

November 8, 2007

## First Half Earnings Report for Fiscal 2007, Ending March 31, 2008

(The six-month period ended September 30, 2007)

Company name:	Ryosan Company, Limited	Stock listing:	First Section, Tokyo Stock Exchange
Securities code:	8140	URL:	<a href="http://www.ryosan.co.jp">http://www.ryosan.co.jp</a>
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Scheduled filing date of first half consolidated earnings report:	December 14, 2007		
Scheduled payment date of interim dividend:	December 4, 2007		

Millions of yen rounded down

### 1 . Consolidated results for the interim period (April 1, 2007 to September 30, 2007)

#### (1) Consolidated operating results

(Percentage figures are the increase / (decrease) for the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1H FY2007	144,628	(8.7)	5,172	(3.1)	5,525	(0.1)	3,252	(6.9)
1H FY2006	158,329	(3.0)	5,340	1.2	5,529	5.0	3,493	6.9
FY 2006	310,654	—	10,064	—	10,356	—	6,366	—

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
1H FY2007	89.43	—
1H FY2006	95.78	—
FY 2006	174.54	—

(Reference) Equity in earnings (losses) of non-consolidated subsidiaries and affiliates:

1H FY2007:	¥ - million	1H FY2006:	¥ - million
FY2006:	¥ - million		

#### (2) Consolidated financial position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
September 30, 2007	180,256	120,186	66.6	3,337.68
September 30, 2006	186,336	119,186	63.9	3,264.28
March 31, 2007	183,254	120,367	65.6	3,296.41

(Reference) Shareholders equity:

September 30, 2007:	¥120,049 million	September 30, 2006:	¥119,058 million
March 31, 2007:	¥120,228 million		

#### (3) Consolidated cash flows

	Cash Flows Form Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
1H FY2007	6,340	(398)	(3,637)	43,127
1H FY2006	(1,296)	610	(1,065)	34,464
FY 2006	8,241	745	(4,350)	40,880

## 2. Dividends

Yen

	Dividends per Share		
	Interim	Fiscal Year-End	Annual
FY 2006	40.00	40.00	80.00
FY 2007	40.00		80.00
FY 2007 (Planned)		40.00	

## 3. Forecast of consolidated results for the fiscal year ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(Percentage figures are the increase / (decrease) for the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2007	290,000	(6.6)	10,700	6.3	11,200	8.1	6,700	5.2	186.05

## 4. Other

(1) Changes in the scope of consolidation and application of the equity method: None

(2) Changes in accounting principles, procedures and presentation methods in connection with the preparation of interim consolidated financial statements

(Recorded under “Changes in important items considered fundamental to the preparation of interim consolidated financial statements”)

i. Changes in accordance with revisions to accounting and other standards: Yes

ii. Changes in items other than (i) above: Yes

(Note: For details, please refer to “Changes in important items considered fundamental to the preparation of interim consolidated financial statements” on page 24)

(3) Number of shares issued and outstanding (common shares)

i. Number of shares issued and outstanding as of the period-end (including treasury stock)

September 30, 2007: 36,500,000 shares September 30, 2006: 36,500,000 shares

March 31, 2007: 36,500,000 shares

ii. Number of treasury stock as of the period-end

September 30, 2007: 531,954 shares September 30, 2006: 26,817 shares

March 31, 2007: 27,550 shares

(Note: For details regarding the number of shares used to calculate interim net income per share on a consolidated basis, please refer to “Per share information” on page 35)

(Reference) Overview of non-consolidated operating results

### 1. Non-consolidated results for the interim period (April 1, 2007 to September 30, 2007)

(1) Non-consolidated operating results

(Percentage figures are the increase / (decrease) for the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1H FY2007	106,338	(10.1)	3,541	(12.9)	4,841	(8.4)	2,842	(18.4)
1H FY2006	118,229	(0.6)	4,065	19.6	5,287	23.2	3,484	39.1
FY 2006	232,037	—	7,052	—	8,812	—	5,324	—

	Net Income per Share
	Yen
1H FY2007	78.13
1H FY2006	95.53
FY 2006	145.98

(2) Non-consolidated financial position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
September 30, 2007	156,987	110,535	70.4	3,073.15
September 30, 2006	163,282	110,978	68.0	3,042.75
March 31, 2007	162,339	111,032	68.4	3,044.28

(Reference) Shareholders equity:

September 30, 2007: ¥110,535 million      September 30, 2006: ¥110,978 million  
March 31, 2007: ¥111,032 million

**2. Forecast of non-consolidated results for the fiscal year ending March 31, 2008 (April 1, 2007 to March 31, 2008)**

(Percentage figures are the increase / (decrease) for the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2007	213,000	(8.2)	7,400	4.9	9,400	6.7	5,400	1.4	149.95

Caution with respect to forward-looking statements:

1. The above estimates were made based on information available to management as of the date of this release. Actual results could significantly differ from the above estimates due to a variety of factors. Please refer to Management Results on pages 4 through 10 of this document for the assumptions and conditions that form the basis of forward-looking statements.
2. Following a Board of Directors meeting held on June 22, 2007, and in accordance with the Corporation Law, the Company decided to repurchase treasury stock. Please refer to the press release "Notice Concerning Repurchase of Treasury Stock" dated June 22, 2007. Furthermore, the impact of this repurchase of treasury stock on net income per share has been reflected in 3. Forecasts of consolidated results for the fiscal year ending March 31, 2008 and (Reference) Overview of non-consolidated operating results 2. Forecasts of non-consolidated results for the fiscal year ending March 31, 2008.

## **1. Results of Operations**

### **(1) Analysis of Operating Results**

**(Results for the six-month period ended September 30, 2007)**

#### **1. Overview**

During the first half of fiscal 2007, the six-month period ended September 30, 2007, the global economy was characterized by moderate overall expansion. Looking at macroeconomic conditions, the U.S. economy, which has traditionally served as an engine for growth, showed increasing signs of deceleration due to a variety of factors including adjustments to the residential market. On the domestic front, the Japanese economy remained entrenched in a correction phase reflecting the continued slump in personal consumption. Despite this difficult operating environment, overall growth was supported by contributions from the robust euro-based and Chinese economies.

In the electronics industry, Ryosan's principal field of operations, conditions were characterized by ongoing inventory adjustments mainly in IT-related fields. Throughout the six-month period under review, signs of a gradual recovery continued to emerge.

Despite these positive factors, uncertainty surrounding future conditions grew in prominence. This was attributed to concerns over sub-prime loans in the United States, which triggered financial market instability from the second quarter of fiscal 2007, the impact of sharp increases in the price of crude oil as well as other factors.

Under these circumstances, the Ryosan Group implemented the growth strategies outlined in its 7th Medium-Term Management Plan in an effort to secure further growth. At the same time, Ryosan took steps to improve its earnings structure. Despite these endeavors, both revenues and earnings declined for the six-month period ended September 30, 2007. Consolidated net sales for the period fell 8.7% compared with the corresponding period of the previous fiscal year to ¥144,628 million impacted by operations in memories, system LSIs and related fields. On the earnings front, operating income decreased 3.1% year on year to ¥5,172 million, ordinary income edged down 0.1% to ¥5,525 million, and net income deteriorated 6.9% compared with the corresponding period of the previous fiscal year to ¥3,252 million.

#### **2. Business Segment Information**

##### **a. Semiconductors**

In the semiconductors segment, the Ryosan Group is engaged in the sale of memories, system LSIs and discrete semiconductors as well as the development of system LSIs. During the six-month period under review, segment sales declined 16.2% compared with the corresponding period of the previous fiscal year to ¥75,142 million. This reflected reduced sales of memories for cellphones and servers, system LSIs for car audio equipment and related products. Operating income fell 7.0% year on year to ¥3,674 million.

##### **b. Electronic Components**

In the Electronic Components segment, the Ryosan Group is engaged in the sale of display devices, power supplies and mechanical components. In the six-month period ended September 30, 2007, segments sales rose 9.1% compared with the corresponding period of the previous fiscal year to ¥54,023 million on the back of strong contributions from LCDs for personal navigation devices (PNDs) and digital still cameras. Despite this sales growth, operating income contracted 5.1% compared with the corresponding period of the previous fiscal year to ¥2,218 million.

##### **c. Electronic Equipment**

The Ryosan Group sells systems equipment and facilities equipment in the Electronic Equipment segment. Impacted by the decline in sales of systems equipment for laser and office automation (OA) equipment as well

as other products during the period under review, results in the Electronic Equipment segment declined 25.8% compared with the corresponding period of the previous fiscal year to ¥11,301 million. From a profit perspective, operating income also contracted 27.3% year on year to ¥366 million.

d. Ryosan Products

The Ryosan Group manufactures and markets heat sinks for semiconductor circuit elements, devices that dissipate the heat generated by semiconductors. In the six-month period ended September 30, 2007, sales of heat sinks used in flat-screen televisions and other products increased. As a result, segment sales climbed 7.4% year on year to ¥4,160 million. Operating income also expanded 9.9% compared with the corresponding period of the previous fiscal year to ¥311 million.

3. Geographical Segment Information

a. Japan

Buffeted by the drop in sales of memories used in cellphones and servers, ASICs for camera modules and other products during the period under review, sales in Japan decreased 10.1% compared with the corresponding period of the previous fiscal year to ¥106,338 million. In conjunction with the drop in sales, operating income declined 13.1% year on year to ¥3,541 million,

b. Asia

In the six-month period ended September 30, 2007, LCDs used in PNDs and digital still cameras and other products increased year on year. This contributed to a moderate improvement in sales in Asia to ¥46,832 million, an upswing of 2.1% compared with the corresponding period of the previous fiscal year. During the period under review, operating income surged 33.7% year on year to ¥1,256 million.

All of the aforementioned amounts do not include consumption and other taxes.

**(Outlook for the full fiscal year ending March 31, 2008)**

1. Overview

Looking ahead, the global economy is forecast to remain firm for the rest of the fiscal year ending March 31, 2008. Despite expectations of continued corrections in the United States, impacted by adjustments in the residential market, this overall favorable outlook is based on ongoing economic expansion in euro-based economies as well as high rates of growth anticipated by the BRICs and developing nations. Notwithstanding this positive forecast, market sentiment is expected to exhibit increasing concerns surrounding sharp hikes in the cost of crude oil and sub-prime loan issues.

Against this backdrop, the Ryosan Group anticipates a drop in revenues for the remainder of the fiscal year ending March 31, 2008 on the back of lower sales of display devices, memories and other products. On the earnings front, profits are forecast to rise reflecting successful efforts to curtail overheads and operating expenses.

In light of results for the six-month period ended September 30, 2007, the Ryosan Group has revised its forecasts of operating results for the full fiscal year as follows.

## Consolidated operating results

Millions of yen unless otherwise stated

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	290,000	10,700	11,000	6,600	180.96
Revised forecast (B)	290,000	10,700	11,200	6,700	186.05
Change (B-A)	—	—	200	100	—
Change (%)	—	—	1.8	1.5	—
FY 2006	310,654	10,064	10,356	6,366	174.54

## (Reference) Non-consolidated operating results

Millions of yen unless otherwise stated

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	217,000	7,700	9,300	5,300	145.32
Revised forecast (B)	213,000	7,400	9,400	5,400	149.95
Change (B-A)	(4,000)	(300)	100	100	—
Change (%)	(1.8)	(3.9)	1.1	1.9	—
FY 2006	232,037	7,052	8,812	5,324	145.98

## 2. Forecast Operating Results by Business Segment

### a. Semiconductors

In the semiconductors segment, Ryosan is projecting lower sales of systems LSIs for car audio equipment and digital still cameras, memories used in servers and other products. As a result, sales in this segment are forecast to decline 9.5% compared with the corresponding period of the previous fiscal year to ¥153,000 million. On the earnings front, operating income is also expected to contract 6.0% year on year to ¥7,600 million.

### b. Electronic Components

Sales of LCDs for PDAs and cellphones as well as other products are anticipated to decline in the Electronic Components segment. On this basis, sales are forecast to edge down 0.1% year on year to ¥103,000 million. Despite this slight drop in sales, operating income in this segment is anticipated to climb 16.7% compared with the corresponding period of the previous fiscal year to ¥4,200 million.

### c. Electronic Equipment

In the Electronic Equipment segment, sales of OA systems equipment, laser equipment and other products are expected to fall. Accounting for these factors, segment sales are forecast to decline 17.0% compared with the corresponding period of the previous fiscal year to ¥25,500 million while operating income is also anticipated to contract 19.4% year on year to ¥850 million.

### d. Ryosan Products

Higher sales of heat sinks for use in FA equipment and air-conditioning equipment as well as related products are projected in the Ryosan Products segment. Under these circumstances, segment sales are forecast to rise 8.2% compared with the corresponding period of the previous fiscal year to ¥8,500 million. Ryosan is also expected to enjoy an increase in segment operating income to ¥850 million, a year-on-year improvement of

32.0%.

Note: The aforementioned forecasts are subject to certain risks and uncertainties. Accordingly, actual results may differ materially from forecasts for a variety of factors. Principal among these factors are the following:

- Economic trends in the Ryosan Group's major markets (Japan, Asia and other markets); rapid changes in consumer trends and sudden shifts in supply and demand dynamics
- Significant fluctuations in the dollar/yen exchange rate
- Major shifts in capital markets.

**(2) Analysis of Financial Condition**  
**(Analysis of Assets, Liabilities, Net Assets and Cash Flows)**

**1. Assets, Liabilities and Net Assets**

**a. Assets**

Total assets as of September 30, 2007 stood at ¥180,256 million, a decrease of ¥2,997 million compared with the end of the previous fiscal year. Major movements comprised notes and accounts receivable, which declined ¥4,550 million and cash and deposits, which climbed ¥2,233 million.

**b. Liabilities**

Total liabilities declined ¥2,816 million compared with the previous fiscal year-end to ¥60,070 million. This was mainly attributed to the year-on-year drop in notes and accounts payable of ¥1,385 million, and the decline in short-term bank loans of ¥730 million.

**c. Net Assets**

Net assets including minority interests as of September 30, 2007 stood at 120,186 million, a decrease compared with March 31, 2007 of ¥181 million. In the six-month period under review, net income totaled ¥3,252 million. Ryosan also repurchased treasury stock amounting to ¥1,467 million and paid cash dividends of ¥1,458 million. These and other factors contributed to the movement in net assets. Accounting for these factors, the net assets to total assets ratio climbed from 65.6% at the end of the previous fiscal year to 66.6%.

**2. Cash Flows**

Cash and cash equivalents as of September 30, 2007 stood at ¥43,127 million, an increase of ¥2,246 million compared with the end of the previous fiscal year.

**a. Cash Flows from Operating Activities**

Net cash provided by operating activities amounted to ¥6,340 million. In addition to income before income taxes totaling ¥5,491 million, major cash inflow included the decrease in notes and accounts receivable of ¥4,269 million. Major cash outflow was income taxes paid totaling ¥2,572 million.

**b. Cash Flows from Investing Activities**

Net cash used in investing activities for the six-month period under review was ¥398 million. This was mainly attributed to purchases of property, plant and equipment as well as purchases of investment securities of ¥292 million and ¥199 million, respectively.

**c. Cash Flows from Financing Activities**

Net cash used in financing activities totaled ¥3,637 million. For the six-month period ended September 30, 2007, major cash outflows comprised repurchase of treasury stock amounting to ¥1,467 million and cash dividends paid totaling ¥1,458 million.

### 3. Forecasts for Assets, Liabilities, Net Assets and Cash Flows for Fiscal 2007

In fiscal 2007, net cash provided by operating activities is forecast to increase on a year-on-year basis. This is attributed to income before income taxes growth and the anticipated decrease in notes and accounts receivable in line with the forecast decline in sales.

Turning to cash flows from investing activities, capital expenditures are expected to remain essentially unchanged from the previous fiscal year at around ¥600 million. Impacted by the absence of proceeds from the sale of investment securities enjoyed in the previous fiscal year, net cash used in investing activities is anticipated to increase compared with the previous fiscal period.

Cash flows from financing activities are forecast to increase year on year reflecting a decline in payments for the repurchase of treasury stock.

Accounting for these factors, cash and cash equivalents as of March 31, 2008 are expected to remain essentially unchanged from the end of the previous fiscal year.

(Trends in cash flow-related indicators)

Trends in key cash flow-related indicators for the Ryosan Group are provided as follows.

	Fiscal 2004	Fiscal 2005	Fiscal 2006	First Half Fiscal 2006	First Half Fiscal 2007
Net assets to total assets (%)	63.1	64.1	65.6	63.9	66.6
Net assets to total assets (%) (Market capitalization basis)	57.9	62.9	60.3	59.3	57.4
Average debt repayment period (Years)	-	0.5	0.6	-	0.3
Interest coverage ratio (Times)	-	49.8	24.0	-	45.8

Net assets to total assets: Net assets / Total assets

Net assets to total assets (Market capitalization basis): Market capitalization / Total assets

Average debt repayment period: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest expense

- All indicators have been calculated from consolidated financial figures.
- Market capitalization was calculated based on the number of shares issued and outstanding less treasury stock at the fiscal year-end.
- Operating cash flow refers to cash flows from operating activities as shown on the consolidated statements of cash flows. Interest-bearing debt comprises all debt on which interest was paid in the liabilities section of the consolidated balance sheets. Interest expense represents interest paid as shown on the consolidated statements of cash flows.
- The average debt repayment period and interest coverage ratio are presented with a minus sign when operating cash flows are negative.

### (3) Basic Policy Regarding the Appropriation of Profits / Dividends for Fiscal 2007

#### (Basic Policy Regarding the Allocation of Profits)

Ryosan recognizes that the return of profits to shareholders is one of the Company's important business policies. At the same time, the Company also works to increase consolidated basic net income per share. Accordingly, Ryosan's fundamental policy is to achieve incremental yet steady and sustained increases in profits returned to shareholders. The details of the Company's profit allocation policy are set out in each successive mid-term management plan. The 7th Medium-Term Management Plan, from fiscal 2007 through to fiscal 2009, calls for continued efforts to "Advance Financial Strategies for Improved Corporate Value," "Ensure Shareholder Return

based on a Comprehensive Dividend Policy” and “Strategic Acquisition of Treasury Stock as well as M&A and Other Initiatives.” Furthermore, Ryosan is targeting consolidated dividend payout ratio of 40% or more as a part of its proactive profit allocation policy.

#### **(Dividends for Fiscal 2007)**

In line with its basic policy regarding the allocation of profits and estimates at the beginning of the fiscal year under review, Ryosan has declared an interim cash dividend of ¥40 per share. For the fiscal year-end dividend, the Company plans to declare a cash dividend of ¥40 per share, for an annual cash dividend of ¥80 per share for fiscal 2007.

#### **(4) Business Risk**

The Ryosan Group, its performance, share price, and financial position, are subject to a variety of potential risks, some of which are detailed briefly as follows.

Forward-looking statements contained in this section represent judgments of Ryosan Group’s management based on information available as of the end of the first half of fiscal 2007 (September 30, 2007).

##### **a. Sudden Changes in the Economic Environment**

The Ryosan Group’s consolidated revenues are derived from the level of demand generated by customers of device manufacturers. Against this backdrop, the Group’s performance is necessarily impacted by changes in economic conditions in those countries and regions in which Ryosan’s principal clients operate. As a result, Ryosan’s performance and its financial position can be expected to deteriorate in the event of economic downturn and a resulting slowdown in demand in its principal markets, such as Japan, Asia and other regions.

##### **b. Exchange Rate Fluctuation**

The Ryosan Group engages in the manufacture and sale of products across a number of regions including Japan, Asia and other countries. In preparing consolidated financial statements, sales, expenses, assets and liabilities, denominated in foreign currencies are translated into yen as of the Company’s balance sheet date. In principle, appreciation of the yen against major currencies impacts negatively on Ryosan’s performance, while a weak yen impacts favorably. As a result, Ryosan’s consolidated operating results and financial position are subject to fluctuations in foreign exchange rates.

##### **c. Overseas Business Risk**

The Ryosan Group does not operate in Japan alone. It also operates overseas, mainly in Asia. As a result it is exposed to the following risks. The materialization of any of the following risks could adversely affect the Ryosan Group’s operating results and its financial position.

- (i) Unforeseen changes in statutory and regulatory requirements and adverse changes in tax requirements
- (ii) Inadequate and insufficient local infrastructure in the countries in which the Ryosan Group operates
- (iii) Development of adverse political factors
- (iv) Social unrest arising out of war, acts of terrorism and other developments

##### **d. Capital Market Volatility**

As a part of its business activities the Ryosan Group holds shares in certain financial institutions, customers and

suppliers, and is therefore susceptible to stock price fluctuations. Ryosan does not, however, adopt specific methods as a hedge against movements in stock prices. Accordingly, Ryosan's performance and financial position are subject to substantial changes in stock markets.

e. Liability for Retirement Benefits

Ryosan accounts for retirement benefit expenses and the liability for retirement benefits using certain assumptions and an expected rate of return applicable to the Group's pension plan assets for actuarial projections. In the event that the actual obligation differs from the projected obligation or there is a change in the assumptions leading to the calculation of the projected obligation, the difference in retirement benefit expenses and the liability for retirement benefits are accrued and amortized over a generally accepted period. As a result, any significant decline in the discount rate and expected rate of return applicable to the Group's pension plan assets can impact its performance and financial position.

## 2. The Ryosan Group

The Ryosan Group comprises Ryosan Company, Limited (“Ryosan” or “the Company”), eight consolidated subsidiaries and nine non-consolidated subsidiaries.

Ryosan operates as a trading house that specializes in semiconductors, electronic components and electronic equipment, which it sells to manufacturers of electronic equipment and other customers both domestically and overseas. Ryosan also develops, manufactures and sells its own-brand products.

The following table provides an overview of industry segments and the activities of Ryosan and its consolidated subsidiaries.

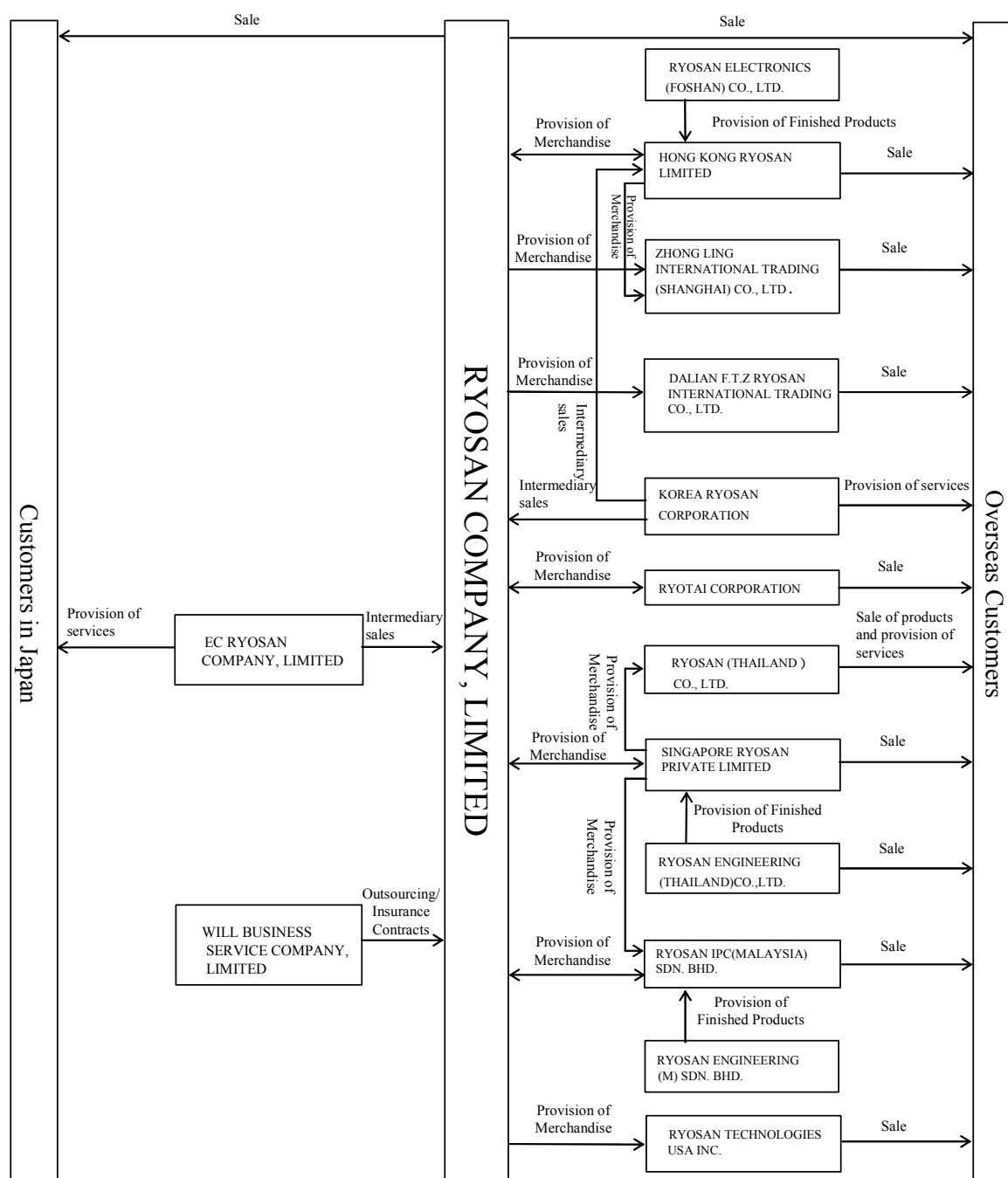
Segment	Main Products	Sales Companies	Development and Manufacturing Companies
Semiconductors	Memories System LSIs Discrete semiconductors	Ryosan Company, Limited  HONG KONG RYOSAN LIMITED	
Electronic Components	Display devices Power supplies Mechanical components	SINGAPORE RYOSAN PRIVATE LIMITED	
Electronic Equipment	Systems equipment Facilities equipment	RYOTAI CORPORATION	
Ryosan Products	Heat sinks (for semiconductor circuit elements)	RYOSAN IPC (MALAYSIA) SDN. BHD. KOREA RYOSAN CORPORATION  ZHONG LING INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Ryosan Company, Limited  RYOSAN ENGINEERING (M) SDN.BHD.  RYOSAN ENGINEERING (THAILAND) CO., LTD.

Information about Ryosan’s principal non-consolidated subsidiaries is as follows:

(Non-consolidated subsidiaries)

Company Name	Business Activities
Will Business Service Company, Limited	Insurance agent and building maintenance
EC Ryosan Company, Limited	Sales agent for electronic components
RYOSAN TECHNOLOGIES USA INC.	Sales of semiconductors and electronic components
RYOSAN (THAILAND) CO., LTD.	Sales of and sales agent for semiconductors and electronic components
DALIAN F.T.Z. RYOSAN INTERNATIONAL TRADING CO., LTD.	Sales of semiconductors and electronic components
RYOSAN ELECTRONICS (FOSHAN) CO., LTD.	Manufacture and sales of heat sinks

The Group's organization chart is provided as follows.



Note: Companies identified with a asterisk are non-consolidated subsidiaries not accounted for by the equity method. All other companies are consolidated subsidiaries.

### **3. Management Policies**

#### **(1) Fundamental Management Policies**

Since our establishment, we have always been highly conscious of the fact that the corporation is a public institution. In addition, we now no longer see ourselves simply as a trading company, but as an electronic systems coordinator, providing a vital link between our customers' needs and electronics technology. We aim to achieve consistent long-term growth by stressing this social consciousness and our new role as a systems coordinator.

Three functions are vital to fulfilling our ambition of becoming an electronics system coordinator—the Information Function (supplying data), the Solutions Function (supplying technology), and the Distribution Function (supplying logistics). By constantly enhancing these three functions, Ryosan will raise customer satisfaction and increase its existence value.

#### **(2) Targeted Management Indicators**

The Ryosan Group has adopted net income per share and consolidated dividend payout ratio as key management indicators. Guided by these benchmarks, the Company aims to secure financial soundness while at the same time pursuing further improvements in its corporate value.

In line with our 7th Medium-Term Management Plan, which covers the period from fiscal 2007 through fiscal 2009, we aim to secure net income per share exceeding ¥200 in the final year of the plan and a consolidated dividend payout ratio of more than 40% each fiscal year.

#### **(3) Medium- and Long-Term Management Strategies**

Looking ahead, the Ryosan Group is expected to confront an operating environment characterized by intense globalization and rapid change. Against this backdrop, demands for the corporate sector to more adequately fulfill their corporate social responsibility (CSR) are also anticipated to rise.

Under these circumstances, the Ryosan Group has formulated its 7th Medium-Term Management Plan, which covers the period from fiscal 2007 through fiscal 2009. In line with its ongoing "Basic Stance," Ryosan continues to focus on "Pursuing Management Essence, Advancing Management Innovation, and Yielding Management Results." These three activities are the key to conducting "Open and Transparent Corporate Management" and "Business Activities with Abundant Creativity."

To realize its Basic Stance, Ryosan is taking significant strides in the implementation of its "Three Basic Strategies": the Growth Strategy, Segment Strategy, and the Strategy to Establish a Strong Business Infrastructure. The following is an outline of these "Three Basic Strategies."

##### **1. Growth Strategy as a systems coordinator:**

We will establish four growth strategies:

- A comprehensive product lineup to broaden the Group's operating spheres
- Efforts to ensure complete sales of all inventories and maximum utilization of technological capabilities
- Overseas semiconductor product business expansion
- China bloc conception including Hong Kong, China, Taiwan and Korea business expansion

##### **2. Segment Strategy as a system coordinator:**

We will qualitatively strengthen individual strategies for four product segments:

- Semiconductor Business Strategy: Strategic mainstay business
- Electronic Components Business Strategy: Stable cornerstone business
- Electronic Equipment Business Strategy: Synergy-driving business
- Products Business Strategy: Signature trading business

3. Strategy to Establish a Strong Business Infrastructure that supports growth and reinforces operations:

We will implement four management reforms:

- Establish highly social corporate governance
- Qualitatively strengthen management structure
- Further reform of the personnel system
- Strengthen RS (Ryosan) Culture

**(4) Issues to be Addressed**

Inherent in the semiconductor business, the Ryosan Group's primary operating field, are the essential needs for cutting-edge technology research and development as well as large scale production facility investment. Under these conditions, companies active in the semiconductor industry are implementing continuous industry reorganization, establishing integrated production companies and adopting joint foundry business models. As a result, semiconductor manufacturers are pursuing realignments and alliances and reviewing sales channel policies in an effort to ensure ongoing viability. Given the aforementioned underlying circumstances, and as a semiconductor sales agent, Ryosan has positioned efforts to accurately grasp industry trends and to ensure an optimal and relevant response as management's most important issues.

On an equally important level, the Ryosan Group recognizes the recent slump in consolidated results as a critical factor impacting its future. As a result, and in an effort to break through the stagnation overshadowing Ryosan's fortunes, the Group is implementing a growth strategy and aggressively augmenting its product lineup. Looking ahead, the Ryosan Group will endeavor to complete sales of all inventories while at the same time reinforcing efforts to fully utilize its technological capabilities. In this manner, Ryosan will steadily establish and development a robust corporate structure.

With respect to its profit structure, Ryosan will strictly adhere to business management principles that control output by measuring input ("controlling today's costs by forecasting tomorrow's revenue") at each of its sales and manufacturing bases both at home as well as overseas. At the same time, Ryosan will continue to emphasize detailed performance-based management in an effort to secure steady improvement.

At any rate, the Ryosan Group will seek to enhance its value in the electronics market. In this way, Ryosan will improve its performance to a level commensurate with its value, and thus meet the expectations of shareholders.

#### 4 - (1) Interim Consolidated Balance Sheets

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
<b>ASSETS</b>						
<b>I. Current assets:</b>	161,220	86.5	155,668	86.4	158,329	86.4
1. Cash and cash deposits	18,549		27,237		25,003	
2. Trade notes and accounts receivable	106,165		94,123		98,674	
3. Marketable securities	15,993		15,993		15,990	
4. Inventories	18,793		16,773		16,968	
5. Accrued income	1,002		891		890	
6. Deferred tax assets	596		538		572	
7. Other current assets	338		324		458	
8. Allowance for doubtful accounts	(219)		(213)		(228)	
<b>II. Fixed assets:</b>	25,116	13.5	24,588	13.6	24,925	13.6
1. Property, plant and equipment	15,058	8.1	14,732	8.2	14,832	8.1
(1) Buildings and structures	5,716		5,538		5,656	
(2) Land	8,204		8,209		8,209	
(3) Other fixed assets	1,136		984		967	
2. Intangible fixed assets	1,038	0.6	840	0.4	926	0.5
3. Investments and other assets	9,019	4.8	9,015	5.0	9,166	5.0
(1) Investment securities	6,881		5,311		5,854	
(2) Deferred tax assets	875		1,733		1,471	
(3) Other	1,667		3,346		3,242	
(4) Allowance for doubtful accounts	(301)		(1,298)		(1,323)	
(5) Allowance for loss on investments	(103)		(76)		(78)	
<b>Total assets</b>	186,336	100.0	180,256	100.0	183,254	100.0

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
<b>LIABILITIES</b>						
<b>I. Current liabilities:</b>	64,723	34.7	57,564	31.9	60,404	33.0
1. Trade notes and accounts payable	52,941		49,069		50,454	
2. Short-term bank loans	6,566		4,048		4,779	
3. Accrued expenses	1,270		1,284		1,207	
4. Accrued income taxes	2,748		2,223		2,615	
5. Directors' bonus reserve	40		50		—	
6. Other current liabilities	1,155		888		1,347	
<b>II. Long-term liabilities:</b>	2,427	1.3	2,506	1.4	2,482	1.3
1. Employees' retirement benefits	1,964		2,088		2,020	
2. Other long-term liabilities	462		417		462	
<b>Total liabilities</b>	67,150	36.0	60,070	33.3	62,886	34.3
<b>NET ASSETS</b>						
<b>I. Shareholders' equity:</b>	116,960	62.8	118,698	65.9	118,372	64.6
1. Common stock	17,690	9.5	17,690	9.8	17,690	9.7
2. Additional paid-in capital	19,122	10.3	19,122	10.6	19,122	10.4
3. Retained earnings	80,202	43.0	83,410	46.3	81,616	44.5
4. Treasury stock	(55)	(0.0)	(1,524)	(0.8)	(57)	(0.0)
<b>II. Valuation and conversions:</b>	2,097	1.1	1,350	0.7	1,856	1.0
1. Net unrealized gain on other marketable securities	2,035	1.1	1,299	0.7	1,711	0.9
2. Gain on deferred hedges	4	0.0	0	0.0	0	0.0
3. Foreign currency translation adjustments	58	0.0	51	0.0	144	0.1
<b>III. Minority Interests</b>	127	0.1	136	0.1	139	0.1
<b>Net assets</b>	119,186	64.0	120,186	66.7	120,367	65.7
<b>Total liabilities and net assets</b>	186,336	100.0	180,256	100.0	183,254	100.0

#### 4 - (2) Interim Consolidated Statements of Income

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	Six Months Ended September 30, 2006		Six Months Ended September 30, 2007		Fiscal Year Ended March 31, 2007	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
<b>I. Net sales</b>	158,329	100.0	144,628	100.0	310,654	100.0
<b>II. Cost of sales</b>	144,887	91.5	132,136	91.4	283,702	91.3
Gross profit	13,441	8.5	12,492	8.6	26,951	8.7
<b>III. Selling, general and administrative expenses</b>	8,101	5.1	7,320	5.0	16,886	5.5
Operating income	5,340	3.4	5,172	3.6	10,064	3.2
<b>IV. Non-operating income:</b>	390	0.2	604	0.4	741	0.2
1. Interest income	69		123		164	
2. Dividend income	63		49		82	
3. Discounts on purchases	31		—		—	
4. Business guidance fees	35		79		76	
5. Foreign exchange gains	12		—		—	
6. Refund on cancellation of insurance contracts	—		114		—	
7. Other	177		237		419	
<b>V. Non-operating expenses:</b>	201	0.1	251	0.2	449	0.1
1. Interest expense	181		138		344	
2. Foreign currency losses	—		49		42	
3. Other	19		63		62	
Ordinary income	5,529	3.5	5,525	3.8	10,356	3.3
<b>VI. Extraordinary gains:</b>	610	0.4	37	0.0	1,236	0.4
1. Gain on sales of property, plant and equipment	0		1		1	
2. Gain on reversal of allowance for doubtful accounts	—		34		—	
3. Gain on sales of investment securities	567		—		1,192	
4. Gain on reversal of allowance for loss on investment	—		1		—	
5. Gain on sales of golf club memberships	27		—		28	
6. Gain on return of golf club memberships	15		—		15	

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	Six Months Ended September 30, 2006		Six Months Ended September 30, 2007		Fiscal Year Ended March 31, 2007	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
<b>VII. Extraordinary losses:</b>	36	0.0	70	0.0	959	0.3
1. Loss on sales and disposal of property, plant and equipment	13		22		60	
2. Loss on devaluation of investment securities	—		47		—	
3. Transfer to allowance for loss on investments	20		—		33	
4. Loss on devaluation of golf club memberships	2		—		2	
5. Lump-sum payment for withdrawal from welfare pension fund	—		—		863	
<b>Income before income taxes and minority interest</b>	6,103	3.9	5,491	3.8	10,634	3.4
Income taxes — current	2,671	1.7	2,184	1.6	4,675	1.5
Income taxes — deferred	(58)	(0.0)	56	0.0	(407)	(0.1)
Minority interests (losses)	(3)	(0.0)	(1)	(0.0)	0	0.0
<b>Net income</b>	3,493	2.2	3,252	2.2	6,366	2.0

#### 4 - (3) Consolidated Statements of Changes in Shareholders' Equity, Valuation and Conversions

(Six-month period from April 1, 2006 through September 30, 2006)

(Millions of yen, figures less than ¥1 million have been omitted)

	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	17,690	19,122	78,253	(52)	115,014
Increase (decrease) during the interim period ended September 30, 2006					
Cash dividends			(1,458)		(1,458)
Directors' bonuses			(85)		(85)
Net income			3,493		3,493
Acquisition of treasury stock				(3)	(3)
Disposal of treasury stock		0		0	0
Net changes in items excluding shareholders' equity during the period					
Total increase (decrease) during the interim period ended September 30, 2006		0	1,949	(3)	1,946
Balance as of September 30, 2006	17,690	19,122	80,202	(55)	116,960

	Valuation and Conversions				Minority interests	Total net assets
	Net unrealized gain on other marketable securities	Gain on deferred hedges	Foreign currency translation adjustments	Total valuation and conversions		
Balance as of March 31, 2006	2,409	-	(30)	2,378	131	117,524
Increase (decrease) during the interim period ended September 30, 2006						
Cash dividends						(1,458)
Directors' bonuses						(85)
Net income						3,493
Acquisition of treasury stock						(3)
Disposal of treasury stock						0
Net changes in items excluding shareholders' equity during the period	(373)	4	89	(280)	(4)	(284)
Total increase (decrease) during the interim period ended September 30, 2006	(373)	4	89	(280)	(4)	1,661
Balance as of September 30, 2006	2,035	4	58	2,097	127	119,186

(Six-month period from April 1, 2007 through September 30, 2007)

(Millions of yen, figures less than ¥1 million have been omitted)

	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	17,690	19,122	81,616	(57)	118,372
Increase (decrease) during the interim period ended September 30, 2007					
Cash dividends			(1,458)		(1,458)
Net income			3,252		3,252
Acquisition of treasury stock				(1,467)	(1,467)
Disposal of treasury stock		0		0	0
Net changes in items excluding shareholders' equity during the period					
Total increase (decrease) during the interim period ended September 30, 2007		0	1,793	(1,467)	326
Balance as of September 30, 2007	17,690	19,122	83,410	(1,524)	118,698

	Valuation and Conversions				Minority interests	Total net assets
	Net unrealized gain on other marketable securities	Gain on deferred hedges	Foreign currency translation adjustments	Total valuation and conversions		
Balance as of March 31, 2007	1,711	0	144	1,856	139	120,367
Increase (decrease) during the interim period ended September 30, 2007						
Cash dividends						(1,458)
Net income						3,252
Acquisition of treasury stock						(1,467)
Disposal of treasury stock						0
Net changes in items excluding shareholders' equity during the period	(411)	0	(93)	(505)	(2)	(508)
Total increase (decrease) during the interim period ended September 30, 2007	(411)	0	(93)	(505)	(2)	(181)
Balance as of September 30, 2007	1,299	0	51	1,350	136	120,186

(Fiscal year from April 1, 2006 through March 31, 2007)

(Millions of yen, figures less than ¥1 million have been omitted)

	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	17,690	19,122	78,253	(52)	115,014
Increase (decrease) during the fiscal year ended March 31, 2007					
Cash dividends from appropriation of profits			(1,458)		(1,458)
Cash dividends			(1,458)		(1,458)
Directors' bonuses			(85)		(85)
Net income			6,366		6,366
Acquisition of treasury stock				(5)	(5)
Disposal of treasury stock		0		0	0
Net changes in items excluding shareholders' equity during the period					
Total increase (decrease) during the fiscal year ended March 31, 2007		0	3,362	(5)	3,357
Balance as of March 31, 2007	17,690	19,122	81,616	(57)	118,372

	Valuation and Conversions				Minority interests	Total net assets
	Net unrealized gain on other marketable securities	Gain on deferred hedges	Foreign currency translation adjustments	Total valuation and conversions		
Balance as of March 31, 2006	2,409		(30)	2,378	131	117,524
Increase (decrease) during the fiscal year ended March 31, 2007						
Cash dividends from appropriation of profits						(1,458)
Cash dividends						(1,458)
Directors' bonuses						(85)
Net income						6,366
Acquisition of treasury stock						(5)
Disposal of treasury stock						0
Net changes in items excluding shareholders' equity during the period	(697)	0	175	(522)	7	(514)
Total increase (decrease) during the fiscal year ended March 31, 2007	(697)	0	175	(522)	7	2,843
Balance as of March 31, 2007	1,711	0	144	1,856	139	120,367

#### 4 - (4) Consolidated Statements of Cash Flows

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	Six months ended September 30, 2006	Six months ended September 30, 2007	Fiscal year ended March 31, 2007
<b>Operating activities:</b>			
Income before income taxes	6,103	5,491	10,634
Depreciation and amortization	454	404	968
Increase (decrease) in allowance for doubtful accounts	168	(34)	1,203
Increase in employees' retirement benefits	94	68	150
(Decrease) increase in directors' severance payments	(438)	—	(438)
Interest and dividend income	(133)	(173)	(246)
Interest expense	181	138	344
Gain on sales of property, plant and equipment	(0)	(1)	(1)
Loss on sales and disposal of property, plant and equipment	13	22	60
Gain on sales of investment securities	(567)	—	(1,192)
Loss on devaluation of investment securities	—	47	—
Lump-sum payment for withdrawal from welfare pension fund	—	—	863
(Increase) decrease in notes and accounts receivable	(6,394)	4,269	1,309
Decrease in inventories	174	189	2,043
Increase (decrease) in notes and accounts payable	1,508	(1,260)	(1,158)
Directors' bonuses paid	(85)	—	(85)
Other — net	(165)	(286)	(843)
Subtotal	915	8,877	13,613
Interest and dividends received	142	174	251
Interest paid	(180)	(138)	(343)
Lump-sum payment for withdrawal from welfare pension fund paid	—	—	(851)
Income taxes paid	(2,173)	(2,572)	(4,428)
Net cash (used in) provided by operating activities	(1,296)	6,340	8,241
<b>Investing activities:</b>			
Net decrease (increase) in time deposits	18	9	(507)
Proceeds from the redemption of investment securities	700	—	700
Purchases of property, plant and equipment	(448)	(292)	(694)
Proceeds from sales of property, plant and equipment	1	6	6
Purchases of intangible fixed assets	(11)	(3)	(12)
Purchases of investment securities	(775)	(199)	(833)
Proceeds from sales of investment securities	1,068	—	2,194
Investments in affiliated companies	—	—	(59)
Increase in loans	—	—	(497)
Proceeds from the collection of loans	0	82	392
Other — net	56	—	57
Net cash provided by (used in) investing activities	610	(398)	745
<b>Financing activities:</b>			
Increase in short-term bank loans— net	397	(711)	(1,426)
Repurchase of treasury stock	(3)	(1,467)	(5)
Proceeds from disposal of treasury stock	0	0	0
Cash dividends paid	(1,458)	(1,458)	(2,917)
Cash dividends paid to minority shareholders	(1)	—	(1)
Net cash used in financing activities	(1,065)	(3,637)	(4,350)

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	Six months ended September 30, 2006	Six months ended September 30, 2007	Fiscal year ended March 31, 2007
Effect of foreign currency translation adjustments on cash and cash equivalents	48	(58)	76
(Decrease) increase cash and cash equivalents	(1,703)	2,246	4,713
Cash and cash equivalents at the beginning of the period	36,167	40,880	36,167
Cash and cash equivalents at the end of the period	34,464	43,127	40,880

#### **4 – (5) Important Factors that Form the Basis for Preparation of Interim Consolidated Financial Statements**

There have been no important changes since the most recent interim earnings report (submitted on December 8, 2006). Accordingly, this information has been omitted.

#### **4 – (6) Changes in Important Items Considered Fundamental to the Preparation of Interim Consolidated Financial Statements**

##### **1. Changes in depreciation methods in accordance with revisions to the Corporation Tax Law**

Tangible fixed assets acquired after April 1, 2007 are primarily depreciated based on the revised Corporation Tax Law in accordance with revisions of the Corporation Tax Law (Partial Revision of the Income Tax and Other Taxes Law No. 6 enacted on March 30, 2007) and implementation guidelines (Implementation Guidance for Partial Revision of the Corporation Tax Law No. 83 issued on March 30, 2007).

The impact on the Company's interim profit and loss as a result of this change is considered immaterial.

##### **2. Changes in the method of presentation**

(Interim consolidated statement of income)

From the interim period under review, the total of purchase discounts at ¥36 million was less than 10% of total non-operating income. Accordingly, purchase discounts were deemed insufficient to warrant separate disclosure and included in other non-operating income.

#### 4 – (7) Note to Interim Consolidated Financial Statements

(Millions of yen unless otherwise stated, figures less than ¥1 million have been omitted)

(Notes to interim consolidated balance sheets)

	As of Sep. 30, 2006	As of Sep. 30, 2007	As of Mar. 31, 2007
1. Accumulated depreciation of tangible fixed assets	7,949	8,163	7,995
2. Assets pledged as collateral			
- Investment securities	300	299	260
3. Guarantee contingent liabilities			
The unpaid balance of debt financing provided to non-consolidated subsidiaries by financial institutions guaranteed by the Company	94	58	47
4. Export bills discounted	0	—	—
5. Accounting treatment of trade notes maturing at the end of the period			
The settlement of trade note maturing on the balance sheet date of the period is accounted for on the clearance date. As the balance sheet date of the period was a bank holiday, the trade notes maturing on the balance sheet date of the period in the following amounts were included in trade notes at the end of the fiscal year.			
- Trade notes and accounts receivable	3,042	2,480	3,934
- Trade accounts payable	1,797	2,004	2,168

(Notes to interim consolidated statements of income)

	Six Months Ended September 30, 2006	Six Months Ended September 30, 2007	Fiscal Year Ended March 31, 2007
1. Breakdown of gain on sales of property, plant and equipment			
- Other	0	1	1
2. Breakdown of loss on sales and disposal of property, plant and equipment			
- Loss on disposal of buildings and structures	0	—	18
- Loss on sales of buildings and structures	—	1	—
- Other	13	20	42
Total	13	22	60

**(Calculation Statement Relating to Changes in Interim Consolidated Shareholders' Equity)**

First half of fiscal 2006 (April 1, 2006 to September 30, 2006)

1. Matters Relating to the Type and Number of Shares Issued and Outstanding and the Type and Number of Treasury Stock  
(Thousands of shares)

	Number of Shares As of Mar. 31, 2006	Increase	Decrease	Number of Shares As of Sep. 30, 2006
Common shares issued and outstanding	36,500	—	—	36,500
Common shares of treasury stock (Note)	25	1	0	26

Notes:

1. The increase in treasury stock reflects the repurchase of common stock less than one trading unit of stock.
2. The decrease in treasury stock reflects the sale of common stock less than one trading unit of stock.

2. Matters Relating to Dividends

(1) Dividend payment amount

(Millions of yen unless otherwise stated)

	Type of Shares	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Annual General Meeting of Shareholders held on June 23, 2006	Common shares	1,458	40	Mar. 31, 2006	Jun. 23, 2006

(2) Dividends for which the effective date falls after the first half ended September 30, 2006 included in dividends for which the base date falls within the first half ended September 30, 2006

(Millions of yen unless otherwise stated)

Resolution	Type of Shares	Source of Dividend Payments	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Board of Directors' Meeting held on November 9, 2006	Common shares	Retained earnings	1,458	40	Sep. 30, 2006	Dec. 1, 2006

First half of fiscal 2007 (April 1, 2007 to September 30, 2007)

1. Matters Relating to the Type and Number of Shares Issued and Outstanding and the Type and Number of Treasury Stock  
(Thousands of shares)

	Number of Shares As of Mar. 31, 2007	Increase	Decrease	Number of Shares As of Sep. 30, 2007
Common shares issued and outstanding	36,500	—	—	36,500
Common shares of treasury stock (Note)	27	504	0	531

Notes:

1. The increase in treasury stock reflects the repurchase of 503,000 shares of common stock following a resolution by the Board of Directors and the repurchase of 1,000 shares of common stock less than one trading unit of stock.
2. The decrease in treasury stock reflects the sale of common stock less than one trading unit of stock.

2. Matters Relating to Dividends

(1) Dividend payment amount

(Millions of yen unless otherwise stated)

	Type of Shares	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Annual General Meeting of Shareholders held on May 11, 2007	Common shares	1,458	40	Mar. 31, 2007	Jun. 7, 2007

(2) Dividends for which the effective date falls after the first half ended September 30, 2007 included in dividends for which the base date falls within the first half ended September 30, 2007

(Millions of yen unless otherwise stated)

Resolution	Type of Shares	Source of Dividend Payments	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Board of Directors' Meeting held on November 8, 2007	Common shares	Retained earnings	1,438	40	Sep. 30, 2007	Dec. 4, 2007

Fiscal 2006 (April 1, 2006 to March 31, 2007)

1. Matters Relating to the Type and Number of Shares Issued and Outstanding and the Type and Number of Treasury Stock  
(Thousands of shares)

	Number of Shares As of Mar. 31, 2006	Increase	Decrease	Number of Shares As of Mar. 31, 2007
Common shares issued and outstanding	36,500	—	—	36,500
Common shares of treasury stock (Note)	25	1	0	27

Notes:

1. The increase in treasury stock reflects the repurchase of common stock less than one trading unit of stock.
2. The decrease in treasury stock reflects the sale of common stock less than one trading unit of stock.

2. Matters Relating to Dividends

(1) Dividend payment amount

(Millions of yen unless otherwise stated)

	Type of Shares	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Annual General Meeting of Shareholders held on June 23, 2006	Common shares	1,458	40	Mar. 31, 2006	Jun. 23, 2006
Board of Directors' Meeting held on November 9, 2006	Common shares	1,458	40	Sep. 30, 2006	Dec. 1, 2006

(2) Dividends for which the effective date falls after the fiscal year ending March 31, 2008 included in dividends for which the base date falls within the fiscal year ended March 31, 2007

(Millions of yen unless otherwise stated)

Resolution	Type of Shares	Source of Dividend Payments	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Board of Directors' Meeting held on May 11, 2007	Common shares	Retained earnings	1,458	40	Mar. 31, 2007	Jun. 7, 2007

(Notes to consolidated statements of cash flows)

The relationship between the balance of cash and cash equivalents at the end of the fiscal period and items recorded on the consolidated balance sheets.

(Millions of yen unless otherwise stated)

	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Cash and cash deposits	18,549	27,237	25,003
Marketable securities	15,993	15,993	15,990
Tine deposits with deposit terms exceeding three months	(79)	(103)	(113)
Bonds and notes with a redemption date exceeding three months from the date of acquisition	—	(0)	(0)
Cash and cash equivalents	34,464	43,127	40,880

## SEGMENT INFORMATION

### 1. Segment information by business type

First half of fiscal 2006 (April 1, 2006 to September 30, 2006)

(Millions of yen, figures less than ¥1 million have been omitted)

	Semiconductors	Electronic components	Electronic equipment	Ryosan products	Total	Eliminations or corporate	Consolidated
<b>Sales and operating income</b>							
Sales:							
(1) Outside customers	89,704	49,516	15,235	3,873	158,329	-	158,329
(2) Internal sales between segments, or exchange	-	-	-	-	-	-	-
Total	89,704	49,516	15,235	3,873	158,329	-	158,329
Operating expenses	85,754	47,178	14,731	3,589	151,253	1,735	152,989
Operating income	3,949	2,338	504	283	7,075	(1,735)	5,340

First half of fiscal 2007 (April 1, 2007 to September 30, 2007)

(Millions of yen, figures less than ¥1 million have been omitted)

	Semiconductors	Electronic components	Electronic equipment	Ryosan products	Total	Eliminations or corporate	Consolidated
<b>Sales and operating income</b>							
Sales:							
(1) Outside customers	75,142	54,023	11,301	4,160	144,628	-	144,628
(2) Internal sales between segments, or exchange	-	-	-	-	-	-	-
Total	75,142	54,023	11,301	4,160	144,628	-	144,628
Operating expenses	71,467	51,805	10,935	3,849	138,058	1,398	139,456
Operating income	3,674	2,218	366	311	6,570	(1,398)	5,172

Fiscal 2006 (April 1, 2006 to March 31, 2007)

(Millions of yen, figures less than ¥1 million have been omitted)

	Semiconductors	Electronic components	Electronic equipment	Ryosan products	Total	Eliminations or corporate	Consolidated
<b>Sales and operating income</b>							
Sales:							
(1) Outside customers	169,012	103,075	30,709	7,855	310,654	-	310,654
(2) Internal sales between segments, or exchange	-	-	-	-	-	-	-
Total	169,012	103,075	30,709	7,855	310,654	-	310,654
Operating expenses	160,924	99,477	29,654	7,211	297,267	3,321	300,589
Operating income	8,088	3,598	1,054	644	13,386	(3,321)	10,064

Notes:

1. Methods of determining business segments and main products classified under each business segment:

(1) Business segments are classified on the basis of organization, product type and sales structure.

(2) Main products of each business segment:

Semiconductors: Memories, system LSIs, discrete semiconductors

Electronic components: Display devices, power supplies, and mechanical components

Electronic equipment: Systems equipment, facilities equipment

Ryosan products: Heat sinks (for semiconductor devices)

2. Unallocated operating expenses for the six months ended September 30, 2007 included in "Eliminations or corporate" totaled ¥1,398 million, compared with ¥1,735 million for the corresponding period of the previous year and ¥3,321 million for the fiscal year ended March 31, 2007. These expenses consisted principally of Ryosan's information system investments and expenses related to Ryosan's planning, administration and accounting departments.

## 2. Geographical segment information

First half of fiscal 2006 (April 1, 2006 to September 30, 2006)

(Millions of yen, figures less than ¥1 million have been omitted)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
<b>Sales and operating income</b>					
Sales:					
(1) Outside customers	112,654	45,675	158,329	-	158,329
(2) Internal sales between segments, or exchange	5,575	177	5,753	(5,753)	-
Total	118,229	45,852	164,082	(5,753)	158,329
Operating expenses	114,156	44,913	159,069	(6,080)	152,989
Operating income	4,073	939	5,012	327	5,340

First half of fiscal 2007 (April 1, 2007 to September 30, 2007)

(Millions of yen, figures less than ¥1 million have been omitted)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
<b>Sales and operating income</b>					
Sales:					
(1) Outside customers	98,030	46,598	144,628	-	144,628
(2) Internal sales between segments, or exchange	8,308	233	8,541	(8,541)	-
Total	106,338	46,832	153,170	(8,541)	144,628
Operating expenses	102,796	45,576	148,372	(8,916)	139,456
Operating income	3,541	1,256	4,797	374	5,172

Fiscal 2006 (April 1, 2006 to March 31, 2007)

(Millions of yen, figures less than ¥1 million have been omitted)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
<b>Sales and operating income</b>					
Sales:					
(1) Outside customers	219,428	91,225	310,654	—	310,654
(2) Internal sales between segments, or exchange	12,609	400	13,010	(13,010)	—
Total	232,037	91,626	323,664	(13,010)	310,654
Operating expenses	224,985	89,376	314,361	(13,772)	300,589
Operating income	7,052	2,250	9,302	762	10,064

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:  
Asia — Hong Kong, Singapore, Taiwan, Malaysia and others
3. Operating expenses are allocated to each geographical segment.

### 3. Overseas sales

First half of fiscal 2006 (April 1, 2006 to September 30, 2006)

(Millions of yen, figures less than ¥1 million have been omitted)

	Asia	Total
Overseas sales	54,638	54,638
Consolidated net sales		158,329
Ratio of overseas sales to consolidated net sales (%)	34.5	34.5

First half of fiscal 2007 (April 1, 2007 to September 30, 2007)

(Millions of yen, figures less than ¥1 million have been omitted)

	Asia	Total
Overseas sales	59,366	59,366
Consolidated net sales		144,628
Ratio of overseas sales to consolidated net sales (%)	41.0	41.0

Fiscal 2006 (April 1, 2006 to March 31, 2007)

(Millions of yen, figures less than ¥1 million have been omitted)

	Asia	Total
Overseas sales	109,838	109,838
Consolidated net sales		310,654
Ratio of overseas sales to consolidated net sales (%)	35.4	35.4

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:  
Asia—Hong Kong, Korea, China, Taiwan and others
3. Overseas sales represent the total of export sales of the parent company and sales of its consolidated subsidiaries outside Japan (excluding intra-group sales).

## Leases

### 1. Finance leases other than those that transfer ownership to the lessee

	(Millions of yen)		
	First Half of Fiscal 2006	First Half Fiscal 2007	Fiscal 2006
	(Apr. 1, 2006 to Sep. 30, 2006)	(Apr. 1, 2007 to Sep. 30, 2007)	(Apr. 1, 2006 to Mar. 31, 2007)
(1) Acquisition cost	1,949	1,924	2,034
Accumulated depreciation	1,043	1,248	1,199
Period-end balance	905	675	834
(2) Period-end balance of unpaid lease expenses			
Due within one year	310	274	316
Due after one year	634	428	552
Total	944	703	869
(3) Lease expense payment	211	175	398
(4) Accumulated depreciation	192	158	361
(5) Interest expenses	12	9	24

The straight-line method is used to calculate amortization over the useful life of the asset with no residual value. The difference between total lease expenses and the acquisition cost of leased assets is considered as the interest portion and the allocation of this interest is calculated by the interest method.

### 2. Operating leases

	First Half of Fiscal 2006	First Half Fiscal 2007	Fiscal 2006
	(Apr. 1, 2006 to Sep. 30, 2006)	(Apr. 1, 2007 to Sep. 30, 2007)	(Apr. 1, 2006 to Mar. 31, 2007)
The amount of unpaid leases			
Due within one year	33	30	32
Due after one year	24	25	19
Total	58	55	52

(Marketable Securities)

1. Bonds and notes held to maturity with quoted market values

(Millions of yen, figures less than ¥1 million have been omitted)

	As of September 30, 2006			As of September 30, 2007			As of March 31, 2007		
	Amount stated on consolidated balance sheet	Market value	Difference	Amount stated on consolidated balance sheet	Market value	Difference	Amount stated on consolidated balance sheet	Market value	Difference
Commercial paper	15,993	15,993	0	15,992	15,992	(0)	15,990	15,990	0

2. Other securities with quoted market values

(Millions of yen, figures less than ¥1 million have been omitted)

	As of September 30, 2006			As of September 30, 2007			As of March 31, 2007		
	Acquisition cost	Amount stated on consolidated balance sheet	Difference	Acquisition cost	Amount stated on consolidated balance sheet	Difference	Acquisition cost	Amount stated on consolidated balance sheet	Difference
Shares	2,126	5,559	3,433	1,883	4,077	2,194	1,683	4,570	2,887

(Note) In line with impairment accounting, shares whose market values have deteriorated by more than 40% are written down.

3. Other securities without quoted market values

(Millions of yen, figures less than ¥1 million have been omitted)

	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
	Amount stated on consolidated balance sheet	Amount stated on consolidated balance sheet	Amount stated on consolidated balance sheet
Other securities			
- Non-listed stocks	189	140	189
- Bonds and notes	1,000	1,000	1,000
Total	1,189	1,140	1,189

(Derivatives)

Information relating to derivative transactions is considered immaterial to the preparation of this business report. Accordingly, derivative transaction information has been omitted.

(Stock options, other)

Not applicable

(Business combination, other)

Not applicable

(Per share information)

(Yen unless otherwise stated)

	First Half of Fiscal 2006 (Apr. 1, 2006 to Sep. 30, 2006)	First Half Fiscal 2007 (Apr. 1, 2007 to Sep. 30, 2007)	Fiscal 2006 (Apr. 1, 2006 to Mar. 31, 2007)
1. Net assets per share	3,264.28	3,337.68	3,296.41
2. Earnings per share	95.78	89.43	174.54

Notes:

1. As there was no effect on earnings per share after applying calculations adjusted for the dilution of stocks, per diluted share amounts have been omitted from this report.
2. Net assets per share for the first half of fiscal 2006, the first half of fiscal 2007 and for fiscal 2007 are calculated on the following basis.

(Millions of yen unless otherwise stated)

	First Half of Fiscal 2006 (Apr. 1, 2006 to Sep. 30, 2006)	First Half Fiscal 2007 (Apr. 1, 2007 to Sep. 30, 2007)	Fiscal 2006 (Apr. 1, 2006 to Mar. 31, 2007)
Net assets	119,186	120,186	120,367
Amounts deducted from net assets	127	136	139
(of which is minority interests)	(127)	(136)	(139)
Net assets applicable to common shares as of the period-end	119,058	120,049	120,228
Number of common shares issued and outstanding (thousands of shares)	36,500	36,500	36,500
Number of common shares of treasury stock (thousands of shares)	26	531	27
Number of common shares as of the period-end used in the calculation of net assets per share (thousands of shares)	36,473	35,968	36,472

3. Earnings per share for the first half of fiscal 2006, the first half of fiscal 2007 and for fiscal 2007 are calculated on the following basis

	First Half of Fiscal 2006 (Apr. 1, 2006 to Sep. 30, 2006)	First Half Fiscal 2007 (Apr. 1, 2007 to Sep. 30, 2007)	Fiscal 2006 (Apr. 1, 2006 to Mar. 31, 2007)
Net income	3,493	3,252	6,366
Net income not applicable to shareholders of common stock			
Net income applicable to common stock	3,493	3,252	6,366
Average number of common shares for the period (thousands of shares)	36,473	36,374	36,473

(Important subsequent events)

Not applicable

## 5. Manufacturing, New Orders and Sales

### 1. Manufacturing

(Millions of yen, figures less than ¥1 million have been omitted)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Fiscal year ended March 31, 2007
Heat sinks	3,267	3,509	6,671

### 2. New Orders

(Millions of yen, figures less than ¥1 million have been omitted)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Fiscal year ended March 31, 2007
Semiconductors	95,377	76,369	163,972
Electronic components	54,208	54,614	104,066
Electronic equipment	14,286	12,450	28,365
Ryosan products	3,492	4,172	7,912
Total	167,365	147,606	304,316

### 3. Sales

(Millions of yen, figures less than ¥1 million have been omitted)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Fiscal year ended March 31, 2007
Semiconductors	89,704	75,142	169,012
Electronic components	49,516	54,023	103,075
Electronic equipment	15,235	11,301	30,709
Ryosan products	3,873	4,160	7,855
Total	158,329	144,628	310,654

## 6 - (1) Interim Non-Consolidated Balance Sheets

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
<b>ASSETS</b>						
<b>I. Current assets:</b>	138,397	84.8	132,617	84.5	137,509	84.7
1. Cash and cash deposits	16,474		23,710		21,816	
2. Trade notes receivable	4,730		4,120		4,615	
3. Trade accounts receivable	86,299		75,565		81,037	
4. Marketable securities	15,993		15,992		15,990	
5. Inventories	13,142		11,719		12,349	
6. Accrued income	997		886		924	
7. Deferred tax assets	590		534		568	
8. Other current assets	177		151		287	
9. Allowance for doubtful accounts	(9)		(64)		(79)	
<b>II. Fixed assets:</b>	24,885	15.2	24,369	15.5	24,829	15.3
1. Property, plant and equipment	14,599	8.9	14,270	9.1	14,371	8.9
(1) Buildings and structures	5,443		5,274		5,382	
(2) Land	8,149		8,147		8,149	
(3) Other fixed assets	1,006		848		839	
2. Intangible fixed assets	324	0.2	176	0.1	232	0.1
3. Investments and other assets	9,961	6.1	9,922	6.3	10,224	6.3
(1) Investment securities	6,748		5,217		5,760	
(2) Shares of affiliated companies	1,286		1,248		1,248	
(3) Deferred tax assets	874		1,733		1,471	
(4) Other	1,312		2,958		3,002	
(5) Allowance for doubtful accounts	(157)		(1,157)		(1,179)	
(6) Allowance for loss on investments	(103)		(76)		(78)	
<b>Total assets</b>	163,282	100.0	156,987	100.0	162,339	100.0

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
<b>LIABILITIES</b>						
<b>I. Current liabilities:</b>	49,908	30.5	43,981	28.0	48,856	30.1
1. Trade accounts payable	40,763		37,910		40,828	
2. Short-term bank loans	4,607		2,235		3,452	
3. Accrued income taxes	2,470		1,960		2,372	
4. Directors' bonus reserve	40		50		—	
5. Other current liabilities	2,026		1,824		2,203	
<b>II. Long-term liabilities:</b>	2,394	1.5	2,470	1.6	2,449	1.5
1. Employees' retirement benefits	1,938		2,060		1,994	
2. Other long-term liabilities	455		410		455	
<b>Total liabilities</b>	52,303	32.0	46,452	29.6	51,306	31.6
<b>NET ASSETS</b>						
<b>I. Shareholders' equity:</b>	108,942	66.7	109,237	69.6	109,321	67.3
1. Common stock	17,690	10.8	17,690	11.2	17,690	10.9
2. Additional paid-in capital	19,122	11.7	19,122	12.2	19,122	11.7
(1) Capital reserve	19,114		19,114		19,114	
(2) Other additional paid-in capital	8		8		8	
3. Retained earnings	72,184	44.2	73,948	47.1	72,565	44.7
(1) Profit reserve	1,371		1,371		1,371	
(2) Other retained earnings	70,812		72,577		71,193	
Other reserve	64,300		64,300		64,300	
Retained earnings carried forward	6,512		8,277		6,893	
4. Treasury stock	(55)	(0.0)	(1,524)	(0.9)	(57)	(0.0)
<b>II. Valuation and conversions:</b>	2,036	1.3	1,297	0.8	1,711	1.1
1. Net unrealized gain on other marketable securities	2,035	1.3	1,299	0.8	1,711	1.1
2. Gain on deferred hedges	1	0.0	(1)	0.0	(0)	(0.0)
<b>Net assets</b>	110,978	68.0	110,535	70.4	111,032	68.4
<b>Total liabilities and net assets</b>	163,282	100.0	156,987	100.0	162,339	100.0

# 6 - (2) Interim Non-Consolidated Statements of Income

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	Six Months Ended September 30, 2006		Six Months Ended September 30, 2007		Fiscal Year Ended March 31, 2007	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
<b>I. Net sales</b>	118,229	100.0	106,338	100.0	232,037	100.0
<b>II. Cost of sales</b>	107,559	91.0	96,741	91.0	210,786	90.8
Gross profit	10,670	9.0	9,596	9.0	21,251	9.2
<b>III. Selling, general and administrative expenses</b>	6,604	5.6	6,055	5.7	14,199	6.2
Operating income	4,065	3.4	3,541	3.3	7,052	3.0
<b>IV. Non-operating income:</b>	1,377	1.2	1,463	1.4	2,080	0.9
1. Interest income	3		9		9	
2. Interest on marketable securities	26		53		67	
3. Dividend income	788		633		887	
4. Business guidance fees	338		420		682	
5. Other	220		347		433	
<b>V. Non-operating expenses:</b>	155	0.1	164	0.2	320	0.1
1. Interest expense	137		95		257	
2. Other	18		69		62	
Ordinary income	5,287	4.5	4,841	4.5	8,812	3.8
<b>VI. Extraordinary gains:</b>	590	0.5	37	0.1	1,207	0.5
1. Gain on reversal of allowance for doubtful accounts	7		36		—	
2. Gain on sales of investment securities	567		—		1,192	
3. Gain on reversal of allowance for loss on investment	—		1		—	
4. Gain on return of golf club memberships	15		—		15	

(Millions of yen, figures less than ¥1 million have been omitted)

ITEM	Six Months Ended September 30, 2006		Six Months Ended September 30, 2007		Fiscal Year Ended March 31, 2007	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
<b>VII. Extraordinary losses:</b>	35	0.1	70	0.1	958	0.4
1. Loss on sales and disposal of property, plant and equipment	13		22		59	
2. Loss on devaluation of investment securities	—		47		—	
3. Transfer to allowance for loss on investments	20		—		33	
4. Loss on devaluation of golf club memberships	2		—		2	
5. Lump-sum payment for withdrawal from welfare pension fund	—		—		863	
<b>Income before income taxes and minority interest</b>	5,841	4.9	4,808	4.5	9,061	3.9
Income taxes — current	2,412	2.0	1,910	1.8	4,143	1.8
Income taxes — deferred	(55)	(0.0)	56	0.0	(406)	(0.2)
<b>Net income</b>	3,484	2.9	2,842	2.7	5,324	2.3

**6 - (3) Interim Non-Consolidated Statements of Changes in Shareholders' Equity, Valuation and Conversions**  
(Six-month period from April 1, 2006 through September 30, 2006)

(Millions of yen, figures less than ¥1 million have been omitted)

	Shareholders' equity									
	Common stock	Additional paid-in capital			Retained earnings				Treasury stock	Total shareholders' equity
		Capital reserve	Other additional paid-in capital	Total additional paid-in capital	Profit reserve	Other retained earnings		Total retained earnings		
						Other reserve	Retained earnings carried forward			
Balance as of March 31, 2006	17,690	19,114	8	19,122	1,371	60,300	8,572	70,244	(52)	107,005
Increase (decrease) during the interim period ended September 30, 2006										
Appropriation of earnings as cash dividends							(1,458)	(1,458)		(1,458)
Appropriation of earnings as directors' bonus							(85)	(85)		(85)
Appropriation of earnings as transfer to other reserve						4,000	(4,000)			
Net income							3,484	3,484		3,484
Acquisition of treasury stock									(3)	(3)
Disposal of treasury stock			0	0					0	0
Net changes in items excluding shareholders' equity during the period										
Total increase (decrease) during the interim period ended September 30, 2006			0	0	—	4,000	(2,060)	1,939	(3)	1,936
Balance as of September 30, 2006	17,690	19,114	8	19,122	1,371	64,300	6,512	72,184	(55)	108,942

(Millions of yen, figures less than ¥1 million have been omitted)

	Valuation and conversions			Total net assets
	Net unrealized gain on other marketable securities	Gain (loss) on deferred hedges	Total valuation and conversions	
Balance as of March 31, 2006	2,409		2,409	109,414
Increase (decrease) during the interim period ended September 30, 2006				
Appropriation of earnings as cash dividends				(1,458)
Appropriation of earnings as directors' bonus				(85)
Appropriation of earnings as transfer to other reserve				
Net income				3,484
Acquisition of treasury stock				(3)
Disposal of treasury stock				0
Net changes in items excluding shareholders' equity during the period	(373)	1	(372)	(372)
Total increase (decrease) during the interim period ended September 30, 2006	(373)	1	(372)	1,564
Balance as of September 30, 2006	2,035	1	2,036	110,978

(Six-month period from April 1, 2007 through September 30, 2007)

(Millions of yen, figures less than ¥1 million have been omitted)

(millions of yen, figures less than ¥1 million have been omitted)

	Shareholders' equity									
	Common stock	Additional paid-in capital			Retained earnings				Treasury stock	Total share-holders' equity
		Capital reserve	Other additional paid-in capital	Total additional paid-in capital	Profit reserve	Other retained earnings		Total retained earnings		
						Other reserve	Retained earnings carried forward			
Balance as of March 31, 2007	17,690	19,114	8	19,122	1,371	64,300	6,893	72,565	(57)	109,321
Increase (decrease) during the interim period ended September 30, 2007										
Appropriation of earnings as cash dividends							(1,458)	(1,458)		(1,458)
Net income							2,842	2,842		2,842
Acquisition of treasury stock									(1,467)	(1,467)
Disposal of treasury stock			0	0					0	0
Net changes in items excluding shareholders' equity during the period										
Total increase (decrease) during the interim period ended September 30, 2007			0	0	—	—	1,383	1,383	(1,467)	(84)
Balance as of September 30, 2007	17,690	19,114	8	19,122	1,371	64,300	8,277	73,948	(1,524)	109,237

(Millions of yen, figures less than ¥1 million have been omitted)

	Valuation and conversions			Total net assets
	Net unrealized gain on other marketable securities	Gain (loss) on deferred hedges	Total valuation and conversions	
Balance as of March 31, 2007	1,711	(0)	1,711	111,032
Increase (decrease) during the interim period ended September 30, 2007				
Appropriation of earnings as cash dividends				(1,458)
Net income				2,842
Acquisition of treasury stock				(1,467)
Disposal of treasury stock				0
Net changes in items excluding shareholders' equity during the period	(411)	(1)	(413)	(413)
Total increase (decrease) during the interim period ended September 30, 2007	(411)	(1)	(413)	(497)
Balance as of September 30, 2007	1,299	(1)	1,297	110,535

(Fiscal year from April 1, 2006 through March 31, 2007

(Millions of yen, figures less than ¥1 million have been omitted)

(millions of yen; figures less than 1 million have been omitted)

	Shareholders' equity									
	Common stock	Additional paid-in capital			Retained earnings				Treasury stock	Total share-holders' equity
		Capital reserve	Other additional paid-in capital	Total additional paid-in capital	Profit reserve	Other retained earnings		Total retained earnings		
						Other reserve	Retained earnings carried forward			
Balance as of March 31, 2006	17,690	19,114	8	19,122	1,371	60,300	8,572	70,244	(52)	107,005
Increase (decrease) during the fiscal year ended March 31, 2007										
Appropriation of earnings as cash dividends							(1,458)	(1,458)		(1,458)
Distribution of surplus							(1,458)	(1,458)		(1,458)
Appropriation of earnings as directors' bonus							(85)	(85)		(85)
Appropriation of earnings as transfer to other reserve						4,000	(4,000)			
Net income							5,324	5,324		5,324
Acquisition of treasury stock									(5)	(5)
Disposal of treasury stock			0	0					0	0
Net changes in items excluding shareholders' equity during the period										
Total increase (decrease) during the fiscal year ended March 31, 2007			0	0	—	4,000	(1,678)	2,321	(5)	2,315
Balance as of March 31, 2007	17,690	19,114	8	19,122	1,371	64,300	6,893	72,565	(57)	109,321

(Millions of yen, figures less than ¥1 million have been omitted)

	Valuation and conversions			Total net assets
	Net unrealized gain on other marketable securities	Gain (loss) on deferred hedges	Total valuation and conversions	
Balance as of March 31, 2006	2,409		2,409	109,414
Increase (decrease) during the fiscal year ended March 31, 2007				
Appropriation of earnings as cash dividends				(1,458)
Distribution of surplus				(1,458)
Appropriation of earnings as directors' bonus				(85)
Appropriation of earnings as transfer to other reserve				
Net income				5,324
Acquisition of treasury stock				(5)
Disposal of treasury stock				0
Net changes in items excluding shareholders' equity during the period	(697)	(0)	(697)	(697)
Total increase (decrease) during the fiscal year ended March 31, 2007	(697)	(0)	(697)	1,618
Balance as of March 31, 2007	1,711	(0)	1,711	111,032