

※ 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: No
 2. Changes in items of accounting principles other than 1. above: No
 3. Changes in accounting estimate: No
 4. Restatement of revisions: No
- (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, 2013: 34,500,000 shares	March 31, 2013: 34,500,000 shares
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 2. Total number of treasury stock as of the period-end:

June 30, 2013: 3,035,858 shares	March 31, 2013: 2,035,794 shares
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 3. Average number of shares outstanding during the period (Cumulative total for the quarterly consolidated period)

First quarter, fiscal 2013: 32,145,579 shares	First quarter, fiscal 2012: 33,464,525 shares
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Indication regarding the implementation status of the quarterly review procedure

This quarterly consolidated earnings report is not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. As of the disclosure of this earnings report, the procedures for reviewing quarterly financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

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 Concerning Consolidated Forecast and Other Future Predictions.”

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1. Qualitative Information Regarding this Quarterly Statement

(1) Qualitative Information Concerning Consolidated Operating Results

1) Overview

In the global economy in the first quarter (April 1, 2013 – June 30, 2013), there was stagnation of the European economy and a slowdown in the growth rate of emerging countries including China. However, the United States economy was healthy. In Japan, there are signs of economic recovery due to expectation for economic measures of the government.

Within this economic environment, the electronics industry shows signs of a gradually recovery, including healthy growth in smartphones and car electronics.

Under such circumstances, Ryosan Group has worked on “cultivating businesses to serve as 2nd and 3rd pillars,” “enhancing actions as a technology training company,” “enhancing actions in each business segment” and “further reform of corporate structure” while setting “the pursuit of sustainable growth and sound management” as our basic stance of management for fiscal year 2013.

As a result of the above and due to stagnation of the Electronics Components and Electronic Equipment business segments, the Ryosan Group reported net sales of 50,700 million yen (down 2.3% from the same period the previous year), operating income of 878 million yen (down 10.6%), ordinary income of 735 million yen (down 42.3%), and net income of 445 million yen (down 43.7%) 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 memories for smartphones, etc. increased, with net sales of 34,046 million yen (up 5.5% from the same period previous year) and operating income of 597 million yen (up 6.1%).

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. decreased, with net sales of 11,742 million yen (down 12.5% from the same period previous year) and operating income of 241 million yen (down 27.4%).

c. Electronic Equipment

We sell systems equipment and facilities equipment. In this consolidated first quarter, sales of system equipment for in-vehicle electrical components, etc. decreased, with net sales of 3,634 million yen (down 25.3% from the same period previous year), and operating income of 84 million yen (down 44.1%).

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 1,276 million yen (down 6.8% from the same period previous year) and operating income of 12 million yen (down 75.8%).

(2) Qualitative Information Concerning Consolidated Financial Position

At the end of this first quarter, total assets had decreased by 1,156 million yen, as compared with the level at the end of the previous fiscal year, and came to 159,064 million yen.

Also, net assets decreased by 1,016 million yen, as compared with the level at the end of the previous fiscal year, and came to 115,705 million yen, with the ratio of net assets to total assets being 72.7%.

(3) Qualitative Information Concerning Consolidated Forecast and Other Future Predictions

There is no change in forecasts for the first half and full-year fiscal 2013, ending March 31, 2014. (Those forecasts were announced on May 9, 2013.).

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

None

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2013 (As of March 31, 2013)	First Quarter of the Fiscal Year Ending March 31, 2014 (As of June 30, 2013)
ASSETS		
Current assets		
Cash and deposits	50,464	38,270
Trade notes and accounts receivable	68,101	65,688
Marketable securities	-	9,999
Inventories	19,088	22,687
Accrued income	1,390	1,255
Deferred tax assets	514	407
Other current assets	243	328
Allowance for doubtful accounts	(106)	(162)
Total current assets	139,696	138,476
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	4,290	4,250
Land	8,121	8,121
Lease assets (net)	333	393
Other fixed assets (net)	526	603
Total property, plant and equipment	13,272	13,369
Intangible fixed assets	1,029	1,089
Investments and other assets		
Investment securities	3,286	3,548
Deferred tax assets	947	870
Other	3,132	2,805
Allowance for doubtful accounts	(1,045)	(1,094)
Allowance for loss on investments	(98)	-
Total investments and other assets	6,222	6,129
Total fixed assets	20,524	20,588
Total assets	160,220	159,064

(Millions of yen)

	Fiscal Year Ended March 31, 2013 (As of March 31, 2013)	First Quarter of the Fiscal Year Ending March 31, 2014 (As of June 30, 2013)
LIABILITIES		
Current liabilities		
Trade accounts payable	25,261	25,587
Short-term bank loans	12,850	12,914
Lease obligations	138	159
Other payable	841	786
Accrued expenses	1,069	563
Accrued income taxes	689	236
Reserve for bonuses	-	333
Other current liabilities	178	272
Total current liabilities	41,028	40,854
Long-term liabilities		
Lease obligations	242	292
Employees' retirement benefits	2,149	2,133
Other long-term liabilities	76	77
Total long-term liabilities	2,469	2,504
Total liabilities	43,498	43,358
NET ASSETS		
Shareholder's equity		
Common stock	17,690	17,690
Additional paid-in capital	19,114	19,114
Retained earnings	84,590	84,601
Treasury stock	(3,789)	(5,588)
Total shareholders' equity	117,606	115,817
Other accumulated comprehensive incomes		
Net unrealized gain on other marketable securities	484	687
Gain (loss) on deferred hedges	0	(0)
Foreign currency translation adjustments	(1,368)	(798)
Total other accumulated comprehensive incomes	(883)	(111)
Total net assets	116,722	115,705
Total liabilities and net assets	160,220	159,064

(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, 2013 (Apr. 1, 2012 to Jun. 30, 2012)	First Quarter of the Fiscal Year Ending March 31, 2014 (Apr. 1, 2013 to Jun. 30, 2013)
Net sales	51,911	50,700
Cost of Sales	47,644	46,298
Gross Profit	4,266	4,402
Selling, general and administrative expenses	3,283	3,523
Operating income	982	878
Non-operating income		
Interest income	22	8
Dividend income	83	28
Gain on foreign exchange	37	—
Commission fee	132	46
Miscellaneous income	65	44
Total non-operating income	342	127
Non-operating expenses		
Interest expense	45	38
Foreign currency transaction loss	-	227
Miscellaneous expenses	2	4
Total non-operating expenses	48	269
Ordinary income	1,276	735
Extraordinary gains		
Gain on sales of noncurrent assets	33	2
Gain on reversal of allowance for doubtful accounts	5	—
Total extraordinary gains	39	2
Extraordinary losses		
Loss on valuation of investment securities	27	—
Total extraordinary losses	27	—
Income before income taxes and minority interests	1,288	738
Income taxes	497	292
Income before Minority interest in income	791	445
Net income	791	445

(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, 2013 (Apr. 1, 2012 to Jun. 30, 2012)	First Quarter of the Fiscal Year Ending March 31, 2014 (Apr. 1, 2013 to Jun. 30, 2013)
Income before Minority interest in income	791	445
Other comprehensive income		
Net unrealized gain on other marketable securities	(127)	202
Gain (loss) on deferred hedges	(2)	(0)
Foreign currency translation adjustments	(528)	570
Total other comprehensive income	(658)	772
Comprehensive Incomes	132	1,217
(Details)		
Comprehensive incomes relating to shareholders of parental company	132	1,217

(3) Notes Regarding Consolidated Quarterly Financial Statements

(Notes Regarding Going Concern)

Not applicable.

(Notes Regarding Substantial Changes in Shareholders' Equity)

Not applicable.

(Segment Information)

I. For the consolidated first quarter of the fiscal year ended March 31, 2013

(April 1, 2012 to June 30, 2012)

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	32,260	13,417	4,864	1,369	51,911	—	51,911
Internal sales between segments, or exchange	—	—	—	—	—	—	—
Total	32,260	13,417	4,864	1,369	51,911	—	51,911
Segment income	563	332	150	53	1,099	(116)	982

(Notes)

1. The adjustment of -116 million yen to segment income 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, 2014

(April 1, 2013 to June 30, 2013)

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	34,046	11,742	3,634	1,276	50,700	—	50,700
Internal sales between segments, or exchange	—	—	—	—	—	—	—
Total	34,046	11,742	3,634	1,276	50,700	—	50,700
Segment income	597	241	84	12	936	(58)	878

(Notes)

1. The adjustment of -58 million yen to segment income 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.

III. Beginning from the current first quarter consolidated accounting period, we revised the allocation method for company-wide expenses, etc. A portion of company-wide expenses, etc. for which allocation was previously not possible are now allocated to each reporting segment according to applicable allocation standards. Segment information for the previous consolidated cumulative first quarter shows numbers which were calculated based on the allocation method for company-wide expenses, etc. after the change described above.

4. Supplementary Information

(1) Geographical Segment Information

Fiscal 2012, first quarter of the fiscal year ended March 31, 2013

(April 1, 2012 to June 30, 2012)

(Millions of yen)

	Japan	Asia	Total	Eliminations or corporate	Consolidated
I Sales and operating income					
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
Segment 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, Thailand, Korea and others

Fiscal 2013, first quarter of the fiscal year ending March 31, 2014

(April 1, 2013 to June 30, 2013)

(Millions of yen)

	Japan	Asia	Other	Total	Eliminations or corporate	Consolidated
I Sales and operating income						
Sales:						
(1) Sales to external Customers	30,055	19,043	1,601	50,700	—	50,700
(2) Internal sales between segments, or exchange	2,090	108	0	2,199	(2,199)	—
Total	32,145	19,152	1,602	52,900	(2,199)	50,700
Segment income	54	597	53	705	172	878

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.

2. Principal countries and regions:

Asia: Hong Kong, China, Thailand, Korea and others

Other: United States and others

(2) Overseas Sales

Fiscal 2012, first quarter of the fiscal year ended 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, Thailand, Korea 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 2013, first quarter of the fiscal year ending March 31, 2014

(April 1, 2013 to June 30, 2013)

(Millions of yen)

	Asia	Other	Total
Overseas sales	21,323	1,855	23,178
Consolidated net sales	—	—	50,700
Ratio of overseas sales to consolidated net sales (%)	42.1	3.7	45.7

Notes:

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