Sun-Wa Technos Corporation is an independent trading company that focuses on three product lines: electrical machinery, electronics, and general machinery, offering unique services to customers in a broad range of industrial fields. The Electrical Machinery Department engages in the business related to electrical machinery used in industrial facilities in general. Products and services include various motors such as AC servo motors and linear motors, factory automation (FA) equipment and systems such as machine controllers, machine vision systems, power conditioners, power supply devices and electrical engineering work. The Electronics Department engages in the sales of products from industry’s top class electronics manufacturers. Products include power supplies, connectors, sensors, optical components such as LED, various electronics components, office automation (OA) related equipment, FA systems, telecommunications and information equipment. The department also engages in the sales of assembled boards. The General Machinery Department contributes to enhancing customers’ productivity and to society by responding to the need for energy conservation through the sales and maintenance services of industrial robots, clean robots, semiconductor and liquid crystal related manufacturing equipment, conveying devices and facilities for logistics, substrate mounting devices, various inspection devices, environmental related equipment and devices, various actuators such as valve control devices, wind- and hydro-power equipment, nursing care and medical equipment.
New product opportunities

supplies them to our customers at home and abroad. We are also deploying a business which develops excellent products overseas and customers. We are helping our customers reduce total costs mainly by streamlining their operations from building Sun-Wa Global Network, which includes procurement services (global SCM solutions) entrusted by our capable local manufacturers so that we are able to expand our own businesses as well. We are in the process of that we will be able to offer similar services to what is available in Japan. This process allows us to locate to our bottom line. In response to our customers expanding overseas, we approach them by emphasizing the selling to satisfy specific customer needs, the investment paid off within a relatively short period of time, contributing to the progress of industrial recovery in communities.

Main Customers

Yaskawa Electric Group, Denso Group, Konami Group, Mitsubishi Electric Group, Panasonic Group, SCREEN Group, Fuji Electric Group, Asahi Glass Group, Omron Group, Canon Group, Shima Seiki Mfg Group, Fuji Machine Mfg Group, Nikon Group, Daihen Group, Yamaha Motor Group, Toshiba Group, SEGA SAMMY Group, Bridgestone Group, TOTO Group, Fujitec Group, Amada Group, Glory Group, Fuji Photo Film Group, Miura Group, Okuma Group, Kysan Electric Manufacturing Group

Main Suppliers


Business Strategy

In addition to "system, equipment, and part & component distribution businesses," which are part of our core electrical machinery, electronics, and general machinery businesses, Sun-Wa Technos is working on "engineering business" as well as "global SCM solutions business." Sun-Wa Technos, as a total coordinator that connects manufacturing sites and distribution networks, will contribute to the progress of industrial recovery in communities.

System, equipment, and part & component distribution businesses

Through the supply of the best systems, equipment, parts, and devices, we will help our customers develop more excellent products.

- Expanded activities as a distribution service agent for key manufacturers (customers)
- Enhanced business relationships with them
- Foreseen customer needs and business seeds → New product opportunities
- Supplying our customers with the latest technical information

Engineering business

Supporting our customers' manufacturing activities by proposing ideas about automated systems and energy-saving products.

- Pursuing the concept of "manufacturing in the future" by utilizing ICT technology
- Proposing automated systems utilizing robots
- System proposals aiming at energy saving and electric power saving

Global SCM solutions business

Entrusted with logistics operations by our customers in a comprehensive fashion, we implement the best solutions in order to streamline their logistics requirements in a series of corporate activities ranging from material procurement, production, distribution, to recycling. This approach enables our customers to focus and expand their core businesses. Supporting our customers in their manufacturing activities, such as producing transfer support (effective production transfer operations) Suggesting the best distribution channels and local suppliers by taking advantage of our existing global network Supporting our customers in local procurement (introducing recommended local suppliers, plant audit support)

Aggressive Development of Overseas Business

Since opening its first overseas base in Singapore in 1995, the Sun-Wa Technos Group has established business bases at 25 locations in 11 countries. Because the decision of each one of these overseas expansions was made to satisfy specific customer needs, the investment paid off within a relatively short period of time, contributing to our bottom line. In response to our customers expanding overseas, we approach them by emphasizing the selling point that we will be able to offer similar services to what is available in Japan. This process allows us to locate capable local manufacturers so that we are able to expand our own businesses as well. We are in the process of building Sun-Wa Global Network, which includes procurement services (global SCM solutions) entrusted by our customers. We are helping our customers reduce total costs mainly by streamlining their operations from inventory through distribution. We are also deploying a business which develops excellent products overseas and supplies them to our customers at home and abroad.
Consolidated Basis

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Net sales (Millions of yen)</th>
<th>Operating income (Millions of yen)</th>
<th>Ordinary income (Millions of yen)</th>
<th>Net income (Millions of yen)</th>
<th>Net income per share (Yen)</th>
<th>Annual dividend per share (Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>105,748</td>
<td>2,444</td>
<td>2,645</td>
<td>1,690</td>
<td>117.76</td>
<td>28.00</td>
</tr>
<tr>
<td>2016</td>
<td>116,611</td>
<td>3,014</td>
<td>3,215</td>
<td>1,584</td>
<td>113.64</td>
<td>28.00</td>
</tr>
<tr>
<td>2017 (Plan)</td>
<td>130,000</td>
<td>3,350</td>
<td>3,650</td>
<td>2,300</td>
<td>155.14</td>
<td>28.00</td>
</tr>
</tbody>
</table>
Ninth Medium - Term Management Plan (Challenge 1500)

The ninth medium-term management plan (Challenge 1500) starts at fiscal year 2016, and it is the second year in this year. Consolidated results for the first fiscal year were able to post record highs in net sales, and operating income, ordinary income exceed the previous fiscal year. The Sun-Wa Group unites in its second year and works on the following priority measures toward managerial goal achievements.

Sun-Wa Technos is steadily building a foundation to ready itself for our 70th Anniversary and challenging consolidated sales of 150 billion yen in FY2019 and 250 billion yen in FY2025.

Consolidated results for the first fiscal year were able to post record highs in net sales, and operating income, ordinary income exceed the previous fiscal year. The Sun-Wa Group unites in its second year and works on the following priority measures toward managerial goal achievements.

Sun-Wa Technos management is committed to providing appropriate shareholder returns by maintaining a stable dividend supplemented by increasing the amount of dividends or conducting share splits when appropriate based on our careful consideration of earnings results. We will endeavor to increase internal reserves in order to strengthen financial soundness and enhance competitiveness and to provide us with the flexibility needed to respond to sudden changes in our business environment, from a medium- and long-term perspective.

I would like to take this occasion to ask all of our shareholders and investors for your continued guidance and encouragement.

President and Representative Director
Hiroyuki Tanaka

SUN-WA TECHNOS CORPORATION
Management Planning Dept

Telephone +81-3-5202-4013 Facsimile +81-3-5202-4054