

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

August 4, 2017

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)

Enquiries to: Akio Misono (Director, Operating Officer)

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For Immediate Release:

Notice Regarding the Determination of Details of Performance-Based Stock Compensation Plan

At the Board of Directors meeting held on May 15, 2017, the Company passed a resolution to introduce a stock compensation plan (hereinafter referred to as "the Plan") for its Directors (excluding External Directors, and the same shall apply hereinafter). The introduction of the Plan was approved and resolved at the 66th Ordinary General Meeting of Shareholders held on June 23, 2017, and the Company announces that the details of the Plan were decided at the Board of Directors meeting held today, as detailed below.

Details

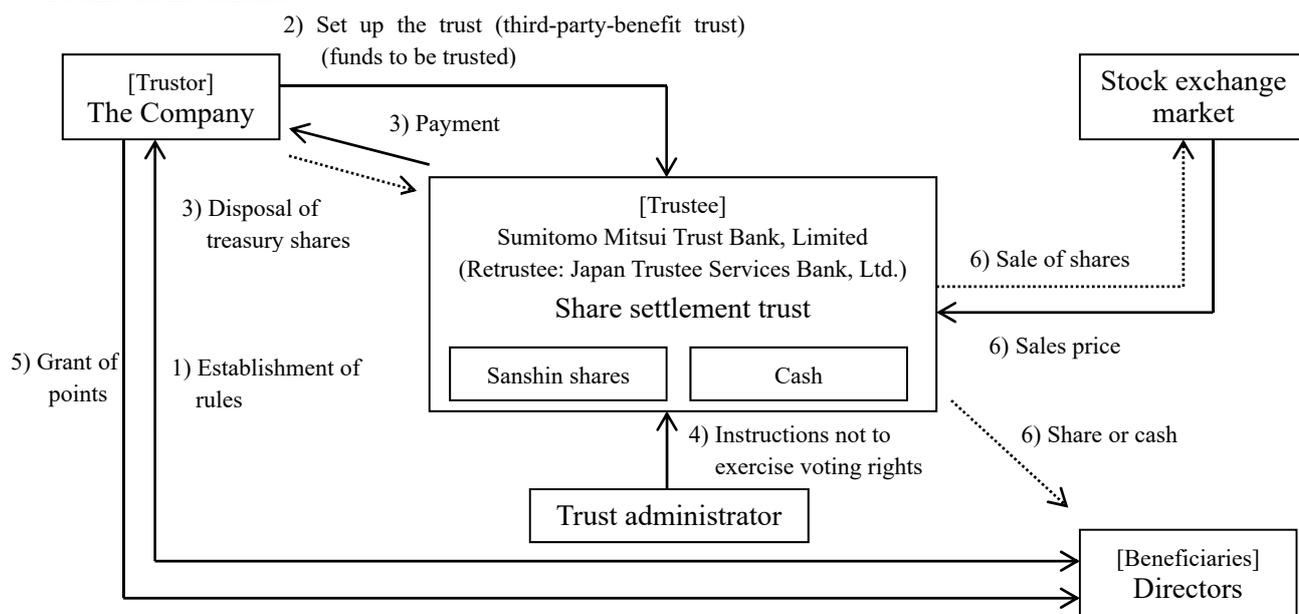
1. Regarding the "Share settlement trust for Directors" to be introduced at the Company

(1) Name:	Share settlement trust for Directors
(2) Trustor:	Sanshin Electronics Co., Ltd.
(3) Trustee:	Sumitomo Mitsui Trust Bank, Limited (Retrustee: Japan Trustee Services Bank, Ltd.)
(4) Beneficiaries:	Directors of the Company who meet beneficiary requirements
(5) Trust administrator:	A third party not having any interest in the Company will be appointed.
(6) Type of trust:	Trust of funds other than money trust (third-party-benefit trust)
(7) Trust contract date:	August 21, 2017 (planned)
(8) Date at which cash will be trusted:	August 21, 2017 (planned)
(9) Trust termination date:	August 31, 2022 (planned)

2. Acquisition of Sanshin shares through the trust

(1) Type of shares to be acquired	Common stock
(2) Amount to be entrusted as funds to acquire shares	¥199,048,000
(3) Number of shares to be acquired	139,000 shares
(4) Acquisition method of shares	Acquired by disposition of treasury shares (third-party allocation)
(5) Acquisition period of shares	August 21, 2017 (planned)

<Outline of the scheme>



- 1) The Company will establish the Sanshin share delivery rules related to the Directors.
- 2) The Company will establish a share settlement trust (third-party-benefit trust) for the Directors as beneficiaries (hereinafter referred as "the Trust"). At this time, the Company will entrust to the trustee the amount of cash equivalent to the funds for acquiring shares (the amount of which shall be within the upper limit approved at the Shareholders Meeting).
- 3) The trustee will acquire in one transaction a number of shares equal to the number of shares expected to be settled in the future (by means of disposition of treasury shares).
- 4) The Company will appoint a trust administrator (who shall be a person independent of the Company and its Directors and Officers) who will protect the interests of the beneficiaries subject to the Sanshin share delivery rules and will supervise the trustee throughout the period of the trust.
Regarding Sanshin shares within the Trust, the trust administrator will provide instructions on the non-exercise of voting rights to the trustee and, based thereon, the trustee shall not exercise voting rights throughout the trust period without exception.
- 5) The Company will grant the points to the Directors in accordance with the Sanshin share delivery rules.
- 6) The Directors who meet the requirements of the Sanshin share delivery rules and the trust agreement relating to the Trust will receive as beneficiaries under the Trust the number of Sanshin shares which equals to the number of the points granted. Further, in any of the cases provided for in advance in the Sanshin share delivery rules or the trust agreement, part of the Sanshin shares to be delivered will be sold on the stock exchange market, and the cash proceeds will be paid out instead.
- 7) Out of the residual assets of the Trust remaining at the time of termination of the Trust, the Company plans to acquire all of the Sanshin shares without payment and retire them by the resolution of the Board of Directors. The Company is also planning to donate an amount of cash out of the residual assets of the Trust remaining at the time of termination of the Trust to specified public-sector service promotion entities which do not share any interest with the Company and its Directors and Officers in accordance with the Sanshin share delivery rules and trust agreement provided in advance.

It should be noted that Sumitomo Mitsui Trust Bank, Limited, which will be the trustee under the Plan, will entrust (retrust) the management of the trust assets to Japan Trustee Services Bank, Ltd.