

# **FY2009 First Half Results Meeting**

**Results for the six months ended September 30, 2009**

**FY2009 : Year ending March 31, 2010**

**November 13, 2009**

**Ryosan Company, Limited**

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

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

**RYOSAN**

## Notice

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

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

# Overview of Consolidated results

Unit : ¥ 100 million

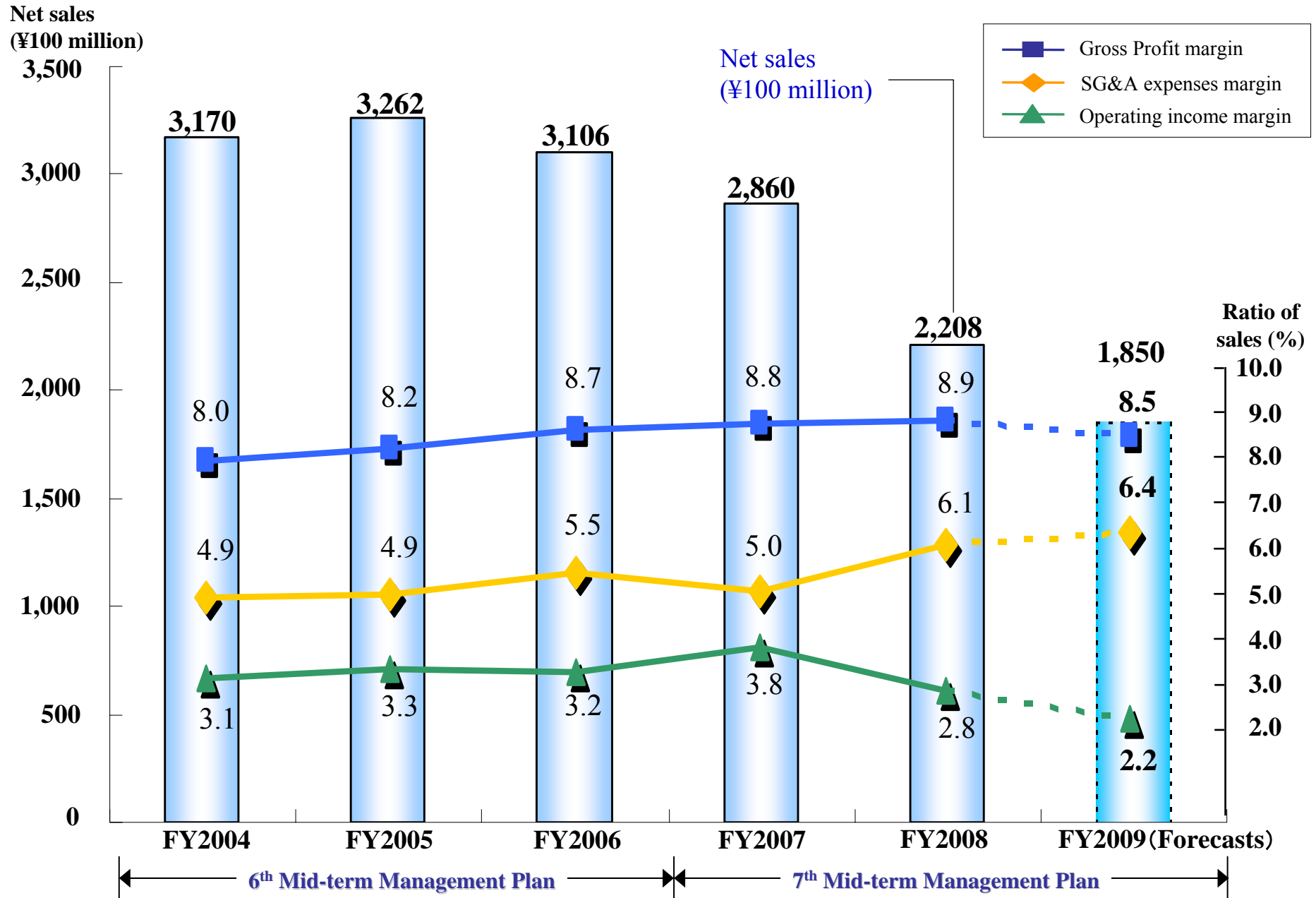
	FY2008				FY2009								
	1H	2H	Of Total	%	1H (Results)				2H (Forecasts)		Of Total	% Chg. YoY	
					1Q	2Q		% Chg. YoY		% Chg. YoY			
Net sales	1,312	896	2,208	%	383	492	875	(33.3)	974	+9	1,850	%	(16)
Gross margin	119	77	196	8.9	32	41	74	(37.3)	82	+7	157	8.5	(20)
SG&A expenses	71	63	134	6.1	29	29	59	(17.2)	58	(8)	117	6.4	(13)
Operating income	47	14	61	2.8	3	11	15	(67.5)	24	+75	40	2.2	(35)
Ordinary income	54	18	72	3.3	5	13	18	(65.7)	26	+46	45	2.4	(38)
Net income	33	5	39	1.8	1	7	9	(72.2)	14	+150	24	1.3	(39)
Earnings per share	¥94.33	¥17.50	¥111.83		¥5.75	¥21.07	¥26.82		—		¥69.63		(¥42.2)

# Segment Information by Business Type

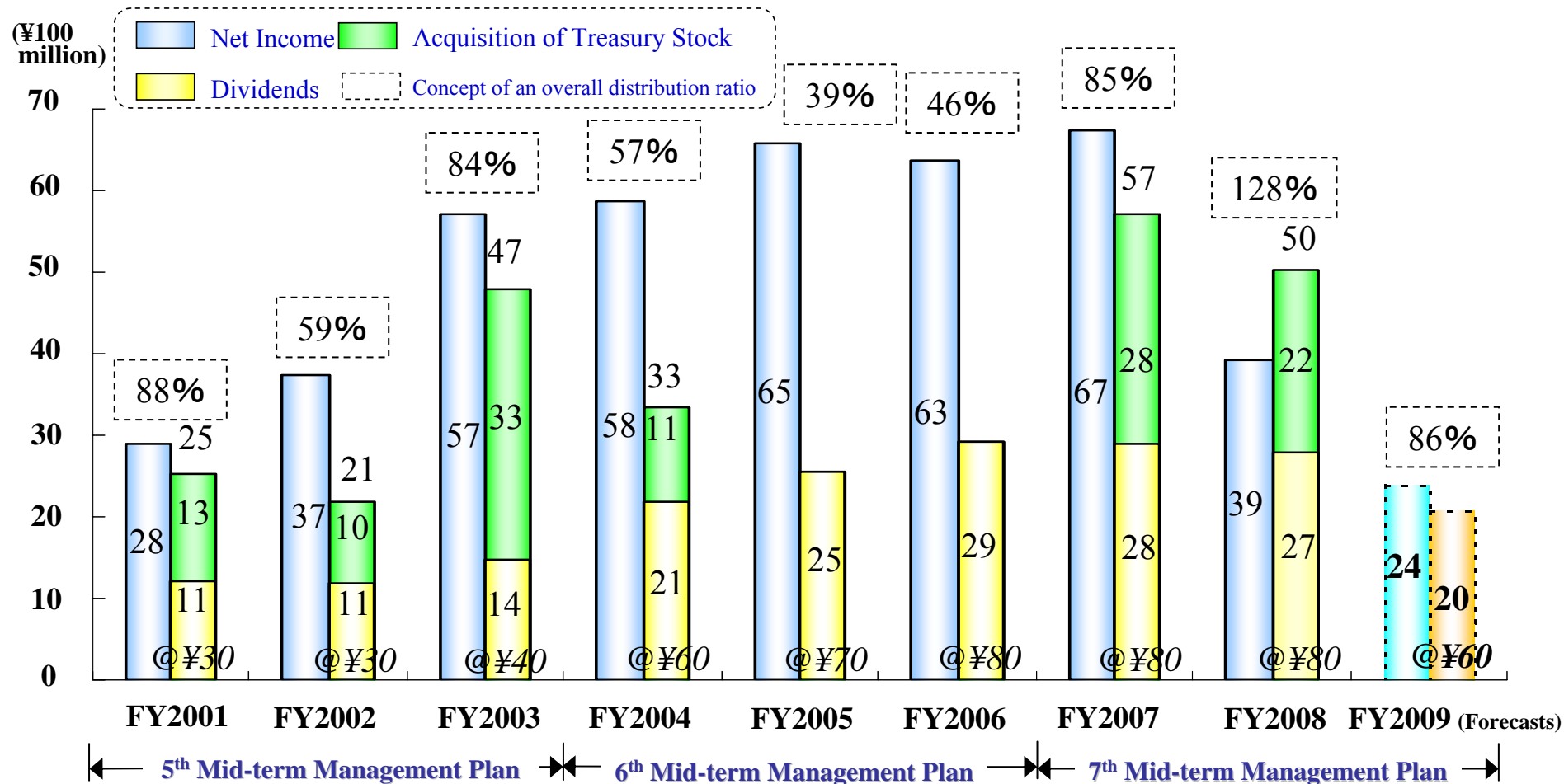
Unit : ¥ 100 million

		FY2008				FY2009								
		1H	2H	OP Margin	%	1H (Results)				2H (Forecasts)				
						1Q	2Q	% Chg. YoY	%	% Chg. YoY	%	OP Margin	% Chg. YoY	
Semiconductors	Sales	715	453	1,169	%	198	246	445	(37.7)%	494	+9%	940	%	(20)%
	Operating income	35	13	48	4.2	3	7	11	(67.5)	18	+38	30	3.2	(39)
Electronic Components	Sales	435	323	759		131	162	293	(32.5)	302	(7)	596		(22)
	Operating income	18	9	28	3.7	3	6	9	(48.0)	11	+25	21	3.6	(24)
Electronic Equipment	Sales	121	91	213		44	71	115	(5.2)	154	+69	270		+27
	Operating income	3	1	4	2.1	0	1	2	(12.4)	2	+102	5	2.0	+24
Ryosan Products (Heat sinks)	Sales	39	27	67		9	11	20	(47.2)	23	(16)	44		(35)
	Operating income	4	0	5	7.7	0	1	1	(62.0)	1	+120	3	8.0	(32)
Unallocable Operating expenses		▲14	▲10	▲25	-	▲5	▲4	▲10		▲10		▲20	-	
Consolidated	Sales	1,312	896	2,208		383	492	875	(33.3)%	974	+9%	1,850		(16)%
	Operating income	47	14	61	2.8%	3	11	15	(67.5)%	24	+75%	40	2.2%	(35)%

# Consolidated results Trend



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



## 《 Trends in Acquisition of Treasury Stock 》

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

# Semiconductors Sales Breakdown (By Product)

Unit : ¥ 100 million

		FY2008			FY2009					
		1H	2H		1H (Results)		2H (Forecasts)			
						% Chg. YoY		% Chg. 1H/2H		
Memories	(DRAM)	58	37	96	43	(25.9)	35	(18.6)	78	(18.8)
	(Others)	3	3	6	4	+33.3	7	+75.0	12	+100.0
		<b>61</b>	<b>40</b>	<b>102</b>	<b>47</b>	<b>(23.0)</b>	<b>42</b>	<b>(10.6)</b>	<b>90</b>	<b>(11.8)</b>
System LSIs	(Microcomputer)	162	111	273	116	(28.4)	140	+20.7	256	(6.2)
	(ASIC / ASSP)	278	180	458	155	(44.2)	181	+16.8	336	(26.6)
		<b>440</b>	<b>291</b>	<b>731</b>	<b>271</b>	<b>(38.4)</b>	<b>321</b>	<b>+18.5</b>	<b>592</b>	<b>(19.0)</b>
Discrete	(LCD drivers ICs)	50	19	69	15	(70.0)	13	(13.3)	28	(59.4)
	(Compound Semiconductor Devices)	69	39	108	45	(34.8)	42	(6.7)	87	(19.4)
	(Others)	95	64	159	67	(29.5)	76	+13.4	143	(10.1)
		<b>214</b>	<b>122</b>	<b>336</b>	<b>127</b>	<b>(40.7)</b>	<b>131</b>	<b>+3.1</b>	<b>258</b>	<b>(23.2)</b>
<b>Total</b>		<b>715</b>	<b>453</b>	<b>1,169</b>	<b>445</b>	<b>(37.7)</b>	<b>494</b>	<b>+10.9</b>	<b>940</b>	<b>(19.6)</b>

# Semiconductors Sales Breakdown (By Product)

## 《 Results for the first half of fiscal 2009 (Year-on-year comparison) 》

**[Memories]** While sales of DRAMs for cell phones increased, sales of DRAMs for memory modules decreased.

**[System LSIs]** Sales of system LSIs for game consoles as well as related products increased. Sales of system LSIs for digital audiovisual products as well as microcomputers for car audio equipment, on the other hand, decreased.

**[Discrete]** Despite an increase in sales of PMDs\* for cell phones as well as related products, sales of display drivers for PNDs as well as related products decreased.

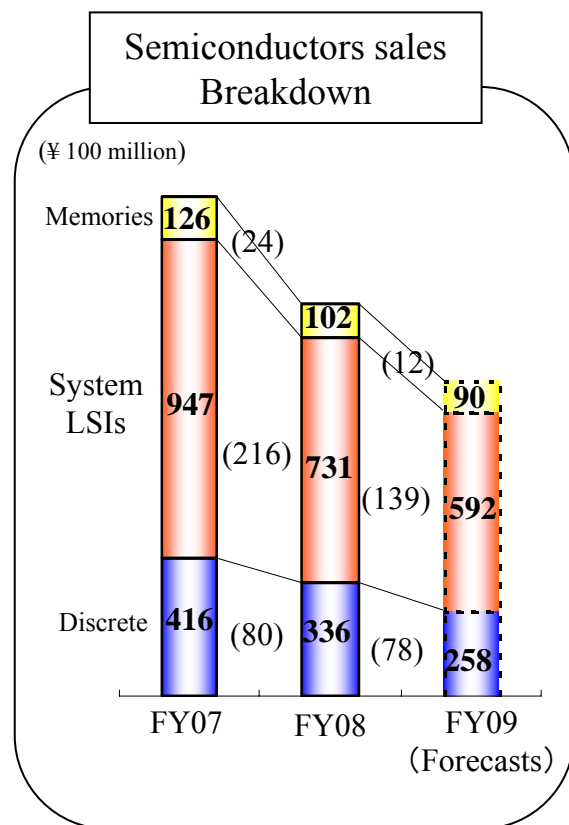
## 《 Forecasts for the second half of fiscal 2009 (Comparison with first half results) 》

**[Memories]** While sales of DRAMs for DSCs as well as related products are forecast to increase, sales of DRAMs for cell phones as well as related products are expected to decrease.

**[System LSIs]** Sales of system LSIs for digital audiovisual products as well as related products are anticipated to decrease. Sales of microcomputers for car audio equipment are forecast, on the other hand, to increase.

**[Discrete]** Expectations are for sales of compound semiconductor devices for digital audiovisual products to decrease. Sales of PMDs\* for cell phones as well as related products are anticipated to increase.

Note: PMD (Power Management Device)





# Semiconductors Sales Breakdown (By suppliers)

Unit : ¥ 100 million

	FY2008			FY2009					
	1H	2H		1H (Results)		2H (Forecasts)			
					% Chg. YoY		% Chg. 1H/2H		
NEC Electronics	539	336	875	316	(41.4) <sup>%</sup>	361	+14.2 <sup>%</sup>	677	(22.6) <sup>%</sup>
Elpida Memory	44	29	73	31	(29.5)	24	(22.6)	56	(23.3)
NXP Semiconductors	47	29	77	30	(36.2)	37	+23.3	67	(13.0)
Others	85	59	144	68	(20.0)	72	+5.9	140	(2.8)
<b>Total</b>	<b>715</b>	<b>453</b>	<b>1,169</b>	<b>445</b>	<b>(37.7)</b>	<b>494</b>	<b>+10.9</b>	<b>940</b>	<b>(19.6)</b>

## 《 Results for the first half of fiscal 2009 (Year-on-year comparison) 》

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

[**Elpida Memory**] While sales of DRAMs for cell phones increased, sales of DRAMs for memory modules decreased.

[**NXP Semiconductors**] Sales of electromagnetic tape RFIDs as well as related products decreased.

[**Others**] Sales of system LSIs for game consoles as well as related products increased. Sales of display drivers for PNDs as well as related products, on the other hand, decreased.

## 《 Forecasts for the second half of fiscal 2009 (Comparison with first half results) 》

[**NEC Electronics**] Sales of compound semiconductor devices for digital audiovisual products as well as related products are anticipated to decrease. Sales of microcomputers for car audio equipment as well as related products, on the other hand, are forecast to increase.

[**Elpida Memory**] While sales of DRAMs for DSCs as well as related products are projected to increase, sales of DRAMs for cell phones as well as related products are expected to decrease.

[**NXP Semiconductors**] Sales of ICs for car audio equipment are forecast to increase.

[**Others**] Despite an anticipated decrease in system LSIs for digital audiovisual products as well as related products, sales of system LSIs for cell phones as well as related products are expected to increase.

# Electronic Components Sales Breakdown (By product)

Unit : ¥ 100 million

	FY2008			FY2009					
	1H	2H		1H (Results)		2H (Forecasts)			
					% Chg. YoY		% Chg. 1H/2H		% Chg. YoY
Display Devices	121	72	193	66	(45.5)	69	+4.5	135	(30.1)
Power Supplies	66	41	107	28	(57.6)	29	+3.6	58	(45.8)
Mechanical Components	248	210	459	199	(19.8)	204	+2.5	403	(12.2)
Total	435	323	759	293	(32.5)	302	+2.8	596	(21.5)

## 《 Results for the first half of fiscal 2009 (Year-on-year comparison) 》

**[Display Devices]** While sales of LCDs for printers increased, sales of LCDs for PNDs as well as related products decreased.

**[Power Supplies]** Sales of batteries for game consoles as well as related products decreased.

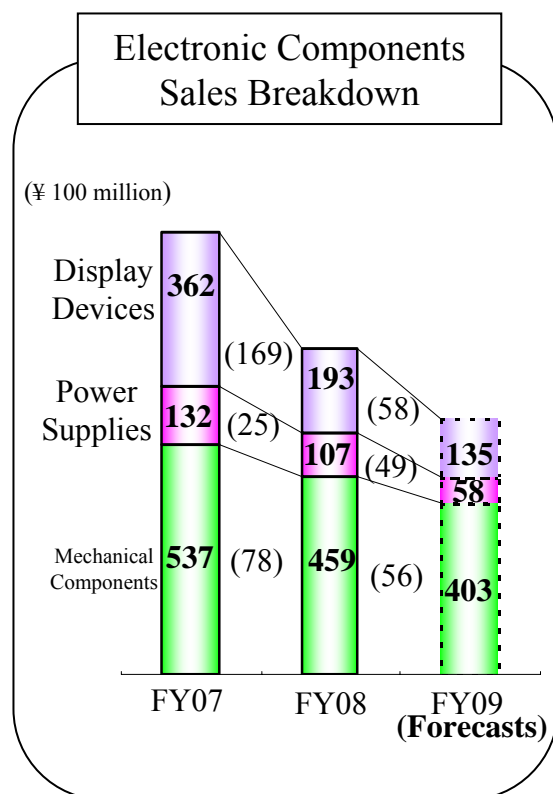
**[Mechanical Components]** Despite an increase in sales of components for cell phones, sales of components for flat-screen televisions as well as related products decreased.

## 《 Forecasts for the second half of fiscal 2009 (Comparison with first half results) 》

**[Display Devices]** Despite the forecast of a decrease in sales of LCDs for IP phones as well as related products, sales of LCDs for PCs as well as related products are expected to increase.

**[Power Supplies]** While sales of rechargeable batteries for DSCs as well as related products are anticipated to decrease, sales of power supplies for base stations as well as related products are projected to increase.

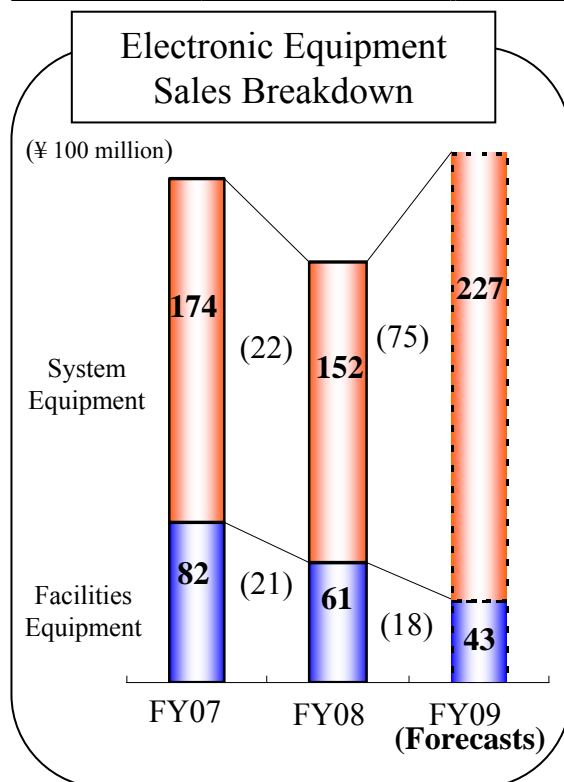
**[Mechanical Components]** Sales of components for cell phones as well as related products are forecast to decrease. Sales of automotive and electronic components as well as related products, on the other hand, are expected to increase.



# Electronic Equipment Sales Breakdown (By product)

Unit : ¥ 100 million

	FY2008			FY2009					
	1H	2H		1H (Results)		2H (Forecasts)			
				% Chg. YoY	% Chg. 1H/2H	% Chg. YoY			
System Equipment	83	68	152	103	+24.1	124	+20.4	227	+49.3
Facilities Equipment	38	23	61	12	(68.4)	30	+150.0	43	(29.5)
Total	121	91	213	115	(5.2)	154	+34.0	270	+26.6



## 《 Results for the first half of fiscal 2009 (Year-on-year comparison) 》

**[System Equipment]** Sales of automotive and electronic as well as MFP equipment increased.

**[Facilities Equipment]** Sales of LCD manufacturing equipment as well as related products decreased.

## 《 Forecasts for the second half of fiscal 2009 (Comparison with first half results) 》

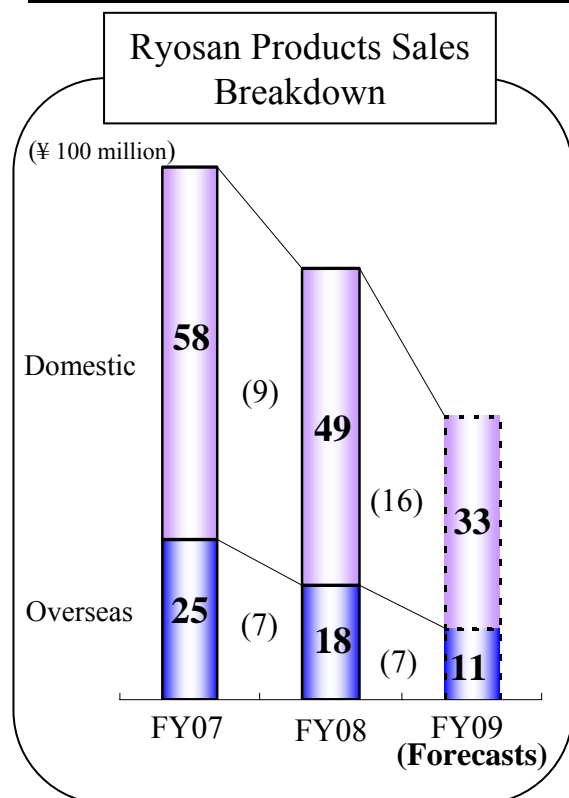
**[System Equipment]** While sales of automotive and electronic equipment are forecast to decrease, sales of MFP equipment are expected to increase.

**[Facilities Equipment]** Sales of LCD laser repair equipment as well as LCD manufacturing equipment are forecast to increase.

# Ryosan Products Sales Breakdown (By area)

Unit : ¥ 100 million

	FY2008			FY2009					
	1H	2H		1H (Results)		2H (Forecasts)			
					% Chg. YoY		% Chg. 1H/2H		
Domestic	27	21	49	15	(44.4)	18	+20.0	33	(32.7)
Overseas	12	6	18	5	(58.3)	5	(0.0)	11	(38.9)
Total	39	27	67	20	(47.2)	23	+10.7	44	(34.5)



## 《 Results for the first half of fiscal 2009 (Year-on-year comparison) 》

**[Domestic]** Sales of heat sinks for FA equipment as well as related products decreased.

**[Overseas]** Sales of heat sinks for flat-screen televisions as well as related products decreased.

## 《 Forecasts for the second half of fiscal 2009 (Comparison with first half results) 》

**[Domestic]** Sales of heat sinks for FA equipment as well as related products are forecast to increase.

**[Overseas]** Sales of heat sinks for flat-screen televisions as well as related products are projected to decrease.

# Overseas Sales Breakdown

Unit : ¥ 100 million

	FY2008				FY2009						
	1H	2H		OfTotal	1H (Results)		2H (Forecasts)			OfTotal	% Chg. YoY
						% Chg. YoY		% Chg. YoY			
				%		%		%		%	%
Consolidated net sales	1,312	896	2,208	—	875	(33.3)	974	+8.7	1,850	—	(16.2)
Japan (Excluding Japan)	789	579	1,368	62.0	575	(27.0)	664	+14.6	1,240	67.0	(9.4)
Asia	523	317	840	38.0	299	(42.7)	310	(2.1)	610	33.0	(27.4)
(Chinese Bloc)	303	163	466	21.1	159	(47.5)	180	+10.4	339	18.3	(27.3)

# Key Clients

## 《Top 40》

	Top 1-10	Top 11-20	Top 21-30	Top 31-40
<b>Clients</b> (alphabetical order)	<b>Calsonic Kansei</b> CASIO COMPUTER DENSO <b>Fuji Xerox</b> HITACHI Mitsubishi Electric NEC NINTENDO Panasonic PIONEER	ALPS Electric Brother Industries Clarion Fuji Film JVC <b>Mamiya-OP</b> <b>NIKON</b> SHARP Sumitomo Electric Industries Taiyo Yuden	ALPINE Furuno Electric <b>Hyundai (K)</b> OMRON Panasonic Electric Works SANYO <b>TAKATA</b> TOSHIBA TEC YAMAHA <b>YAZAKI meter</b>	ADVANTEST Fujitsu JRC <b>KENWOOD</b> <b>MiTAC (T)</b> <b>SMK</b> Stanley Electric TDK TOSHIBA YASKAWA Electric
<b>Percentage Sales of all clients</b>	(Top 10) <b>48%</b>	(Top 20) <b>62%</b>	(Top 30) <b>69%</b>	(Top 40) <b>72%</b>

## 《Top 5 (by business)》

Semiconductor	Electronic Equipment
CASIO COMPUTER HITACHI Mamiya-OP Mitsubishi Electric PIONEER	DENSO Fuji Xerox HITACHI NEC NIKON
( Top 5 ) <b>37%</b>	( Top 5 ) <b>72%</b>
Electronic Components	Ryosan Product
Calsonic Kansei CASIO COMPUTER Mitsubishi Electric NINTENDO Panasonic	DENSO HITACHI Mitsubishi Electric Murata TOSHIBA
( Top 5 ) <b>42%</b>	( Top 5 ) <b>35%</b>

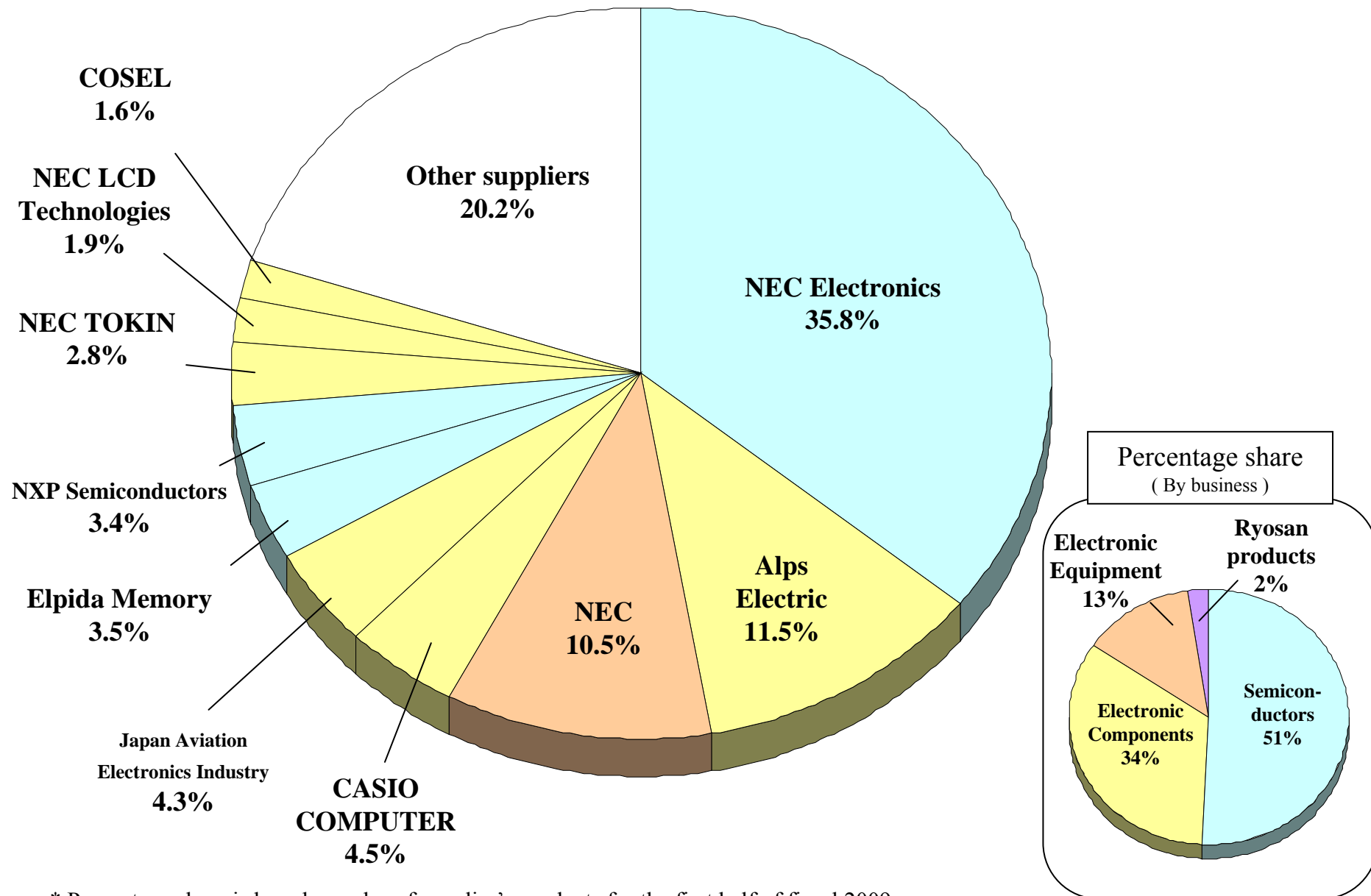
(alphabetical order)

\* Rank and percentage share are based on results for the first half of FY2009.

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

\* Customers identified in blue have improved their ranking year on year.

# Main suppliers



\* Percentage share is based on sales of supplier's products for the first half of fiscal 2009.