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For Immediate Release

Ryosan Co., Ltd.

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Notice of Revision of Earnings and Dividends Forecasts

Ryosan Co., Ltd. (“Ryosan” or “the Company”) has announced that the Company has resolved to revise the earnings and dividends forecasts for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012) that were announced on June 14, 2011 at a meeting of the Board of Directors held on February 20, 2012, based on recent trends in business performance. Details are as follows.

●Revision of Earnings Forecasts

Revised consolidated earnings forecasts for the fiscal year ending March 31, 2012
(April 1, 2011 to March 31, 2012)

(Millions of yen)

	Net sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share (yen)
Previously announced forecasts (A)	230,000	3,500	4,200	2,500	72.54
Revised forecast (B)	220,000	3,300	4,300	2,100	61.48
Change (B-A)	(10,000)	(200)	100	(400)	
Rate of change (%)	(4.3)	(5.7)	2.4	(16.0)	
(Reference) Actual results for the previous fiscal year (the fiscal year ended March 31, 2011)	216,154	6,078	6,883	4,130	119.85

Reasons for the revision

The Company’s performance has been affected by mainly a worldwide decline in demand for semiconductors and electronic components and a slowdown in production activities triggered by the flooding in Thailand as well as the financial crisis in Europe and the prolonged appreciated yen. As a result, both revenues and earnings are expected to decrease as compared to the previously announced forecasts. Net income is expected to be significantly lower than the previous forecast due primarily to an increase in tax expense resulting from disposal of differed tax asset, accompanied by the corporate tax reforms.

●Revision of Dividends Forecasts

(yen)

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
Previously announced forecasts (Announced June 14, 2011)	—	20.00	—	40.00	60.00
Revised forecast	—	—	—	20.00	40.00
Actual results for this fiscal year	—	20.00	—		
Actual results for the previous fiscal year (the fiscal year ended March 31, 2011)	—	40.00	—	40.00	80.00

Reasons for the revision

Ryosan recognizes that the return of profits to shareholders is an important business priority. At the same time, the Company is working to increase consolidated basic net income per share. Accordingly, Ryosan's fundamental policy is to continue high dividend payout in profits returned to shareholders. Furthermore, the Company is targeting a consolidated dividend payout ratio of 50% or more.

Based on the revised consolidated earnings forecasts for the fiscal year ending March 31, 2012 stated above, we have, with regret, revised the year-end dividend forecast to 20 yen per and accordingly the annual dividend forecast to 40 yen.

Note: The aforementioned forecasts were made based on the information available to the Company, which we assume reasonable, as of the date of this report. Actual results could differ significantly from forecasts due to a variety of factors.