

(Translation)

Securities Code: 8068

April 5, 2017

NOTICE OF THE 57TH ANNUAL SHAREHOLDERS' MEETING

Dear Shareholders,

I would like to invite you to attend the 57th Annual Shareholders' Meeting to be held as described hereunder.

If you are unable to attend this Annual Shareholders' Meeting (the "Meeting") in person, you may exercise your voting rights in writing or via the Internet. Please peruse the attached Reference Documents for Annual Shareholders' Meeting and exercise your voting rights by returning the enclosed Exercise Voting Rights Form with your selections to us, or by accessing the Website for Exercising Voting Rights designated by us (<http://www.evotep.jp>) and inputting your selections, by 5:30 p.m. on April 26 (Wednesday), 2017.

Sincerely yours,

Takayoshi Oouchi
President & COO
Ryoyo Electro Corporation
1-12-22 Tsukiji, Chuo-ku, Tokyo

- 1. Date and Time:** 10:00 a.m. on April 27 (Thursday), 2017
(the reception desk opens at 9:00 a.m.)
- 2. Venue:** JIJI PRESS HALL (on the 2nd floor of Jiji Press Building)
5-15-8 Ginza, Chuo-ku, Tokyo
- 3. Agenda:**
- Matters to be reported:*
1. The business report, the consolidated financial statements, and the audit reports on the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the 57th term (from February 1, 2016 to January 31, 2017)

2. The non-consolidated financial statements for the 57th term
(from February 1, 2016 to January 31, 2017)

Matters to be proposed:

Proposal No. 1	Appropriation of Surplus
Proposal No. 2	Election of Eight (8) Directors
Proposal No. 3	Revision of the Amount of Remuneration to Audit & Supervisory Board Members

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- * When attending the Meeting in person, shareholders are requested to submit the enclosed Exercise Voting Rights Form at the reception desk on the above-mentioned date.
 - * We will post any modification to the reference documents for the Meeting, the business report, the consolidated financial statements and the non-consolidated financial statements on our corporate website (<http://www.ryoyo.co.jp>).

This is an English translation prepared for the convenience of non-resident shareholders. If there is any discrepancy between the translation and the original Japanese text, the latter shall prevail.

Reference Documents for Annual Shareholders' Meeting

Proposal No. 1: Appropriation of Surplus

We propose that surplus be appropriated in the following manner:

1. Matters related to year-end dividend

With a stable dividend to our valued shareholders as a base and generally taking into consideration business performance for the term under review, retained earnings set aside for future plans for business development, and other factors, we propose that the year-end dividend for the 57th term be as follows:

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property and its aggregate amount
¥20 per share;
Including the interim dividend, the dividend for the full year will be ¥40 per share, and the aggregate amount of dividend will be ¥490,146,560.
- (3) Effective date of dividend distribution
April 28, 2017

2. Matters related to other appropriation of surplus

In order to cover the loss in retained earnings brought forward, we intend to reverse a portion of the general reserve noted as follows:

- (1) Item of surplus to be increased and the amount thereof
Retained earnings brought forward ¥3,800,000,000
- (2) Item of surplus to be decreased and the amount thereof
General reserve ¥3,800,000,000

Proposal No. 2: Election of Eight (8) Directors

The term of office of all eight (8) Directors will expire at the conclusion of this Annual Shareholders' Meeting. Accordingly, we propose that eight (8) Directors be elected.

The candidates' profiles are provided below.

No.	Name (date of birth)	Career summary and positions and responsibilities at the Company (status of important concurrent occupations or positions at other organizations)	Number of the Company's shares held
1	<Reelection> Kenhachiro Ogawa (January 8, 1945)	Sep. 1963 Joined Ryoyo Electro May 1982 General Manager, Accounting Dept. Apr. 1984 Director & General Manager, Accounting Dept. and Administration Dept. Apr. 1989 Managing Director & General Manager, Administration Div., in charge of General Affairs & Human Resources Div. Jul. 1995 Senior Managing Director in charge of Computer System Products Sales Div. and Information Technology Dept. Apr. 1999 Representative Director & Senior Managing Director in charge of Computer System Products Sales and Electronic Devices Sales Apr. 2006 Representative Director & Executive Vice President in charge of Computer System Products Sales Aug. 2006 Representative Director & Executive Vice President in charge of all sales and technology divisions Apr. 2008 President & CEO Apr. 2013 Representative Director, Chairman & CEO (incumbent)	85,816
<p>Reasons for nominating the candidate for Director The candidate has extensive business experience in the Company, and having been involved in the management of the Company as a Director for many years, he possesses broad insight of the overall management of an electronics trading company and demonstrates strong leadership. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes his reelection as a Director of the Company.</p>			

No.	Name (date of birth)	Career summary and positions and responsibilities at the Company (status of important concurrent occupations or positions at other organizations)	Number of the Company's shares held
2	<Reelection> Takayoshi Oouchi (June 21, 1956)	Apr. 1980 Joined Ryoyo Electro In charge of Electronic Devices Sales and Semiconductor Electronic Devices Sales Aug. 2001 General Manager, Sales Dept., Computer System Products Div. II Aug. 2005 General Manager, Computer System Products Div. II Feb. 2007 Executive General Manager, Computer System Products Div. II Aug. 2007 Executive Deputy General Manager, Corporate Strategy Div. (concurrent) Apr. 2008 Director in charge of Computer System Products Sales, Semiconductor Technology, Computer System Products Technology and New Market Development Project Jul. 2011 Director & Deputy General Manager, Embedded Div. (concurrent) Apr. 2012 Director & Head, Eastern Region (concurrent) Nov. 2012 Managing Director & Head, Eastern Region and Deputy General Manager, Intelligent System Sales Div. (concurrent) Dec. 2012 Managing Director in charge of Sales and Technology Apr. 2013 President & COO (incumbent)	6,300
<p>Reasons for nominating the candidate for Director</p> <p>The candidate has extensive management experience across broad areas including sales and technology divisions and Corporate Strategy Div., and he possesses broad insight of the overall management of an electronics trading company. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes his reelection as a Director of the Company.</p>			

No.	Name (date of birth)	Career summary and positions and responsibilities at the Company (status of important concurrent occupations or positions at other organizations)	Number of the Company's shares held
3	<p data-bbox="312 884 463 966"><Reelection> Nobuo Kikutsugi (March 11, 1955)</p>	<p data-bbox="491 426 1002 1416"> Apr. 1978 Joined Ryoyo Electro Mar. 1997 General Manager, Semiconductor Sales Dept. II Aug. 2006 General Manager, Osaka Branch Aug. 2007 Executive General Manager & Head, Western Region and Executive General Manager, Osaka Branch Apr. 2008 Director & Head, Western Region and General Manager, Osaka Branch Feb. 2009 Director in charge of Corporate Strategy Div. and Information Technology Dept. and Head, Western Region Feb. 2010 Director in charge of Imported Semiconductor Sales and General Manager, Semiconductor Sales Div. I and Corporate Strategy Div. Apr. 2011 Managing Director in charge of Imported Semiconductor Sales and General Manager, Semiconductor Sales Div. I Feb. 2012 Managing Director in charge of Imported Semiconductor Sales and General Manager, Semiconductor Sales Div. I and Intelligent System Sales Div. Feb. 2014 Director & Managing Executive Officer in charge of Overseas Semiconductor Sales Div. and Managing Executive General Manager, Semiconductor Sales Div. I and Intelligent System Sales Div. Feb. 2016 Director & Managing Executive Officer in charge of Overseas Semiconductor Sales Div., Sales Promotion Div., Semiconductor Sales Div. I and Intelligent System Sales Div. Feb. 2017 Director & Managing Executive Officer in charge of Overseas Semiconductor Sales Div., Sales Promotion Div. and Western Region (incumbent) </p>	7,695
<p data-bbox="312 1431 1126 1557"> Reasons for nominating the candidate for Director The candidate has many years of management experience in the semiconductor and device business, and possesses extensive experience and broad insight in the Company's business. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes his reelection as a Director of the Company. </p>			

No.	Name (date of birth)	Career summary and positions and responsibilities at the Company (status of important concurrent occupations or positions at other organizations)	Number of the Company's shares held
4	<Reelection> Masaaki Tanabe (October 18, 1959)	Apr. 1980 Joined Ryoyo Electro Aug. 2003 General Manager, Sales Administration Dept., Computer System Products Sales Jun. 2009 General Manager, Computer System Products Div. I Feb. 2011 Executive General Manager, Computer System Products Div. I Feb. 2014 Senior Executive General Manager, Computer System Products Div. I Apr. 2015 Director & Senior Executive General Manager, Computer System Products Div. I and Global Business Promotion Div. Feb. 2016 Director & Senior Executive General Manager in charge of Computer System Products Div. I and Computer System Products Div. II and Senior Executive General Manager, New Business Div. and Global Business Promotion Div. Feb. 2017 Director & Senior Executive General Manager in charge of ICT Sales (incumbent)	5,800
<p>Reasons for nominating the candidate for Director The candidate has many years of management experience in the ICT and solutions business, and possesses extensive experience and broad insight of the Company's business. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes his reelection as a Director of the Company.</p>			

No.	Name (date of birth)	Career summary and positions and responsibilities at the Company (status of important concurrent occupations or positions at other organizations)	Number of the Company's shares held
5	<Reelection> Kiyoshi Waki (October 22, 1959)	<p>Apr. 1983 Joined The Mitsubishi Bank, Limited (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>Nov. 2011 Seconded to Ryoyo Electro as General Manager, Corporate Strategy Div.</p> <p>Feb. 2012 Executive General Manager, Corporate Strategy Div. and Executive Deputy General Manager, Overseas Marketing Div.</p> <p>Apr. 2012 Joined Ryoyo Electro</p> <p>Nov. 2012 Executive General Manager, Overseas Marketing Div.</p> <p>Feb. 2014 Senior Executive General Manager, Overseas Marketing Div.</p> <p>Oct. 2014 Registered as U.S. Certified Public Accountant</p> <p>Feb. 2015 Senior Executive General Manager, Administration Div., Overseas Marketing Div., in charge of CSR Dept.</p> <p>Nov. 2015 Senior Executive General Manager, Administration Div., in charge of CSR Dept.</p> <p>May 2016 Director & Senior Executive General Manager in charge of Corporate Strategy Div. and Senior Executive General Manager, Administration Div., in charge of CSR Dept. (incumbent)</p>	8,000
<p>Reasons for nominating the candidate for Director</p> <p>The candidate has gained experience and made achievements in Japan and overseas working for a financial institution, and since joining the Company, he has gained management experience in Corporate Strategy Div., Overseas Marketing Div. and Administration Div. He possesses highly specialized knowledge and broad insight in accounting and finance. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes his reelection as a Director of the Company.</p>			

No.	Name (date of birth)	Career summary and positions and responsibilities at the Company (status of important concurrent occupations or positions at other organizations)	Number of the Company's shares held
6	<New candidate> Yoshitsugu Tamakoshi (June 27, 1959)	Apr. 1982 Joined Mitsubishi Electric Corporation Apr. 2010 Group Vice President, General Manager, Semiconductor & Device Marketing Div. A, Mitsubishi Electric Corporation Apr. 2014 Group Vice President, General Manager, Semiconductor & Device Marketing Div. B, Mitsubishi Electric Corporation Apr. 2016 Joined Ryoyo Electro Senior Executive General Manager in charge of Domestic Semiconductor Sales and Senior Executive General Manager, Semiconductor Sales Div. II and Head, Eastern Region Feb. 2017 Senior Executive General Manager in charge of Domestic Semiconductor Sales and Eastern Region and Senior Executive General Manager, Semiconductor & Device Business Div. (incumbent)	-
<p>Reasons for nominating the candidate for Director</p> <p>The candidate has many years of experience in the semiconductor and device business at Mitsubishi Electric Corporation, and having been involved in management as a general manager in that business since joining the Company, he possesses extensive experience and broad insight of this business area. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes his election as a Director of the Company.</p>			

No.	Name (date of birth)	Career summary and positions and responsibilities at the Company (status of important concurrent occupations or positions at other organizations)	Number of the Company's shares held
7	<Reelection/Outside /Independent> Yoshiharu Hayakawa (February 23, 1948)	Aug. 1973 Registered as Certified Public Accountant Apr. 1985 Representative Director, Chuo Coopers and Lybrand Consulting Co., Ltd. Jan. 1992 Representative, Chuo Audit Corporation Nov. 1997 Representative, Kasumi Empowerment Research Institute (incumbent) Jun. 2007 Outside Director, Mitsui Fudosan Co., Ltd. Jun. 2012 External Director, Kakaku.com, Inc. (incumbent) Apr. 2013 Outside Director, Ryoyo Electro (incumbent) Jun. 2014 Outside Director, Sanrio Company, Ltd. (incumbent) (Status of important concurrent occupations or positions at other organizations) Representative, Kasumi Empowerment Research Institute External Director, Kakaku.com, Inc. Outside Director, Sanrio Company, Ltd.	-
<p>Reasons for nominating the candidate for outside Director</p> <p>The candidate has expert knowledge as a certified public accountant, as well as extensive experience and broad insight as a management consultant. For these reasons, the Company believes that he is a suitable candidate capable of strengthening its corporate governance and improving its corporate value and accordingly proposes his reelection as an outside Director of the Company.</p>			

No.	Name (date of birth)	Career summary and positions and responsibilities at the Company (status of important concurrent occupations or positions at other organizations)	Number of the Company's shares held
8	<Reelection/Outside/Independent> Tsumiko Nakahara (November 9, 1966)	<p>Apr. 1990 Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)</p> <p>1993 Translation work and others</p> <p>Oct. 2000 Registered as attorney (Yokohama Bar Association)</p> <p>Dec. 2000 Joined Shoji Nihei Law Office (currently Yokohama Kannai Law Office)</p> <p>Apr. 2007 Established Yokohama Kaikou Law Firm</p> <p>Apr. 2013 Domestic Relations Conciliation Commissioner, Yokohama Family Court</p> <p>Apr. 2015 Outside Director, Ryoyo Electro (incumbent) (Status of important concurrent occupations or positions at other organizations) Attorney, Yokohama Kaikou Law Firm</p>	—
<p>Reasons for nominating the candidate for outside Director</p> <p>The candidate has engaged in activities as an attorney for many years and acquired highly professional insight into overall corporate legal affairs based on her scholarly wisdom and professional experiences. Furthermore, although she has not been directly involved in company management, she has gained extensive practical experience and track record at regular companies. For these reasons, the Company believes that she is a suitable candidate capable of strengthening its corporate governance and improving its corporate value and accordingly proposes her reelection as an outside Director of the Company.</p>			

- Notes:
1. There are no special interests between the Company and these candidates for Director.
 2. Yoshiharu Hayakawa and Tsumiko Nakahara are candidates for outside Director.
 3. Yoshiharu Hayakawa and Tsumiko Nakahara are currently outside Directors of the Company.
At the conclusion of this Meeting, they will have served as outside Director for four (4) years and two (2) years, respectively.
 4. Agreements for limitation of liability concluded with outside Directors are outlined below.
Currently, the Company has concluded agreements for limitation of liability for damages with Yoshiharu Hayakawa and Tsumiko Nakahara in accordance with the provisions of Article 27 of the Articles of Incorporation. Provided that the proposal of their reelection as Director is approved, the Company will maintain the agreements that offer limitation of liability with them.
Outline of the agreement for limitation of liability is as follows.
Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, when the

outside Directors cause damages to the Company arising from their negligence of their duties, the Company shall limit their liability to the Company to either ¥8 million or the minimum liability amount as stipulated by Article 425, Paragraph 1 of the Companies Act, whichever is higher, if the relevant outside Directors are without knowledge and are not grossly negligent in performing their duties. The Company naturally exempts the outside Directors from the exceeding liability thereof.

5. The Company has given notice of Yoshiharu Hayakawa and Tsumiko Nakahara to Tokyo Stock Exchange, Inc. as independent directors.

6. In order to ensure the independence of the candidates it recommends for outside officer (outside Director and outside Audit & Supervisory Board Member), the Company has formulated criteria for the selection of outside officers.

The criteria for the selection of outside officers require that candidates shall not fall under any of the following categories.

- (1) A party who is or has been a Director, an Auditor or an employee at the Ryoyo Group in the past ten years or a relative within the second degree of kinship of such a party
- (2) A party that is or has been a Director, an Auditor or an employee of a major business partner (*1) of the Ryoyo Group in the past five years
- (3) A shareholder that holds 10% or more of the voting rights of the Company's shares (in the case of an institutional shareholder, this shall apply to business executives at such an institutional shareholder)
- (4) A provider of specialist services (*2) that has received ¥10 million or more of remuneration on an annual basis from the Ryoyo Group in the past five years
- (5) A party that has received a donation of ¥10 million or more on an annual basis from the Ryoyo Group in the past five years
- (6) A party that has a relationship with the Ryoyo Group in which exchange of Directors is carried out by mutual dispatch
- (7) Any other party with a significant interest in the Ryoyo Group

*1. This signifies a business partner that has a relationship with the Ryoyo Group that constitutes 2% or more of the consolidated net sales of the Ryoyo Group in the most recent fiscal year.

*2. This signifies an attorney, a certified public accountant, a certified public tax accountant, a judicial scrivener, a consultant or an advisor.

Proposal No. 3: Revision of the Amount of Remuneration to Audit & Supervisory Board Members

Up until today the annual remuneration to Audit & Supervisory Board Members of the Company has been set by the resolution at the 48th Annual Shareholders' Meeting held on April 25, 2008 that the said remuneration must not be more than ¥30 million. We propose to revise the annual remuneration to Audit & Supervisory Board Members to not more than ¥40 million, taking into consideration that their responsibilities are becoming greater due to changing business environments and other factors.

The present number of Audit & Supervisory Board Members is four (4).