

FY2008 Results Meeting

FY2008 : Year ended March 31, 2009

May 14, 2009

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 FY 2008

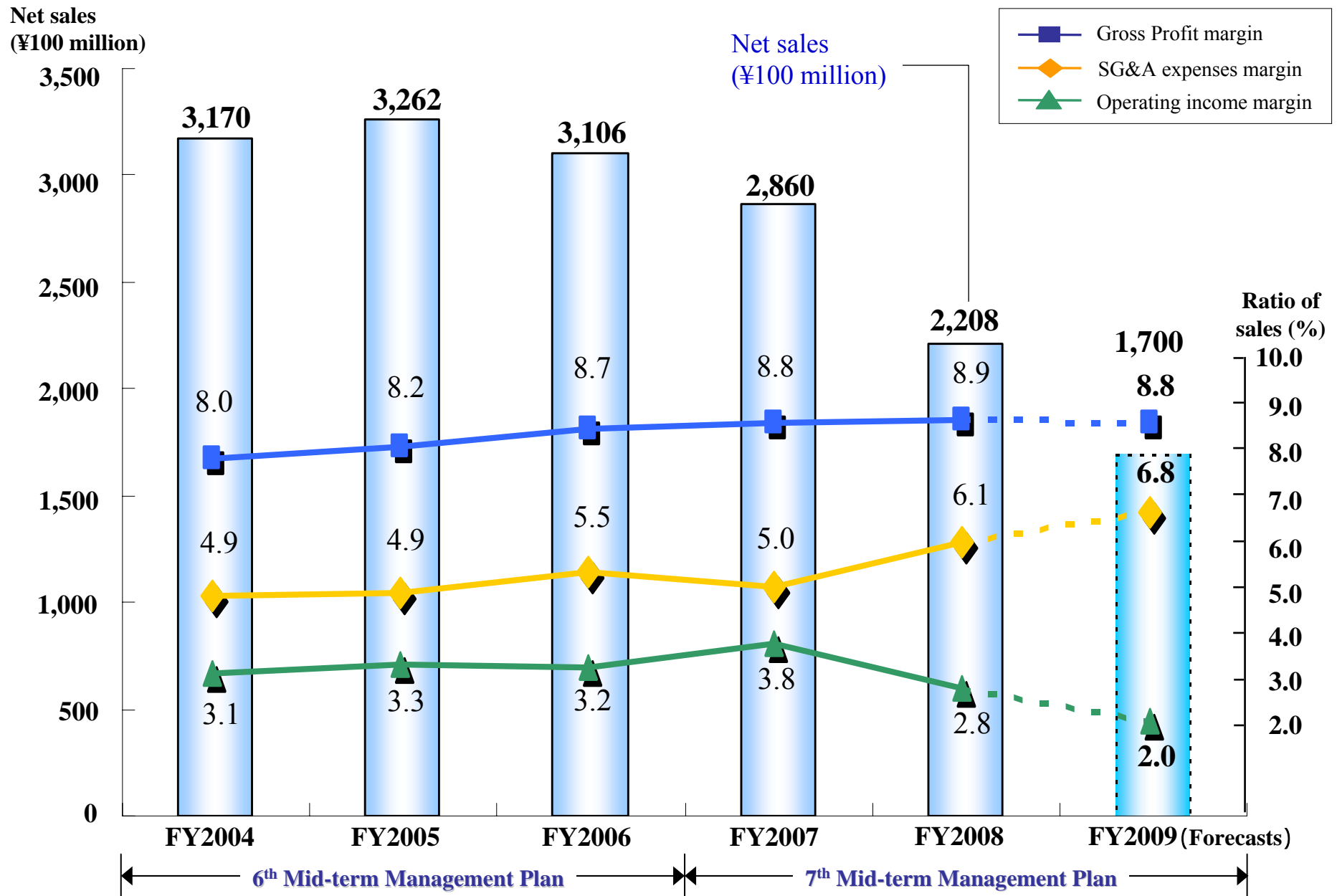
	FY2007		FY2008			FY2009(Forecasts)			
		Of Total		Of Total	% Chg. YoY		Of Total	% Chg. YoY	
	¥ 100 million	%	¥ 100 million	%	%	¥ 100 million	%	%	
Net sales	2,860		2,208		(22.8)	1,700		(23.0)	
Gross margin	251	8.8	196	8.9	(22.1)	149	8.8	(24.1)	
SG&A expenses	144	5.0	134	6.1	(6.8)	115	6.8	(14.7)	
Operating income	107	3.8	61	2.8	(42.8)	34	2.0	(44.7)	
Ordinary income	112	3.9	72	3.3	(35.6)	38	2.2	(47.7)	
Net income	67	2.4	39	1.8	(41.8)	22	1.3	(43.9)	
Earnings per share	¥187.15		¥111.83			(¥75)	¥63.83		(¥48)

Segment results for FY2008

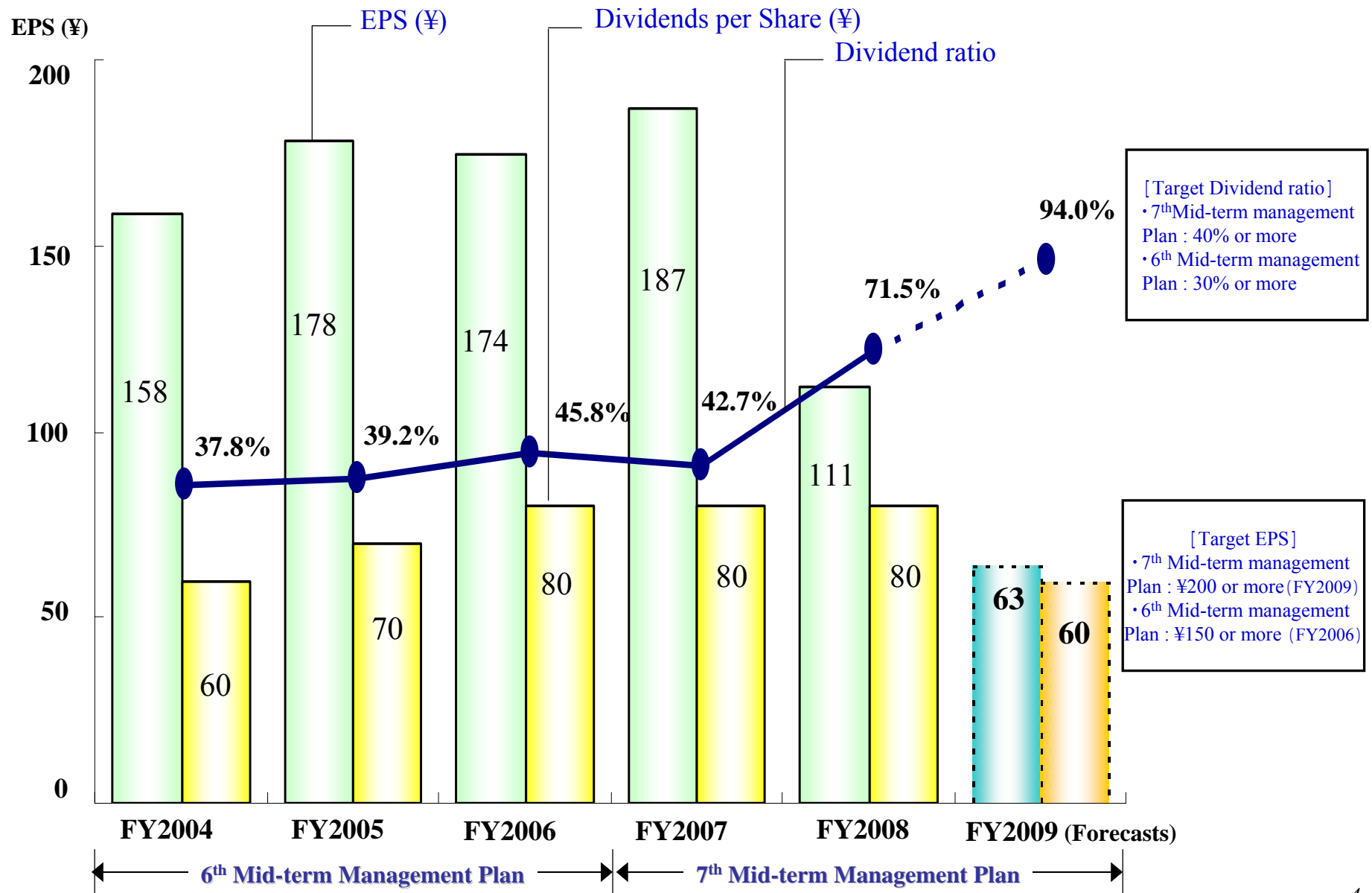
Unit : ¥ 100 million

		FY2007		FY2008			FY2009(Forecasts)		
			OP Margin		OP Margin	% Chg. YoY		OP Margin	% Chg. YoY
Semiconductors	Sales	1,489		1,169		(21.5) [%]	808		(30.9) [%]
	Operating income	72	4.9%	48	4.2%	(32.7)	28	3.5%	(42.7)
Electronic Components	Sales	1,031		759		(26.4)	584		(23.1)
	Operating income	44	4.3	28	3.7	(35.9)	22	3.8	(22.1)
Electronic Equipment	Sales	256		213		(16.9)	257		+20.5
	Operating income	10	3.9	4	2.1	(56.1)	6	2.3	+35.4
Ryosan Products (Heat sinks)	Sales	83		67		(19.9)	51		(24.1)
	Operating income	7	8.8	5	7.7	(30.3)	5	9.8	(2.7)
Unallocable Operating expenses		▲ 26	-	25	-	-	27	-	-
Consolidated	Sales	2,860		2,208		(22.8) [%]	1,700		(23.0) [%]
	Operating income	107	3.8%	61	2.8%	(42.8)	34	2.0%	(44.7)

Consolidated results Trend

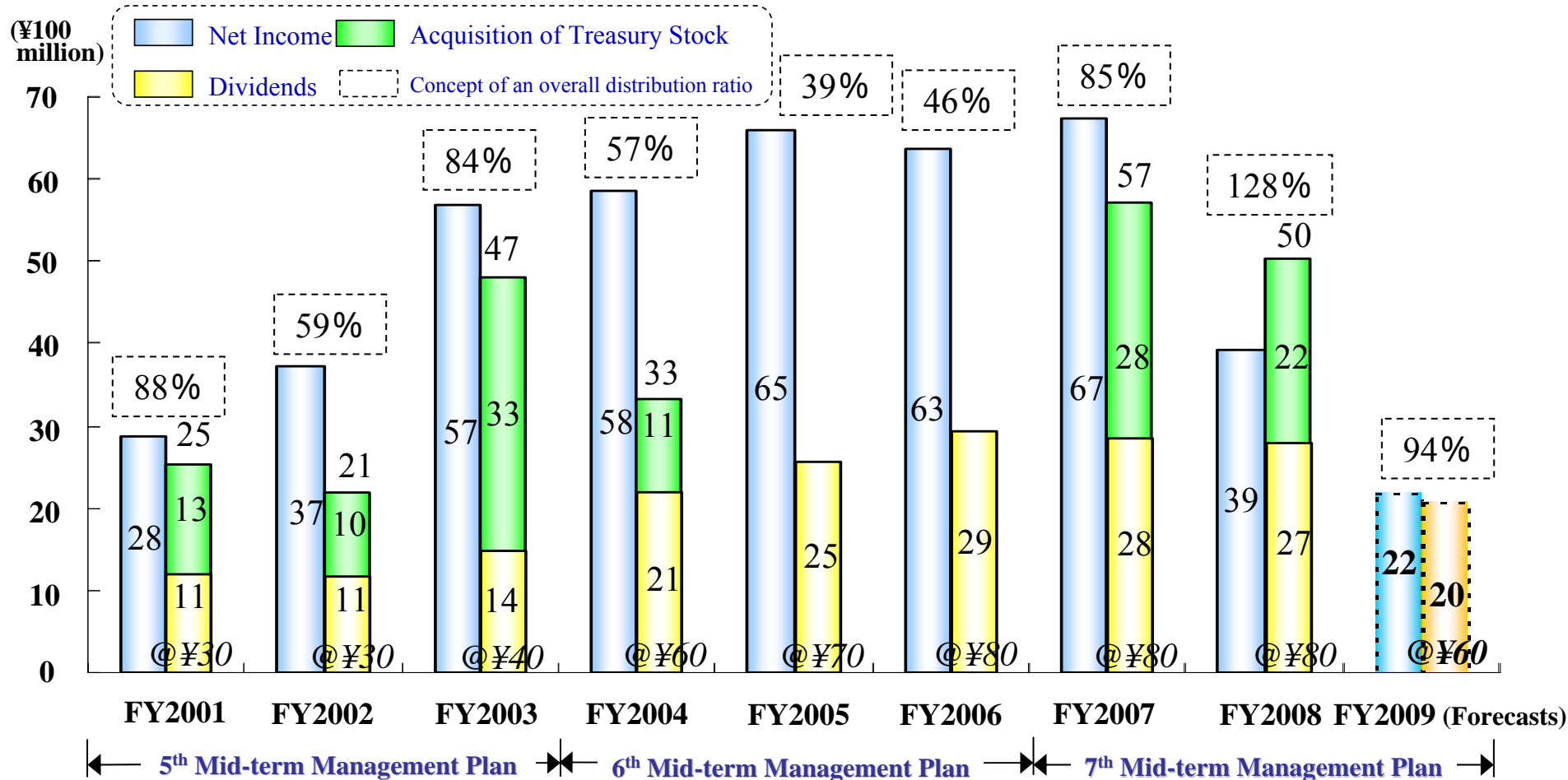


Trends in cash Dividends per Share and Earnings per Share (EPS)



[Reference]

Trends in Net Income, Dividends, and Acquisition of Treasury Stock



(Trends in Acquisition of Treasury Stock)

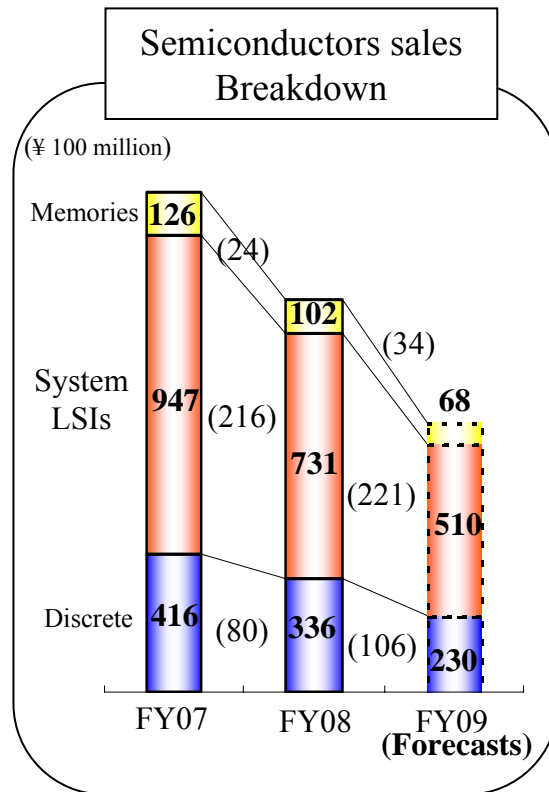
	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009 (Forecasts)	Total
Amount (¥ 100 million)	13.2	10.1	33.1	11.3	-	-	28.8	22.5	-	119.0
Number of stocks (1,000 shares)	924	895	2,001	483	-	-	1,000	1,000	-	6,303

Semiconductors Sales Breakdown (By Product)

Unit : ¥ 100 million

		FY2007		FY2008			FY2009(Forecasts)		
			Of Total		Of Total	% Chg. YoY		Of Total	% Chg. YoY
Memories	(DRAM)	117	7.9%	96	8.2%	(17.9)%	52	6.4%	(45.8)%
	(Others)	9	0.6%	6	0.5%	(33.3)%	16	2.0%	+166.7%
		126	8.5%	102	8.7%	(19.0)%	68	8.4%	(33.3)%
System LSIs	(Microcomputer)	338	22.7%	273	23.4%	(19.2)%	194	24.0%	(28.9)%
	(ASIC / ASSP)	609	40.9%	458	39.2%	(24.8)%	316	39.1%	(31.0)%
		947	63.6%	731	62.5%	(22.8)%	510	63.1%	(30.2)%
Discrete	(LCD drivers ICs)	92	6.2%	69	5.9%	(25.0)%	30	3.7%	(56.5)%
	(Compound Semiconductor Devices)	123	8.3%	108	9.2%	(12.2)%	73	9.0%	(32.4)%
	(Others)	201	13.5%	159	13.6%	(20.9)%	127	15.7%	(20.1)%
		416	27.9%	336	28.7%	(19.2)%	230	28.5%	(31.5)%
Total		1,489		1,169		(21.5)%	808		(30.9)%

Semiconductors Sales Breakdown (By Product)



{ FY2008 Results }

[Memories] Sales of DRAMs for memory modules increased, while sales of DRAMs for car navigation application decreased.

[System LSIs] Sales of system LSIs for flat-screen televisions increased. Sales of systems LSIs for digital audiovisual products as well as microcomputers for car audio equipment decreased.

[Discrete] Despite an increase in sales of LCD drivers for PNDs, sales of LCD drivers for DSCs as well as discrete semiconductors for automotive and electronic applications decreased.

{ FY2009 Forecasts }

[Memories] Sales of DRAMs for memory modules and DSCs are forecast to decrease.

[System LSIs] While sales of ASSPs for cell phones are anticipated to increase, sales of microcomputers for car audio equipment as well as system LSIs for digital audiovisual products are expected to decrease.

[Discrete] Sales of LCD drivers for PNDs as well as compound semiconductor devices for digital audiovisual products are forecast to decrease.

Semiconductors Sales Breakdown (By suppliers)

Unit : ¥ 100 million

	FY2007	FY2008		FY2009(Forecasts)	
			% Chg. YoY		% Chg. YoY
NEC Electronics	1,183	875	(26.0)%	623	(28.8)%
Elpida Memory	89	73	(18.0)%	34	(53.4)%
NXP Semiconductors	95	77	(18.9)%	57	(26.0)%
Others	123	144	+17.1%	94	(34.7)%
Total	1,489	1,169	(21.5)%	808	(30.9)%

(FY2008 Results)

[NEC Electronics] Sales of system LSIs for digital audiovisual products as well as microcomputers for car audio equipment decreased.

[Elpida Memory] Sales of DRAMS for memory modules increased, while sales of DRAMS for car navigation application decreased.

[NXP Semiconductors] Sales of electromagnetic tape RFIDs and related products decreased.

[Others] Sales of system LSIs for flat-screen televisions and LCD drivers for PNDs increased.

(FY2009 Forecasts)

[NEC Electronics] Sales of microcomputers for car audio equipment as well as system LSIs for digital audiovisual products are forecast to decrease.

[Elpida Memory] DRAM sales for memory modules and for DSCs are projected to decrease.

[NXP Semiconductors] Sales of system LSIs for LTOs (backup tapes) and communication modules are anticipated to decrease.

[Others] While sales of ASSPs for cell phones are anticipated to increase, sales of LCD drivers for PNDs are expected to decrease.

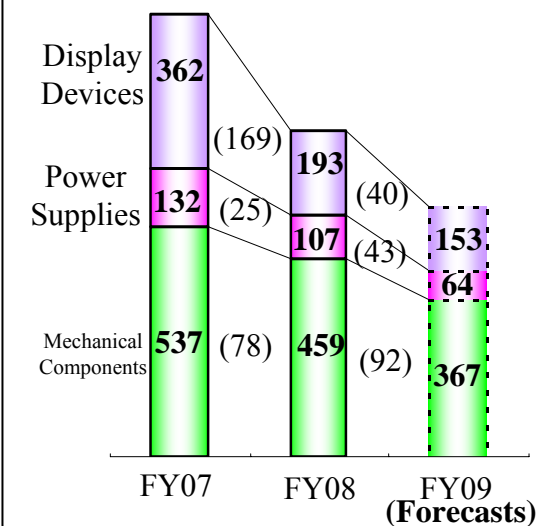
Electronic Components Sales Breakdown (By product)

Unit : ¥ 100 million

	FY2007	FY2008		FY2009 (Forecasts)	
			% Chg. YoY		% Chg. YoY
Display Devices	362	193	(46.7)%	153	(20.7)%
Power Supplies	132	107	(18.9)%	64	(40.2)%
Mechanical Components	537	459	(14.5)%	367	(20.0)%
Total	1,031	759	(26.4)%	584	(23.1)%

Electronic Components Sales Breakdown

(¥ 100 million)



{ FY2008 Results }

[Display Devices] Sales of LCDs for PNDs and DSCs as well as related products decreased.

[Power Supplies] Sales of rechargeable batteries for DSCs as well as related products decreased.

[Mechanical Components] While sales of mechanical components for game consoles increased, mechanical component sales for automotive application and cell phones decreased.

{ FY2009 Forecasts }

[Display Devices] Sales of LCDs for DSCs as well as related products are forecast to decrease.

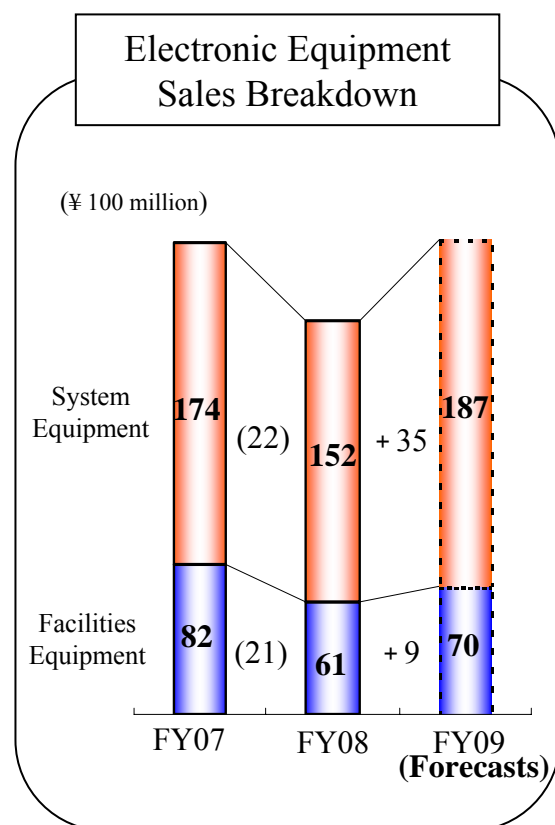
[Power Supplies] Sales of rechargeable batteries for game consoles are anticipated to decrease.

[Mechanical Components] Sales of components for game consoles are projected to decrease.

Electronic Equipment Sales Breakdown (By product)

Unit : ¥ 100 million

	FY2007	FY2008		FY2009 (Forecasts)	
			% Chg. YoY		% Chg. YoY
System Equipment	174	152	(12.6)%	187	+23.0%
Facilities Equipment	82	61	(25.6)%	70	+14.8%
Total	256	213	(16.9)%	257	+20.5%



{ FY2008 Results }

- [System Equipment] Sales of systems equipment for arcade games as well as related products decreased.
- [Facilities Equipment] Despite an increase in laser repair equipment sales, sales of magnetic head manufacturing equipment decreased.

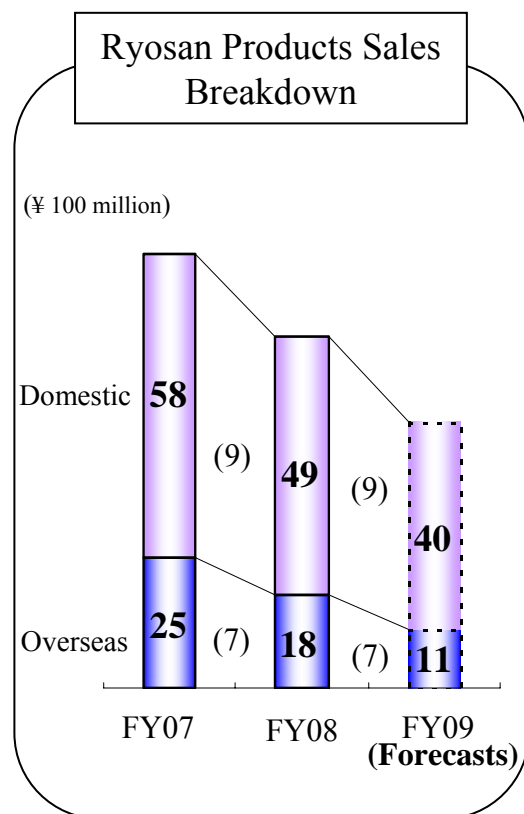
{ FY2009 Forecasts }

- [System Equipment] Sales of OA systems equipment are forecast to increase.
- [Facilities Equipment] While sales of laser repair equipment are anticipated to decrease, solar photovoltaic power generation and magnetic head manufacturing equipment are expected to increase.

Ryosan Products Sales Breakdown (By area)

Unit : ¥ 100 million

	FY2007	FY2008		FY2009 (Forecasts)	
			% Chg. YoY		% Chg. YoY
Domestic	58	49	(15.5)%	40	(18.4)%
Overseas	25	18	(28.0)%	11	(38.9)%
Total	83	67	(19.9)%	51	(24.1)%



《 FY2008 Results 》

- [Domestic] Sales of heat sinks for FA equipment and automotive application as well as related products decreased.
- [Overseas] Sales of heat sinks for audio application and flat-screen televisions decreased.

《 FY2009 Forecasts 》

- [Domestic] Sales of heat sinks for FA equipment as well as related products are forecast to decrease.
- [Overseas] Sales of heat sinks for flat-screen televisions as well as related products are anticipated to decrease.

Overseas Sales Breakdown

	FY2007		FY2008			FY2009 (Forecasts)		
		Of Total		Of Total	% Chg. YoY		Of Total	% Chg. YoY
	¥ 100 million	%	¥ 100 million	%	%	¥ 100 million	%	%
Consolidated net sales	2,860	-	2,208	-	(22.8)	1,700	-	(23.0)
Domestic	1,734	60.6	1,368	62.0	(21.1)	1,180	69.4	(13.8)
Overseas	1,126	39.4	840	38.0	(25.4)	520	30.6	(38.1)
(Chinese Bloc)	662	23.1	466	21.1	(29.6)	315	18.5	(32.4)

Key Clients

〈Top 40〉

	Top 1-10	Top 11-20	Top 21-30	Top 31-40
Clients (alphabetical order)	ALPS Electric CASIO DENSO Fuji Film HITACHI JVC KENWOOD Mitsubishi Electric NINTENDO Panasonic PIONEER	ALPINE Brother Industries Calsonic Kansei CHI MEI (T) Furuno Electric Mamiya-OP NEC SHARP Sumitomo Electric Industries TOSHIBA	JRC NIKON OMRON Panasonic Electric Works SANYO Taiyo Yuden TAKATA YAMAHA YASKAWA Electric YAZAKI meter	ADVANTEST Fujitsu HOSIDEN Hyundai (K) Izumi KONICA MINOLTA SEGA SMK Stanley Electric TDK
Percentage Sales of all clients	(Top 10) 48%	(Top 20) 62%	(Top 30) 68%	(Top 40) 71%

〈Top 5 (by business)〉

Semiconductor	Electronic Equipment
Fuji Film HITACHI JVC KENWOOD Mitsubishi Electric PIONEER	CASIO CHI MEI (T) DENSO Fuji Film HITACHI
(Top 5) 45%	(Top 5) 54%
Electronic Components	Ryosan Product
Calsonic Kansei CASIO Mitsubishi Electric NINTENDO Panasonic	DENSO FUNAC HITACHI Mitsubishi Electric TOSHIBA
(Top 5) 36%	(Top 5) 32%

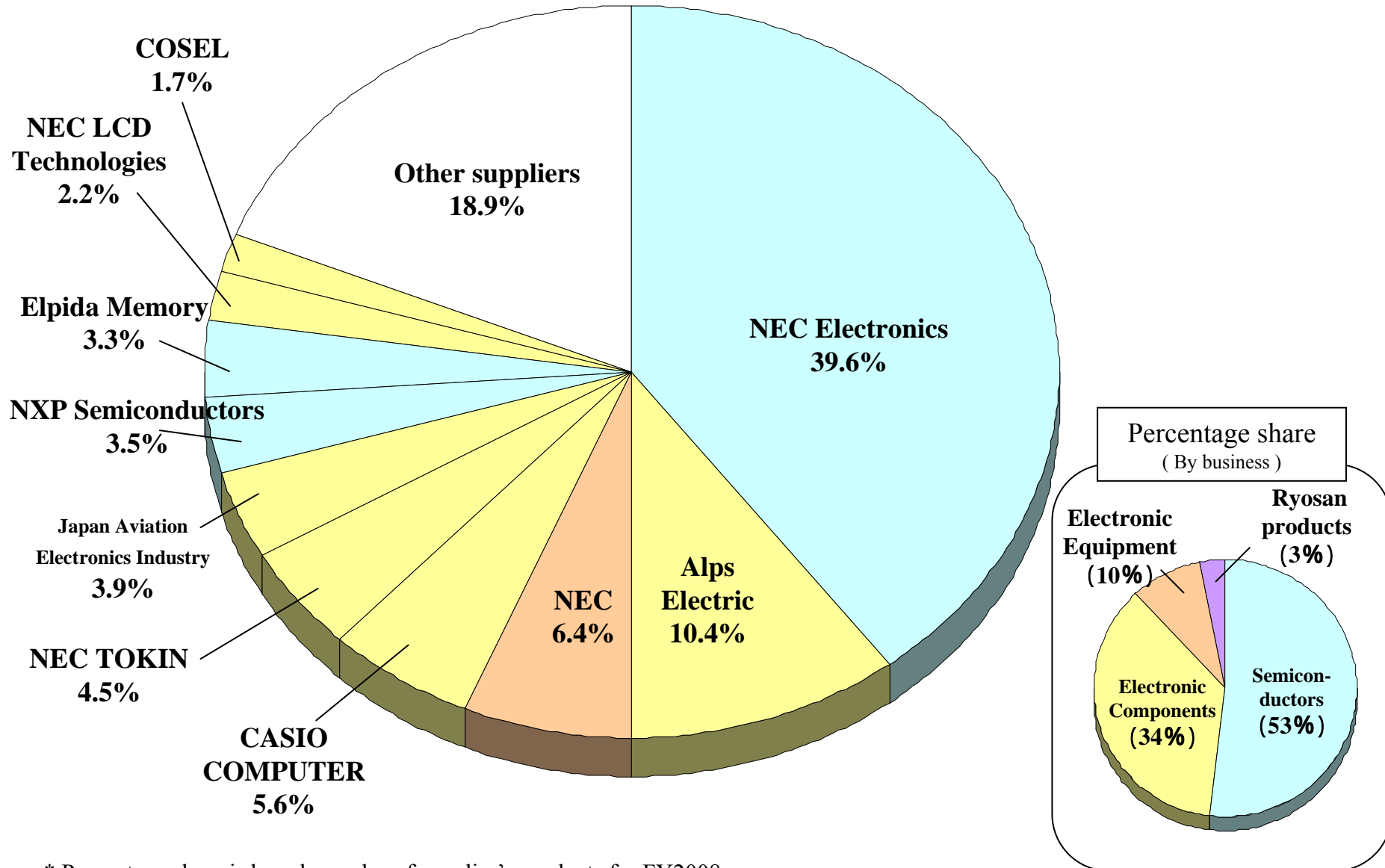
(alphabetical order)

* Rank and percentage share are based on results for FY2008.

* T: Customer in Taiwan, K: Customer in Korea

* Customers identified in blue have improved their ranking year on year based on increased sales

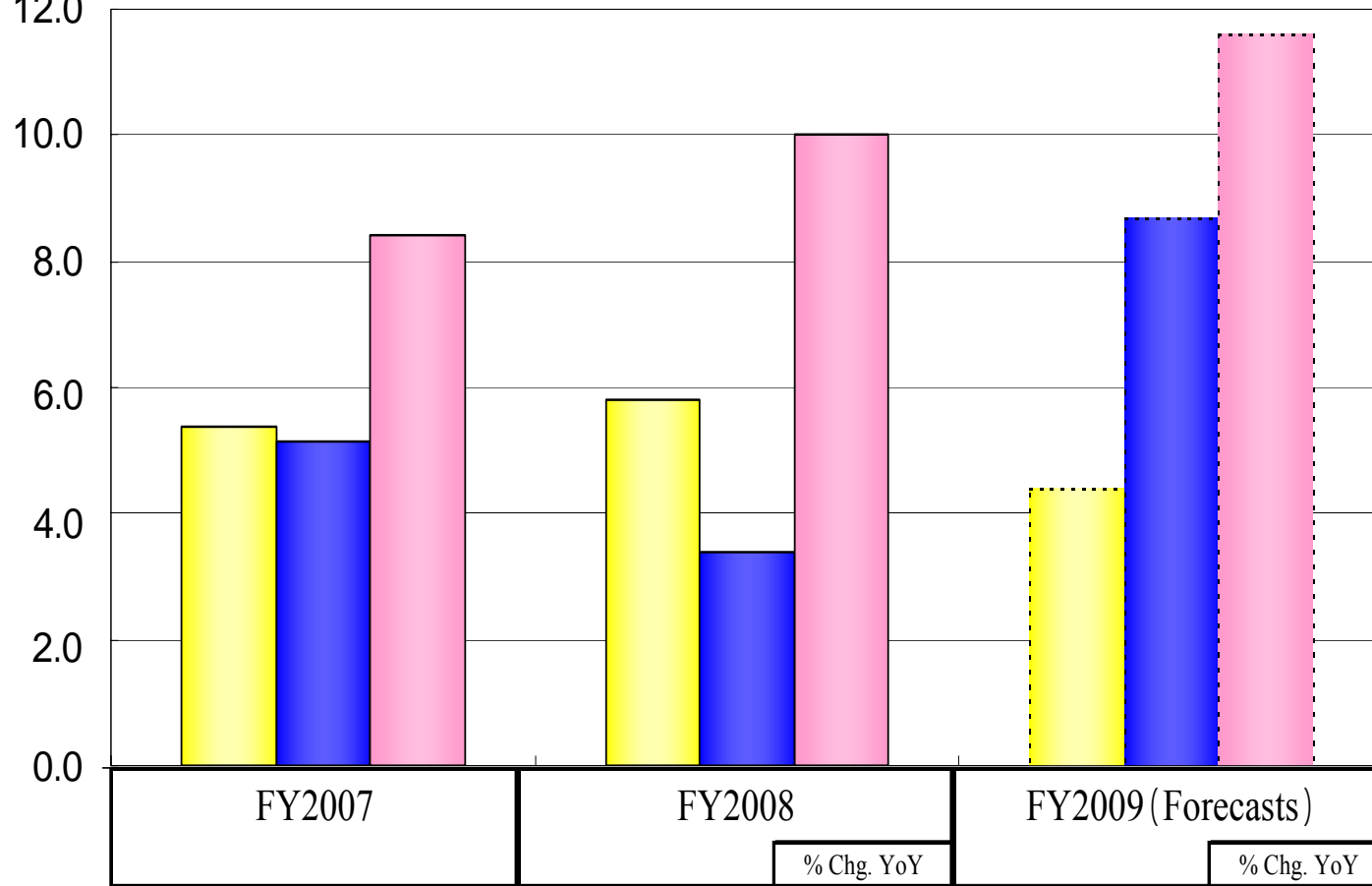
Main suppliers



* Percentage share is based on sales of supplier's products for FY2008.

R&D, Capex and Depreciation

Unit: ¥ 100 million



	FY2007		FY2008		FY2009 (Forecasts)			
				% Chg. YoY		% Chg. YoY		
■ R&D	¥ 100 million	5.4	¥ 100 million	5.8	+8.0%	¥ 100 million	4.4	(24.3)%
■ Capex		5.1		3.4	(34.2)%		8.7	+157.4%
■ Depreciation		8.4		10.0	+19.0%		11.6	+15.7%

Management Issues to be Addressed

Reduction of business costs

Renewal into a new business model

Business reconstruction

Reduction of Business costs

1. Further reduction of personnel expenses and operating overheads

(1) Reduce compensation paid to directors and employees

《FY2008》

Directors Bonuses cut by 60%

Employees Bonuses cut by 5 – 10% (per annum basis)

《FY2009》

Directors Compensation cut by 20%; Bonuses cut by 100%

Employees Cut in salaries and bonuses under consideration

Reduction of Business costs

(2) Rationalize human resource structure and systems

《Forecast number of employees on a consolidated basis

(as of March 31, 2010)》

1,249 (Down 173, or 12% compared with March 31, 2008)

Note: Number of full-time employees: 1,084 (Down 69, or 6% compared with March 31, 2008)

(3) Reduce operating overheads

Thoroughly eliminate all non-essential items to forge a “lean and taut management”

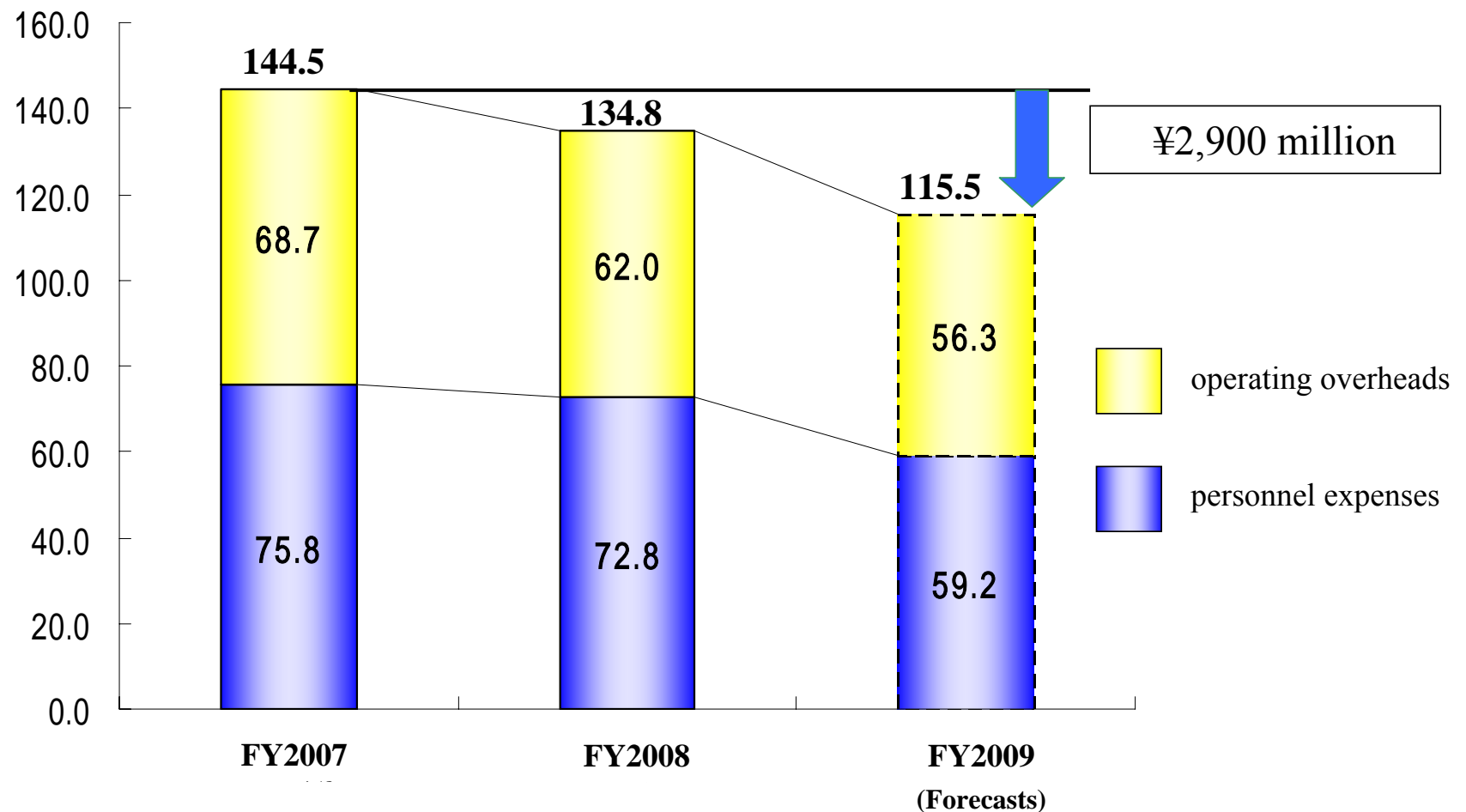
Down ¥1,240 million, or 18% in FY2009 compared with FY2007

Reduction of Business costs

[Reference]

Trends in personnel expenses and operating overheads

(¥ 100 million)



Reduction of Business costs

2. Minimize losses

(1) Proactive measures to prevent the incidence of uncollectible receivables

- Improve the quality of credit inquiry and analysis; unify domestic and overseas standards

(2) Bolster inventory management

- Streamline inventory assets
- Reduce inventories; eliminate losses on disposal of obsolete inventories by reinforcing management on an individual industry type and category basis

3. Eliminate and consolidate domestic offices (April)

(35 offices 27 offices)

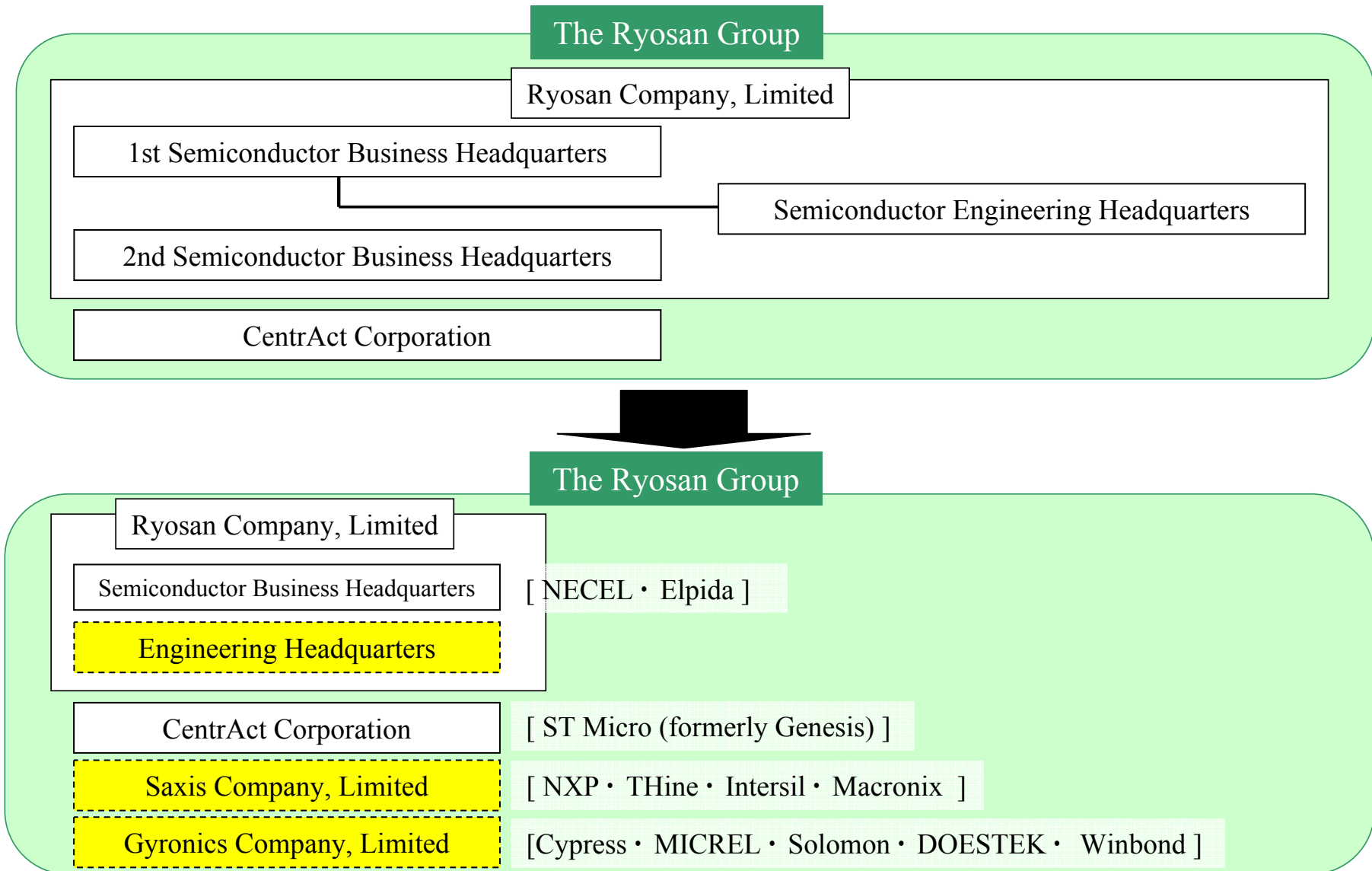
Renewal into a new business model

Paradigm shift from a vertical integration, common destiny business model to a self-driven, specialized trading business group.

1. Establish two subsidiaries as specialized trading companies handling a portfolio of robust products
 - Spin off Saxis Company, Limited and Gyronics Company, Limited as subsidiary companies and commence business (June)
2. Separate the Engineering Headquarters from the Semiconductor Business Headquarters (June)

Renewal into a new business model

Change in the structure of the semiconductor business



Business reconstruction

1. Back to marketing basics: Each and every employee returning to a focus on meeting sales targets
 - (1) Expand sales of Ryosan products (heat sinks)
 - (2) Increase sale of general-purpose products
 - NEC Electronics: General-purpose ASICs, microcomputers, PMDs, compound semiconductor devices
 - NXP Semiconductors: logic ICs, Discrete semiconductors
 - Winbond: DRAMs
 - Macronix: Flash memories
 - (3) Build a structure that focuses on the sale of customized products; review human resources (June)
2. Create new business opportunities through enhanced collaboration that breaks through traditional business segment boundaries
3. Cultivate new customers; actively promote measures to acquire trading rights
4. Foster new products resources

Progress under growth strategies

Overseas semiconductor product business expansion

direction

Build a solid business base in the semiconductor business as a second resource

measures

- Strengthening sales strategies of existing supplier products
- Reinforcing product lineup in response to customer needs
- Building a business structure that takes into consideration the characteristics of overseas suppliers

Bolster strategies

Strengthen Sales Strategies (Existing Suppliers)

NXP (Philips)

Continuous promotion of four projects

(TV/Automotive/MMS/IDE (RFID))

Other Overseas Semiconductors

Expand sales of Taiwan memories

(Winbond/Macronix/Kingston)

Expand sales of ASSPs with competitive advantage

(Solomon(LCD drivers)/
Genesis(exclusive TV use)/
Dibcom(DVB-H/T)/(Winbond(ISP))

Reinforce Product Strategies

Expand product lineup

- Cultivate major semiconductor suppliers
- Cultivate suppliers capable of meeting the the needs of all customers

Bolster Business Structure

Build a business structure that takes into consideration the characteristics of overseas suppliers

- Establish a structure that complements the supplier bottleneck
- Create specialist sales and marketing teams by individual supplier

Progress under growth strategies

[measures] Reinforcing product lineup in response to customer needs

- MICREL (Network ICs)
- Intersil (Analog ICs)
- Cypress (SOC/CMOS sensors)
- Wolfson (ICs for audio application)
- ST Micro (ICs for televisions) Note: ST Micro merged with the former Genesis
- THine (Signal processors) Note: THine acquired the business from Winbond

[measures] Building a business structure that takes into consideration the characteristics of overseas suppliers

- Establish subsidiaries through corporate spinoff by individual product
 - CentrAct (ST Micro [formerly Genesis])
 - Saxis (NXP · THine · Intersil · Macronix) : Focusing on general-purpose devices
 - Gyronics (Cypress · MICREL · Solomon · DOESTEK · Winbond) : Focusing on ASSPs

Progress under growth strategies

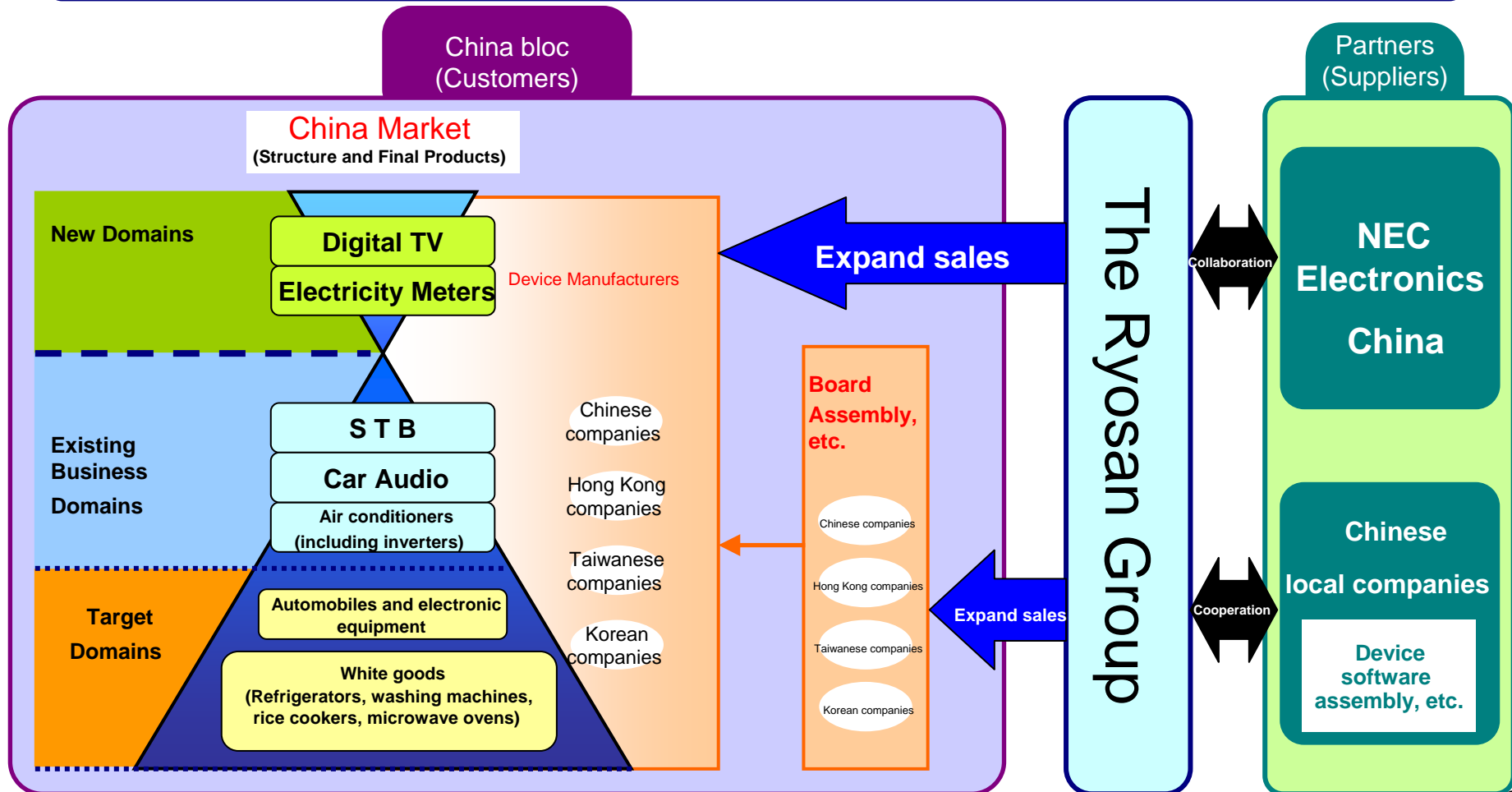
China bloc conception including Hong Kong, China, Taiwan and Korea business expansion

direction

Capture local companies in the expanding China market

measures

- Expand local business by strengthening collaboration with NEC Electronics China
- Develop business through cooperation with Chinese companies



Progress under growth strategies

[measures] Expand local business by strengthening collaboration with NEC Electronics China

- Expand sales of Blu-ray players, DVDs, digital televisions and inverter air conditioners
- Establish a joint research and development facility with Changhong Electric and NEC Electronics (China) to gain advances in the STB field
- Establish a joint research and development facility with FAW Qiming Information Technology, a subsidiary of the FAW Group, and NEC Electronics (China) to capture increased market share in the automotive and electronics fields

[measures] Develop business through cooperation with Chinese companies

- Develop low-end STB with a local design house to enhance position in the STB domain
- Develop software at local design houses to expand sales of microcomputers for fan control of air conditioners
- Develop inverter boards at local compressor manufacturers and design houses to expand presence in the refrigerator inverter field

Policy relating to the appropriation of profits to shareholders

[Fundamental policy]

Ryosan's fundamental policy is to ensure a stable and sustainable increase in the appropriation of profits to shareholders.

[Appropriation objectives]

- Consolidated dividend payout ratio 40% or more
- Purchase of treasury stock One million shares each year
between FY2007 and FY2009

[FY2009 shareholder appropriation]

Cash dividends

Annual: ¥60 per share (dividend payout ratio: 94%)

Purchase of treasury stock

An aggregate two million shares purchased between FY2007 and FY2008

Plans to purchase one million shares in FY2009 suspended