May 12, 2011

Earnings Report for Fiscal 2010, Ended March 31, 2011
[Japanese Standards] (Consolidated)

Company name:	Ryosan Company, Limited	Stock listing: First Section, Tokyo Stock Exchange	
Securities code:	8140	(URL http://www.ryosan.co.jp)	
Representative:	Naoto Mimatsu, President		
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Scheduled date of the Annual General Meeting of Shareholders June 24, 2011
Scheduled payment date of for fiscal year-end dividend: June 8, 2011
Scheduled filing date of the Annual Securities Report: June 27, 2011

(Millions of yen rounded down)

1. Consolidated results for the fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Consolidated operating results

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2010	216,154	11.2	6,078	27.0	6,883	29.6	4,130	44.0
Fiscal 2009	194,377	(12.0)	4,786	(22.1)	5,312	(26.9)	2,867	(26.8)

(Note) Comprehensive income
FY2010:3,181 million yen (8.1%) FY2009: 2,942 million yen (- %)

	Net income per share	Net income per share after dilution	Return on equity	Ordinary income to net assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal 2010	119.85	－	3.5	4.2	2.8
Fiscal 2009	83.21	－	2.5	3.4	2.5

(Reference) Equity in earnings (losses) of non-consolidated subsidiaries and affiliates:
FY2010 － million yen, FY2009 － million yen

(2) Consolidated financial position

	Total assets	Net assets	Net assets to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2011	163,479	117,780	72.0	3,413.87
March 31, 2010	161,593	117,263	72.5	3,398.82

(Reference) Shareholders equity:
March 31, 2011: 117,660 million yen, March 31, 2010: 117,143 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2010	(7,797)	(474)	929	43,239
Fiscal 2009	4,361	(639)	(3,113)	50,458

2. Dividends

(Millions of yen rounded down unless otherwise stated)

	Dividends per share (Yen)					Dividends (Full fiscal year)	Payout ratio (consolidated) %	Dividends to net assets ratio (consolidated) %
(Record date)	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual			
Fiscal 2009	－	20.00	－	40.00	60.00	2,067	72.1	1.8
Fiscal 2010	－	40.00	－	40.00	80.00	2,757	66.8	2.3
Fiscal 2011 (Forecast)	–	–	–	–	–		–	

(Note) The dividends for the fiscal year ending March 31, 2012 have not yet been decided, however, it shall be disclosed immediately after an assessment of the financial outlook.

3. Forecast of results for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

With regard to the Forecast of results for the fiscal year ending March 31, 2012, The Forecast of results for the fiscal year ending March 31, 2012 is not stated here because no reasonable prediction can be made about the results as of now. Please refer to the "1. Results of Operations (1) Analysis of Operating Results for Fiscal 2010 (Outlook for the Next Fiscal Period)" on Page 3, for more details.

4. Other

(1) Transfer of major subsidiaries during term (transfer of specified subsidiaries in line with changes in the consolidated range): No

(2) Changes to principles, procedures and display methods for accounting procedures

1. Changes in accordance with revisions to accounting standards and related practices: Yes
2. Changes in items other than 1. above: No

(Note) Please refer to "Change in Important Items Considered Fundamental to the Preparation of Consolidated Financial Statements" on page 22 of this document for details.

(3) Number of shares issued and outstanding (Common stock)

1. Total number of shares issued and outstanding (including treasury stock) as of the period-end:
   March 31, 2011: 34,500,000 shares   March 31, 2010: 34,500,000 shares
2. Total number of treasury stock as of the period-end:
   March 31, 2011: 34,704 shares   March 31, 2010: 34,000 shares
3. Average number of shares outstanding during the period
   March 31, 2011: 34,465,693 shares   March 31, 2010: 34,466,219 shares

(Reference) Overview of non-consolidated operating results

1. Non-consolidated results for the fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Non-consolidated operating results

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2010	161,035	6.2	3,368	16.1	5,239	11.9	3,168	17.3
Fiscal 2009	151,578	(8.5)	2,900	(28.8)	4,683	(23.0)	2,701	(9.2)

	Net income per share	Net income per share after dilution
	Yen	Yen
Fiscal 2010	91.94	—
Fiscal 2009	78.39	—

(2) Non-consolidated financial position

	Total assets	Net assets	Net assets to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2011	141,931	108,269	76.3	3,141.41
March 31, 2010	143,796	108,009	75.1	3,133.81

(Reference) Shareholders equity:
March 31, 2011: 108,269 million yen, March 31, 2010: 108,009 million yen

Presentation concerning implementation status of auditing procedures

Financial results for the fiscal year ending March 31, 2011 are not the subject of an auditing procedure based on the Financial Instruments and Exchange Act, and at the point in time when these financial results were disclosed, auditing procedures for financial statements based on the Financial Instruments and Exchange Act had not been completed.

Caution with respect to forward-looking statements:

Please refer to "1. Results of Operations (1) Analysis of Operating Results for Fiscal 2010 (Outlook for the Next Fiscal Period)" on page 3 of this document for outlook for the next fiscal period.

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1. Results of Operations

(1) Analysis of Operating Results for Fiscal 2010 (the Fiscal Year Ended March 31, 2011)

(Operating Results for Fiscal 2010)

1) Overview

In the fiscal year ended March 31, 2011, the unemployment rate became high and deflation worsened in advanced countries, and such structural problems as Sovereign Risk in Europe became more serious. Meanwhile, BRICS and other emerging countries and countries endowed with resources showed remarkable economic growth. Thus, the global economy structure changed greatly. In particular, the Asian economy grew remarkably and further strengthened its influence and driving force in the global economy. Under these circumstances, the Japanese economy showed moderate recovery. At the end of the fiscal year, however, the Japanese economy slowed down because of the Great East Japan Earthquake that forced many factories to stop production and damped personal consumption. Meanwhile, sales remained favorable in the electronics industry, in which we are engaged, due to the growing demand in emerging countries, the pickup of digital equipment demand in advanced countries, and the launch of smartphone and tablet PC businesses. In particular, the semiconductor market showed remarkable recovery and attained its highest ever business scale results. To increase sales under such circumstances, the Ryosan Group has powerfully promoted " expansion of our Renesas Electronics's business" – our core initiative – as well as "expansion of our overseas semiconductor resource business" and "expansion of our business within China Bloc", and has also strived towards "improving profitability."

As a result, in response to recovery in demand for semiconductors, etc., Ryosan Group reported increases in both revenues and earnings, with net sales of 216,154 million yen (up 11.2% from the previous year), operating income of 6,078 million yen (up 27.0%), ordinary income of 6,883 million yen (up 29.6%) and net income of 4,130 million yen (up 44.0%).

2) Business Segment Information

a. Semiconductors

At Ryosan Group, we sell memories, system LSIs and discrete semiconductors, and develop system LSIs. In this consolidated fiscal year, sales of system LSIs for car audio equipment and flat screen TVs, etc. increased, with net sales of 123,786 million yen (up 21.9% from the previous year), and operating income came to 4,589 million yen (up 37.8%).

b. Electronic Components

At Ryosan Group, we sell display devices, power supplies and electromechanical components. In this consolidated fiscal year, sales of electromechanical components for game console, rechargeable batteries for DSC, etc. decreased, with net sales of 60,034 million yen (down 0.7% from the previous year) and operating income of 2,246 million yen (down 3.1%).

c. Electronic Equipment

At Ryosan Group, we sell systems equipment and facilities equipment. In this consolidated fiscal year, sales of systems equipment for MFP etc. decreased, with net sales of 25,859 million yen (down 6.5% from the previous year) , however, increased in operating income of 907 million yen (up 17.4%).

d. Ryosan Products

At Ryosan Group, we produce and sell heat sinks (devices that dissipate the heat generated by semiconductors). In this consolidated fiscal year, sales of heat sinks for FA equipment etc. increased, with net sales of 6,474 million yen (up 37.2% from the previous year) and operating income of 486 million yen (up 22.0%).

The aforementioned amounts do not include consumption and other taxes.

(Outlook for the Next Fiscal Period)

Looking ahead, the global economy’s gradual expansion is expected to continue, as it will be boosted by the growth seen in emerging countries, including China. Against the backdrop of this forecast operating environment, Ryosan Group will promote and pursue two key initiatives: "Construction of a management structure strong enough to survive in the global age" and "Exploitation of new markets to support future growth."

In terms of performance, we cannot make predictions because the influence of the Great East Japan Earthquake on the Group is still not clear as of now. While watching future trends carefully, we will disclose predicted performance when available.

(2) Analysis of Financial Condition

(Analysis of Assets, Liabilities, Net Assets and Cash Flows)

1) Status of Assets, Liabilities and Net Assets as of March 31, 2011

a. Assets

Total assets as of March 31, 2011 stood at 163,479 million yen, an increase of 1,886million yen compared with the end of the previous fiscal year. This was mainly due to a decrease of 7,219 million yen in cash and deposits, and an increase of 8,473 million yen in merchandises and finished products.

b. Liabilities

Total liabilities increased by 1,369 million yen compared with March 31, 2010 to reach 45,698 million yen. This was primarily attributable to short-term loans payable in foreign currency increasing by 3,873 million yen etc.

c. Net Assets

Net assets increased by 517 million yen compared with March 31, 2010 to reach 117,780 million yen. This was due to retained earnings increasing by 1,469 million yen. The ratio of net assets to total assets fell from 72.5% at the end of the previous fiscal year to 72.0% as of March 31, 2011.

2) Status of Cash Flows

Cash and cash equivalents as of March 31, 2011 stood at 43,239 million yen; a decrease of 7,219 million yen compared with the end of the previous fiscal year.

a. Cash Flows from Operating Activities

Regarding cash flow from operating activities in this consolidated fiscal year, however net income before income taxes being 6,909 million yen, funds in total decreased by 7,797 million yen. This is due to accounts payable and inventories increasing by 1,448 million yen and 8,345 million yen respectively, accounts payable decreasing by 2,370 million yen, as well as an income taxes payment of 2,303 million yen. Cash flow from operating activities increased by 4,361 million yen from the previous year.

b. Cash Flows from Investing Activities

Regarding cash flow from investing activities in this consolidated fiscal year, funds decreased by 474 million yen due to 255 million yen in purchases of property, plant and equipment, 223 million yen in purchase of intangible fixed assets. Cash flow from investing activities decreased by 639 million yen from the previous year.

c. Cash Flows from Financing Activities

Regarding cash flow from financing activities in this consolidated fiscal year, however 2,757 million yen in dividend paid , funds increased by 929 million yen due to an increase in short-term loans in foreign currency of 3,780 million yen etc. Cash flow from financing activities decreased by 3,113 million yen from the previous year.

(Reference) Trends in cash flow-related indicators

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Net assets to total assets (%)	65.6	68.3	78.1	72.5	72.0
Net assets to total assets (%) (Market capitalization basis)	60.3	48.0	47.4	50.8	42.2
Cash flow to Interest-bearing Liabilities (Years)	0.6	0.5	0.3	0.9	–
Interest coverage ratio (Times)	24.0	37.4	107.3	101.4	–

Net assets to total assets: Net assets / Total assets
Net assets to total assets (Market capitalization basis): Market capitalization / Total assets
Cash flow to Interest-bearing liabilities: Interest-bearing liabilities / Cash flow
Interest coverage ratio: Cash flow / Interest expense
*All indicators have been calculated from consolidated financial figures.
*Market capitalization was calculated based on the number of shares issued and outstanding less treasury stock.
*Cash flow refers to cash flows from operating activities as shown on the consolidated statements of cash flows. Interest-bearing liabilities comprise all debt on which interest was paid in the liabilities section of the consolidated balance sheets. Interest expense represents interest paid as shown on the consolidated statements of cash flows.

(3) Basic Policy Regarding the Allocation of Profits / Dividends for Fiscal 2010 and Fiscal 2011

【Basic Policy Regarding the Allocation of Profits】

Ryosan recognizes that the return of profits to shareholders is an important business priority. At the same time, the Company works to increase consolidated basic net income per share. Accordingly, Ryosan's fundamental policy is to continue high dividend payout in profits returned to shareholders, and the Company is targeting a consolidated dividend payout ratio of 50% or more. With regard to purchasing of own shares, the Company plans to make decisions in an integrated manner, with consideration given to trends in consolidated results and other matters.

【Dividends for Fiscal 2010 and Fiscal 2011】

For the fiscal year ended March 31, 2011, Ryosan has declared a fiscal year-end ordinary dividend of ¥40 per share. Together with the interim ordinary dividend, the Company will pay an ordinary dividend payment for the full fiscal year of ¥80 per share.

With regard to the dividend payment for the fiscal year ending March 31, 2012, Ryosan will announce the par share payment on the time of disclosure of the financial forecast for the fiscal year ending March 31, 2012.

(4) Business Risk

The Ryosan Group, its performance, share price, and financial position, are subject to a variety of potential risks, some of which are detailed briefly as follows.

Forward-looking statements contained in this section represent judgments of Ryosan Group's management based on information available as of the end of fiscal 2010 (March 31, 2011).

1) Sudden Changes in the Economic Environment

The Ryosan Group's consolidated revenues are derived from the level of demand generated by customers of device manufacturers. Against this backdrop, the Group's performance is necessarily impacted by changes in economic conditions in those countries and regions in which Ryosan's principal clients operate. As a result, Ryosan's performance and its financial position can be expected to deteriorate in the event of economic downturn and a resulting slowdown in demand in its principal markets, such as Japan, Asia and other regions.

2) Contracts with suppliers

The Ryosan Group has concluded agency agreements with several suppliers inside and outside Japan. We have maintained good business relations with them, but if it becomes difficult to continue these agreements due to the restructuring of suppliers' businesses, including M&A etc, and the revision of sales channel strategies, this may cause adverse effects on the business performance and financial status of Ryosan Group.

3) Exchange Rate Fluctuation

The Ryosan Group engages in the manufacture and sale of products across a number of regions including Japan, Asia and other countries. In preparing consolidated financial statements, sales, expenses, assets and liabilities, denominated in foreign currencies are translated into yen as of the Company's balance sheet date. In principle, appreciation of the yen against major currencies impacts negatively on Ryosan's performance, while a weak yen impacts favorably. As a result, Ryosan's consolidated operating results and financial position are subject to fluctuations in foreign exchange rates.

4) Overseas Business Risk

The Ryosan Group does not operate in Japan alone. It also operates overseas, mainly in Asia. As a result it is exposed to the following risks. The materialization of any of the following risks could adversely affect the Ryosan Group's operating results and its financial position.

a. Unforeseen changes in statutory and regulatory requirements and adverse changes in tax requirements
b. Inadequate and insufficient local infrastructure in the countries in which the Ryosan Group operates
c. Development of adverse political factors
d. Social unrest arising out of war, acts of terrorism and other developments

5) Capital Market Volatility

As a part of its business activities the Ryosan Group holds shares in certain financial institutions, customers and suppliers, and is therefore susceptible to stock price fluctuations. Ryosan does not, however, adopt specific methods as a hedge against movements in stock prices. Accordingly, Ryosan's performance and financial position are subject to substantial changes in stock markets.

6) Liability for Retirement Benefits

Ryosan accounts for retirement benefit expenses and the liability for retirement benefits using certain assumptions and an expected rate of return applicable to the Group's pension plan assets for actuarial projections. In the event that the actual obligation differs from the projected obligation or there is a change in the assumptions leading to the calculation of the projected obligation, the difference in retirement benefit expenses and the liability for retirement benefits are accrued and amortized over a generally accepted period. As a result, any significant decline in the discount rate and expected rate of return applicable to the Group's pension plan assets can impact its performance and financial position.

7) Natural Disaster

The suspension of sales and production due to facility damage or power or water supply shortages caused by such natural disasters as earthquakes or typhoons or accidental disasters such as fire may adversely affect the business showings and financial standings of the Group. Also, if partners are damaged and the purchase and sale of merchandise is interrupted, the business showings of the Group may be adversely affected.

2. The Ryosan Group

The Ryosan Group comprises Ryosan Company, Limited ("Ryosan" or "the Company"), 12 consolidated subsidiaries and 7 non-consolidated subsidiaries.

Ryosan operates as a trading house that specializes in semiconductors, electronic components and electronic equipment, which it sells to manufacturers of electronic equipment and other customers both domestically and overseas. Ryosan also develops, manufactures and sells its own-brand products.

The following table provides an overview of industry segments and the activities of Ryosan and its consolidated subsidiaries.

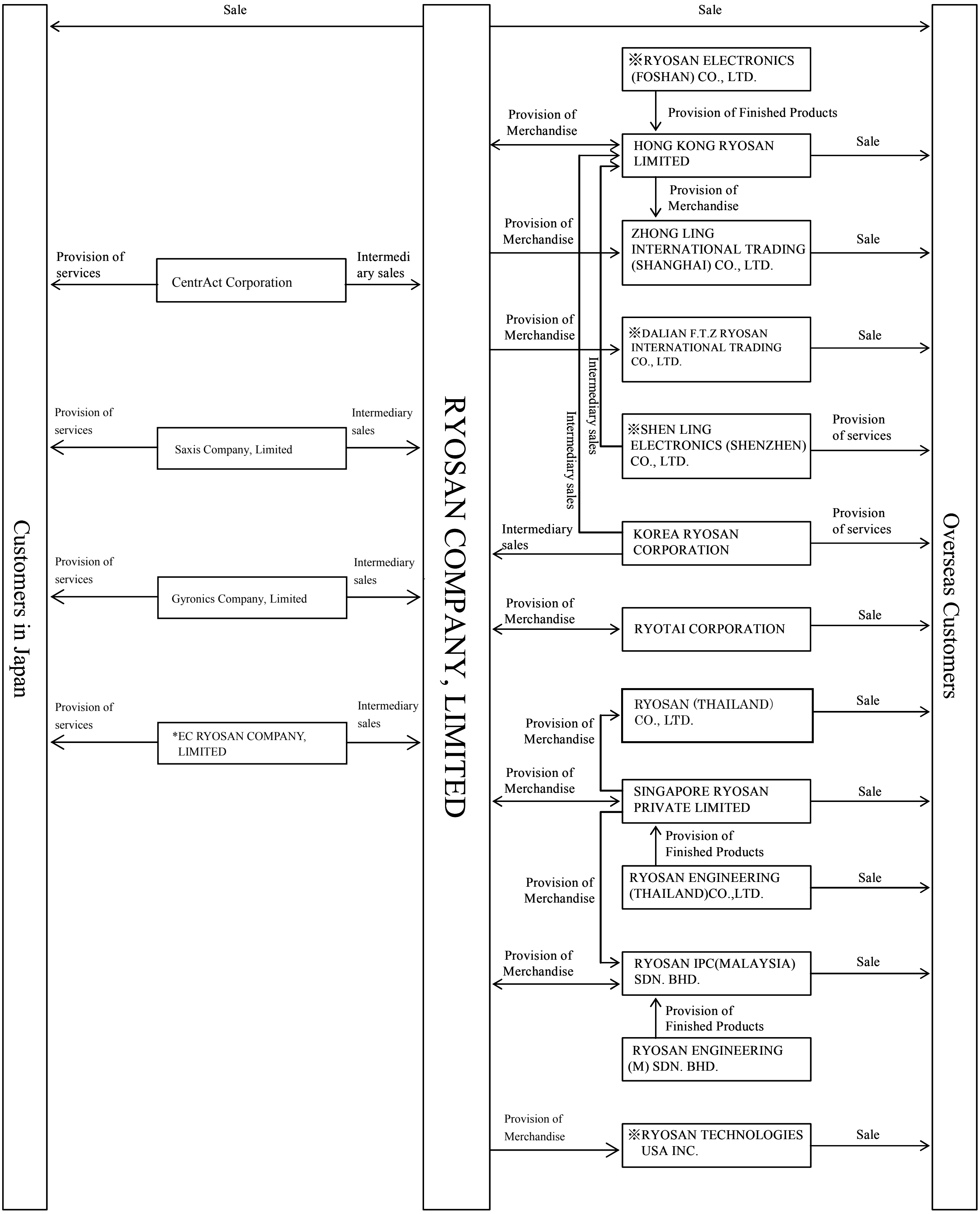
<table>
<tr><th>Segment</th><th>Main Products</th><th>Sales Companies</th><th>Development and Manufacturing Companies</th></tr>
<tr><td>Semiconductors</td><td>Memories
System LSIs
Discrete semiconductors</td><td rowspan="4">Ryosan Company, Limited
CentrAct Corporation
Saxis Company, Limited
Gyronics Company, Limited
HONG KONG RYOSAN LIMITED
SINGAPORE RYOSAN PRIVATE LIMITED
RYOTAI CORPORATION
RYOSAN IPC (MALAYSIA) SDN. BHD.
KOREA RYOSAN CORPORATION
ZHONG LING INTERNATIONAL TRADING (SHANGHAI) CO., LTD.
RYOSAN (THAILAND) CO., LTD.</td><td></td></tr>
<tr><td>Electronic Components</td><td>Display devices
Power supplies
Mechanical components</td><td></td></tr>
<tr><td>Electronic Equipment</td><td>Systems equipment
Facilities equipment</td><td></td></tr>
<tr><td>Ryosan Products</td><td>Heat sinks
(devices that dissipate the heat generated by semiconductors)</td><td>Ryosan Company, Limited
RYOSAN ENGINEERING (M) SDN.BHD.
RYOSAN ENGINEERING (THAILAND) CO., LTD.</td></tr>
</table>

Information about Ryosan's principal non-consolidated subsidiaries is as follows:

(Non-consolidated subsidiaries)

Company Name	Business Activities
EC Ryosan Company, Limited	Commission sales of electronic components
RYOSAN TECHNOLOGIES USA INC.	Sales of semiconductors and electronic components
DALIAN F.T.Z. RYOSAN INTERNATIONAL TRADING CO., LTD.	Sales of semiconductors and electronic components
SHEN LING ELECTRONICS (SHENZHEN) CO., LTD.	Commission sales of semiconductors and electronic components
RYOSAN ELECTRONICS (FOSHAN) CO., LTD.	Manufacture and sales of heat sinks

The Group’s organization chart is provided as follows



Note: Companies identified with an asterisk are non-consolidated subsidiaries not accounted for by the equity method.
All other companies are consolidated subsidiaries.

3. Management Policies

(1) Fundamental Management Policies

Since our establishment, we have always been highly conscious of the fact that the corporation is a public institution. In addition, we now no longer see ourselves simply as a trading company, but as an electronic systems coordinator, providing a vital link between our customers' needs and electronics technology. We aim to achieve consistent long-term growth by stressing this social consciousness and our new role as a systems coordinator.

Three functions are vital to fulfilling our ambition of becoming an electronics system coordinator—the Information Function (supplying data), the Solutions Function (supplying technology), and the Distribution Function (supplying logistics). By constantly enhancing these three functions, Ryosan will raise customer satisfaction and increase its existence value.

(2) Targeted Management Indicators

The Ryosan Group has adopted net income per share and consolidated dividend payout ratio as key management indicators. Guided by these benchmarks, the Company aims to secure financial soundness while at the same time pursuing further improvements in its corporate value.

In line with our 8th Medium-Term Management Plan, which covers the period from fiscal 2011 through to fiscal 2013, the Company aims to improve net income per share and has set itself the target of securing "consolidated dividend payout ratio of more than 50%", "dividend on equity (DOE) of more than 2.5% (fiscal 2013)".

(3) Medium- and Long-Term Management Strategies

The Ryosan Group is confronted with an operating environment characterized by increasingly intense globalization and rapid change. Against this backdrop, demands for the corporate sector to more adequately fulfill their corporate social responsibility (CSR) have also risen.

Under these circumstances, the Ryosan Group formulated its 8th Medium-Term Management Plan, which covered the period from fiscal 2011 through to fiscal 2013. In line with its ongoing "Basic Stance," Ryosan continues to focus on the acceptance and evolution of global diversity as well as the pursuit of sound management under the growing uncertainty of the corporate environment.

To implement this basic stance, we will powerfully promote three kinds of basic strategies - Growth Strategies, Segment Strategies, and Infrastructure Strategies. The basic strategies are outlined below.

1. Growth Strategies

- Strengthening approach to developing countries of quick growth (China and India)
- Strengthening dealing with globalizing Japanese customers
- Strengthening exploitation in growing fields (car electronics, social infrastructure, etc.)

We will be committed to these three growth strategies.

2. Segment Strategies

- Strategy for semiconductor business
- Strategy for electronic components business
- Strategy for electronic equipment business
- Strategy for Ryosan Products business

We will strengthen these four segment strategies in terms of quality.

3. Infrastructure Strategies

- Strengthening business infrastructure (organization and system)
- Strengthening the cultivation of human resources
- Implementing financial strategies aimed to improve corporate value
- Improving information system
- Reinforcing management in terms of quality
- Strengthening Ryosan (RS) Culture

We will be committed to these six infrastructure strategies.

(4) Issues to be Addressed

Within the domestic and overseas electronics industries, the Ryosan Group's primary fields of business, major electronic equipment manufacturers are increasingly implementing a variety of countermeasures in response to the intensifying global competition. These countermeasures include a succession of capital and business tie-ups, moves to withdraw from unprofitable businesses and the decision to undertake business reorganization. A development of significance for Ryosan Group was one of their major suppliers, NEC Electronics, entering into a business merger with Renesas Technology. Many of our businesses with Renesas Electronics have just begun., By making full use of the "technical support capabilities," the "extensive network of sales channels" and the "sound financial position" that Ryosan Group has cultivated over many years, and thereby gaining the trust of clients, Ryosan has every confidence that it will be able to maintain and expand its operations.

The environment and market structure surrounding Ryosan Group has changed significantly due to the rise of emerging countries, including China. In response to this situation, the Company recognizes that in addition to accelerating overseas business with the Japanese companies that form the core of its business, it must also significantly increase its business with foreign companies. To this end, Ryosan intends to boldly pursue "Strengthening approach to developing countries of quick growth (China and India)," "Strengthening dealing with globalizing Japanese customers," and "Strengthening exploitation in growing fields (car electronics, social infrastructure, etc.)" as growth strategies.
We understand our imminent problem that our profit structure is worsening under the influence of not only the Great East Japan Earthquake but also the agency policies of main suppliers and the selling and administrative expenses that are increasing in order to improve business foundations. Therefore, the Group will be committed to the construction of a management structure based on "Govern your mouth according to your purse."
In any case, the Ryosan Group is committed to firmly raising its presence and value by overcoming these challenges and to ensure that the Group generates performance improvements that accurately reflect this value. In this manner, Ryosan places the utmost importance on addressing the expectations and needs of all stakeholders including shareholders.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2010 (As of March 31, 2010)	Fiscal Year Ended March 31, 2011 (As of March 31, 2011)
ASSETS		
Current assets		
Cash and deposits	50,459	43,240
Trade notes and accounts receivable	67,427	68,709
Merchandise and finished products	14,135	22,609
Work in process	116	129
Raw materials and stored goods	196	224
Accrued income	3,745	4,472
Income tax refund receivable	20	10
Deferred tax assets	522	400
Other current assets	341	288
Allowance for doubtful accounts	(125)	(63)
Total current assets	136,840	140,021
Fixed assets		
Property, plant and equipment		
Buildings and structures	10,774	10,752
Accumulated depreciation	(5,897)	(6,106)
Buildings and structures (net)	4,876	4,645
Land	8,132	8,126
Lease assets	591	615
Accumulated depreciation	(263)	(359)
Lease assets (net)	327	255
Other fixed assets	4,322	4,357
Accumulated depreciation	(3,455)	(3,702)
Other fixed assets (net)	867	654
Total property, plant and equipment	14,203	13,682
Intangible fixed assets	610	701
Investments and other assets		
Investment securities	3,492	3,156
Long-term deposits	3,500	3,000
Deferred tax assets	1,597	1,571
Other	2,530	2,447
Allowance for doubtful accounts	(1,093)	(975)
Allowance for loss on investments	(89)	(127)
Total Investments and other assets	9,938	9,072
Total fixed assets	24,752	23,457
Total assets	161,593	163,479

(Millions of yen)

	Fiscal Year Ended March 31, 2010 (As of March 31, 2010)	Fiscal Year Ended March 31, 2011 (As of March 31, 2011)
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	33,521	31,219
Short-term bank loans	3,748	7,621
Lease obligations	139	116
Accrued expenses	1,104	995
Accrued income taxes	1,219	1,402
Other current liabilities	1,821	1,745
Total current liabilities	41,554	43,100
Long-term liabilities		
Lease obligations	261	194
Employees' retirement benefits	2,236	2,327
Other long-term liabilities	276	76
Total long-term liabilities	2,775	2,597
Total liabilities	44,329	45,698
NET ASSETS		
Shareholder's equity		
Common stock	17,690	17,690
Additional paid-in capital	19,114	19,114
Retained earnings	82,136	83,606
Treasury stock	(83)	(85)
Total shareholders' equity	118,857	120,325
Other accumulated comprehensive incomes		
Net unrealized gain on other marketable securities	439	295
Gain (loss) on deferred hedges	7	(6)
Foreign currency translation adjustments	(2,160)	(2,954)
Total other accumulated comprehensive incomes	(1,713)	(2,665)
Minority interests	120	120
Total net assets	117,263	117,780
Total liabilities and net assets	161,593	163,479

(2) Consolidated Statements of Income and Consolidated Comprehensive Statements of Income

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Net sales	194,377	216,154
Cost of Sales	177,506	197,125
Gross Profit	16,870	19,028
Selling, general and administrative expenses		
Packing and freight expenses	621	686
Provision of allowance for doubtful accounts	73	―
Directors' remuneration	413	518
Employees' salaries	3,118	3,490
Bonuses	1,049	1,141
Retirement benefit expenses	444	386
Employee benefits	683	760
Depreciation and amortization	876	676
Others	4,803	5,287
Total selling, general and administrative expenses	12,083	12,949
Operating income	4,786	6,078
Non-operating income		
Interest income	101	107
Dividend income	115	153
Gain on foreign exchange	―	150
Management consultation fee	119	―
Proceeds from transfer of goodwill	94	219
Miscellaneous income	311	318
Total non-operating income	743	949
Non-operating expenses		
Interest expense	42	88
Loss on foreign exchange	116	―
Compensational expenses	―	39
Miscellaneous expenses	57	17
Total non-operating expenses	217	145
Ordinary income	5,312	6,883
Extraordinary gains		
Gain on sales of property, plant and equipment	2	1
Gain on sales of investment securities	12	―
Gain on reversal of allowance for doubtful accounts	―	162
Reversal of allowance for investment loss	18	―
Total extraordinary gains	33	164
Extraordinary losses		
Loss on sales and disposal of property, plant and equipment	5	7
Impairment loss	78	11
Loss on sales of investment securities	14	―
Loss on devaluation of investment securities	47	81
Provision of allowance for investment loss	―	37
Loss on devaluation of golf membership rights	4	―
Total extraordinary losses	151	138
Income before income taxes and minority interests	5,195	6,909
Income taxes-current	2,227	2,502
Income taxes-deferred	97	268
Total income taxes	2,325	2,771
Income before Minority interest in income	―	4,137
Minority interests in income	2	6
Net income	2,867	4,130

(Consolidated Comprehensive Statements of Income)

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Income before Minority interest in income	—	4,137
Other comprehensive income		
Net unrealized gain on other marketable securities	—	(143)
Gain (loss) on deferred hedges	—	(13)
Foreign currency translation adjustments	—	(798)
Total other comprehensive income	—	(955)
Comprehensive Incomes	—	3,181
(Details)		
Comprehensive incomes relating to shareholders of parental company	—	3,178
Comprehensive incomes relating to minority shareholders	—	2

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Shareholders' equity		
Common stock		
Balance as of the end of the previous period	17,690	17,690
Increase (decrease) during the period		
Total increase (decrease) during the period	—	—
Balance as of the end of the period	17,690	17,690
Additional paid-in capital		
Balance as of the end of the previous period	19,114	19,114
Increase (decrease) during the period		
Disposal of treasury stock	(0)	(0)
Transfer to additional paid-in capital from retained earnings	0	0
Total increase (decrease) during the period	—	—
Balance as of the end of the period	19,114	19,114
Retained earnings		
Balance as of the end of the previous period	81,443	82,136
Increase (decrease) during the period		
Appropriation of earnings as cash dividends	(2,067)	(2,757)
Net income for the period	2,867	4,130
Change of scope of consolidation	(107)	96
Transfer to additional paid-in capital from retained earnings	(0)	(0)
Total increase (decrease) during the period	692	1,469
Balance as of the end of the period	82,136	83,606
Treasury stock		
Balance as of the end of the previous period	(82)	(83)
Increase (decrease) during the period		
Acquisition of treasury stock	(1)	(1)
Disposal of treasury stock	0	0
Total increase (decrease) during the period	(1)	(1)
Balance as of the end of the period	(83)	(85)
Total shareholders' equity		
Balance as of the end of the previous period	118,165	118,857
Increase (decrease) during the period		
Appropriation of earnings as cash dividends	(2,067)	(2,757)
Net income for the period	2,867	4,130
Acquisition of treasury stock	(1)	(1)
Disposal of treasury stock	0	0
Change of scope of consolidation	(107)	96
Transfer to additional paid-in capital from retained earnings	—	—
Total increase (decrease) during the period	691	1,468
Balance as of the end of the period	118,857	120,325

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Other accumulated comprehensive incomes		
Net unrealized gain on other marketable securities		
Balance as of the end of the previous period	14	439
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	425	(143)
Total increase (decrease) during the period	425	(143)
Balance as of the end of the period	439	295
Gain (loss) on deferred hedges		
Balance as of the end of the previous period	3	7
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	3	(13)
Total increase (decrease) during the period	3	(13)
Balance as of the end of the period	7	(6)
Foreign currency translation adjustments		
Balance as of the end of the previous period	(1,797)	(2,160)
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	(362)	(794)
Total increase (decrease) during the period	(362)	(794)
Balance as of the end of the period	(2,160)	(2,954)
Total other accumulated comprehensive incomes		
Balance as of the end of the previous period	(1,779)	(1,713)
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	66	(951)
Total increase (decrease) during the period	66	(951)
Balance as of the end of the period	(1,713)	(2,665)
Minority interests		
Balance as of the end of the previous period	113	120
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	6	0
Total increase (decrease) during the period	6	0
Balance as of the end of the period	120	120
Total net assets		
Balance as of the end of the previous period	116,499	117,263
Increase (decrease) during the period		
Appropriation of earnings as cash dividends	(2,067)	(2,757)
Net income for the period	2,867	4,130
Acquisition of treasury stock	(1)	(1)
Disposal of treasury stock	0	0
Change of scope of consolidation	(107)	96
Transfer to additional paid-in capital from retained earnings	—	—
Net changes in items excluding shareholders' equity during the period	72	(951)
Increase (decrease) during the period	764	517
Balance as of the end of the previous period	117,263	117,780

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Operating activities		
Income before income taxes	5,195	6,909
Depreciation and amortization	1,018	827
Impairment loss	78	11
Increase (decrease) in allowance for doubtful accounts	67	(167)
Increase (decrease) in employees' retirement benefits	142	93
Increase (decrease) in allowance for loss on investments	(18)	37
Interest and dividend income	(217)	(260)
Interest expense	42	88
(Gain) loss on sales and disposal of property, plant and equipment	3	6
(Gain) loss on devaluation of investment securities	47	81
Other income (loss)	(142)	(538)
(Increase) decrease in accounts receivable	(11,453)	(1,448)
(Increase) decrease in inventories	345	(8,345)
Increase (decrease) in accounts payable	11,764	(2,370)
Increase (decrease) in other assets and liabilities	(1,763)	(595)
Subtotal	5,110	(5,673)
Interest and dividends received	219	263
Interest paid	(43)	(83)
Income taxes (paid) refund	(924)	(2,303)
Net cash provided by operating activities	4,361	(7,797)
Investing activities		
Net decrease (increase) in time deposits	(1)	—
Purchases of property, plant and equipment	(681)	(255)
Proceeds from sale of property, plant and equipment	5	9
Purchases of intangible fixed assets	(87)	(223)
Proceeds of sale of intangible fixed assets	9	—
Purchases of investment securities	(23)	—
Proceeds of sale of investment securities	58	—
Capital stock paid-in	—	(5)
Increase in loans	—	(1)
Proceeds from collection of loans	81	2
Net cash used in investing activities	(639)	(474)
Financing activities		
Increase (decrease) in short-term borrowings, net	(882)	3,780
Payment of refund of lease obligations	(159)	(90)
Repurchase of treasury stock	(1)	(1)
Proceeds from retirement of treasury stock	0	0
Cash dividends paid	(2,067)	(2,757)
Cash dividends paid to minority shareholders	(1)	(2)
Net cash used in financing activities	(3,113)	929
Effect of foreign currency translation adjustments on cash and cash equivalents	(161)	(291)
Net increase (decrease) in cash and cash equivalents	447	(7,633)
Cash and cash equivalents at the beginning of the period	50,003	50,458
Increase in cash and cash equivalents from newly consolidated subsidiary	8	414
Cash and cash equivalents at the end of the period	50,458	43,239

(5) Notes regarding going concern

Not applicable.

(6) Important Items Considered Fundamental to the Preparation of Consolidated Financial Statements

Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
1 Scope of Consolidation (1) Number of consolidated subsidiaries: 11 Names of principal consolidated subsidiaries: The names of principal consolidated subsidiaries are outlined in section 2. The Ryosan Group of this report. Accordingly, this information has been omitted. In this consolidated fiscal year, CentrAct Corporation. became more important, as Saxis Company, Limited. and Gyronics Company, Limited. started their businesses. Accordingly, its business performance was included within the scope of consolidation. (2) Names of principal non-consolidated subsidiaries: EC Ryosan Company, Limited The reason for exclusion from the scope of consolidation: The assets, net sales, net income (loss) and retained earnings (the amounts equivalent to equity shareholdings) of 8 non-consolidated subsidiaries are considered insignificant and deemed to have immaterial impact on consolidated financial statements. As a result, these non-consolidated subsidiaries have been excluded from the scope of consolidation.	1 Scope of Consolidation (1) Number of consolidated subsidiaries: 12 Names of principal consolidated subsidiaries: The names of principal consolidated subsidiaries are outlined in section 2. The Ryosan Group of this report. Accordingly, this information has been omitted. In this consolidated fiscal year, RYOSAN (THAILAND) CO., LTD. became more important. Accordingly, its business performance was included within the scope of consolidation. (2) Names of principal non-consolidated subsidiaries: EC Ryosan Company, Limited The reason for exclusion from the scope of consolidation: The assets, net sales, net income (loss) and retained earnings (the amounts equivalent to equity shareholdings) of 7 non-consolidated subsidiaries are considered insignificant and deemed to have immaterial impact on consolidated financial statements. As a result, these non-consolidated subsidiaries have been excluded from the scope of consolidation.
2 Application of the Equity Method Names of principal non-consolidated subsidiaries and affiliated companies not accounted for by the equity method: EC Ryosan Company, Limited The reason non-consolidated subsidiaries and affiliated companies are not accounted for by the equity method: Non-consolidated subsidiaries and affiliated companies are not accounted for by the equity method because their net income (loss) and retained earnings have an immaterial impact on the Group, and their overall importance to the Group's performance is limited.	2 As left.
3 Fiscal Year-End of Consolidated Subsidiaries The fiscal year-end of consolidated subsidiaries: ZHONG LING INTERNATIONAL TRADING (SHANGHAI) CO., LTD. and RYOSAN ENGINEERING (THAILAND) CO., LTD. is December 31. This date is used in the preparation of consolidated financial statements. Where significant transactions have occurred during the period between these fiscal year-ends and the consolidated fiscal year-end, the consolidated financial statements are adjusted accordingly.	3 Fiscal Year-End of Consolidated Subsidiaries The fiscal year-end of consolidated subsidiaries: ZHONG LING INTERNATIONAL TRADING (SHANGHAI) CO., LTD. and RYOSAN ENGINEERING (THAILAND) CO., LTD. is December 31. On March 31, the financial statements were consolidated by tentative settlement complying with regular settlement. Regarding consolidated subsidiaries, ZHONG LING INTERNATIONAL TRADING (SHANGHAI) CO., LTD. and RYOSAN ENGINEERING (THAILAND) CO., LTD., consolidated settlement used to be made based on their financial statements in the business year because the discrepancy from the day of consolidated settlement is within three months. To unify the days of settlement between the parent company and consolidated subsidiaries and optimize consolidated financial information, the financial instruments are consolidated by tentative settlement on the day of the parent company's consolidated settlement, starting from this consolidated fiscal year. In this consolidated fiscal year, therefore, the settlement term of the consolidated subsidiaries is 15 months from January 1, 2010 to March 31, 2011. This affects the operating income, ordinary income, and income before income taxes only slightly.

Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
4 Accounting Policies (1) Valuation standard and valuation method of important assets 1. Marketable securities a. Securities held to maturity Amortized cost basis (straight line method) b. Shares of subsidiary and affiliated companies Cost basis using the moving-average cost method c. Other marketable securities (a) Securities with quoted market values Securities with quoted market values are stated at fair value as of the closing date. (Net unrealized gains and losses on other securities are recorded directly to net assets. Costs of these securities are calculated based on the moving-average cost method.) (b) Securities without quoted market values Securities without quoted market values are stated on a cost basis using the moving-average cost method. 2. Inventories Merchandise, finishes products, raw materials and work in process valued on a cost basis using the moving-average cost method (with book values written down due to decreased profitability of balance sheet amounts) 3. Derivatives (foreign currency exchange contracts) Market value method. (2) Depreciation of important depreciable assets 1. Property, plant and equipment (excluding lease assets) Depreciation of property, plant and equipment is calculated by the declining-balance method except that depreciation on buildings (excluding structures) acquired on or after April 1, 1998 is calculated by the straight-line method. The useful lives of buildings and structures are between three and 50 years, between two and 15 years for other tangible fixed assets. 2. Intangible fixed assets (excluding lease assets) Intangible fixed assets are depreciated using the straight-line method. 3. Lease assets Depreciation of lease assets is calculated using the straight-line method with no residual value, assuming the lease period to be the useful life of the asset.	4 Accounting Policies (1) Valuation standard and valuation method of important assets 1. Marketable securities a. Securities held to maturity As left. b. Shares of subsidiary and affiliated companies As left. c. Other marketable securities (a) Securities with quoted market values As left. (b) Securities without quoted market values As left. 2. Inventories Merchandise, finishes products, raw materials and work in process :as left 3. Derivatives (foreign currency exchange contracts) As left. (2) Depreciation of important depreciable assets 1. Property, plant and equipment (excluding lease assets) As left. 2. Intangible fixed assets (excluding lease assets) As left. 3. Lease assets As left.

Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
(3) Accounting policies for important provisions 1. Allowance for doubtful accounts The Company provides for doubtful accounts based on the historical bad-debt rate applicable to normal loans, and the amount deemed necessary to cover individual accounts estimated to be uncollectible. 2. Allowance for loss on investments The Company provides an amount deemed necessary for loss on investments in affiliated companies after taking into consideration the financial standing of affiliated companies. 3. Employees' retirement benefits The Company provides an allowance for retirement and severance benefits for employees based on projected benefit obligations and accrued pension assets as of the end of the fiscal year under review. Actuarial gains and losses are amortized using the straight-line method over a fixed period (10 years) within the average remaining service period of employees as of the time the cost is incurred, with each amount recognized as an expense starting from the following fiscal year. In addition, prior service cost is amortized using the straight-line method over a fixed period (10 years) within the average remaining service period of employees as of the time the cost is incurred, with each amount recognized as an expense starting from the fiscal year in which it is incurred. .	(3) Accounting policies for important provisions 1. Allowance for doubtful accounts As left. 2. Allowance for loss on investments As left. 3. Employees' retirement benefits As left. .
(4) Standard for the translation of important foreign currency denominated assets and liabilities to Japanese currency Monetary debts and credits denominated in foreign currencies are translated into yen using the spot foreign exchange rates in effect as of the consolidated settlement date. Translation differences are treated as gains or losses in the term. Assets and liabilities of foreign subsidiaries and affiliated companies are translated into yen using the spot foreign exchange rate in effect as of the consolidated settlement date. Income and expenses of foreign subsidiaries and affiliated companies are translated into yen using the average rate for the period. Translation differences applicable to the Company are included in foreign currency translation adjustments account in the net assets section of the balance sheet.	(4) Standard for the translation of important foreign currency denominated assets and liabilities to Japanese currency As left.

Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
(5) Significant method of hedge accounting 1. Hedge accounting method Hedge accounting is based on allotment processing. 2. Hedge instruments and hedge items a. Hedge instruments: foreign currency exchange forward contracts b. Hedge items: foreign currency denominated receivables and payables; items scheduled for transaction in a foreign currency 3 Hedge accounting policy In order to minimize risks from fluctuations in foreign currency exchange rates the relevant transactions are managed in accordance with the Group's internal policies. In principle, Ryosan enters into a foreign exchange forward contract based the settlement date of each individual transaction at the time an order is received from a client or a purchase order is placed. 4. Evaluation of hedging effectiveness In accordance with hedge accounting policy, the foreign currency amounts and the terms for orders received and placed as well as monetary debts and credits have corresponding foreign currency forward exchange contracts for the identical amounts and terms, their reciprocal interdependence is fully secured throughout any subsequent fluctuations in foreign currency exchange rates and this in effect ensures hedge effectiveness.	(5) Significant method of hedge accounting 1. Hedge accounting method As left. 2. Hedge instruments and hedge items As left. 3 Hedge accounting policy As left. 4. Evaluation of hedging effectiveness As left.
(6) Method and period of Amortization of Goodwill ____________________	(6) Method and period of Amortization of Goodwill For the amortization of goodwill, the Company employs a straight-line method over a period of five years.
(7) Scope of "Cash and Cash Equivalents" in the Full Fiscal Year Consolidated Statement of Cash Flows ____________________	(7) Scope of "Cash and Cash Equivalents" in the Full Fiscal Year Consolidated Statement of Cash Flows "Cash and cash equivalents" in the consolidated statement of cash flows includes cash on hand, demand deposits, and short-term investments with original maturities not exceeding three months, which are highly liquid and virtually risk-free with respect to changes of value.
(8) Other significant accounting policies for preparing full fiscal year consolidated financial statements Consumption taxes are separately recorded. Accrued consumptions taxes are recorded "account receivable-other" in current liabilities.	(8) As left.
5 Valuation of Assets and Liabilities of Consolidated Subsidiaries The assets and liabilities of consolidated subsidiaries are evaluated on a mark to market value basis.	5 ____________________
6 Amortization of Goodwill For the amortization of goodwill, the Company employs a straight-line method over a period of five years.	6 ____________________
7 Scope of "Cash and Cash Equivalents" in the Full Fiscal Year Consolidated Statement of Cash Flows "Cash and cash equivalents" in the consolidated statement of cash flows includes cash on hand, demand deposits, and short-term investments with original maturities not exceeding three months, which are highly liquid and virtually risk-free with respect to changes of value.	7 ____________________

(7) Change in Important Items Considered Fundamental to the Preparation of Consolidated Financial Statements

Changes in accounting standards

Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
(Accounting Policies for Lease Transactions) ――――――	―――――― From the fiscal year ended March 31, 2011, Ryosan Group began applying the “Accounting Standard for Asset Retirement Obligation” (Corporate Accounting Standards No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligation” (Corporate Accounting Standards Application Guide, No. 21, March 31, 2008). There was no impact on the Company’s operating income and ordinary income for the fiscal year ended March 31, 2011 as a result of this change.

Changes in disclosure method

Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
――――――	1 In accordance with the “Cabinet Office Ordinance Amendment of Regulations concerning Financial Statements” (Cabinet Ordinance No. 5 issued on March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (Corporate Accounting Standards No. 22, December 26, 2008), from the fiscal year ended March 31, 2011, the Ryosan Group displays an item as “Income before income taxes and minority interests”. 2 In the fiscal year ended March 31, 2010, “management consultation fee” was classified as separate item however, due to decreased in amount “management consultation fee” is included in accounting line item “Miscellaneous income” in the Non-operating income from the fiscal year ended March 31, 2011. The amount of “management consultation fee” in the Consolidated Statements of Income in this fiscal year is 25million yen.

(8) Notes on Consolidated Financial Statements

(Millions of yen, figures less than ¥1 million have been omitted, unless otherwise stated)

(Notes on consolidated balance sheets)

		As of March 31, 2010	As of March 31, 2011
1.	Accumulated depreciation of tangible fixed assets	9,616	10,169
2.	Non-consolidated subsidiary and affiliated company shares and other		
	- Investment securities (shares)	65	52
	- Other (equity)	255	255
3.	Assets pledged as collateral		
	- Investment securities	95	61
4.	Guarantee contingent liabilities		
	The unpaid balance of debt financing provided to non-consolidated subsidiaries by financial institutions guaranteed by the Company	766	146
5.	Number of shares issued and outstanding	34,500,000 common shares	34,500,000 common shares
	Number of treasury stock held by the Company	34,000 common shares	34,704 common shares

(Notes on consolidated statements of income)

		Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
1.	Research and development expenditure included in selling, general and administrative expenses	537	615
2.	Breakdown of gain on sales of property, plant and equipment		
	- Other	2	1
3.	Breakdown of loss on sales an disposal of property, plant and equipment		
	- Loss on disposal of buildings and structures	—	0
	- Other	5	7
	Total	5	7

(Notes on consolidated comprehensive statements of income)

Fiscal 2010 (April 1, 2010 to March 31, 2011)

Comprehensive income of the fiscal 2009	
Comprehensive income relating to shareholders of parental company	2,933 million yen
Comprehensive income relating to minority shareholders	8 million yen
Total	2,942 million yen

Other comprehensive income of the fiscal 2009	
Net unrealized gain on other marketable securities	425 million yen
Gain (loss) on deferred hedges	3 million yen
Foreign currency translation adjustments	(356) million yen
Total	72 million yen

(Additional information)

From the fiscal year ended March 31, 2011, Ryosan Group began applying the “Accounting Standard for indication of comprehensive income” (Corporate Accounting Standards No. 25, June30, 2010). However, the amounts of “Other accumulated comprehensive income” and “Total of other accumulated comprehensive income” are indicated as “Valuation and conversion” and “Total valuation and conversion” in Fiscal 2009.

(Notes on consolidated statements of changes in Net Assets)

Fiscal 2009, the fiscal year ended March 31, 2010
(April 1, 2009 to March 31, 2010)
1. Matters Relating to the Type and Number of Shares Issued and Outstanding and the Type and Number of Treasury Stock

(Thousands of shares)

	Number of Shares As of March 31, 2009	Increase	Decrease	Number of Shares As of March 31, 2010
Common shares issued and outstanding	34,500	—	—	34,500
Common shares of treasury stock (Note)	33	0	0	34

Notes:
1. The number of common shares for treasury increased by 0 thousand shares due to the purchase of fractional shares.
2. The number of common shares for treasury decreased by 0 thousand shares due to the sale of fractional shares.

2. Matters Relating to Dividends
(1) Dividend payment amount

(Millions of yen unless otherwise stated)

	Type of Shares	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Board of Directors' Meeting held on May 12, 2009	Common shares	1,378	40	Mar. 31, 2009	Jun. 11, 2009
Board of Directors' Meeting held on October 29, 2009	Common shares	689	20	Sept. 30, 2009	Dec. 1, 2009

(2) Dividends for which the effective date falls after the fiscal year ending March 31, 2011 included in dividends for which the base date falls within the fiscal year ended March 31, 2010

(Millions of yen unless otherwise stated)

	Type of Shares	Source of Dividend Payments	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Board of Directors' Meeting held on May 12, 2010	Common shares	Retained earnings	1,378	40	Mar. 31, 2010	Jun. 10, 2010

Fiscal 2010, the fiscal year ended March 31, 2011
(April 1, 2010 to March 31, 2011)
1. Matters Relating to the Type and Number of Shares Issued and Outstanding and the Type and Number of Treasury Stock

(Thousands of shares)

	Number of Shares As of March 31, 2010	Increase	Decrease	Number of Shares As of March 31, 2011
Common shares issued and outstanding	34,500	–	–	34,500
Common shares of treasury stock (Note)	34	0	0	34

Notes:
1. The number of common shares for treasury increased by 0 thousand shares due to the purchase of fractional shares.
2. The number of common shares for treasury decreased by 0 thousand shares due to the sale of fractional shares.

(1) Dividend payment amount

(Millions of yen unless otherwise stated)

	Type of Shares	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Board of Directors' Meeting held on May 12, 2010	Common shares	1,378	40	Mar. 31, 2010	Jun. 10, 2010
Board of Directors' Meeting held on November 2, 2010	Common shares	1,378	40	Sept. 30, 2010	Dec. 1, 2010

(2) Dividends for which the effective date falls after the fiscal year ending March 31, 2012 included in dividends for which the base date falls within the fiscal year ended March 31, 2011

(Millions of yen unless otherwise stated)

	Type of Shares	Source of Dividend Payments	Total Cash Dividend Paid	Cash Dividend per Common Share (Yen)	Base Date	Effective Date
Board of Directors' Meeting held on May 12, 2011	Common shares	Retained earnings	1,378	40	Mar. 31, 2011	Jun. 8, 2011

(Notes on consolidated statements of cash flows)

The relationship between the balance of cash and cash equivalents at the end of the fiscal period and items recorded on the consolidated balance sheets.

(Millions of yen unless otherwise stated)

	As of March 31, 2010	As of March 31, 2011
Cash and cash deposits	50,459	43,240
Time deposits with deposit terms exceeding three months	(1)	(1)
Cash and cash equivalents	50,458	43,239

(Segment Information)

1. Segment information by business type

Fiscal 2009, the fiscal year ended March 31, 2010
(April 1, 2009 to March 31, 2010)

(Millions of yen, figures less than ¥1 million have been omitted)

	Semiconductors	Electronic components	Electronic equipment	Ryosan products	Total	Eliminations or corporate	Consolidated
I Sales and operating income							
Sales:							
(1) Sales to external Customers	101,535	60,468	27,652	4,720	194,377	—	194,377
(2) Internal sales between segments, or exchange	—	—	—	—	—	—	—
Total sales	101,535	60,468	27,652	4,720	194,377	—	194,377
Operating expenses	98,204	58,151	26,879	4,321	187,557	2,032	189,590
Operating income	3,330	2,317	772	398	6,819	(2,032)	4,786
II Assets, depreciation and capital expenditures:							
Total assets	57,473	33,634	14,697	4,209	110,015	51,578	161,593
Depreciation	427	303	149	127	1,008	10	1,018
Capital expenditure	308	301	115	43	767	—	767

Notes:

1. Methods of determining business segments and main products classified under each business segment

(1) Business segments are classified on the basis of organization, product type and sales structure.

(2) Main products of each business segment:

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. Unallocated operating expenses included in "Eliminations or corporate" totaled ¥2,032 million in the fiscal year ended March 31, 2010. These expenses consisted principally of Ryosan's information system investments and expenses related to Ryosan's planning, administration and accounting departments.

3. Total assets included in "Eliminations or corporate" were ¥51,578 million at March 31, 2010. These assets mainly include an excess fund for investment at the parent company (marketable securities), long-term investment funds (investment and marketable securities) and assets related to the administration department.

2. Geographical segment information

Fiscal 2009, the fiscal year ended March 31, 2010
(April 1, 2009 to March 31, 2010)

(Millions of yen, figures less than ¥1 million have been omitted)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
I Sales and operating income					
Sales:					
(1) Sales to external Customers	142,636	51,740	194,377	—	194,377
(2)Internal sales between segments, or exchange	8,941	587	9,529	(9,529)	—
Total	151,578	52,328	203,906	(9,529)	194,377
Operating expenses	148,452	51,047	199,499	(9,909)	189,590
Operating income	3,126	1,280	4,406	380	4,786
II Assets	140,090	21,502	161,593	—	161,593

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:
   Asia : Hong Kong, Singapore, Taiwan, China, Malaysia and others
3. Operating expenses are allocated to each geographical segment.

3. Overseas sales

Fiscal 2009, the fiscal year ended March 31, 2010
(April 1, 2009 to March 31, 2010)

(Millions of yen, figures less than ¥1 million have been omitted)

	Asia	Total
I Overseas sales	66,133	66,133
II Consolidated net sales		194,377
III Ratio of overseas sales to consolidated net sales (%)	34.0	34.0

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:
   Asia: Hong Kong, Korea, China, Taiwan and others
3. Overseas sales represent the total of export sales of the parent company and sales of its consolidated subsidiaries outside Japan (excluding intra-group sales).

[Segment Information]

1. Overview of our Reporting Segments

Ryosan Group's reporting segments are created from financial information sorted by business segment, and the Chief Executive Officer periodically conducts performance evaluations.

Ryosan Group has set up business headquarters at our head office for each merchandises and products, and we expand our business activities by having each business headquarter formulates comprehensive strategies for the products that they handle, for both within Japan and overseas.

Therefore, with our business headquarters serving as our foundation, Ryosan Group has four reporting segments: "Semiconductors", "Electronic components", "Electronic equipment" and "Ryosan products".

Main products of each business segment are as follows:

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. Information Concerning Sales and Income or Loss Amount by Reporting Segment

For the consolidated fiscal year ending March 31, 2011

(April 1, 2010 to March 31, 2011)

(Millions of yen, figures less than ¥1 million have been omitted)

	Reportable Segment					Adjusted amount	Consolidated income statement amount
	Semi-conductors	Electronic components	Electronic equipment	Ryosan products	Total		
Sales and operating income Sales:							
Sales to external Customers	123,786	60,034	25,859	6,474	216,154	—	216,154
Internal sales between segments, or exchange	—	—	—	—	—	—	—
Total	123,786	60,034	25,859	6,474	216,154	—	216,154
Segment income (loss)	4,589	2,246	907	486	8,229	(2,150)	6,078

(Notes)

1. The adjustment of -2,150 million yen to segment earnings represents corporate expenses that are not allocated to each reportable segment.
2. Segment income has been adjusted with operating income in consolidated statements of income.
3. Segment asset is not shown in this reporting segment as it is not subject to CEO's performance evaluation.

(Additional information)

As of the first quarter under view, we are applying "Accounting Standards Concerning Disclosure of Segment Information" (Corporate Accounting Standards, No. 17, March 27, 2009) and "Application Guide for Accounting Standards Concerning Disclosure of Segment Information" (Corporate Accounting Standards Application Guide, No. 20, March 21, 2008).

[Related Information]

For the consolidated fiscal year ending March 31, 2011

(April 1, 2010 to March 31, 2011)

1. Information on Products and Services

As in the Reporting Segment

2. Information by region

(Sales)

(Millions of yen)

Japan	Asia	Total
142,332	73,821	216,154

(Note) Sales amounts are based on the customer's address and classified by country or region.

(Property, plant and equipment)

(Millions of yen)

Japan	Asia	Total
13,302	379	13,682

3. Information on each important customer

Among the sales to the external customers, there are no sales to the specific customers that constitute more than 10% of the sales in the consolidated statements of income. Therefore, this information is not presented.

(Leases)

Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
1. Finance lease transactions (1) Details of lease assets ・Property, plant and equipment Primarily hardware for sales and logistics information systems (tools, equipment, fittings) ・Intangible fixed assets Primarily software for sales and logistics information systems (2) Depreciation and amortization method applicable to lease assets Lease assets are amortized over their useful lives with no remaining value.	1. Finance lease transactions (1) Details of lease assets ・Property, plant and equipment As left ・Intangible fixed assets As left (2) Depreciation and amortization method applicable to lease assets As left
2 Operating lease transactions The amount of unpaid lease expenses applicable to operating lease transaction where cancellation is not allowed. (Millions of yen) Due within one year 41 Due after one year 18 Total 59	2 Operating lease transactions The amount of unpaid lease expenses applicable to operating lease transaction where cancellation is not allowed. (Millions of yen) Due within one year 62 Due after one year 39 Total 101

(Tax-effect accounting)

1. Breakdown of major causes of occurrence in deferred tax assets and deferred tax liabilities

(Millions of yen unless otherwise stated)

	Fiscal 2009 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal 2010 (Apr. 1, 2010 to Mar. 31, 2011)
(Deferred tax assets)		
Loss on valuation of inventories	137	79
Amount exceeded amortization of software and other	424	265
Investment securities	230	274
Golf membership rights	126	126
Accrued bonuses	284	213
Employees' retirement benefits	903	940
Allowance for doubtful accounts	170	204
Loss brought forward of subsidiaries	67	159
Other	374	307
Sub-total deferred tax assets	2,721	2,572
Valuation reserve	(310)	(394)
Total deferred tax assets	2,410	2,177
(Deferred tax liabilities)		
Net unrealized gain on other marketable securities	(227)	(141)
Others	(67)	(83)
Total deferred tax liabilities	(294)	(224)
Total	2,116	1,953

Note: An amount of (3) million yen included in net deferred tax assets for the fiscal year ended March 31, 2010, 0 million yen is included in other current liabilities and 3 million yen in other long-term liabilities in the long-term liabilities, respectively, of the Company's consolidated balance sheet.

An amount of (18) million yen included in net deferred tax assets for the fiscal year ended March 31, 2011, 18 million yen is included in other long-term liabilities in the long-term liabilities of the Company's consolidated balance sheet.

2. Breakdown of major differences between the statutory tax rate and the effective tax rate after adoption of tax-effect accounting

Fiscal 2009 (April 1, 2009 to March 31, 2010)

(%)

Effective tax rate	40.7
(Adjustment)	
Items not included in calculations of losses (e.g. entertainment expenses)	1.2
Equal percent residential tax	0.7
Foreign tax credit	(2.6)
Tax rate difference for foreign subsidiaries	(5.1)
Change in valuation allowance	1.6
Dividends to foreign subsidiaries	5.7
Retained earnings of foreign subsidiaries	1.1
Other	1.5
Contribution percentage of corporate and other taxes after tax effect accounting is applied	44.8

Fiscal 2010 (April 1, 2010 to March 31, 2011)

Information on the difference between the statutory tax rate and the effective tax rate is not presented for the fiscal year since the difference between the statutory tax rate and the effective tax rate was less than 5/100 and therefore considered immaterial.

(Financial Instruments)

FY2009 (April 1, 2009 to March 31, 2010)

1. Items Concerning the State of Financial Instruments

(1) Policy Initiatives for Financial Instruments

Ryosan Group's basic policy concerning fund management is to operate with short-term or safe and secure financial assets. As for fund procurement, in order to avoid the risks from exchange rate fluctuations, as will be described later on, the Company procures short-term funds in foreign currency through bank loans. Ryosan limits derivatives to exchange contracts for avoiding the risks involved in future exchange rate fluctuations for transactions in foreign currency, and does not engage in speculative transactions.

(2) Financial Instruments and Associated Risks and Risk Management Structures

Notes and accounts receivable, both of which are operating receivables, are exposed to customer credit risk. With regard to these risks, in accordance with Ryosan Group's Credit Management Regulations, in addition to performing term administration and balance management for each client, the Company also regularly evaluates the credit statuses of its customers.

Although business loans in foreign currency arising from expansions in business overseas are exposed to the risk of exchange rate fluctuations, by taking out bank loans in foreign currency, Ryosan can, in principle, protect its business loans in foreign currency and netted position from the risk of exchange rate fluctuations. For business transactions, Ryosan's policy is to use the same currency for purchasing and sales, but in the case of transactions for which the same currency cannot be used, the Company offsets risks by using forward exchange contracts.

Investment securities are debt securities held to maturity and shares in companies with which Ryosan shares a business relationship. Although these are exposed to the risk of fluctuations in market values, periodically evaluated market values are reported to the board of directors.

The payment deadline for accounts and notes payable, both of which are business debts, is within one year. These are partly comprised of business debts in foreign currency, which are exposed to the risk of fluctuations in exchange rates. However, these are always within the range of the balance on business loans in foreign currency.

In order to avoid the aforementioned exchange rate fluctuation risks, short-term loans are bank loans in foreign currency.

Lease obligations relating to finance lease transactions are primarily those for procuring funds needed for capital investment, and the longest term of payment, among those for which the due date of payment falls after this settlement date, is four years and 11 months.

Derivatives trading involves exchange contract transactions aimed at hedging the exchange rate risks involved with business loans and debts in foreign currency. Information on hedge accounting methods, hedging instruments and objects of hedging, hedging policies and methods of evaluating the effectiveness of hedging is contained in "Items Concerning Accounting Standards," as described previously.

Regarding liquidity risks for business debt, short-term loans and lease obligations, Ryosan Group has determined that it can sufficiently cover for these with its cash reserves.

(3) Supplementary Explanations for Items Concerning Market Values of Financial Instruments

With contract amounts for derivatives trading, as contained in "2. Items Concerning Market Values of Financial Instruments," these monetary amounts themselves do not indicate market risks in derivatives trading.

2. Items Concerning Market Values of Financial Instruments

Consolidated balances sheet amounts, market values and their differences, as of March 31, 2010, are as outlined below. Items for which it was deemed prohibitively difficult to evaluate market value are not included in the following table.

(see *2)

(Millions of yen, figures less than ¥1 million have been omitted)

	Amount stated on consolidated balance sheet (*)	Market value (*)	Difference
(1) Cash and deposits	50,459	50,459	—
(2) Notes and accounts receivable-trade	67,427	67,427	—
(3) Accounts receivable-other	3,745	3,745	—
(4) Investment securities			
a. Held-to-maturity debt securities	1,000	728	(271)
b. Other securities	2,389	2,389	—
(5) Long-term deposits	3,500	3,399	(100)
(6) Notes and accounts payable-trade	(33,521)	(33,521)	—
(7) Short-term loans payable	(3,748)	(3,748)	—
(8) Lease obligations	(139)	(145)	(6)
(9) Income taxes payable	(1,219)	(1,219)	—
(10) Long-term lease obligations	(261)	(264)	(2)
(11) Derivative transactions	11	11	—

*Numbers in parenthesis indicate liabilities

(Note: 1) Methods used for calculating market values of financial instruments, and items concerning securities and derivatives trading

(1) Cash and deposits, (2) Notes and accounts receivable and (3) Accounts receivable-other

As these are settled quickly, their market value is roughly equal to their book value, and therefore they are determined by the relevant book value.

(4) Investment securities

Regarding market values for investment securities, in the case of listed shares, these are determined by exchange prices, while in the case of receivables, these determined by prices provided by correspondent financial institutions. Information outlining precautions for investment securities, according to the purpose for which they are held, is contained in the annotations under “Investment Securities.”

(5) Long-term deposits

Market values for long-term deposits are determined by prices provided by correspondent financial institutions.

(6) Notes and accounts payable-trade, (7) Short-term loans payable and (9) Income tax payable

As these are settled quickly, market values are almost equal to book values, and therefore they are determined by the relevant book value.

(8) Lease obligations and (10) Long-term lease obligations

Regarding market values for these, lease amounts are calculated by using current values that have been discounted with the interest rate assumed to pertain where an identical lease transaction were to be newly carried out.

(11) Derivatives transactions

Details are contained in the annotations under “Derivatives.”

(Note: 2) Financial instruments for which it is deemed prohibitively difficult to evaluate market value

(Millions of yen, figures less than ¥1 million have been omitted)

Item	Amount stated on consolidated balance sheet
Non-listed stocks	103

Because these have no market value, and it is deemed prohibitively difficult to evaluate their market value, they are not included in "(4) Investment Securities."

(Note: 3) Expected redemption amounts for money claims and maturity securities after the consolidated settlement date

(Millions of yen, figures less than ¥1 million have been omitted)

	Less than 1 year	Less than 5 year More than 1 years	Less than 10 year More than 5 years	More than 10 years
Cash and deposits	50,459	—	—	—
Notes and accounts receivable-trade	67,427	—	—	—
Accounts receivable-other	3,745	—	—	—
Investment securities				
a. Held-to-maturity debt securities	—	—	—	1,000
b. Other securities with maturity date	—	—	—	—
Long-term time deposits	—	—	500	3,000
Total	121,633	—	500	4,000

(Note: 4) Expected repayment amounts for short-term loans, lease obligations and long-term lease obligations

(Millions of yen, figures less than ¥1 million have been omitted)

	Less than 1 year	Less than 2 year More than 1 years	Less than 3 year More than 2 years	Less than 4 year More than 3 years	Less than 5year More than 4 years	More than 5 years
Short-term loans payable	3,748	—	—	—	—	—
Lease obligations	139	—	—	—	—	—
Long-term lease obligations	—	105	85	63	7	—
Total	3,887	105	85	63	7	—

(Additional Information)

Commencing from fiscal 2010, "Accounting Standards Concerning Financial Products" (Corporate Accounting Standards, vol. 10, March 10, 2008) and "Application Guide for Disclosure of Market Values for Financial Products" (Corporate Accounting Standards Application Guide, vol. 19, March 10, 2008) will be applied.

(Financial Instruments)

FY2010 (April 1, 2010 to March 31, 2011)

1. Items Concerning the State of Financial Instruments

(1) Policy Initiatives for Financial Instruments

Ryosan Group's basic policy concerning fund management is to operate with short-term or safe and secure financial assets. As for fund procurement, in order to avoid the risks from exchange rate fluctuations, as will be described later on, the Company procures short-term funds in foreign currency through bank loans. Ryosan limits derivatives to exchange contracts for avoiding the risks involved in future exchange rate fluctuations for transactions in foreign currency, and does not engage in speculative transactions.

(2) Financial Instruments and Associated Risks and Risk Management Structures

Notes and accounts receivable, both of which are operating receivables, are exposed to customer credit risk. With regard to these risks, in accordance with Ryosan Group's Credit Management Regulations, in addition to performing term administration and balance management for each client, the Company also regularly evaluates the credit statuses of its customers.

Although business loans in foreign currency arising from expansions in business overseas are exposed to the risk of exchange rate fluctuations, by taking out bank loans in foreign currency, Ryosan can, in principle, protect its business loans in foreign currency and netted position from the risk of exchange rate fluctuations. For business transactions, Ryosan's policy is to use the same currency for purchasing and sales, but in the case of transactions for which the same currency cannot be used, the Company offsets risks by using forward exchange contracts.

Investment securities are debt securities held to maturity and shares in companies with which Ryosan shares a business relationship. Although these are exposed to the risk of fluctuations in market values, periodically evaluated market values are reported to the board of directors.

The payment deadline for accounts and notes payable, both of which are business debts, is within one year. These are partly comprised of business debts in foreign currency, which are exposed to the risk of fluctuations in exchange rates. However, these are always within the range of the balance on business loans in foreign currency.

In order to avoid the aforementioned exchange rate fluctuation risks, short-term loans are bank loans in foreign currency.

Lease obligations relating to finance lease transactions are primarily those for procuring funds needed for capital investment, and the longest term of payment, among those for which the due date of payment falls after this settlement date, is six years and 8 months.

Derivatives trading involves exchange contract transactions aimed at hedging the exchange rate risks involved with business loans and debts in foreign currency. Information on hedge accounting methods, hedging instruments and objects of hedging, hedging policies and methods of evaluating the effectiveness of hedging is contained in "Items Concerning Accounting Standards," as described previously.

Regarding liquidity risks for business debt, short-term loans and lease obligations, Ryosan Group has determined that it can sufficiently cover for these with its cash reserves.

(3) Supplementary Explanations for Items Concerning Market Values of Financial Instruments

With contract amounts for derivatives trading, as contained in "2. Items Concerning Market Values of Financial Instruments," these monetary amounts themselves do not indicate market risks in derivatives trading.

2. Items Concerning Market Values of Financial Instruments

Consolidated balances sheet amounts, market values and their differences, as of March 31, 2011, are as outlined below. Items for which it was deemed prohibitively difficult to evaluate market value are not included in the following table.

(see *2)

(Millions of yen, figures less than ¥1 million have been omitted)

	Amount stated on consolidated balance sheet (*)	Market value (*)	Difference
(1) Cash and deposits	43,240	43,240	—
(2) Notes and accounts receivable-trade	68,709	68,709	—
(3) Accounts receivable-other	4,472	4,472	—
(4) Investment securities			
a. Held-to-maturity debt securities	1,000	699	(300)
b. Other securities	2,064	2,064	—
(5) Long-term deposits	3,000	2,943	(56)
(6) Notes and accounts payable-trade	(31,219)	(31,219)	—
(7) Short-term loans payable	(7,621)	(7,621)	—
(8) Lease obligations	(116)	(121)	(4)
(9) Income taxes payable	(1,402)	(1,402)	—
(10) Long-term lease obligations	(194)	(196)	(1)
(11) Derivative transactions	(9)	(9)	—

*Numbers in parenthesis indicate liabilities

(Note: 1) Methods used for calculating market values of financial instruments, and items concerning securities and derivatives trading

(1) Cash and deposits, (2) Notes and accounts receivable and (3) Accounts receivable-other

As these are settled quickly, their market value is roughly equal to their book value, and therefore they are determined by the relevant book value.

(4) Investment securities

Regarding market values for investment securities, in the case of listed shares, these are determined by exchange prices, while in the case of receivables, these determined by prices provided by correspondent financial institutions. Information outlining precautions for investment securities, according to the purpose for which they are held, is contained in the annotations under “Investment Securities.”

(5) Long-term deposits

Market values for long-term deposits are determined by prices provided by correspondent financial institutions.

(6) Notes and accounts payable-trade, (7) Short-term loans payable and (9) Income tax payable

As these are settled quickly, market values are almost equal to book values, and therefore they are determined by the relevant book value.

(8) Lease obligations and (10) Long-term lease obligations

Regarding market values for these, lease amounts are calculated by using current values that have been discounted with the interest rate assumed to pertain where an identical lease transaction were to be newly carried out.

(11) Derivatives transactions

Details are contained in the annotations under “Derivatives.”

(Note: 2) Financial instruments for which it is deemed prohibitively difficult to evaluate market value

(Millions of yen, figures less than ¥1 million have been omitted)

Item	Amount stated on consolidated balance sheet
Non-listed stocks	91

Because these have no market value, and it is deemed prohibitively difficult to evaluate their market value, they are not included in "(4) Investment Securities."

(Note: 3) Expected redemption amounts for money claims and maturity securities after the consolidated settlement date

(Millions of yen, figures less than ¥1 million have been omitted)

	Less than 1 year	Less than 5 year More than 1 years	Less than 10 year More than 5 years	More than 10 years
Cash and deposits	43,240	—	—	—
Notes and accounts receivable-trade	68,709	—	—	—
Accounts receivable-other	4,472	—	—	—
Investment securities				
a. Held-to-maturity debt securities	—	—	—	1,000
b. Other securities with maturity date	—	—	—	—
Long-term time deposits	—	—	—	3,000
Total	116,423	—	—	4,000

(Note: 4) Expected repayment amounts for short-term loans, lease obligations and long-term lease obligations

(Millions of yen, figures less than ¥1 million have been omitted)

	Less than 1 year	Less than 2 year More than 1 years	Less than 3 year More than 2 years	Less than 4 year More than 3 years	Less than 5year More than 4 years	More than 5 years
Short-term loans payable	7,621	—	—	—	—	—
Lease obligations	116	—	—	—	—	—
Long-term lease obligations	—	97	74	16	5	0
Total	7,738	97	74	16	5	0

(Marketable securities)

Fiscal 2009, the fiscal year ended March 31, 2010
(April 1, 2009 to March 31, 2010)

1. Bonds and notes held to maturity (as of March 31, 2010)

(Millions of yen, figures less than ¥1 million have been omitted)

Item	Amount stated on consolidated balance sheet as of consolidated accounting date	Market value as of accounting date	Difference
Bonds and notes for which market value exceeds the amount stated on consolidated balance sheets	1,000	728	(271)

2. Other securities (as of March 31, 2010)

(Millions of yen, figures less than ¥1 million have been omitted)

Item	Amount stated on consolidated balance sheet as of consolidated accounting date	Acquisition cost	Difference
Securities for which the amount stated on consolidated balance sheets exceeds their acquisition costs			
Stocks	1,974	1,148	826
Securities for which acquisition costs exceed the amount stated on consolidated balance sheets			
Stocks	414	499	(85)
Total	2,389	1,647	741

(Notes) 1. Unlisted shares are not included.

2. In the fiscal year under review, the Company has performed impairment to the value of 45 million yen for shares with market value.
Regarding impairment of other securities with market value, the Company performs impairment for shares whose market value is declining at a rate of more than 40%. In the fiscal year under review, impairment to the value of 1 million yen was performed for unlisted shares.

3. Other securities sold in the fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Millions of yen, figures less than ¥1 million have been omitted)

Item	Sales amount	Total profit from sales	Total loss from sales
Stocks	58	12	14

(Marketable securities)

Fiscal 2010, the fiscal year ended March 31, 2011
(April 1, 2010 to March 31, 2011)
1. Bonds and notes held to maturity (as of March 31, 2011)

(Millions of yen, figures less than ¥1 million have been omitted)

Item	Amount stated on consolidated balance sheet as of consolidated accounting date	Market value as of accounting date	Difference
Bonds and notes for which market value exceeds the amount stated on consolidated balance sheets	1,000	699	(300)

2. Other securities (as of March 31, 2011)

(Millions of yen, figures less than ¥1 million have been omitted)

Item	Amount stated on consolidated balance sheet as of consolidated accounting date	Acquisition cost	Difference
Securities for which the amount stated on consolidated balance sheets exceeds their acquisition costs			
Stocks	1,577	975	601
Securities for which acquisition costs exceed the amount stated on consolidated balance sheets			
Stocks	487	590	(103)
Total	2,064	1,566	498

(Notes) 1. Unlisted shares are not included.

2. In the fiscal year under review, the Company has performed impairment to the value of 81 million yen for shares with market value.
Regarding impairment of other securities with market value, the Company performs impairment for shares whose market value is declining at a rate of more than 40%.

(Derivatives)

Fiscal 2009, the fiscal year ended March 31, 20010
(April 1, 2009 to March 31, 2010)

1. Derivatives transactions for which hedge accounting was not applied
   Not applicable.

2. Derivatives transactions for which hedge accounting was applied

(Millions of yen, figures less than ¥1 million have been omitted)

Hedge accounting method	Nature of transaction	Hedged items	Contract amount	More than 1 years	Fair value (Gain/loss on valuatation)
Allocation processing for exchange contracts, etc.	Forward-exchange contracts				
	Purchased option to sell	Account receivable-trade			
	U.S. dollars		23	－	(0)
	Purchased option to buy	Account payable-trade			
	U.S. dollars		445	－	12
Total			469		11

Fiscal 2010, the fiscal year ended March 31, 20011
(April 1, 2010 to March 31, 2011)

1. Derivatives transactions for which hedge accounting was not applied
   Not applicable.

2. Derivatives transactions for which hedge accounting was applied

(Millions of yen, figures less than ¥1 million have been omitted)

Hedge accounting method	Nature of transaction	Hedged items	Contract amount	More than 1 years	Fair value (Gain/loss on valuatation)
Allocation processing for exchange contracts, etc.	Forward-exchange contracts				
	Purchased option to sell	Account receivable-trade			
	Other		14	－	0
	Purchased option to buy	Account payable-trade			
	U.S. dollars		1,233	－	(7)
	Other		132	－	(3)
Total			1,380		(9)

(Retirement benefits)

1. Overview of retirement benefits plans adopted

Based on rules and regulations relating to retirement benefits, the Company maintains allowances for termination allowance plans, approved retirement annuity plans and defined contribution pension plans. Certain consolidated overseas subsidiaries maintain defined benefit plans.

2. Breakdown of benefit obligations

(Millions of yen unless otherwise stated)

	Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
1. Projected benefit obligation	(4,222)	(4,438)
2. Fair value of plan assets	2,438	2,508
3. Unrecognized actuarial loss	(483)	(419)
4. Unrecognized prior service cost	30	23
5. Reserve for employee retirement benefits	(2,236)	(2,327)

Note: For certain consolidated subsidiaries, the simplified method is used to calculate benefit obligation.

3. Breakdown of benefit costs

(Millions of yen unless otherwise stated)

	Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
1. Service cost	283	269
2. Interest cost	90	83
3. Expected return on plan assets	(18)	(18)
4. Expensed amount for differences in actuarial calculation	32	(15)
5. Amortization of prior service cost	7	7
Subtotal	396	326
6. Contribution to defined contribution pension plan	77	86
Total pension cost	473	413

Notes: For consolidated subsidiaries that use the simplified method, pension cost is recorded as "service cost."

4. Calculation basis for retirement benefits

1. Method of attributing benefit to periods of service	Straight-line method	Straight-line method
2. Discount rate	2.0%	2.0%
3. Rate of expected return on plan assets	0.75%	0.75%
4. Amortization period for the difference in actuarial calculation	10 years	10 years
5. Amortization period for prior service costs	10 years	10 years

(Per share information)

(Yen unless otherwise stated)

	Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
1. Net assets per share	3,398.82	3,413.87
2. Net income per share	83.21	119.85

Notes:

1. Net income per share for the fiscal years ended March 31, 2008 and March 31, 2009 are calculated on the following basis:

(Millions of yen unless otherwise stated)

	Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
Net income	2,867	4,130
Net income applicable to common stock	2,867	4,130
Average number of shares for the period	34,466 thousand shares	34,465 thousand shares

(Important subsequent events)

Not applicable

5. Non-Consolidated Financial Statements

(1) Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2010 (As of March 31, 2010)	Fiscal Year Ended March 31, 2011 (As of March 31, 2011)
ASSETS		
Current assets		
Cash and deposits	44,803	37,499
Trade notes receivable	2,108	2,605
Trade account receivable	56,895	55,154
Merchandise and finished products	9,968	16,670
Raw materials	174	179
Work in process	94	104
Accrued income	3,790	4,629
Deferred tax assets	553	433
Other current assets	315	268
Allowance for doubtful accounts	(31)	(36)
Total current assets	118,674	117,508
Fixed assets		
Property, plant and equipment:		
Buildings	10,252	10,246
Accumulated depreciation	(5,560)	(5,760)
Buildings (net)	4,691	4,485
Structures	221	220
Accumulated depreciation	(192)	(196)
Structures (net)	28	24
Machinery and equipment	945	950
Accumulated depreciation	(781)	(832)
Machinery and equipment (net)	164	118
Vehicles and transportation	6	6
Accumulated depreciation	(6)	(6)
Vehicles and transportation (net)	0	0
Tools, furniture and fixtures	2,821	2,782
Accumulated depreciation	(2,263)	(2,443)
Tools, furniture and fixtures (net)	558	339
Land	8,083	8,078
Lease assets	591	615
Accumulated depreciation	(263)	(359)
Lease assets (net)	327	255
Total property, plant and equipment	13,853	13,302
Intangible fixed assets		
Goodwill	71	200
Telephone subscription rights	48	48
Software	—	35
Lease assets	25	13
Total intangible fixed assets	145	297

(Millions of yen)

	Fiscal Year Ended March 31, 2010 (As of March 31, 2010)	Fiscal Year Ended March 31, 2011 (As of March 31, 2011)
Investments and other assets		
Investment securities	3,427	3,103
Shares in affiliated companies	1,251	1,274
Equity in investments	174	174
Equity in affiliated companies	278	614
Affiliated company long-term loans receivable	218	724
Long-term deposits	3,500	3,000
Reorganization and other claims	1,037	925
Deferred taxi assets	1,640	1,817
Other investments and other assets	847	866
Allowance for doubtful accounts	(1,145)	(1,532)
Allowance for loss on investments	(109)	(147)
Total Investments and other assets	11,122	10,821
Total fixed assets	25,121	24,422
Total assets	143,796	141,931
LIABILITIES		
Current liabilities		
Trade accounts payable	26,686	23,780
Short-term bank loans	2,670	3,463
Lease obligations	139	116
Other Payable	1,430	1,861
Accrued expenses	819	722
Accrued income taxes	948	1,091
Advances received	281	40
Deposits received	71	40
Total current liabilities	33,046	31,115
Long-term liabilities		
Lease obligations	261	194
Employees' retirement benefits	2,205	2,294
Other long-term liabilities	272	56
Total long-term liabilities	2,739	2,546
Total liabilities	35,786	33,661

(Millions of yen)

	Fiscal Year Ended March 31, 2010 (As of March 31, 2010)	Fiscal Year Ended March 31, 2011 (As of March 31, 2011)
NET ASSETS		
Shareholder's equity		
Common stock	17,690	17,690
Additional paid-in capital		
Capital reserve	19,114	19,114
Other additional paid-in capital	19,114	19,114
Retained earnings		
Profit reserve	1,371	1,371
Other retained earnings		
Other reserve	64,300	64,300
Retained earnings carried forward	5,171	5,582
Total retained earnings	70,843	71,254
Treasury stock	(83)	(85)
Total shareholders' equity	107,564	107,973
Valuation and conversions		
Net unrealized gain on other marketable securities	439	295
Gain (loss) on deferred hedges	6	(0)
Total valuation and conversions	445	295
Total net assets	108,009	108,269
Total liabilities and net assets	143,796	141,931

(2) Statements of Income

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Net sales		
Merchandise sales	147,080	155,093
Finished product sales	4,497	5,941
Total net sales	151,578	161,035
Cost of sales		
Cost of merchandise sales		
Merchandise stock at the beginning of the period	10,687	9,774
Purchases during the period	133,766	147,951
Subtotal	144,454	157,725
Merchandise stock at the end of the period	9,774	16,436
Cost of merchandise sales	134,679	141,289
Cost of finished product sales		
Finished product stock at the beginning of the period	210	193
Cost of finished products manufactured during the period	3,580	4,913
Purchases during the period	25	33
Subtotal	3,816	5,140
Finished product stock at the end of the period	193	234
Cost of finished product sales	3,622	4,906
Total cost of sales	138,302	146,195
Gross profit	13,275	14,839
Selling, general and administrative expenses		
Packaging and freight expenses	456	487
Provision of allowance for doubtful accounts	83	397
Directors' remuneration	280	331
Employees' salaries	2,296	2,489
Bonuses	815	848
Retirement benefit expenses	404	348
Employee benefits	573	587
Travel expenses	359	387
Rental expenses	326	347
Insurance premiums	55	56
Commission payments	1,580	2,075
Depreciation and amortization	839	640
Research and development expenses	537	615
Other selling, general and administrative expenses	1,765	1,857
Total selling, general and administrative expenses	10,375	11,471
Operating income	2,900	3,368

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Non-operating income		
Interest income	69	78
Interest on marketable securities	14	10
Dividend income	837	929
Gain on foreign exchange	—	50
Management consultation fee	440	217
Proceeds from transfer of goodwill	—	219
Miscellaneous income	487	452
Total non-operating income	1,849	1,959
Non-operating expenses		
Interest expense	32	36
Loss on foreign exchange	2	—
Compensational expenses	—	39
Miscellaneous expenses	30	11
Total non-operating expenses	66	88
Ordinary income	4,683	5,239
Extraordinary gains		
Gain on sales of investment securities	12	—
Gain on reversal of allowance for doubtful accounts	8	—
Total extraordinary gains	21	—
Extraordinary losses		
Loss on sales and disposal of property, plant and equipment	5	7
Impairment loss	78	11
Loss on sales of investment securities	14	—
Loss on devaluation of investment securities	47	81
Provision for allowance for investments loss	—	37
Loss on devaluation of golf membership rights	4	—
Total extraordinary losses	150	138
Income before income taxes	4,554	5,101
Income taxes — current	1,811	1,886
Income taxes — deferred	41	46
Total income taxes	1,852	1,932
Net income	2,701	3,168

(3) Statements of Changes in Net Assets

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Shareholders' equity		
Common stock		
Balance as of the end of the previous period	17,690	17,690
Increase (decrease) during the period		
Total increase (decrease) during the period	—	—
Balance as of the end of the period	17,690	17,690
Additional paid-in capital		
Capital reserve		
Balance as of the end of the previous period	19,114	19,114
Increase (decrease) during the period		
Total increase (decrease) during the period	—	—
Balance as of the end of the period	19,114	19,114
Other additional paid-in capital		
Balance as of the end of the previous period	—	—
Increase (decrease) during the period		
Disposal of treasury stock	(0)	(0)
Transfer to additional paid-in capital from retained earnings	0	0
Total increase (decrease) during the period	—	—
Balance as of the end of the period	—	—
Total additional paid-in capital		
Balance as of the end of the previous period	19,114	19,114
Increase (decrease) during the period		
Disposal of treasury stock	(0)	(0)
Transfer to additional paid-in capital from retained earnings	0	0
Total increase (decrease) during the period	—	—
Balance as of the end of the period	19,114	19,114
Retained earnings		
Profit reserve		
Balance as of the end of the previous period	1,371	1,371
Increase (decrease) during the period		
Total increase (decrease) during the period	—	—
Balance as of the end of the previous period	1,371	1,371
Other retained earnings		
Other reserve		
Balance as of the end of the previous period	64,300	64,300
Increase (decrease) during the period		
Total increase (decrease) during the period	—	—
Balance as of the end of the previous period	64,300	64,300
Retained earnings carried forward		
Balance as of the end of the previous period	4,537	5,171
Increase (decrease) during the period		
Appropriation of earnings as cash dividends	(2,067)	(2,757)
Net income for the period	2,701	3,168
Transfer to additional paid-in capital from retained earnings	(0)	(0)
Total increase (decrease) during the period	633	411
Balance as of the end of the period	5,171	5,582

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Total retained earnings		
Balance as of the end of the previous period	70,209	70,843
Increase (decrease) during the period		
Appropriation of earnings as cash dividends	(2,067)	(2,757)
Net income for the period	2,701	3,168
Disposal of treasury stock	—	—
Transfer to additional paid-in capital from retained earnings	(0)	(0)
Total increase (decrease) during the period	633	411
Balance as of the end of the period	70,843	71,254
Treasury stock		
Balance as of the end of the previous period	(82)	(83)
Increase (decrease) during the period		
Acquisition of treasury stock	(1)	(1)
Disposal of treasury stock	0	0
Total increase (decrease) during the period	(1)	(1)
Balance as of the end of the period	(83)	(85)
Total shareholders' equity		
Balance as of the end of the previous period	106,931	107,564
Increase (decrease) during the period		
Appropriation of earnings as cash dividends	(2,067)	(2,757)
Net income for the period	2,701	3,168
Acquisition of treasury stock	(1)	(1)
Disposal of treasury stock	0	0
Transfer to additional paid-in capital from retained earnings	—	—
Total increase (decrease) during the period	632	409
Balance as of the end of the period	107,564	107,973
Valuation and conversions		
Net unrealized gain on other marketable securities		
Balance as of the end of the previous period	14	439
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	425	(143)
Total increase (decrease) during the period	425	(143)
Balance as of the end of the period	439	295
Gain (loss) on deferred hedges		
Balance as of the end of the previous period	3	6
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	3	(6)
Total increase (decrease) during the period	3	(6)
Balance as of the end of the period	6	(0)
Total valuation and conversions		
Balance as of the end of the previous period	17	445
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	428	(150)
Total increase (decrease) during the period	428	(150)
Balance as of the end of the period	445	295

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2010 (Apr. 1, 2009 to Mar. 31, 2010)	Fiscal Year Ended Mar. 31, 2011 (Apr. 1, 2010 to Mar. 31, 2011)
Total net assets		
Balance as of the end of the previous period	106,948	108,009
Increase (decrease) during the period		
Appropriation of earnings as cash dividends	(2,067)	(2,757)
Net income for the period	2,701	3,168
Acquisition of treasury stock	(1)	(1)
Disposal of treasury stock	0	0
Transfer to additional paid-in capital from retained earnings	—	—
Net changes in items excluding shareholders' equity during the period	428	(150)
Increase (decrease) during the period	1,061	259
Balance as of the end of the previous period	108,009	108,269

(4) Notes regarding going concern

Not applicable.

6. Other

(1) Manufacturing, New orders and Sales

1) Manufacturing

(Millions of yen, figures less than 1 million yen have been omitted)

	Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
Heat sinks	3,849	5,409

2) New Orders

(Millions of yen, figures less than 1 million yen have been omitted)

	Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
Semiconductors	108,659	128,755
Electronic components	62,742	61,371
Electronic equipment	26,848	28,305
Ryosan products	5,059	6,616
Total	203,310	255,048

(2) Geographical segment information

Fiscal 2010, the fiscal year ended March 31, 2011
(April 1, 2010 to March 31, 2011)

(Millions of yen, figures less than ¥1 million have been omitted)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
I Sales and operating income					
Sales:					
(1) Sales to external Customers	150,473	65,680	216,154	—	216,154
(2)Internal sales between segments, or exchange	10,562	392	10,954	(10,954)	—
Total	161,035	66,072	227,108	(10,954)	216,154
Operating income	4,104	1,799	5,904	(174)	6,078

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:

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

(3) Changes in Directors (As of June 24, 2011)

1. Candidates for Appointment as New Directors

Name	New Appointment	Current position
Tetsuro Kanai	Director and General Manager, International Marketing and Sales Headquarters	Deputy General Manager, International Marketing and Sales Headquarters

2. Other changes

Name	New Appointment	Current position
Koji Honma	Director and General Manager, 2nd Semiconductor Business Headquarters	Director and General Manager, 2nd Semiconductor Business Headquarters (Concurrent positions held) General Manager, International Marketing and Sales Headquarters