



#### 4. Other

- (1) Transfer of major subsidiaries during term (transfer of specified subsidiaries in line with changes in the consolidated range): No
- (2) Applying simple accounting procedures and accounting procedures specific to preparing quarterly financial statements: Yes
- (3) Changes to principles, procedures and display methods for accounting procedures used in preparing quarterly financial statements (Recorded under “Changes in important items considered fundamental to the preparation of quarterly consolidated financial statements”)
  1. Changes in accordance with revisions to accounting standards and related practices: No
  2. Changes in items other than 1. above: No
- (4) Number of shares issued and outstanding (Common stock)
  1. Total number of shares issued and outstanding (including treasury stock) as of the period-end:

Dec. 31, 2009: 34,500,000 shares	Mar. 31, 2009: 34,500,000 shares
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  2. Total number of treasury stock as of the period-end:

Dec. 31, 2009: 33,919 shares	Mar. 31, 2009: 33,358 shares
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  3. Average number of shares for the period (Cumulative total for the quarterly consolidated period)

Third quarter fiscal 2009: 34,466,285 shares	Third quarter fiscal 2008: 35,167,463 shares
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#### *Cautionary statement concerning operating results forecasts and other special items*

The above forecasts are estimated based on information available at the time of the release of this report. Actual results may differ significantly from these forecasts due to various factors in the future. For more information, see “3. Qualitative Information and Other Matters Consolidated Forecasts for the Fiscal Year Ending March 31, 2010.” under Qualitative Information/Financial Statements and Other on page 4.

## [Qualitative Information/ Financial Statements and Other]

### 1. Qualitative Information and Other Matters Concerning Consolidated Operating Results for the third quarter of Fiscal 2010

#### (1) Overview

In this consolidated first three quarters (April 1, 2009 – December 31, 2009), although the economic stimulus policies adopted in many countries had a successful impact on the world economy, and the sudden economic decline following the Lehman shock bottomed out, this did not lead to a self-sustaining recovery and, on the whole, conditions remained severe. In the electronics industry to which we belong, although the tight supply-demand situation for semiconductors and electronic component became serious from the mid-year onward, compared with levels prior to the economic decline, there was severe stagnation.

Under such conditions, faced with a trend toward downsizing business operations, Ryosan Group worked to “reduce business costs” and to “reviewing and renewing its business model.” However, because demand for semiconductors and electronic components declined significantly, drastic decreases were seen in both sales and profits, with results for this consolidated first three quarters being as follows: net sales, 140,903 million yen (down 22.8% from the same term previous year); operating income, 3,225 million yen (down 47.4%); ordinary income, 3,648 million yen (down 48.7%); and net income, 1,911 million yen (down 53.8%).

#### (2) An Overview of Operating Results by Business Segment

##### *a. Semiconductors*

At Ryosan Group, we sell memories, system LSIs and discrete semiconductors, and develop system LSIs. In this consolidated first three quarters, sales of system LSIs for digital AV devices and car audio equipment etc. decreased, with net sales of 71,776 million yen (down 27.5% from the same period previous year) and operating income of 2,229 million yen (down 52.5%).

##### *b. Electronic Components*

At Ryosan Group, we sell display devices, power supplies and electromechanical parts. In this consolidated first three quarters, sales of game console batteries and LCDs for PNDs etc. decreased, with net sales of 45,701 million yen (down 25.6% from the same period previous year) and operating income of 1,628 million yen (down 36.7%).

##### *c. Electronic Equipment*

At Ryosan Group, we sell systems equipment and facilities equipment. In this consolidated first three quarters, sales of systems equipments for in-vehicle electrical use and MFP etc. increased, with net sales of 20,038 million yen (up 21.8% from the same period previous year) and operating income of 545 million yen (up 44.3%).

##### *d. Ryosan products*

At Ryosan Group, we produce and sell heat sinks (devices that dissipate the heat generated by semiconductors). In this first three quarters, sales of heat sinks for FA equipment etc. decreased, with net sales of 3,387 million yen (down 39.7% from the same term last year) and operating income of 330 million yen (down 38.9%).

#### (3) An Overview of Operating Results by Geographic Region

##### *a. Japan*

In this consolidated first three quarters, sales of LCDs for PNDs and system LSIs for large disk array equipment etc. decreased, with net sales of 109,414 million yen (down 19.1% from the same period previous year) and operating income of 2,175 million yen (down 47.5%).

##### *b. Asia*

In this consolidated first three quarters, sales of system LSIs for digital AV devices and car audio equipment etc. decreased, with net sales of 37,980 million yen (down 32.8% from the same period previous year) and operating income of 797 million yen (down 49.9%).

## **2. Qualitative Information and Other Matters Concerning Consolidated Financial Position for the End of the Third Quarter of Fiscal 2010**

### **(1) An Overview of Financial Position**

At the end of this third quarter, total assets had increased by 10,000 million yen, as compared with the level at the end of the previous fiscal year, and came to 158,987 million yen.

Also, net assets decreased by 407 million yen, as compared with the level at the end of the previous fiscal year, and came to 116,091 million yen, with our equity ratio being 72.9%.

### **(2) An Overview of Cash Flows**

At the end of this third quarter, cash and cash equivalents had decreased by 1,328 million yen, as compared with the level at the end of the previous fiscal year, and came to 48,674 million yen.

#### *(Cash flow from operating activities)*

Regarding cash flow from operating activities in this consolidated first three quarters, in addition to net income before income taxes and minority interests being 3,550 million yen, because accounts payable increased by 11,810 million yen, even though accounts receivable increased by 11,364 million yen, in total funds increased by 2,135 million yen. Cash flow from operating activities increased by 5,659 million yen from the same period previous year.

#### *(Cash flow from investing activities)*

Regarding cash flow from investing activities in this consolidated first three quarters, funds decreased by 526 million yen due to 615 million yen in purchases of property, plant and equipment. Cash flow from investing activities decreased by 3,314 million yen from the same period previous year.

#### *(Cash flow from financing activities)*

Regarding cash flow from financing activities in this consolidated first three quarters, funds decreased by 2,696 million yen due to 2,067 million yen in dividend paid. Cash flow from financing activities decreased by 1,886 million yen from the same period previous year.

## **3. Qualitative information and Other Matters Concerning Consolidated Forecasts for the Fiscal Year Ending March 31, 2010**

At the present point in time, there are no particular changes from the consolidated operating results forecasts announced on October 29, 2009. We will disclose future performance results in a timely manner, once they have been verified.

## **4. Other**

- (1) Transfer of major subsidiaries during term (transfer of specified subsidiaries in line with changes in the consolidated range): None.
- (2) Applying simple accounting procedures and accounting procedures specific to preparing quarterly financial statements: Simple procedures were partly employed for these effects were negligible.
- (3) Changes to principles, procedures and display methods for accounting procedures used in preparing quarterly financial statements: None.

**5. Consolidated Quarterly Financial Statements**  
**(1) Consolidated Quarterly Balance Sheets**

(Millions of yen)

	Third Quarter of the Fiscal Year Ending March 31, 2010 (As of December 31, 2009)	Fiscal Year Ended March 31, 2009 (As of March 31, 2009)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	38,676	50,003
Trade notes and accounts receivable	67,140	56,124
Marketable securities	9,999	—
Merchandise and finished products	13,042	14,688
Work in process	108	59
Raw materials and stored goods	192	191
Accrued income	4,290	1,737
Income tax refund receivable	25	239
Deferred tax assets	238	380
Other current assets	608	630
Allowance for doubtful accounts	(150)	(104)
Total current assets	134,172	123,950
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings and structures (net)	4,955	5,131
Land	8,134	8,184
Lease assets (net)	359	463
Other fixed assets (net)	969	774
Total property, plant and equipment	14,418	14,554
Intangible fixed assets:	549	628
Investments and other assets:		
Investment securities	3,304	2,890
Long-term deposits	3,500	3,500
Deferred tax assets	1,692	2,153
Other	2,532	2,529
Allowance for doubtful accounts	(1,085)	(1,101)
Allowance for loss on investments	(98)	(118)
Total Investments and other assets	9,846	9,853
Total fixed assets	24,815	25,036
<b>Total assets</b>	<b>158,987</b>	<b>148,987</b>

(Millions of yen)

	Third Quarter of the Fiscal Year Ending March 31, 2010 (As of December 31, 2009)	Fiscal Year Ended March 31, 2009 (As of March 31, 2009)
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Trade notes and accounts payable	33,397	21,888
Short-term bank loans	4,087	4,773
Lease obligations	145	157
Accrued expenses	355	1,024
Reserve for bonuses	315	—
Accrued income taxes	300	109
Other current liabilities	1,558	1,738
Total current liabilities	40,160	29,691
<b>Long-term liabilities:</b>		
Lease obligations	294	394
Employees' retirement benefits	2,165	2,086
Other long-term liabilities	275	315
Total long-term liabilities	2,735	2,796
Total liabilities	42,895	32,488
<b>NET ASSETS</b>		
<b>Shareholder's equity:</b>		
Common stock	17,690	17,690
Additional paid-in capital	19,114	19,114
Retained earnings	81,221	81,443
Treasury stock	(83)	(82)
Total shareholders' equity	117,942	118,165
<b>Valuation and conversions:</b>		
Net unrealized gain on other marketable securities	327	14
Gain (loss) on deferred hedges	4	3
Foreign currency translation adjustments	(2,296)	(1,797)
Total valuation and conversions	(1,964)	(1,779)
<b>Minority interests</b>	113	113
Total net assets	116,091	116,499
<b>Total liabilities and net assets</b>	158,987	148,987

**(2) Consolidated Quarterly Statements of Income (Cumulative)**

(Millions of yen)

	First Three Quarters of the Fiscal Year Ending March 31, 2009 (April 1, 2008 to December 31, 2008)	First Three Quarters of the Fiscal Year Ending March 31, 2010 (April 1, 2009 to December 31, 2009)
<b>Net sales</b>	182,481	140,903
<b>Cost of Sales</b>	165,823	128,744
Gross Profit	16,657	12,159
<b>Selling, general and administrative expenses</b>		
Packing and freight expenses	525	442
Provision of allowance for doubtful accounts	—	90
Directors' remuneration	403	313
Employees' salaries	2,710	2,367
Bonuses	1,019	658
Retirement benefit expenses	345	323
Employee benefits	601	499
Depreciation and amortization	445	623
Others	4,477	3,614
Total selling, general and administrative expenses	10,528	8,933
<b>Operating income</b>	6,129	3,225
<b>Non-operating income</b>		
Interest income	136	73
Dividend income	337	114
Gain on foreign exchange	198	—
Management consultation fee	113	87
Miscellaneous income	341	248
Total non-operating income	1,127	522
<b>Non-operating expenses</b>		
Interest expense	114	32
Loss on foreign exchange	—	51
Miscellaneous expenses	27	15
Total non-operating expenses	141	99
<b>Ordinary income</b>	7,114	3,648
<b>Extraordinary gains</b>		
Gain on sales of property, plant and equipment	2	2
Gain on sales of investment securities	—	12
Gain on reversal of allowance for doubtful accounts	208	—
Reversal of allowance for investment loss	13	10
Total extraordinary gains	224	25
<b>Extraordinary losses</b>		
Loss on sales and disposal of property, plant and equipment	33	5
Impairment loss	—	50
Loss on devaluation of inventories	112	—
Loss on sales of investment securities	—	14
Loss on devaluation of investment securities	225	47
Loss on devaluation of golf membership rights	8	4
Total extraordinary losses	380	122
<b>Income before income taxes and minority interests</b>	6,959	3,550
Income taxes-current	2,391	1,272
Income taxes-deferred	429	363
Total income taxes	2,820	1,636
Minority interests in income	4	2
<b>Net income</b>	4,133	1,911

### (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	First Three Quarters of the Fiscal Year Ending March 31, 2009 (April 1, 2008 to December 31, 2008)	First Three Quarters of the Fiscal Year Ending March 31, 2010 (April 1, 2009 to December 31, 2009)
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	6,959	3,550
Depreciation and amortization	583	729
Impairment loss	—	50
Increase (decrease) in allowance for doubtful accounts	(208)	87
Increase (decrease) in employees' retirement benefits	156	77
Interest and dividend income	(474)	(187)
Interest expense	114	32
Loss (gain) on devaluation of investment securities	225	47
Loss (gain) on sale and disposal of property, plant and equipment	33	2
Decrease (increase) in accounts receivable	14,843	(11,364)
Decrease (increase) in inventories	(2,236)	1,392
Increase (decrease) in accounts payable	(9,385)	11,810
Other	(1,143)	(3,369)
Subtotal	9,468	2,861
Interest and dividends received	462	176
Interest paid	(114)	(32)
Income taxes (paid) refund	(4,157)	(870)
Net cash provided by operating activities	5,659	2,135
<b>Cash flows from investing activities:</b>		
Payment for time deposits	(3,000)	(1)
Purchases of property, plant and equipment	(181)	(615)
Proceeds from sale of property, plant and equipment	13	4
Purchases of intangible fixed assets	(2)	—
Proceeds from sale of intangible fixed assets	—	8
Purchases of investment securities	—	(23)
Proceeds from sale of investment securities	—	58
Payments for the acquisition of shares in affiliates	(27)	—
Payment of loans receivable	(116)	(0)
Proceeds from collection of loans receivable	—	41
Net cash used in investing activities	(3,314)	(526)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings, net	2,196	(503)
Payment of refund of lease obligations	—	(122)
Repurchases of treasury stock	(1,270)	(1)
Proceeds from disposal of treasury stock	3	—
Cash dividends paid	(2,815)	(2,067)
Cash dividends paid to minority shareholders	—	(1)
Net cash used in financing activities	(1,886)	(2,696)
<b>Effect of foreign currency translation adjustments on cash and cash equivalents</b>	(542)	(248)
<b>Net increase (decrease) in cash and cash equivalents</b>	(84)	(1,336)
<b>Cash and cash equivalents at the beginning of the period</b>	43,077	50,003
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	—	8
<b>Cash and cash equivalents at the end of the period</b>	42,992	48,674



#### (4) Notes Regarding Going Concern Assumptions

None.

#### (5) Segment Information

##### [Segment Information by Business Type]

For the Consolidated First Three Quarters of the Fiscal Year Ended March 31, 2009

(April 1, 2008 to December 31, 2008)

(Millions of yen)

	Semi-conductors	Electronic Components	Electronic Equipment	Ryosan Products	Total	Eliminations or Corporate	Consolidated
Sales and Operating Income							
Sales:							
(1)Sales to External Customers	98,993	61,412	16,455	5,620	182,481	—	182,481
(2)Internal Sales between Segments of Exchange	—	—	—	—	—	—	—
Total Sales	98,993	61,412	16,455	5,620	182,481	—	182,481
Operating Income	4,693	2,571	378	541	8,184	(2,055)	6,129

(Note) 1. Business classification methods and the names of the leading products belonging to each classification

(1) Business classification methods are based on business systems (organizations), and take into account line of business, product classification and sales configuration in making classifications.

(2) The names of leading products in each business classification

Semiconductors: Memories, system LSIs, discrete semiconductors

Electronic components: Display devices, power supplies, electromechanical parts

Electronic equipment: Systems equipment, facilities equipment

Ryosan products: Heat sinks (devices that dissipate the heat generated by semiconductors)

2. "Accounting standards for evaluating inventory assets" (Corporate accounting standards vol. 9, July 5, 2006) have been applied since the consolidated first quarter, and evaluation standards have been changed from the lower of cost or market method to the cost method (the method of writing down based on decreases in profitability).

As a result, in comparison with cases where the conventional method was used, operating income for this first three quarters decreased by 15 million yen in "semiconductors," by 5 million yen in "electronic components" and by 4 million yen in "Ryosan products." Also, there was a 3 million yen increase in "electronic equipment."

For the Consolidated First Three Quarters of the Fiscal Year Ending March 31, 2010

(April 1, 2009 to December 31, 2009)

(Millions of yen)

	Semi-conductors	Electronic Components	Electronic Equipment	Ryosan Products	Total	Eliminations or Corporate	Consolidated
Sales and Operating Income							
Sales:							
(1)Sales to External Customers	71,776	45,701	20,038	3,387	140,903	—	140,903
(2)Internal Sales between Segments of Exchange	—	—	—	—	—	—	—
Total Sales	71,776	45,701	20,038	3,387	140,903	—	140,903
Operating Income	2,229	1,628	545	330	4,734	(1,509)	3,225

(Note) 1. Business classification methods and the names of the leading products belonging to each classification

(1) Business classification methods are based on business systems (organizations), and take into account line of business, product classification and sales configuration in making classifications.

(2) The names of leading products in each business classification

Semiconductors: Memories, system LSIs, discrete semiconductors

Electronic components: Display devices, power supplies, electromechanical parts

Electronic equipment: Systems equipment, facilities equipment

Ryosan products: Heat sinks (devices that dissipate the heat generated by semiconductors)

**[Geographical Segment Information]**

For the Consolidated First Three Quarters of the Fiscal Year Ended March 31, 2009  
(April 1, 2008 to December 31, 2008)

(Millions of yen)

	Japan	Asia	Total	Eliminations or Corporate	Consolidated
Sales and Operating Income					
Sales:					
(1)Sales to External Customers	126,226	56,255	182,481	—	182,481
(2)Internal Sales between Segments of Exchange	9,095	240	9,335	(9,335)	—
Total Sales	135,321	56,495	191,816	(9,335)	182,481
Operating Income	4,142	1,591	5,733	395	6,129

(Note) 1. Segmentation of countries and regions is based on geographic proximity.

2. Principal countries and regions:

Asia: Hong Kong, Singapore, Taiwan, Malaysia and others

3. “Accounting standards for evaluating inventory assets” (Corporate accounting standards vol. 9, July 5, 2006) have been applied since the consolidated first quarter, and evaluation standards have been changed from the lower of cost of market method to the cost method (the method of writing down based on decreases in profitability).

As a result, in comparison with cases where the conventional method was used, operating income for this consolidated first three quarters decreased by 19 million yen for “Japan,” and by 2 million yen for “Asia.”

For the Consolidated First Three Quarters of the Fiscal Year Ending March 31, 2010  
(April 1, 2009 to December 31, 2009)

(Millions of yen)

	Japan	Asia	Total	Eliminations or Corporate	Consolidated
Sales and Operating Income					
Sales:					
(1)Sales to External Customers	103,419	37,484	140,903	—	140,903
(2)Internal Sales between Segments of Exchange	5,994	496	6,491	(6,491)	—
Total Sales	109,414	37,980	147,395	(6,491)	140,903
Operating Income	2,175	797	2,973	252	3,225

(Note) 1. Segmentation of countries and regions is based on geographic proximity.

2. Principal countries and regions:

Asia: Hong Kong, Singapore, Taiwan, China, Malaysia and others

**[Overseas Sales]**

For the Consolidated First Three Quarters of the Fiscal Year Ended March 31, 2009  
(April 1, 2008 to December 31, 2008)

(Millions of yen)

	Asia	Total
Overseas Sales	70,665	70,665
Consolidated Net Sales	—	182,481
Ratio of Overseas Sales to Consolidated Net Sales (%)	38.7	38.7

(Note) 1. Segmentation of countries and regions is based on geographic proximity.

2. Principal countries and regions:

Asia: Hong Kong, Korea, China, Taiwan and others

3. Overseas sales are net sales in countries and regions other than those to which Ryosan and its subsidiaries are based in (but excluding inter-group sales).

For the Consolidated First Three Quarters of the Fiscal Year Ending March 31, 2010  
(April 1, 2009 to December 31, 2009)

(Millions of yen)

	Asia	Total
Overseas Sales	47,765	47,765
Consolidated Net Sales	—	140,903
Ratio of Overseas Sales to Consolidated Net Sales (%)	33.9	33.9

(Note) 1. Segmentation of countries and regions is based on geographic proximity.

2. Principal countries and regions:

Asia: Hong Kong, Korea, China, Taiwan and others

3. Overseas sales are net sales in countries and regions other than those to which Ryosan and its subsidiaries are based in (but excluding inter-group sales).

**(6) Notes Regarding Substantial Changes in Shareholders' Equity**

None.