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Elpida Memory, Inc.
(Tokyo Stock Exchange, 6665)
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Consolidated Financial Report for the 3Q of FY 2009

English translation from the original Japanese-language quarterly Kessan Tanshin

Business Results

1. Overview of Consolidated Business Results

(1) 3Q-FY 09 Operating Results (October 1, 2009 – December 31, 2009)

(Billions of yen)

	3 mo. ended Dec 31, 2009 (3Q-FY 09)	3 mo. ended Sep 30, 2009 (2Q-FY 09)	QoQ Change (%)	3 mo. ended Dec 31, 2008 (3Q-FY 08)	YoY Change (%)
Net sales	151.0	95.9	+57.5	61.8	+144.5
Gross profit (loss)	47.2	14.1	+235.2	(42.9)	-
Operating income (loss)	30.4	0.8	-	(57.9)	-
Ordinary income (loss)	27.5	(5.5)	-	(66.1)	-
Net income (loss)	21.1	(7.2)	-	(72.3)	-

Note: From 1Q FY 2009, profits and losses from Rexchip Electronics Corporation, Tera Probe, Inc. and TeraPower Technology Inc. (a consolidated subsidiary of Tera Probe, Inc.) are now included in Elpida's consolidated statements of operations.

In the 3Q of FY 2009 the global economy exhibited signs of a modest recovery. Given this background, the steady growth in shipments of notebook PCs, smart phones and digital TVs in the electronic device market witnessed in the 2Q carried over into the 3Q. In the PC market first-time purchases of notebook PCs and replacement demand centered mainly in the US and Asia resulted in estimated double digit QoQ growth in PC shipments. While the rise in PC shipments pushed up demand for memory, the supply of DRAM chips continued to tighten, causing spot and contract prices for 1-gigabit DDR2 and DDR3 SDRAM, leading PC DRAM products, to jump considerably higher QoQ.

In this environment, Elpida's PC DRAM product sale prices soared in the 3Q. The average selling price (ASP) rose 30% QoQ. Compared with the 3Q of FY 2008, when lower demand undercut prices, the ASP shot up 60%. Also, stronger demand supported DRAM bit shipments growth of 30% QoQ, above our guidance of 10-15% growth, and 69% YoY.

As a result, Elpida's 3Q net sales were 151.0 billion yen, up 57.5% QoQ and 144.5% YoY. Premier DRAMs (used in mobile phones and digital consumer electronics), which registered a slight QoQ decline in shipments due seasonal factors for some products, accounted for about 20% of net sales. Sales of Computing DRAMs (DRAMs for servers and PCs) rose considerably due to higher shipment volumes and selling prices, to account for about 80% of net sales, up from just under 70% in the 2Q.

Gross profit in the 3Q was 47.2 billion yen, a YoY improvement of 90 billion yen over a gross loss of 42.9 billion yen recorded in the 3Q of FY 2008. Operating income was 30.4 billion yen, an 88.3 billion yen YoY improvement over a 57.9 billion yen loss a year earlier. Ordinary income was 27.5 billion yen, an improvement of 93.5 billion yen over last year's 66.1 billion yen loss. After factoring in a 1.5 billion yen loss on retirement of noncurrent assets and 4.2 billion yen income on minority interests, 3Q net profit finished at 21.1 billion yen, a 93.4 billion yen improvement over a year-ago loss of 72.3 billion yen.

(2) 1Q-3Q FY 09 Operating Results (April 1, 2009 – December 31, 2009)

(Billions of yen)

	9 mo. ended Dec 31, 2009 (1Q-3Q FY 09)	9 mo. ended Dec 31, 2008 (1Q-3Q FY 08)	YoY	
			Change	(%)
Net sales	319.4	284.6	34.9	+12.2
Gross profit (loss)	34.6	(51.9)	86.5	-
Operating loss	(10.9)	(98.0)	87.1	-
Ordinary loss	(24.5)	(111.8)	87.3	-
Net loss	(30.6)	(118.0)	87.4	-

Note: From 1Q FY 2009, profits and losses from Rexchip Electronics Corporation, Tera Probe, Inc. and TeraPower Technology Inc. (a consolidated subsidiary of Tera Probe, Inc.) are now included in Elpida's consolidated statements of operations).

During the initial nine months of FY 2009 (April to December) demand in the DRAM market experienced a rapid recovery on the back of higher shipments of such electronic products as personal computers, smart phones, digital TVs and game consoles. At the same time, during this nine-month period the DRAM supply did not increase much as makers held back on capital investment in response to two years of slumping DRAM prices. Consequently, for the first time in two years PC DRAM prices took an upward turn.

For the nine months of FY 2009, Elpida's net sales climbed 12.2% YoY to 319.4 billion yen, as a higher volume of shipments overcame a lower ASP. Gross profit for these nine months improved by 86.5 billion yen YoY to reach 34.6 billion yen. Despite yen appreciation, the huge improvement was made possible by increased production output based on use of the highly efficient 65nm-S process which helped lower manufacturing costs. As a result of the higher gross profit operating losses were reduced by 87.1 billion yen to 10.9 billion yen (losses in the initial nine months of FY 2008 were 98.0 billion yen) and ordinary losses declined by 87.3 billion to 24.5 billion yen (vs. a 9-month loss of 111.8 billion yen a year earlier). After factoring in a 2.5 billion yen loss on retirement of noncurrent assets, a 0.9 billion yen income on minority interests and other factors, net losses shrunk by 87.4 billion yen YoY to 30.6 billion yen (vs. a 9-month loss of 118.0 billion yen a year earlier).

2. Financial Conditions

(1) Assets, Liabilities and Shareholders' Equity

Total assets as of the end of the 3Q of FY 2009 amounted to 969.9 billion yen, up 4.7 billion yen compared to the end of the FY 2008. Among the relevant asset value factors were a lower tangible fixed assets due to depreciation and an increase in accounts receivable brought on by higher sales.

Interest-bearing debt fell 21.1 billion yen versus end-FY 2008 to 546.4 billion yen. Based on a business restructuring plan approved in June 2009 by Japan's Ministry of Economy, Trade and Industry (METI) in accordance with Japan's law on Special Measures for Industrial Revitalization and Innovation of Industrial Activities, Elpida arranged a loan facility in September 2009 consisting of a 100 billion yen in syndicate loans from financial institutions arranged by the company's core bank lenders and a loan of 10 billion yen from the Development Bank of Japan Inc. (the DBJ), for total borrowings of 110 billion yen. Elpida partially drew on that facility for 44 billion yen in September and has made scheduled debt repayments.

The 3Q finished with Elpida having net assets of 305.7 billion yen, up 39.2 billion yen versus end-FY 2008. While net losses in the initial nine months of FY 2009 lowered retained earnings by 30.6 billion and the acquisition of

shares in consolidated subsidiaries reduced minority interests by 20.3 billion yen, a third party allotment of preferred shares with the DBJ in August and a public share offering in September boosted capital stock and capital surplus by 45.2 billion yen each.

(2) Cash Flows

	(Billions of yen)		
	Apr-Jun 2009 (1Q-FY 09)	Jul-Sep 2009 (2Q-FY 09)	Oct-Dec 2009 (3Q-FY 09)
Net cash provided by (used in) operating activities	(8.6)	(8.5)	18.6
Net cash used in investing activities	(33.1)	(26.2)	(20.1)
Net cash provided by (used in) financing activities	(11.4)	97.6	12.8
Cash and cash equivalents at end of quarter	60.9	123.1	108.8
Free cash flow	(41.7)	(34.7)	(1.5)

i) Cash flow for 3Q of FY 2009 (October 1, 2009 – December 31, 2009)

As of the end of the FY 2009 3Q the balance of cash and cash equivalents was 108.8 billion yen, down 14.3 billion yen versus the end of the 2Q. Free cash flow, the total of cash flow from operating activities and cash flow from investment activities, saw an outflow of 1.5 billion yen in the quarter.

Operating activities saw a net cash inflow of 18.6 billion yen (versus a net cash outflow of 6.9 billion yen a year earlier) in the 3Q, mainly due to quarterly income before income taxes and depreciation & amortization, despite an increase in notes and accounts receivable-trade on account of higher sales.

Investing activities used net cash of 20.1 billion yen (versus 14.3 billion yen used a year earlier) that mainly consisted of spending on property, plant and equipment.

Financing activities saw a net cash outflow of 12.8 billion yen (versus a 153.1 billion yen inflow a year earlier) on account of scheduled repayments of long-term loans and lease obligations.

ii) Cash Flow for Nine-Months of FY 2009 (April 1 to December 31, 2009)

As for cash flow in the initial nine months (Apr-Dec) of FY 2009, operating activities saw a cash inflow of 1.6 billion yen. The principal factors were 28.0 billion yen in losses before income taxes, 91.6 billion yen in depreciation and amortization, a 85.5 billion yen increase in notes and accounts receivable-trade, a 17.2 billion yen decrease in accounts receivable-other and a 14.4 billion yen increase in notes and accounts payable-trade.

Investing activities over the nine months used net cash of 79.4 billion yen, which mainly consisted of 64.9 billion yen spent on property, plant and equipment and 10.0 billion yen on additional investment in a consolidated subsidiary.

Financing activities saw a net cash inflow of 73.5 billion yen. Principle activity consisted of repayments of long-term loans payable in the amount of 62.1 billion yen and of lease obligations in the amount of 16.4 billion yen, issuance of new common shares that brought in 89.9 billion yen, new long-term loans payable that raised 44.0 billion yen and sale-and-leaseback transactions that raised 17.9 billion yen.

3. 4Q of FY 2009 and Full-Term Outlook

An imbalance in supply and demand in the PC DRAM market can result in extreme price volatility. Also, a precise forecast of future PC DRAM prices is quite difficult. Since extreme price volatility can strongly affect business results Elpida is not presenting earnings forecasts. Instead, as shown below, the company is presenting several estimates relevant to the third quarter and full term of FY 2009 that can be used as a general guideline.

[Quarterly estimates-consolidated]

	3Q-FY09 (Previous estimate) as of Nov 5, 2009	3Q-FY 09 (Actual)	4Q-FY09 (New estimate) as of Jan 28, 2010
QoQ bit growth	10-15%	30%	0-5%
QoQ ASP change	N/A	30%	N/A
Depreciation & amortization	¥31.0 bn.	¥30.5 bn.	¥30.5 bn.
SG&A ^[1]	¥15.0 bn.	¥16.7 bn.	¥15.5 bn.

[1] 3Q FY09 SG&A exceeded Elpida's estimate because approximately 1.5 billion yen was reserved as an allowance for doubtful customer accounts.

[Yearly estimates-consolidated]

	FY 2009 Forecast	
	Previous estimate as of Nov 5, 2009	New estimate as of Jan 28, 2010
YoY bit growth	40%-plus	50%-plus
Depreciation & amortization	¥124.0 bn.	¥122.0 bn.
SG&A	¥59.0 bn.	¥61.0 bn.
Capital expenditures	¥60.0 bn.	¥60.0 bn.

4. Others**(1) Changes in significant subsidiaries in the nine months ended December 31, 2010 (changes in specified subsidiaries resulting in changes in scope of consolidation)**

None.

(2) Adoption of simplified accounting methods for quarterly reporting

None.

(3) Changes in accounting policies, procedures, and presentations, etc.

- Quarterly consolidated statements of operations

"Maintenance costs for idle assets" indicated separately in the statements of operations in nine months of FY 2008 are included in "Other" as of nine months of FY 2009 because these costs are now less than 20% of total non-operating expenses. For information purposes, "Maintenance costs for idle assets" in the consolidated nine months of FY 2009 came to 432 million yen.

"Maintenance costs for idle assets" indicated separately in the statements of operations in 3Q FY 2008 are included in "Other" as of 3Q FY 2009 because these costs are now less than 20% of total non-operating expenses. For information purposes, "Maintenance costs for idle assets" in the consolidated 3Q FY 2009 came to 140 million yen.

Forward-looking Statements

Forecasts included in this document are forward-looking statements that are based on management's view from the information available at the time of this Report. These statements involve risks and uncertainties. Actual results may be materially different from those discussed in the forward-looking statements. The factors that may affect Elpida include, but are not limited to, changes in the DRAM market and industry environment, changes in technologies and design, problems related to its supply of key material and equipment, loss of or decreased demand from key customers, changes in exchange rates, general economic conditions and natural disasters. Elpida disclaims any obligation to update or, except in the limited circumstances required by the Tokyo Stock Exchange, announce publicly any revision to any of the forward-looking statements.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2009	As of December 31, 2009	Change
(Assets)			
I Current assets			
1. Cash and deposits	113,847	110,324	(3,523)
2. Note and accounts receivable, trade	53,894	138,045	84,151
3. Inventories			
Merchandise and finished goods	41,221	41,634	413
Work in process	20,227	24,026	3,799
Raw materials and supplies	4,564	4,845	281
4. Accounts receivable, other	21,904	3,228	(18,676)
5. Other current assets	27,176	15,757	(11,419)
6. Allowance for doubtful accounts	(4,541)	(5,777)	(1,236)
Total current assets	278,292	332,082	53,790
II Noncurrent assets			
1. Property, plant and equipment, net			
Buildings and structures	92,708	96,996	4,288
Machinery, equipment and vehicles	516,195	476,695	(39,500)
Tools, furniture and fixtures	21,949	18,657	(3,292)
Land	4,362	4,451	89
Construction in progress	32,231	17,113	(15,118)
Total property, plant and equipment, net	667,445	613,912	(53,533)
2. Intangible assets			
Goodwill	1,418	1,156	(262)
Others	7,263	6,844	(419)
Total intangible assets	8,681	8,000	(681)
3. Investments and other assets			
Investment securities	2,317	2,252	(65)
Others	8,554	13,698	5,144
Total investments and other assets	10,871	15,950	5,079
Total noncurrent assets	686,997	637,862	(49,135)
Total assets	965,289	969,944	4,655
(Liabilities)			
I Current liabilities			
1. Accounts payable, trade	48,301	62,463	14,162
2. Short-term loans payable	2,880	2,850	(30)
3. Current portion of bonds	55,000	85,000	30,000
4. Current portion of long-term loans payable	110,048	113,684	3,636
5. Current portion of lease obligations	21,869	22,271	402
6. Accounts payable, other	50,551	23,022	(27,529)
7. Income taxes payable	649	2,060	1,411
8. Provision	8,633	1,664	(6,969)
9. Others	12,692	18,240	5,548
Total current liabilities	310,623	331,254	20,631
II Noncurrent liabilities			
1. Bonds payable	105,000	75,000	(30,000)
2. Long-term loans payable	222,008	197,361	(24,647)
3. Lease obligations	50,629	50,207	(422)
4. Provision	5,996	6,082	86
5. Other noncurrent liabilities	4,564	4,348	(216)
Total noncurrent liabilities	388,197	332,998	(55,199)
Total liabilities	698,820	664,252	(34,568)

(1) Consolidated Balance Sheets (continued)

(Millions of yen)

	As of March 31, 2009	As of December 31, 2009	Change
(Net assets)			
I Shareholders' equity			
1. Capital stock	158,665	203,860	45,195
2. Capital surplus	169,707	214,902	45,195
3. Retained earnings	(144,862)	(175,427)	(30,565)
4. Treasury stock	(5)	(5)	0
Total shareholders' equity	183,505	243,330	59,825
II Valuation and translation adjustments			
1. Valuation difference on available-for-sale securities	(453)	(518)	(65)
2. Deferred gains or losses on hedges	(300)	(117)	183
3. Foreign currency translation adjustments	(15,457)	(15,874)	(417)
Total valuation and translation adjustments	(16,210)	(16,509)	(299)
III Stock subscription rights	242	281	39
IV Minority interests	98,932	78,590	(20,342)
Total net assets	266,469	305,692	39,223
Total liabilities and net assets	965,289	969,944	4,655

(2) Consolidated Statements of Operations

(Nine -month period)

(Millions of yen)

Account	Nine-month period ended				Change Increase or decrease
	December 31, 2008		December 31, 2009		
		Ratio (%)		Ratio (%)	
I Net sales	284,573	100.0	319,431	100.0	34,858
II Cost of sales	336,472	118.2	284,783	89.2	(51,689)
Gross profit (loss)	(51,899)	(18.2)	34,648	10.8	86,547
III Selling, general and administrative expenses	46,099	16.2	45,555	14.3	(544)
Operating loss	(97,998)	(34.4)	(10,907)	(3.4)	87,091
IV Non-operating income					
1. Interest income	555		252		(303)
2. Foreign exchange gains	2,695		—		(2,695)
3. Rent income on facilities	—		258		258
4. Others	488		408		(80)
V Non-operating expenses					
1. Interest expense	4,645		8,015		3,370
2. Foreign exchange loss	—		1,528		1,528
3. Equity in losses of affiliates	10,365		—		(10,365)
4. Maintenance costs for idle assets	1,068		—		(1,068)
5. Others	1,440		4,930		3,490
Ordinary loss	(111,778)	(39.3)	(24,462)	(7.7)	87,316
VI Extraordinary income					
1. Gain on sales of noncurrent assets	132	0.0	68	0.0	(64)
VII Extraordinary losses					
1. Loss on valuation of investment securities	2,054	0.7	—	—	(2,054)
2. Loss on sales of noncurrent assets	6	0.0	25	0.0	19
3. Loss on retirement of noncurrent assets	562	0.2	2,492	0.8	1,930
4. Accrual for settlements and litigation	6,010	2.1	—	—	(6,010)
5. Impairment loss	—	—	1,098	0.3	1,098
Loss before income taxes	(120,278)	(42.3)	(28,009)	(8.8)	92,269
Income taxes					
Current	1,108	0.4	1,920	0.6	812
Income taxes for prior years	320	0.1	—	—	(320)
Deferred	(3,715)	(1.3)	(277)	(0.1)	3,438
Total income taxes	(2,287)	(0.8)	1,643	0.5	3,930
Minority interests in income	—	—	913	0.3	913
Net loss	(117,991)	(41.5)	(30,565)	(9.6)	87,426

Note: "Income taxes" consists of corporate tax, inhabitant tax, business tax.

(2) Consolidated Statements of Operations (continued)

(Three -month period)

(Millions of yen)

Account	Three -month period ended				Change Increase or decrease
	December 31, 2008		December 31, 2009		
		Ratio (%)		Ratio (%)	
I Net sales	61,770	100.0	151,007	100.0	89,237
II Cost of sales	104,627	169.4	103,843	68.8	(784)
Gross profit (loss)	(42,857)	(69.4)	47,164	31.2	90,021
III Selling, general and administrative expenses	15,035	24.3	16,717	11.1	1,682
Operating income (loss)	(57,892)	(93.7)	30,447	20.2	88,339
IV Non-operating income					
1. Interest income	246		46		(200)
2. Foreign exchange gains	1,413		629		(784)
3. Rent income on facilities	—		258		258
4. Others	11		29		18
V Non-operating expenses					
1. Interest expense	1,830		2,708		878
2. Equity in losses of affiliates	7,427		—		(7,427)
3. Maintenance costs for idle assets	265		—		(265)
4. Others	315		1,245		930
Ordinary income (loss)	(66,059)	(106.9)	27,456	18.2	93,515
VI Extraordinary income					
1. Gain on sales of noncurrent assets	1	0.0	22	0.0	21
2. Gain on reversal of loss on valuation of investment securities	—	—	155	0.1	155
VII Extraordinary losses					
1. Loss on valuation of investment securities	159	0.3	—	—	(159)
2. Loss on retirement of noncurrent assets	192	0.3	1,542	1.0	1,350
3. Accrual for settlements and litigation	5,379	8.7	—	—	(5,379)
4. Impairment loss	—	—	(15)	(0.0)	(15)
Income (loss) before income taxes	(71,788)	(116.2)	26,106	17.3	97,894
Income taxes					
Current	181	0.3	1,380	0.9	1,199
Income taxes for prior years	320	0.5	—	—	(320)
Deferred	60	0.1	(534)	(0.4)	(594)
Total income taxes	561	0.9	846	0.6	285
Minority interests in income	—	—	4,210	2.8	4,210
Net income (loss)	(72,349)	(117.1)	21,050	13.9	93,399

Note: "Income taxes" consists of corporate tax, inhabitant tax, business tax.

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine-month period ended		Change
	December 31, 2008	December 31, 2009	increase or decrease
I Operating activities			
Loss before income taxes	(120,278)	(28,009)	92,269
Depreciation and amortization	78,764	91,643	12,879
Impairment loss	—	1,098	1,098
Increase (decrease) in provision	5,896	(5,507)	(11,403)
Interest and dividend income	(555)	(252)	303
Interest expense	4,645	8,015	3,370
Foreign exchange losses	6,141	1,092	(5,049)
Equity in losses of affiliates	10,365	—	(10,365)
Gain on sales of noncurrent assets	(126)	(44)	82
Loss on retirement of noncurrent assets	562	2,492	1,930
Loss on valuation of investment securities	2,054	—	(2,054)
Decrease (increase) in notes and accounts receivable, trade	16,579	(85,461)	(102,040)
Decrease (increase) in inventories	1,552	(4,632)	(6,184)
Decrease in accounts receivable, other	1,101	17,244	16,143
Increase in notes and accounts payable, trade	7,147	14,400	7,253
Increase (decrease) in accounts payable, other	(2,707)	1,065	3,772
Others	(3,423)	400	3,823
Subtotal	7,717	13,544	5,827
Interest received	813	322	(491)
Interest expenses paid	(3,727)	(6,865)	(3,138)
Commission paid for loan	—	(5,250)	(5,250)
Proceeds from subsidy	328	76	(252)
Proceeds from settlements	—	621	621
Proceeds from compensation	—	579	579
Settlement package paid	—	(520)	(520)
Income taxes paid	(1,204)	(924)	280
Income taxes for prior periods	(320)	—	320
Net cash provided by operating activities	3,607	1,583	(2,024)
II Investing activities			
Payments into time deposits	(571)	(1,834)	(1,263)
Proceeds from withdrawal of time deposits	1,203	418	(785)
Purchase of property, plant and equipment	(56,382)	(64,869)	(8,487)
Proceeds from sales of property, plant and equipment	17,271	631	(16,640)
Purchase of intangible assets	(1,383)	(1,427)	(44)
Purchase of investments in subsidiaries	—	(10,000)	(10,000)
Purchase of long-term prepaid expenses	(1,801)	(2,354)	(553)
Payments of loans receivable	(15,942)	—	15,942
Others	1	10	9
Net cash used in investing activities	(57,604)	(79,425)	(21,821)

(3) Consolidated Statements of Cash Flows (continued)

	December 31, 2008	December 31, 2009	increase or decrease
III Financing activities			
Increase in short-term loans payable	—	3,302	3,302
Decrease in short-term loans payable	—	(3,302)	(3,302)
Proceeds from long-term loans payable	110,000	44,000	(66,000)
Repayments of long-term loans payable	(14,700)	(62,084)	(47,384)
Proceeds from issuance of bonds	49,985	—	(49,985)
Proceeds from issuance of common stock	108	89,904	89,796
Proceeds from sale-and-leaseback transactions	32,831	17,905	(14,926)
Repayments of lease obligations	(11,159)	(16,434)	(5,275)
Purchase of treasury stock	(1)	(0)	1
Proceeds from stock issuance to minority shareholders	—	204	204
Net cash provided by financing activities	167,064	73,495	(93,569)
IV Effect of exchange rates changes on cash and cash equivalents	(2,557)	(578)	1,979
V Net increase (decrease) in cash and cash equivalents	110,510	(4,925)	(115,435)
VI Cash and cash equivalents at beginning of the period	96,955	113,699	16,744
VII Cash and cash equivalents at end of the period	207,465	108,774	(98,691)
Free cash flow (I+II)	(53,997)	(77,842)	(23,845)

(Segment Information)

[Business Segment Information]

During the three-month period ended December 31, 2008 and 2009, our group was operating a single segment of the semiconductor business centering on DRAM, so the information by business segment is omitted.

[Geographical segment information]

For the three-month period ended December 31, 2008

	Japan (MY)	North America (MY)	Asia (MY)	Europe (MY)	Total (MY)	Offset or corporate total (MY)	Consoli- dated (MY)
Sales							
(1) Sales to third parties	28,118	11,686	17,735	4,231	61,770	—	61,770
(2) Inter-segment sales and transfers	30,847	0	35	9	30,891	(30,891)	—
Total	58,965	11,686	17,770	4,240	92,661	(30,891)	61,770
Operating expenses	117,475	11,600	17,201	4,269	150,545	(30,883)	119,662
Operating income	(58,510)	86	569	(29)	(57,884)	(8)	(57,892)

For the three-month period ended December 31, 2009

	Japan (MY)	North America (MY)	Asia (MY)	Europe (MY)	Total (MY)	Offset or corporate total (MY)	Consoli- dated (MY)
Sales							
(1) Sales to third parties	52,472	24,337	66,704	7,494	151,007	—	151,007
(2) Inter-segment sales and transfers	91,470	9	32,409	207	124,095	(124,095)	—
Total	143,942	24,346	99,113	7,701	275,102	(124,095)	151,007
Operating expenses	125,955	23,543	86,712	7,813	244,023	(123,463)	120,560
Operating income	17,987	803	12,401	(112)	31,079	(632)	30,447

Note 1: Countries and regions are grouped according to the geographical closeness.

2: Major countries and regions other than Japan are as follows:

- (1) North America: the United States
- (2) Asia: Hong Kong, Singapore and Taiwan
- (3) Europe: Germany, Switzerland

For the nine-month period ended December 31, 2008

	Japan (MY)	North America (MY)	Asia (MY)	Europe (MY)	Total (MY)	Offset or corporate total (MY)	Consoli- dated (MY)
Sales							
(1) Sales to third parties	131,614	48,427	85,562	18,970	284,573	—	284,573
(2) Inter-segment sales and transfers	141,050	69	57	24	141,200	(141,200)	—
Total	272,664	48,496	85,619	18,994	425,773	(141,200)	284,573
Operating expenses	373,830	47,728	83,031	19,171	523,760	(141,189)	382,571
Operating income	(101,166)	768	2,588	(177)	(97,987)	(11)	(97,998)

For the nine-month period ended December 31, 2009

	Japan (MY)	North America (MY)	Asia (MY)	Europe (MY)	Total (MY)	Offset or corporate total (MY)	Consoli- dated (MY)
Sales							
(1) Sales to third parties	124,701	59,104	121,215	14,411	319,431	—	319,431
(2) Inter-segment sales and transfers	183,568	11	73,652	479	257,710	(257,710)	—
Total	308,269	59,115	194,867	14,890	577,141	(257,710)	319,431
Operating expenses	329,781	57,351	184,358	15,236	586,726	(256,388)	330,338
Operating income	(21,512)	1,764	10,509	(346)	(9,585)	(1,322)	(10,907)

Note 1: Countries and regions are grouped according to the geographical closeness.

2: Major countries and regions other than Japan are as follows:

- (1) North America: the United States
- (2) Asia: Hong Kong, Singapore and Taiwan
- (3) Europe: Germany, Switzerland

[Overseas sales]

For the three-month period ended December 31, 2008

	North America	Asia	Europe	Total
I Overseas sales (MY)	12,960	17,865	9,639	40,464
II Consolidated sales (MY)				61,770
III Ratio of overseas sales over consolidated sales (%)	21.0	28.9	15.6	65.5

For the three-month period ended December 31, 2009

	North America	Asia	Europe	Total
I Overseas sales (MY)	25,490	67,183	38,485	131,158
II Consolidated sales (MY)				151,007
III Ratio of overseas sales over consolidated sales (%)	16.9	44.5	25.5	86.9

Note 1: Countries and regions are grouped according to the geographical closeness.

2: Major countries and regions other than Japan are as follows:

- (1)North America: the United States
- (2)Asia: Taiwan, Singapore and Hong Kong
- (3)Europe: Whole area

3: The amount of overseas sales is the amount of sales made by our Company and consolidated subsidiaries in countries and regions outside Japan.

For the nine-month period ended December 31, 2008

	North America	Asia	Europe	Total
I Overseas sales (MY)	60,128	93,707	41,252	195,087
II Consolidated sales (MY)				284,573
III Ratio of overseas sales over consolidated sales (%)	21.1	32.9	14.5	68.5

For the nine-month period ended December 31, 2009

	North America	Asia	Europe	Total
I Overseas sales (MY)	63,043	121,851	70,217	255,111
II Consolidated sales (MY)				319,431
III Ratio of overseas sales over consolidated sales (%)	19.7	38.2	22.0	79.9

Note 1: Countries and regions are grouped according to the geographical closeness.

2: Major countries and regions other than Japan are as follows:

- (1)North America: the United States
- (2)Asia: Taiwan, Singapore and Hong Kong
- (3)Europe: Whole area

3: The amount of overseas sales is the amount of sales made by our Company and consolidated subsidiaries in countries and regions outside Japan.

Appendix (Unaudited)

1. Selected Quarterly Consolidated Statements of Operations

(Millions of yen)

	Oct-Dec 2008 (3Q-FY 08)		Jan-Mar 2009 (4Q-FY 08)		Apr-Jun 2009 (1Q-FY 09)		Jul-Sep 2009 (2Q-FY 09)		Oct-Dec 2009 (3Q-FY 09)	
		%		%		%		%		%
Net sales	61,770	100.0	46,476	100.0	72,570	100.0	95,854	100.0	151,007	100.0
Gross profit (loss)	(42,857)	-69.4	(34,179)	-73.5	(26,587)	-36.6	14,071	14.7	47,164	31.2
Selling, general and administrative expenses	15,035	24.3	15,212	32.7	15,724	21.7	13,242	13.8	16,717	11.1
Operating income (loss)	(57,892)	-93.7	(49,391)	-106.3	(42,311)	-58.3	829	0.9	30,447	20.2
Income (loss) before income taxes	(71,788)	-116.2	(60,476)	-130.1	(48,017)	-66.2	(6,098)	-6.4	26,106	17.3
Net income (loss)	(72,349)	-117.1	(60,879)	-131.0	(44,448)	-61.2	(7,167)	-7.5	21,050	13.9
EBITDA ⁽¹⁾	(42,924)	-69.5	(42,756)	-92.0	(14,387)	-19.8	26,716	27.9	59,320	39.3
Average exchange rate (Yen to a U.S. Dollar)	101.41		91.46		97.79		95.33		90.37	

2. Selected Consolidated Financial Data

(Figures in millions of yen otherwise specified)

	Dec 31, 2008 (3Q-FY 08)	Mar 31, 2009 (4Q-FY 08)	Jun 30, 2009 (1Q-FY 09)	Sep 30, 2009 (2Q-FY 09)	Dec 31, 2009 (3Q-FY 09)
Cash and time deposits	207,465	113,847	61,305	123,384	110,324
A/R collection period ⁽²⁾	74 days	104 days	84 days	79 days	82 days
Inventory holding period ⁽³⁾	62 days	74 days	59 days	85 days	61 days
Interest-bearing debt ⁽⁴⁾	456,073	567,434	556,875	556,626	546,373
Net D/E ratio ⁽⁵⁾	1.13 times	2.71 times	4.00 times	2.12 times	1.92 times
Shareholders' equity ratio ⁽⁶⁾	27.1 %	17.3 %	13.8 %	21.1 %	23.4 %

3. Selected Consolidated Statements of Cash Flows

(Millions of yen)

	Oct-Dec 2008 (3Q-FY 08)	Jan-Mar 2009 (4Q-FY 08)	Apr-Jun 2009 (1Q-FY 09)	Jul-Sep 2009 (2Q-FY 09)	Oct-Dec 2009 (3Q-FY 09)
Net cash provided by (used in) operating activities	(6,863)	(51,972)	(8,582)	(8,466)	18,631
Net cash used in investing activities	(14,281)	(17,888)	(33,090)	(26,249)	(20,086)
Net cash provided by (used in) financing activities	153,097	(26,720)	(11,363)	97,619	(12,761)
Free cash flow	(21,144)	(69,860)	(41,672)	(34,715)	(1,455)

⁽¹⁾ EBITDA = Income (loss) before income taxes + Interest expense + depreciation and amortization

⁽²⁾ A/R collection period (days) = Accounts receivable, trade / Average monthly net sales x 30 days

⁽³⁾ Inventory holding period (days) = Inventories / Average monthly cost of sales x 30 days

⁽⁴⁾ Interest-bearing debt = Bond + Short-term debt + Long-term debt + Obligation under capital leases

⁽⁵⁾ Net D/E ratio (times) = (Interest-bearing debt – Cash and time deposits) / Shareholders' equity*

⁽⁶⁾ Shareholders' equity ratio (%) = Shareholders' equity* / Total Assets x 100

* Shareholders' equity = Total net assets – Share subscription rights – Minority interests