

# First-Quarter Consolidated Earnings Report for Fiscal 2004, Ending March 31, 2004

August 14, 2003

Company name: Ryosan Co., Ltd.

Stock listings: Tokyo Stock Exchange (First Section)

Code number: 8140

Location of head office: Tokyo

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

Representative director: Tatsuo Ui, President

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## 1. Notes on Presentation of Quarterly Operating Results

(1) Changes in recognition methods from most-recent fiscal year: None

(2) Changes in scope of consolidation and application of equity method: 3 consolidated subsidiaries added.

## 2. First-Quarter Consolidated Operating Results (April 1, 2003 - June 30, 2003)

(1) Consolidated Operating Results (Figures less than ¥1 million have been omitted)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2004 First Quarter	64,684	-	1,592	-	1,678	-	823	-
Fiscal 2003 First Quarter	-	-	-	-	-	-	-	-
(Ref) Fiscal 2003	255,545		6,678		7,593		3,724	

Note: Because this is the first quarterly earnings report for Ryosan Co., Ltd. no figures for the same quarter of the previous fiscal year or year-on-year comparisons have been provided.

	Net income per share	Net income per share after dilution
	Yen	Yen
Fiscal 2004 First Quarter	21.39	—
Fiscal 2003 First Quarter	—	—
(Ref) Fiscal 2003	93.21	—

## [Qualitative Information and Other Matters Concerning First-Quarter Consolidated Operating Results]

During the first quarter, from April 1, 2003 to June 30, 2003, of the fiscal year ending March 31, 2004, the macroeconomic environment remained challenging as uncertainty grew in the global economy due to factors such as the war in Iraq and SARS. Despite these challenges, the Ryosan Group's sales grew steadily thanks to increasing demand for semiconductor products and electric components such as for use in digital home electronics. Ryosan posted consolidated net sales of ¥64,684 million. On the earnings front, however, profitability worsened at consolidated subsidiaries in Asia, affecting the Ryosan Group's overall performance. The result was consolidated operating income of ¥1,592 million, ordinary income of ¥1,678 million, and net income of ¥823 million. Since this is the first quarterly earnings report for Ryosan, no year-on-year comparisons have been made.

(2) There are no events or developments to report that had a material effect on the Group's financial position or operating results in the first quarter under review.

## (Ref) First-Quarter Non-Consolidated Operating Results (April 1, 2003 - June 30, 2003)

	Net sales	Operating income	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2004 First Quarter	50,303	1,306	1,954	1,147

## 3. Consolidated Forecasts for Fiscal 2004 (April 1, 2003 - March 31, 2004)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Interim	130,000	3,500	3,700	1,900	49.94
Full year	270,000	7,500	8,000	4,400	115.64

[Qualitative Information and Other Matters Concerning Consolidated Forecasts]

Ryosan expects its business environment to remain clouded in uncertainty. Under these circumstances, the Ryosan Group is actively working toward expanding sales by becoming a multi-vendor service provider and boosting profitability of consolidated subsidiaries in Asia. Therefore, no revisions have been made at this time to the consolidated forecasts for the fiscal year ending March 31, 2004 that were announced on May 22, 2003.

(Ref) Non-Consolidated Forecasts for Fiscal 2004 (April 1, 2003 – March 31, 2004)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Interim	100,000	2,800	3,800	2,100	55.19
Full year	210,000	6,000	7,700	4,300	113.02

The above estimates were made based on the information available as of the date of this release. Actual results could significantly differ from the above estimates due to a variety of factors.

## NEW ORDERS AND SALES

### (1) New Orders

(¥ million, figures less than ¥1 million have been omitted)

Segment	Fiscal 2004, First Quarter (April 1, 2003 - June 30, 2003)		(Ref) Fiscal 2003 (April 1, 2002 - March 31, 2003)	
	Amount	Share (%)	Amount	Share (%)
Semiconductors	34,463	49.0	140,821	51.1
Electronic components	28,281	40.2	105,134	38.1
Electronic equipment	5,873	8.3	22,447	8.1
Ryosan products	1,780	2.5	7,296	2.7
Total	70,398	100.0	275,699	100.0

### (2) Sales

(¥ million, figures less than ¥1 million have been omitted)

Segment	Fiscal 2004, First Quarter (April 1, 2003 - June 30, 2003)		(Ref) Fiscal 2003 (April 1, 2002 - March 31, 2003)	
	Amount	Share (%)	Amount	Share (%)
Semiconductors	33,512	51.8	134,243	52.5
Electronic components	25,116	38.8	95,057	37.2
Electronic equipment	4,495	7.0	19,880	7.8
Ryosan products	1,560	2.4	6,363	2.5
Total	64,684	100.0	255,545	100.0

Note: Methods of determining business segments and main products classified under each business segment

(1) Business segments are classified on the basis of organization, product type and sales structure.

(2) Main products of each business segment:

Semiconductors: memories, system LSIs, discrete semiconductors

Electronic components: display devices, power supplies, mechanical components

Electronic equipment: information equipment, production equipment

Ryosan products: heat sinks (for semiconductors)