

# **FY2007 Results Meeting**

**FY2007 : Year ended March 31, 2008**

**May 27, 2008**

**Ryosan Company, Limited**

## Notice

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

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

# Consolidated results for the fiscal year ended March 31, 2008

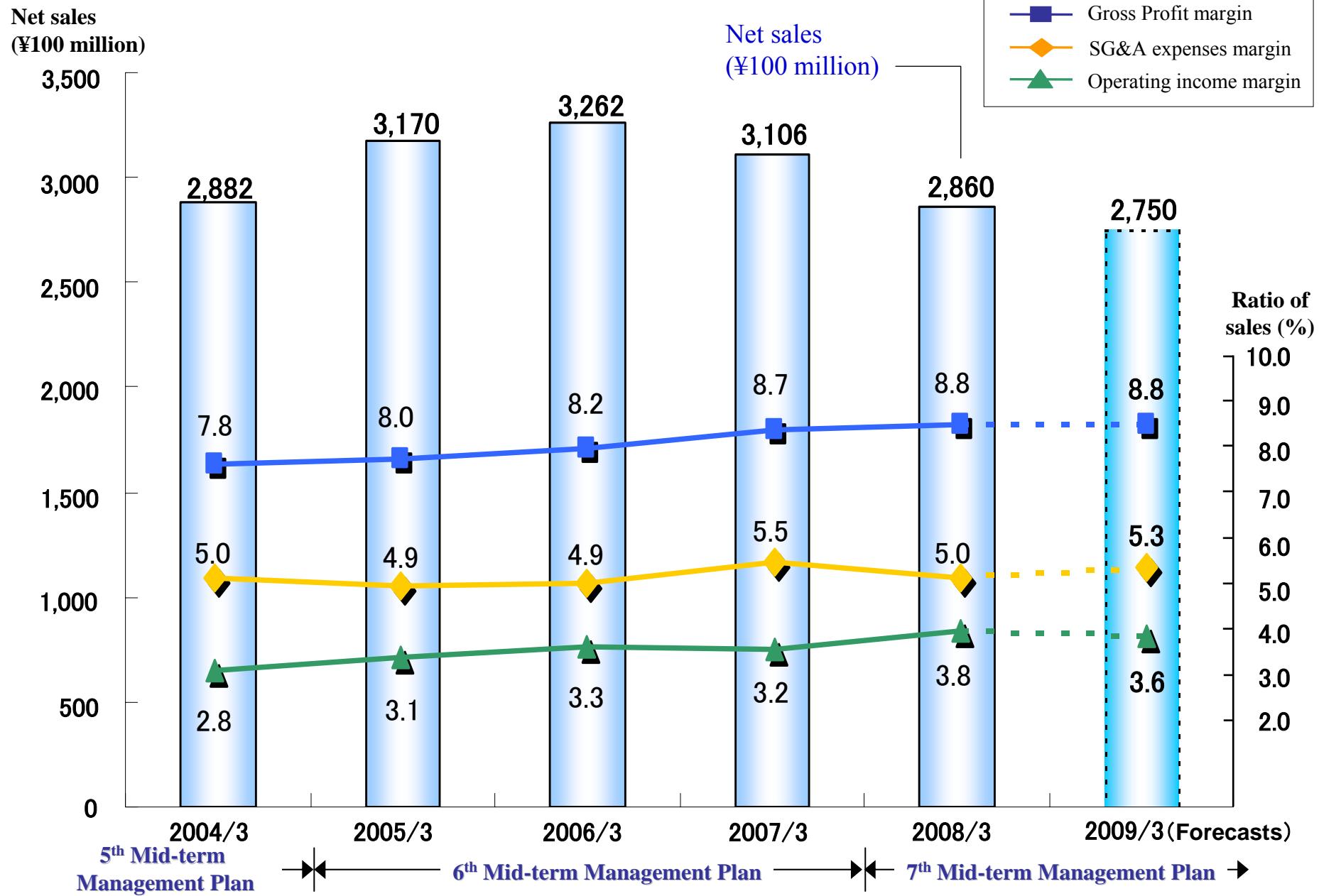
	2007/3		2008/3			2009/3 (Forecasts)		
			Of Total	Of Total	% Chg. YoY	Of Total	% Chg. YoY	
	¥ 100 million	%						
Net sales	3,106			2,860	(7.9)	2,750		(3.9)
Gross margin	269	8.7		251	8.8	(6.5)	243	8.8
SG&A expenses	168	5.5		144	5.0	(14.4)	145	5.3
Operating income	100	3.2		107	3.8	+6.7	98	3.6
Ordinary income	103	3.3		112	3.9	+8.9	106	3.9
Net income	63	2.0		67	2.4	+5.8	63	2.3
Earnings per share	¥174.54			¥187.15	+¥12		¥180.15	(¥7)

# Segment results for the fiscal year ended March 31, 2008

Unit : ¥ 100 million, %

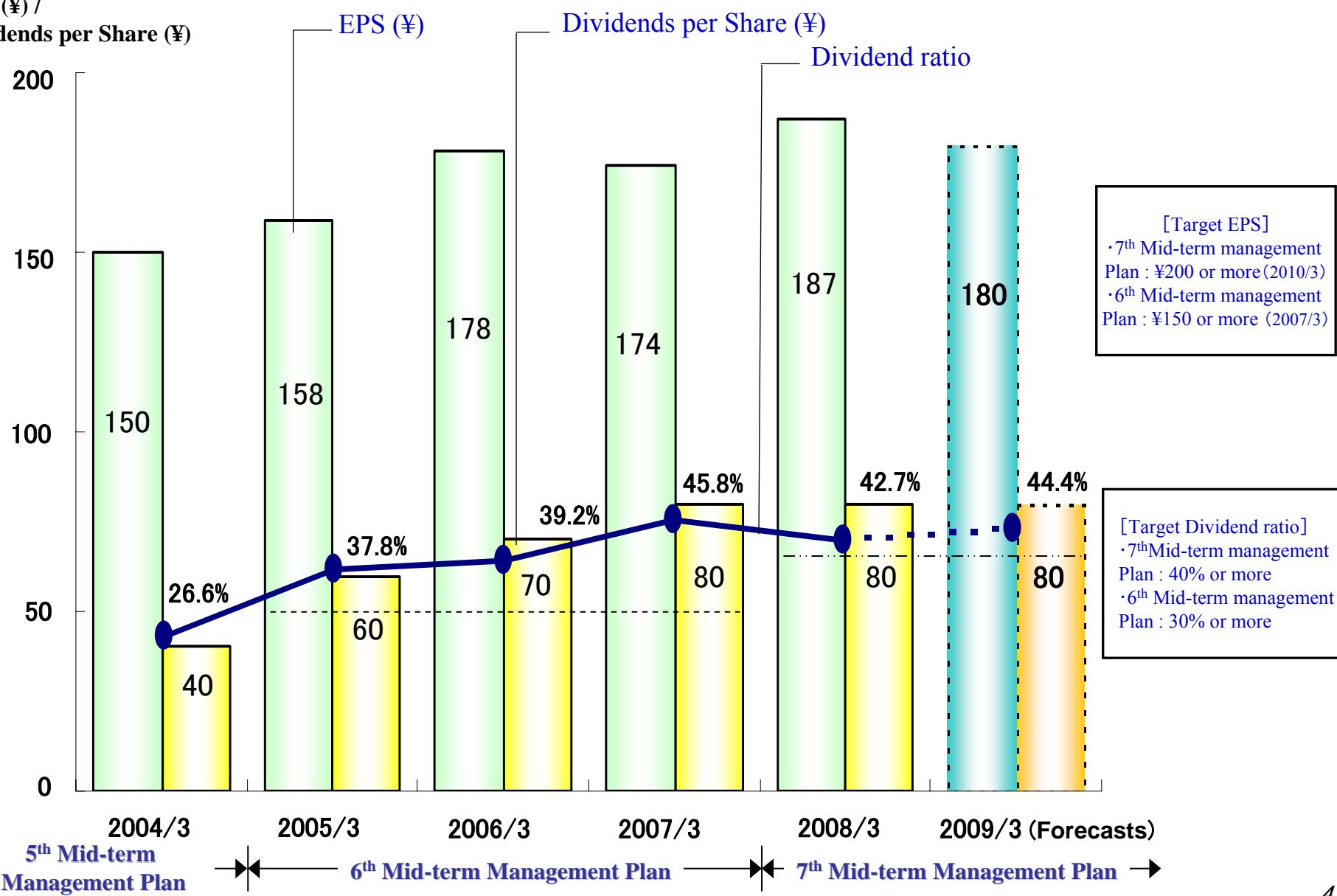
		2007/3		2008/3		2009/3(Forecasts)	
		OP Margin	OP Margin	% Chg. YoY	OP Margin	% Chg. YoY	OP Margin
Semiconductors	Sales	1,690		1,489	(11.9)	1,488	(0.1)
	Operating income	80	4.8%	72	4.9% (10.2)	75	5.0% +3.3
Electronic Components	Sales	1,030		1,031	+0.1	900	(12.7)
	Operating income	35	3.5%	44	4.3% +22.4	36	4.0% (18.3)
Electronic Equipment	Sales	307		256	(16.4)	276	+7.5
	Operating income	10	3.4%	10	3.9% (4.3)	8	3.1% (15.8)
Ryosan Products (Heat sinks)	Sales	78		83	+6.7	86	+2.6
	Operating income	6	8.2%	7	8.8% +14.6	10	11.6% +35.5
Unallocable Operating expenses		▲ 33	-	▲ 26	-	▲ 31	-
Consolidated	Sales	3,106		2,860	(7.9)	2,750	(3.9)
	Operating income	100	3.2%	107	3.8% +6.7	98	3.6% (8.7)

# Consolidated results Trend

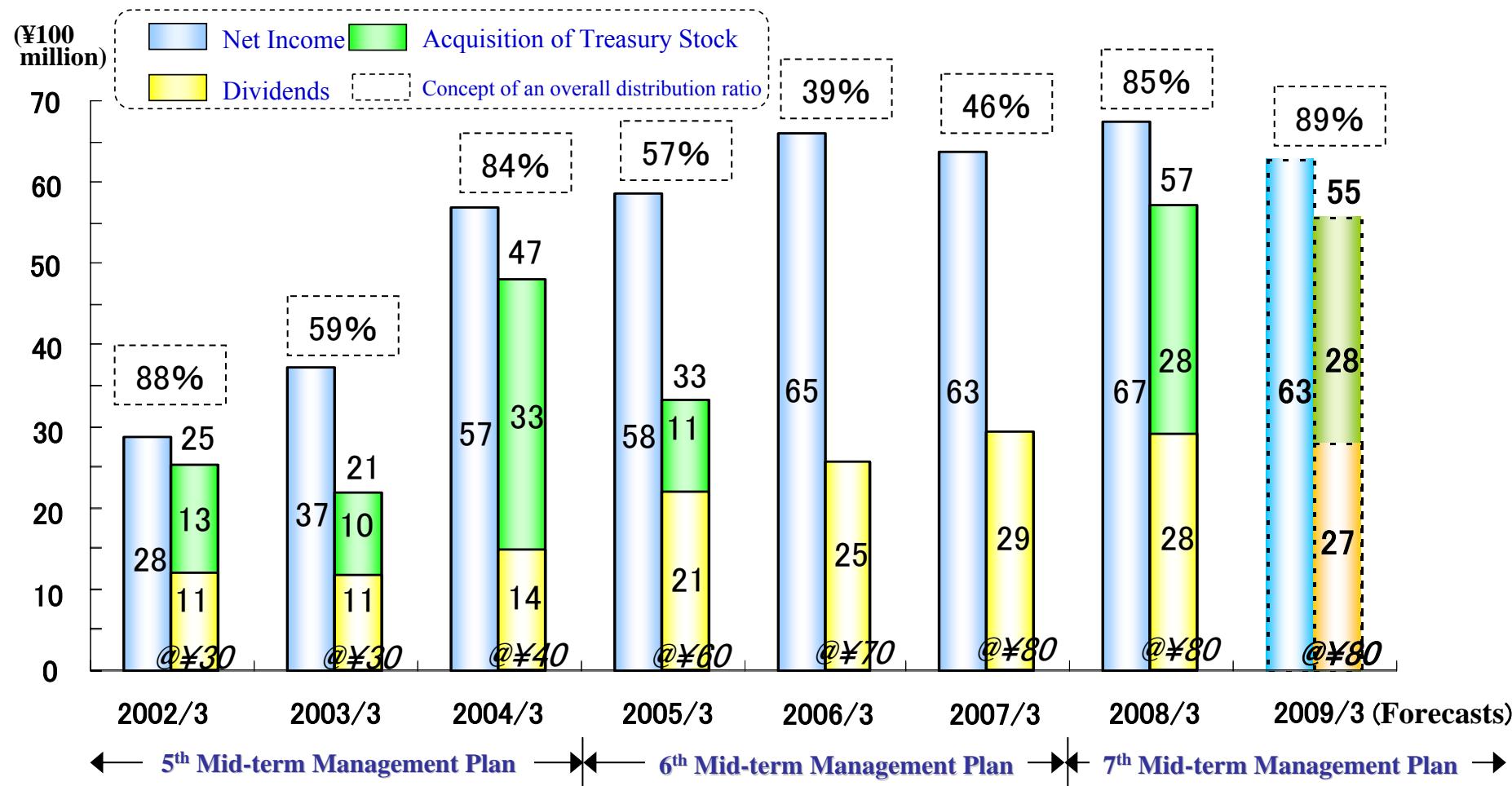


# Trends in cash Dividends per Share and Earnings per Share (EPS)

EPS (¥) /  
Dividends per Share (¥)



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



## 『 Trends in Acquisition of Treasury Stock 』

	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2008/3	2009/3 (Forecasts)	Total
Amount (¥100 million)	13.2	10.1	33.1	11.3	—	—	28.8	28.0	124.5
Number of stocks (1,000 shares)	924	895	2,001	483	—	—	1,000	1,000	6,303

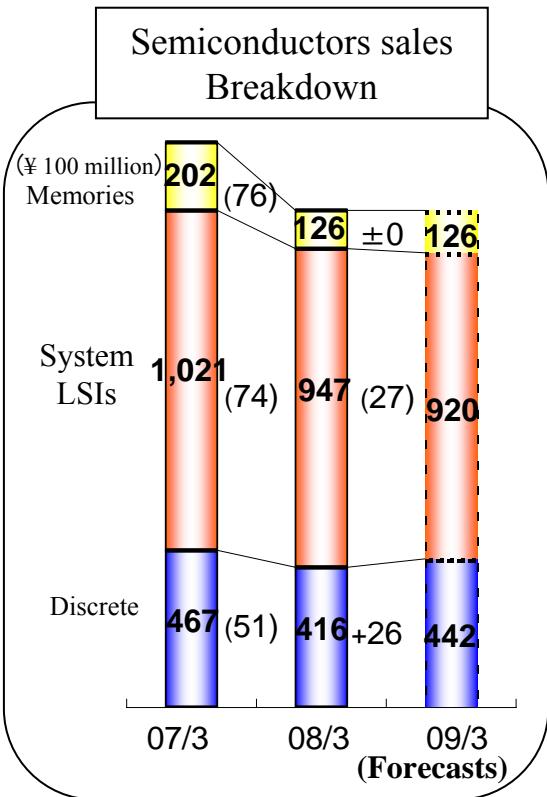
# Semiconductors Sales Breakdown (By Product)

Unit : ¥ 100 million, %

		2007/3		2008/3			2009/3 (Forecasts)		
			Of Total		Of Total	% Chg. YoY		Of Total	% Chg. YoY
Memories	(DRAM)	191	11.3	117	7.9	(38.7)	116	7.8	(0.9)
	(Others)	11	0.7	9	0.6	(18.2)	10	0.7	+11.1
		<b>202</b>	<b>12.0</b>	<b>126</b>	<b>8.5</b>	<b>(37.6)</b>	<b>126</b>	<b>8.5</b>	<b>± 0.0</b>
System LSIs	(Microcomputer)	293	17.3	338	22.7	+15.4	337	22.6	(0.3)
	(ASIC / ASSP)	728	43.1	609	40.9	(16.3)	583	39.2	(4.3)
		<b>1,021</b>	<b>60.4</b>	<b>947</b>	<b>63.6</b>	<b>(7.2)</b>	<b>920</b>	<b>61.8</b>	<b>(2.9)</b>
Discrete	(LCD drivers ICs)	140	8.3	92	6.2	(34.3)	111	7.5	+20.7
	(Compound Semiconductor Devices)	126	7.5	123	8.3	(2.4)	129	8.7	+ 4.9
	(Others)	201	11.9	201	13.5	± 0.0	202	13.6	+ 0.5
		<b>467</b>	<b>27.6</b>	<b>416</b>	<b>27.9</b>	<b>(10.9)</b>	<b>442</b>	<b>29.7</b>	<b>+ 6.3</b>
<b>Total</b>		<b>1,690</b>		<b>1,489</b>		<b>(11.9)</b>	<b>1,488</b>		<b>(0.1)</b>

# Semiconductors Sales Breakdown (By Product)

## 《 2008/3 Results 》



[Memories] Sales of DRAMs for DSCs increased, while sales of DRAMs for servers and cell phones decreased due to the change in Elpida Memory sales strategies.

[System LSIs] Sales of microcomputers for car audio equipment increased. Sales of ASSPs for car audio equipment and ASICs for cameras decreased.

[Discrete] Sales of discrete semiconductors for backlight inverters increased, against a drop in sales of LCD driver ICs for mobile.

## 《 2009/3 Forecasts 》

[Memories] While sales of DRAMs for DSCs are expected to increase, sales of DRAMs for car navigation application are anticipated to decrease.

[System LSIs] Sales of ASSPs for flat-screen televisions and DVDs are forecast to rise. Sales of ASSPs for car audio equipment and cell phones as well as ASICs for cameras are anticipated to continue in decline.

[Discrete] Sales of LCD driver ICs for monitors and chemical compound devices for digital audiovisual products are expected to climb.

# Semiconductors Sales Breakdown (By suppliers)

Unit : ¥ 100 million, %

	2007/3	2008/3	% Chg. YoY	2009/3 (Forecasts)	
					% Chg. YoY
NEC Electronics	1,299	1,183	(8.9)	1,142	(3.5)
Elpida Memory	157	89	(43.3)	83	(6.7)
NXP Semiconductors	105	95	(9.5)	98	+ 3.2
Others	129	123	(4.7)	165	+34.1
<b>Total</b>	<b>1,690</b>	<b>1,489</b>	(11.9)	<b>1,488</b>	(0.1)

## 『 2008/3 Results 』

[ NEC Electronics ] Sales of microcomputers for car audio equipment increased. Sales of ASSPs for car audio equipment and ASICs for cameras decreased.

[ Elpida Memory ] Sales of DRAMs for DSCs improved, while sales of DRAMs for servers and cell phones declined.

[ NXP Semiconductors ] Sales of ASSPs for car audio equipment increased, while sales of ICs and related products for television decreased.

[ Others ] Sales of LCD driver ICs for mobile and related products decreased.

## 『 2009/3 Forecasts 』

[ NEC Electronics ] Sales of LCD driver ICs for monitors are forecast to rise. Sales of ASSPs for car audio equipment and related products are expected to fall.

[ Elpida Memory ] Sales of DRAMs for DSCs are anticipated to increase, while sales of DRAMs for car navigation equipment are expected to decrease.

[ NXP Semiconductors ] Sales of ASSPs for car audio equipment and related products are forecast to increase.

[ Others ] Sales of LCD driver ICs for PNDs and related products are expected to grow.

# Trends in Overseas Semiconductor Product Sales

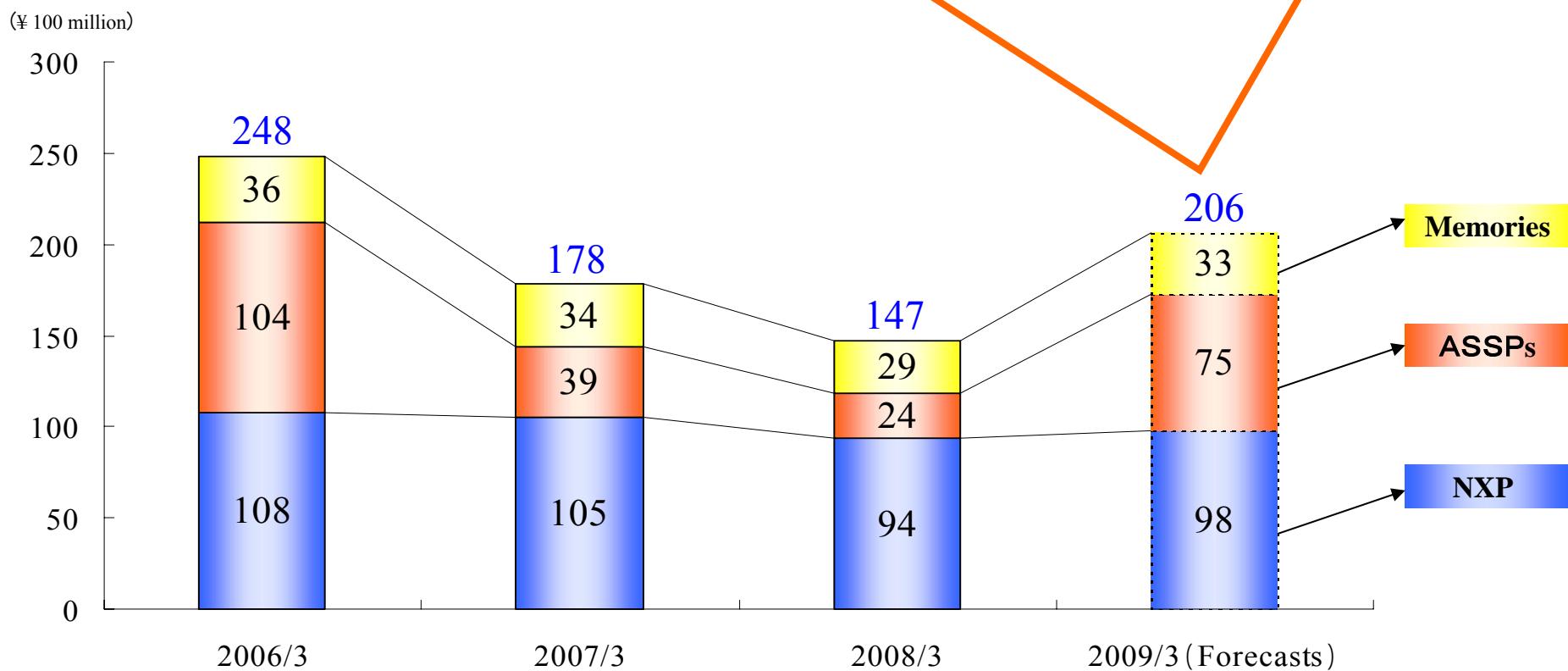
Expanding business with major untapped customers through overseas semiconductor activities

- ASSP business growth through a comprehensive product lineup

- ① Commence sales of Genesis Microchip for LCD televisions
- ② Setup businesses with new suppliers in the United States
- ③ Promote new design-in LCD driver activities with Solomon

Increase momentum by expanding business with major untapped customers  
( Flat-screen televisions, DSCs, Printers, Games and Other Products )

¥ 10 billion



## 1. Steps to ensure steady NEC Electronics business expansion

- Lift new commercial discussions rates by ensuring strict alignment with NEC Electronics' strategies  
( Realizing business expansion by raising new commercial discussions rates to more appropriate levels )

### ① Strengthening sales growth through joint projects with NEC Electronics

- Automotive and electronic fields: Japan, China and Korea
- Digital audiovisual field: Japan, China, Taiwan and Korea
- MFP field: Each market

### ② Engage in endeavors that further lift commercial discussions, forging closer ties with customers

- ( Allocate sales engineers from an individual product to customer basis )



## 2. Further expand product lineup

- Implemented product lineup expansion in fiscal 2007 focusing mainly on system LSIs  
( Television, analog, USB, Ethernet and other systems )
- Plans to expand business mainly through commodity products in the future

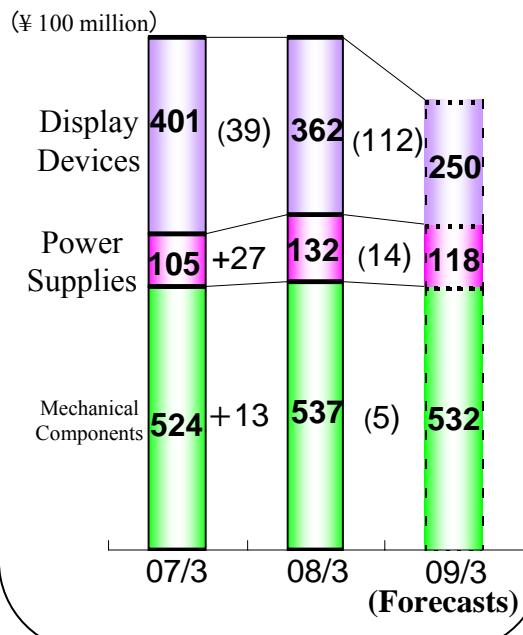


# Electronic Components Sales Breakdown (By product)

Unit : ¥ 100 million, %

	2007/3	2008/3	2009 / 3 (Forecasts)	
			% Chg. YoY	% Chg. YoY
Display Devices	401	362	(9.7)	250
Power Supplies	105	132	+25.7	118
Mechanical Components	524	537	+2.5	532
Total	1,030	1,031	+0.1	900

## Electronic Components Sales Breakdown



## 《 2008/3 Results 》

- [ Display Devices ] Sales of LCDs for PNDs increased. Sales of LCDs for PDAs, cell phones and related products decreased.
- [ Power Supplies ] Sales of rechargeable batteries for DSCs and related products increased.
- [ Mechanical Components ] Sales of components for cell phones and related products decreased. Sales of mechanical components for game consoles and connectors for flat-screen televisions increased.

## 《 2009/3 Forecasts 》

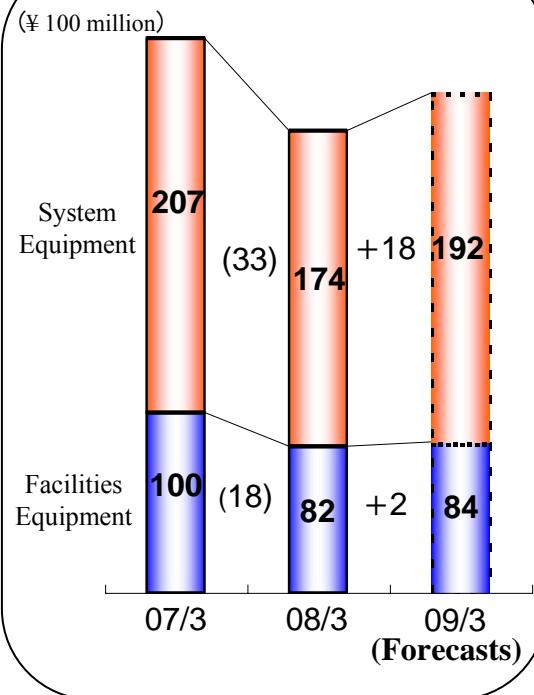
- [ Display Devices ] Sales of LCDs for tablet PCs are forecast to increase. Sales of LCDs for PNDs and DSCs and related products are expected to decrease.
- [ Power Supplies ] Sales of power supplies for cell phone base stations are anticipated to grow. Sales of power supplies for printer adapters and related products are forecast to decline.
- [ Mechanical Components ] Sales of components for game consoles are expected to rise. Sales of components for cell phones are anticipated to fall.

# Electronic Equipment Sales Breakdown (By product)

Unit : ¥ 100 million, %

	2007/3	2008/3	2009 / 3 (Forecasts)	
			% Chg. YoY	% Chg. YoY
System Equipment	207	174	(15.9)	192 +10.3
Facilities Equipment	100	82	(18.0)	84 +2.4
<b>Total</b>	<b>307</b>	<b>256</b>	<b>(16.4)</b>	<b>276 +7.5</b>

## Electronic Equipment Sales Breakdown



## 《 2008/3 Results 》

[ System Equipment ] Sales of systems products for MFPs and related products decreased.

[ Facilities Equipment ] Sales of solar battery panel manufacturing equipment and laser repair equipment decreased.

## 《 2009/3 Forecasts 》

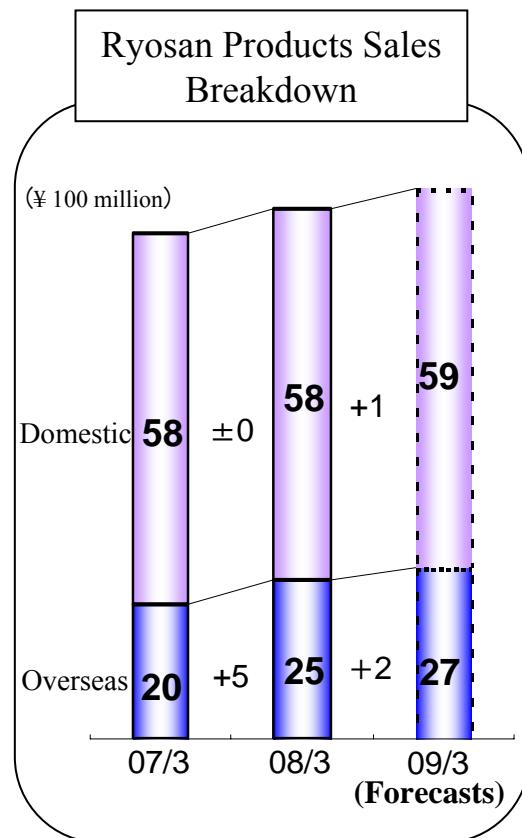
[ System Equipment ] Sales of systems equipment for arcade games are forecast to decrease. Sales of automotive systems equipment are expected to increase.

[ Facilities Equipment ] Sales of laser repair equipment and related products are anticipated to increase.

# Ryosan Products Sales Breakdown (By area)

Unit : ¥ 100 million, %

	2007/3	2008/3	2009 / 3 (Forecasts)	
			% Chg. YoY	% Chg. YoY
Domestic	58	58	±0.0	59 +1.7
Overseas	20	25	+25.0	27 +8.0
<b>Total</b>	<b>78</b>	<b>83</b>	<b>+6.7</b>	<b>86 +2.6</b>



## « 2008/3 Results »

[ Domestic ] Slight overall increase. Decrease in sales of heat sinks for flat-screen televisions offset by increase in sales of heat sinks for air-conditioning equipment.

[ Overseas ] Sales of heat sinks for flat-screen televisions increased.

## « 2009/3 Forecasts »

[ Domestic ] Sales of heat sinks for flat-screen televisions increased.

[ Overseas ] Sales of heat sinks for flat-screen televisions increased.

# Overseas Sales Breakdown

	2007/3		2008/3			2009/3 (Forecasts)		
		Of Total		Of Total	% Chg. YoY		Of Total	% Chg. YoY
Consolidated net sales	¥ 100 million	%	¥ 100 million	%	%	¥ 100 million	%	%
Consolidated net sales	3,106	–	2,860	–	(7.9)	2,750	–	(3.9)
Domestic	2,008	64.6	1,734	60.6	(13.6)	1,730	62.9	(0.2)
Overseas	1,098	35.4	1,126	39.4	+2.5	1,020	37.1	(9.4)
( Chinese Market )	607	19.5	662	23.1	+9.1	595	21.6	(10.1)

# Trends in Local Business Sales in China Bloc

Expand the semiconductor conductor business in China bloc

- **Expanding local business through collaboration with NEC Electronics (China)**

(Establish an operating base in Shanghai in similar fashion to NEC Electronics (China))

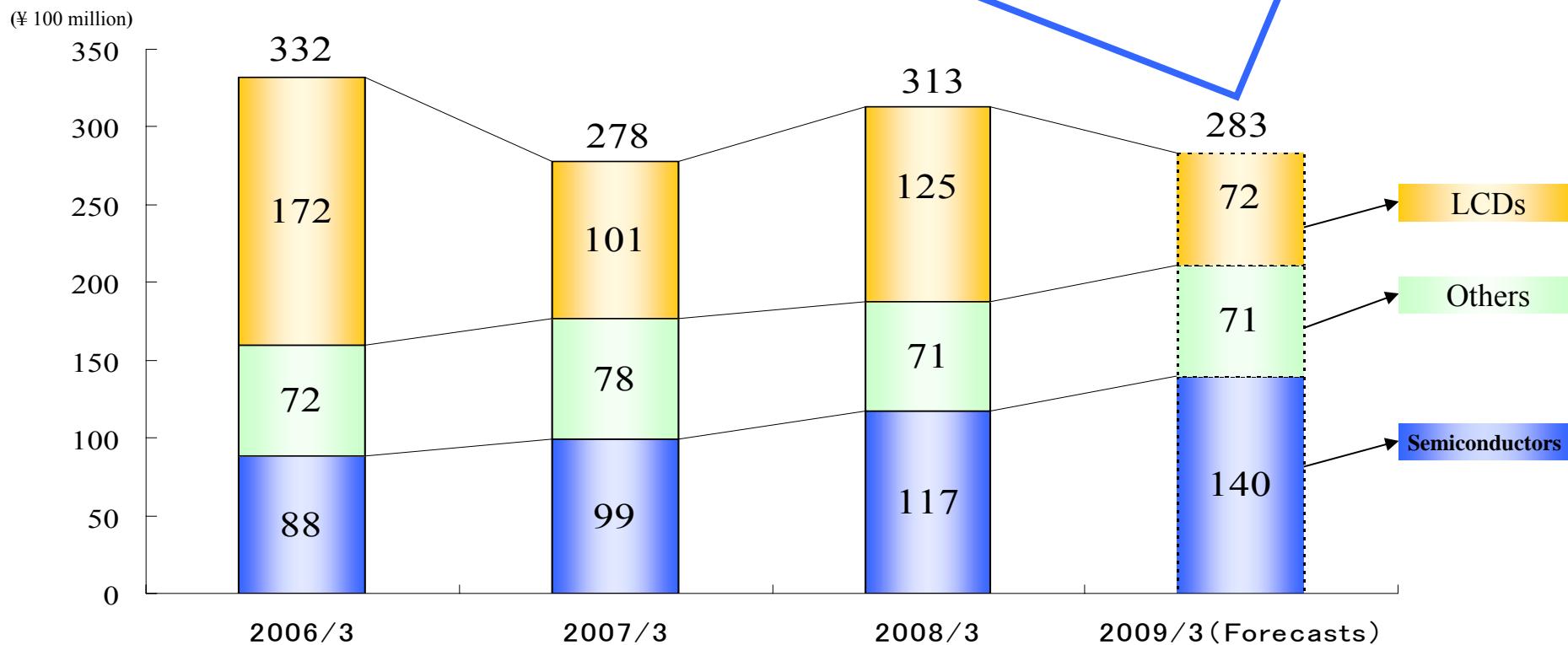
① Automotive and electronic fields: (Microcomputers, PMDs)

- Combined laboratory with China FAW Group Corporation

② Digital audiovisual products (Microcomputers, EMMA, USBs)

**Semiconductors**  
¥ 14 billion  
(EL ¥ 12 billion)

Steadily expanding performance in a robust market through competitive products



# Key Clients

## 《Top 40》

Clients (alphabetical order)	Top 1-10	Top 11-20	Top 21-30	Top 31-40
	ALPS Electric CASIO DENSO Fuji Film HITACHI JVC Matsushita Electric Mitsubishi Electric NEC PIONEER	ADVANTEST ALPINE Brother Industries Bussan Microelectronics Calsonic Kansei NIKON NINTENDO Sumitomo Electric Industries Taiyo Yuden TOSHIBA	CHI MEI OPTO (T) Furuno Electric Matsushita Electric Works OMRON SANYO SEGA SHARP TAKATA TDK YAMAHA	Hitachi Kokusai Electric HOSIDEN Hyundai Izumi Japan Radio KENWOOD MITAC (T) Stanley Electric YASKAWA Electric YAZAKI meter
Percentage Sales of all clients	(Top 10) 45%	(Top 20) 57%	(Top 30) 65%	(Top 40) 69%

## 《Top 5 (by business)》

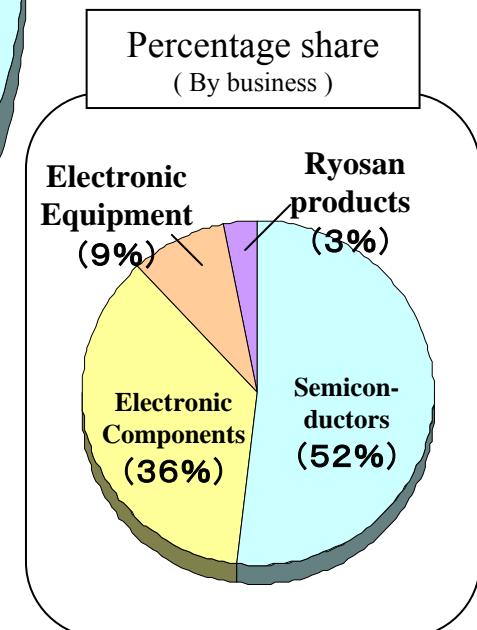
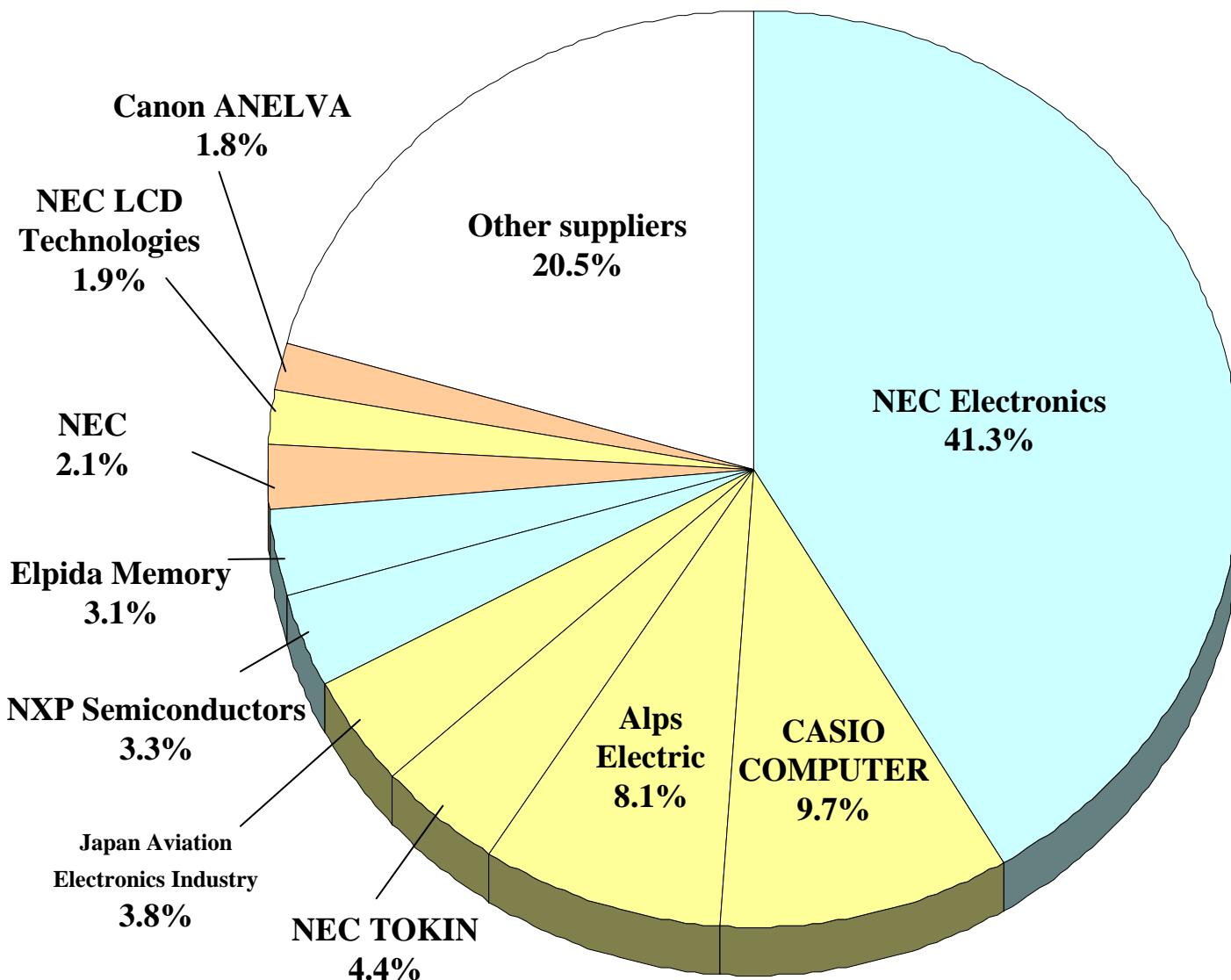
Semiconductor	Electronic Equipment
Fuji Film HITACHI JVC Mitsubishi Electric PIONEER	DENSO Fuji Film HITACHI SEGA TDK
( Top 5 ) 45%	( Top 5 ) 55%
Electronic Components	Ryosan Product
Calsonic Kansei CASIO Matsushita Electric NEC NINTENDO	DENSO FUNAC HITACHI Mitsubishi Electric TOSHIBA
( Top 5 ) 26%	( Top 5 ) 32%

\* Rank and percentage share are based on results for the fiscal year ended March 31, 2008.

\* 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 the fiscal year ended March 31, 2008.

# R&D, Capex and Depreciation

Unit:¥ 100 million

