

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

May 27, 2020

Name of Company: Sanshin Electronics Co., Ltd.

Representative: Toshiro Suzuki (Representative Director, COO)

(Code No. 8150 Listed in the First Section of the Tokyo Stock Exchange)

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For Immediate Release:

Notice Regarding the Withdrawal of the V70 Medium-Term Management Plan Quantitative Targets

In response to sudden changes in the management environment surrounding the Company, at the Board of Directors meeting held on May 27, 2020, the Company decided to withdraw the quantitative targets of the current V70 Medium-Term Management Plan (final year: fiscal year ending March 31, 2021), as follows.

Details

1. Background and reason

For the V70 Medium-Term Management Plan (hereinafter, "V70") to be concluded in the Company's 70th Term (fiscal year ending March 31, 2021), the Group had set the quantitative targets of a return on equity (ROE) of 5% and ordinary profit of ¥3 billion.

However, the global spread of COVID-19 from the end of the fiscal year ended March 31, 2020 is continuing to force the stagnation of many business operations, not only at the Group but also at our customers and suppliers. Furthermore, it is unclear when the COVID-19 pandemic will end. Additionally, the dealership agreement with Renesas Electronics Corporation, a main supplier of the Company, will be cancelled as of June 30, 2020. Although negotiations with transfer destinations are currently underway on conditions for the business of Renesas products, impact on the achievement of V70 quantitative targets cannot be avoided. For information on the cancellation of the dealership agreement with Renesas Electronics, please refer to the "Notice Regarding Cancellation of Dealership Agreement with Major Business Partner" that was released on April 6, 2020.

Due to these conditions, the Group has judged that it will be extremely difficult to achieve the quantitative targets of an ROE of 5% and ordinary profit of ¥3 billion for the fiscal year ending March 31, 2021 in the final year of V70. Consequently, the Group has decided to withdraw these quantitative targets. Therefore, the Group has not yet formulated forecast for business performance and dividends for the fiscal year ending March 31, 2021. For details, please refer to the "Summary of Financial Results for Fiscal Year Ended March 31, 2020."

2. Regarding the future Medium-Term Management Plan

Due to the extreme uncertainty of the management environment, the Group expects that formulating a medium-term management plan with new quantitative targets will require a substantial amount of time. The Group will disclose the new targets as soon as they have been formulated. The Group will continue to position ROE and ordinary profit as important management indices. For the time being, the Group will focus on strengthening the required business infrastructure with the aim of improving these two management indices.