

FY2008 First Half Results Meeting

Results for the six months ended September 30, 2008

FY2008 : Year ending March 31, 2009

November 14, 2008

Ryosan Company, Limited

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

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

RYOSAN

Notice

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

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

Consolidated forecasts for the fiscal year ending March 31, 2009

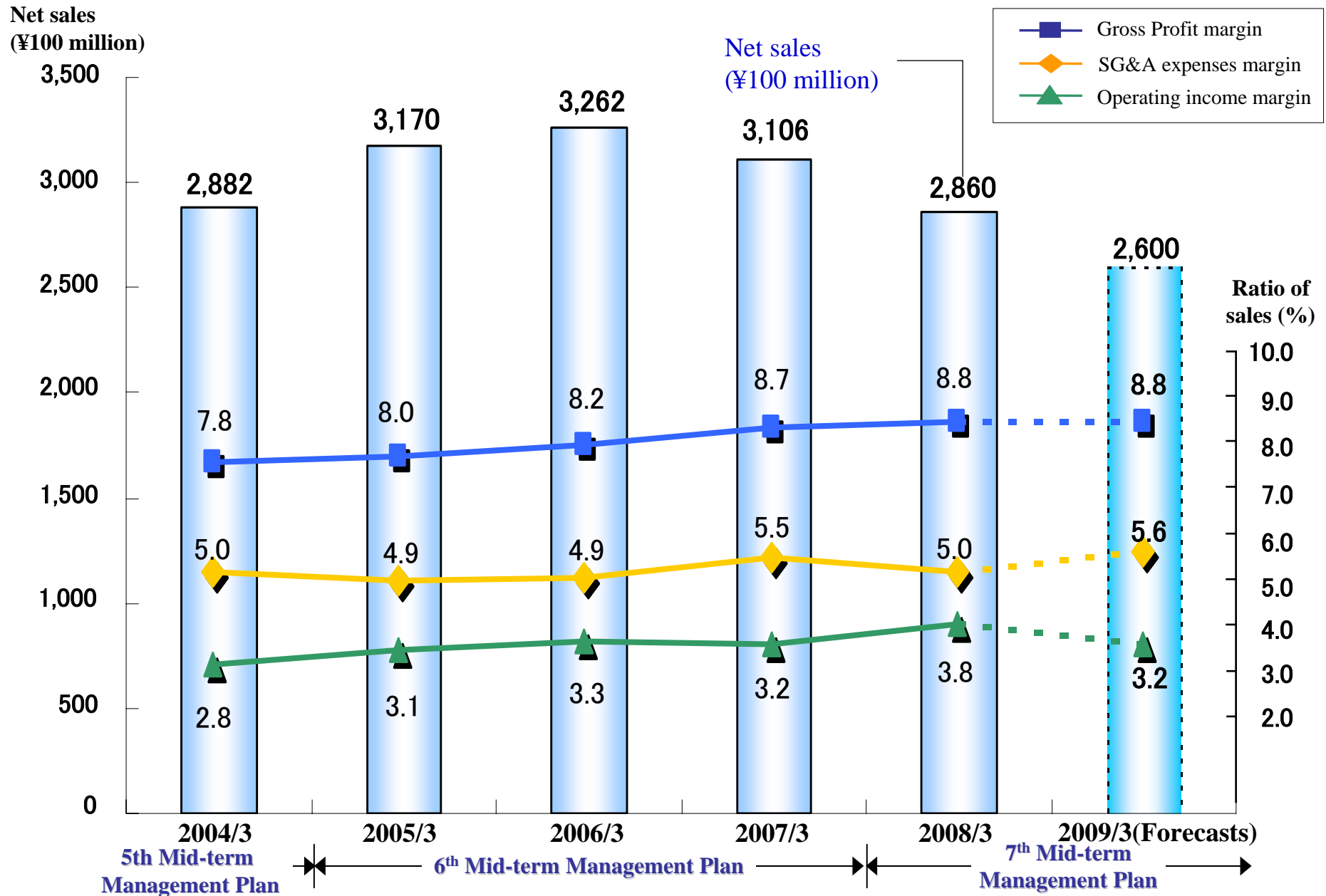
	2008/3				2009/3						
	1H	2H	Of Total	Of Total	1H (Results)		2H (Forecasts)		Of Total	% Chg. YoY	
					% Chg. YoY	% Chg. YoY					
	¥ 100 million	¥ 100 million	¥ 100 million	%	¥ 100 million	%	¥ 100 million	%	¥ 100 million	%	%
Net sales	1,446	1,414	2,860		1,312	(9.3)	1,288	(9.0)	2,600		(9.1)
Gross margin	125	126	251	8.8	119	(4.7)	110	(13.4)	229	8.8	(9.1)
SG&A expenses	73	71	144	5.0	72	(2.1)	73	+2.8	145	5.6	+0.3
Operating income	52	55	107	3.8	47	(8.3)	37	(34.3)	84	3.2	(21.8)
Ordinary income	55	57	112	3.9	54	(1.2)	39	(33.1)	93	3.6	(17.5)
Net income	33	34	67	2.4	33	+2.3	24	(32.0)	57	2.2	(15.4)

Segment results for the fiscal year ended March 31, 2009

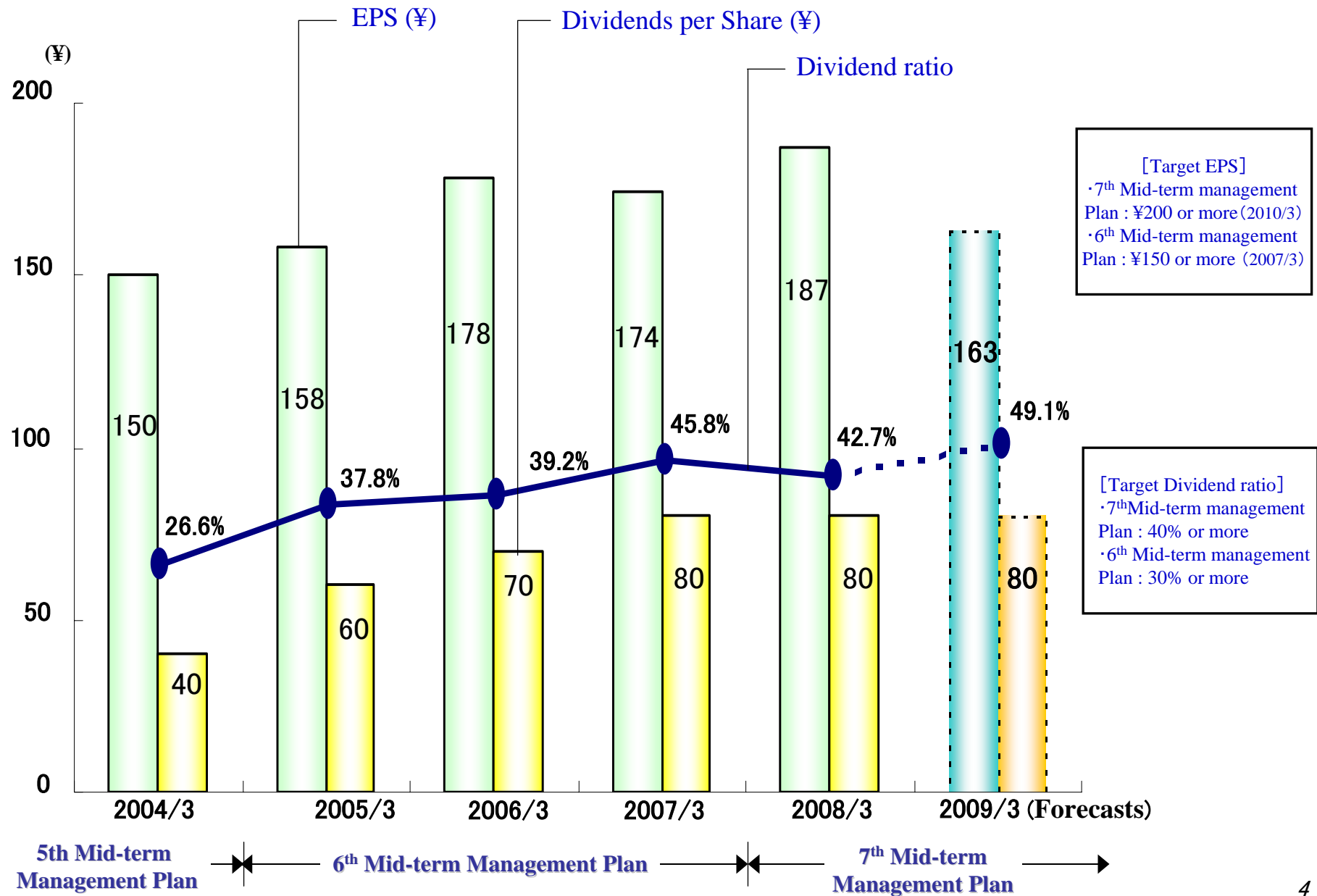
Unit : ¥ 100 million, %

		2008/3			2009/3					
		1H	2H		1H (Results)		2H (Forecasts)			
						% Chg. YoY		% Chg. YoY		
Semiconductors	Sales	751	738	1,489	715	(4.8)	685	(7.2)	1,400	(6.0)
	Operating income	37	35	72	35	(3.6)	29	(19.0)	64	(11.2)
Electronic Components	Sales	540	491	1,031	435	(19.4)	428	(13.0)	863	(16.3)
	Operating income	22	22	44	18	(14.7)	16	(28.8)	34	(21.6)
Electronic Equipment	Sales	113	143	256	121	+ 7.7	140	(3.1)	261	+ 1.7
	Operating income	4	6	10	3	(17.5)	2	(58.4)	5	(43.5)
Ryosan Products (Heat sinks)	Sales	42	41	83	39	(5.0)	37	(13.6)	76	(9.3)
	Operating income	3	4	7	4	+ 38.0	3	(29.5)	7	(1.1)
Unallocable Operating expenses		(14)	(12)	(26)	(14)		(14)		(28)	
Consolidated	Sales	1,446	1,414	2,860	1,312	(9.3)	1,288	(9.0)	2,600	(9.1)
	Operating income	52	55	107	47	(8.3)	37	(34.3)	84	(21.8)

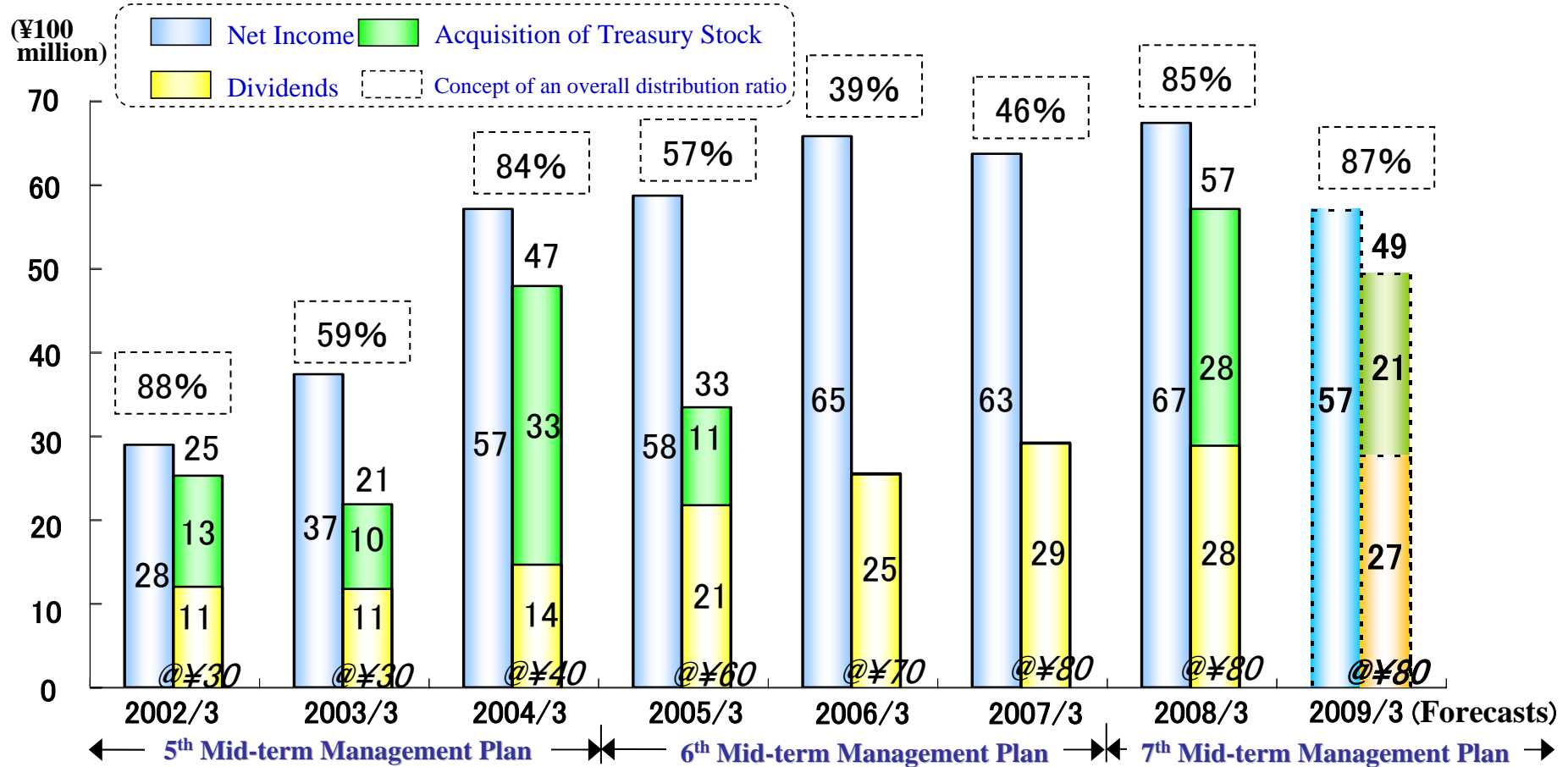
Consolidated results Trend



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



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



《 Trends in Acquisition of Treasury Stock 》

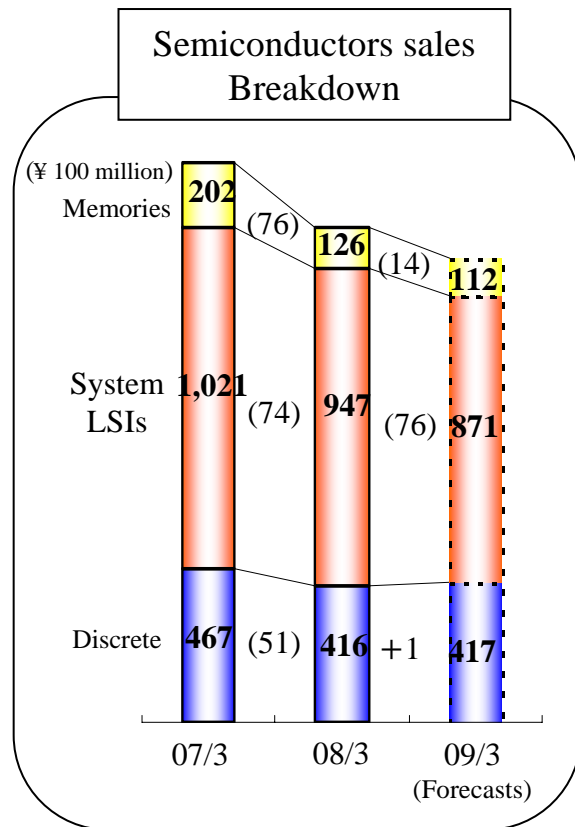
	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2008/3	2009/3 (Forecasts)	Total
Amount (¥100 million)	13.2	10.1	33.1	11.3	-	-	28.8	21.7	118.2
Number of stocks (1,000 shares)	924	895	2,001	483	-	-	1,000	1,000	6,303

Semiconductors Sales Breakdown (By Product)

Unit : ¥ 100 million, %

		2008/3			2009/3					
		1H	2H		1H (Results)		2H (Forecasts)			% Chg. YoY
						% Chg. YoY		% Chg. 1H/2H		
Memories	(DRAM)	58	59	117	58	+ 0.0	48	(17.2)	106	(9.4)
	(Others)	5	4	9	3	(40.0)	3	+ 0.0	6	(33.3)
		63	63	126	61	(3.2)	51	(16.4)	112	(11.1)
System LSIs	(Microcomputer)	161	177	338	162	+ 0.6	170	+ 4.9	332	(1.8)
	(ASIC / ASSP)	316	293	609	278	(12.0)	261	(6.1)	539	(11.5)
		477	470	947	440	(7.8)	431	(2.0)	871	(8.0)
Discrete	(LCD drivers ICs)	50	42	92	50	+ 0.0	43	(14.0)	93	+ 1.1
	(Compound Semiconductor Devices)	62	61	123	69	+ 11.3	60	(13.0)	129	+ 4.9
	(Others)	99	102	201	95	(4.0)	100	+ 5.3	195	(3.0)
		211	205	416	214	+ 1.4	203	(5.1)	417	+ 0.2
Total		751	738	1,489	715	(4.8)	685	(4.2)	1,400	(6.0)

Semiconductors Sales Breakdown (By Product)



《 Results for the first half of fiscal 2008 (Year-on-year comparison) 》

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

[System LSIs] Sales of ASICs for disk array application increased. Sales of ASICs for camera modules and system LSIs for digital audiovisual products, on the other hand, decreased.

[Discrete] Despite a decrease in sales of compound semiconductor devices or measuring equipment, sales of compound semiconductor devices for digital audiovisual products increased.

《 Forecasts for the second half of fiscal 2008 (Comparison with first half results) 》

[Memories] While sales of DRAMs for DSCs are forecast to increase, sales of DRAMs for memory modules are expected to decrease.

[System LSIs] Sales of microcomputers for car audio equipment are anticipated to increase. Sales of ASICs for digital audiovisual products are forecast to decrease.

[Discrete] Expectations are for sales of automotive general-purpose devices to increase. Sales of compound semiconductor devices for digital audiovisual products, on the other hand, are anticipated to decrease.

Semiconductors Sales Breakdown (By suppliers)

Unit : ¥ 100 million, %

	2008/3			2009/3					
	1H	2H		1H (Results)		2H (Forecasts)			
					% Chg. YoY		% Chg. 1H/2H		
NEC Electronics	603	580	1,183	539	(10.6)	510	(5.4)	1,049	(11.3)
Elpida Memory	41	48	89	44	+ 7.3	35	(20.5)	79	(11.2)
NXP Semiconductors	47	48	95	47	+ 0.0	47	(0.0)	94	(1.1)
Others	60	62	122	85	+ 41.7	93	+ 9.4	178	+ 45.9
Total	751	738	1,489	715	(4.8)	685	(4.2)	1,400	(6.0)

《 Results for the first half of fiscal 2008 (Year-on-year comparison) 》

[NEC Electronics] Sales of ASICs for disk array application increased, sales of ASICs for camera modules decreased.

[Elpida Memory] While sales of DRAMs for memory modules increased, sales of DRAMs for car navigation application decreased.

[NXP Semiconductors] While sales of electromagnetic tape RFID decreased, sales of ASSPs for car audio equipment increased.

[Others] Sales of DVD drive ASSPs decreased. Sales of liquid crystal display driver ICs, on the other hand, increased.

《 Forecasts for the second half of fiscal 2008 (Comparison with first half results) 》

[NEC Electronics] Sales of microcomputers for car audio equipment are anticipated to increase. Sales of ASICs for digital audiovisual products are forecast to decrease.

[Elpida Memory] While sales of DRAMs for DSCs are forecast to increase, sales of DRAMs for memory modules are expected to decrease.

[NXP Semiconductors] Despite a forecast decrease in sales of electromagnetic tape RFID equipment and systems, sales of ICs for game console application are expected to increase.

[Others] While sales of liquid crystal display driver ICs are anticipated to decrease, sales of liquid crystal TV ICs are forecast to increase.

NEC Electronics Business-Related Initiatives

1. Short-Term Initiatives

① Promote design-in activities with established numerical targets

Note: Detailed and elaborate plans to expand sales based on a revised target map encompassing the top 50 companies



**1H FY2008 Target Achieved
(Achievement Rate: 104%)**

② Increase the breadth and depth of business based on a microcomputer and PMD sales expansion project (Collaboration with NEC Electronics)

Note: Implement a door-to-door strategy targeting the top 100 companies focusing on customers with which the Company holds a low market share.

- Uncover new businesses
- Reassess customer potential and engage in marketing activities

2. Initiatives Taking into Consideration Future Conditions

◎ Pursue market expansion measures through joint projects with NEC Electronics

① Automotive and electronic fields: Japan, China and Korea



Contribution to sales around 2012

② Digital audiovisual field: Japan, China, Taiwan and Korea



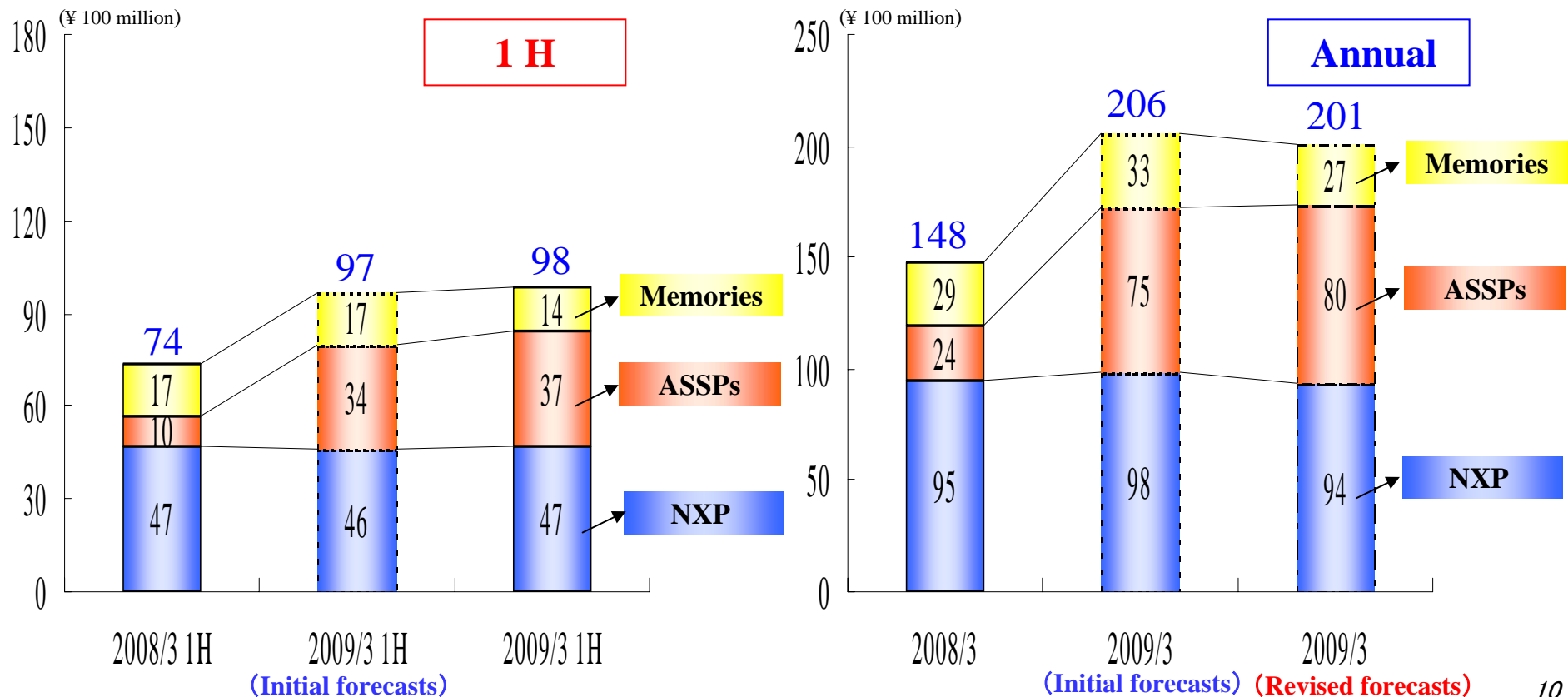
Contribution to sales in FY2009

Trends in Overseas Semiconductor Product Sales

Steady progress in efforts to expand business with major untapped customers

- ①Genesis・・・1H FY2008 ¥1.1 billion: Commenced LCD TV business
- ②Intersil, Cypress・・・1H FY2008 ¥0.7 billion: Business launched
- ③Solomon Systech・・・1H FY2008 ¥1.4 billion: Contribution from new design-in LCD driver activities

Annual sales to major untapped customers: ¥9.0 billion



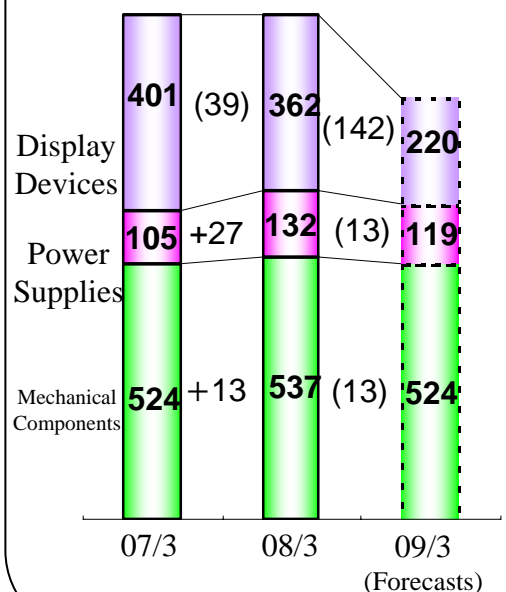
Electronic Components Sales Breakdown (By product)

Unit : ¥ 100 million, %

	2008/3			2009/3					
	1H	2H		1H (Results)		2H (Forecasts)			
					% Chg. YoY		% Chg. 1H/2H		% Chg. YoY
Display Devices	209	153	362	121	(42.1)	99	(18.2)	220	(39.2)
Power Supplies	63	69	132	66	+ 4.8	53	(19.7)	119	(9.8)
Mechanical Components	268	269	537	248	(7.5)	276	+ 11.3	524	(2.4)
Total	540	491	1,031	435	(19.4)	428	(1.6)	863	(16.3)

Electronic Components Sales Breakdown

(¥ 100 million)



《 Results for the first half of fiscal 2008 (Year-on-year comparison) 》

[Display Devices] While sales of LCDs for tablet PCs increased, sales of LCDs for PNDs and DSCs decreased.

[Power Supplies] Despite a decrease in sales of power supplies for printer adapters, sales of batteries for game consoles increased.

[Mechanical Components] Sales of components for game consoles increased. Sales of components for cell phones decreased.

《 Forecasts for the second half of fiscal 2008 (Comparison with first half results) 》

[Display Devices] Despite the forecast of an increase in sales of LCDs for printers, sales of LCDs for PNDs and DSCs are expected to decrease.

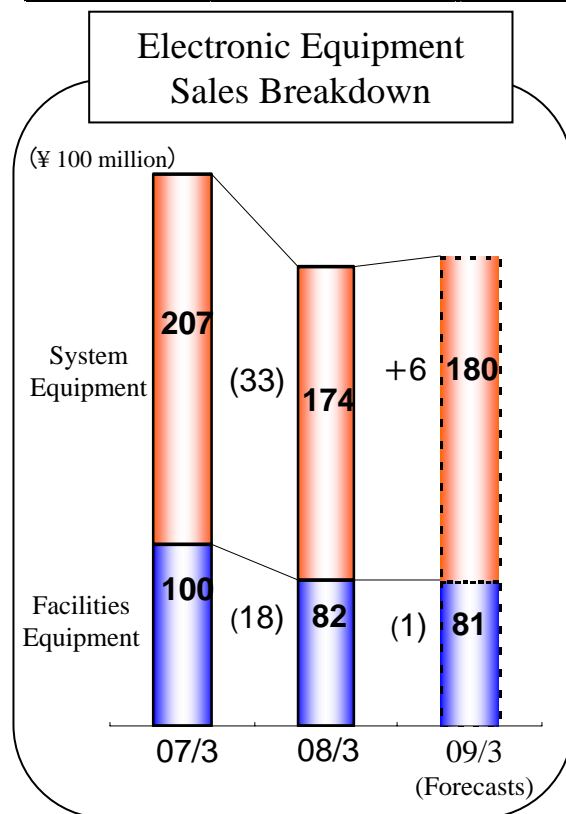
[Power Supplies] While sales of rechargeable batteries for DSCs are anticipated to increase, sales of batteries for game consoles are forecast to decrease.

[Mechanical Components] Sales of automotive and electronic components are anticipated to decrease. Sales of components for game consoles are forecast to increase.

Electronic Equipment Sales Breakdown (By product)

Unit : ¥ 100 million, %

	2008/3			2009/3					
	1H	2H		1H (Results)		2H (Forecasts)			
				% Chg. YoY	% Chg. 1H/2H	% Chg. YoY			
System Equipment	79	95	174	83	+ 5.1	97	+ 16.9	180	+ 3.4
Facilities Equipment	34	48	82	38	+ 14.7	43	+ 13.2	81	(1.2)
Total	113	143	256	121	+ 7.7	140	+ 15.7	261	+ 1.7



《 Results for the first half of fiscal 2008 (Year-on-year comparison) 》

[System Equipment] While sales of PC boards for arcade games decreased, sales of car navigation systems equipment increased.

[Facilities Equipment] Despite a decrease in sales of magnetic head manufacturing equipment, sales of liquid crystal display laser repair equipment increased.

《 Forecasts for the second half of fiscal 2008 (Comparison with first half results) 》

[System Equipment] Sales of RSE* equipment are forecast to decrease. Sales of WAVP* systems equipment are anticipated to increase.

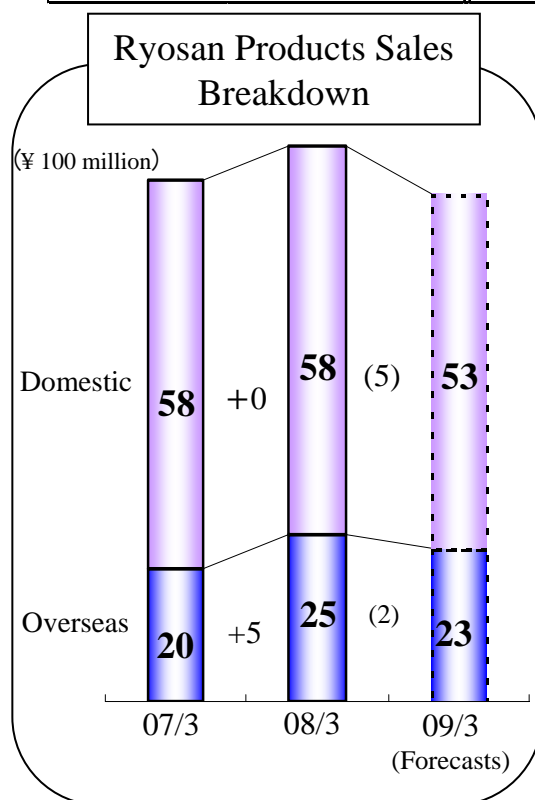
[Facilities Equipment] While sales of mask repair equipment are expected to decrease, sales of sputtering equipment and systems are forecast to increase.

RSE*: Rear Seat Entertainment System WAVP*: Wearable Audio Visual Player

Ryosan Products Sales Breakdown (By area)

Unit : ¥ 100 million, %

	2008/3			2009/3					
	1H	2H		1H (Results)		2H (Forecasts)			
					% Chg. YoY		% Chg. 1H/2H		% Chg. YoY
Domestic	29	29	58	27	(6.9)	26	(3.7)	53	(8.6)
Overseas	13	12	25	12	(7.7)	11	(8.3)	23	(8.0)
Total	42	41	83	39	(5.0)	37	(13.6)	76	(9.3)



《 Results for the first half of fiscal 2008 (Year-on-year comparison) 》

[Domestic] Sales of water-cooled heat sinks for FA equipment increased.

Sales of heat sinks for semiconductor manufacturing equipment decreased.

[Overseas] While sales of heat sinks for flat-screen televisions increased, sales of heat sinks for home audio equipment decreased.

《 Forecasts for the second half of fiscal 2008 (Comparison with first half results) 》

[Domestic] Despite a forecast increase in sales of automotive heat sinks, sales of water-cooled heat sinks for FA equipment are expected to decrease.

[Overseas] While sales of heat sinks for digital audiovisual products are anticipated to increase, sales of heat sinks for home audio equipment are forecast to decrease.

Overseas Sales Breakdown

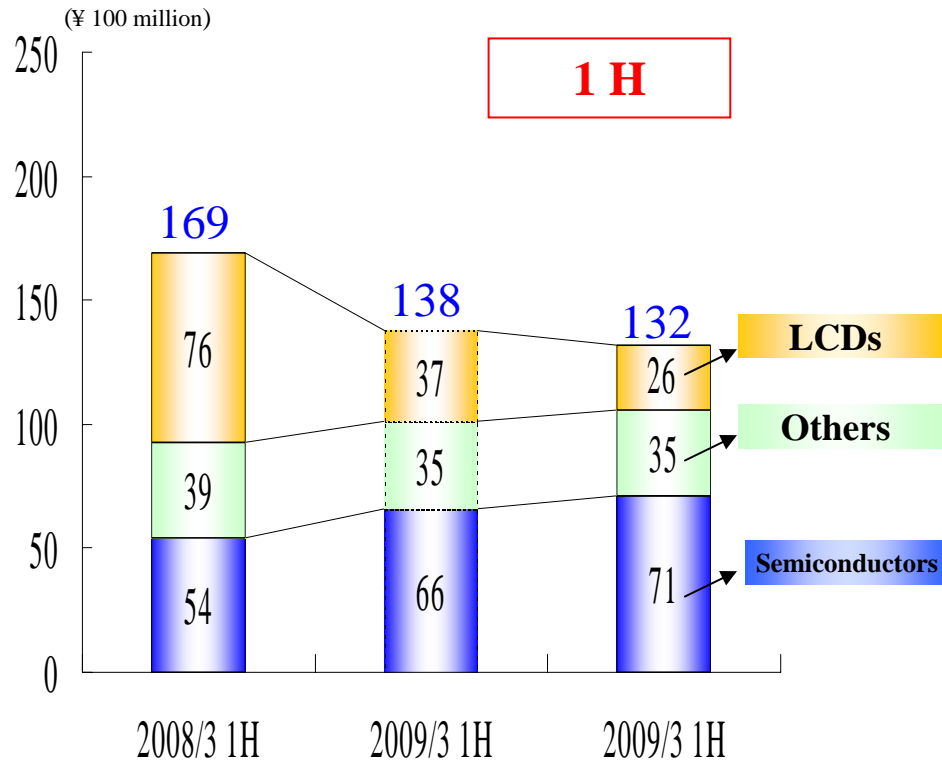
	2008/3				2009/3						
	1H	2H	Of Total	Of Total	1H (Results)		2H (Forecasts)		Of Total	% Chg. YoY	
					¥ 100 million	%	¥ 100 million	%			
Consolidated net sales	1,446	1,414	2,860		1,312	(9.3)	1,288	(9.0)	2,600		(9.1)
Domestic	852	882	1,734	60.6	789	(7.5)	791	(10.4)	1,580	60.8	(8.9)
Overseas	594	532	1,126	39.4	523	(11.9)	497	(6.7)	1,020	39.2	(9.4)
(China Bloc)	351	311	662	23.1	303	(13.7)	282	(9.3)	585	22.5	(11.6)

Trends in Local Business Sales in China Bloc

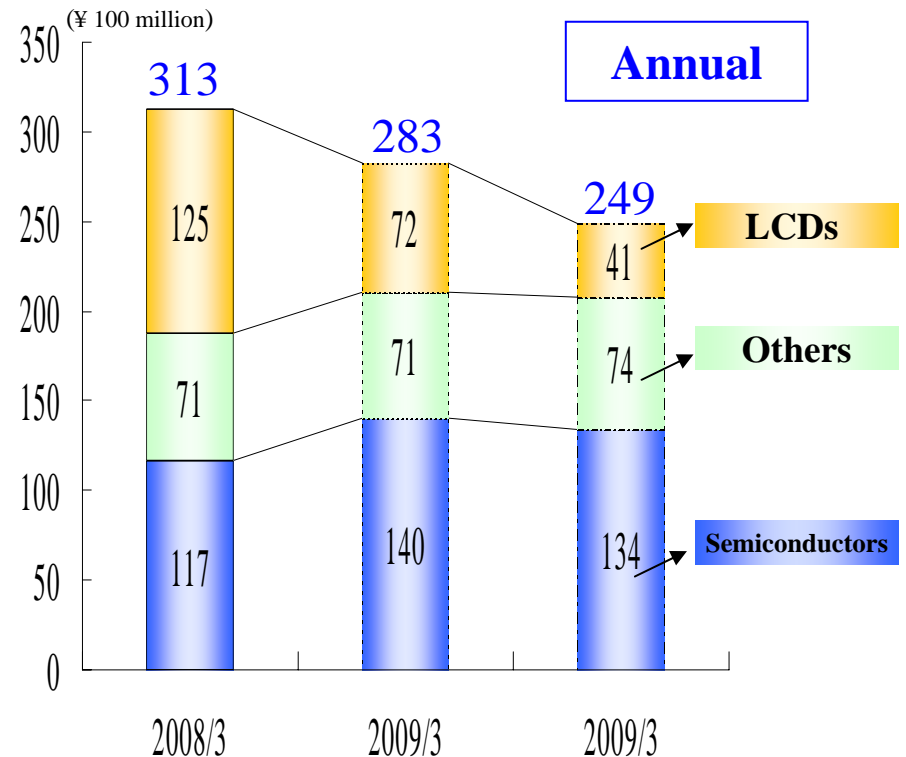
While the semiconductor business remains firm, results are insufficient to fully offset declines in the LCD business

- ① General trend toward a decline in the LCD business
- ② Results for the first half of FY2008 exceeded both the previous period and the corresponding period of the previous fiscal year in the semiconductor business
- ③ Implementing measure to expand the semiconductor business in an effort to promote growth and stability

Semiconductors
Annual sales of ¥ 13 billion
(NECEL Annual sales of ¥10 billion)



(Initial forecasts)



(Initial forecasts) (Revised forecasts)

Key Clients

《Top 40》

	Top 1-10	Top 11-20	Top 21-30	Top 31-40
Clients (alphabetical order)	ALPS Electric CASIO DENSO Fuji Film HITACHI JVC Mitsubishi Electric NINTENDO Panasonic PIONEER	ALPINE Brother Industries Calsonic Kansei CHI MEI (T) Furuno Electric NEC SHARP Sumitomo Electric Industries Taiyo Yuden TOSHIBA	ADVANTEST Bussan Microelectronics NIKON OMRON Panasonic Electric Works SANYO TAKATA YAMAHA YASKAWA Electric YAZAKI meter	Fujitsu Hitachi Kokusai Electric HOSIDEN Hyundai (K) Izumi JRC KENWOOD SEGA Stanley Electric TDK
Percentage Sales of all clients	(Top 10) 47%	(Top 20) 60%	(Top 30) 67%	(Top 40) 70%

《Top 5 (by business)》

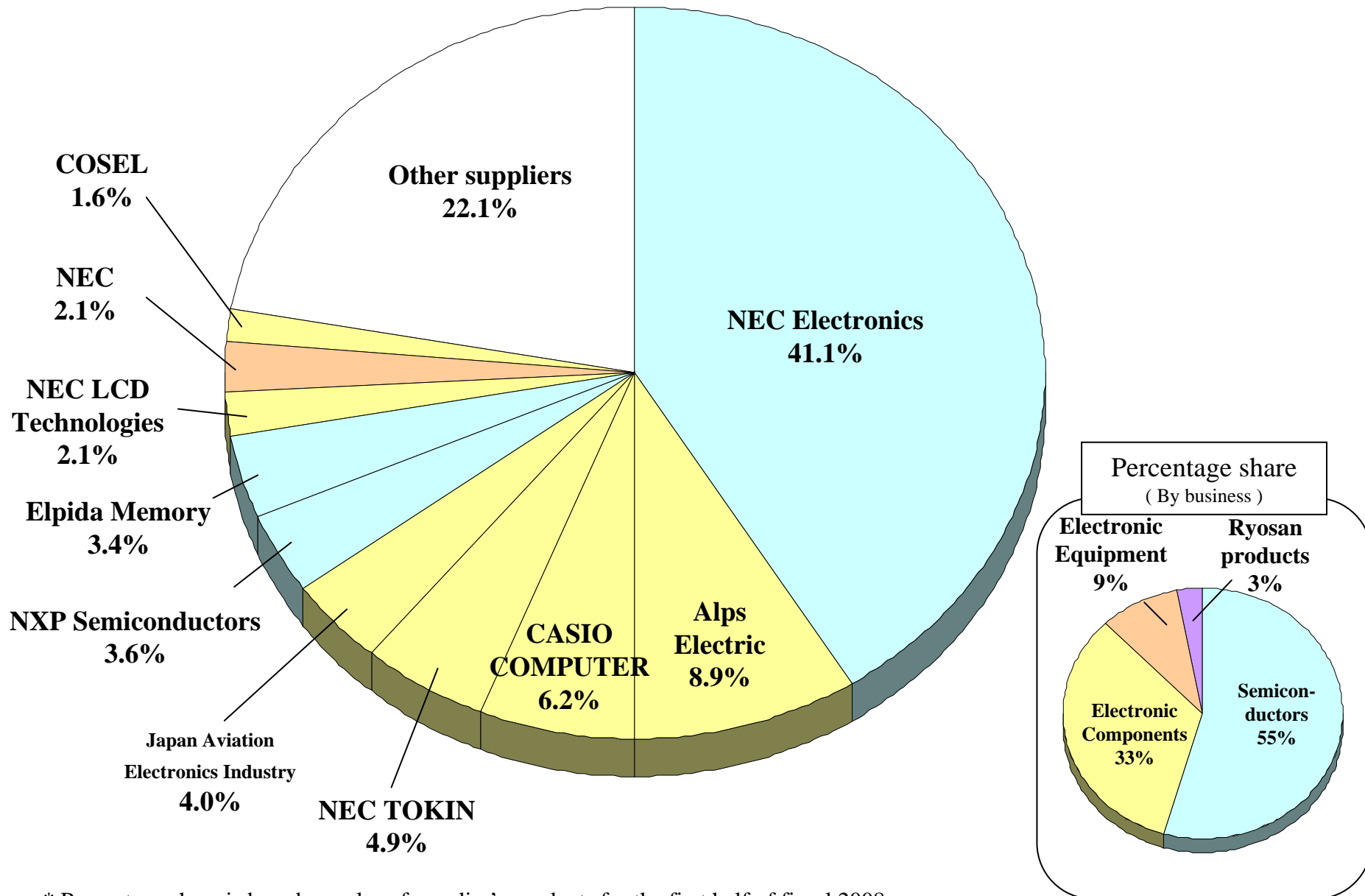
Semiconductor	Electronic Equipment
Fuji Film HITACHI JVC Mitsubishi Electric PIONEER	CHI MEI (T) DENSO Fuji Film HITACHI TDK
(Top 5) 46%	(Top 5) 55%
Electronic Components	Ryosan Product
CASIO Calsonic Kansei NEC NINTENDO Panasonic	DENSO FUNAC HITACHI Mitsubishi Electric TOSHIBA
(Top 5) 31%	(Top 5) 26%

* Rank and percentage share are based on results for the first half of fiscal 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 first half of fiscal 2008.

R&D, Capex and Depreciation

