

# ROHM CO., LTD. Financial Highlights for the Nine Months Ended December 31, 2003



February 5, 2004

## Consolidated Financial Results

(Figures are rounded down to the nearest million yen. Any fraction less than the unit are rounded off.)

|   |                 | Nine months ended<br>December 31, 2003 | Nine months<br>ended December<br>31, 2002 | Increase/decrease from the nine<br>months ended December 31, 2002 |            | Year ended March<br>31, 2003 | Year ending March 31, 2004   |   |
|---|-----------------|--|---|---|------------|------------------------------|------------------------------|---|
|   |                 | Actual                                 | Actual                                    | Amount  | Percentage | Actual                       | Projected                    | Increase/<br>decrease from the<br>previous year |
| Net sales   | Millions of yen | 270,140                                | 273,244                                   | -3,104  | -1.1%      | 350,281                      | 358,000                      | +2.2%   |
| Cost of sales                                       | Millions of yen | 147,585                                | 142,480                                   | +5,105  | +3.6%      | 185,795                      | 197,000                      |   |
| Selling, general and administrative<br>expenses     | Millions of yen | 47,913                                 | 48,972                                    | -1,059  | -2.2%      | 68,363                       | 64,000                       |   |
| Operating income                                    | Millions of yen | 74,640                                 | 81,791                                    | -7,151  | -8.7%      | 96,122                       | 97,000                       | +0.9%   |
| (Operating income margin)                           |                 | (27.6%)                                | (29.9%)                                   | (-2.3%)   |            | (27.4%)                      | (27.1%)                      |   |
| Ordinary income                                     | Millions of yen | 68,645                                 | 74,695                                    | -6,050  | -8.1%      | 91,684                       | 94,000                       | +2.5%   |
| (Ordinary income margin)                            |                 | (25.4%)                                | (27.3%)                                   | (-1.9%)   |            | (26.2%)                      | (26.3%)                      |   |
| Net income  | Millions of yen | 47,740                                 | 43,567                                    | +4,173  | +9.6%      | 53,003                       | 62,000                       | +17.0%  |
| (Net income margin)                                 |                 | (17.7%)                                | (15.9%)                                   | (+1.8%)   |            | (15.1%)                      | (17.3%)                      |   |
| Net income per share                                | Yen             | 401.91                                 | 366.92                                    | +34.99  | +9.5%      | 445.52                       | 521.96                       |   |
| Return on equity                                    | %               |  |   |   |            | 8.1                          |                              |   |
| Ordinary income to total assets                     | %               |  |   |   |            | 11.9                         |                              |   |
| Total assets  | Millions of yen | 815,891                                | 792,434                                   |   |            | 805,692                      |                              |   |
| Shareholders' equity                                | Millions of yen | 707,758                                | 664,236                                   |   |            | 676,577                      |                              |   |
| Shareholders' equity ratio                          | %               | 86.7                                   | 83.8                                      |   |            | 84.0                         |                              |   |
| Shareholders' equity per share                      | Yen             | 5,958.45                               | 5,593.25                                  |   |            | 5,694.92                     | (Second half of the<br>year) |   |
| Foreign exchange rate (Average yen-<br>dollar rate) | Yen/US\$        | 116.07                                 | 123.41                                    |   |            | 122.28                       | 110                          |   |
| Sales by product category                           |                 |  |   |   |            |                              |                              |   |
| Integrated circuits                                 | Millions of yen | 119,690                                | 125,675                                   | -5,985  | -4.8%      | 159,424                      | 159,485                      | +0.0%   |
| Discrete semiconductor devices                      |                 | 104,412                                | 105,581                                   | -1,169  | -1.1%      | 136,252                      | 137,793                      | +1.1%   |
| Passive components                                  |                 | 18,654                                 | 18,895                                    | -241  | -1.3%      | 24,688                       | 24,825                       | +0.6%   |
| Displays  |                 | 27,383                                 | 23,093                                    | +4,290  | +18.6%     | 29,916                       | 35,895                       | +20.0%  |
| Sales by geographical region                        |                 |  |   |   |            |                              |                              |   |
| Japan   | Millions of yen | 118,263                                | 126,752                                   | -8,489  | -6.7%      | 161,456                      | 160,620                      | -0.5%   |
| Asia  |                 | 125,503                                | 117,537                                   | +7,966  | +6.8%      | 151,371                      | 162,735                      | +7.5%   |
| Americas  |                 | 11,160                                 | 14,352                                    | -3,192  | -22.2%     | 18,111                       | 15,204                       | -16.1%  |
| Europe  |                 | 15,212                                 | 14,601                                    | +611  | +4.2%      | 19,342                       | 19,439                       | +0.5%   |

(Note) The financial figures for the third quarters of the fiscal years ended March 31, 2003 and ending March 31, 2004 have not been audited by independent auditors.

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Note: This report is a translation of the financial highlights of the Company prepared in accordance with the provisions set forth in the Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan. The original version of this report is written in Japanese. In the event of any discrepancies in words, accounts, figures or the like between this report and the original, the original Japanese version shall govern.

# Consolidated Business Results Highlights for the Nine Months Ended December 31, 2003

February 5, 2004

Listed Company Name: ROHM CO., LTD.

(Code No.: 6963; Listed on the first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange)

(URL <http://www.rohm.co.jp>)

|         |  |                               |                     |
|---------|--|-------------------------------|---------------------|
| Contact | Title and name of representative                 | President, Ken Sato           |                     |
|         | Title and name of person responsible for contact | Director, Administration      | TEL: (075) 311-2121 |
|         |  | Headquarters, Eiichi Sasayama |                     |

## 1. Information on Presenting Quarterly Business Results Highlights

- ① Changes in accounting policies from consolidated report for most recent fiscal year : None
- ② Changes in scope of consolidation and application of equity method
  - Companies newly consolidated: 1 Companies excluded from consolidation: 2
  - Companies newly accounted for by equity method : None
  - Companies no longer accounted for by equity method: None

## 2. Business Result Highlights for the nine months ended December 31, 2003

### (1) Trends in Consolidated Results of Operations (Figures are rounded down to the nearest million yen.)

|  | Net sales       |      | Operating income |      | Ordinary income |      | Net income      |     |
|--|-----------------|------|------------------|------|-----------------|------|-----------------|-----|
|  | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen | %   |
| Nine months ended December 31, 2003      | 270,140         | -1.1 | 74,640           | -8.7 | 68,645          | -8.1 | 47,740          | 9.6 |
| Nine months ended December 31, 2002      | 273,244         | -    | 81,791           | -    | 74,695          | -    | 43,567          | -   |
| (Reference)<br>Year ended March 31, 2003 | 350,281         |      | 96,122           |      | 91,684          |      | 53,003          |     |

|  | Basic net income per share | Diluted net income per share |
|--|----------------------------|------------------------------|
|  | Yen                        | Yen                          |
| Nine months ended December 31, 2003      | 401.91                     | -                            |
| Nine months ended December 31, 2002      | 366.92                     | 366.72                       |
| (Reference)<br>Year ended March 31, 2003 | 445.52                     | 445.31                       |

(Note) Percentage (%) shown for Net sales, Operating income and others represents change from the data of the corresponding period of the previous year.

[Qualitative Information on Trends in Consolidated Results of Operations] (From April 1, 2003 to December 31, 2003)

#### Overall review of results of operations

ROHM's net sales for the nine months ended December 31, 2003 was ¥270.14 billion (down 1.1% from the corresponding period one year ago); ordinary income was ¥68.645 billion (down 8.1% from the corresponding period one year ago); and net income, ¥47.74 billion (up 9.6% from the corresponding period one year ago).

During the nine months ended December 31, 2003, the world economy as a whole remained sluggish due to the knock-on effects of international conflicts, the SARS outbreak, and continuing employment insecurity in the U.S. in spite of steady U.S. customer spending. The Japanese economy did not attain full-fledged recovery either, even though certain economic indicators suggested improvement and the stock market took a turn for the better. In the electronics market, the market segment for digital audio/video equipment, such as DVD recorders and digital still cameras, expanded solidly, but other electronics market segments, such as those for conventional audio/video equipment, showed no sign of rapid recovery. Following the autumn lull, these segments finally became brisk for the Christmas sales season; however, the electronics market as a whole remained relatively depressed. In the electronic component market, the sales of certain components, including miniature chip products for digital still cameras and camera-equipped mobile phones, grew sharply. However, the market segments that were conventionally the major markets of electronic components, such as that of audio/video equipment and personal computers, did not show signs of any strong recovery in demand.

Under these circumstances, ROHM committed itself to expanding its product line-ups, preparing for the markets that were expanding, including digital audio/video equipment and camera-equipped mobile phones. In addition, because

the markets for digital household equipment, such as thin flat TV displays, DVD recorders and digital still cameras, indicate signs of rapid growth, ROHM enhanced its production lines of miniature chip components, which barely satisfies the demand.

#### Divisional review of results of operations

##### <Integrated circuits>

ROHM's sales of integrated circuits for the nine months ended December 31, 2003 were ¥119.69 billion, down 4.8% from the corresponding period one year ago.

The IC market did not show any signs of strong recovery, especially in the markets for consumer equipment such as game machines and audio/video equipment; however, the demand for ICs intended for new products, including multimedia image processor LSI circuits for mobile phones and IrDA communication modules incorporating remote control functions, increased. The sales of system LSI products for digital still cameras and DVD recorders also increased.

##### <Discrete semiconductor devices>

ROHM's sales of discrete semiconductor devices for the nine months ended December 31, 2003 was ¥104.412 billion, 1.1% down from the corresponding period one year ago.

While the market as a whole showed no signs of rapid recovery, the sales of white LEDs for mobile phones and ultra-miniature diodes and transistors for digital audio/video equipment including digital still cameras and mobile phones increased.

##### <Passive components>

ROHM's sales of passive components for the nine months ended December 31, 2003 was ¥18.654 billion, down 1.3% from the corresponding period one year ago.

ROHM has enhanced its product line-ups of ultra-miniature chip resistors such as size 0603 products and high-reliability, high-accuracy products, intended for digital audio/video equipment, mobile phones, component modules and automotive equipment, the markets for which are expected to undergo rapid growth. In addition, the Company also added miniature, high-accuracy, high-capacity products to its capacitor line-up, intended mainly for mobile communication systems.

##### <Displays>

ROHM's sales of displays for the nine months ended December 31, 2003 was ¥27.383 billion, up 18.6% from the corresponding period one year ago.

Print heads for miniaturized printers for point-of-sales systems and image sensor heads for multifunction printers sold favorably. The sales of color LCDs for mobile phones also increased.

#### (2) Trends in Consolidated Financial Position

|  | Total assets    | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|--|-----------------|----------------------|----------------------------|--------------------------------|
|  | Millions of yen | Millions of yen      | %                          | Yen                            |
| Nine months ended December 31, 2003      | 815,891         | 707,758              | 86.7                       | 5,958.45                       |
| Nine months ended December 31, 2002      | 792,434         | 664,236              | 83.8                       | 5,593.25                       |
| (Reference)<br>Year ended March 31, 2003 | 805,692         | 676,577              | 84.0                       | 5,694.92                       |

#### [Consolidated Cash Flows]

|  | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of year |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--|
|  | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                          |
| Nine months ended December 31, 2003      | 45,365                               | -57,547                              | -3,019                               | 294,358                                  |
| Nine months ended December 31, 2002      | 104,653                              | -33,603                              | -2,528                               | 291,457                                  |
| (Reference)<br>Year ended March 31, 2003 | 140,931                              | -38,381                              | -2,544                               | 322,549                                  |

[Qualitative Information on Trends in Consolidated Financial Position] (From April 1, 2003 to December 31, 2003)

As of the end of the nine months ended December 31, 2003, total assets, total liabilities, minority interest and total shareholders' equity amounted to ¥815.891 billion (up ¥10.199 billion from the end of the previous fiscal year on March 31, 2003), ¥107.865 billion (down ¥21.006 billion), ¥267 million (up ¥23 million) and ¥707.758 billion (up ¥31.181 billion), respectively.

The status of cash flows for the nine months ended December 31, 2003 is as follows:

Cash flows from operating activities were a positive ¥45.365 billion for the nine months ended December 31, 2003 (cf. a positive ¥104.653 billion for the corresponding period one year ago). This resulted primarily from cash increases due to income before income taxes and minority interests and depreciation and amortization, as well as from cash decreases due to the payment of corporate taxes and increase in trade receivables.

Cash flows from investing activities were a negative ¥57.547 billion for the nine months ended December 31, 2003 (cf. a negative ¥33.603 billion for the corresponding period one year ago), primarily because of purchases of marketable securities and investment securities as well as the acquisition of tangible fixed assets as capital investment.

Cash flows from financing activities were a negative ¥3.019 billion (cf. a negative ¥2.528 billion for the corresponding period one year ago) primarily because of dividend payments.

In consideration of these changes in cash flows and the effects of exchange rate changes on cash and cash equivalents, cash and cash equivalents amounted to ¥294.358 billion at the end of this current nine-month period, down ¥28.191 billion from the end of the previous fiscal year on March 31, 2003.

### 3. Consolidated Business Results Forecast for Fiscal 2004 (From April 1, 2003 to March 31, 2004)

The consolidated business results forecast remains the same as presented in the interim financial report for this fiscal year, which was released on Nov. 5, 2003.

[Reference]

|             | Net sales       | Ordinary income | Net income      |
|-------------|-----------------|-----------------|-----------------|
|             | Millions of yen | Millions of yen | Millions of yen |
| Fiscal 2004 | 358,000         | 94,000          | 62,000          |

(Note) Projected net income per share for the year ending March 31, 2004: ¥521.96

\* The forecast data are based on the information available at the time of release of this report. Therefore, a number of important factors including changes in business conditions may cause actual results to differ materially from those discussed in the prospective statements.

## Consolidated Quarterly Balance Sheets

| Accounts                                     | Period | Nine months of fiscal 2004<br>(As of December 31, 2003)<br>(Unaudited) |              | Nine months of fiscal 2003<br>(As of December 31, 2002)<br>(Unaudited) |              | Fiscal 2003<br>(As of March 31, 2003) |              | Increase/decrease (-)<br>from the end of fiscal<br>2003 on March 31,<br>2003 |
|--|--------|--|--------------|--|--------------|---------------------------------------|--------------|--|
|  |        | Amount   | Ratio        | Amount   | Ratio        | Amount                                | Ratio        |  |
|  |        | Millions of yen  | %            | Millions of yen  | %            | Millions of yen                       | %            | Millions of yen  |
| (Assets)                                     |        |  |              |  |              |                                       |              |  |
| Current assets                               |        |  |              |  |              |                                       |              |  |
| Cash and time deposits                       |        | 297,216  |              | 282,643  |              | 310,054                               |              | - 12,838   |
| Notes and accounts<br>receivable - trade     |        | 99,883   |              | 95,959   |              | 84,350                                |              | 15,533   |
| Securities                                   |        | 42,436   |              | 47,749   |              | 47,960                                |              | - 5,524  |
| Inventories                                  |        | 53,926   |              | 50,424   |              | 52,487                                |              | 1,439  |
| Prepaid pension cost                         |        | 4,591  |              | 4,883  |              | 4,752                                 |              | - 161  |
| Deferred tax assets                          |        | 10,622   |              | 13,472   |              | 14,159                                |              | - 3,537  |
| Refundable income taxes                      |        | 6,341  |              | -  |              | -                                     |              | 6,341  |
| Other  |        | 9,601  |              | 10,378   |              | 6,820                                 |              | 2,781  |
| Allowance for doubtful notes<br>and accounts |        | - 588  |              | - 853  |              | - 590                                 |              | 2  |
| Total current assets                         |        | <b>524,029</b>   | <b>64.2</b>  | <b>504,657</b>   | <b>63.7</b>  | <b>519,996</b>                        | <b>64.5</b>  | <b>4,033</b>   |
| Fixed assets                                 |        |  |              |  |              |                                       |              |  |
| Property, plant and equipment                |        |  |              |  |              |                                       |              |  |
| Buildings and structures                     |        | 149,267  |              | 143,456  |              | 146,664                               |              | 2,603  |
| Machinery, equipment and<br>vehicles         |        | 321,901  |              | 313,739  |              | 314,428                               |              | 7,473  |
| Tools and furniture                          |        | 26,832   |              | 24,985   |              | 25,584                                |              | 1,248  |
| Land   |        | 53,402   |              | 52,549   |              | 52,537                                |              | 865  |
| Construction in progress                     |        | 17,956   |              | 20,992   |              | 17,779                                |              | 177  |
| Accumulated depreciation                     |        | - 358,710  |              | - 337,900  |              | - 340,792                             |              | - 17,918   |
| Total tangible fixed assets                  |        | <b>210,649</b>   | <b>25.8</b>  | <b>217,822</b>   | <b>27.5</b>  | <b>216,201</b>                        | <b>26.8</b>  | <b>- 5,552</b>   |
| Intangible fixed assets                      |        | <b>2,705</b>   | <b>0.4</b>   | <b>3,070</b>   | <b>0.4</b>   | <b>2,871</b>                          | <b>0.4</b>   | <b>- 166</b>   |
| Investments and other assets                 |        |  |              |  |              |                                       |              |  |
| Investment securities                        |        | 71,014   |              | 56,032   |              | 57,355                                |              | 13,659   |
| Deferred tax assets                          |        | 5,642  |              | 8,394  |              | 6,966                                 |              | - 1,324  |
| Other  |        | 2,189  |              | 2,791  |              | 2,691                                 |              | - 502  |
| Allowance for doubtful<br>accounts           |        | - 339  |              | - 333  |              | - 389                                 |              | 50   |
| Total investments and<br>other assets        |        | <b>78,506</b>  | <b>9.6</b>   | <b>66,884</b>  | <b>8.4</b>   | <b>66,623</b>                         | <b>8.3</b>   | <b>11,883</b>  |
| Total fixed assets                           |        | <b>291,861</b>   | <b>35.8</b>  | <b>287,777</b>   | <b>36.3</b>  | <b>285,696</b>                        | <b>35.5</b>  | <b>6,165</b>   |
| Total assets                                 |        | <b>815,891</b>   | <b>100.0</b> | <b>792,434</b>   | <b>100.0</b> | <b>805,692</b>                        | <b>100.0</b> | <b>10,199</b>  |

| Accounts   | Period          | Nine months of fiscal 2004<br>(As of December 31, 2003)<br>(Unaudited) |                 | Nine months of fiscal 2003<br>(As of December 31, 2002)<br>(Unaudited) |                 | Fiscal 2003<br>(As of March 31, 2003) |                 | Increase/decrease (-)<br>from the end of fiscal<br>2003 on March 31,<br>2003 |
|--|-----------------|--|-----------------|--|-----------------|---------------------------------------|-----------------|--|
|  | Amount          | Ratio  | Amount          | Ratio  | Amount          | Ratio                                 | Amount          |  |
|  | Millions of yen | %  | Millions of yen | %  | Millions of yen | %                                     | Millions of yen |  |
| (Liabilities)  |                 |  |                 |  |                 |                                       |                 |  |
| Current liabilities  |                 |  |                 |  |                 |                                       |                 |  |
| Notes and accounts payable - trade                             | 21,724          |  | 18,490          |  | 17,866          |                                       | 3,858           |  |
| Other accounts payable   | 27,512          |  | 21,008          |  | 22,975          |                                       | 4,537           |  |
| Accrued income taxes   | 8,627           |  | 25,703          |  | 28,732          |                                       | - 20,105        |  |
| Deferred tax liabilities                                       | 1,214           |  | 1,253           |  | 747             |                                       | 467             |  |
| Other  | 10,882          |  | 11,609          |  | 13,359          |                                       | - 2,477         |  |
| Total current liabilities                                      | <b>69,962</b>   | <b>8.6</b>   | <b>78,065</b>   | <b>9.9</b>   | <b>83,681</b>   | <b>10.4</b>                           | <b>- 13,719</b> |  |
| Long-term liabilities  |                 |  |                 |  |                 |                                       |                 |  |
| Deferred tax liabilities                                       | 30,440          |  | 30,812          |  | 26,253          |                                       | 4,187           |  |
| Liability for retirement benefits                              | 5,517           |  | 16,970          |  | 16,801          |                                       | - 11,284        |  |
| Allowance for directors' retirement benefits                   | 1,945           |  | 2,101           |  | 2,135           |                                       | - 190           |  |
| Total long-term liabilities                                    | <b>37,902</b>   | <b>4.6</b>   | <b>49,885</b>   | <b>6.3</b>   | <b>45,190</b>   | <b>5.6</b>                            | <b>- 7,288</b>  |  |
| Total liabilities  | <b>107,865</b>  | <b>13.2</b>  | <b>127,951</b>  | <b>16.2</b>  | <b>128,871</b>  | <b>16.0</b>                           | <b>- 21,006</b> |  |
| (Minority interests)   |                 |  |                 |  |                 |                                       |                 |  |
| Minority interests   | <b>267</b>      | <b>0.0</b>   | <b>246</b>      | <b>0.0</b>   | <b>244</b>      | <b>0.0</b>                            | <b>23</b>       |  |
| (Shareholders' equity)   |                 |  |                 |  |                 |                                       |                 |  |
| Common stock   | <b>86,969</b>   | <b>10.7</b>  | <b>86,923</b>   | <b>10.9</b>  | <b>86,969</b>   | <b>10.8</b>                           | -               |  |
| Capital surplus  | <b>102,403</b>  | <b>12.5</b>  | <b>102,358</b>  | <b>12.9</b>  | <b>102,403</b>  | <b>12.7</b>                           | -               |  |
| Retained earnings  | <b>550,776</b>  | <b>67.5</b>  | <b>496,664</b>  | <b>62.7</b>  | <b>506,100</b>  | <b>62.8</b>                           | <b>44,676</b>   |  |
| Net unrealized gain on available-for-sale securities           | <b>2,125</b>    | <b>0.3</b>   | <b>685</b>      | <b>0.1</b>   | <b>709</b>      | <b>0.1</b>                            | <b>1,416</b>    |  |
| Foreign currency translation adjustments                       | - <b>34,224</b> | - <b>4.2</b>   | - <b>22,166</b> | - <b>2.8</b>   | - <b>19,362</b> | - <b>2.4</b>                          | - <b>14,862</b> |  |
| Treasury stock - at cost                                       | - <b>292</b>    | - <b>0.0</b>   | - <b>229</b>    | - <b>0.0</b>   | - <b>243</b>    | - <b>0.0</b>                          | - <b>49</b>     |  |
| Total shareholders' equity                                     | <b>707,758</b>  | <b>86.8</b>  | <b>664,236</b>  | <b>83.8</b>  | <b>676,577</b>  | <b>84.0</b>                           | <b>31,181</b>   |  |
| Total liabilities, minority interests and shareholders' equity | <b>815,891</b>  | <b>100.0</b>   | <b>792,434</b>  | <b>100.0</b>   | <b>805,692</b>  | <b>100.0</b>                          | <b>10,199</b>   |  |

## Consolidated Quarterly Statements of Income

| Accounts   | Period | Nine months of fiscal 2004<br>From April 1, 2003<br>To December 31, 2003<br>(Unaudited) |             | Nine months of fiscal 2003<br>From April 1, 2002<br>To December 31, 2002<br>(Unaudited) |             | Increase/decrease (-)<br>from the nine months<br>of fiscal 2003 | Fiscal 2003<br>From April 1, 2002<br>To March 31, 2003 |             |
|--|--------|---|-------------|---|-------------|---|--|-------------|
|  |        | Amount  | Percentage  | Amount  | Percentage  |   | Amount   | Percentage  |
|  |        | Millions of yen   | %           | Millions of yen   | %           | Millions of yen   | Millions of yen  | %           |
| Net sales  |        | 270,140   | 100.0       | 273,244   | 100.0       | - 3,104   | 350,281  | 100.0       |
| Cost of sales  |        | 147,585   | 54.6        | 142,480   | 52.1        | 5,105   | 185,795  | 53.0        |
| Gross profit   |        | <b>122,554</b>  | <b>45.4</b> | <b>130,764</b>  | <b>47.9</b> | - <b>8,210</b>  | <b>164,486</b>   | <b>47.0</b> |
| Selling, general and<br>administrative expenses      |        | 47,913  | 17.8        | 48,972  | 18.0        | - 1,059   | 68,363   | 19.6        |
| Operating income                                     |        | <b>74,640</b>   | <b>27.6</b> | <b>81,791</b>   | <b>29.9</b> | - <b>7,151</b>  | <b>96,122</b>  | <b>27.4</b> |
| Non-operating income                                 |        | 2,747   | 1.0         | 3,359   | 1.2         | - 612   | 4,649  | 1.4         |
| Non-operating expenses                               |        | 8,742   | 3.2         | 10,455  | 3.8         | - 1,713   | 9,087  | 2.6         |
| Ordinary income                                      |        | <b>68,645</b>   | <b>25.4</b> | <b>74,695</b>   | <b>27.3</b> | - <b>6,050</b>  | <b>91,684</b>  | <b>26.2</b> |
| Extraordinary gains                                  |        | 10,896  | 4.1         | 282   | 0.1         | 10,614  | 190  | 0.0         |
| Extraordinary losses                                 |        | 1,334   | 0.5         | 374   | 0.1         | 960   | 1,399  | 0.4         |
| Income before income taxes<br>and minority interests |        | <b>78,208</b>   | <b>29.0</b> | <b>74,603</b>   | <b>27.3</b> | <b>3,605</b>  | <b>90,476</b>  | <b>25.8</b> |
| Income taxes - current                               |        | 17,834  | 6.6         | 28,823  | 10.6        | - 10,989  | 35,280   | 10.1        |
| Income taxes - deferred                              |        | 12,583  | 4.7         | 2,221   | 0.8         | 10,362  | 2,198  | 0.6         |
| Minority interests                                   |        | 49  | 0.0         | - 9   | - 0.0       | 58  | - 6  | - 0.0       |
| Net income   |        | <b>47,740</b>   | <b>17.7</b> | <b>43,567</b>   | <b>15.9</b> | <b>4,173</b>  | <b>53,003</b>  | <b>15.1</b> |

**Consolidated Quarterly Statements of Cash Flows**

| Accounts   | Period   | Nine months of fiscal 2004                                   | Nine months of fiscal 2003                                   | Increase/decrease (-)                  | Fiscal 2003                             |
|--|--|--|--|--|---|
|  |  | From April 1, 2003<br>To December 31,<br>2003<br>(Unaudited) | From April 1, 2002<br>To December 31,<br>2002<br>(Unaudited) | from the nine months<br>of fiscal 2003 | From April 1, 2002<br>To March 31, 2003 |
|  |  | Amount   | Amount   | Amount                                 | Amount                                  |
|  |  | Millions of yen  | Millions of yen  | Millions of yen                        | Millions of yen                         |
| <b>I Operating Activities</b>  |  |  |  |  |   |
| 1.   | Income before income taxes and minority interests                          | 78,208   | 74,603   | 3,605                                  | 90,476                                  |
| 2.   | Depreciation and amortization  | 33,527   | 39,272   | - 5,745                                | 52,424                                  |
| 3.   | Amortization of goodwill - net   | 12   | - 264  | 276                                    | - 260                                   |
| 4.   | Interest and dividends income  | - 1,779  | - 2,137  | 358                                    | - 2,786                                 |
| 5.   | Foreign currency exchange losses (- gains) - net                           | 5,396  | 5,471  | - 75                                   | 4,983                                   |
| 6.   | Increase (- decrease) in net liability for retirement benefits             | - 11,085   | 1,556  | - 12,641                               | 1,529                                   |
| 7.   | Decrease (- increase) in notes and accounts receivables - trade            | - 18,213   | - 12,425   | - 5,788                                | - 901                                   |
| 8.   | Decrease (- increase) in inventories                                       | - 4,255  | - 5,224  | 969                                    | - 7,654                                 |
| 9.   | Increase (- decrease) in notes and accounts payables - trade               | 4,812  | 1,197  | 3,615                                  | 569                                     |
| 10.  | Other - net  | 542  | - 1,408  | 1,950                                  | 381                                     |
|  | Sub-total  | 87,165   | 100,640  | - 13,475                               | 138,761                                 |
| 11.  | Interest and dividends - received  | 1,928  | 2,131  | - 203                                  | 3,036                                   |
| 12.  | Interest - paid  | -  | - 0  | 0                                      | - 1                                     |
| 13.  | Income taxes - refunded (- paid)   | - 43,728   | 1,882  | - 45,610                               | - 866                                   |
|  | Net cash provided by operating activities                                  | 45,365   | 104,653  | - 59,288                               | 140,931                                 |
| <b>II Investing Activities</b>   |  |  |  |  |   |
| 1.   | Decrease (- increase) in time deposits                                     | - 11,653   | 7,219  | - 18,872                               | 11,186                                  |
| 2.   | Purchases of securities and investment securities                          | - 39,145   | - 31,903   | - 7,242                                | - 46,294                                |
| 3.   | Proceeds from sales and repayments of securities and investment securities | 27,196   | 18,663   | 8,533                                  | 31,444                                  |
| 4.   | Purchases of property, plant and equipment                                 | - 34,625   | - 28,092   | - 6,533                                | - 35,827                                |
| 5.   | Other - net  | 679  | 510  | 169                                    | 1,110                                   |
|  | Net cash used in investing activities                                      | - 57,547   | - 33,603   | - 23,944                               | - 38,381                                |
| <b>III Financing Activities</b>  |  |  |  |  |   |
| 1.   | Dividends paid   | - 2,969  | - 2,255  | - 714                                  | - 2,255                                 |
| 2.   | Other - net  | - 50   | - 272  | 222                                    | - 289                                   |
|  | Net cash used in financing activities                                      | - 3,019  | - 2,528  | - 491                                  | - 2,544                                 |
| <b>IV Effect of Exchange Rate Changes on Cash and Cash Equivalents</b> |  |  |  |  |   |
|  |  | - 12,989   | - 7,404  | - 5,585                                | - 7,795                                 |
| <b>V Net Increase (- decrease) in Cash and Cash Equivalents</b>        |  |  |  |  |   |
|  |  | - 28,191   | 61,117   | - 89,308                               | 92,209                                  |
| <b>VI Cash and Cash Equivalents at Beginning of Year</b>               |  |  |  |  |   |
|  |  | 322,549  | 230,340  | 92,209                                 | 230,340                                 |
| <b>VII Cash and Cash Equivalents at End of Year</b>                    |  |  |  |  |   |
|  |  | 294,358  | 291,457  | 2,901                                  | 322,549                                 |



**[Segment information]**

## 1. Geographical segments

Nine months of fiscal 2004 (From April 1, 2003 to December 31, 2003) (Unaudited) (Millions of yen)

|                        | Japan   | Asia    | Americas | Europe | Total   | Elimin-<br>ations /<br>Corporate | Consoli-<br>dated |
|------------------------|---------|---------|----------|--------|---------|----------------------------------|-------------------|
| Sales                  |         |         |          |        |         |                                  |                   |
| (1) Sales to customers | 120,026 | 123,423 | 10,615   | 16,075 | 270,140 | -                                | 270,140           |
| (2) Interarea transfer | 40,078  | 79,540  | 180      | 299    | 120,100 | ( 120,100)                       | -                 |
| Total sales            | 160,105 | 202,963 | 10,795   | 16,374 | 390,240 | ( 120,100)                       | 270,140           |

Nine months of fiscal 2003 (From April 1, 2002 to December 31, 2002) (Unaudited) (Millions of yen)

|                        | Japan   | Asia    | Americas | Europe | Total   | Elimin-<br>ations /<br>Corporate | Consoli-<br>dated |
|------------------------|---------|---------|----------|--------|---------|----------------------------------|-------------------|
| Sales                  |         |         |          |        |         |                                  |                   |
| (1) Sales to customers | 128,641 | 115,307 | 13,795   | 15,500 | 273,244 | -                                | 273,244           |
| (2) Interarea transfer | 43,240  | 82,752  | 237      | 281    | 126,511 | ( 126,511)                       | -                 |
| Total sales            | 171,881 | 198,060 | 14,033   | 15,781 | 399,756 | ( 126,511)                       | 273,244           |

Fiscal 2003 (From April 1, 2002 to March 31, 2003) (Millions of yen)

|                        | Japan   | Asia    | Americas | Europe | Total   | Elimin-<br>ations /<br>Corporate | Consoli-<br>dated |
|------------------------|---------|---------|----------|--------|---------|----------------------------------|-------------------|
| Sales                  |         |         |          |        |         |                                  |                   |
| (1) Sales to customers | 164,399 | 148,016 | 17,419   | 20,446 | 350,281 | -                                | 350,281           |
| (2) Interarea transfer | 55,369  | 103,304 | 295      | 366    | 159,336 | ( 159,336)                       | -                 |
| Total sales            | 219,768 | 251,320 | 17,715   | 20,812 | 509,617 | ( 159,336)                       | 350,281           |

## 2. Sales to foreign customers

Nine months of fiscal 2004 (From April 1, 2003 to December 31, 2003) (Unaudited) (Millions of yen)

|   | Asia    | Americas | Europe | Total   |
|---|---------|----------|--------|---------|
| I Sales to foreign customers                                | 125,503 | 11,160   | 15,212 | 151,877 |
| II Net sales  |         |          |        | 270,140 |
| III Sales to foreign customers as a percentage of net sales | 46.5%   | 4.1%     | 5.6%   | 56.2%   |

Nine months of fiscal 2003 (From April 1, 2002 to December 31, 2002) (Unaudited) (Millions of yen)

|   | Asia    | Americas | Europe | Total   |
|---|---------|----------|--------|---------|
| I Sales to foreign customers                                | 117,537 | 14,352   | 14,601 | 146,492 |
| II Net sales  |         |          |        | 273,244 |
| III Sales to foreign customers as a percentage of net sales | 43.0%   | 5.3%     | 5.3%   | 53.6%   |

Fiscal 2003 (From April 1, 2002 to March 31, 2003) (Millions of yen)

|   | Asia    | Americas | Europe | Total   |
|---|---------|----------|--------|---------|
| I Sales to foreign customers                                | 151,371 | 18,111   | 19,342 | 188,824 |
| II Net sales  |         |          |        | 350,281 |
| III Sales to foreign customers as a percentage of net sales | 43.2%   | 5.2%     | 5.5%   | 53.9%   |

## 3. Actual sales

## Actual sales by product category

(Millions of yen)

| Product category         |                                     | Nine months of fiscal 2004                                |  | Nine months of fiscal 2003                                |  | Increase/Decrease (-)                  |                                | Fiscal 2003                             |  |
|--------------------------|-------------------------------------|---|--|---|--|--|--------------------------------|---|--|
|                          |                                     | From April 1, 2003<br>To December 31, 2003<br>(Unaudited) |  | From April 1, 2002<br>To December 31, 2002<br>(Unaudited) |  | from the nine months of<br>fiscal 2003 |                                | From April 1, 2002<br>To March 31, 2003 |  |
|                          |                                     | Sales   | Sales as a<br>percentage<br>of net sales | Sales   | Sales as a<br>percentage<br>of net sales | Sales                                  | Increase/<br>Decrease<br>ratio | Sales                                   | Sales as a<br>percentage<br>of net sales |
| Electronic<br>Components | Integrated circuits                 | 119,690   | 44.3%                                    | 125,675   | 46.0%                                    | - 5,985                                | - 4.8%                         | 159,424                                 | 45.5%                                    |
|                          | Discrete semicon-<br>ductor devices | 104,412   | 38.7                                     | 105,581   | 38.6                                     | - 1,169                                | - 1.1                          | 136,252                                 | 38.9                                     |
|                          | Passive components                  | 18,654  | 6.9                                      | 18,895  | 6.9                                      | - 241                                  | - 1.3                          | 24,688                                  | 7.1                                      |
|                          | Displays                            | 27,383  | 10.1                                     | 23,093  | 8.5                                      | 4,290                                  | 18.6                           | 29,916                                  | 8.5                                      |
| Total                    |                                     | 270,140   | 100.0                                    | 273,244   | 100.0                                    | - 3,104                                | - 1.1                          | 350,281                                 | 100.0                                    |