



## ※ Notes

(1) Transfer of major subsidiaries during the scope of consolidation of this quarter (transfer of specified subsidiaries in line with changes in the consolidated range): No

(2) Applying accounting procedures specific to preparing quarterly financial statements: No

(3) Changes in accounting principles, changes in accounting estimates and restatements

1. Changes in accordance with revisions to accounting standards and related practices of accounting principles: Yes

2. Changes in items of accounting principles other than 1. above: No

3. Changes in accounting estimate: No

4. Restatement of revisions: No

(Note) For details, refer to page 3 in appendix "2. Items Regarding Summary Information (Notes) (3) Changes in Accounting Principles, Changes in Accounting Estimates and Restatements".

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

1. Total number of shares issued and outstanding (including treasury stock) as of the period-end:

June 30, 2012: 34,500,000 shares

March 31, 2012: 34,500,000 shares

2. Total number of treasury stock as of the period-end:

June 30, 2012: 1,035,486 shares

March 31, 2012: 1,035,425 shares

3. Average number of shares outstanding during the period (Cumulative total for the quarterly consolidated period)

First quarter fiscal 2012: 34,464,525 shares

First quarter fiscal 2011: 34,465,253 shares

### Indication regarding the implementation status of the quarterly review procedure

This first quarter consolidated earnings report is not subject to the quarterly review process based on the Financial Instruments and Exchange Act, and the quarterly review process for quarterly consolidated financial statements is ongoing at the time of the disclosure of this first quarter consolidated earnings report.

### Caution with respect to forward-looking statements:

The estimates referred in this report were made based on the information available as of the date of this release. The Company does not promise the realization of the estimates in this report. The Actual results could significantly differ from the estimates due to a variety of factors. For details on the conditions that form the assumptions used for earnings forecasts and notes on using earnings forecasts, please refer to appendix page 2, "1. Qualitative Information Regarding this Quarterly Statement (3) Qualitative Information and Other Matters Concerning Consolidated Forecasts for the Fiscal Year Ending March 31, 2013".

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## **1. Qualitative Information Regarding this Quarterly Statement**

### **(1) Qualitative Information and Other Matters Concerning Consolidated Operating Results for the First Quarter of Fiscal 2012**

#### 1) Overview

In the global economy in the first quarter (April 1, 2012 -June 30, 2012), the murky outlook continues due to the prolonged European sovereign debt crisis in addition to a slowdown in the growth rate of emerging countries including China. In addition, the electronics industry, in which we are engaged in, faced difficult tasks due to slow rebound in demand overall even though some products such as smartphones and tablet terminals were strong.

Under these circumstances, the Ryosan Group has worked on “restructuring of the profit and financial structure”, “reform of the management system” and “Promotion of globalization” while setting “the Company addresses renovation of management structure to survive in a changing external environment as our basic stance of management for the fiscal year 2012.

As a result of the above, the Ryosan Group reported increases in net sales of 51,911 million yen (up 7.5% from the same period the previous year), operating income of 982 million yen (up 81.8%), ordinary income of 1,276 million yen (up 49.6%), and net income of 791 million yen (up 47.7%) for results of the first quarter under review.

#### 2) Business Segment Information

##### *a. Semiconductors*

We sell memories, system LSIs and discrete semiconductors, and develop system LSIs. In this consolidated first quarter, sales of system LSIs for in-vehicle electrical components and smartphones, etc. increased, with net sales of 32,330 million yen (up 11.2% from the same period previous year) and operating income of 815 million yen (up 79.9%).

##### *b. Electronic Components*

We sell display devices, power supplies and electromechanical components. In this consolidated first quarter, sales of display devices for digital cameras, etc. increased, with net sales of 13,347 million yen (up 2.9% from the same period previous year), but operating income came to 446 million yen (down 1.4%).

##### *c. Electronic Equipment*

We sell systems equipment and facilities equipment. In this consolidated first quarter, sales of semiconductor manufacturing equipment, etc. increased, with net sales of 4,864 million yen (up 2.8% from the same period previous year) and operating income of 182 million yen (up 100.0%).

##### *d. Ryosan Products*

We produce and sell heat sinks (devices that dissipate the heat generated by semiconductors). In this consolidated first quarter, sales of heat sinks for FA equipment, etc. decreased, with net sales of 1,369 million yen (down 10.0% from the same period previous year) and operating income of 85 million yen (down 35.2%).

### **(2) Qualitative Information and Other Matters Concerning Consolidated Financial Position for the End of the First Quarter of Fiscal 2012**

At the end of this first quarter, total assets had decreased by 6,292 million yen, as compared with the level at the end of the previous fiscal year, and came to 160,786 million yen.

Also, net assets decreased by 537 million yen, as compared with the level at the end of the previous fiscal year, and came to 115,154 million yen, with the ratio of net assets to total assets being 71.6%.

### **(3) Qualitative Information and Other Matters Concerning Consolidated Forecasts for the Fiscal Year Ending March 31, 2013**

There is no change in forecasts for the first half and full-year fiscal 2012 ending March 31, 2013. (Those forecasts were announced on May 11, 2012.).

## **2. Items Regarding Summary Information (Notes)**

(1) Transfer of major subsidiaries during the scope of consolidation of this quarter

None

(2) Applying accounting procedures specific to preparing quarterly financial statements

None

(3) Changes in accounting principles, changes in accounting estimates and restatements

(Change in depreciation method)

The Company changed to the depreciation method based on the amended Corporation Tax Act due to amendments to the Corporation Tax Act for tangible noncurrent assets acquired on and after April 1, 2012.

The influences of this change on profit and loss are minimal.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2012 (As of March 31, 2012)	First Quarter of the Fiscal Year Ending March 31, 2013 (As of June 30, 2012)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	34,114	30,543
Trade notes and accounts receivable	81,123	75,125
Marketable securities	—	5,999
Inventories	24,633	23,435
Accrued income	2,989	2,438
Deferred tax assets	276	208
Other current assets	1,109	471
Allowance for doubtful accounts	(93)	(74)
<b>Total current assets</b>	<b>144,153</b>	<b>138,147</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures (net)	4,461	4,379
Land	8,121	8,113
Lease assets (net)	221	245
Other fixed assets (net)	520	478
<b>Total property, plant and equipment</b>	<b>13,325</b>	<b>13,216</b>
<b>Intangible fixed assets</b>	<b>930</b>	<b>893</b>
<b>Investments and other assets</b>		
Investment securities	3,084	2,859
Long-term deposits	3,000	3,000
Deferred tax assets	958	1,044
Other	2,719	2,683
Allowance for doubtful accounts	(957)	(926)
Allowance for loss on investments	(136)	(130)
<b>Total Investments and other assets</b>	<b>8,669</b>	<b>8,529</b>
<b>Total fixed assets</b>	<b>22,925</b>	<b>22,639</b>
<b>Total assets</b>	<b>167,079</b>	<b>160,786</b>

(Millions of yen)

	Fiscal Year Ended March 31, 2012 (As of March 31, 2012)	First Quarter of the Fiscal Year Ending March 31, 2013 (As of June 30, 2012)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade accounts payable	33,549	27,153
Short-term bank loans	11,850	12,628
Lease obligations	112	118
Other payable	1,761	1,571
Accrued expenses	1,091	532
Accrued income taxes	338	432
Reserve for bonuses	—	327
Other current liabilities	193	398
<b>Total current liabilities</b>	<b>48,896</b>	<b>43,162</b>
<b>Long-term liabilities</b>		
Lease obligations	155	172
Employees' retirement benefits	2,275	2,242
Other long-term liabilities	60	56
<b>Total long-term liabilities</b>	<b>2,491</b>	<b>2,470</b>
<b>Total liabilities</b>	<b>51,388</b>	<b>45,632</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>		
Common stock	17,690	17,690
Additional paid-in capital	19,114	19,114
Retained earnings	83,449	83,570
Treasury stock	(1,806)	(1,806)
<b>Total shareholders' equity</b>	<b>118,447</b>	<b>118,569</b>
<b>Other accumulated comprehensive incomes</b>		
Net unrealized gain on other marketable securities	331	204
Gain (loss) on deferred hedges	2	(0)
Foreign currency translation adjustments	(3,090)	(3,619)
<b>Total other accumulated comprehensive incomes</b>	<b>(2,756)</b>	<b>(3,415)</b>
<b>Total net assets</b>	<b>115,691</b>	<b>115,154</b>
<b>Total liabilities and net assets</b>	<b>167,079</b>	<b>160,786</b>

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

**(Consolidated Quarterly Statements of Income)**

(Scope of Consolidation of this First Quarter)

(Millions of yen)

	First Quarter of the Fiscal Year Ended March 31, 2012 (Apr. 1, 2011 to Jun. 30, 2011)	First Quarter of the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 to Jun. 30, 2012)
<b>Net sales</b>	48,306	51,911
<b>Cost of Sales</b>	44,378	47,644
Gross Profit	3,927	4,266
<b>Selling, general and administrative expenses</b>	3,387	3,283
<b>Operating income</b>	540	982
<b>Non-operating income</b>		
Interest income	22	22
Dividend income	133	83
Gain on foreign exchange	91	37
Commission fee	42	132
Miscellaneous income	62	65
Total non-operating income	352	342
<b>Non-operating expenses</b>		
Interest expense	38	45
Miscellaneous expenses	1	2
Total non-operating expenses	39	48
<b>Ordinary income</b>	852	1,276
<b>Extraordinary gains</b>		
Gain on sales of noncurrent assets	—	33
Gain on reversal of allowance for doubtful accounts	—	5
Total extraordinary gains	—	39
<b>Extraordinary losses</b>		
Loss on sales and disposal of property, plant and equipment	1	—
Loss on valuation of investment securities	—	27
Total extraordinary losses	1	27
<b>Income before income taxes and minority interests</b>	851	1,288
Income taxes	315	497
<b>Income before Minority interest in income</b>	536	791
Minority interests in income	1	—
<b>Net income</b>	535	791

**(Consolidated Quarterly Comprehensive Statements of Income)**

**(Scope of Consolidation of this First Quarter)**

(Millions of yen)

	First Quarter of the Fiscal Year Ended March 31, 2012 (Apr. 1, 2011 to Jun. 30, 2011)	First Quarter of the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 to Jun. 30, 2012)
<b>Income before Minority interest in income</b>	536	791
<b>Other comprehensive income</b>		
Net unrealized gain on other marketable securities	(46)	(127)
Gain (loss) on deferred hedges	10	(2)
Foreign currency translation adjustments	(375)	(528)
Total other comprehensive income	(411)	(658)
<b>Comprehensive Incomes</b>	125	132
(Details)		
Comprehensive incomes relating to shareholders of parental company	127	132
Comprehensive incomes relating to minority shareholders	(2)	—

**(3) Notes Regarding Going Concern**

Not applicable.

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

Not applicable.

**(5) Segment Information**

I. For the consolidated first quarter of the fiscal year ended March 31, 2012

(April 1, 2011 to June 30, 2011)

## 1. Overview of our Reporting Segments

Information Concerning Sales and Income or Loss Amount by Reporting Segment

(Millions of yen)

	Reportable Segment					Adjusted amount (Note) 1	Consolidated quarterly income statement amount (Note) 2
	Semi-conductors	Electronic components	Electronic equipment	Ryosan products	Total		
Sales and operating income							
Sales:							
Sales to external Customers	29,081	12,971	4,730	1,522	48,306	—	48,306
Internal sales between segments, or exchange	—	—	—	—	—	—	—
Total	29,081	12,971	4,730	1,522	48,306	—	48,306
Segment income (loss)	453	453	91	131	1,128	(588)	540

(Notes)

1. The adjustment of -588 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 quarterly statements of income.

II. For the consolidated first quarter of the fiscal year ending March 31, 2013

(April 1, 2012 to June 30, 2012)

Information Concerning Sales and Income or Loss Amount by Reporting Segment

(Millions of yen)

	Reportable Segment					Adjusted amount (Note) 1	Consolidated quarterly income statement amount (Note) 2
	Semi-conductors	Electronic components	Electronic equipment	Ryosan products	Total		
Sales and operating income							
Sales:							
Sales to external Customers	32,330	13,347	4,864	1,369	51,911	—	51,911
Internal sales between segments, or exchange	—	—	—	—	—	—	—
Total	32,330	13,347	4,864	1,369	51,911	—	51,911
Segment income (loss)	815	446	182	85	1,529	(546)	982

(Notes)

1. The adjustment of -546 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 quarterly statements of income.

## 4. Supplementary Information

### (1) Geographical Segment Information

Fiscal 2011, first quarter of the fiscal year ended March 31, 2012

(April 1, 2011 to June 30, 2011)

(Millions of yen)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
<b>I Sales</b>					
Sales:					
(1) Sales to external Customers	32,522	15,783	48,306	—	48,306
(2) Internal sales between segments, or exchange	2,239	152	2,392	(2,392)	—
Total	34,762	15,935	50,698	(2,392)	48,306
Operating income	326	162	488	52	540

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

Fiscal 2012, First quarter of the fiscal year ending March 31, 2013

(April 1, 2012 to June 30, 2012)

(Millions of yen)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
<b>I Sales and operating income</b>					
Sales:					
(1) Sales to external Customers	35,303	16,608	51,911	—	51,911
(2) Internal sales between segments, or exchange	1,384	131	1,515	(1,515)	—
Total	36,687	16,740	53,427	(1,515)	51,911
Operating income	497	504	1,002	(19)	982

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

## (2) Overseas Sales

Fiscal 2011, first quarter of the fiscal year ended March 31, 2012  
(April 1, 2011 to June 30, 2011)

(Millions of yen)

	Asia	Total
Overseas sales	16,691	16,691
Consolidated net sales	—	48,306
Ratio of overseas sales to consolidated net sales (%)	34.6	34.6

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:  
Asia: China, Hong Kong, Korea, and Thailand 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).

Fiscal 2012, first quarter of the fiscal year ending March 31, 2013  
(April 1, 2012 to June 30, 2012)

(Millions of yen)

	Asia	Total
Overseas sales	18,032	18,032
Consolidated net sales	—	51,911
Ratio of overseas sales to consolidated net sales (%)	34.7	34.7

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:  
Asia: China, Hong Kong, Korea, and Thailand 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).