

※ 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 4 in appendix"2. Items Regarding Summary Information (Notes) (3) Changes in Accounting Policies, 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:

September 30, 2012: 34,500,000 shares	March 31, 2012: 34,500,000 shares
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2. Total number of treasury stock as of the period-end:

September 30, 2012: 1,035,551 shares	March 31, 2012: 1,035,425 shares
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3. Average number of shares outstanding during the period (Cumulative total for the quarterly consolidated period)

First half, fiscal 2012: 33,464,508 shares	First half, fiscal 2011: 34,393,386 shares
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Indication regarding the implementation status of the quarterly review procedure

This first half 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 half 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 3, "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 Half of Fiscal 2012

1) Overview

In this first half period (April 1, 2012-September 30, 2012), the outlook for the global economy has become increasingly uncertain due to the prolonged European sovereign debt crisis and the intensifying slowdown of emerging economies including China, which have led the global economic growth. In addition, the electronics industry, in which we are engaged, remained in a severe condition since a full recovery in demand did not materialize despite the strong demand for some products such as smartphones and tablet devices.

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 the net sales of 106,185 million yen (down 0.8% from the same period the previous year), operating income of 2,119 million yen (up 34.6%), ordinary income of 2,538 million yen (up 21.0%), and net income of 1,552 million yen (up 37.1%) for results of the first half period under review.

2) Business Segment Information

a. Semiconductors

We sell memories, system LSIs and discrete semiconductors, and develop system LSIs. In this consolidated first half period, sales of system LSIs for in-vehicle electrical components, smartphones, and digital cameras, etc. increased, with net sales of 67,106 million yen (up 3.4% from the same period previous year) and operating income of 1,731 million yen (up 55.3%).

b. Electronic Components

We sell display devices, power supplies and electromechanical components. In this consolidated first half period, sales of display devices for information terminals, etc. decreased, with net sales of 26,884 million yen (down 3.5% from the same period previous year) and operating income of 950 million yen (down 13.0%).

c. Electronic Equipment

We sell systems equipment and facilities equipment. In this consolidated first half period, sales of system equipment for in-vehicle electrical components, etc. decreased, with net sales of 9,620 million yen (down 13.8% from the same period previous year), but operating income came to 430 million yen (up 48.7%).

d. Ryosan Products

We produce and sell heat sinks (devices that dissipate the heat generated by semiconductors). In this consolidated first half period, sales of heat sinks for FA equipment, etc. decreased, with net sales of 2,573 million yen (down 16.2% from the same period previous year) and operating income of 130 million yen (down 33.7%).

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

1) An Overview of Financial Position

At the end of this first half period, total assets had decreased by 7,089 million yen, as compared with the level at the end of the previous fiscal year, and came to 159,990 million yen.

Also, net assets increased by 112 million yen, as compared with the level at the end of the previous fiscal year, and came to 115,803 million yen, with the ratio of net assets to total assets being 72.4%.

2) An Overview of Cash Flows

As of the end of this consolidated first half period, cash and cash equivalent had increased by 6,274 million yen as compared with the level at the end of the previous consolidated fiscal year, and came to 40,387 million yen.

(An overview of cash flow from operating activities)

Regarding cash flow from operating activities in this first half period, on the whole there was an increase of funds of 6,260 million yen because although trade notes and accounts payable decreased by 5,311 million yen, income before income taxes and minority interests was 2,544 million yen, trade notes and accounts receivable decreased by 6,928 million yen, and inventories decreased by 1,476 million yen. For a comparison, in the net cash provided by (used in) operating activities of the corresponding quarter of the previous year, there was a decrease of funds by 4,712 million yen.

(An overview of cash flow from investing activities)

Regarding cash flow from investing activities in this consolidated first half period, there was an increase of funds by 1,491 million yen due to withdrawal of time deposits, etc. For a comparison, in the net cash provided by (used in) investment activities of the corresponding quarter of the previous year, there was a decrease of funds by 382 million yen.

(An overview of cash flow from financing activities)

Regarding cash flow from financing activities in this first half period, there was a decrease of funds by 1,249 million yen mainly because dividends of 669 million yen were paid and short-term bank loans decreased by 516 million yen. For a comparison, in the net cash provided by (used in) financing activities of the corresponding quarter of the previous year, there was an increase of funds by 407 million yen.

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

The global economy remains uncertain mainly due to the European sovereign debt crisis and concerns over the slowdown of emerging economies. In addition, since we do not foresee a recovery in demand for semiconductors and electronic components in the electronics industry, in which we are engaged, net sales are estimated to fall below the previous forecast. However, we have not revised income forecast from the previous forecast because the improvement of gross profit margin and the reduction of selling, general and administrative expenses are expected. We have not revised dividend forecast associated with this revision of business forecast.

(Consolidated business forecast)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	225,000	4,600	5,400	3,500	104.59
Revised forecast (B)	215,000	4,600	5,400	3,500	104.59
Change (B-A)	(10,000)	0	0	0	—
Change (%)	(4.4)	0.0	0.0	0.0	—
(Reference)					
Actual results for the fiscal year ended March 31, 2012	217,887	3,511	4,476	1,899	55.90

(Business forecast for each business segment)

a. Semiconductors

In the semiconductors business, sales of system LSIs for in-vehicle electrical components, smartphones, and digital cameras, etc. are estimated to increase, and we forecast net sales of 135,000 million yen (up 2.0% year-on-year) and operating income of 3,700 million yen (up 54.0%).

b. Electronic Components

In the electronic components business, sales of display devices for information terminals, etc. are estimated to decrease, and we forecast net sales of 54,000 million yen (down 2.5% year-on-year) and operating income of 1,900 million yen (up 5.3%).

c. Electronic Equipment

In the electronic equipment business, sales of system equipment for in-vehicle electrical components, etc. are estimated to decrease, and we forecast net sales of 21,000 million yen (down 14.8% year-on-year) and operating income of 900 million yen (up 2.5%).

d. Ryosan Products

In the Ryosan products business, sales of heat sinks for FA equipment, etc. are estimated to decrease, and we forecast net sales of 5,000 million yen (down 8.3% year-on-year) and operating income of 300 million yen (up 36.4%).

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 Policies, 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.

4. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2012 (As of March 31, 2012)	First Half of the Fiscal Year Ending March 31, 2013 (As of September 30, 2012)
ASSETS		
Current assets		
Cash and deposits	34,114	41,889
Trade notes and accounts receivable	81,123	73,414
Inventories	24,633	22,773
Accrued income	2,989	1,880
Deferred tax assets	276	310
Other current assets	1,109	291
Allowance for doubtful accounts	(93)	(75)
Total current assets	144,153	140,484
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	4,461	4,331
Land	8,121	8,110
Lease assets (net)	221	281
Other fixed assets (net)	520	449
Total property, plant and equipment	13,325	13,173
Intangible fixed assets	930	867
Investments and other assets		
Investment securities	3,084	2,766
Long-term deposits	3,000	—
Deferred tax assets	958	1,058
Other	2,719	2,690
Allowance for doubtful accounts	(957)	(927)
Allowance for loss on investments	(136)	(123)
Total Investments and other assets	8,669	5,464
Total fixed assets	22,925	19,505
Total assets	167,079	159,990

(Millions of yen)

	Fiscal Year Ended March 31, 2012 (As of March 31, 2012)	First Half of the Fiscal Year Ending March 31, 2013 (As of September 30, 2012)
LIABILITIES		
Current liabilities		
Trade accounts payable	33,549	27,802
Short-term bank loans	11,850	10,675
Lease obligations	112	130
Other payable	1,761	958
Accrued expenses	1,091	1,043
Accrued income taxes	338	920
Other current liabilities	193	186
Total current liabilities	48,896	41,718
Long-term liabilities		
Lease obligations	155	203
Employees' retirement benefits	2,275	2,209
Other long-term liabilities	60	55
Total long-term liabilities	2,491	2,468
Total liabilities	51,388	44,186
NET ASSETS		
Shareholder's equity		
Common stock	17,690	17,690
Additional paid-in capital	19,114	19,114
Retained earnings	83,449	84,332
Treasury stock	(1,806)	(1,806)
Total shareholders' equity	118,447	119,331
Other accumulated comprehensive incomes		
Net unrealized gain on other marketable securities	331	149
Gain (loss) on deferred hedges	2	(1)
Foreign currency translation adjustments	(3,090)	(3,675)
Total other accumulated comprehensive incomes	(2,756)	(3,527)
Total net assets	115,691	115,803
Total liabilities and net assets	167,079	159,990

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

(Consolidated Quarterly Statements of Income)

(Scope of Consolidation of this First Half Period)

(Millions of yen)

	First Half of the Fiscal Year Ended March 31, 2012 (Apr. 1, 2011 to Sep. 30, 2011)	First Half of the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 to Sep. 30, 2012)
Net sales	106,987	106,185
Cost of Sales	98,724	97,569
Gross Profit	8,262	8,615
Selling, general and administrative expenses	6,688	6,496
Operating income	1,574	2,119
Non-operating income		
Interest income	46	44
Dividend income	136	94
Gain on foreign exchange	36	5
Commission fee	276	277
Miscellaneous income	118	108
Total non-operating income	613	530
Non-operating expenses		
Interest expense	80	92
Miscellaneous expenses	10	18
Total non-operating expenses	90	111
Ordinary income	2,097	2,538
Extraordinary gains		
Gain on sales of noncurrent assets	0	33
Gain on reversal of allowance for doubtful accounts	—	12
Total extraordinary gains	0	46
Extraordinary losses		
Loss on sales and disposal of property, plant and equipment	2	—
Impairment loss	—	3
Loss on valuation of investment securities	129	35
Provision of allowance for investment loss	25	—
Loss on valuation of golf club membership	—	1
Total extraordinary losses	157	39
Income before income taxes and minority interests	1,940	2,544
Income taxes	805	991
Income before Minority interest in income	1,134	1,552
Minority interests in income	1	—
Net income	1,132	1,552

(Consolidated Quarterly Comprehensive Statements of Income)

(Scope of Consolidation of this First Half Period)

(Millions of yen)

	First Half of the Fiscal Year Ended March 31, 2012 (Apr. 1, 2011 to Sep. 30, 2011)	First Half of the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 to Sep. 30, 2012)
Income before Minority interest in income	1,134	1,552
Other comprehensive income		
Net unrealized gain on other marketable securities	(134)	(182)
Gain (loss) on deferred hedges	(2)	(4)
Foreign currency translation adjustments	(999)	(584)
Total other comprehensive income	(1,135)	(771)
Comprehensive Incomes	(1)	781
(Details)		
Comprehensive incomes relating to shareholders of parental company	11	781
Comprehensive incomes relating to minority shareholders	(12)	—

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	First Half of the Fiscal Year Ended March 31, 2012 (Apr. 1, 2011 to Sep. 30, 2011)	First Half of the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 to Sep. 30, 2012)
Operating activities		
Quarterly income before income taxes	1,940	2,544
Depreciation and amortization	337	307
Impairment loss	—	3
Increase (decrease) in allowance for doubtful accounts	(52)	(41)
Increase (decrease) in provision for retirement benefits	30	(55)
Increase (decrease) in allowance for loss on investments	25	(12)
Interest and dividends income	(182)	(138)
Interest expenses	80	92
Loss (gain) on sales of investment securities	129	35
Loss (gain) on sales of property, plant and equipment	1	(33)
Decrease (increase) in notes and accounts receivable-trade	(3,416)	6,928
Decrease (increase) in inventories	(3,236)	1,476
Increase (decrease) in notes and accounts payable-trade	(942)	(5,311)
Other	1,935	857
Subtotal	(3,351)	6,651
Interest and dividends income received	183	144
Interest expenses paid	(77)	(93)
Income taxes (paid) refund	(1,466)	(441)
Net cash provided by (used in) operating activities	(4,712)	6,260
Investing activities		
Payments into time deposits	(0)	—
Proceeds from withdrawal of time deposits	—	1,500
Purchase of property, plant and equipment	(105)	(50)
Proceeds from sales of property, plant and equipment	0	73
Purchase of intangible assets	(219)	(17)
Purchase of investment securities	(57)	—
Payments of loans receivable	(1)	(2)
Collection of loans receivable	1	0
Net cash provided by (used in) investment activities	—	(111)
Purchase of insurance funds	—	99
Proceeds from cancellation of insurance funds	(382)	1,491
Financing activities		
Net increase (decrease) in short-term loans payable	2,798	(516)
Repayments of lease obligations	(50)	(63)
Purchase of treasury stock	(955)	(0)
Cash dividends paid	(1,378)	(669)
Cash dividends paid to minority shareholders	(6)	—
Net cash provided by (used in) financing activities	407	(1,249)
Effect of exchange rate change on cash and cash equivalents	(368)	(228)
Net increase (decrease) in cash and cash equivalents	(5,055)	6,274
Cash and cash equivalents at the beginning of the period	43,239	34,113
Cash and cash equivalents at the end of the period	38,183	40,387

(4) Notes Regarding Going Concern

Not applicable.

(5) Notes Regarding Substantial Changes in Shareholders' Equity

Not applicable.

(6) Segment Information

I. For the consolidated first half period of the fiscal year ended March 31, 2012
(April 1, 2011 to September 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	64,914	27,848	11,155	3,070	106,987	—	106,987
Internal sales between segments, or exchange	—	—	—	—	—	—	—
Total	64,914	27,848	11,155	3,070	106,987	—	106,987
Segment income (loss)	1,114	1,092	289	196	2,693	(1,119)	1,574

(Notes)

1. The adjustment of -1,119 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 half period of the fiscal year ending March 31, 2013

(April 1, 2012 to September 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	67,106	26,884	9,620	2,573	106,185	—	106,185
Internal sales between segments, or exchange	—	—	—	—	—	—	—
Total	67,106	26,884	9,620	2,573	106,185	—	106,185
Segment income (loss)	1,731	950	430	130	3,242	(1,122)	2,119

(Notes)

1. The adjustment of -1,122 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 half period of the fiscal year ended March 31, 2012
(April 1, 2011 to September 30, 2011)

(Millions of yen)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
I Sales and operating income					
Sales:					
(1) Sales to external Customers	74,133	32,854	106,987	—	106,987
(2) Internal sales between segments, or exchange	4,476	372	4,848	(4,848)	—
Total	78,609	33,226	111,835	(4,848)	106,987
Segment income	930	520	1,451	122	1,574

Notes:

- Country and regional segments are classified on the basis of geographic proximity.
- Principal countries and regions:
Asia: Hong Kong, China, Taiwan, Thailand, Singapore and others

Fiscal 2012, first half period of the fiscal year ending March 31, 2013
(April 1, 2012 to September 30, 2012)

(Millions of yen)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
I Sales and operating income					
Sales:					
(1) Sales to external Customers	72,137	34,047	106,185	—	106,185
(2) Internal sales between segments, or exchange	2,731	236	2,967	(2,967)	—
Total	74,869	34,283	109,152	(2,967)	106,185
Segment income	964	1,042	2,006	112	2,119

Notes:

- Country and regional segments are classified on the basis of geographic proximity.
- Principal countries and regions:
Asia: Hong Kong, China, Taiwan, Thailand, Singapore and others

(2) Overseas Sales

Fiscal 2011, first half period of the fiscal year ended March 31, 2012
(April 1, 2011 to September 30, 2011)

(Millions of yen)

	Asia	Total
Overseas sales	35,070	35,070
Consolidated net sales	—	106,987
Ratio of overseas sales to consolidated net sales (%)	32.8	32.8

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 half period of the fiscal year ending March 31, 2013
(April 1, 2012 to September 30, 2012)

(Millions of yen)

	Asia	Total
Overseas sales	37,411	37,411
Consolidated net sales	—	106,185
Ratio of overseas sales to consolidated net sales (%)	35.2	35.2

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).