

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		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
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 nine months ended December 31, 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

(4) Number of shares issued and outstanding (common shares)

1. Total number of shares issued and outstanding (including treasury shares) at the period-end	December 31, 2015	31,500,000 shares	March 31, 2015	31,500,000 shares
2. Total number of treasury shares at the period-end	December 31, 2015	1,108,832 shares	March 31, 2015	482,500 shares
3. Average number of shares outstanding during the period (Cumulative total for the quarterly consolidated period)	First three quarters, Fiscal 2015	30,942,613 shares	First three quarters, Fiscal 2014	31,463,500 shares

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 these Quarterly Statements (3) Qualitative Information Concerning Consolidated Forecast and Other Future Predictions."

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1. Qualitative Information Regarding these Quarterly Statements

(1) Qualitative Information Concerning Consolidated Operating Results

1) Overview

During these consolidated first three quarters (April 1, 2015 to December 31, 2015), the global economic recovery remained sluggish, primarily in the developed countries. By region, the U.S. economy maintained an expansion trend backed by strong consumer spending, while Europe sustained a moderate recovery. In Asia, the economic growth showed signs of a slowdown, whereas in Japan, the economy recovered at a gradual pace, due to ongoing improvement in corporate earnings and employment conditions.

In the electronics industry, the demand for car electronics and smartphones remained robust.

FY2015 is the second year for the 9th Medium-Term Business Plan (FY2014-FY2017) through which Ryosan Company Limited (Ryosan) pursues business model shifts, by coping with changes in its business environment, and promotes growth in a sustainable manner. To realize this plan, Ryosan focuses on rebuilding its growth path and enhancing capital efficiency.

As a result, Ryosan reported net sales of 175,947 million yen (down 0.4% from the same period last fiscal year), operating income of 4,447 million yen (down 1.1%), ordinary income of 4,278 million yen (up 7.0%), and profit attributable to owners of parent of 3,059 million yen (up 26.1%) for this nine-month consolidation period under review.

2) Business Segment Information

a. Semiconductors

Ryosan sells memories, system LSIs and discrete semiconductors, and develop system LSIs. In this nine-month consolidation period, sales including memories for smartphones decreased, with net sales of 101,800 million yen (down 12.2% from the same period last fiscal year) and an operating income of 2,219 million yen (down 19.2%).

b. Electronic Components

Ryosan sells display devices, power supplies and electromechanical components. In this nine-month consolidation period, sales including liquid crystal for in-vehicle electrical equipment increased, with net sales of 49,183 million yen (up 5.6% from the same period last fiscal year), and an operating income of 1,263 million yen (up 4.6%).

c. Electronic Equipment

Ryosan sells systems equipment and facilities equipment. In this nine-month consolidation period, sales including system equipment for Multi Function Peripheral increased, with net sales of 24,963 million yen (up 77.4% from the same period last fiscal year), and operating income of 1,169 million yen (up 66.6%).

(2) Qualitative Information Concerning Consolidated Financial Position

At the end of this third quarter, total assets had increased by 472 million yen, as compared with the level at the end of the previous fiscal year, and came to 169,337 million yen.

Also, net assets decreased by 259 million yen, as compared with the level at the end of the previous fiscal year, and came to 119,343 million yen, with the ratio of net assets to total assets being 70.5%.

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

There is no change in forecasts for the 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

Ryosan has 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 of current term, and accordingly made modifications to the presentation of the profit. Also, consolidated financial statements for both the first nine-month consolidation period last fiscal year and the previous fiscal year have been reclassified in order to reflect these changes in presentation.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheet

(Millions of yen)

	Fiscal Year Ended March 31, 2015 (As of March 31, 2015)	Third Quarter of the Fiscal Year Ending March 31, 2016 (As of December 31, 2015)
ASSETS		
Current assets		
Cash and deposits	55,907	40,493
Notes and accounts receivable-trade	69,061	73,433
Securities	—	9,999
Inventories	23,215	24,875
Accounts receivable-other	680	749
Deferred tax assets	290	456
Other	179	741
Allowance for doubtful accounts	(50)	(41)
Total current assets	149,283	150,708
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,820	3,550
Land	7,350	6,490
Leased assets, net	295	245
Other, net	195	174
Total property, plant and equipment	11,661	10,461
Intangible assets	1,009	1,171
Investments and other assets		
Investment securities	5,014	4,994
Deferred tax assets	109	142
Other	1,944	2,009
Allowance for doubtful accounts	(157)	(150)
Total investments and other assets	6,911	6,996
Total non-current assets	19,581	18,629
Total assets	168,865	169,337

(Millions of yen)

	Fiscal Year Ended March 31, 2015 (As of March 31, 2015)	Third Quarter of the Fiscal Year Ending March 31, 2016 (As of December 31, 2015)
LIABILITIES		
Current liabilities		
Accounts payable - trade	27,588	30,161
Short-term loans payable	13,662	14,846
Lease obligations	126	123
Accounts payable - other	620	563
Accrued expenses	1,177	526
Income taxes payable	1,179	423
Provision for bonuses	—	322
Other	127	451
Total current liabilities	44,482	47,419
Non-current liabilities		
Lease obligations	207	158
Deferred tax liabilities	403	556
Net defined benefit liability	1,811	1,772
Asset retirement obligations	44	33
Other	63	53
Total non-current liabilities	2,530	2,574
Total liabilities	47,012	49,944
NET ASSETS		
Shareholder's equity		
Capital stock	17,690	17,690
Capital surplus	19,114	19,114
Retained earnings	81,789	82,070
Treasury shares	(1,413)	(3,383)
Total shareholders' equity	117,180	115,491
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,894	1,840
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	2,555	1,818
Remeasurements of defined benefit plans	220	193
Total accumulated other comprehensive income	4,671	3,852
Total net assets	121,852	119,343
Total liabilities and net assets	168,865	169,337

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

(Scope of Consolidation of these First Three Quarters)

(Millions of yen)

	First Three Quarters of the Fiscal Year Ended March 31, 2015 (Apr. 1, 2014 to Dec. 31, 2014)	First Three Quarters of the Fiscal Year Ending March 31, 2016 (Apr. 1, 2015 to Dec. 31, 2015)
Net sales	176,634	175,947
Cost of Sales	162,020	161,274
Gross Profit	14,614	14,673
Selling, general and administrative expenses	10,114	10,225
Operating income	4,499	4,447
Non-operating income		
Interest income	37	44
Dividend income	56	68
Commission fee	77	5
Miscellaneous income	157	114
Total non-operating income	328	232
Non-operating expenses		
Interest expenses	130	101
Foreign exchange losses	675	181
Miscellaneous loss	23	119
Total non-operating expenses	829	402
Ordinary income	3,998	4,278
Extraordinary income		
Gain on sales of non-current assets	7	137
Gain on transfer of business	53	—
Total extraordinary income	61	137
Extraordinary losses		
Loss on sales of non-current sales	3	—
Impairment loss	85	122
Loss on valuation of golf club membership	1	24
Total extraordinary losses	90	146
Income before income taxes	3,969	4,268
Income taxes	1,542	1,209
Profit	2,426	3,059
Profit attributable to owners of parent	2,426	3,059

(Consolidated Quarterly Statement of Comprehensive Income)

(Scope of Consolidation of these First Three Quarters)

(Millions of yen)

	First Three Quarters of the Fiscal Year Ended March 31, 2015 (Apr. 1, 2014 to Dec. 31, 2014)	First Three Quarters of the Fiscal Year Ending March 31, 2016 (Apr. 1, 2015 to Dec. 31, 2015)
Profit	2,426	3,059
Other comprehensive income		
Valuation difference on available-for-sale securities	511	(53)
Deferred gains or losses on hedges	1	(1)
Foreign currency translation adjustment	2,862	(737)
Remeasurements of defined benefit plans, net of tax	(21)	(26)
Total other comprehensive income	3,354	(819)
Comprehensive income	5,781	2,239
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	5,781	2,239

(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 three quarters of the fiscal year ended March 31, 2015

(April 1, 2014 to December 31, 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	115,994	46,571	14,068	176,634	—	176,634
Internal sales or exchange between segments	—	—	—	—	—	—
Total	115,994	46,571	14,068	176,634	—	176,634
Segment income (loss)	2,746	1,207	702	4,656	(156)	4,499

Notes:

1. The adjustment of -156 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 three quarters of the fiscal year ending March 31, 2016

(April 1, 2015 to December 31, 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	101,800	49,183	24,963	175,947	—	175,947
Internal sales or exchange between segments	—	—	—	—	—	—
Total	101,800	49,183	24,963	175,947	—	175,947
Segment income (loss)	2,219	1,263	1,169	4,652	(204)	4,447

Notes:

1. The adjustment of -204 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.

4. Supplementary Information

(1) Geographical Segment Information

Fiscal 2014, first three quarters of the fiscal year ended March 31, 2015
(April 1, 2014 to December 31, 2014)

(Millions of yen)

	Japan	Asia	Other	Total	Eliminations or corporate	Consolidated
Net sales						
Sales to external customers	106,333	64,963	5,337	176,634	—	176,634
Internal sales or exchange between segments	6,902	204	—	7,107	(7,107)	—
Total	113,235	65,168	5,337	183,741	(7,107)	176,634
Segment income	2,044	1,825	161	4,031	468	4,499

Notes:

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

Fiscal 2015, first three quarters of the fiscal year ending March 31, 2016
(April 1, 2015 to December 31, 2015)

(Millions of yen)

	Japan	Asia	Other	Total	Eliminations or corporate	Consolidated
Net sales						
Sales to external customers	104,444	65,569	5,933	175,947	—	175,947
Internal sales or exchange between segments	8,838	162	3	9,004	(9,004)	—
Total	113,282	65,731	5,937	184,951	(9,004)	175,947
Segment income	2,120	1,613	190	3,924	523	4,447

Notes:

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

(2) Overseas sales

Fiscal 2014, first three quarters of the fiscal year ended March 31, 2015
(April 1, 2014 to December 31, 2014)

(Millions of yen)

	Asia	Other	Total
Overseas sales	76,150	6,389	82,539
Consolidated net sales	—	—	176,634
Ratio of overseas sales to consolidated net sales (%)	43.1	3.6	46.7

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:
Asia: China, South Korea, Thailand, Hong Kong, etc.
Other countries: United States, etc.
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 three quarters of the fiscal year ending March 31, 2016
(April 1, 2015 to December 31, 2015)

(Millions of yen)

	Asia	Other	Total
Overseas sales	65,993	6,035	72,028
Consolidated net sales	—	—	175,947
Ratio of overseas sales to consolidated net sales (%)	37.5	3.4	40.9

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 countries: United States, etc.
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).