

Shareholders Social Meeting

June 25, 2010

Ryosan Company, Limited

(This notice has been translated from the original notice in Japanese. In the event of any discrepancy between this translation and Japanese original, Japanese version shall prevail.)

Today's report

1. Introduction of the new board structure
2. “Business Results for Fiscal 2009” and
“Forecasts of Results for Fiscal 2010”
3. “Business Management Effort” for Fiscal 2010
4. Questions and Answers

Introduction of the New Board Structure

New board structure

Representative Director	Naoto Mimatsu	President	Director	Tsuyoshi Koyama	General Manager, 2nd Domestic Marketing and Sales Headquarters
Senior Managing Director	Harumitsu Seki	General Manager, Finance and Accounting Headquarters	Director	Satoshi Takabayashi	General Manager, Production Headquarters
Managing Director	Hiroshi Shibuya	General Manager, Sales Administration Headquarters (Concurrent positions held) General Manager, International Marketing and Sales Headquarters	Director	Takeshi Honda	General Manager, Administrative Headquarters
Managing Director	Katsuyuki Suzuki	General Manager, Semiconductor Business Headquarters	Director	Koji Honma	In charge of Overseas Semiconductor Products Marketing
Managing Director	Isao Hayashi	General Manager, 1st Domestic Marketing and Sales Headquarters (Concurrent positions held) General Manager, 3rd Domestic Marketing and Sales Headquarters General Manager, Electronic Components Business Headquarters	Auditor	Naotsugu Kasuya	(Full-time)
			Auditor	Yukio Tanaka	(Full-time)
			Auditor	Tsuneo Sato	
			Auditor	Kotaro Nakano	
Managing Director	Itsuto Hamasaki	General Manager, Electronic Equipment Business Headquarters			
Director	Toshifumi Sakata	General Manager, Engineering Headquarters			

**“Business Results for Fiscal 2009” and
“Forecasts of Results for Fiscal 2010”**

Business Results for Fiscal 2009

Unit: ¥100 million

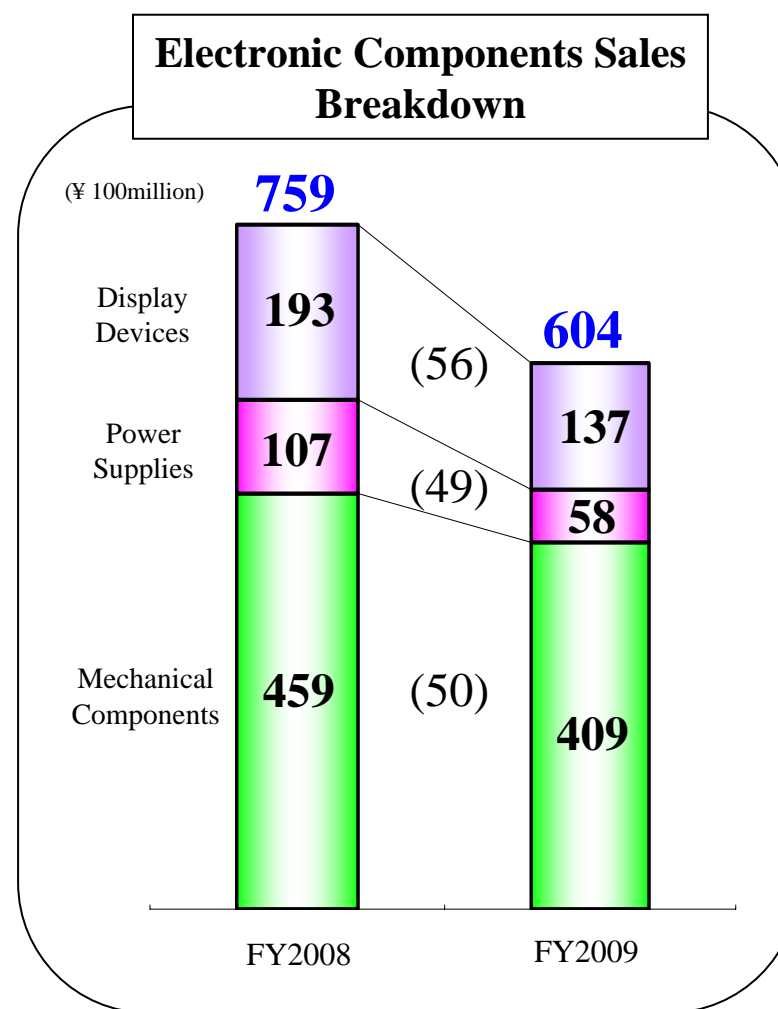
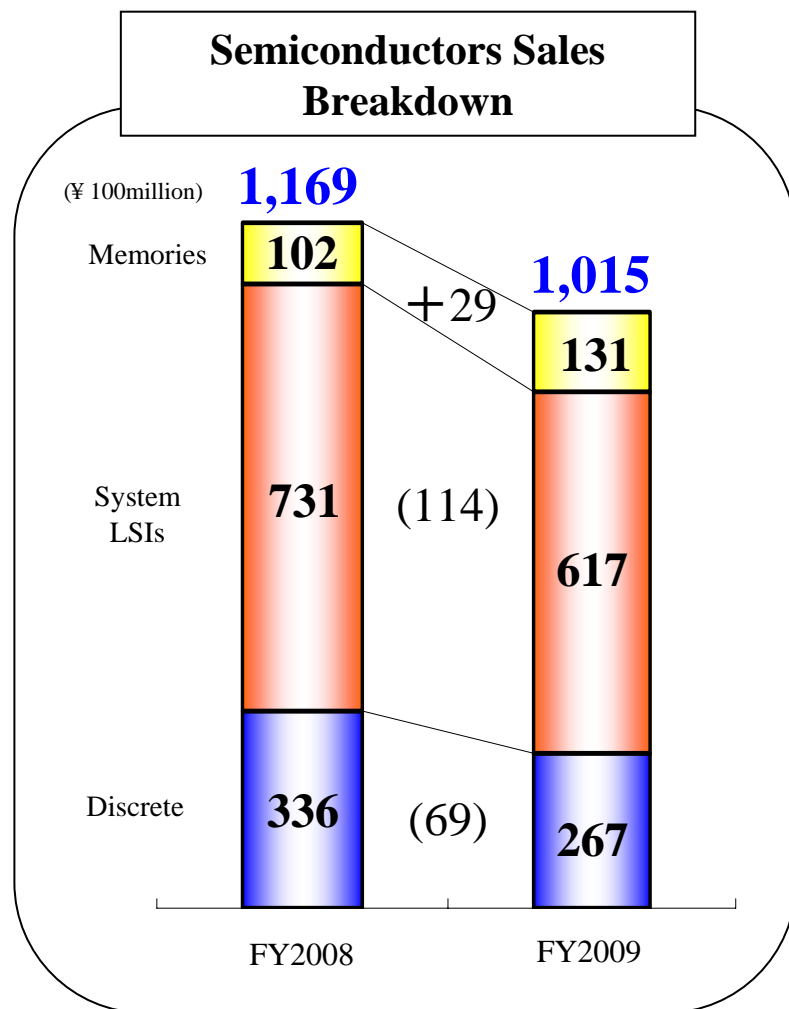
【 Consolidated 】

	FY2009		
		Of Total	% Chg. YoY
Net sales	1,943	%	%(12.0)
Gross margin	168	8.7	(14.0)
SG&A expenses	120	6.2	(10.3)
Operating income	47	2.5	(22.1)
Ordinary income	53	2.7	(26.9)
Net income	28	1.5	(26.8)
Earnings per share	¥83.21		(¥28.6)

【 Segment information by business type 】

		FY2009		
			OP Margin	% Chg. YoY
Semiconductors	Sales	1,015	%	%(13.2)
	Operating income	33	3.3	(31.9)
Electronic Components	Sales	604		(20.4)
	Operating income	23	3.8	(17.9)
Electronic Equipment	Sales	276		+29.7
	Operating income	7	2.8	+74.1
Ryosan Products (Heat sinks)	Sales	47		(29.7)
	Operating income	3	8.4	(22.5)
Unallocable Operating expenses		▲20	-	-
Consolidated	Sales	1,943		%(12.0)
	Operating income	47	2.5%	(22.1)%

Segment information by business type “Business Results for Fiscal 2009”

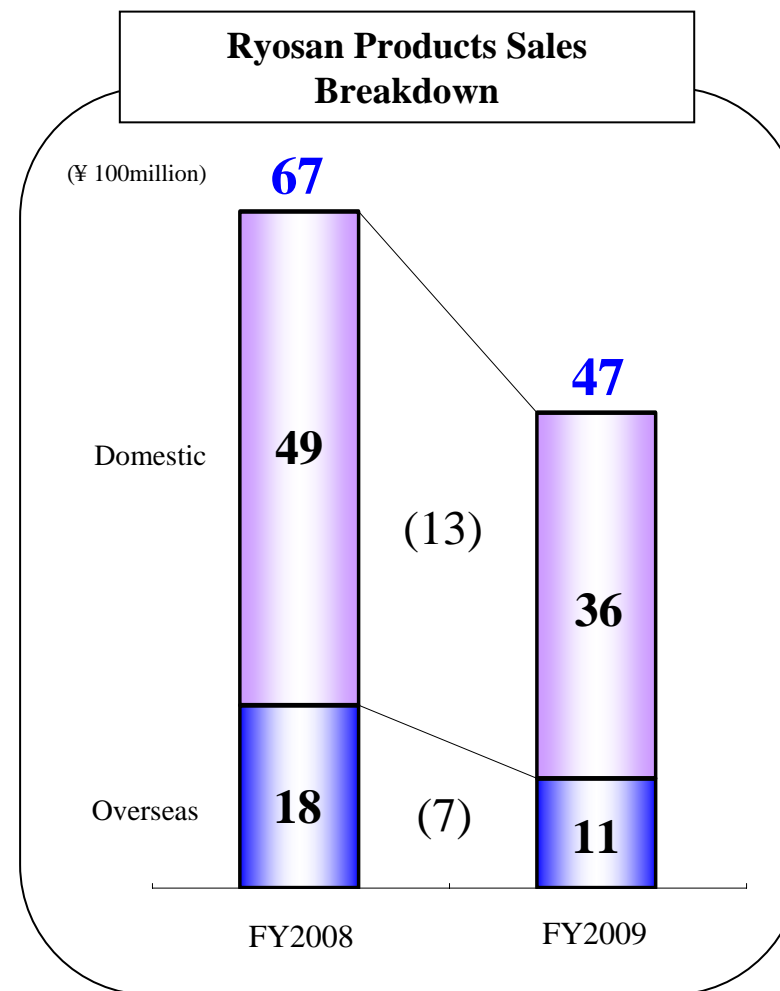
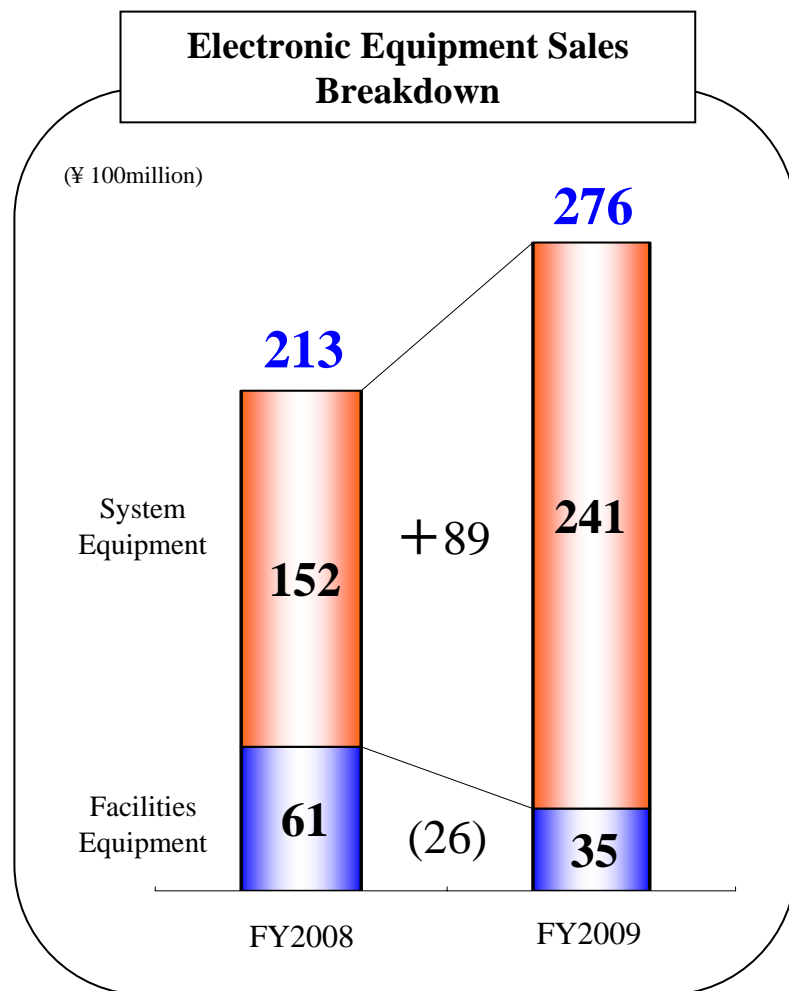


《Results for fiscal 2009》

- Sales of the system LSIs for digital AV devices and car audio as well as related products decreased.

- Sales of the rechargeable batteries for game consoles and LCDs for PNDs as well as related products decreased.

Segment information by business type “Business Results for Fiscal 2009”



《Results for fiscal 2009》

- Sales of the system equipment for automotive and electric and MFPs as well as related products increased.

- Sales of heat sinks for FA equipment as well as related products decreased.

Forecasts of Results for Fiscal 2010

Unit: ¥100 million

【 Consolidated 】

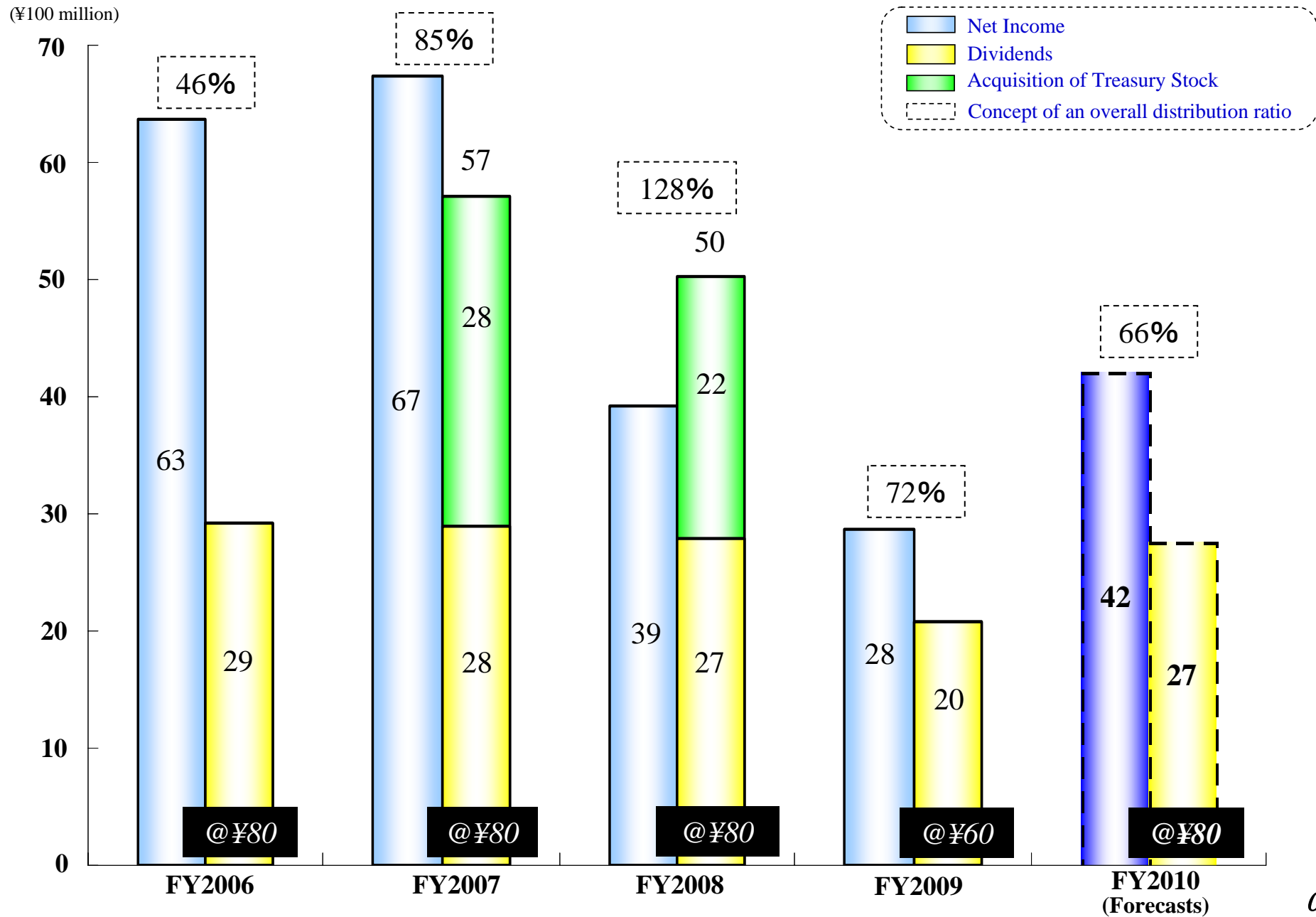
	FY2010(Forecast)		
		Of Total	% Chg. YoY
Net sales	2,150	%	+10.6%
Gross margin	185	8.6	+9.7
SG&A expenses	119	5.5	(1.5)
Operating income	66	3.1	+37.9
Ordinary income	72	3.3	+35.5
Net income	42	2.0	+46.5
Earnings per share	¥121.86		¥38.6

【 Segment information by business type 】

		FY2010 (Forecast)		
			OP Margin	% Chg. YoY
Semiconductors	Sales	1,250	%	+23.1%
	Operating income	53	4.2	+59.2
Electronic Components	Sales	607		+0.4
	Operating income	23	3.9	+1.4
Electronic Equipment	Sales	230		(16.8)
	Operating income	4	1.9	(43.0)
Ryosan Products (Heat sinks)	Sales	63		+33.5
	Operating income	7	11.1	+75.9
Unallocable Operating expenses		▲21	-	-
Consolidated	Sales	2,150		+10.6%
	Operating income	66	3.1%	+37.9%

【Reference】

Trend in “returning profits to shareholders”



**About the “Business Management Effort”
for Fiscal 2010**

- ◆ The business environment surrounding Ryosan is one in which our “true value as a company” is being requested by all stakeholders, including customers and suppliers.

【Important themes in business management】

⇒ Pursuing exchangeability of value with clients = Securing a workplace (field of performance) for employees

⇒ Response towards Renesas Electronics

[Management side]

Continual “policy proposal” utilizing the characteristics of RS

[Worker’s side]

Devote ourselves unflinchingly to CS activities, until reaching the point where customers say they “want to do business with RS.”

- ◆ Commence with new medium-term management plans from fiscal 2011.
 - Renesas Electronics, which is our major supplier and influences our business management the most, has just been founded, and so we will design a new medium-term management plan after checking its outlook.
 - We will select some themes from the themes of the 7th medium-term management plan, and use them as the “themes for fiscal 2010.”

【Important Themes】

Pursuing “exchangeability of value with clients (customers and suppliers)”
Response towards “Renesas Electronics”

【Themes Concerning Growth Strategies】

Business expansion for “overseas semiconductor resources”
Expansion of “China Bloc (Hong Kong, China and Taiwan) and Korean businesses”

【Themes Concerning Business Strategies】

“Electronic components business” “Electronic equipment business” “Products Business”

【Themes Concerning Management Infrastructure】

Improvement of “internal control” qualitatively
Response to “International Financial Reporting Standards”
Enhancement of the “RS (Ryosan) culture”

Pursuing “exchangeability of value with customers”

- ◆ Evolving into a partner who can speed up customers’ business expansions
- ◆ Continually enhancing consultation functions for times of trouble
- ◆ Further enhancing single-window functions

Pursuing “exchangeability of value with suppliers”

- ◆ Implementing strategic alignments and shared objectives
- ◆ Enhancing technical support capabilities in terms of both hardware and software
- ◆ Enhancing global customer support
- ◆ Building strong personal connections with customers

Response towards “Renesas Electronics”

- ◆ Make thorough efforts to promote our value (3 characteristics) as an specified sales distributor
 - Extensive sales network
 - Technological support capabilities
 - Sound corporate structure

- ◆ Swift development of systems for the “Renesas Electronics business”
 - Enhancing our marketing system for customers
 - Expanding overseas sales networks

Ryosan's Three Characteristics

Extensive Sales Network

- 27 bases have been developed in Japan
- Expanding overseas since the 1970s
- 21 bases have been developed mainly in Asia (11 of which are in China)

- We have a technical department that was established in the 1970s (and currently has around 250 staff)
- We offer close customer support for customers in East Asia
- We handle customer requirements right through to systems development, such as software (microcomputers) and hardware (ASIC).

Technical support capability

- Secure financial structure
- Ample funds for strategic investment
- Virtually debt-free

Sound corporate structure

① Extensive Sales Network

【Technical Support Network】

- 10 bases in Japan and Asia
(No. of engineers: about 250)

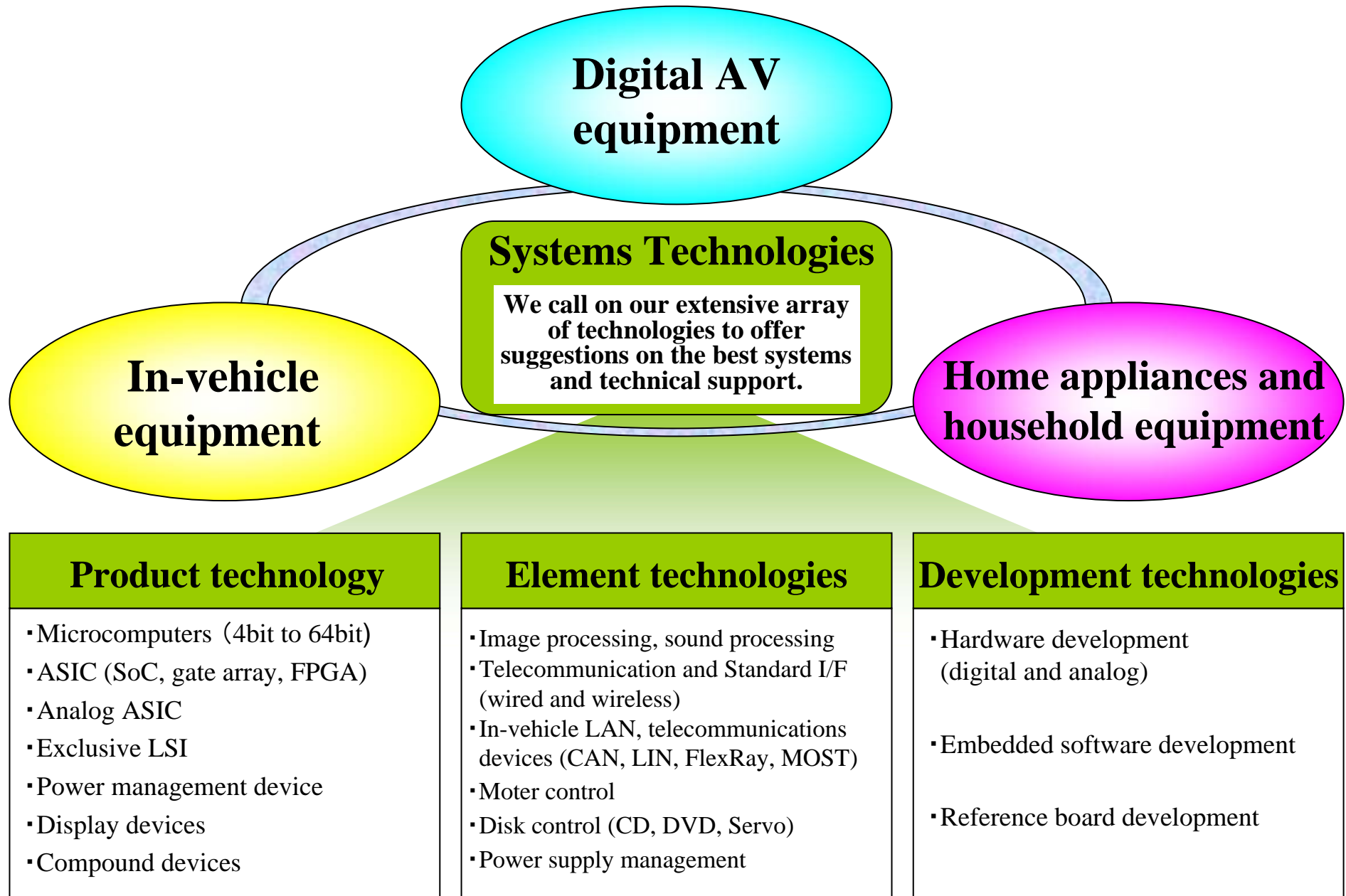
【Domestic Network】

- 27 bases have been developed, covering all of Japan

【Overseas Network】

- 21 bases have been developed mainly in Asia
- In particular, 11 bases are set up in mainland China (No. of local sales representatives: about 140)

② Technical support capability



③ Sound corporate structure

【 Summary of Balance Sheet Fiscal Year Ended March 31, 2010 】

(¥100 million)

(¥100 million)

<div style="border: 1px solid black; padding: 5px; background-color: #e0f0ff; margin-bottom: 10px;"> <p>Current assets</p> <p>1,368</p> </div> <div style="border: 1px solid black; padding: 5px; background-color: #e0ffe0;"> <p>Fixed assets</p> <p>247</p> </div>	<div style="border: 1px solid orange; padding: 5px; background-color: #fff9e6; margin-bottom: 10px;"> <p>Current liabilities</p> <p>415</p> </div> <div style="border: 1px solid orange; padding: 5px; background-color: #fff9e6; margin-bottom: 10px;"> <p>Long-term liabilities</p> <p>27</p> </div> <div style="border: 1px solid cyan; padding: 5px; background-color: #e0ffff;"> <p>Net assets</p> <p>1,172</p> </div>
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Total assets = 1,615



Safety Index

Equity ratio	72.5%
Current ratio	329.3%
Debt ratio	37.8%
Funds for strategic investment	504

▪ **A financial structure that is unaffected by recessions**

▪ **Funds sufficient for strategic investment**

Business expansion for “overseas semiconductor resources”

- ◆ Make three subsidiaries independent as soon as possible.
 - Strengthening of profitability through the expansion of business scale (to gain operating income early)
 - Accelerating corporate growth by developing business infrastructure

Saxis Co., Ltd.

⇒ Target increased sales focused primarily on businesses such as NXP and Intersil, etc.

Gyronics Co., Ltd.

⇒ Target increased sales focused primarily on businesses such as Cypress and Winbond, etc.

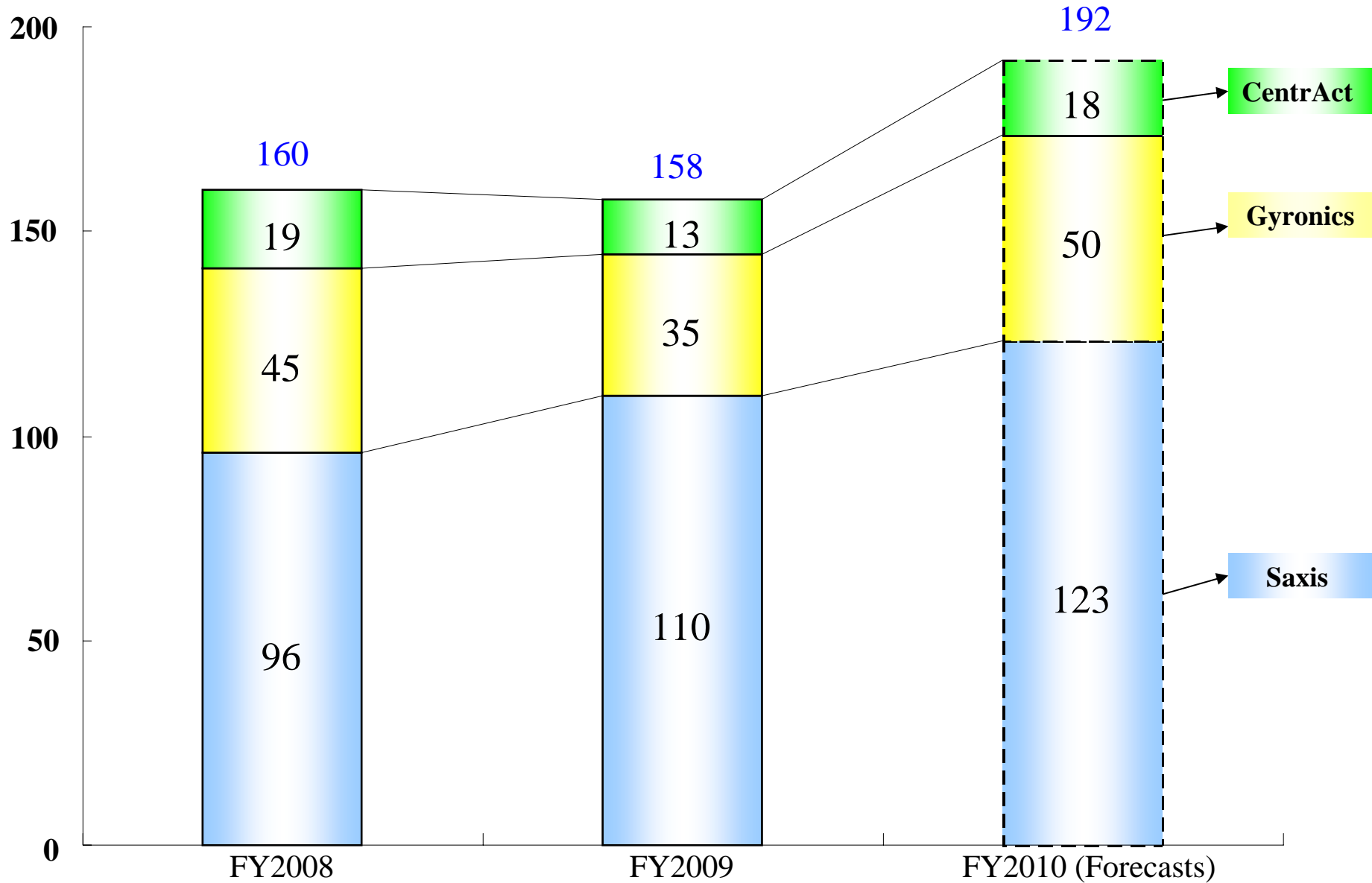
CentrAct Corporation

⇒ Target increased sales focused primarily on businesses such as ST Microelectronics, etc.

【Reference】

Trend in sales for “overseas semiconductor resources”

(¥100 million)



Expansion of “China Bloc business (Hong Kong, China and Taiwan)”

- ◆ Strengthening of the capability to suggest systems in cooperation with Chinese and Taiwanese distributors and design house, based on the products of Renesas Electronics

Chip Business

- ⇒ Initiatives devised by our PJ team for capturing key customers
 - ⇒ Digital AV, electric appliances

Kit Business

- ⇒ Sales strategies involving microcomputers and peripheral components
 - ⇒ Automotive and electronics, digital AV

Reference Business

- ⇒ Sales expansion strategies using demo-models (hardware and software)
 - ⇒ Automotive and electronics, digital AV

Solutions Business

- ⇒ Strategies involving turn-key solutions, through cooperation with Design House
 - ⇒ Automotive and electronics, TVs

Expansion of Korean business

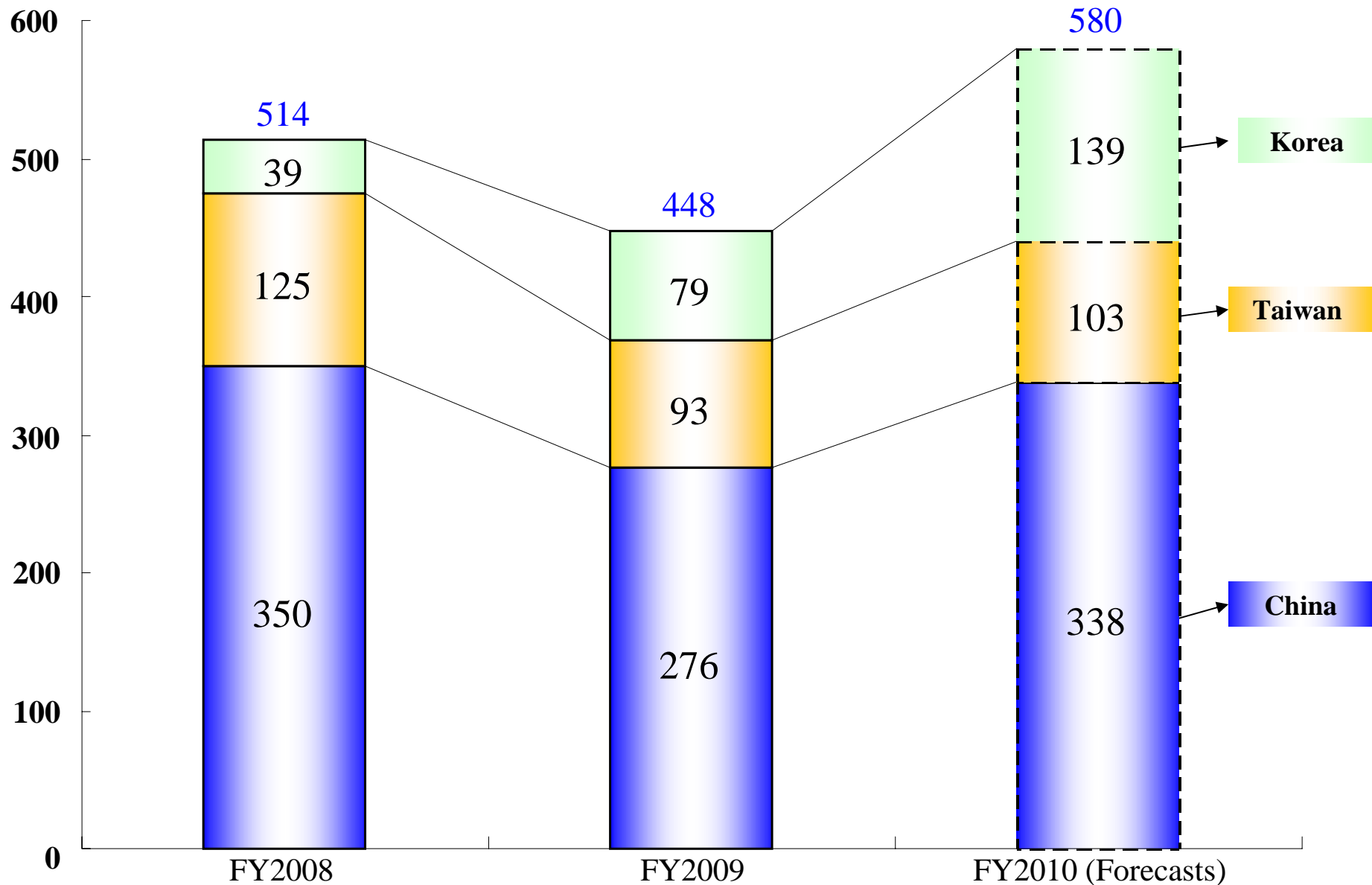
- ◆ Business Strategy based on three primary area (automotive and electronics, cell phones and STB-related products)
 - Semiconductors for inner automotive LANs ⇒ automotive and electronics
 - Semiconductors for image signal processing ⇒ cell phones
 - Control-semiconductors for TVs ⇒ STB-related products

 - Deepening connections through technical support
 - ⇒ Technical support from Japan + Local technical support in Korea

【Reference】

Trend in sales for “business in China Bloc and Korea”

(¥100 million)



Electronic Components Business

- ◆ Reforms towards “proposal-based business”
(Supplier-based organizations + segment- and customer-based projects)

Electronic Equipment Business

- ◆ “Shifting towards a multi-vendor setup” and “enhancing product lineup”

Products Business

- ◆ “Developing cost-competitiveness for global competition” and “enhancing our ability to provide proposals for new products”

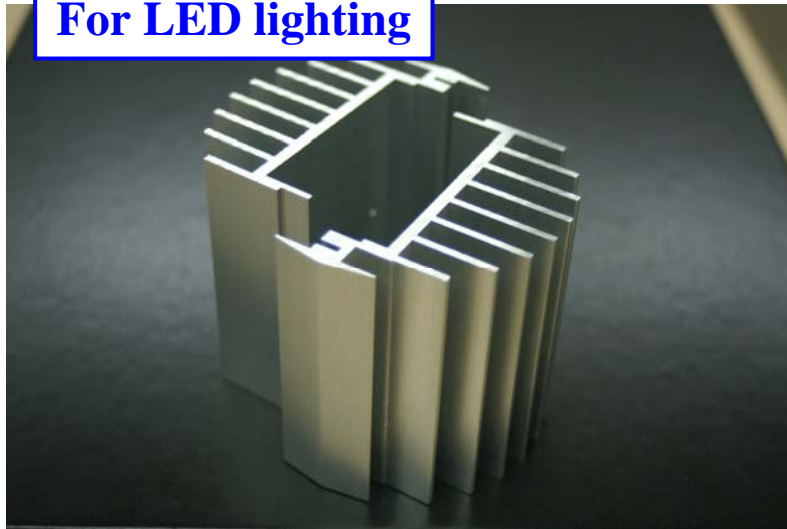
- ◆ Cultivate new markets (LED lighting, energy, and environment) based on “Ryosan Products business (heat sinks)”

<Business performance for fiscal 2009>

	Total	Photovoltaic batteries and fuel cells	LED lighting	EV
Number of design-in projects	18	12	5	1
Number of business deals	80	21	42	17
Number of samples	128	18	95	15

Business worth 200 million yen per year will be started

For LED lighting



<Exhibited at Lighting Japan in April 2010>

LED lamp



Improvement of “internal control” qualitatively

- ◆ Increasing onsite staffs’ comprehension of internal control

Response to “International Financial Reporting Standards”

- ◆ Starting project for adopting it.

Enhancement of the “RS (Ryosan) culture”

- ◆ Conducting the “RS training” for diffusing the awareness of CSR for 3 years

Image of achieving RS's "Reproduction Plan"

- As an electronics engineering trading company, in order to meet the needs of a society that is becoming increasingly globalized and high-speed, RS is now considering making reforms to a new business model, called a "Reproduction Plan."

