

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

March 17, 2016

Name of Company: Sanshin Electronics Co., Ltd.

Representative: Toshiro Suzuki (President and COO)

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

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For Immediate Release:

Notice Regarding Appointment of Candidates for External Directors

At its Meeting of the Board of Directors held on March 16, 2016, the Company selected the candidates for External Directors based on the recommendations of the Nominal and Remuneration Advisory Committees. These nominations will be submitted to the 65th Ordinary General Meeting of Shareholders (scheduled for June 2016) for approval.

Meeting Details

1. Purpose of Appointing External Director

Reinforce supervision of the execution of duties by Directors, and improve management transparency, with the aim of enhancing our corporate governance system.

2. Newly Appointed External Director Candidates

(1) Name and professional history

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)	

Name	Professional history	
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)

(2) Reason for appointment

We expect the aforementioned three individuals 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 (Note 1) required by the Company for the positions of External Directors and External Audit & Supervisory Board Members.

- 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.

3. External directors scheduled to retire

Shun-ichi Nakagawa

Note 1: Independence Standards required by the Company for the positions of External Directors and External Audit & Supervisory Board Members

The Company judges that the positions of External Directors and External Audit & Supervisory Board Members (hereinafter referred to as “External Officers”) shall have independence, in order to guarantee the objectivity and transparency necessary to proper governance. If the requirements below are not met, the External Officers shall not be appointed.

1. Officers^{*1} or employees of the Company and its subsidiaries (hereinafter referred to as “The Group”) shall not be appointed.
2. Individuals to which one of the following cases apply to in the last five years shall not be appointed.
 - a) Executives^{*2} working for companies, etc., which are or will be major clients^{*3} of the Group
 - b) Executives working for the principal lenders^{*4} of the Group
 - c) Individuals who are the major shareholders^{*5} of the Group (in the event of corporations or organizations such as unions, their members)
 - d) Executives working for companies, etc., which are the Group’s major shareholders^{*5}
 - e) Specialists such as Consultants, Public Accountants, Tax Accountants, Lawyers, Judicial Scriveners, Patent Attorneys, who acquired large amounts^{*6} of money and other assets from the Group (in the event of corporations or organizations such as unions, their members)
 - f) Individuals benefiting from donations in the form of large amounts^{*6} of money and other assets from the Group (in the event of corporations or organizations such as unions, their members)
 - g) Officers and employees of companies, etc., which have a relationship of mutual assumption of office with individuals such as officers of the Group
3. The aforementioned items 1 and 2 shall not apply to the spouse and near relatives within the third degree of kinship of the individuals concerned.
4. The individuals shall not be recognized as having special motivations to lead to a conflict of interests with the Group.

*1: “Officer” refers to directors, executive officers, audit & supervisory board members, and other corporate directors.

*2: “Executives” refers to any person who falls under Article 2, Paragraph 3 Item 6 of the Enforcement of the Companies Act.

*3: “Major clients” refers to companies, etc., which paid or received an amount of money in any fiscal year of the last five years, as a compensation for business and trade with the Group, this amount being more than 2% of the consolidated net sales of the client or more than 2% of the consolidated net sales of the Group.

*4: “Principal lenders” refers to financial institutions which lent money to the Group, for which outstanding borrowings of the end of the fiscal year of any of the last five years exceeded 2% of the consolidated total assets of the Group at the end of such fiscal year.

*5: “Major shareholders” refers to stockholders who own directly or indirectly more than 10% of the total votes.

*6: “Large amounts” refers to amounts exceeding 10 million yen or 2% of the higher amount between net sales or the total income of this person, except executive compensation, in the event of a payment such as a remuneration for professional services, or a compensation for business and trade, in any fiscal year of the last five years. In the event of a donation, it refers to an amount exceeding 10 million yen or 2% of the higher amount between net sales or the total income of this person.