

3. Forecast of results for the fiscal 2015 (April 1, 2015 to March 31, 2016)

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parental company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	115,000	(4.3)	2,700	4.0	2,700	11.0	1,800	27.9	58.03
Full Fiscal Year	235,000	0.6	5,700	(3.8)	5,700	4.2	3,800	18.7	122.51

(Note) Revision of financial results forecasts: No

* Notes

(1) Transfer of major subsidiaries during the scope of consolidation of these three months ended June 30, 2015 (transfer of specified subsidiaries in line with changes in the consolidated range): No

New: — (Company name:) Excluded: — (Company name:)

(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 estimates: No

4) Restatements: No

(Note) For details, please refer to appendix page 3, “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) at the period-end:

June 30, 2015	31,500,000 shares	March 31, 2015	31,500,000 shares
June 30, 2015	482,910 shares	March 31, 2015	482,500 shares
First Quarter, Fiscal 2015	31,017,351 shares	First Quarter, Fiscal 2014	31,463,734 shares

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

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

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:

(Notes on 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

During this consolidated first quarter (April 1, 2015 to June 30, 2015), the global economy continued to recover gradually. By region, the U.S. economy recorded a healthy growth mainly in consumer spending, while in Europe, the economy showed signs of a comeback. In Asia, signs of economic slowdown were seen in some countries, whereas in Japan, amid the weakening of the yen, economy recovered at a gradual pace, as the consumer spending remained robust.

In the electronics industry, the demand for car electronics and mobile devices such as smartphones remained robust, backed by expanding demand in the global market.

Under such circumstances, the Ryosan Group pursues changing business model and sustainable growth in response to structural changes in our operations while setting the pursuit of “innovation” and “growth” as our basic stance of management for fiscal year 2015 being the second year for our 9th Medium-Term Management Plan (fiscal years 2014 to 2017). To implement this basic stance, we focused on rebuilding our growth path and enhancing capital efficiency.

As the result, the Ryosan Group reported net sales of 57,010 million yen (down 6.1% from the same period last year), operating income of 1,490 million yen (up 23.8%), ordinary income of 1,466 million yen (up 11.0%), and net income attributable to shareholders of parental company of 1,071 million yen (up 31.8%) for results of this three-month consolidation period.

2) Business Segment Information

a. Semiconductors

We sell memories, system LSIs and discrete semiconductors, and develop system LSIs. In this three-month consolidation period, sales including memories for smartphones decreased, with net sales of 33,701 million yen (down 19.2% from the same period last year) and yet an operating income of 843 million yen (up 3.9%).

b. Electronic Components

We sell display devices, power supplies and electromechanical components. In this three-month consolidation period, sales including liquid crystal for in-vehicle electrical equipment increased, with net sales of 16,298 million yen (up 11.7% from the same period last year), and operating income of 421 million yen (up 43.0%).

c. Electronic Equipment

We sell systems equipment and facilities equipment. In this three-month consolidation period, sales including system equipment for MFPs increased, with net sales of 7,010 million yen (up 59.3% from the same period last year), and operating income of 299 million yen (up 83.0%).

The aforementioned amounts do not include consumption and other taxes. In the previous six-month consolidation period, the Group has revised its business classification into three segments – “Semiconductors”, “Electronic Components” and “Electronic Equipment” - after transferring its heat sink production business to Sankyo Tateyama, Inc. as of September 1, 2014. Accordingly, the current results of the reporting segments were compared with the figures for the same period last year restated to match the segment classification reflecting said changes.

(2) Qualitative Information Concerning Consolidated Financial Position

At the end of this first quarter, total assets had increased by 558 million yen, as compared with the level at the end of the previous fiscal year, and came to 169,424 million yen.

Also, net assets increased by 91 million yen, as compared with the level at the end of the previous fiscal year, and came to 121,944 million yen, with the ratio of net assets to total assets being 72.0%.

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

There is no change in forecasts for the first half and full fiscal year ending March 31, 2016 (announced on May 12, 2015).

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

Changes in Items of Accounting Principles

Implementation of Accounting Standards for Business Combinations

We have adopted the “Accounting Standards for Business Combinations” (Corporate Accounting Standards No. 21 of September 13, 2013), the “Accounting Standards for Consolidated Financial Statements” (Corporate Accounting Standards No. 22 of September 13, 2013), and the “Accounting Standards for Business Divestitures” (Corporate Accounting Standards No. 7 of September 13, 2013), effective from the consolidated first quarter under review, and accordingly made modifications to the presentation of the net income. Also, consolidated financial statements for both the first three-month consolidation period last year and the previous fiscal year have been restated in order to reflect these changes in presentation.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2015 (As of March 31, 2015)	First Quarter of the Fiscal Year Ending March 31, 2016 (As of June 30, 2015)
ASSETS		
Current assets		
Cash and deposits	55,907	44,145
Trade notes and accounts receivable	69,061	69,311
Marketable securities	-	9,999
Inventories	23,215	24,751
Accrued income	680	587
Deferred tax assets	290	351
Other current assets	179	420
Allowance for doubtful accounts	(50)	(37)
Total current assets	149,283	149,529
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	3,820	3,688
Land	7,350	7,306
Leased assets (net)	295	289
Other non-current assets (net)	195	187
Total property, plant and equipment	11,661	11,472
Intangible assets	1,009	987
Investments and other assets		
Investment securities	5,014	5,292
Deferred tax assets	109	110
Other	1,944	2,190
Allowance for doubtful accounts	(157)	(158)
Total investments and other assets	6,911	7,434
Total non-current assets	19,581	19,894
Total assets	168,865	169,424

(Millions of yen)

	Fiscal Year Ended March 31, 2015 (As of March 31, 2015)	First Quarter of the Fiscal Year Ending March 31, 2016 (As of June 30, 2015)
LIABILITIES		
Current liabilities		
Trade accounts payable	27,588	29,649
Short-term loans payable	13,662	12,674
Lease obligations	126	126
Other payable	620	558
Accrued expenses	1,177	478
Accrued income taxes	1,179	484
Provision for bonuses	-	312
Other current liabilities	127	464
Total current liabilities	44,482	44,748
Non-current liabilities		
Lease obligations	207	203
Deferred tax liabilities	403	645
Net defined benefit liabilities	1,811	1,792
Asset retirement obligations	44	36
Other non-current liabilities	63	53
Total non-current liabilities	2,530	2,731
Total liabilities	47,012	47,480
NET ASSETS		
Shareholders' equity		
Capital stock	17,690	17,690
Additional paid-in capital	19,114	19,114
Retained earnings	81,789	81,478
Treasury stock	(1,413)	(1,414)
Total shareholders' equity	117,180	116,868
Accumulated other comprehensive income		
Net unrealized gain on other marketable securities	1,894	2,098
Gain (loss) on deferred hedges	0	2
Foreign currency translation adjustments	2,555	2,765
Remeasurements of defined benefit plans	220	208
Total accumulated other comprehensive income	4,671	5,075
Total net assets	121,852	121,944
Total liabilities and net assets	168,865	169,424

(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, 2015 (April 1, 2014 to June 30, 2014)	First Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)
Net sales	60,721	57,010
Cost of Sales	56,084	52,034
Gross Profit	4,637	4,975
Selling, general and administrative expenses	3,433	3,485
Operating income	1,203	1,490
Non-operating income		
Interest income	11	15
Dividend income	30	36
Gain on foreign exchange	68	-
Commission fee	23	1
Miscellaneous income	36	30
Total non-operating income	170	82
Non-operating expenses		
Interest expenses	47	32
Foreign currency transaction loss	—	71
Miscellaneous expenses	4	2
Total non-operating expenses	52	106
Ordinary income	1,321	1,466
Extraordinary gains		
Gain on sales of non-current assets	0	70
Total extraordinary gains	0	70
Extraordinary losses		
Impairment loss	-	56
Total extraordinary losses	-	56
Income before income taxes	1,321	1,480
Income taxes	508	408
Net income	813	1,071
Net income attributable to shareholders of parental company	813	1,071

(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, 2015 (April 1, 2014 to June 30, 2014)	First Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)
Net income	813	1,071
Other comprehensive income		
Net unrealized gain on other marketable securities	279	204
Gain (loss) on deferred hedges	(4)	1
Foreign currency translation adjustments	(187)	210
Remeasurements of defined benefit plans	(6)	(12)
Total other comprehensive income	80	403
Comprehensive income	893	1,474
(Details)		
Comprehensive income relating to shareholders of parental company	893	1,474

(3) Notes Regarding Consolidated Quarterly Financial Statements

(Notes Regarding Going Concern)

None

(Notes Regarding Substantial Changes in Shareholders' Equity)

None

(Segment Information)

I. For the consolidated first quarter of the fiscal year ended March 31, 2015

(April 1, 2014 to June 30, 2014)

Information Concerning Sales and Income or Loss Amount by Reporting Segment

(Millions of yen)

	Reporting Segment				Adjusted amount (Note 1)	Consolidated quarterly income statement amount (Note 2)
	Semiconductors	Electronic Components	Electronic Equipment	Total		
Net sales						
Sales to external customers	41,725	14,596	4,400	60,721	—	60,721
Internal sales or exchange between segments	—	—	—	—	—	—
Total	41,725	14,596	4,400	60,721	—	60,721
Segment income (loss)	812	294	163	1,271	(67)	1,203

(Notes)

1. The adjustment of -67 million yen to segment income represents corporate expenses that are not allocated to each reporting segment. Corporate expenses mainly refer to general and administrative expenses not belonging to any reporting segments.

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, 2016

(April 1, 2015 to June 30, 2015)

Information Concerning Sales and Income or Loss Amount by Reporting Segment

(Millions of yen)

	Reporting Segment				Adjusted amount (Note 1)	Consolidated quarterly income statement amount (Note 2)
	Semiconductors	Electronic Components	Electronic Equipment	Total		
Net sales						
Sales to external customers	33,701	16,298	7,010	57,010	—	57,010
Internal sales or exchange between segments	—	—	—	—	—	—
Total	33,701	16,298	7,010	57,010	—	57,010
Segment income (loss)	843	421	299	1,565	(74)	1,490

(Notes)

1. The adjustment of -74 million yen to segment income represents corporate expenses that are not allocated to each reporting segment. Corporate expenses mainly refer to general and administrative expenses not belonging to any reporting segments.

2. Segment income has been adjusted with operating income in consolidated quarterly statements of income.

III. Notes on changes in reporting segments

Previously, the Group's business was divided into the following four reporting segments – “Semiconductors”, “Electronic Components”, “Electronic Equipment” and “Ryosan Products”. However, in view of the decline in materiality of the “Ryosan Products” segment since the Group transferred its heat sink production business to Sankyo Tateyama, Inc. (September 1, 2014), in the first half of the previous fiscal year, the Group revised its business classification into three segments – “Semiconductors”, “Electronic Components” and “Electronic Equipment”.

In this regard, the segment information for the first three-month consolidation of the fiscal year ended March 31, 2015, is prepared and disclosed pursuant to the reporting segment classification subsequent to the change described above.

4. Supplementary Information

(1) Geographical Segment Information

Fiscal 2014, first quarter of the fiscal year ended March 31, 2015
(April 1, 2014 to June 30, 2014)

(Millions of yen)

	Japan	Asia	Other	Total	Eliminations or corporate	Consolidated
Net sales						
Sales to external customers	39,180	19,942	1,598	60,721	—	60,721
Internal sales or exchange between segments	2,290	90	0	2,381	(2,381)	—
Total	41,470	20,033	1,598	63,102	(2,381)	60,721
Segment income	441	623	37	1,102	100	1,203

(Notes)

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

Fiscal 2015, first quarter of the fiscal year ending March 31, 2016
(April 1, 2015 to June 30, 2015)

(Millions of yen)

	Japan	Asia	Other	Total	Eliminations or corporate	Consolidated
Net sales						
Sales to external customers	33,003	21,859	2,147	57,010	—	57,010
Internal sales or exchange between segments	3,007	85	—	3,093	(3,093)	—
Total	36,011	21,945	2,147	60,103	(3,093)	57,010
Segment income	684	588	69	1,341	148	1,490

(Notes)

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

(2) Overseas sales

Fiscal 2014, first quarter of the fiscal year ended March 31, 2015
(April 1, 2014 to June 30, 2014)

(Millions of yen)

	Asia	Other	Total
Overseas sales	28,078	1,917	29,996
Consolidated net sales	—	—	60,721
Ratio of overseas sales to consolidated net sales (%)	46.2	3.2	49.4

(Notes)

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

Fiscal 2015, first quarter of the fiscal year ending March 31, 2016
(April 1, 2015 to June 30, 2015)

(Millions of yen)

	Asia	Other	Total
Overseas sales	22,041	2,191	24,233
Consolidated net sales	—	—	57,010
Ratio of overseas sales to consolidated net sales (%)	38.7	3.8	42.5

(Notes)

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