

Shareholders Social Meeting

June 24th, 2011

Ryosan Company, Limited

Today's report

- 1. Introduction of the new board structure**
- 2. Damages caused to the company by Eastern Japan Earthquake, and current situation with countermeasures**
- 3. “Business Results for Fiscal 2010” and “Forecasts of Results for Fiscal 2011”**
- 4. Outline of the 8th Medium-Term Management Plan**

Introduction of the New Board Structure

New board structure

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

**Damages caused to the company by
Eastern Japan Earthquake, and
current situation with countermeasures**

Damages caused to the company by Eastern Japan Earthquake, and current situation with countermeasures

1. Human losses

⇒ There have been no human losses among the employees of our company or their families.

2. Impact on business infrastructure

(1) Tokyo Headquarters area

⇒ Emergency task force headed by Naoto Mimatsu, President was established on 3/11. Promoted unified management of information regarding the company issues, suppliers, and customers, and made sure the directions regarding the same are thorough.

(2) Situation with physical distribution

⇒ Our company's distribution center base in East Japan is located in Kawasaki, but it was not affected by the earthquake in any way and is conducting operations as always.

(3) Business bases

1. Sendai Sales Branch: ⇒ Lifeline stopped after the earthquake. Resumed operations at a temporary office (Tokyo) from 3/24. Started conducting operations as always at the Sendai Sales Branch from 4/21.

2. Iwaki Sales Branch: ⇒ Lifeline stopped after the earthquake. Resumed operations at a temporary office (Tokyo) from 3/17. Started conducting operations as always at the Iwaki Sales Branch from 6/20

Measures regarding power saving, and reconstruction assistance

1. Measures to prepare for an earthquake

At present we are in the process of formulation of our company's Business Continuity Plan (BCP) that will on the basis of the lessons learned from the recent tragedy create measures to minimize human losses and material damages in the company, and enable a quick recovery after a disaster.

2. Measures regarding power saving (target set at about 15% reduction)

(1) Measures conducted on the whole company basis

⇒ across-the-board nonworking days on 8/15, 16.

⇒ Cool biz enforced starting from 6/1.

(2) Measures conducted at offices, such as in the headquarters area and the business bases

⇒ air-conditioning set at 28 degrees, 1/3 of the lighting limited, restrictions enforced on hot-water supply devices, etc.

3. Reconstruction assistance

(1) Contributions ⇒ contributed 10 million yen to the Japanese Red Cross Society.

⇒ 3 million yen contributed respectively to each of the municipalities of Sendai, Iwaki, and Hitachinaka, reaching the total of 9 million yen.

(2) Other ⇒ Supporting suppliers and customers as requested.

*Measures (1) - (2) listed above were performed by 3/31.

**“Business Results for Fiscal 2010” and
“Forecasts of Results for Fiscal 2011”**

Overview of Consolidated results

Unit: ¥ 100 million

	FY2009		FY2010			FY2011(Forecasts)			
		Of Total		Of Total	% Chg. YoY		Of Total	% Chg. YoY	
		%		%	%		%	%	
Net sales	1,943		2,161		+11.2	2,300		+6.4	
Gross Margin	168	8.7	190	8.8	+12.8	171	7.4	(10.1)	
SG&A expenses	120	6.2	129	6.0	+7.2	136	5.9	+5.0	
Operating income	47	2.5	60	2.8	+27.0	35	1.5	(42.4)	
Ordinary income	53	2.7	68	3.2	+29.6	42	1.8	(39.0)	
Net income	28	1.5	41	1.9	+44.0	25	1.1	(39.5)	
Earnings per share	¥83.21		¥119.85			¥36.64	¥72.54		(¥47.31)

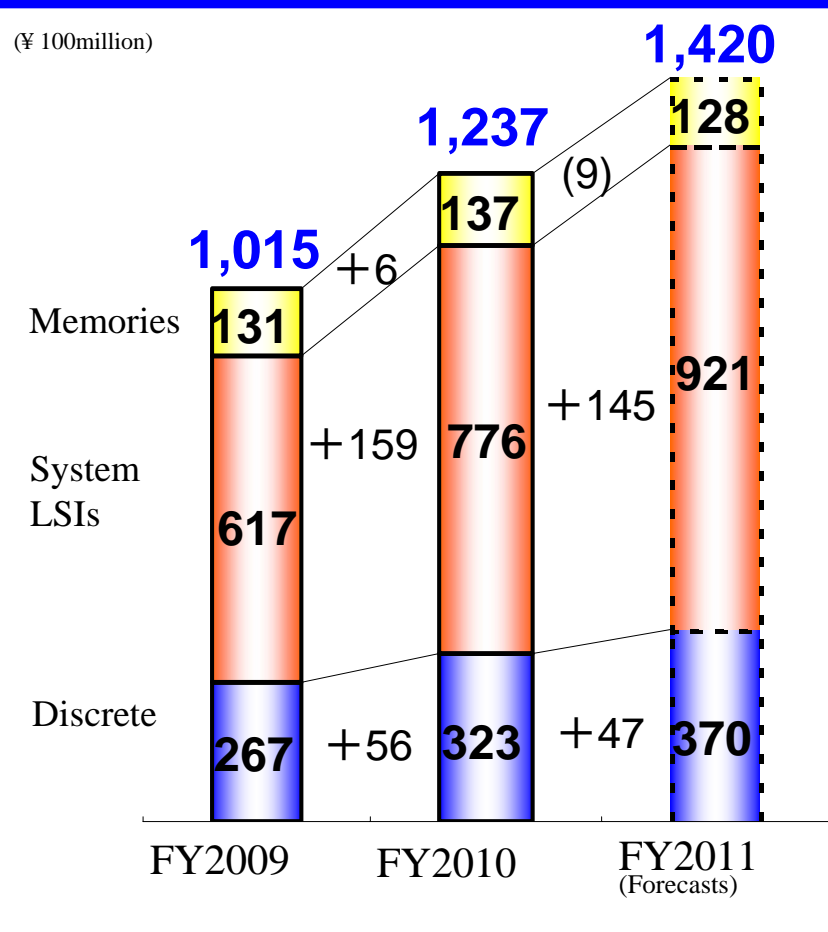
Segment Information by Business Type

Unit: ¥ 100 million

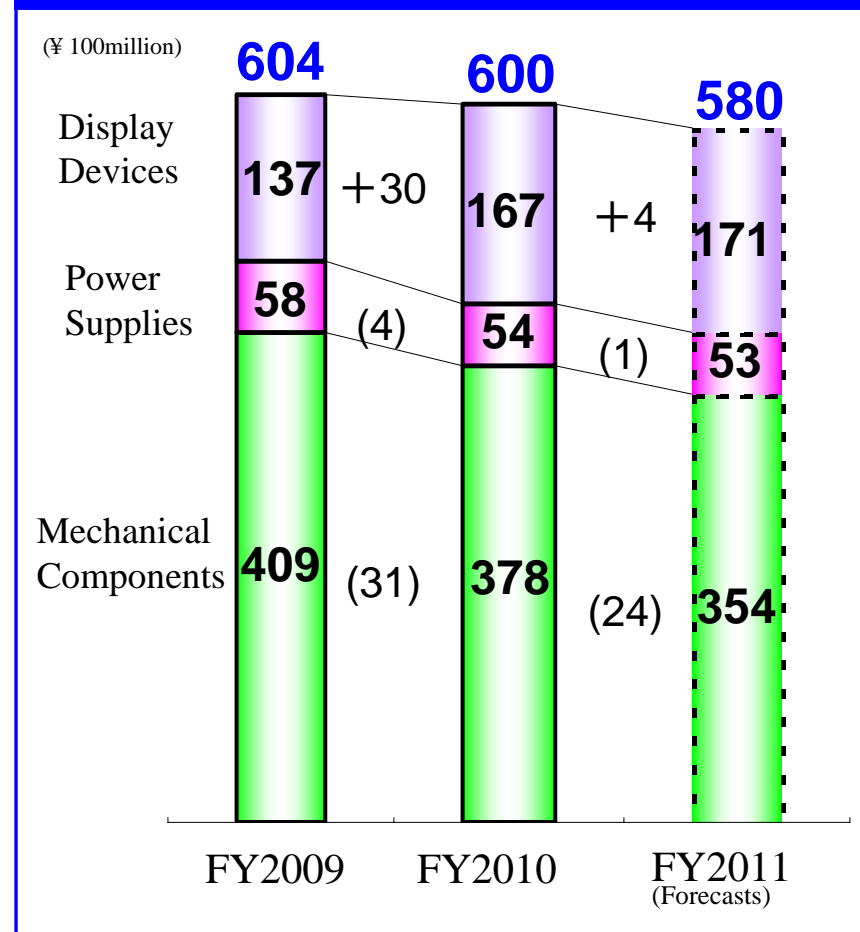
		FY2009		FY2010			FY2011 (Forecasts)		
			OP Margin		OP Margin	% Chg. YoY		OP Margin	% Chg. YoY
Semiconductors	Sales	1,015	%	1,237	%	+21.9%	1,420	%	+14.7%
	Operating income	33	3.3	45	3.7	+37.8	28	2.0	(39.0)
Electronic Components	Sales	604		600		(0.7)	580		(3.4)
	Operating income	23	3.8	22	3.7	(3.1)	18	3.1	(19.9)
Electronic Equipment	Sales	276		258		(6.5)	240		(7.2)
	Operating income	7	2.8	9	3.5	+17.4	5	2.1	(44.9)
Ryosan Products (Heat sinks)	Sales	47		64		+37.2	60		(7.3)
	Operating income	3	8.4	4	7.5	+22.0	4	6.7	(17.7)
Unallocable Operating expenses		▲20	-	▲21	-	-	▲20	-	-
Consolidated	Sales	1,943		2,161		+11.2	2,300		+6.4
	Operating income	47	2.5	60	2.8	+27.0	35	1.5	(42.4)

Sales Breakdown (By business)

【Semiconductors Sales Breakdown】



【Electronic Components Sales Breakdown】

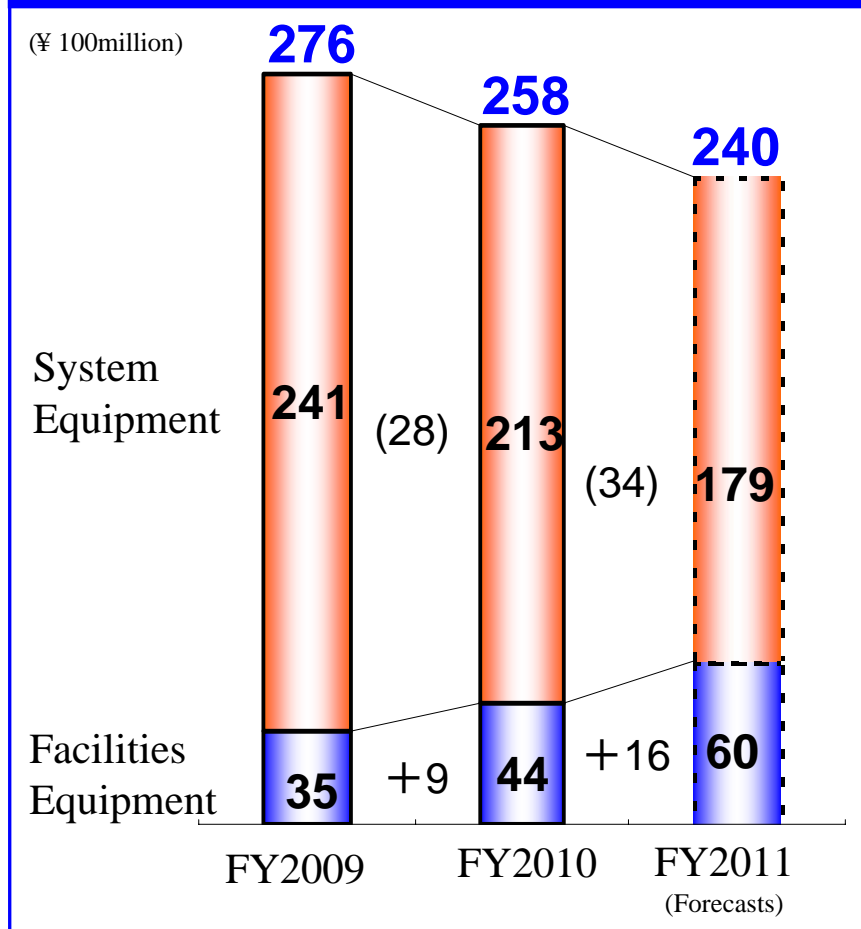


《 Forecast for the FY 2011 (As compared with the last fiscal year) 》

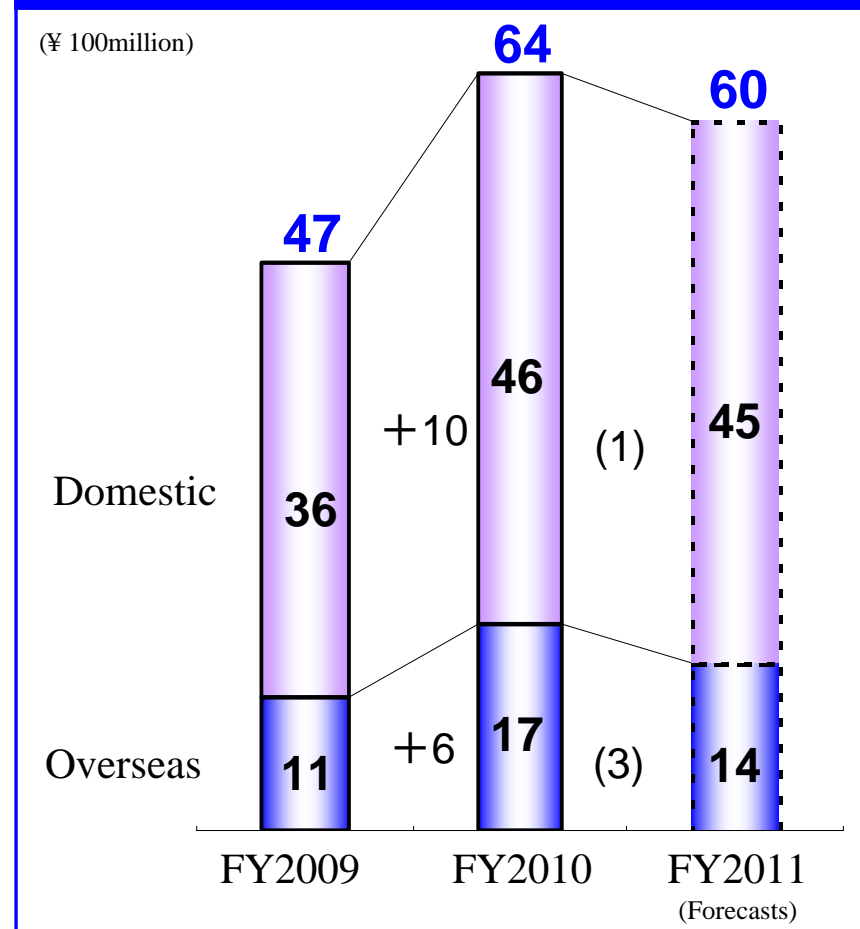
- Sales of microcomputers and system LSIs for in-vehicle electrical components as well as related products are expected to increase.
- Sales of mechanical parts for in-vehicle electrical components and mobile phones as well as related products are expected to decrease.

Sales Breakdown (By business)

【Electronic Equipment Sales Breakdown】



【Ryosan Products Sales Breakdown】



《 Forecast for the FY 2011 (As compared with the last fiscal year) 》

- Sales of system equipment for in-vehicle electrical components as well as related products are expected to decrease.

- Sales of heat sinks for TVs as well as related products are expected to decrease.

Overseas Sales Breakdown

Unit: ¥ 100 million

	FY2009		FY2010			FY2011 (Forecasts)		
		Of Total		Of Total	% Chg. YoY		Of Total	% Chg. YoY
Consolidated net sales	1,943	— %	2,161	— %	+11.2 %	2,300	— %	+6.4 %
Japan	1,282	66.0	1,423	65.8	+11.0	1,500	65.2	+5.4
Overseas	661	34.0	738	34.2	+11.6	800	34.8	+8.4
(Chinese Bloc)	369	19.0	440	20.4	+19.2	460	20.0	+4.5

FY2010 Key Clients

《Top 40》

	Top 1-10	Top 11-20	Top 21-30	Top 31-40
Clients (alphabetical order)	Calsonic Kansei CASIO COMPUTER DENSO HITACHI Mitsubishi Electric NEC NIKON Panasonic PIONEER SHARP	ADVANTEST ALPS Electric Brother Industries Fuji Film Mamiya-OP NINTENDO OMRON SAMSUNG Group (K) Sumitomo Wiring Systems YAMAHA	ALPINE Clarion Fuji Xerox Furuno Electric JVC Sumitomo Electric Industries Taiyo Yuden TOSHIBA TEC YASKAWA Electric YAZAKI meter	Fujitsu Hyundai Motor Group (K) JRC KENWOOD Panasonic Electric Works SANYO Electric Stanley Electric TAKATA TDK TOSHIBA
Percentage Sales of all clients	(Top 10) 44%	(Top 20) 60%	(Top 30) 68%	(Top 40) 72%

《Top 5 (by business)》

Semiconductor	Electronic Equipment
ALPS Electric HITACHI Mitsubishi Electric PIONEER SHARP	DENSO Fuji Xerox HITACHI TDK Panasonic
(Top 5) 39%	(Top 5) 65%
Electronic Components	Ryosan Product
Calsonic Kansei Mitsubishi Electric NEC NINTENDO Panasonic	DENSO FANUC HITACHI Mitsubishi Electric Panasonic
(Top 5) 29%	(Top 5) 39%

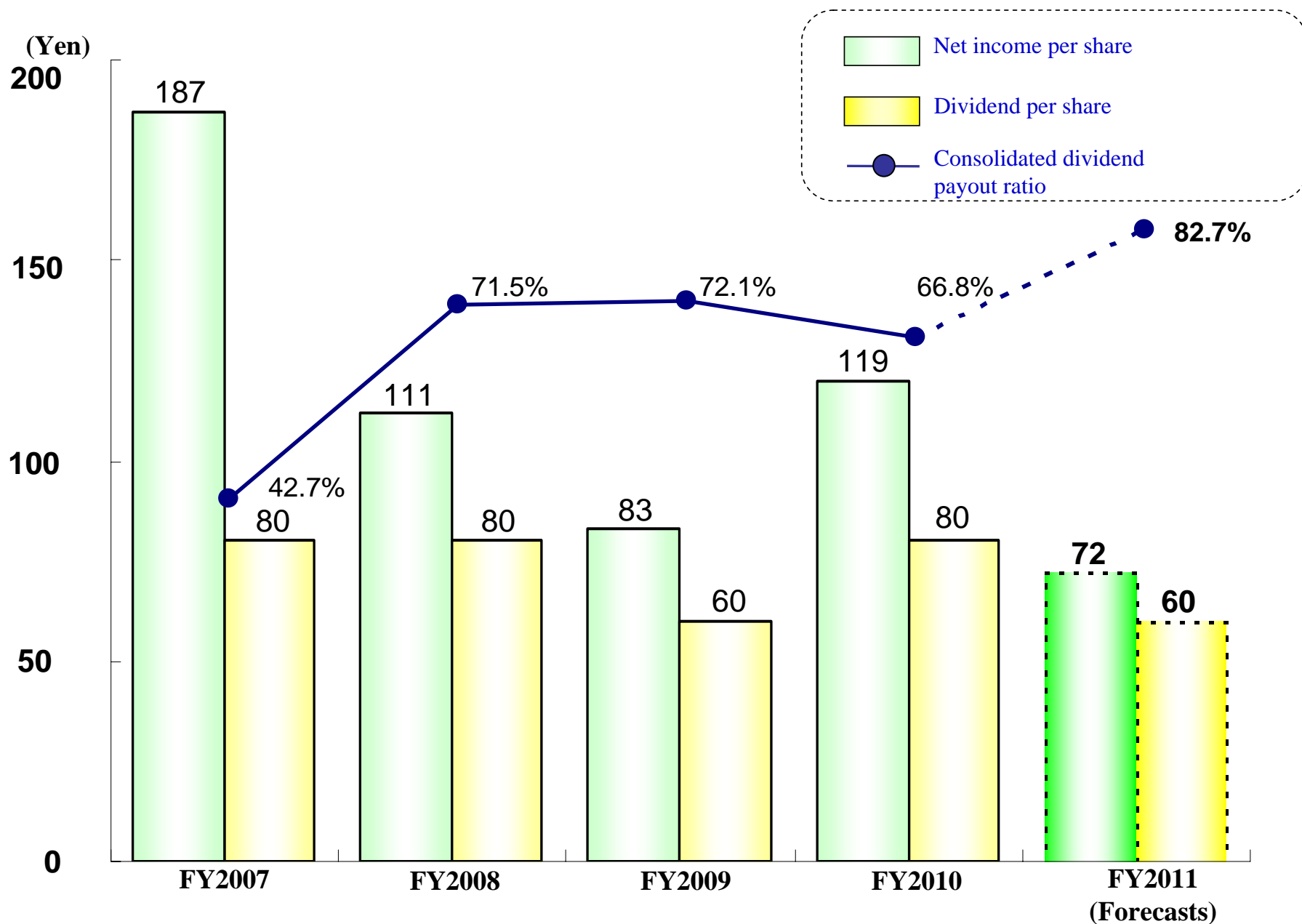
(alphabetical order)

* Rank and percentage share are based on results for FY2010.

* K: Customer in Korea

* The blue characters represent the clients for which our sales increased by over 30% from the previous year.

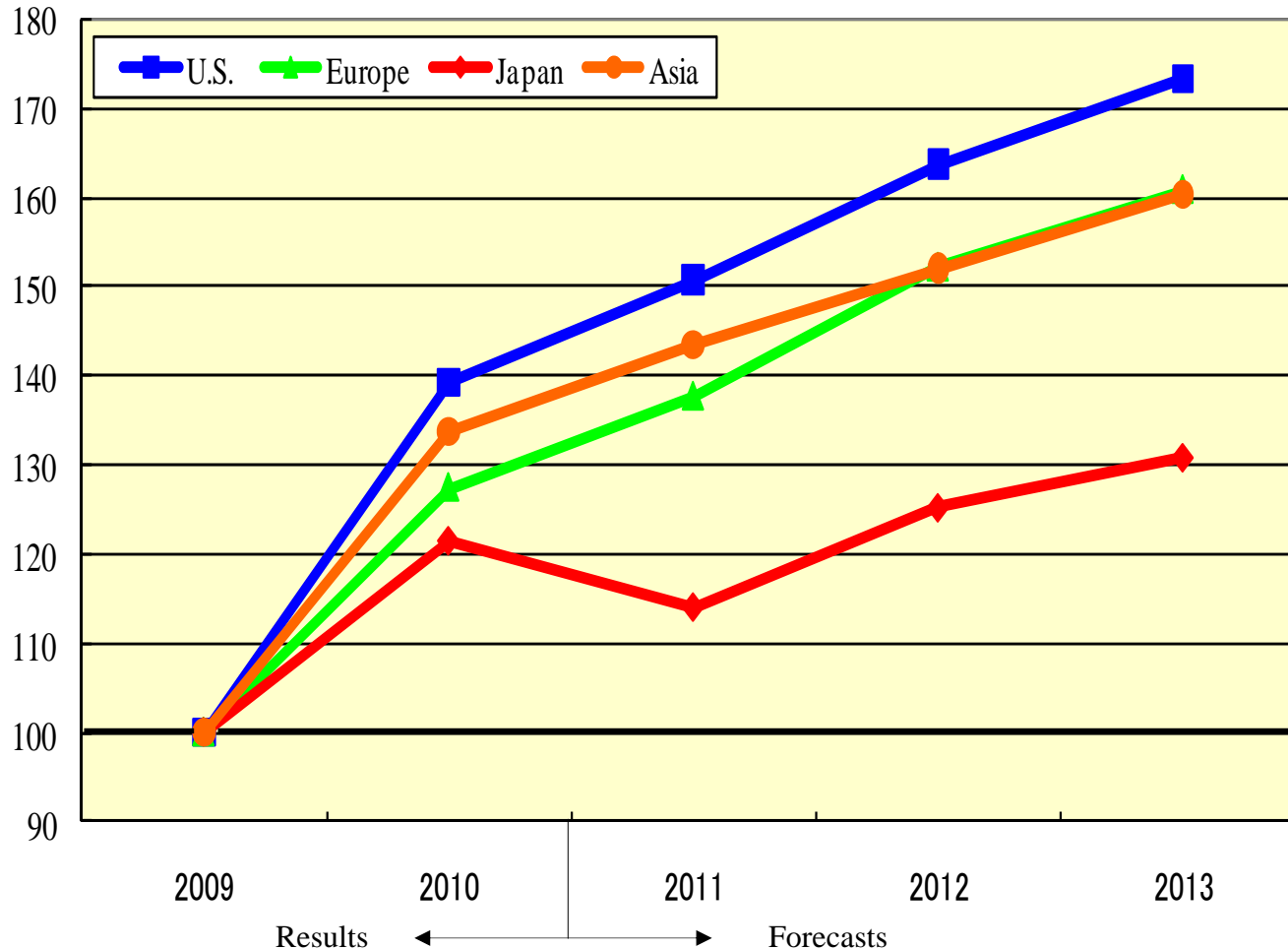
Trend in net income and dividend per share



Outline of the 8th Medium-Term Management Plan

Expectations for semiconductor market

Source: spring 2011 forecast of WSTS (World Semiconductor Trade Statistics)



2013 Regional Market forecasts

Region	Amount (trillion yen)	Share (%)
World	29.3	—
Asia	15.8	53.8
U.S.	5.5	18.7
Japan	4.1	14.1
Europe	4.0	13.5

*Growth rate with 2009 set as "100" (2009 is the latest bottom year under impact of the bankruptcy of Lehman Brothers)

*Regions other than Japan are showing a favorable upward rise

*Under the influence of the Eastern Japan Earthquake, negative growth is expected for 2011 in Japan

Basic Stance

【Basic Stance of the 8th Medium-Term Management Plan】

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.

【General position】

Pursuing management essence, advancing management innovation, and yielding management results are the keys to conducting open and transparent corporate management and business activities with abundant creativity.

Directivity and target of the enterprise

【Directivity】

"Construction of a management structure strong enough to survive in the global age" and "Exploitation of emerging markets to support future growth."

【Target of the enterprise】

Another attempt to "bring the enterprise to the scale yielding consolidated sales of 300 billion yen."

Growth Strategies

1. Strengthening our approach to developing countries with rapid growth (China and India)

- (1) Strengthening of measures to promote sales in the Chinese market (restructuring of a business managing system)
- (2) Making inroads into the Indian market (setting up a business base in Bangalore)

2. Strengthening our business with globalizing Japanese customers

- (1) Employment of activities to ensure customer satisfaction on a higher level
- (2) Making inroads into the European market (setting up a business base in Munich, Germany)
- (3) Expansion of the line card (products handled), and strengthening of system technology capability

3. Strengthening our presence in growth fields (car electronics, social infrastructure, etc.)

- (1) Car electronics
- (2) Social infrastructure/Smart community

Segment Strategies

- Strategy for semiconductor business

- **Semiconductors (Japan)**

- Strengthen the ability of the Renesas enterprise to undergo structural changes, restructure revenue structure and achieve growth of the enterprise.

- **Semiconductors (Overseas)**

- Implement functional enhancements to meet the expectations of the overseas suppliers and achieve conversion into a profit contributing business.

- **Technologies**

- Contribute to semiconductor sales and profit maximization with our abilities in system technology and development as added values.

Segment Strategies

▪ **Strategy for electronic components business**

Expansion of the range of products offered, and expansion in the overseas market

▪ **Strategy for electronic equipment business**

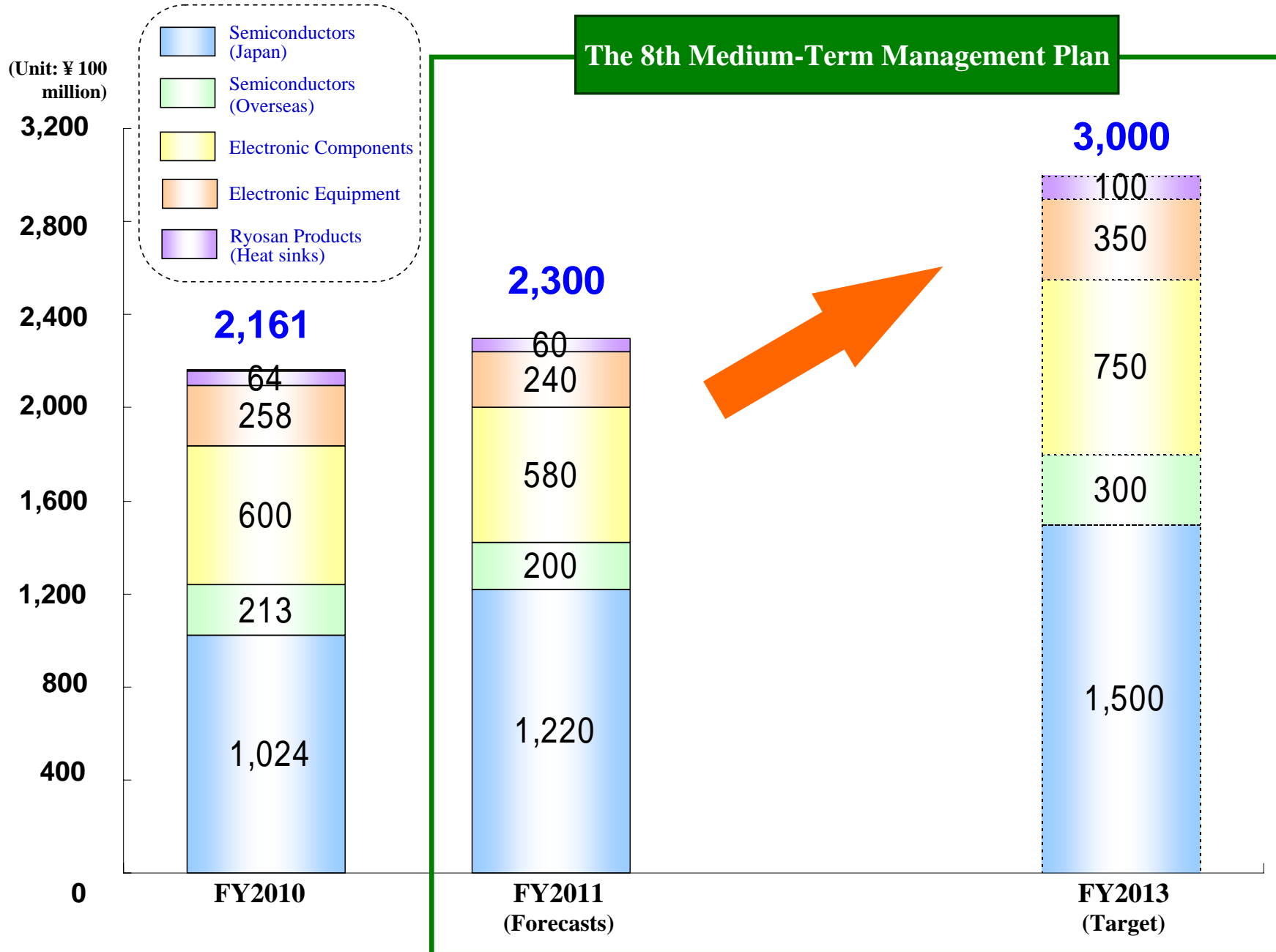
Expansion of the enterprise scale by devising a new business model, and seizing opportunities in the newly growing areas

▪ **Strategy for Ryosan Products business**

Implementation of business expansion and strengthening of earning capacity

【Reference】

Quantitative targets of consolidated sales



Infrastructure Strategies

- 1. Strengthening business infrastructure**
- 2. Reinforcing management in terms of quality**
- 3. Implementing financial strategies aimed to improve corporate value**

Implementing financial strategies aimed to improve corporate value

1. Establishment of basic management indices

- (1) Yearly: consolidation dividend payout ratio on consolidated basis of 50% or more
- (2) FY 2013: dividend on equity (DOE) of 2.5% or more

2. Implementation of own share buyback (expected 3 million-share by FY 2013)

Disclaimer regarding handling of this data

The prospects stated in this presentation are a forecast for the future, contain risks or uncertainties and may largely vary from the actual business results. The principal factors that may influence the prospects are as follows.

- Sudden changes of economic conditions of primary markets (Japan, Asia, etc.), of consumption trends, and supply/demand for products
- Significant changes of yen rates against dollar and other currencies
- Significant changes, etc. of the market prices in the capital market