

Investor Meeting for the Year ended March 2016

May 18, 2016

 **SANSIN ELECTRONICS CO., LTD.**

Toshiro Suzuki, President & COO

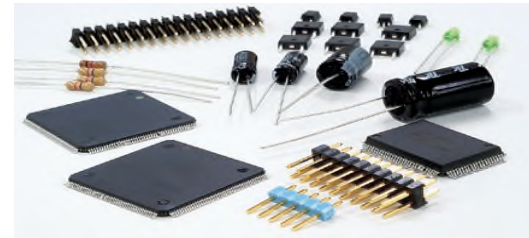
(Stock code: 8150)

As a general electronics trading company committed to being “customers’ best partner,” Sanshin Electronics runs two major businesses: device business and solution business.

Device Business

— Addressing diversified market needs through a wide product lineup —

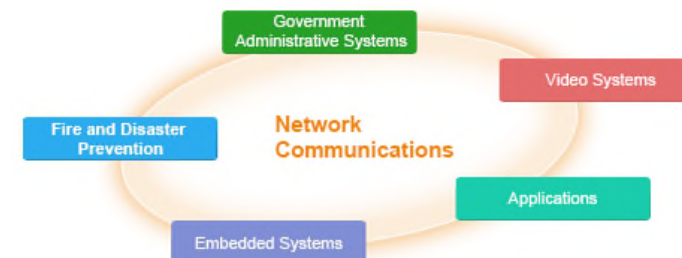
We cover a wide array of manufacturers, from both domestic and overseas major semiconductors/electronic parts makers all the way to emerging manufacturers that are currently developing products with excellent performance. In a time when market needs are constantly diversifying, we respond to our customers’ requests through a full lineup and detailed system of both domestic and overseas sales.



Solution Business

— Building up social infrastructures interconnected through ICT —

With information and telecommunications network at the core of our operations, we are committed to proposing and building up the optimal system to fit our customers’ needs. We provide our customers with a safe and reliable infrastructure through bundled services, including a support menu, after the system implementation.



I. Year Ended March 2016

Performance Summary

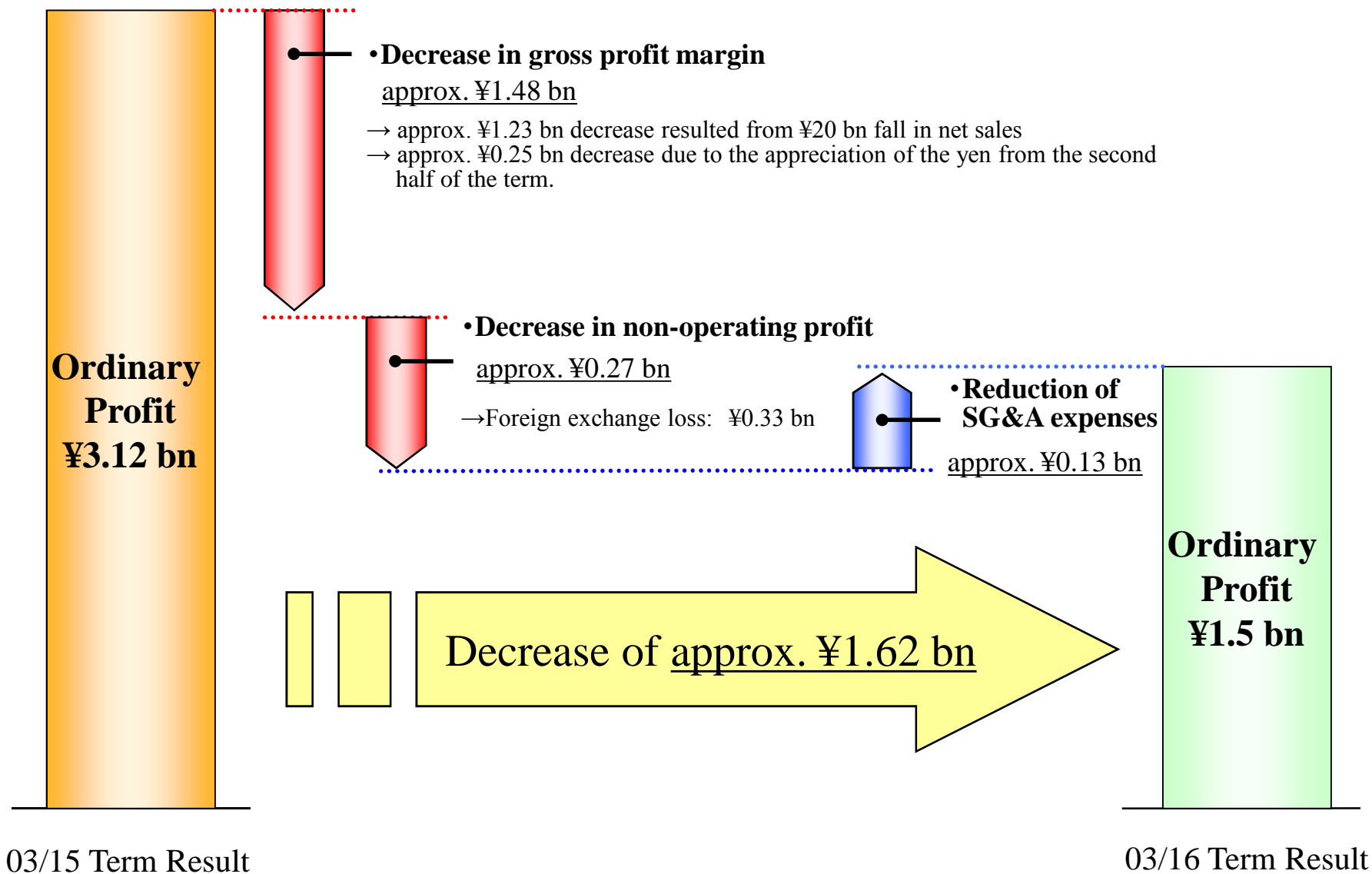
- We recorded a significant profit loss reflecting a decline in sales (-9% from the previous term), but also the foreign exchange losses accompanying the appreciation of the yen from the second half of the term.

	03/15 Result	03/16 Result	YoY Change	Forecast*	Achievement Ratio
Net Sales	2,190.9	1,990.8	91%	2,000.0	100%
Gross Profit on Sales	6.3% 137.2	6.1% 122.3	89%	6.3% 126.0	97%
SG&A Expenses	4.8% 104.6	5.2% 103.2	99%	5.3% 105.0	98%
Operating Profit	1.5% 32.6	1.0% 19.1	59%	1.1% 21.0	91%
Ordinary Profit	1.4% 31.2	0.8% 15.0	48%	1.0% 20.0	75%
Net Profit Attributable to Shareholders of Parent Company	0.9% 20.0	0.5% 9.8	49%	0.7% 13.0	75%
ROE	3.1%	1.5%	-1.6P	2.0%	-0.5P
Annual Dividend Per Share	¥40.00	¥40.00	±¥0	¥40.00	±¥0
Payout Ratio	56.3%	115.3%	+59.0P	86.7%	+28.1P
Exchange Rate (1 US dollar)	¥109.93	¥120.14	+¥10.21	¥120.00	+¥0.14

*1) Figures in the Forecast section were revised at the announcement on February 4, 2016 of the results for the First Three Quarters of March 2016 Term.

*2) Figures in the YoY Change and Achievement Ratio sections represent increases or decreases in ROE/annual dividend per share/dividend payout ratio/exchange rate from the previous term.

The Year Ended March 2016
 Year-to-Year Comparison of Consolidated Ordinary Profit



■ Changes in the Business Environment

- China's economic downturn, the appreciation of the yen starting from the second half of 03/16 term, the Japanese stock market slump, and the implementation of BOJ's negative interest rate policy.
- The sluggish growth in the smartphone market reflecting price competition and the market's maturity, and the end of the digitalization of wireless communication for firefighting and emergency services.

■ Device Business

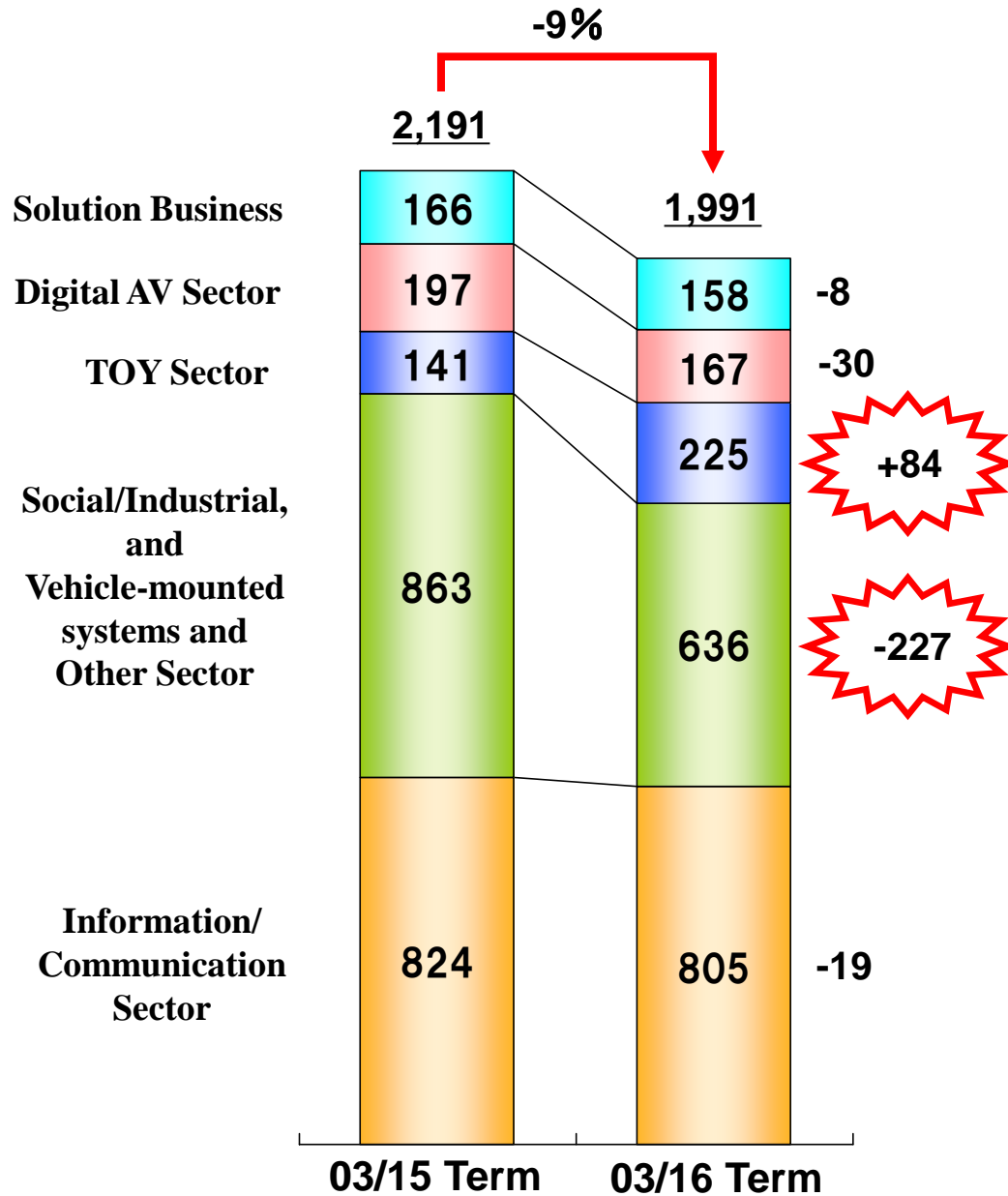
- Following a rapid growth in the previous term, sales for social infrastructure saw a decline, on the same line as sales for digital AV devices and for the information and communication sector. In addition, new businesses saw a lackluster performance.
- As regards profit, we recorded a ¥100 million decrease reflecting changes such as a decline in sales and the foreign exchange losses accompanying the appreciation of the yen from the second half of the term.

■ Solution Business

- Net sales of embedded systems and portable video transmitters remained solid. However, compared to the previous term, where the replacement demand toward the digitalization of wireless communication for firefighting and emergency services had reached its peak, sales to public institutions were down.
- Despite an improvement recorded in the gross profit margin, segment profit decreased due to an expansion of personnel meant to strengthen our business power.

		03/15 Term Result	03/16 Term Result	YoY Change
Device Business	Net Sales	2,024.5	1,833.3	91%
	Segment Profit	0.7% 14.7	-0.1% -1.0	Decrease -15.7
Solution Business	Net Sales	166.4	157.5	95%
	Segment Profit	9.9% 16.5	10.1% 16.0	97%
Exchange rate (1 US dollar)		¥109.93	¥120.14	+¥10.21

*Figures in the YoY Change and Achievement Ratio represent increases or decreases in exchange rate from the same period of the previous term.



【 Year-to-Year Comparison of Fluctuations 】

- **Solution Business**
 - Those for embedded systems and video systems remained solid
 - Those of wireless communications for firefighting and emergency services to public institutions made their round
- **Digital AV Sector**
 - Those for TVs/BDs decreased
- **TOY Sector**
 - Those for gaming consoles recovered
- **Social/Industrial, and Vehicle-mounted systems and Other Sector**
 - Those for vehicle-mounted systems remained solid
 - Those for social infrastructure decreased significantly
- **Information/Communication Sector**
 - Those for mobile devices fell in the second half of the term



II. Approach to Corporate Governance

● August 2015: Creation of SR Department within the Administration Division

- Specializing in SR (Shareholder Relations), the SR Department was newly established within the Administration Division, to attend shareholders through a constructive dialogue.

● August 2015 to present: Pick-up of SR activities for institutional investors (constructive dialogue, distribution of information such as IR data)

[Topics for dialogue]

- Business environment and most recent financial results
- Initiatives to enhance shareholder value (capital efficiency and profitability)
- How the Company is addressing Japan's Corporate Governance Code so far, and measures to further strengthen governance

● March 2016: Appointment of 3 candidates for Independent External Directors and establishment of the Advisory Board

- The nomination of three (3) candidates for Independent External Director was announced (the number increased by one; the official appointment is scheduled to take place at the Ordinary General Meeting of Shareholders in June). At the same time, the Advisory Board was established as an optional advisory committee for the Board of Directors. The 3 candidates to External Director shall become the constituent members of the new board, and shall provide advice and suggestions concerning all aspects of the Company's management.

Issues in Management**Improvement of Corporate Profitability**

- Restore business results in the Device segment
- Establish higher revenue base for the Solution segment

Improvement of Capital Efficiency

- Ensure balance between profit returns to shareholders, retained earnings and growth investments

Strengthening of Governance**Reformation of Corporate Governance**

Enhance dialogue with shareholders by creating the SR Department
Develop the proper corporate system that encourages risk taking by increasing the number of Independent External Directors (with experience in corporate management) to three

**Reconstruction of our
Business Strategy:
V70 Medium-Term Management Plan**

From “Notice Regarding Establishment of the Advisory Board,” released March 17, 2016

1. Objectives

By appointing the three candidates for the positions of External Directors, whose election is scheduled for the 65th Ordinary General Meeting of Shareholders to be held in June 2016, as members of the Board, we aim to strengthen the supervisory function of the Board of Directors and ensure transparency of their decision making, which will in turn contribute to the enhancement of our corporate value.

2. Functions

The Board will provide advice and suggestions concerning all aspects of the Company’s management to the Board of Directors. (The Board of Directors will consider the advice and suggestions from the Advisory Board.)

3. Term

To be held anytime between March 17, 2016 and June 2016, until the close of the Company's 65th Ordinary General Meeting of Shareholders.

*After the Boards’ three members are officially appointed to External Directors upon approval at the 65th Ordinary General Meeting of Shareholders to be held in June 2016, the Company intends to revise the composition and functions of the Advisory Board, as well as of the Nomination and Remuneration Advisory Committees established in February 2016. This way, the Company aims to establish “optional advisory committees made up mainly of independent external directors,” as prescribed in Japan's Corporate Governance Code (Supplementary Principle 4-10-1).

4. Members

Takeshi Uchimura
Minoru Nishino
Tatsuo Takeuchi

5. Secretariat

The Company has established a Secretariat of the Board for its members to freely exchange views and opinions, as well as to engage in constructive and high-quality discussions.

(Director: Koji Sakamoto, Associate Senior Vice President &
Senior General Manager of Administration Division)

From “Notice Regarding Appointment of Candidates for External Directors,” released March 17, 2016

We expect all three candidates to serve as competent External Directors for the reasons below and to provide extensive suggestions concerning all aspects of the Company’s corporate management, **based on their abounding experience in corporate management as Directors for listed companies.** Furthermore, they meet the Independence Standards required by the Company for the positions of External Directors and External Audit & Supervisory Board Members.

Name	Professional history	
Takeshi Uchimura (born August 16, 1949)	April 1972	Joined Sumitomo Bakelite Co., Ltd.
	June 2000	Director
	August 2003	Manager of subsidiaries in Belgium, Spain and the Netherlands
	June 2006	Director & Managing Executive Officer
	June 2009	Director & Executive Operating Officer
	June 2010	Audit & Supervisory Board Member (full-time)
	June 2015	Senior Adviser (present)
Minoru Nishino (born August 16, 1950)	April 1974	Joined The Daiwa Bank, Limited.
	June 2003	Executive Officer at Resona Holdings, Inc.
	November 2003	Consultant at Haseko Corporation
	June 2004	Director at Haseko Corporation
	April 2005	Director & Managing Executive Officer
	June 2007	Representative Director & Managing Executive Officer
	April 2010	Representative Director & Executive Operating Officer
June 2015	Senior Adviser (present)	
Tatsuo Takeuchi (born October 23, 1950)	April 1974	Joined Pioneer Corporation
	April 1998	President of Pioneer High Fidelity Taiwan Co., Ltd.
	December 2004	President of Pioneer Electronics Asiacentre Pte. Ltd.
	June 2006	Executive Officer at Pioneer Corporation
	October 2008	Managing Executive Officer
	June 2009	Senior Vice President
	June 2012	Senior Managing Executive Officer
June 2013	Senior Adviser (retired June 2015)	

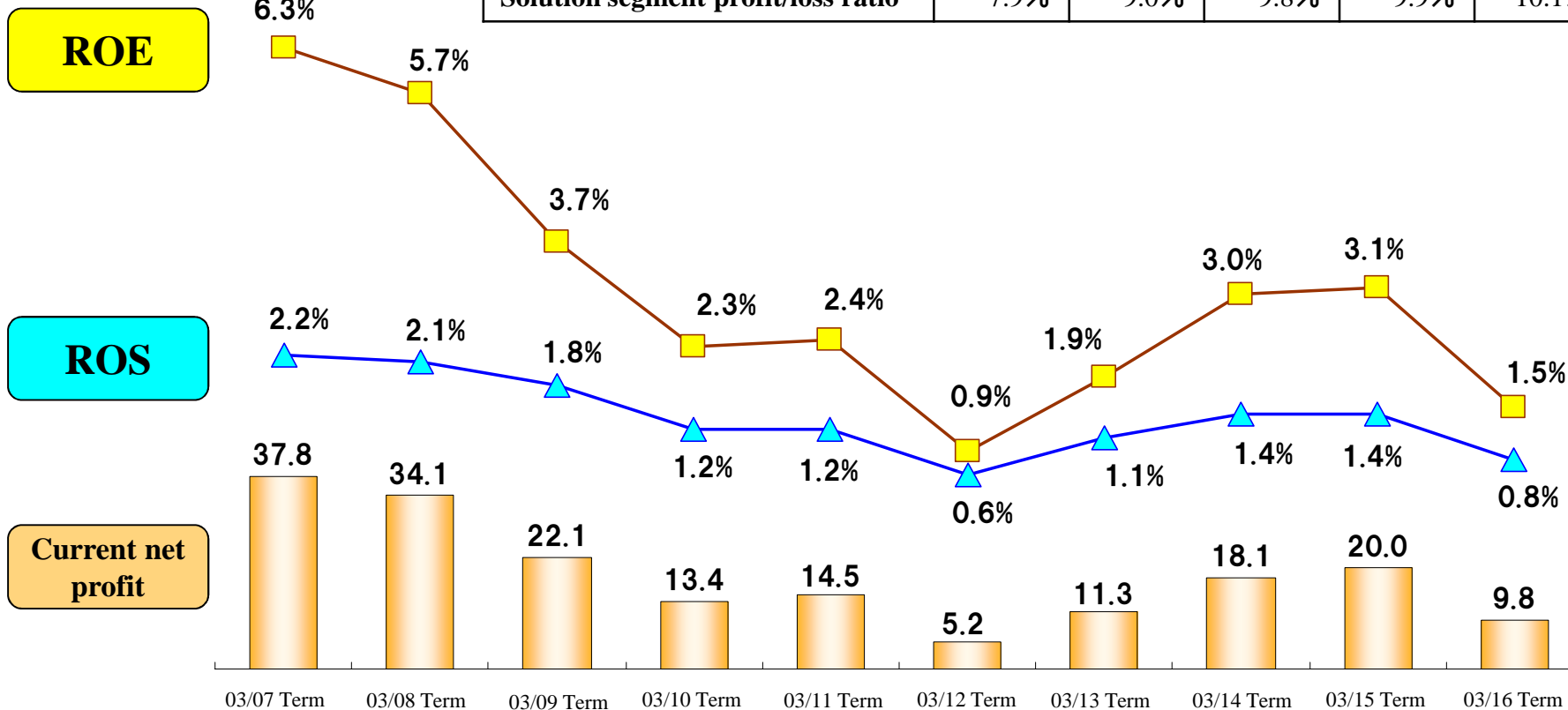
▼ We expect Mr. Takeshi Uchimura to provide general suggestions regarding growth strategies for business overseas and the development of a corporate governance system, due to his experience as an Audit & Supervisory Board Member, and his expertise in M&A, subsidiary restructuring, and in IR for foreign institutional investors, as he was in charge of overseas subsidiaries.

▼ We expect Mr. Minoru Nishino to provide effective suggestions, mainly in finance, due to his abounding work experience in a bank, in addition to his central role in the corporate planning of a construction company.

▼ We expect Mr. Tatsuo Takeuchi to provide suggestions mainly regarding growth strategies for the Group’s business overseas, due to his experience as the President of a local subsidiary and his engagement for an electronics manufacturer in sales overseas, such as in Europe, the United States or Asia.

III. Medium-Term Management Plan

	03/12	03/13	03/14	03/15	03/16
Device segment profit/loss ratio	-0.1%	0.3%	0.6%	0.7%	-0.05%
Solution segment profit/loss ratio	7.9%	9.0%	9.8%	9.9%	10.1%



Dividend Per Share	¥33	¥38	¥38	¥20	¥20	¥20	¥20	¥20	¥40	¥40
Payout Ratio	28.3%	35.5%	53.1%	45.2%	41.8%	117.0%	51.7%	31.4%	56.3%	115.3%
Equity Ratio	52.9%	61.4%	72.1%	68.6%	64.5%	73.5%	72.3%	66.6%	64.5%	66.3%

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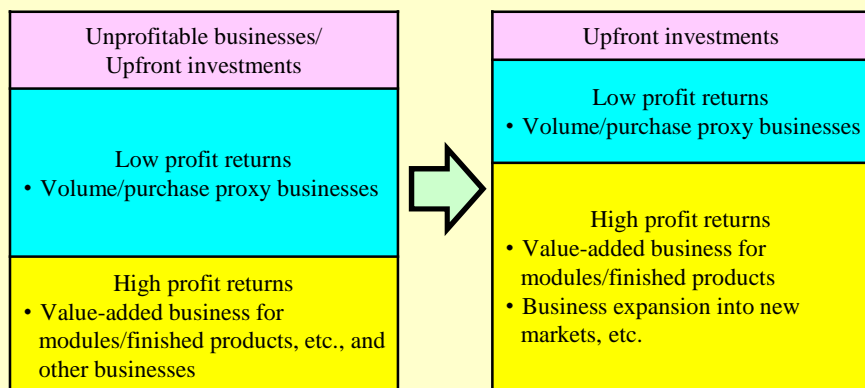
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- **Business environment**
 - Instability in exchange rates/stock markets, customer/supplier/competitor's business acquisitions and sell-offs
 - Reduction of suppliers' products and termination of the digitalization of wireless communication for firefighting and emergency services
 - Rise of new business fields such as cloud computing/IoT

In order to provide compelling value to all of our stakeholders, including employees, customers, suppliers and shareholders, Sanshin Electronics will establish a strong revenue base that can overcome changes in the business environment

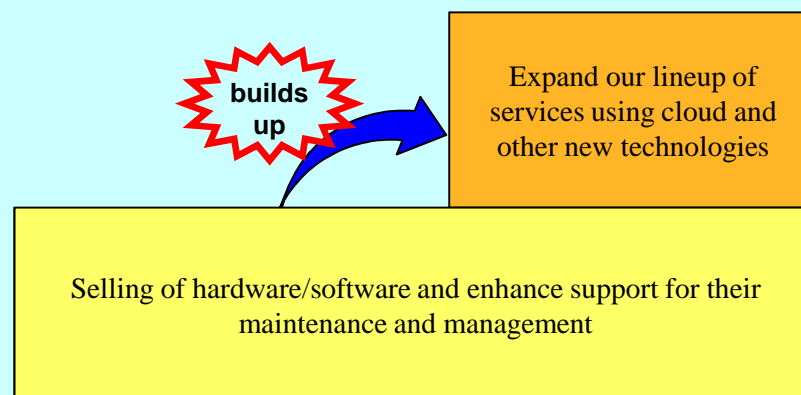
Device segment

Improve profitability through transformation of our business portfolio



Solution segment

Establish higher revenue base through strengthening of the existing businesses/creation of new ones



Achieve over 2% ROS and 5% ROE at the earliest date possible

a. Rebuilding of revenue base for existing businesses

- 1) Focus on increasing the number of negotiations, which are the source of revenue
- 2) Select the key products through strategy sharing with suppliers, and develop a framework for their sale
- 3) Expand sales by introducing new commercial products, and broaden our customer base by collaborating with other companies, etc.
 - Concentrate our efforts in the areas of vehicle-mounted systems/industrial infrastructure/IoT

b. Enhancement of new business initiatives in the pursuit of expansion of business areas

- 1) Strengthen initiatives to create new businesses, such as system solutions that leverage the Company's hardware and software engineering capabilities
 - Build business models focused on the IoT and big data markets, and customer trends/needs
 - Diversify the product lineup handled and reinforce our close tie-ups with EMS/design companies and other partners.
- 2) Improve commercialization speed through sales expansion centered on new commercial products and their early adaptation

c. Optimization of cost structure

- 1) Strive to streamline/minimize distribution/foreign exchange/inventory costs and consolidation of our business locations

a. Further enhancement of profitability in the 6 units

Based on the type of business run by purchasers and the products they handle, this segment is divided into six business units: information communication networks, government offices, firefighting and disaster prevention, embedded systems, application software and video systems.

- 1) Further deepen our relationships with clients across these business units (cross selling)
- 2) Expand our operations in stock businesses by developing cloud models such as IaaS/SaaS via Sanshin Data Center
- 3) Increase the personnel permanently allocated to these six units, and reinforce our close tie-ups with NEC/external partners

b. Expansion of offerings to include cloud and IoT services

- 1) Create new offerings to suit progress in cloud computing and IoT services with Sanshin Data Center at the core
- 2) Therefore, the Company will allocate the necessary personnel to attain this pursuit, as well as it will continue to collaborate with partners of strong technical capabilities and sales network.

IV. Year Ending March 2017

Full-Year Business Forecasts

- Operating/ordinary profits will decrease reflecting a decline in net sales (down 10% year on year), while net profit will maintain roughly the same level from this fiscal year under review

	03/13 Result	03/14 Result	03/15 Result	03/16 Result	03/17 Forecast	YoY Change
Net Sales	1,479.6	1,922.4	2,190.9	1,990.8	1,800.0	90%
Gross Profit on Sales	7.5% 110.6	6.4% 123.9	6.3% 137.2	6.1% 122.3	6.4% 116.0	95%
SG&A Expenses	6.1% 90.3	5.1% 98.7	4.8% 104.6	5.2% 103.2	5.7% 102.5	99%
Operating Profit	1.4% 20.3	1.3% 25.2	1.5% 32.6	1.0% 19.1	0.8% 13.5	71%
Ordinary Profit	1.1% 16.3	1.4% 26.6	1.4% 31.2	0.8% 15.0	0.8% 13.5	90%
Net Profit Attributable to Shareholders of Parent Company	0.8% 11.3	0.9% 18.1	0.9% 20.0	0.5% 9.8	0.5% 9.8	100%
ROE	1.9%	3.0%	3.1%	1.5%	1.5%	±0P
Annual Dividend Per Share	¥20	¥20	¥40	¥40	¥40	±¥0
Payout Ratio	51.7%	31.4%	56.3%	115.3%	115.0%	-0.3P
Exchange Rate (1 US dollar)	¥83.11	¥100.23	¥109.93	¥120.14	¥110.00	-¥10.14

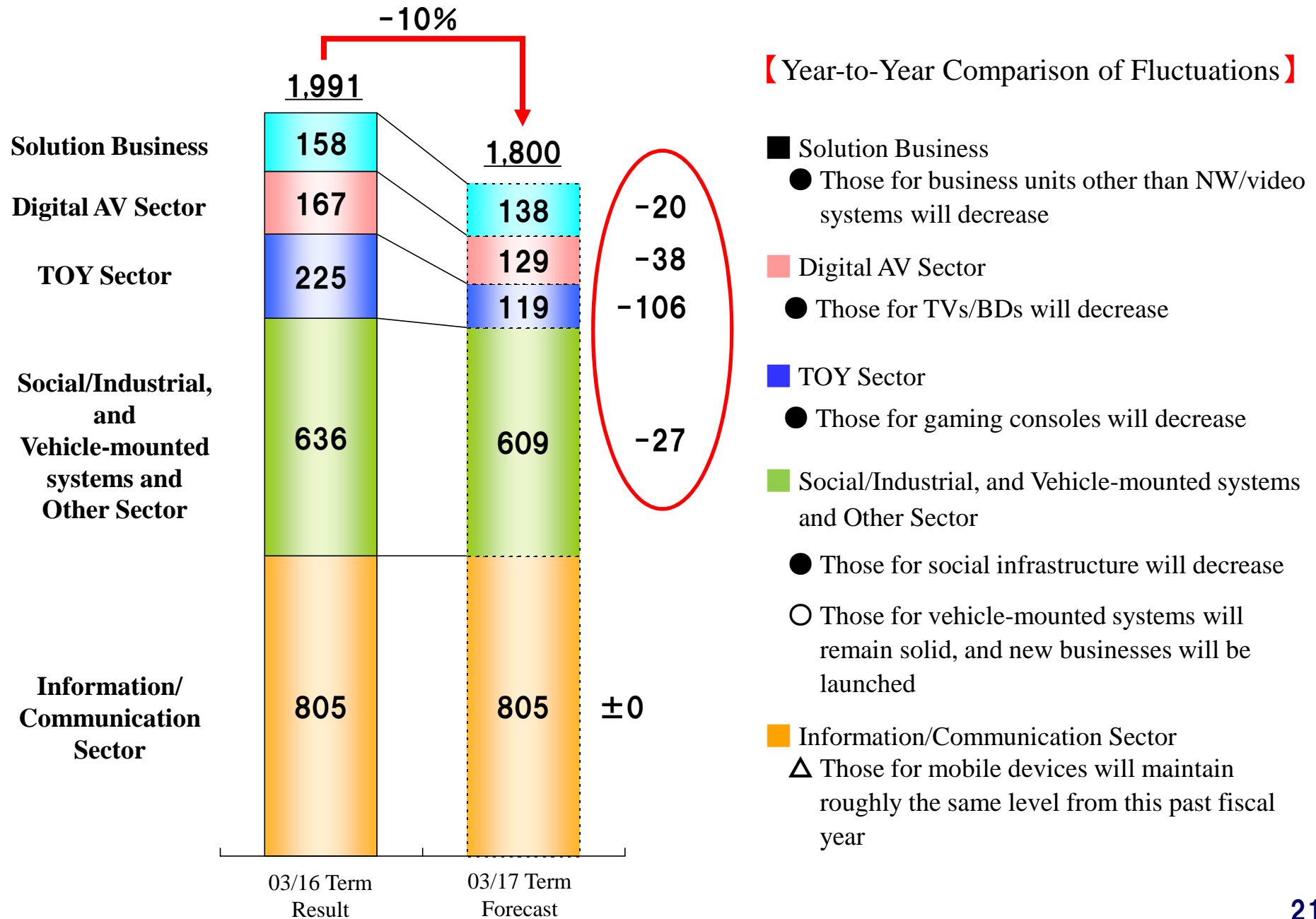
*Figures in the YoY Change represent increases or decreases in ROE/annual dividend per share/dividend payout ratio/exchange rate from the previous term.

- In the device business segment, net sales will decrease by 9% year on year. However, we project an improvement of ¥200 million in segment profit from this past fiscal year.
 - We expect sales for vehicle-mounted systems and information and communication sector to remain solid, although a drop in sales for social infrastructure/TOY/digital AV sectors will likely impact the overall performance of the segment.
- In the solution business segment, both net sales and segment profit will decrease by 12% and 22%, respectively, year on year.
 - We expect sales for NW/video systems to remain solid, while other business units such as public/embedded systems will score a drop in sales.

		03/13 Result	03/14 Result	03/15 Result	03/16 Result	03/17 Forecast	YoY Change
Device Business	Net Sales	1,351.1	1,760.5	2,024.5	1,833.3	1,662.0	91%
	Segment Profit	0.3% 4.7	0.6% 10.8	0.7% 14.7	-0.1% -1.0	0.1% 1.0	Improvement +2.0
Solution Business	Net Sales	128.5	161.9	166.4	157.5	138.0	88%
	Segment Profit	9.0% 11.6	9.8% 15.8	9.9% 16.5	10.1% 16.0	9.1% 12.5	78%
Exchange rate (1 US dollar)		¥83.11	¥100.23	¥109.93	¥120.14	¥110.00	-¥10.14

*1) The total amount of segment profit adjustments such as costs related to the management division has been allocated to each business since the fiscal year ended March 2014. For comparison purposes, results for 03/13 term are also allocated to each business in this presentation.

*2) Figures in the YoY Change represent increases or decreases in the exchange rate from the previous term.



	03/13 Term Result	03/14 Term Result	03/15 Term Result	03/16 Term Result	03/17 Term Forecast
1) Consolidated net profit	¥1,131 million	¥1,806 million	¥2,003 million	¥978 million	¥980 million
2) Comprehensive profit	¥2,035 million	¥3,385 million	¥3,993 million	-¥1,106 million	-
3) Consolidated equity ratio	72.3%	66.6%	64.5%	66.3%	66.6%
4) Total dividend (Dividend per share)	¥580 million (¥20)	¥563 million (¥20)	¥1,127 million (¥40)	¥1,127 million (¥40)	¥1,127 million (¥40)
5) Consolidated payout ratio	51.7%	31.4%	56.3%	115.3%	115.0%
6) Value of treasury stocks acquired (Number of shares acquired)	¥321 million (500 thousand shares)	¥366 million (600 thousand shares)	-	-	Suspense
7) Total payout ratio (4+6) ÷ 1	79.7%	51.4%	56.3%	115.3%	Suspense
8) Cancellation of treasury stocks	-	1,000 thousand shares	-	-	Suspense
9) Total number of shares issued (Excluding treasury stocks)	30,281 thousand shares (28,779 thousand shares)	29,281 thousand shares (28,179 thousand shares)	29,281 thousand shares (28,179 thousand shares)	29,281 thousand shares (28,179 thousand shares)	Suspense
10) Net profit per share	¥38.67	¥63.78	¥71.11	¥34.70	¥34.78
11) Net assets per share	¥2,081.88	¥2,209.24	¥2,328.64	¥2,249.40	¥2,244.20

Notes:

- Those acquired along with purchase requests for odd shares are not included in acquisition of own shares.
- Net profit per share is calculated based on the average number of issued shares (shares other than treasury shares) during the period.
- Net assets per share is calculated based on the total number of shares issued (excluding treasury stocks) at fiscal year end.
- The forecast for net profit per share and net assets per share for 03/17 term is calculated based on the total number of shares issued (excluding treasury stock) as of March 31, 2016.
- The value of treasury stocks acquired until March 31, 2016 is ¥6,035 million (8,281 thousand shares).

● Basic Policies

The Company considers profit returns to its shareholders as one of the most important management issues. The Company's basic policy is to determine dividends by comprehensively considering the need to maintain a balance between rewarding of shareholders, investment to gain opportunities for growth, attainment of sufficient retained earnings to enable sustainable growth, and improvement in capital efficiency. Under this policy, the Company has set a target for its dividend payout ratio of around 50% on a consolidated basis.

● Predicted Dividends for the Year Ending March 2017

- An annual dividend of ¥40 per share, the same amount of the previous fiscal year
 - ¥10 at midterm; ¥30 at term-end
 - Consolidated dividend payout ratio of 115.0%
- Average consolidated dividend payout ratio from the term ended Mar. 2013 to the term ending Mar. 2017: 65.6%

V. Financial Situation

■ 03/16 Term Results: cash and deposits decreased due to payment of accounts payable and increase in inventories

■ 03/17 Term Forecast: cash and deposits will increase reflecting a decrease in inventories; shareholders' equity ratio will be maintained at 66%

1) Balance Sheets

	FY ended Mar. 15 Result (A)	FY ended Mar. 16 Result (B)	B-A Increase/ Decrease	FY ending Mar. 17 Forecast (C)	C-A Increase/ Decrease
Cash and deposits	124.9	101.9	-23.0	150.0	48.1
Accounts receivable	594.7	551.3	-43.5	548.0	-3.3
Inventories	173.6	184.1	10.5	135.0	-49.1
Other assets	123.5	118.6	-4.9	117.0	-1.6
Total assets	1,016.7	955.8	-60.9	950.0	-5.8
Accounts payable	312.7	222.8	-89.8	183.0	-39.8
Interest bearing liabilities	17.4	64.1	46.7	100.0	35.9
Other liabilities	30.5	35.0	4.5	34.6	-0.4
Total net assets	656.2	633.9	-22.3	632.4	-1.5
Total liabilities and net assets	1,016.7	955.8	-60.9	950.0	-5.8
Equity ratio	64.5%	66.3%	+1.8P	66.6%	+0.3P

2) Cash Flows

	FY ended Mar. 15 Result	FY ended Mar. 16 Result	FY ending Mar. 17 Forecast
Decrease (increase) in accounts receivable-trade	-83.2	31.1	3.3
Decrease (increase) in inventories	-32.7	-17.8	49.1
Increase (decrease) in accounts payable-trade	56.6	-77.2	-39.8
Other	-1.6	12.1	14.5
Operating C/F	-60.9	-51.9	27.0
Investing C/F	-2.0	-4.1	-2.0
Financing C/F	-34.9	35.4	24.2
Foreign currency conversion adjustments	5.1	-3.5	
Increase (decrease) in cash and deposits	-92.7	-24.0	49.2
Increase in cash and deposits from newly consolidated subsidiary			
Balance of cash and deposits at term-end	124.9	100.9	150.0

Supplemental Materials

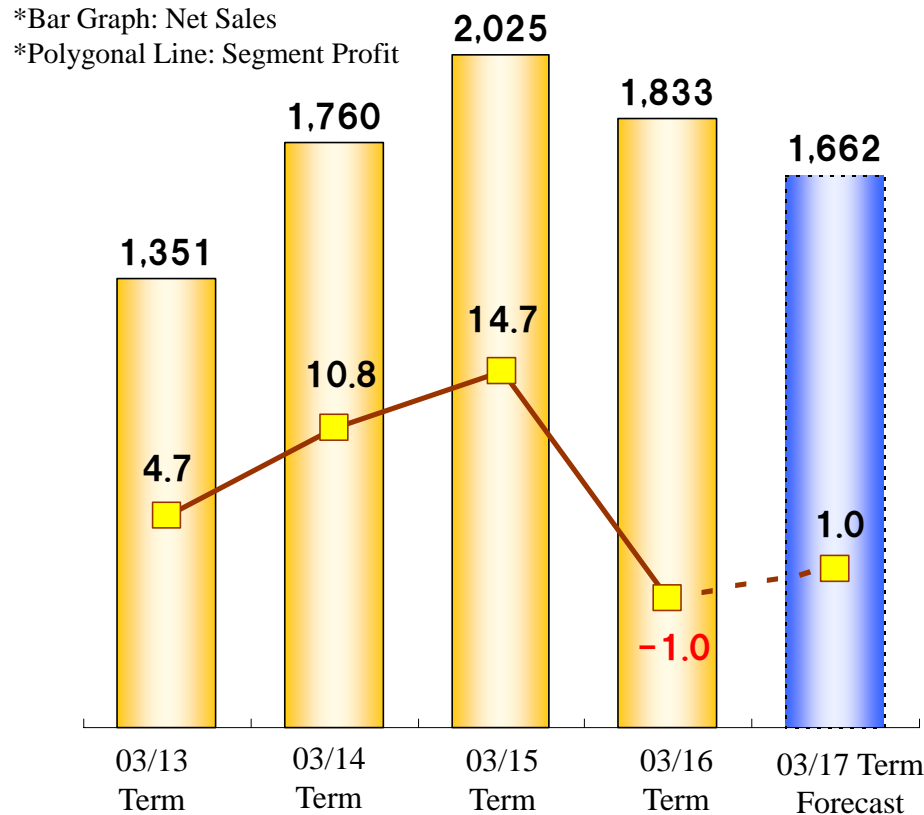
Year Ending March 2017 Full-Year Forecasts by Business Segment

Year Ending March 2017

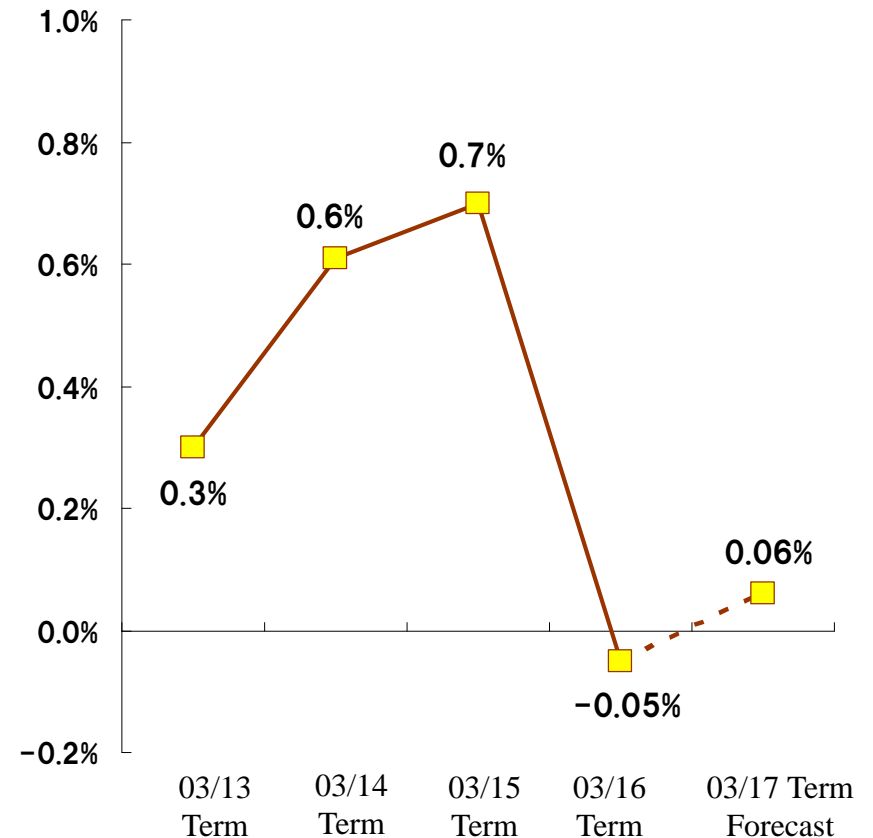
Device Business Forecasts

The segment recorded a profit loss in the past fiscal year, and therefore we need to further improve profitability through transformation of our business portfolio.

Net Sales/Segment Profit



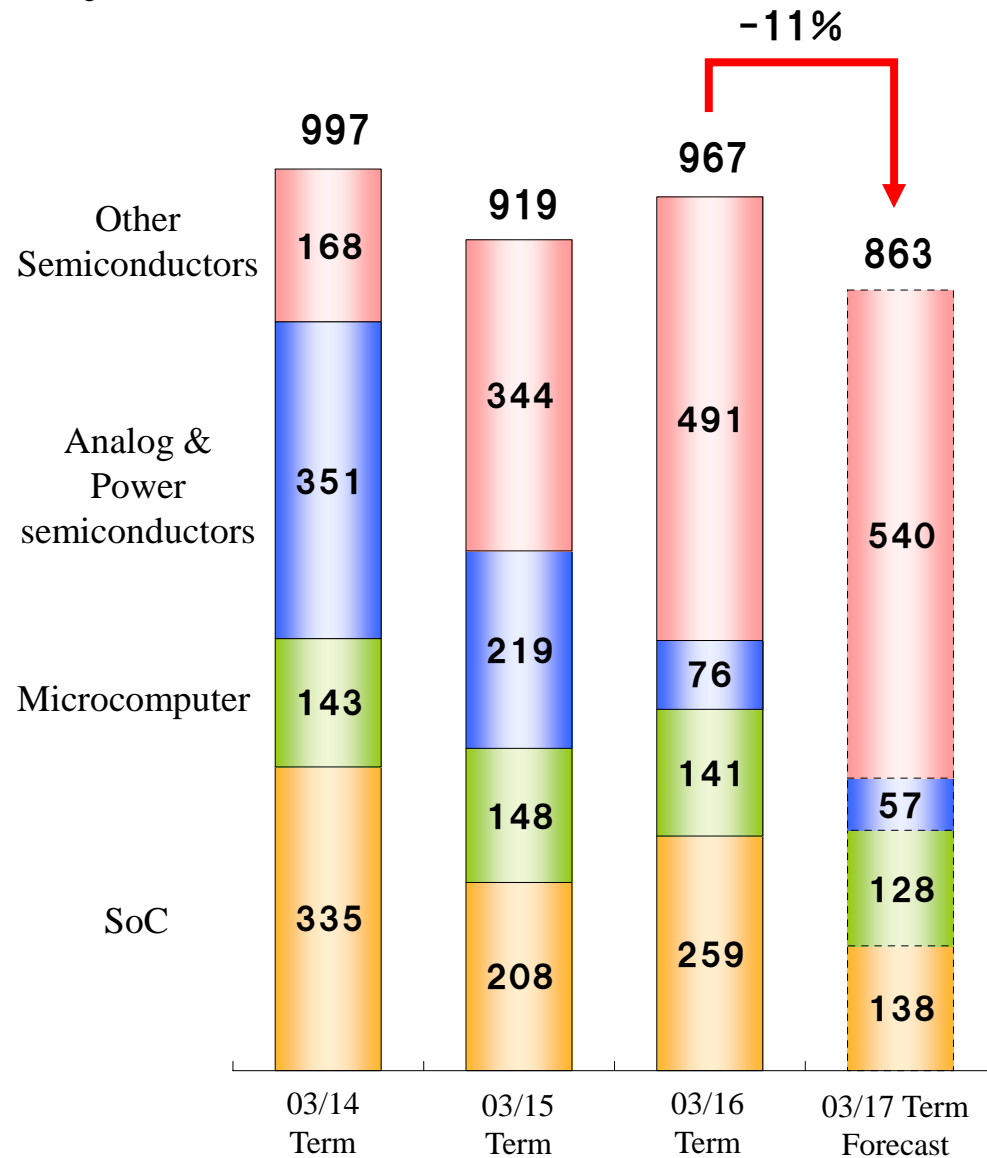
Segment Profit Ratio



*The total amount of segment profit adjustments such as costs related to the management division has been allocated to each business since the fiscal year ended March 2014. For comparison purposes, results for 03/13 term are also allocated to each business in this presentation.

Sales for the Full Year

【 Year-to-Year Comparison of Fluctuations 】

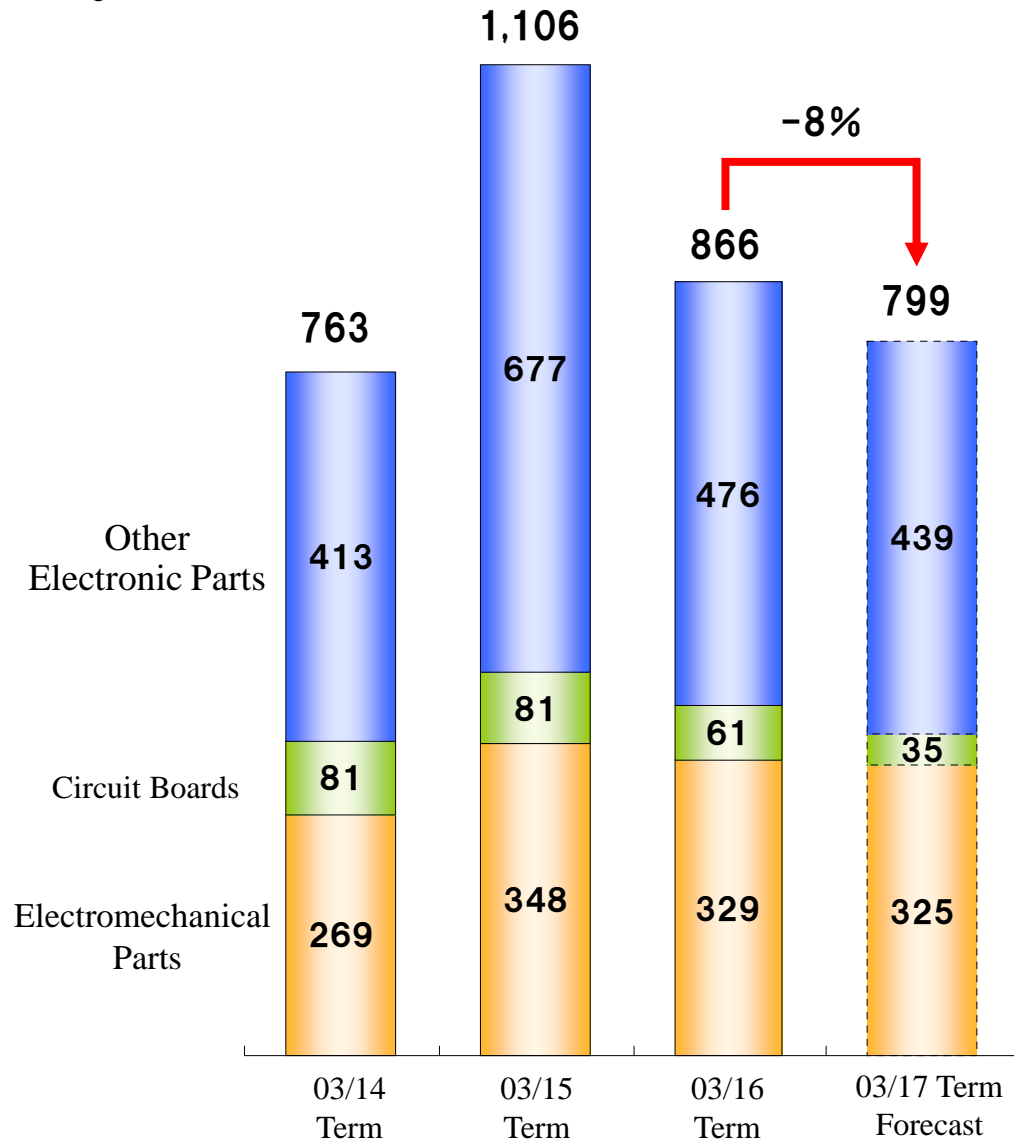


- SoC (System LSIs)
 - Those for gaming consoles/TVs/BDs will decrease
- Microcomputers
 - Those for gaming consoles/audio/household electrical appliances will decrease
 - Those for vehicle-mounted systems will remain solid
- Analog & Power Semiconductors
 - A decrease is expected due to planned production cease at a supplier
- Other Semiconductors
 - Those for mobile devices/HDDs will increase
 - We expect to launch new businesses such as wireless ICs, etc.

	YoY Change
SoC	-47%
Microcomputer	-9%
Analog & Power Semiconductors	-26%
Other Semiconductors	+10%

Sales for the Full Year

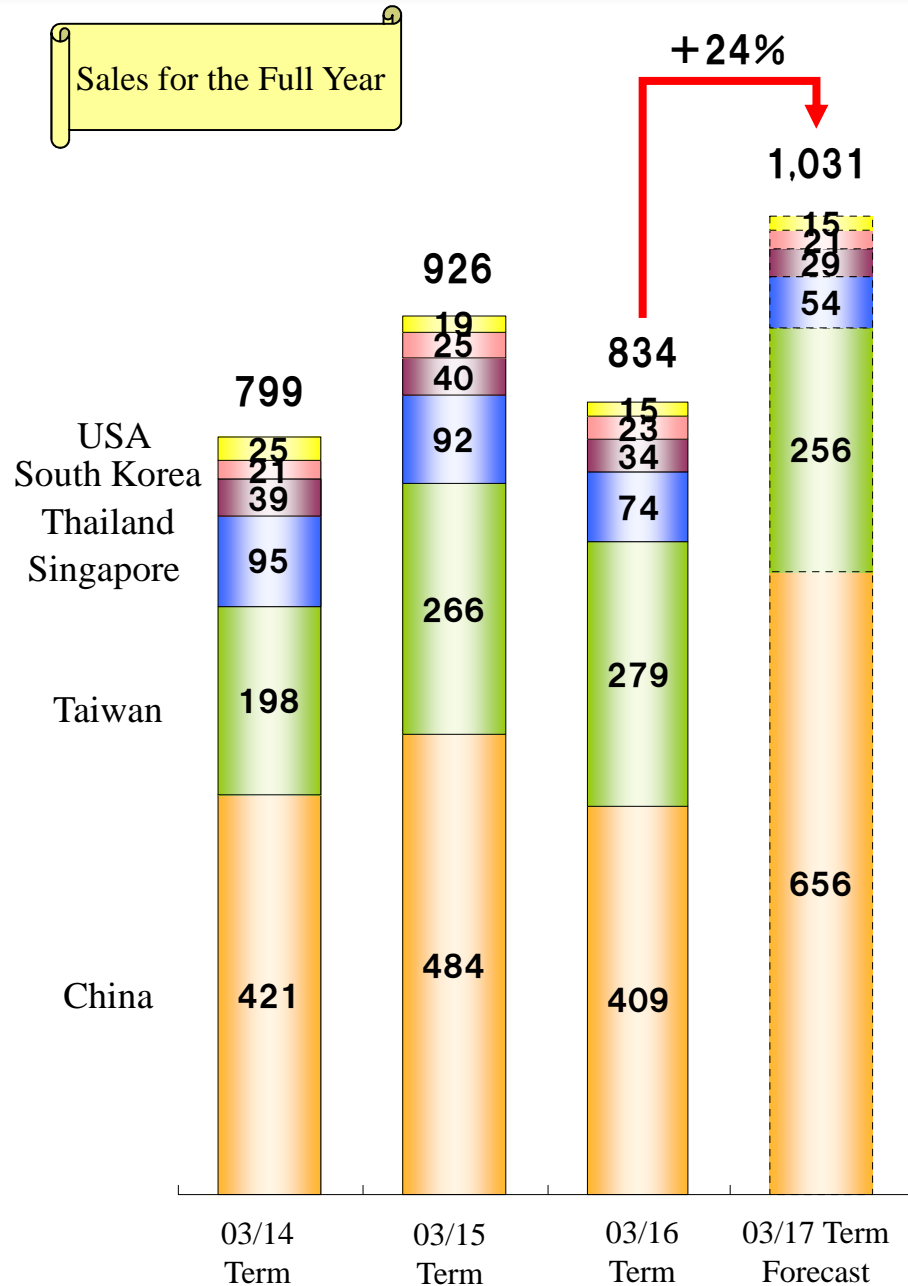
【Year-to-Year Comparison of Fluctuations】



- Electromechanical Parts
 - Those for mobile devices will decrease
- Circuit Boards
 - Those for mobile devices will decrease
- Other Electronic Parts
 - Those for social Infrastructure will decrease
 - We expect to launch new businesses as solution proposals for modules/finished products and other products

	YoY Change
Electromechanical Parts	-1%
Circuit Boards	-42%
Other	-8%

Sales for the Full Year



【Year-to-Year Comparison of Fluctuations】

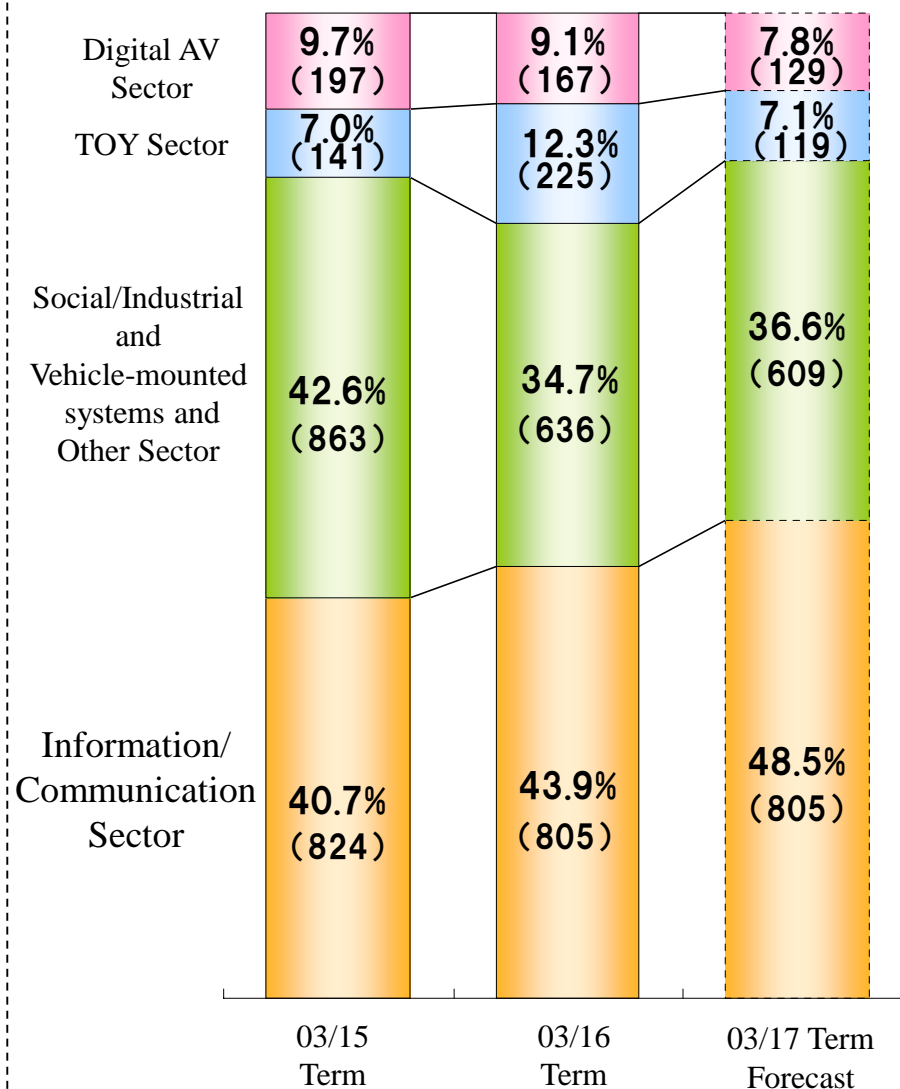
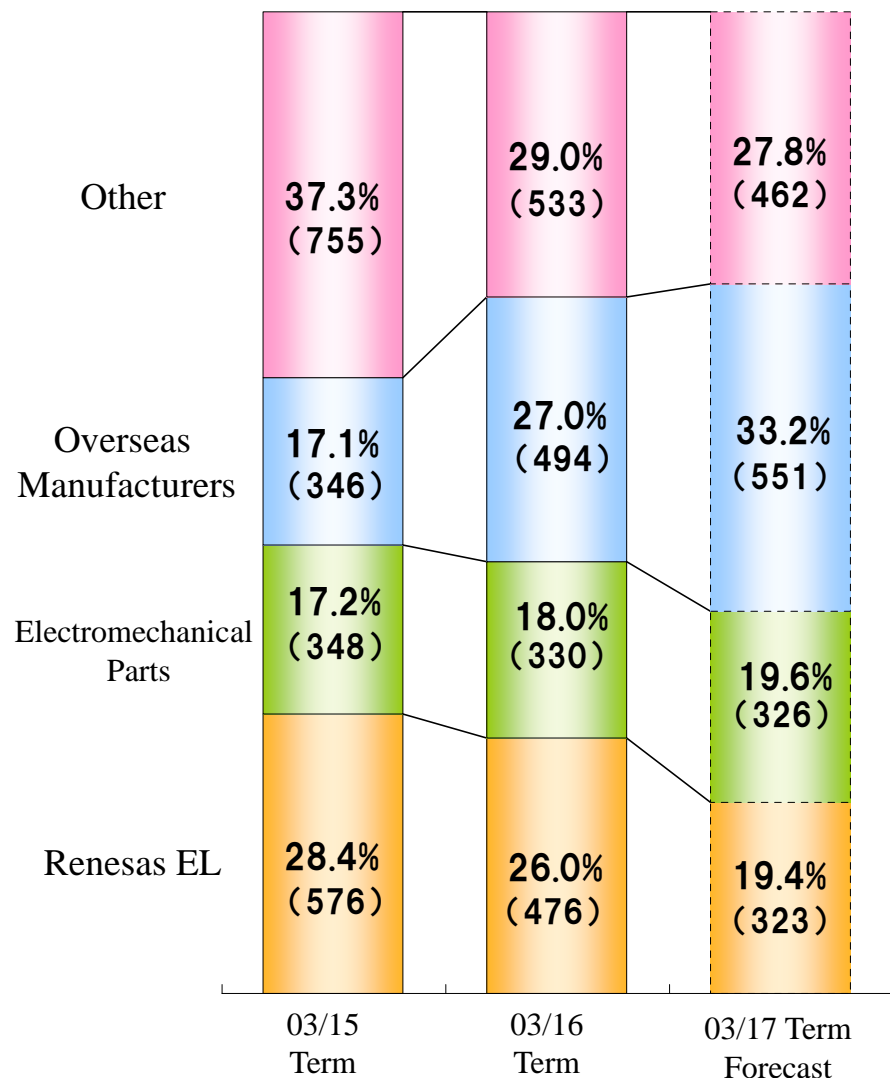
- China
 - Those for mobile devices will increase following the shift to overseas production
- Taiwan
 - Those for mobile devices/gaming consoles will decrease
- Singapore
 - Those for digital AV appliances/mobile devices will decrease
- Thailand
 - Those for vehicle-mounted systems/household electrical appliances will decrease
- South Korea
 - Those for mobile devices will decrease
- USA
 - Those for digital AV appliances and other sectors will see an overall slump

	YoY Change
China	+61%
Taiwan	-8%
Singapore	-28%
Thailand	-14%
South Korea	-11%
USA	-4%

Sales Composition Ratio by Supplier

* Figures in brackets represent net sales (unit: ¥100 million)

Sales Composition Ratio by Sector



* From the 2nd half of 03/15 term, there has been a transfer of duties to overseas manufacturers with regards to the old RSP products (Renesas EL).

Year Ending March 2017

Solution Business Forecasts

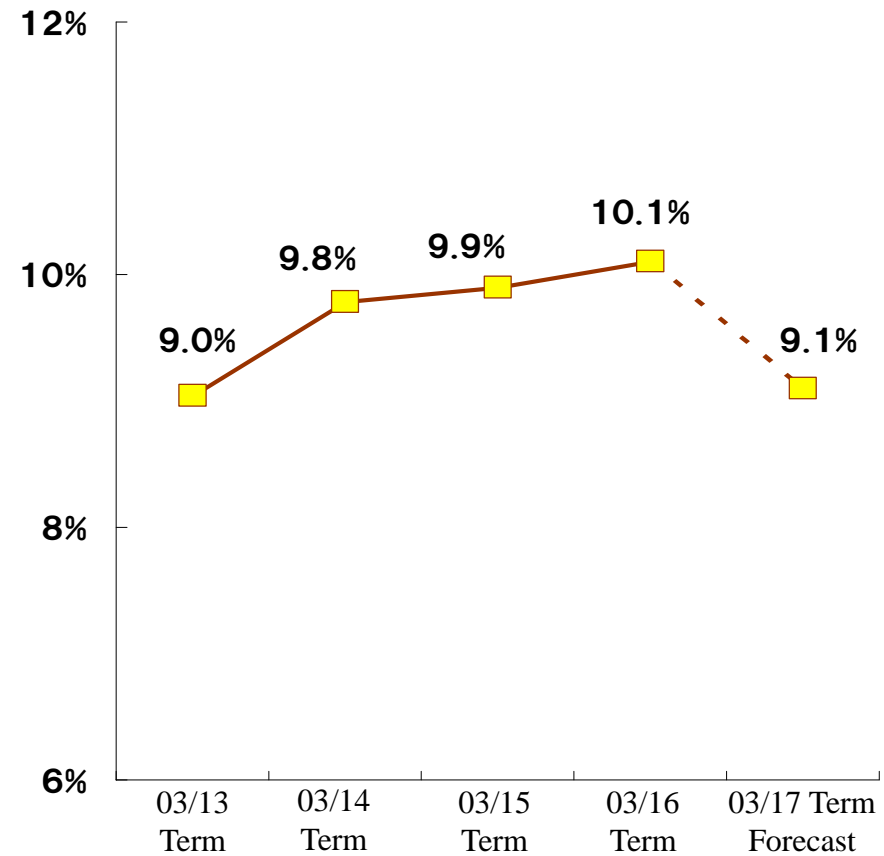
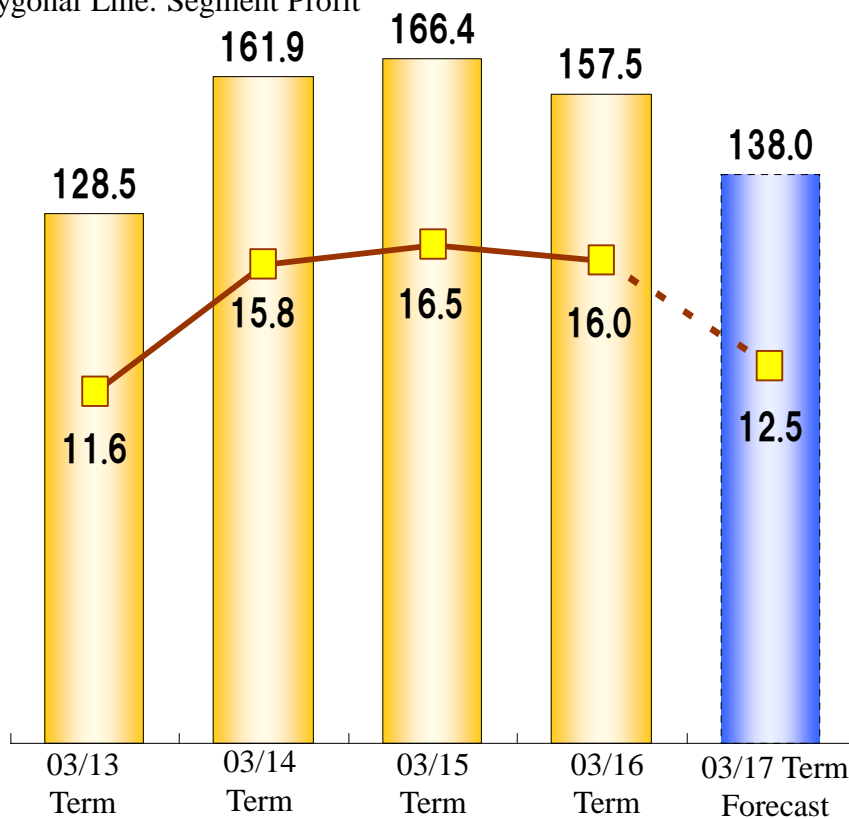
Although we managed to maintain strong earning in the previous year ended March 2015, during this fiscal year ended March 2016, both sales and profit decreased. Therefore, we need to focus on building a highly stable revenue base.

Net Sales/Segment Profit

Segment Profit Ratio

*Bar Graph: Net Sales

*Polygonal Line: Segment Profit

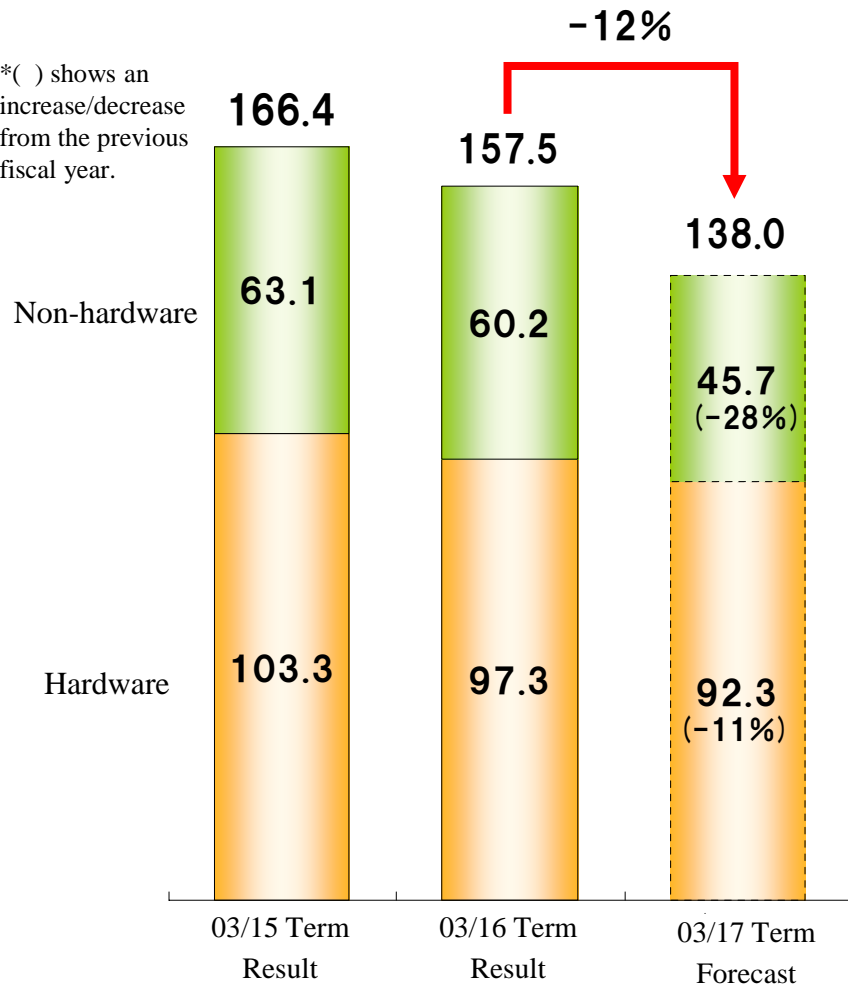


*The total amount of segment profit adjustments such as costs related to the management division has been allocated to each business since the fiscal year ended March 2014. For comparison purposes, results for 03/13 term are also allocated to each business in this presentation.

Changes in Net Sales by Product

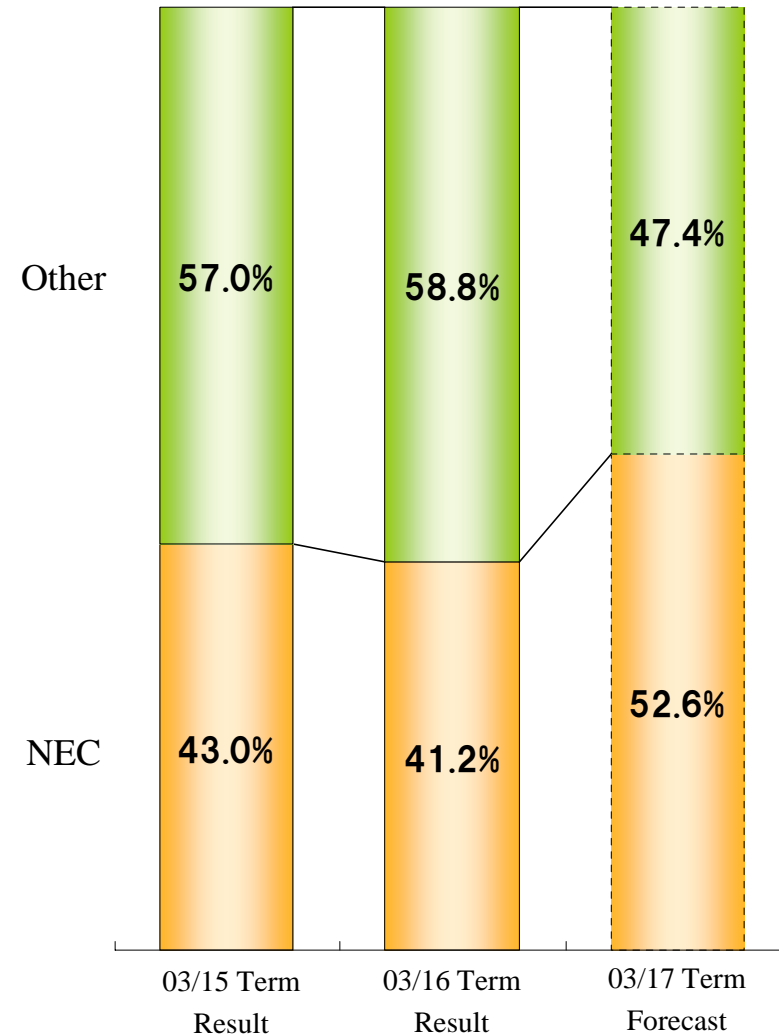
- Hardware: Sales for business units other than NW/video systems will decrease
- Non-hardware: Spots for public systems will decrease

*() shows an increase/decrease from the previous fiscal year.

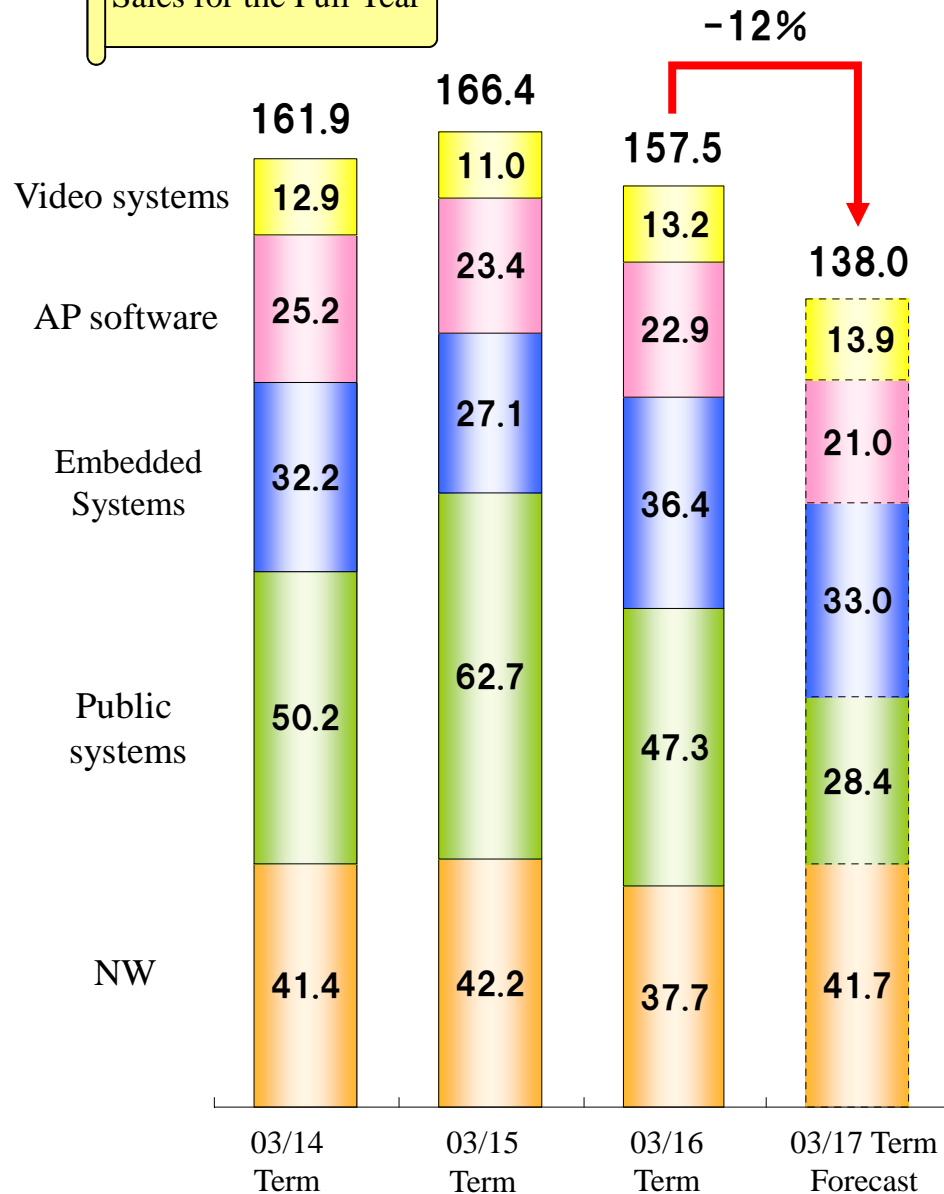


Sales Composition Ratio by Supplier

- Proportion taken by NEC is expected to expand in the fiscal year ending March 2017



Sales for the Full Year



【Year-to-Year Comparison of Fluctuations】

- NW
 - Infrastructure-related business for private sector will increase
- Public Systems (fire stations & government agencies)
 - Wireless communication systems (digitalization) for firefighting and emergency services will decrease
- Embedded Systems
 - LTO and RAID technologies will decrease
- AP Software
 - Production/sales management, etc. will decrease
- Video Systems
 - Portable video transmitters/IPTV systems and other products will increase

	YoY Change
NW	+11%
Public systems	-40%
Embedded systems	-9%
AP software	-8%
Video systems	+5%

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TRUST

*Business cannot
succeed without trust.
It begins and ends
with trust.*

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PRINCIPLES

*Do not just pursue
profit. But act based
on principles, which
can be realized
through self-
discipline.*

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SINCERITY

*Always act sincerely.
Rise to the challenge
head-on.*

Thank you for your attention.

***Note for Use of This Reference Material**

Business forecasts and other statements contained in this reference material regarding the future are predictions based on information available at the time of writing and are not intended as a promise of performance on the part of the Company. Due to various factors, actual results may differ from assessment figures. Major factors affecting actual results are mainly those listed below.

- Economic conditions and consumption trends in Japan, North America and Asia
- Purchaser's production trends and product development
- Supplier's supply situation and product development
- Price drops due to intensifying competition
- Significant fluctuations in exchange rates