding execution and management of derivatives transactions, the Group complies with company regulations specifying authority to perform transactions, and when using derivatives, in order to reduce credit risk we only deal with high-rating financial institutions.

Business debts and loans are also exposed to liquidity risks. However, the Group manages this through methods such as having each company produce monthly financing plans.

(3) Further Notes on Matters Concerning Market Values of Financial Instruments

Market values of financial instruments include values based on market prices, or, where no market price exists, reasonably calculated values. Because variable factors are incorporated in the calculation of these values, the values may change when different assumptions are used.

2. Items Concerning Market Values of Financial Instruments

Consolidated balances sheet amounts, market values and their differences, as of March 31, 2015, are as outlined below. Items for which it was deemed prohibitively difficult to evaluate market value are not included in the following table. (see Note 2)

Millions of yen

	Amount stated on consolidated balance sheet (*1)	Market value (*1)	Difference
(1) Cash and deposits	12,489	12,489	–
(2) Notes and accounts receivable-trade	59,474	59,474	–
(3) Accrued income	208	208	–
(4) Investment securities	1,549	1,549	–
(5) Notes and accounts payable-trade	(31,264)	(31,264)	–
(6) Short-term loans payable	(1,737)	(1,737)	–
(7) Accrued corporate tax, etc.	(765)	(765)	–
(8) Derivative transactions (*2)	106	106	–

*1: Numbers in parenthesis indicate liabilities.

*2: Net credits and debts arising from derivatives trading are displayed as net values.

Notes: 1. Methods used for calculating market values of financial instruments, and items concerning securities and derivatives trading

(1) Cash and deposits, (2) Notes and accounts receivable-trade and (3) Accrued income

As these are settled quickly, their market value is roughly equal to their book value, and therefore they are determined by the relevant book value.

(4) Investment securities

With these market values, share prices are those given by the Stock Exchange.

(5) Trade notes and accounts payable, (6) Short-term loans payable and (7) Accrued corporate tax, etc.

As these are settled quickly, their market values are almost equal to book values, and therefore they are determined by the relevant book value.

(8) Derivative transactions

Market value is measured by the price or other information provided by client financial institution, etc.

2. Financial instruments for which it is deemed prohibitively difficult to evaluate market value

With unlisted shares (recorded at ¥132 million in the consolidated balance sheet), because there are no market values, and evaluating their value is deemed prohibitively difficult, these are not included in (4) Investment securities.

Notes on Per-Share Information

Net assets per share ¥ 2,328.64
Net income per share ¥ 71.11

Notes on Significant Events Pursuant to Date of Calculation

Not applicable.

NON-CONSOLIDATED BALANCE SHEET
Sanshin Electronics Co., Ltd.
As of March 31, 2015

	Millions of yen
ASSETS	
Current assets:	
Cash and deposits	8,038
Trade notes	897
Trade accounts	48,753
Merchandise	12,378
Partly-finished work	0
Advance payment	149
Prepaid expenses	16
Short-term loans receivable to subsidiaries and affiliates	955
Accrued income	366
Deferred tax assets	625
Consumption taxes receivable	4,501
Others	122
Allowance for doubtful accounts	(0)
Total current assets	76,936
Non-current assets:	
Property and equipment:	
Buildings	1,743
Structures	18
Vehicles	0
Tools and fixtures	23
Land	2,053
Leased assets	133
Total property and equipment	3,972
Intangible assets:	
Software	218
Others	51
Total intangible assets	269
Investments and other assets:	
Investment securities	1,564
Stocks of subsidiaries and affiliates	3,416
Guarantee money deposit	78
Other investments	64
Allowance for doubtful accounts	(31)
Total investments and other assets	5,092
Total non-current assets	9,334
TOTAL	**86,270**

Note: Figures are rounded down to the nearest million yen.

NON-CONSOLIDATED BALANCE SHEET
Sanshin Electronics Co., Ltd.
As of March 31, 2015

	Millions of yen
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
Current liabilities:	
Trade notes	145
Trade accounts	26,560
Short-term loans payable	1,261
Lease obligations	45
Accounts payable	275
Accrued expenses	187
Accrued corporate tax, etc.	656
Advance received	249
Allowance for bonuses to employees	636
Allowance for bonuses to directors and corporate auditors	33
Others	38
Total current liabilities	30,089
Non-current liabilities:	
Lease obligations	87
Deferred tax liabilities	169
Employees’ severance and retirement benefits	72
Others	119
Total non-current liabilities	450
Total liabilities	30,539
NET ASSETS:	
Shareholders’ equity:	55,118
Capital stock	14,811
Capital surplus	15,329
Capital reserve	15,329
Retained earnings:	25,740
Retained surplus	670
Others	25,069
Reserve for dividend payments	600
General reserve	18,680
Retained earnings brought forward	5,789
Treasury stock	(763)
Valuation and translation adjustments	612
Valuation difference on available-for-sale securities	539
Deferred hedge gains (losses)	72
Total net assets	55,730
TOTAL	**86,270**

Note: Figures are rounded down to the nearest million yen.

NON-CONSOLIDATED PROFIT AND LOSS STATEMENT

Sanshin Electronics Co., Ltd.

For the year ended March 31, 2015

		Millions of yen
Net sales		162,469
Cost of sales:		153,283
Gross profit		9,186
Selling, general and administrative expenses:		7,549
Operating profit		1,636
Non-operating profit:		
Interest and dividend income	968	
Management consulting fees	420	
Others	63	1,452
Non-operating expenses:		
Interest expenses	8	
Foreign exchange loss	40	
Loss on sales of electronically recorded monetary claims	148	
Others	6	204
Ordinary profit		2,884
Extraordinary profits:		
Gain on sale of non-current asstes	2	
Gain on sale of investment securities	0	2
Extraordinary losses:		
Loss on retirement of non-current assets	0	0
Net profit before tax and other adjustments		2,886
Income taxes:		
Current	936	
Deferred	(77)	858
Net profit		2,028

Note: Figures are rounded down to the nearest million yen.

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
Sanshin Electronics Co., Ltd.
For the year ended March 31, 2015

Millions of yen

	Shareholders' equity									
	Capital stock	Capital surplus		Retained earnings					Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Retained surplus	Other retained earnings			Total retained earnings		
					Reserve for dividend payments	General reserve	Unappropriated retained earnings for the term			
Balance as of April 1, 2014	14,811	15,329	15,329	670	600	18,680	4,390	24,341	(763)	53,719
Cumulative effects of changes in accounting policies							(65)	(65)		(65)
Restated balance	14,811	15,329	15,329	670	600	18,680	4,324	24,275	(763)	53,653
Changes during the term										
Dividends from retained earnings							(563)	(563)		(563)
Net profit							2,028	2,028		2,028
Acquisition of treasury stock									(0)	(0)
Net changes of items other than shareholders' equity										
Total changes during the term	—	—	—	—	—	—	1,464	1,464	(0)	1,464
Balance as of March 31, 2015	14,811	15,329	15,329	670	600	18,680	5,789	25,740	(763)	55,118

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred hedge gains (losses)	Total valuation and translation adjustments	
Balance as of April 1, 2014	485	84	570	54,289
Cumulative effects of changes in accounting policies				(65)
Restated balance	485	84	570	54,223
Changes during the term				
Dividends from retained earnings				(563)
Net profit				2,028
Acquisition of treasury stock				(0)
Net changes of items other than shareholders' equity	54	(11)	42	42
Total changes during the term	54	(11)	42	1,506
Balance as of March 31, 2015	539	72	612	55,730

Note: Figures are rounded down to the nearest million yen.

Notes to Non-consolidated Financial Statements

1. Notes to Matters concerning Significant Accounting Principles

A. Valuation standards and methods for assets

a. Valuation standards and methods for available-for-sale securities

Shares of subsidiaries and affiliates:

At cost, using the moving average method.

Other available-for-sale securities:

With market value: At market value, using the fair market value at term-end. (Appraisal differences are dealt with by means of the direct capital influx method, with cost of securities sold calculated by means of the moving average method.)

Without market value: At cost, using the moving average method.

b. Valuation standards and methods for derivatives

At market value.

c. Valuation standards and methods for inventories

Merchandise: At cost, using the moving average method. (Figures stated on balance sheets are calculated by means of the write-down method based on a decline in profitability.)

Partly-finished work: At cost, using the specific identification method (figures stated on balance sheets are calculated by means of the write-down method based on a decline in profitability.)

B. Depreciation method for non-current assets

a. Property and equipment: (Excluding leased assets) Declining-balance method

However, buildings (excluding equipment and installations) are depreciated on the straight-line method.

Estimated useful lives are generally as follows:

Buildings:	15-45 years
Structures:	15-50 years
Vehicles:	4 years
Equipment:	4-20 years

b.Intangible assets: (Excluding leased assets) Straight-line method

The estimated useful life of software for internal use is five years.

c. Leased assets: Straight-line method using the lease period as the useful life and zero residual value。

C. Accounting standards for allowances

a. Allowance for doubtful accounts:

Provided at an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the rate of actual collection losses with respect to the remaining receivables.

b. Allowance for bonuses to employees:

Allowance for employees’ bonuses is provided at an amount applicable to this term based on the estimated amount to be paid in the next term.

c. Allowance for bonuses to directors and corporate auditors:

Allowance for officers’ bonuses is provided at an amount applicable to this term based on the estimated amount to be paid in the next term.

d. Employees' severance and retirement benefits:

The Company makes provision for the necessary amount of allowance for employees' severance and retirement benefits deemed to accrue during the term, based on the Company's payment obligation and the pension fund balance at the term-end. The retirement benefit obligations are calculated using a payment calculation standard which is a method of attributing projected retirement benefits for the service period up to the current business year.

The prior service obligation is amortized by the straight-line method for a given number of years (10 years) within employees' average remaining years of service.

The actual gain or loss is amortized, from the year following the year in which the gain or loss is recognized, by the straight-line method or a given number of years (10 years) within employees' average remaining period of service.

D. Foreign currency transactions

All foreign-currency-denominated receivables and payables are converted into Japanese yen at the term-end spot market exchange rate; any foreign exchange gains and losses from transactions are specified in the statement of income.

E. Hedge accounting

a. Hedge accounting method

Deferred hedge accounting method

Hedge accounting is adopted for foreign currency receivables and payables etc. on exchange forward contract

b. Hedging instruments and hedged items:

Hedging instrument:	Foreign currency forward contracts
Hedged items:	Both payables and receivables, and forecasted transactions denominated in foreign currencies

c. Hedge policy:

The Company uses foreign currency derivatives as a means of hedging exposure to foreign currency risk. Such transactions are all carried out with the finance department of the Company as the lead department, according to Company regulations. The Company does not enter into derivatives for trading or speculative purposes not stated in its regulations.

d. Hedge effectiveness assessment::

Hedge effectiveness is evaluated at least every six months by evaluating whether the cash flow changes in the hedged item and cash flow changes in the hedge instrument cancel each other out at a high level.

F. Consumption tax and similar taxes

Consumption tax and local consumption tax are excluded from transaction amounts.

2. Notes to Changes in the Accounting Principles

(Application of the Accounting Standards for Retirement Benefits)

We have adopted "Accounting Standards regarding Retirement Benefits" (Application Guidance of Corporate Accounting Standards, No. 26, May 17, 2012; hereinafter referred to as the "Accounting Standards for Retirement Benefits") and "Application Guidelines for Accounting Standards regarding Retirement Benefits" (Application Guidance of Corporate Accounting Standards, No. 25, March 26, 2015; hereinafter referred to as the "Application Guidelines for Retirement Benefits") from the current business year, on provisions stipulated in the texts of the Sector 35 of the Accounting Standards for Retirement Benefits and of the Section 67 of the Application Guidelines for Retirement Benefits: we have revised the accounting method for retirement benefit obligations and service liabilities, and we have changed our method of attributing projected retirement benefits from a fixed amount standard to a payment calculation standard along with changing the method of discount determination to a method that uses single-weighted average discount rate reflecting timing and amounts, either than the discount rate based on the average remaining years of service.

To apply the Accounting Standards regarding Retirement Benefits, we comply with the transitional handling stipulated in the Section 37 of the Accounting Standards for Retirement Benefits, and effect of changes of accounting method for retirement benefit obligations and service expenses, financial effects are added to or subtracted from retained earnings, at the beginning of the current business year.

As a result, provision for retirement benefits increased by ¥102 million, while retained earnings brought forward decreased by ¥65 million, as of the beginning of the current business year. Also, during the current business year, operating profit, ordinary profit and net profit before tax decreased by ¥18 million, respectively.

3. Notes to the Non-Consolidated Balance Sheet

A. Accumulated depreciation of property and equipment		¥ 4,854 million
B. Liabilities for guarantees		
Guarantees for bank borrowings		
SANSHIN ELECTRONICS (SHANGHAI) CO., LTD.*1		¥ 360 million
		(US$ 3,000 thousand)
Employees*2		¥ 50 million
Guarantees for notes and accounts payable-trade		
SANSHIN ELECTRONICS (HONG KONG) CO.,LTD.		¥ 804 million
		(US$ 6,699 thousand)
	Total	¥ 1,215 million

*1: A letter of management advice has been submitted.

*2: Of loan guarantees to financial institutions concerning employee's borrowings to acquire housing, the portion to which home loan insurance applies has almost no risk attached and thus is excluded from liabilities for guarantees.

C. Monetary assets and liabilities due from or to subsidiaries and affiliates

a. Short-term assets due from subsidiaries and affiliates	¥ 7,650 million
b. Short-term liabilities due to subsidiaries and affiliates	¥ 226 million

4. Notes to the Non-Consolidated Statement of Income

Transactions with subsidiaries and affiliates

a. Sales	¥ 33,566 million
b. Purchases	¥ 1,594 million
c. Transactions other than operating activities	¥ 1,383 million

5. Notes to the Non-Consolidated Statement of Changes in Shareholders' Equity

Matters concerning type and number of treasury shares

(share)

Type of shares	No. of shares at the beginning of Fiscal 2014	Increase in No. of shares during Fiscal 2014	Decrease in No. of shares during Fiscal 2014	No. of shares at the end of Fiscal 2014
Common shares	1,101,952	164	―	1,102,116

Note: The common stock increased by 164 treasury shares due to the purchase of 164 odd-lot shares.

6. Notes on Tax Effect Accounting

(1) Breakdown by cause of deferred tax assets and liabilities:

Deferred tax assets (current)	
Excess of allowance for bonuses over the deductible limit	¥ 210 million
Non-deductible valuation loss on merchandise	¥ 359 million
Other	¥ 91 million
Subtotal	¥ 661 million
Deferred tax liabilities (current)	
Deferred gains or losses on hedges	(¥ 35 million)
Deferred tax assets (non-current)	
Excess of allowance for doubtful accounts over the deductible limit	¥ 10 million
Non-deductible reserve for directors' and corporate auditors' retirement allowances	¥ 26 million
Employees' severance and retirement benefits	¥ 23 million
Evaluation loss on securities held for investment excluded from expenses	¥ 6 million
Non-deductible loss on valuation of golf club memberships	¥ 3 million
Impairment loss excluded from expenses	¥ 6 million
Non-deductible loss on expenses for development of internal company systems	¥ 40 million
Other	¥ 4 million
Subtotal	¥ 122 million
Valuation reserve	(¥ 38 million)
Total deferred tax assets	¥ 84 million
Deferred tax liabilities (non-current)	
Valuation difference on available-for-sale securities	(¥ 254 million)
Total deferred tax liabilities	(¥ 254 million)
Net deferred tax assets	¥ 455 million

(2) Reconciliation between the statutory income tax rate and the effective income tax rate after the adoption of tax-effect accounting

Statutory effective rate	35.6%
(Reconciliation items)	
Entertainment expenses and others that are permanently non-deductible	1.0%
Dividends and others that are permanently excluded	(11.2%)
Per capita inhabitant's tax	1.0%
Increase/decrease in valuation reserve	0.4%
Downward revision to deferred tax assets at term-end due to changes in the taxation rates	2.2%
Other	0.7%
Effective income tax rate after the adoption of tax-effect accounting	29.7%

(3) Modification to the amount of deferred tax assets and liabilities due to changes in corporate taxation rates

Following the promulgation of the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 9/2015) and "Act for Partial Revision of the Local Tax Act, etc." (Act No. 2/2015) on March 31, 2015, the corporate income tax rate will be reduced from the fiscal year started on April 1, 2015. In accordance with this reform, the effective statutory tax rates, which are used to measure deferred tax assets and deferred tax liabilities, shall be reduced from 35.6% to 33.% for temporary differences that are expected to be eliminated during the fiscal year started on April 1, 2015, and to 32.3% for those that are expected to be eliminated on or after April 1, 2016.

As a result of this change in the tax rate, the amount of deferred tax assets (the amount of deferred tax liabilities is deducted) decreased ¥31 million, while income taxes-deferred, valuation difference on available-for-sale securities and deferred hedge gains (losses) increased ¥60 million, ¥26 million and ¥2 million, respectively.

7. Notes on Transactions with Related Parties

Type	Company Name	Percentage of Ownership of Voting Rights, etc. (%)	Relationship with Related Parties	Transaction Details	Transaction Amounts (Million yen)	Item	Balance as of the end of fiscal year (Million yen)
Subsidiary	SANSHIN ELECTRONICS (HONG KONG) CO., LTD.	100% directly owned	Mutual supply of some products of the Company and the relevalent companies	Sales of products	15,452	Trade accounts receivable	1,980
Subsidiary	TAIWAN SANSHIN ELECTRONICS CO., LTD.	100% directly owned	Mutual supply of some products of the Company and the relevalent companies	Sales of products	12,926	Trade accounts receivable	4,392

Notes: 1. Prices and other terms and conditions are determined through price negotiations, with consideration given to prevailing market conditions.
2. Consumption taxes are not included in the above transaction amounts.

8. Notes on Per Share Information

(1) Net assets per share ¥ 1,977.72
(2) Net income per share ¥ 71.98

9. Notes on Important Later Event

Not applicable.

(English Translation of the Independent Auditor’s Report Originally Issued in the Japanese Language)

Independent Auditor’s Report

May 8, 2015

To the Board of Directors of Sanshin Electronics Co., Ltd.:

Deloitte Touche Tohmatsu LLC.

Ken-ichi Iino
Designated and Engagement Limited Partner
Certified Public Accountant

Takeshi Ando
Designated and Engagement Limited Partner
Certified Public Accountant

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, which consist of the consolidated balance sheet, consolidated statement of income, consolidated statement of shareholders' equity and notes to consolidated financial statements, of Sanshin Electronics Co., Ltd., (the "Company") for the consolidated fiscal year from April 1, 2014 to March 31, 2015.

Responsibility of the Company's management for preparation of consolidated financial statements
The responsibility of the Company's management is to prepare and fairly present these consolidated financial statements in accordance with accounting standards generally accepted in Japan. This includes designing and operating internal control judged by management as necessary to prepare and fairly present consolidated financial statements that are free from material misstatements due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit from an independent perspective. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we design the audit plan and perform the audit accordingly to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatements.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in these consolidated financial statements. Audit procedures were selected and applied on the basis of our judgments, including the assessment of risk of material misstatements in consolidated financial statements due to fraud or error. In making this risk assessment, we have considered the Company's internal control relating to the preparation and fair presentation of these consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the presentation of these consolidated financial statements taken as a whole, including accounting policies used by management, their application, and accounting estimates made by management.

We believe that the audit evidence we have obtained is sufficient and appropriate, and provides a reasonable basis for our opinion.

Auditor’s opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Sanshin Electronics Co., Ltd. and its consolidated subsidiaries for the related consolidated fiscal year, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Interest relationships
There are no interest relationships either between the Company and our audit corporation or between the Company and the Designated Employees and Engagement Partners that are required to be reported by the Certified Public Accountant Law.

(English Translation of the Independent Auditor’s Report Originally Issued in the Japanese Language)

Independent Auditor’s Report

May 8, 2015

To the Board of Directors of Sanshin Electronics Co., Ltd.:

Deloitte Touche Tohmatsu LLC.

Ken-ichi Iino
Designated and Engagement Limited Partner
Certified Public Accountant

Takeshi Ando
Designated and Engagement Limited Partner
Certified Public Accountant

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements, which consist of the balance sheet, statement of income, statement of shareholders' equity, notes to non-consolidated financial statements, and detailed statements thereof, of Sanshin Electronics Co., Ltd., (the "Company") for the 64th fiscal year from April 1, 2014 to March 31, 2015.

Responsibility of the Company's management for preparation of financial statements
The responsibility of the Company's management is to prepare and fairly present these financial statements and detailed statements thereof in accordance with accounting principles generally accepted in Japan. This includes designing and operating internal control judged by management as necessary to prepare and fairly present financial statements and detailed statements thereof that are free from material misstatements due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements and detailed statements thereof based on our audit from an independent perspective. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we design the audit plan and perform the audit accordingly to obtain reasonable assurance about whether these financial statements and detailed statements thereof are free from material misstatements.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in these financial statements and detailed statements thereof. Audit procedures were selected and applied on the basis of our judgments, including the assessment of risk of material misstatements in financial statements and detailed statements thereof due to fraud or error. In making this risk assessment, we have considered the Company's internal control relating to the preparation and fair presentation of these financial statements and detailed statements thereof in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the presentation of these financial statements and detailed statements thereof taken as a whole, including accounting policies used by management, their application, and accounting estimates made by management. We believe that the audit evidence we have obtained is sufficient and appropriate, and provides a reasonable basis for our opinion.

Auditor’s opinion

In our opinion, the non-consolidated financial statements and detailed statements referred to above present fairly, in all material respects, the financial position and results of operations of Sanshin Electronics Co., Ltd. for the business year under review, in conformity with accounting principles generally accepted in Japan.

Interest relationships

There are no interest relationships either between the Company and our audit firm or between the Company and the Designated Employees and Engagement Partners that are required to be reported by the provision of Certified Public Accountant Law.

(English Translation of the Auditors' Report Originally Issued in the Japanese Language)

Report of the Board of Corporate Auditors

Auditors' Report

The Board of Corporate Auditors (the "Board"), having deliberated on the audit reports prepared by the Corporate Auditors on the performance of the duties of Directors for the 64th fiscal year from April 1, 2014 to March 31, 2015 hereby reports on its audit findings as follows:

1. Method and Content of the Audit by Corporate Auditors and the Board

The Board established the audit policy and allocation of duties, etc., received reports from Corporate Auditors on the status of the execution and results of their audits, received reports from Directors and the Independent Auditors on the status of execution of their duties and requested explanations as needed.

The Corporate Auditors, in accordance with the auditing standard set by the board of auditors, while maintaining proper communication with Directors, internal audit staff and other employees and working to create an environment that supports the collection and audit of information in accordance with the audit policy and allocation of duties, etc. established by the Board, conducted an audit of the operations and assets of the Company and its principal offices by attending meetings of the Board of Directors and other important gatherings, received reports from Directors and employee on the status of the execution of their duties, requested explanations as deemed necessary and viewed important documents on decisions.

Also, in order to ensure the system guaranteeing that the performance of the work of the directors stipulated in the business reporting is in accordance with laws and ordinances and articles of association, and also to ensure appropriateness of all the other business processes that are required in a joint stock company, regarding the corporate resolutions on the creation of a system in accordance with Article 100, Paragraph 1 and 3 of the Enforcement of the Companies Act, as well as regarding the system (internal control system) currently maintained based on the contents of the corporate resolutions concerned, the Corporate Auditors regularly received reports from Directors, employees, etc. about the current situation with the establishment and the implementation of such system, requested explanations as deemed necessary and expressed their opinions.

The Corporate Auditors also maintained appropriate communication and exchanged information with Directors and Corporate Auditors of subsidiaries, and received reports about operations from subsidiaries when necessary. Based on the aforementioned methods, the Corporate Auditors examined business reports and related detailed statements for the corresponding fiscal year.

In addition, the Corporate Auditors monitored and verified whether the Independent Auditors maintained their independence and implemented appropriate audits and received reports from the Independent Auditors on the status of execution of their duties, and requested explanations as needed. In addition, Corporate Auditors were informed by the Independent Auditors that they were developing the "structure and system to ensure that their duties would be executed in a proper manner" (items prescribed in Article 131 of the Corporate Calculation Regulations) in accordance with "Quality Control Standards for Auditing" (Business Accounting Council dated October 28, 2005), and requested explanations as needed.

Based on the aforementioned methods, the Corporate Auditors examined the Company's financial statements (non-consolidated balance sheet, non-consolidated income statement, non-consolidated statement of changes in shareholders' equity and notes to the non-consolidated financial statements), their supporting schedules, and consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in shareholders' equity and notes to consolidated financial statements) for the fiscal year under review.

2. Results of the Audit

(1) Results of the audit of the business report and its supporting schedules

(a) The business report and its supporting schedules present fairly the status of the Company in conformity with the relevant laws and Articles of Incorporation.

(b) No misconduct or material fact running counter to the relevant laws or Articles of Incorporation has been found with respect to the execution of Directors' duties.

(c) The content of the resolutions of the Board of Directors on the internal control system are fair and reasonable. No item worthy of special mention has been found with respect to the contents of the business report and the execution of Directors' duties concerning the relevant internal control system.

(2) Results of the audit of financial statements and their supporting schedules

The audit methods adopted and the results of the audit conducted by Deloitte Touche Tohmatsu, Independent Auditors, are appropriate.

(3) Results of the audit of consolidated financial statements

The audit methods adopted and the results of the audit conducted by Deloitte Touche Tohmatsu, Independent Auditors, are appropriate.

May 13, 2015

Board of Corporate Auditors

Sanshin Electronics Co., Ltd.

Keiji Nishio, Standing Corporate Auditor

Shin-ichi Miura, Standing Corporate Auditor

Katsuya Sato, Corporate Auditor

Minoru Matsumoto, Corporate Auditor

Note: Corporate Auditors Katsuya Sato and Minoru Matsumoto are External Corporate Auditors, as provided in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.

Reference Materials for the General Meeting of Shareholders

Item 1: Payment of term-end dividends from retained earnings

The Company's basic policy concerning profit allocation is to make decisions with consideration given to expanding profits for returning to shareholders and shoring up internal reserves. Under this policy, the Company has set a target for its dividend payout ratio of around 50% on a consolidated basis, for which it will strive to further enhance the return of profits to its shareholders. For the year ended March 31, 2015, the year-end dividends that we will offer will be as outlined below.

1. Type of dividends

   Cash

2. Allocation and total of term-end dividends

   We propose to pay a term-end dividend of ¥30 per share, with the total payment of ¥845,377,710. (Combined with the already paid interim dividend, annual dividend thus becomes ¥40 per share.)

3. Date of commencement of dividend payment

   June 22, 2015.

Item 2: Partial amendment to Articles of Incorporation

1. Rationale for the change

The Act for Partial Revision of the Companies Act (Act No. 90 of 2014) to take effect on May 1, 2015 was proclaimed, and the Company can now enter into contracts for limitation of liability even with Directors who are not Executive Directors, etc. and Corporate Auditors by stipulating such in the Articles of Incorporation. Pursuant to the revision, in order for the corresponding Directors and Corporate Auditors to fulfill their expected roles, partial amendments to Article 24, Paragraph 2 and Article 30, Paragraph 2 are being made. In addition, for the amendment to Article 24, Paragraph 2, we have received the approval of all Corporate Auditors.

2. Description of changes

The content of the changes is as follows.

(The modifications are underlined.)

Current Articles of Incorporation	Proposals for changes
(Release of Liability of Director)	(Release of Liability of Director)
Article 24	Article 24 <no change>
Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may release liability for damage in the event that the Director (including those who previously held these positions) fails to perform his/her duties, through a resolution of the Board of Directors.	
2) The Company may enter into a contract for limitation of liability with an External Director, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to limit liability for damage in the event that he/she fails to perform his/her duties. However, the amount of their liability under these agreements is limited by laws and regulations.	2) The Company may enter into a contract for limitation of liability with a Director (excluding those who are Executive Directors, etc.), pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to limit liability for damage in the event that he/she fails to perform his/her duties. However, the amount of their liability under these agreements is limited by laws and regulations.
(Release of Liability of Corporate Auditor)	(Release of Liability of Corporate Auditor)
Article 30	Article 30 <no change>
Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may release liability for damage in the event that the Corporate Auditor (including those who previously held these positions) fails to perform his/her duties, through a resolution of the Board of Directors.	
2) The Company may enter into a contract for limitation of liability with an External Corporate Auditor, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to limit liability for damage in the event that he/she fails to perform his/her duties. However, the amount of their liability under these agreements is limited by laws and regulations.	2) The 2) The Company may enter into a contract for limitation of liability with a Corporate Auditor, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to limit liability for damage in the event that he/she fails to perform his/her duties. However, the amount of their liability under these agreements is limited by laws and regulations.

Item 3: Appointment of Ten (10) Directors

All 9 Directors' terms of office expire at the close of this General Meeting of Shareholders. Therefore, the Company hereby proposes the election of ten (10) Directors, increased by one (1) Director, to further enhance the management framework.

The candidates for the position of Director are as follows:

Candidate number	Name (Date of birth)	Brief personal history, title, duty and important concurrent role	Shares owned (Share)
1	Mitsumasa Matsunaga (February 7, 1948)	Jan. 1980: Joined Sanshin Electronics Co., Ltd. Oct. 1980: Associate Senior Vice President Nov. 1983: Senior Vice President Apr. 1993: Executive Vice President Jun. 1995: Senior Executive Director Jun. 1996: President Jun. 2014: Chairman Aug. 2014: Chairman/CEO (current)	147,000
2	Toshiro Suzuki (December 6, 1957)	Mar. 1982: Joined Sanshin Electronics Co., Ltd. Apr. 2003: General Manager of General Affairs Department Jun. 2005: General Manager of Corporate Strategy Department Jun. 2008: Associate Senior Vice President Jun. 2014: President Aug. 2014: President/COO (current) [Duties] In charge of Audit Department and Corporate Planning Department	2,400
3	Masashi Akabane (March 13, 1952)	Apr. 1975: Joined NEC Corporation Oct. 2002: Joined Sanshin Electronics Co., Ltd. Deputy Senior General Manager of Device Technology Center Jun. 2007: Associate Senior Vice President Jun. 2012: Senior Vice President (current) [Duties] Senior General Manager of Electronic Devices Sales Promotion Division	16,300

Candidate number	Name (Date of birth)	Brief personal history, title, duty and important concurrent role	Shares owned (Share)
4	Mitsuo Kamoshita (September 27, 1951)	Dec. 1985: Joined NIC Co., Ltd. Oct. 1995: Joined Sanshin Electronics Co., Ltd. Apr. 2007: Deputy Senior General Manager of Solution Marketing & Sales Division Jun. 2010: Associate Senior Vice President June 2014: Senior Vice President (current) [Duties] Senior General Manager of Solution Marketing & Sales Division [Important Concurrent Role] President of SANSHIN NETWORK SERVICE CO., LTD.	6,500
5	Yasuhiko Ota (April 3, 1953)	Mar. 1976: Joined Sanshin Electronics Co., Ltd. Oct. 2004: Manager of Tachikawa Branch Office Oct. 2007: Deputy Senior General Manager of Eastern Japan Marketing & Sales Division Apr. 2011: Vice President, Deputy Senior General Manager of Eastern Japan Marketing & Sales Division Jun. 2013: Associate Senior Vice President June 2014: Senior Vice President (current) [Duties] Senior General Manager of Marketing & Sales Administration Division and Senior General Manager of Eastern Japan Marketing & Sales Division	4,700
6	Fumihide Kitamura (September 15, 1957)	Jan. 1985: Joined Sanshin Electronics Co., Ltd. Oct. 1995: President (seconded) of SANSHIN ELECTRONICS (HONG KONG) CO., LTD. Oct. 2007: General Manager of Business Development Department, International Operations Division Oct. 2008: Deputy Senior General Manager of International Operations Division Apr. 2011: Vice President, Deputy Senior General Manager of International Operations Division June 2014: Associate Senior Vice President (current) [Duties] Senior General Manager of International Operations Division [Important Concurrent Role] Chairman of the Board of TAIWAN SANSHIN ELECTRONICS CO., LTD.	1,089

Candidate number	Name (Date of birth)	Brief personal history, title, duty and important concurrent role	Shares owned (Share)
7	Nobuyuki Hatano (November 8, 1954)	Apr. 1983: Joined Sanshin Electronics Co., Ltd. Apr. 2004: General Manager of 2nd Network Systems Sales Department Oct. 2012: Deputy Senior General Manager of Solution Marketing & Sales Division (current) Jun. 2013: Vice President, Deputy Senior General Manager of Solution Marketing & Sales Division Jun. 2014: Associate Senior Vice President (current) [Duties] Deputy Senior General Manager of Solution Marketing & Sales Division	1,831
8	Akio Misono (June 24, 1959)	Mar. 1982: Joined Sanshin Electronics Co., Ltd. Apr. 2003: General Manager of Accounting Department Oct. 2008: General manager of Planning Department Oct. 2012: General Manager of Finance Department (current) Oct. 2013: Deputy Senior General Manager of Finance & Accounting Division Jun. 2014 Associate Senior Vice President (current) [Duties] Senior General Manager of Finance & Accounting Division	300
9*	Koji Sakamoto (February 3, 1955)	Mar. 1984: Joined Sanshin Electronics Co., Ltd. Apr. 2003: General Manager of Personnel Department (current) Oct. 2013: Deputy Senior General Manager of Administration Division Jun. 2014: Vice President, Senior General Manager of Administration Division (current)	0
10	Shun-ichi Nakagawa (June 19, 1949)	Apr. 1972: Joined Kao Soap Company, Ltd. (now Kao Corporation) June. 2002: Director and Vice President, Kao Corporation Mar. 2003: Supervisor of Compliance and Legal Department, Kao Corporation Jan. 2006: External Director of Kanebo Cosmetics Inc. (Jun. 2012: Retired) Jun. 2006: Director and Managing Executive Officer of Kao Corporation (Jun. 2012: Retired) Jun. 2014: Associate Senior Vice President of the Company (current) [Important Concurrent Role] External Director of Comany Inc.	900

Notes: 1. Candidate marked with an asterisk (*) is a new candidate for Director.

2. None of the above candidates have special vested interests with the Company.

3. Mr. Shun-ichi Nakagawa is a candidate for outside Director.

4.The reasons for choosing the candidates for Outside Director are as follows:

We expect Mr. Nakagawa to serve as a competent Outside Director and to provide extensive suggestions concerning all aspects of the Company`s corporate management, based on his direct and abounding experience in corporate management as a director for listed companies, and also on his experience as an Outside Director.

5. Mr. Shun-ichi Nakagawa, currently an External Corporate Auditor of the Company, will have been held this position for one (1) year at the close of this General Meeting of Shareholders.

6. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into contract with Mr. Shun-ichi Nakagawa, which limits his liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act. The amount of their liability under this agreement is limited by laws and regulations. If Mr. Nakagawa's reelection is approved, the Company plans to continue the agreement with him.

7. The Company has designated Mr. Shun-ichi Nakagawa as an Independent Auditor as per the provisions of the Tokyo Stock Exchange, and has given notice to this effect to the Tokyo Stock Exchange. If Mr. Nakagawa's reelection is approved, the Company plans to have him continue as an Independent Auditor.

Item 4: Appointment of One (1) Corporate Auditor

As the term of office of Corporate Auditor Katsuya Sato expires at the close of this General Meeting of Shareholders, the Company hereby proposes the election of 1 new Corporate Auditor.

Approval for this proposal has been obtained from the Board of Corporate Auditors.

The candidate for the position of Corporate Auditor is as follows:

<table>
<tr><th>Name
(Date of birth)</th><th colspan="2">Brief personal history, title, duty and important concurrent role</th><th>Shares owned
(Share)</th></tr>
<tr><td rowspan="10">Shohei Yamamoto
(December 31, 1962)</td><td>Apr. 1998:</td><td>Registered as a lawyer to Tokyo Bar Association
Joined Yanase Law Office (now Marunouchi-Chuo Law Office)</td><td rowspan="10">0</td></tr>
<tr><td>Apr. 2012:</td><td>Vice President of Tokyo Bar Association, Center for Legal System Reform (current)</td></tr>
<tr><td>Apr. 2013:</td><td>Vice Chairman of Tokyo Bar Association, Committee on Administration of Legal Training Center (current)</td></tr>
<tr><td>Apr. 2015:</td><td>Partner of Marunouchi-Chuo Law Office (current)</td></tr>
<tr><td colspan="2">[Important Concurrent Role]</td></tr>
<tr><td colspan="2">External Director of Narasaki Sangyo Co., Ltd.</td></tr>
<tr><td colspan="2">External Auditor of MegaHouse Corporation</td></tr>
<tr><td colspan="2">External Auditor of Bandai Co., Ltd.</td></tr>
<tr><td colspan="2">External Auditor of TOIN CORPORATION</td></tr>
</table>

Notes: 1. Mr. Shohei Yamamoto is a new candidate for Corporate Auditor.

2. Mr. Shohei Yamamoto has no special vested interests with the Company.

3. Mr. Shohei Yamamoto is a candidate for External Corporate Auditor.

4. The reasons for choosing the candidate for External Corporate Auditor are as follows:

We expect Mr. Yamamoto to serve as a competent External Corporate Auditor and to reflect his deep knowledge as a lawyer and rich experience and expertise as an External Director and External Corporate Auditor of other companies, engaged to strengthen the Company's audit system.

5. If the appointment of Mr. Shohei Yamamoto for External Corporate Auditor is approved, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company will enter into a contract with Mr. Yamamoto, which limits his liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act. However, limits on liability for damages under these agreements are set at the minimum liability amounts provided for by laws and regulations. Also, the Company will designate Mr. Yamamoto as an Independent Auditor as per the provisions of the Tokyo Stock Exchange, and will give notice to this effect to the Tokyo Stock Exchange.