

FY2005 Results Meeting

FY2005 : Year ended March 31, 2006

May 30, 2006

Ryosan Company, Limited

Code : 8140 / Stock listings: Tokyo Stock Exchange (First Section)

URL : <http://www.ryosan.co.jp/eng/>

RYOSAN

Notice

This presentation contains forward-looking statements regarding business performance, which may differ substantially from actual results, depending on certain risks and uncertainties, the most significant of which are listed below.

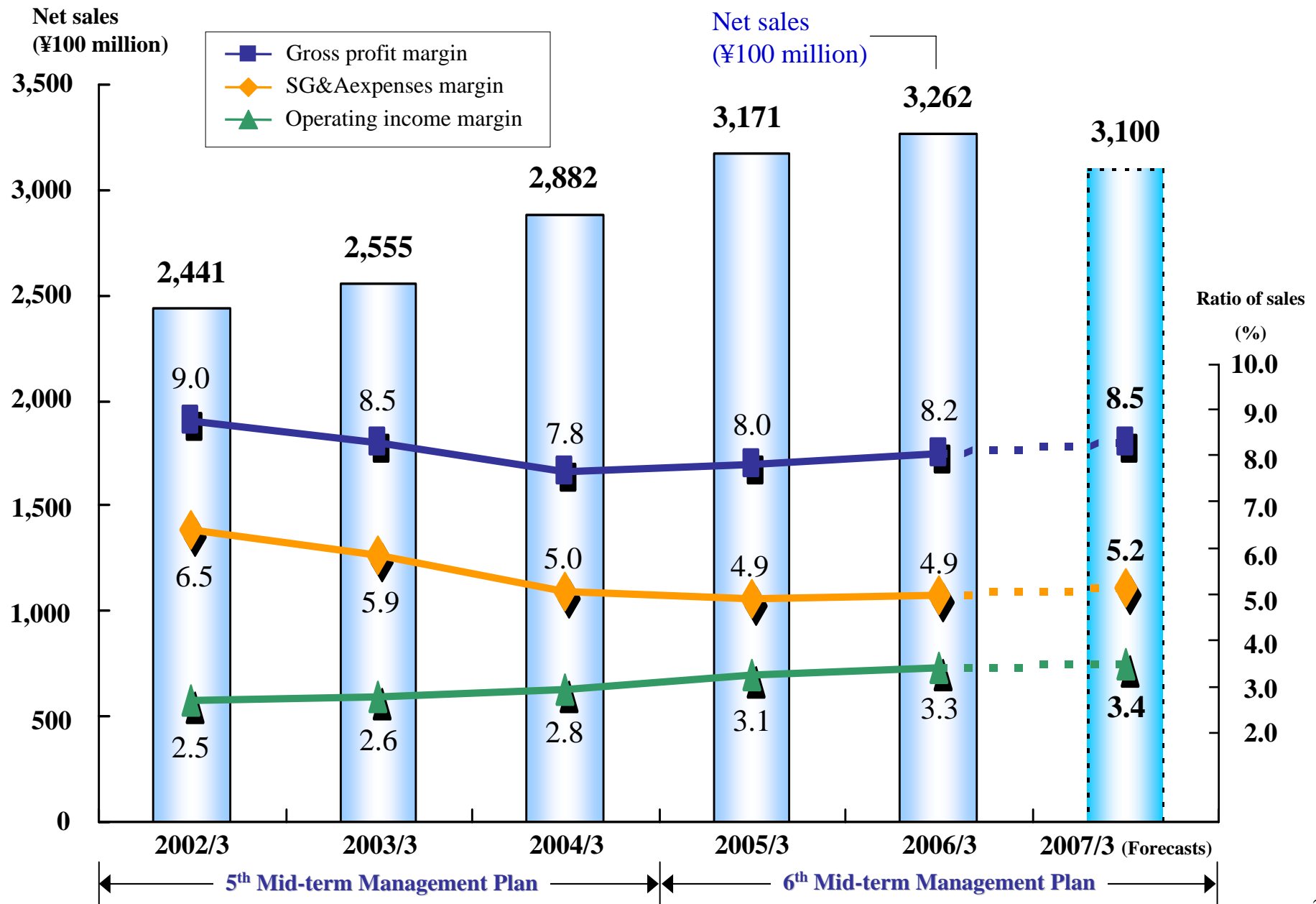
- Economic conditions in key markets (Japan and the rest of Asia), rapid changes in consumption patterns and supply-demand balance for products
- Sharp fluctuations in the ¥/\$ exchange rate
- Substantial fluctuation in prices in capital markets

Consolidated results for the fiscal year ended March 31, 2006

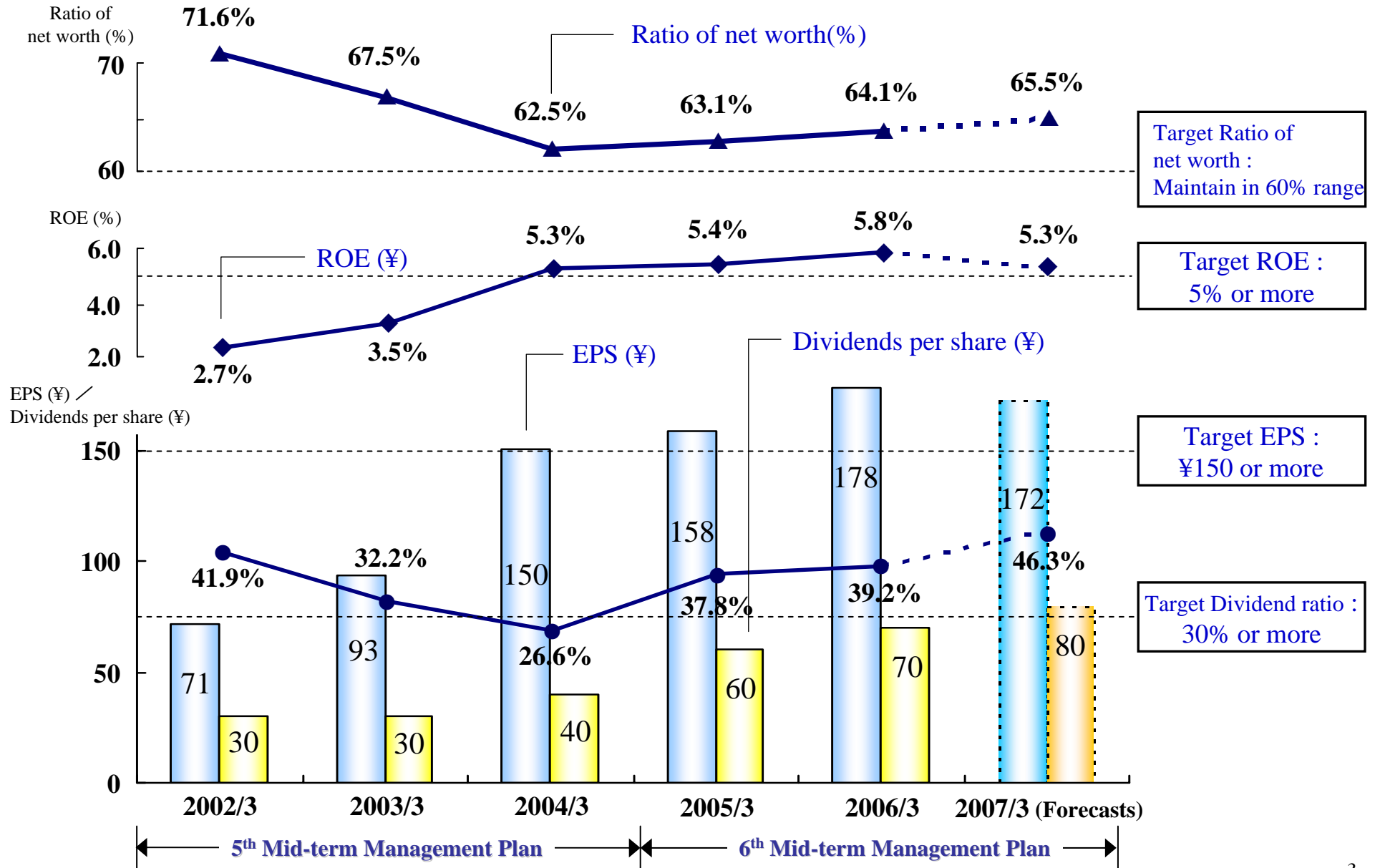
Unit : ¥ 100 million, %

	2005/3		2006/3			2007/3(Forecasts)		
		Of Total		Of Total	% Chg. YoY		Of Total	% Chg. YoY
	¥ 100 million	%	¥ 100 million	%	%	¥ 100 million	%	%
Net sales	3,171		3,262		+2.9	3,100		(5.0)
Gross margin	252	8.0	269	8.2	+6.5	264	8.5	(1.8)
SG&A expenses	154	4.9	161	4.9	+4.3	160	5.2	(0.6)
Operating income	98	3.1	108	3.3	+10.0	104	3.4	(3.6)
Ordinary income	105	3.3	107	3.3	+1.3	106	3.4	(0.7)
Net income	59	1.9	66	2.0	+12.3	63	2.0	(4.4)
Earnings per share	¥158.53		¥178.38		+¥20	¥172.73		(¥6)
Net assets per share	¥3,061		¥3,216		+¥155	¥3,309		+¥93

Consolidated results Trend



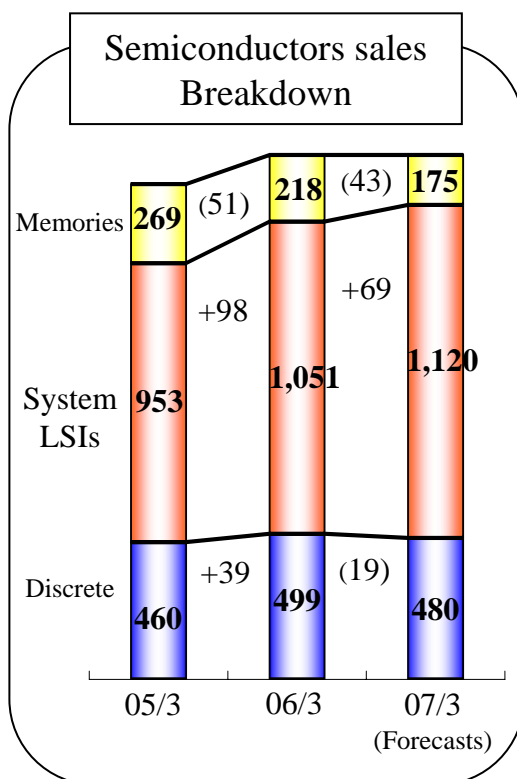
Management Benchmarks Trend



Semiconductors Sales Breakdown (By Product)

Unit : ¥ 100 million, %

	2005/3	2006/3		2007/3(Forecasts)	
			% Chg. YoY		% Chg. YoY
Memories	269	218	(19.0)	175	(19.7)
System LSIs	953	1,051	+10.3	1,120	+6.6
Discrete	460	499	+8.5	480	(3.8)
Total	1,682	1,768	+5.1	1,775	+0.4



《 2006/3 Results 》

[Memories] Although sales of DRAMs for servers rose, those for PCs greatly declined.

[System LSIs] Sales of ASICs for cellphone cameras, LSIs for digital audiovisual products, LSIs used in RFID tags, and other products, increased.

[Discrete] Higher sales of LCD driver ICs for cellphones and PC monitors, and other products, were reported.

《 2007/3 Forecasts 》

[Memories] Although sales of DRAMs for digital consumer products and cellphones should rise, those for servers should decline greatly.

[System LSIs] Sales of ASICs for DSC cameras and for cellphone cameras, LSIs for automobiles, ICs used in wireless LANs, and other products, should increase.

[Discrete] Although sales of devices for PMDs and devices for receiving satellite broadcasts should rise, LCD driver ICs for cellphones should decline.

Semiconductors Sales Breakdown (By suppliers)

Unit : ¥ 100 million, %

	2005/3	2006/3		2007/3(Forecasts)	
			% Chg. YoY		% Chg. YoY
NEC Electronics	1,245	1,303	+4.6	1,390	+6.6
Elpida Memory	194	166	(14.2)	125	(24.5)
Philips	72	108	+50.4	131	+21.2
Others	171	190	+11.2	129	(32.2)
Total	1,682	1,768	+5.1	1,775	+0.4

《 2006/3 Results 》

- [NEC Electronics] Sales of ASICs for cellphone cameras, LSIs for digital audiovisual products, LCD driver ICs for PC monitors, and other products, increased.
- [Elpida Memory] Although sales of DRAMs for servers rose, those for PCs greatly declined.
- [Philips] Sales of LSIs used in RFID tags and TVs, and other products, increased.
- [Others] Sales of LCD driver ICs for cellphones, LCD controller ICs for PC monitors, and other products, rose.

《 2007/3 Forecasts 》

- [NEC Electronics] Sales of ASICs for DSCs and cellphone cameras, LSIs for automobiles and devices for receiving satellite broadcasts are expected to rise.
- [Elpida Memory] Although sales of DRAMs for digital consumer products and cellphones should rise, those for servers, and other products, should decline.
- [Philips] Sales of LSIs for wireless LANs and LSIs used in RFID tags are expected to increase.
- [Others] Although sales of DRAMs for hard disk drives and PDPs should rise, sales of LCD driver ICs for cellphones, and other products, should decline.

Sales expansion strategy for semiconductor business

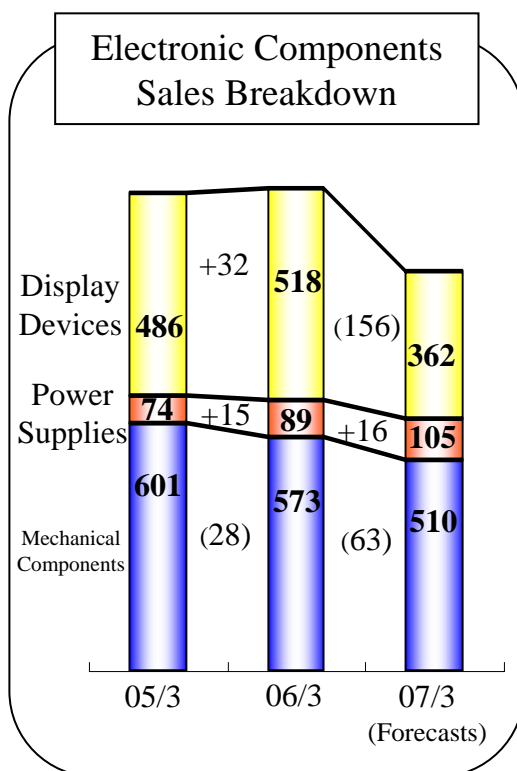
Expand sales of digital audiovisual and car multimedia products

Growth field	Application	Product
Digital AV	Digital TV DVD STB	<ul style="list-style-type: none"> ○ Microcomputer ○ ASSP <ul style="list-style-type: none"> ▪ Image processing LSI ▪ Interface LSI (IEEE1394 / USB) ▪ MPEG Encoder / Decoder ○ Memory
Car Multimedia	Car Navigation Car audio	<ul style="list-style-type: none"> ○ Microcomputer ○ ASSP <ul style="list-style-type: none"> ▪ Image processing LSI ▪ CD/DVD LSI ○ Memory

Electronic Components Sales Breakdown (By product)

Unit : ¥ 100 million, %

	2005/3	2006/3		2007/3(Forecasts)	
			% Chg. YoY		% Chg. YoY
Display Devices	486	518	+6.6	362	(30.1)
Power Supplies	74	89	+20.3	105	+18.0
Mechanical Components	601	573	(4.7)	510	(11.0)
Total	1,161	1,180	+1.7	977	(17.2)



《 2006/3 Results 》

[Display Devices]

Sales of LCDs for DSCs, cellphones and PDAs, and other products, increased.

[Power Supplies]

Sales of rechargeable batteries for cellphones, DSCs, and other products, rose.

[Mechanical Components]

Although sales of FPCs for cellphones rose, sales of front lights for game consoles, connectors for PCs, and other products, decreased.

《 2007/3 Forecasts 》

[Display Devices]

Sales of LCDs for PDAs and DSCs are expected to decline.

[Power Supplies]

Sales of rechargeable batteries for DSCs and power supplies for cellphone base stations should increase.

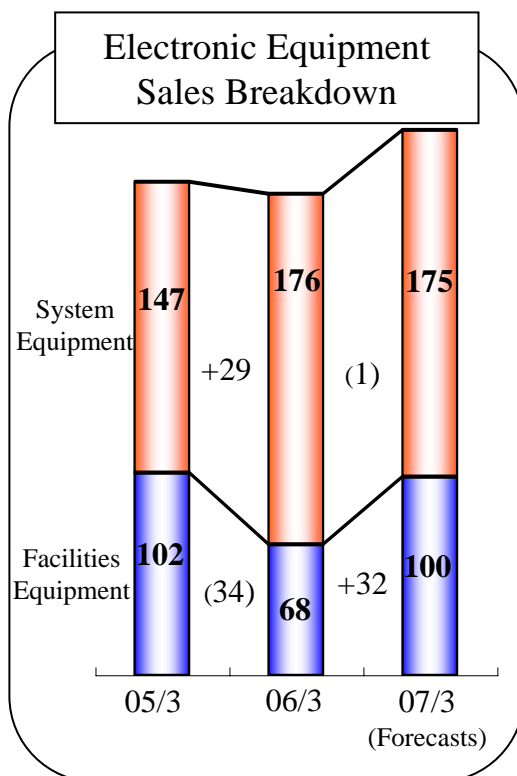
[Mechanical Components]

Sales of radio frequency modules for ETCs and FPCs for cellphones are expected to decrease.

Electronic Equipment Sales Breakdown (By product)

Unit : ¥ 100 million, %

	2005/3	2006/3		2007/3(Forecasts)	
			% Chg. YoY		% Chg. YoY
System Equipment	147	176	+19.7	175	(0.6)
Facilities Equipment	102	68	(33.3)	100	+49.3
Total	249	244	(2.1)	275	+12.7



《 2006/3 Results 》

[System Equipment] Sales of in-vehicle ETCs, system equipment for MFPs, Internet communication equipment, and other products, rose.

[Facilities Equipment] Sales of hard disk drive manufacturing equipment and other products decreased.

《 2007/3 Forecasts 》

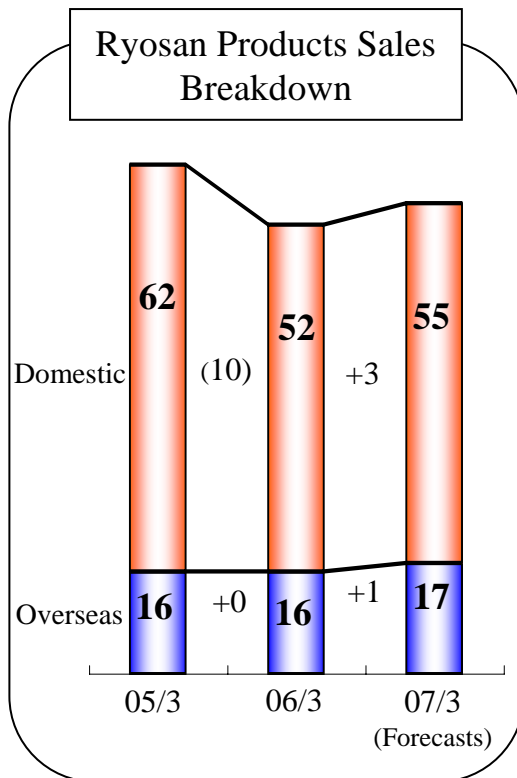
[System Equipment] In-vehicle ETCs should perform well, while sales of system equipment for MFPs, and other products, should fall.

[Facilities Equipment] Sales of equipment for manufacturing magnetic heads, and other products, are expected to rise.

Ryosan Products Sales Breakdown (By area)

Unit : ¥ 100 million, %

	2005/3	2006/3		2007/3(Forecasts)	
			% Chg. YoY		% Chg. YoY
Domestic	62	52	(14.7)	55	+6.0
Overseas	16	16	+2.7	17	+4.1
Total	77	69	(10.7)	73	+5.1



《 2006/3 Results 》

[Domestic]

Sales of heatsinks for measuring equipment and other products decreased.

[Overseas]

Sales of heatsinks for MFPs, audio equipment and air conditioners, as well as other products, slightly increased.

《 2007/3 Forecasts 》

[Domestic]

Although sales of heatsinks for measuring equipment should fall, those for flat-screen televisions, and other products, should rise.

[Overseas]

Sales of heatsinks for power supplies for PDPs and LCDs, heatsinks for audio equipment, and other products, should rise slightly.

Overseas Sales Breakdown

Unit : ¥ 100 million, %

	2005/3		2006/3			2007/3(Forecasts)		
	¥ 100 million	Of Total %	¥ 100 million	Of Total %	% Chg. YoY	¥ 100 million	Of Total %	% Chg. YoY
Consolidated net sales	3,170		3,262		+2.9	3,100		(5.0)
Domestic	2,096	66.1	2,059	63.1	(1.8)	2,040	65.8	(0.9)
Overseas	1,074	33.9	1,203	36.9	+12.0	1,060	34.2	(11.9)
Chinese Market	328	10.3	410	12.6	+25.1	416	13.4	+1.5

Key Clients

《Top 40》

	Top 1-10	Top 11-20	Top 21-30	Top 31-40
Clients (alphabetical order)	ALPS Electric CASIO Fuji Photo Film FUJITSU HITACHI MITAC (T) Mitsubishi Electric NEC PIONEER SANYO	ADVANTEST ALPINE Bussan Microelectronics Calsonic Kansei DENSO Furuno Electric JVC KENWOOD Matsushita Electric Sanyo Epson Imaging Devices	Brother Industries Japan Radio MINTON Optic (T) NIKON Pantech & Curitel (K) Sumitomo Electric Industries TAKATA TOSHIBA YAMAHA	Hitachi Kokusai Electric Konica Minolta HD Matsushita Electric Works NINTENDO OMRON SEGA SHARP Stanley Electric YASUKAWA Electric YAZAKI meter
Percentage Sales of all clients	(Top 10) 45%	(Top 20) 59%	(Top 30) 67%	(Top 40) 71%

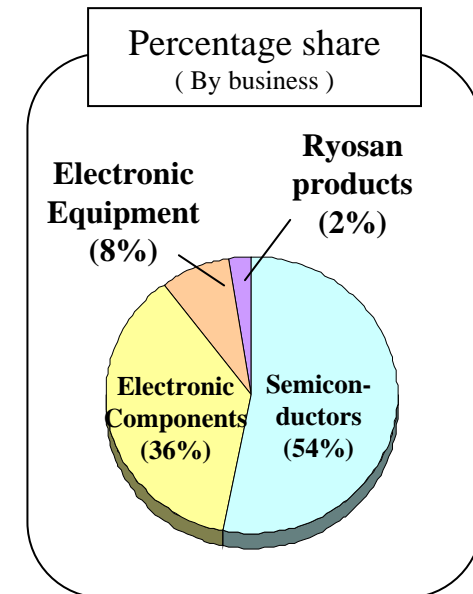
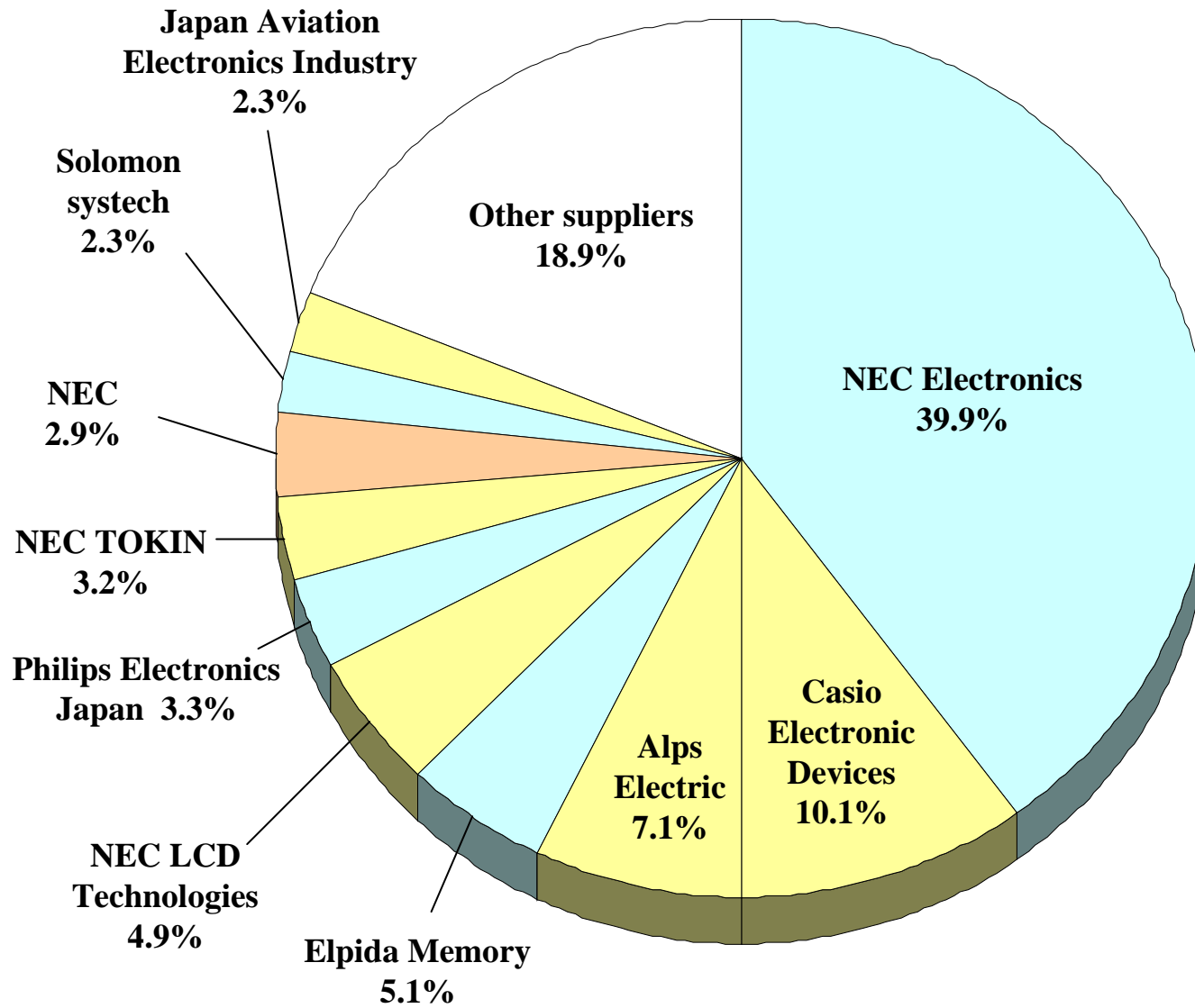
《Top 5 (by business)》

Semiconductor	Electronic Equipment
ALPS Electric CASIO HITACHI Mitsubishi Electric PIONEER	DENSO Fuji Photo Film HITACHI PIONEER SEGA
(Top 5) 41%	(Top 5) 49%
Electronic Components	Ryosan Product
CASIO Fuji Photo Film MITAC (T) NEC SANYO	ADVANTEST DENSO FUNAC Matsushita Electric Mitsubishi Electric
(Top 5) 32%	(Top 5) 32%

* Rank and percentage share are based on results for the fiscal year ended March 31, 2006.

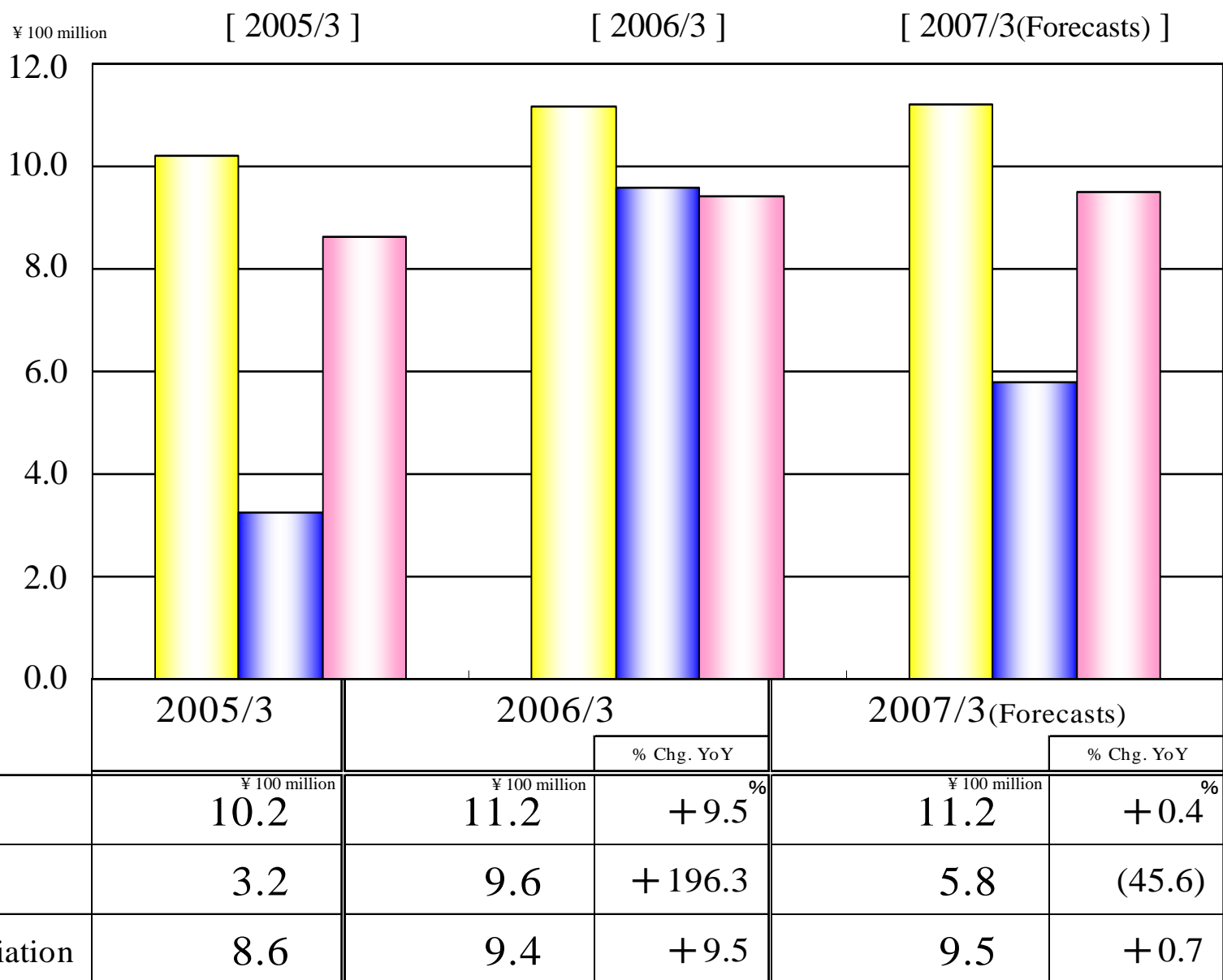
* (T) denotes a Taiwanese company, (K) a Korean company.

Main suppliers



* Percentage share is based on sales of supplier's products for the fiscal year ended March 31, 2006.

R&D, Capex and Depreciation



Unit : ¥ 100 million, %

[Reference] Sales Ratio by Industry and Business Type

