

FY2004 Results Meeting

FY2004 : Years Ended March 31,2004

May 24,2004

Ryosan Co.,Ltd.

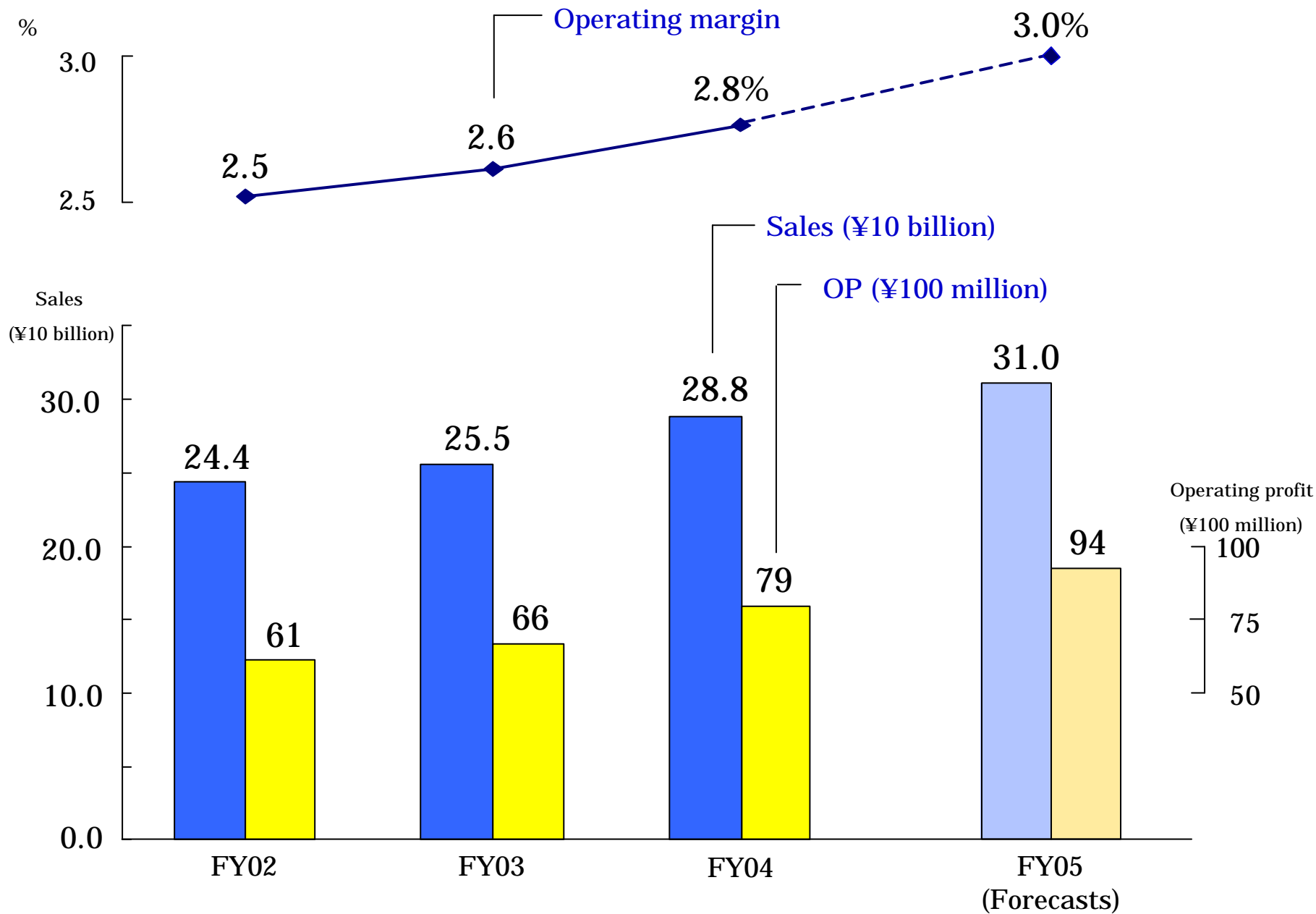
Summary

	FY04 (Results)			FY05 (Forecasts)		
		of Total	% Chg. YoY		of Total	% Chg. YoY
Sales	¥ 100 million 2,882	% 100.0	% 12.8	¥ 100 million 3,100	% 100.0	% 7.5
Gross margin	225	7.8	3.5	242	7.8	7.5
SG&A expenses	145	5.0	3.5	148	4.8	1.7
Operating profit	79	2.8	19.3	94	3.0	18.0
Recurring profit	89	3.1	17.6	102	3.3	14.2
Net profit	57	2.0	53.2	61	2.0	6.9
EPS	¥150.27		% Chg. YoY + ¥57	¥166.46		
BPS	¥2,934		% Chg. YoY + ¥200	Over ¥3,000		

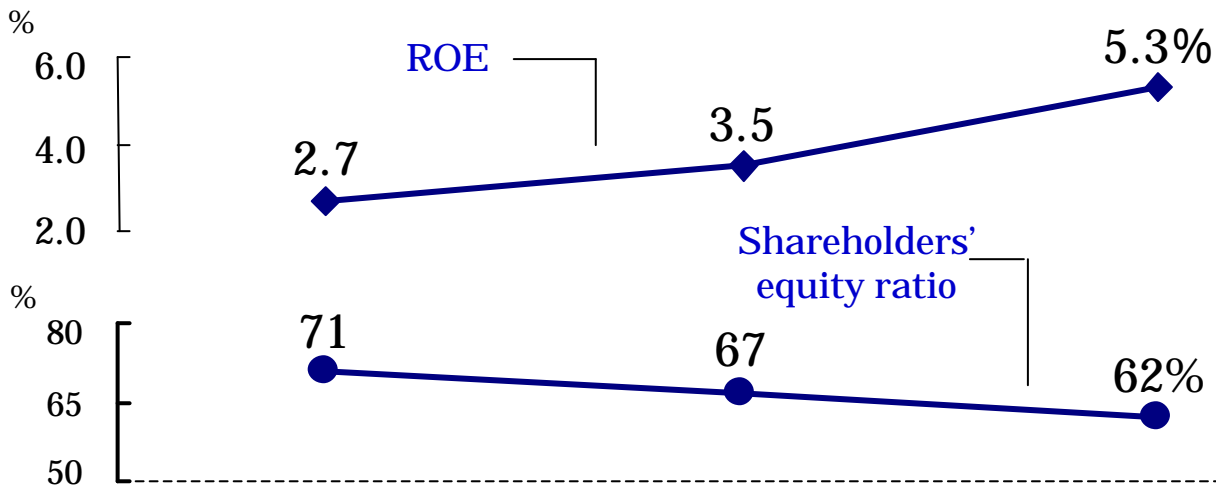
Business Segment Results

Business Segment	FY04 (Results)				FY05 (Forecasts)			
	Sales	% Chg. YoY	OP	% Chg. YoY	Sales	% Chg. YoY	OP	% Chg. YoY
Semiconductors	¥100 million 1,452	% 8.2	¥100 million 57	% 0.2	¥100 million 1,640	% 12.9	¥100 million 70	% 22.5
Electronic components	1,140	20.0	31	33.9	1,150	0.8	32	2.2
Electronic equipment	219	10.2	7	52.1	237	8.2	8	7.5
Ryosan products	69	9.7	10	39.8	73	4.5	12	12.4
Unallocable operating expenses	-	-	26	-	-	-	28	-
Consolidated	2,882	12.8	79	19.3	3,100	7.5	94	18.0

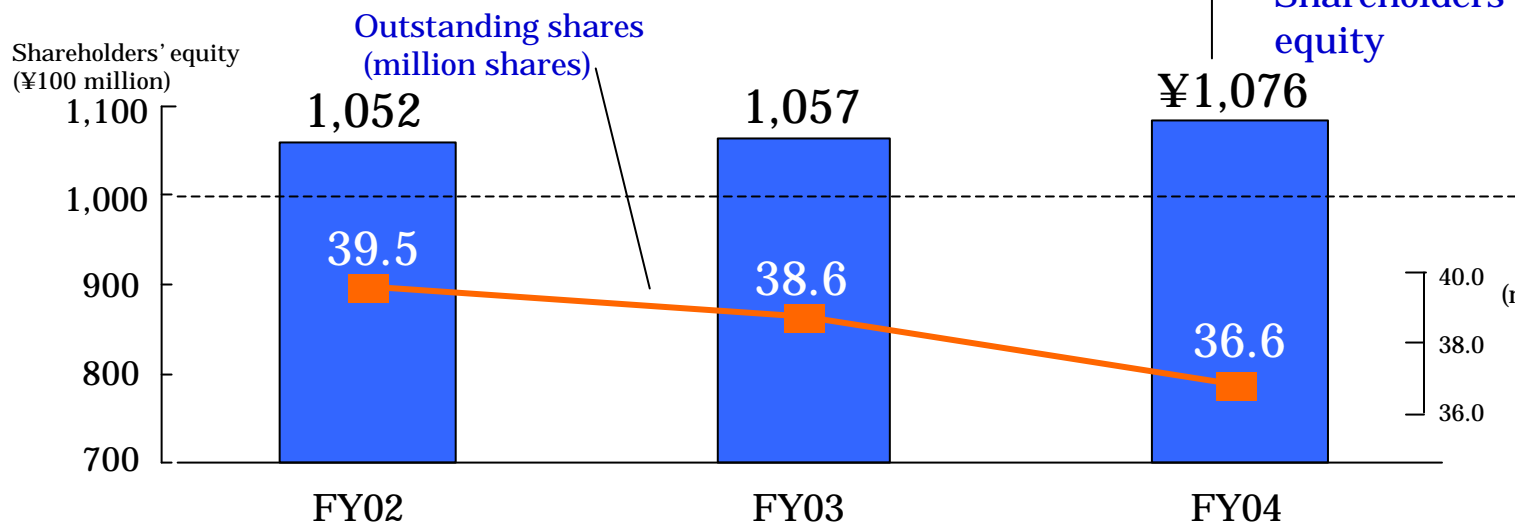
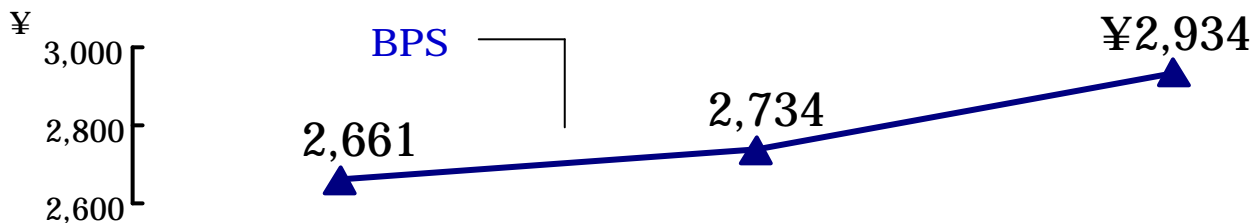
Consolidated Results Trend During Past Three Years



Financial Indicators During Past Three Years





Maintain shareholders' equity ratio of 50% or better

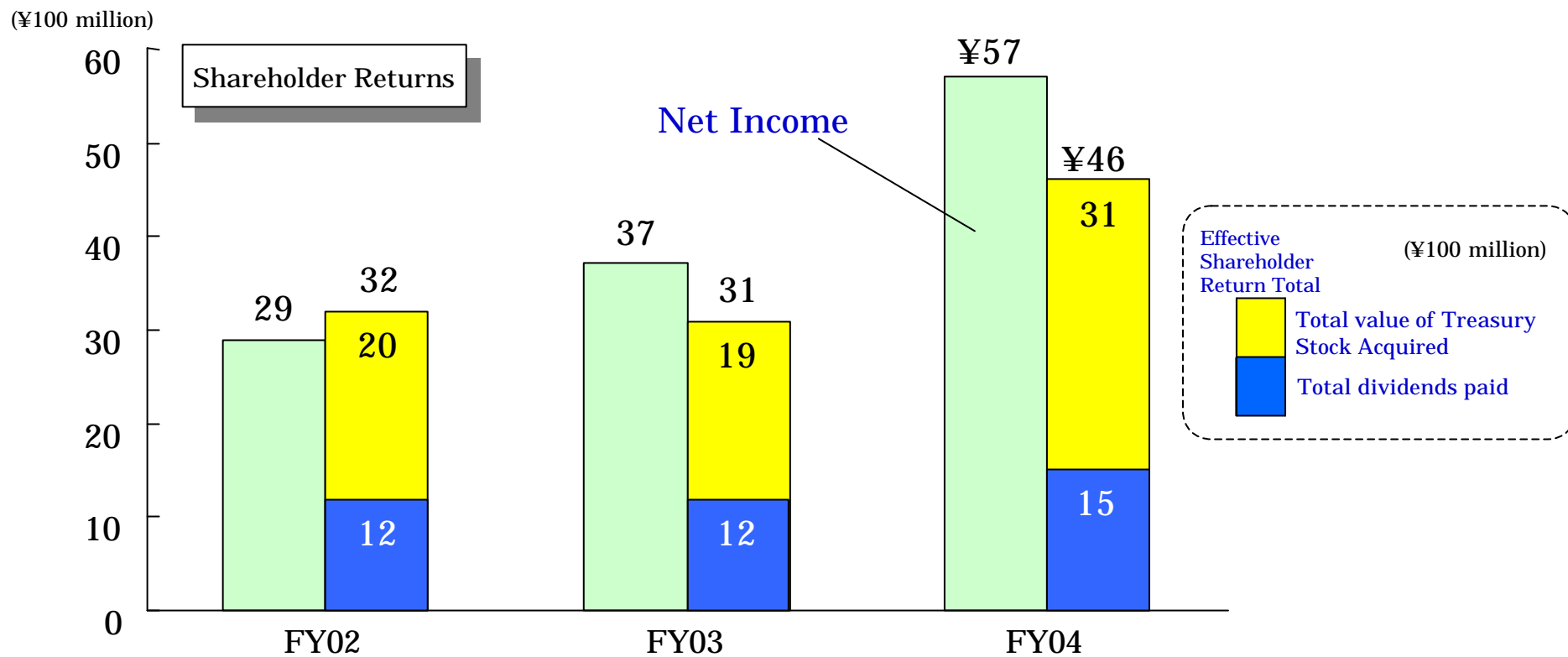
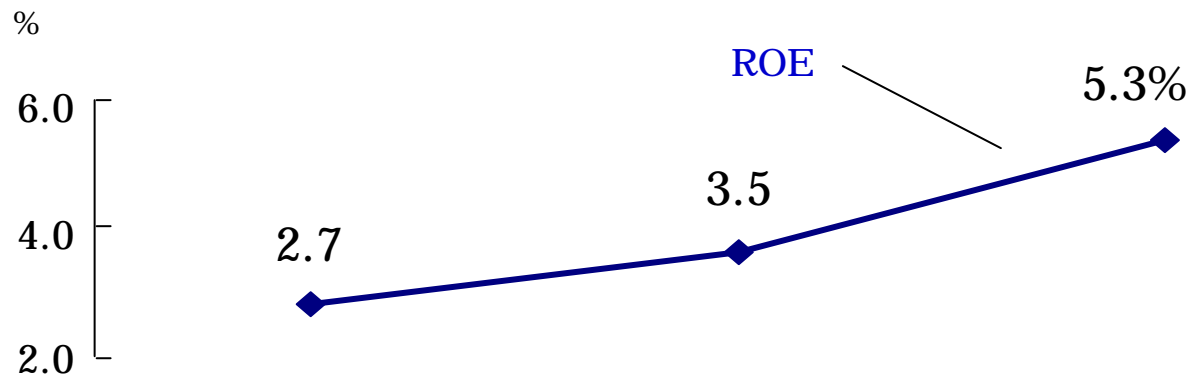


Maintain shareholders' equity Of ¥100billion or better

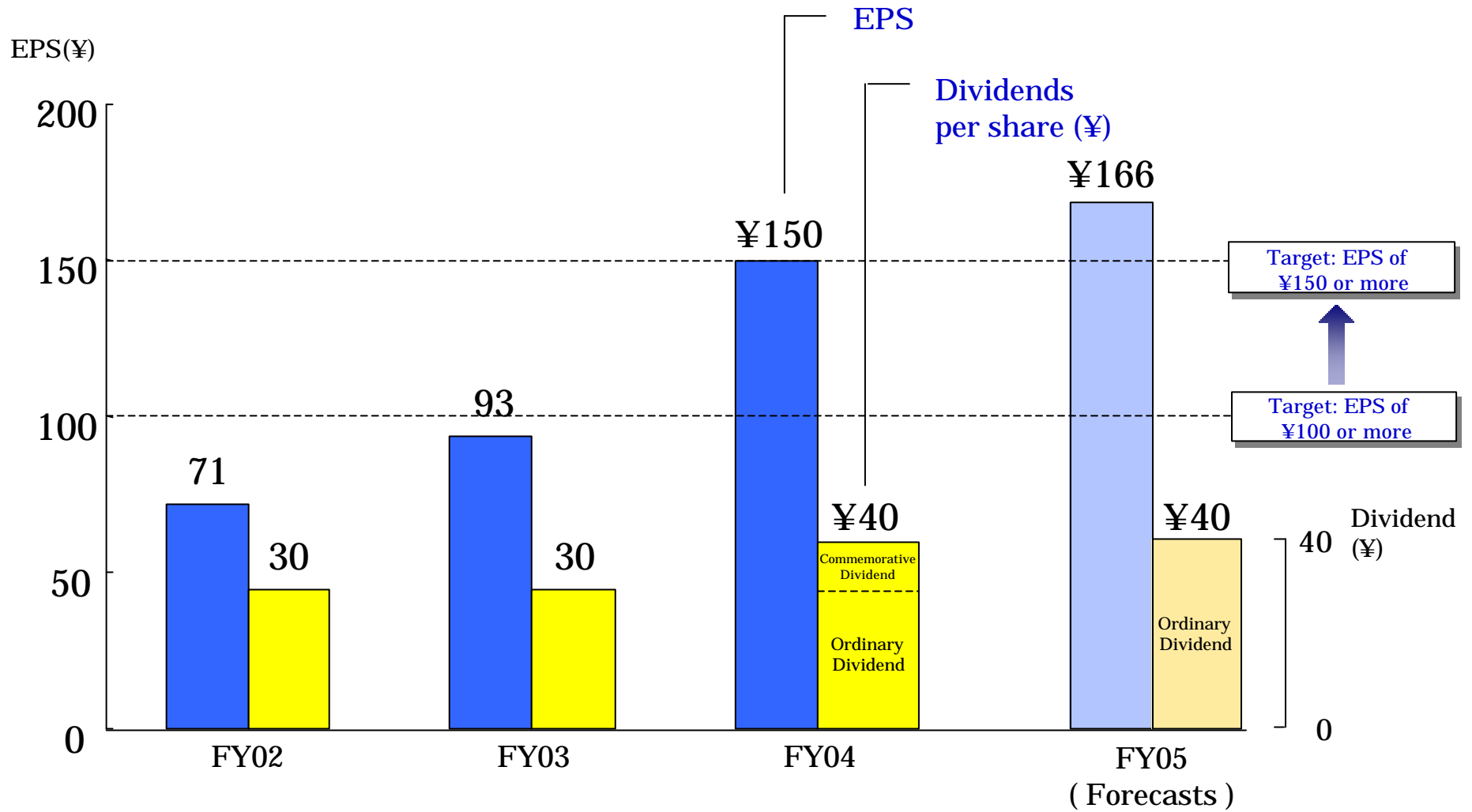
Shareholder Returns During Past Three Years

		FY02	FY03	FY04	Three-Year Total
Net Income		¥2.9 billion	¥3.7 billion	¥5.7 billion	¥12.3 billion
Management Indicators	EPS	¥71	¥93	¥150	<div style="text-align: center;">  Total return trend $\frac{\text{Dividends} + \text{Treasury stock acquisitions}}{\text{Current term net income}} = 89\%$  </div>
	ROE	2.7%	3.5%	5.3%	
	Shareholders' equity ratio	71%	67%	62%	
Shareholder Returns	Effective Shareholder Return Total (Full fiscal year basis)	¥3.2 billion	¥3.1 billion	¥4.6 billion	¥10.9 billion
	Dividends per Share (Total dividends paid)	¥30 (¥1.2 billion)	¥30 (¥1.2 billion)	¥40 (¥1.5 billion)	(¥3.9 billion)
	Treasury Stock Acquired (Total value)	1.27 million shares (¥2.0 billion)	1.50 million shares (¥1.9 billion)	1.66 million shares (¥3.1 billion)	4.43 million shares (¥7.0 billion)

ROE and Shareholder Returns



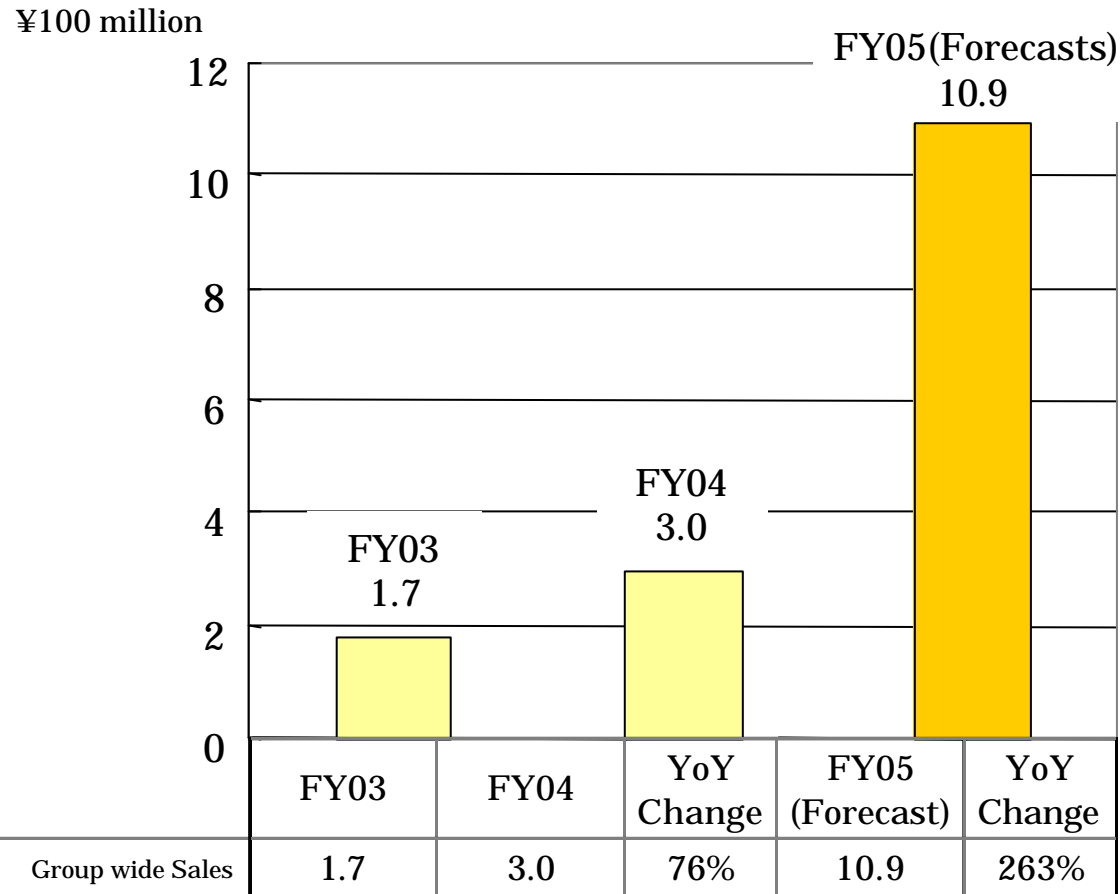
EPS and Dividends During Past Three Years



Progress in Implementation of Growth Strategy

- **Commercialization of Fabless Semiconductor Business**
- **Launch New-resource Semiconductor Products**
- **Further Expansion in China Market**

Group wide Sales/Forecasts



<FY04 Achievements>

- Sales derived mainly from image processing LSIs.
- Corporate reorganization, March 2004. (Sales transferred to Ryosan). Fabless business being continuously strengthened as 「ROAD Development Division」.

<FY05 Plan>

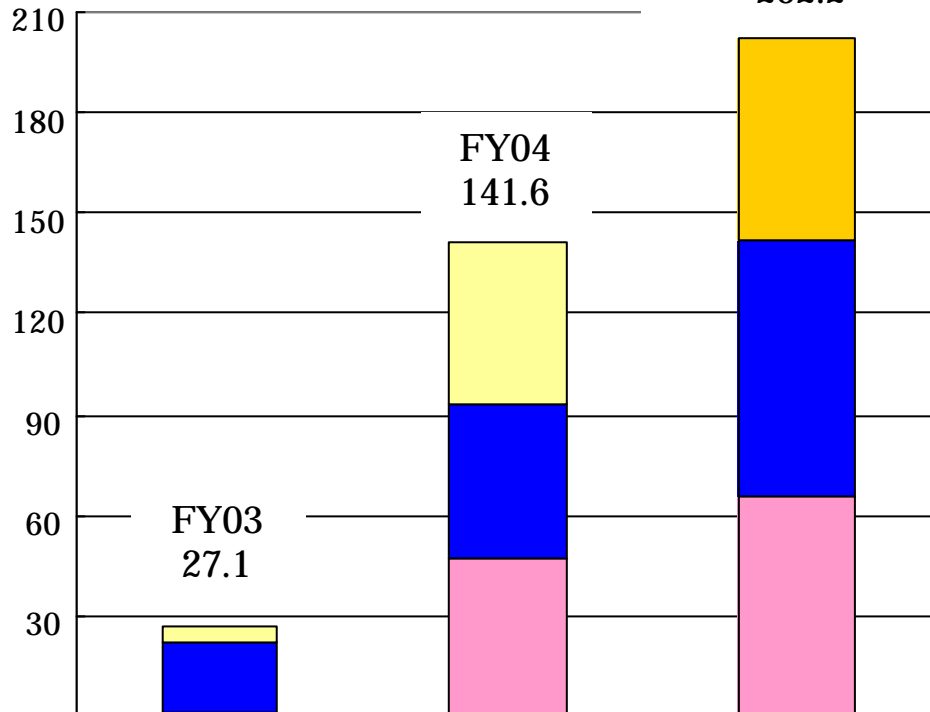
- Strengthen sales expansion
(Wireless communications, image processing LSIs, consignment ASICs)

¥100 million . Year-on-year figures represent growth rates

Sales Results/Forecasts

¥100 million

FY05(Forecast)
202.2



<FY04 Achievements>

[ASSP]

- Increase in LCD driver ICs for mobile phones, and image processing LSIs for LCD TVs.

[Memory]

- Increase in digital home appliances.

[Philips]

- Steady growth in assigned commercial rights.

<FY05 Forecasts>

[ASSP]

- Increase in LCD driver ICs for mobile phones. Strong sales expansion of wireless LAN Ics.

[Memory]

- Increase in digital home appliances.

[Philips]

- Assigned commercial rights business and new customers strengthen sales expansion.

	FY03	FY04	YoY Change	FY05 (Forecast)	YoY Change
ASSP	5.0	48.5	870%	60.0	24%
Memory	20.7	46.0	122%	76.6	67%
Philips	1.4	47.1	-	65.6	39%
Total	27.1	141.6	423%	202.2	43%

¥100 million . Year-on-year figures represent growth rates .

New-Resource Semiconductor Products

<ASSP/ Philips>

Target	Application	Key Technology	Suppliers (no particular order)
Communications	STB,DTV	Wireless LAN	Bermi , Philips
Digital AV	STB , DTV , DVD , CD , DSC	MPEG , Servo , Video Enc/Dec	IIX INC. , Philips
Computer peripherals	Printer , PDA	USB , IEEE1394 , Human interface	Vegavista , Winbond , Philips
Automotive Multimedia	Car Navigation , Car Audio	2-D and 3-D graphics , CMOS RF	Silicon Motion , Philips
Displays	PDP , LCD , Organic EL	LCD drivers , Optical communications devices	Solomon , Doestek , Ritdisplay , Philips
Mobile Devices	PDC , W-CDMA , PDA	2-D and 3-D graphics , CMOS sensors	Nvidia , Omnivison , Philips , Winbond

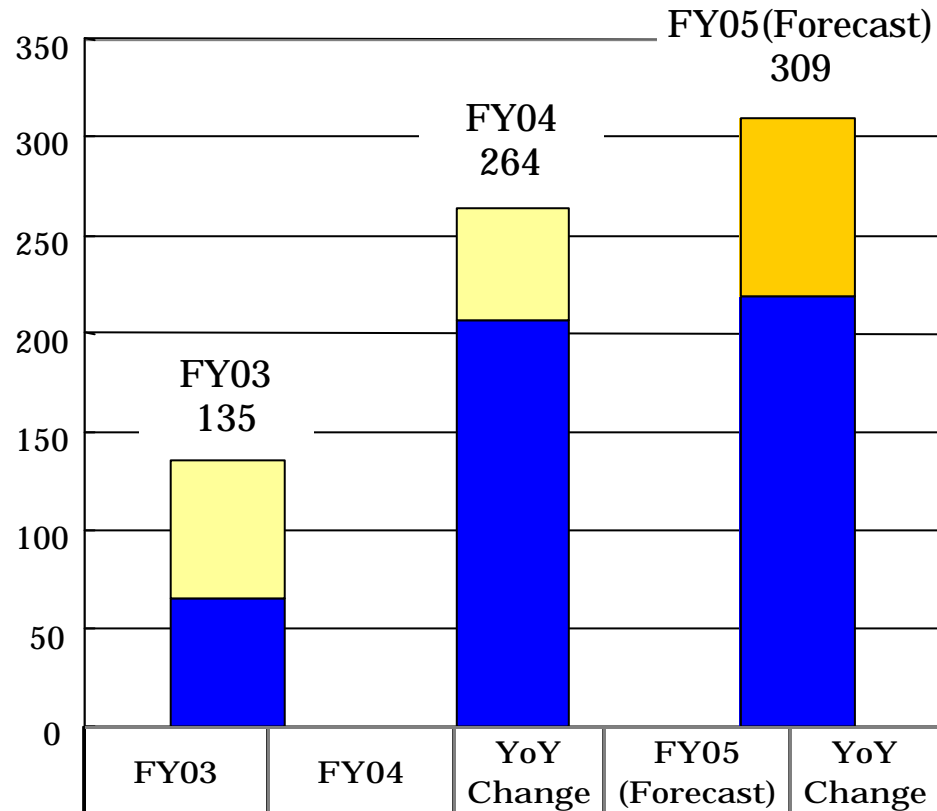
<Memory>

Products	Suppliers (no particular order)
DRAM , SRAM , FLASH , CF and SD cards	Winbond , Amic , G-Link , SST , Macronix , Sandisk

Further Expansion in China Market

Sales Results/Forecasts

¥100 million



<FY04 Achievements>

• Shifting markets as more Japanese companies move production to China.

<FY05 Forecasts>

• Further strengthening of market expansion structure to accommodate local markets.

(Car CDs , household appliances , set-top boxes , commodities)

	FY03	FY04	YoY Change	FY05 (Forecast)	YoY Change
Local markets	70	57	-19%	90	58%
Shift markets	65	207	218%	219	6%
Total	135	264	96%	309	17%

¥100 million . Year-on-year figures represent growth rates .

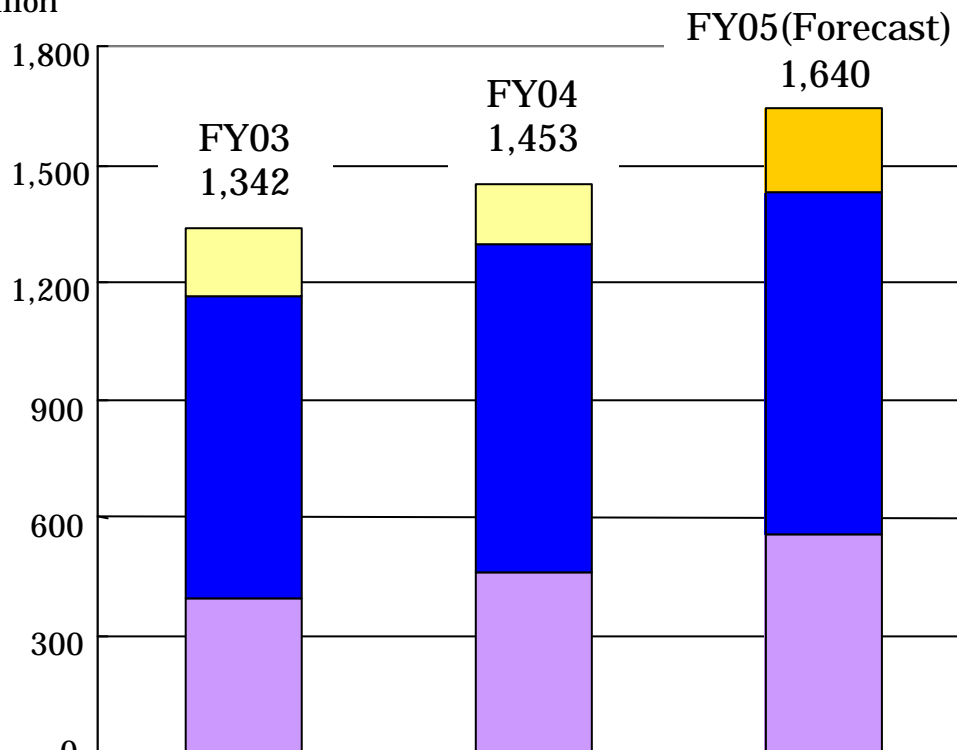
Sales by Business segment

- **Semiconductors**
- **Electronic components**
- **Electronic equipment**
- **Ryosan products**

Semiconductors Sales Breakdown

Sales Results/Forecasts

¥100 million



	FY03	FY04	YoY Change	FY05 (Forecast)	YoY Change
Memory	177	155	-12%	210	35%
System LSIs	768	837	9%	872	4%
Discrete	397	461	16%	558	21%
Total	1,342	1,453	8%	1,640	13%

<FY04 Achievements>

[Memory]

- Decline in computer DRAMs.

[System LSIs]

- Increase in ASICs for digital home appliances such as DVDs.

[Discrete]

- Increase in LCD driver ICs for mobile phones and digital still cameras.

<FY05 Forecasts >

[Memory]

- Increase in DRAMs for computers and mobile phones.

[System LSIs]

- Increase in ASICs for mobile phones.

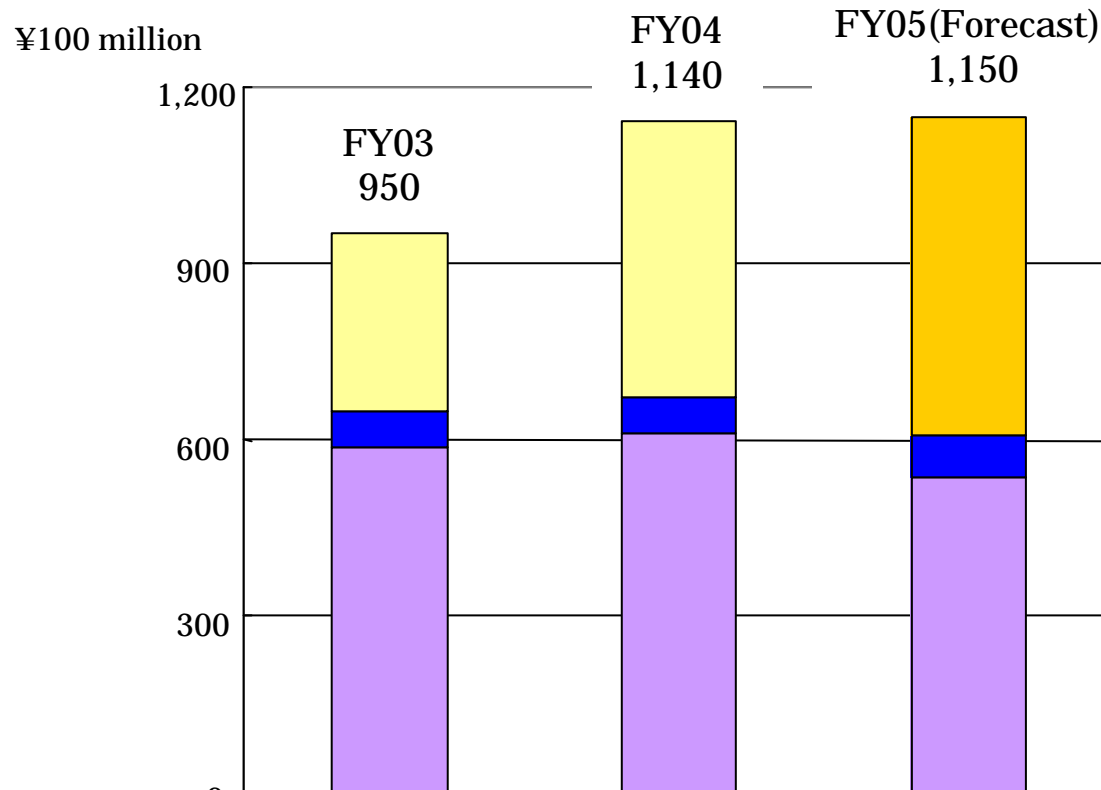
[Discrete]

- Increase in LCD driver ICs for mobile phones and digital still camera.

¥100 million . Year-on-year figures represent growth rates .

Electronic Component Sales Breakdown

Sales Results/Forecasts



<FY04 Achievements>

[Display Devices]

• Increase in LCD displays for mobile phones and digital still cameras.

[Power Supplies]

• Increase in power supplies for mobile phone base stations and digital still cameras.

[Mechanical Components]

• Increase in boards and components for game consoles, mobile phones, and digital still cameras.

<FY05 Forecasts>

[Display Devices]

• Increase in LCD displays for mobile phones and digital still cameras.

[Power Supplies]

• Increase in power packs for digital still cameras.

[Mechanical Components]

• Decrease due to termination of spot trading in the modules business.

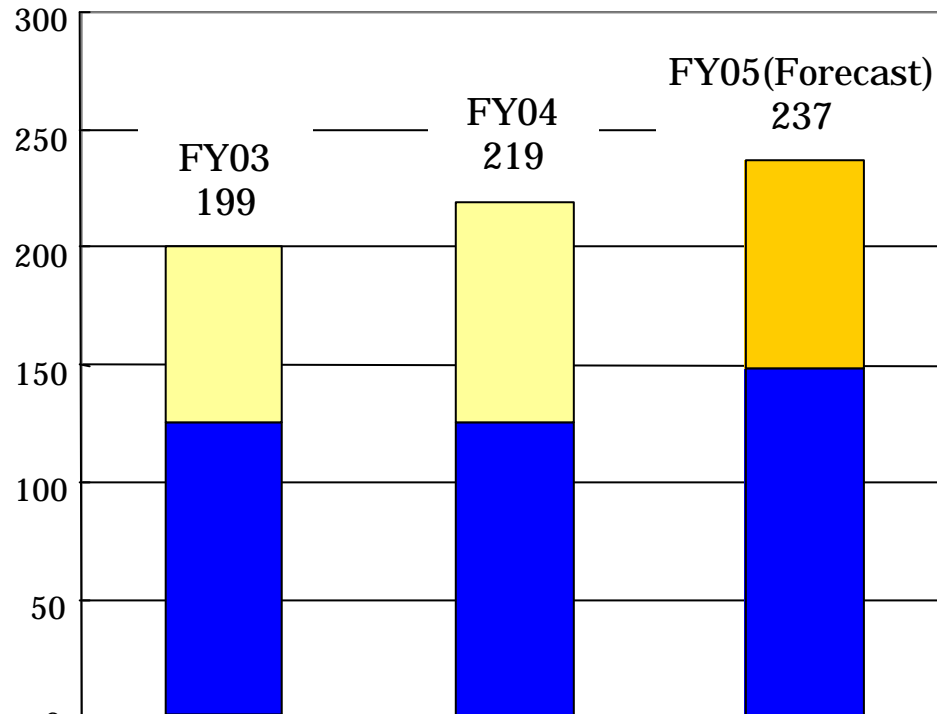
	FY03	FY04	YoY Change	FY05 (Forecast)	YoY Change
Display Devices	303	467	54%	544	16%
Power Supplies	61	63	3%	70	11%
Mechanical Components	586	610	4%	536	-12%
Total	950	1,140	20%	1,150	1%

¥100 million . Year-on-year figures represent growth rates .

Electronic Equipment Sales Breakdown

Sales Results/Forecasts

¥100 million



<FY04 Achievements>

[Facility Equipment]

- ◆ Increase in manufacture of devices for HDDs and PDPs.

[System Equipment]

- ◆ Increase in system equipment for PHS base stations and photocopiers.

<FY05 Forecasts>

[Facility Equipment]

- ◆ Decrease in manufacture of PDP equipment.

[System Equipment]

- ◆ Increase in photocopier system equipment.

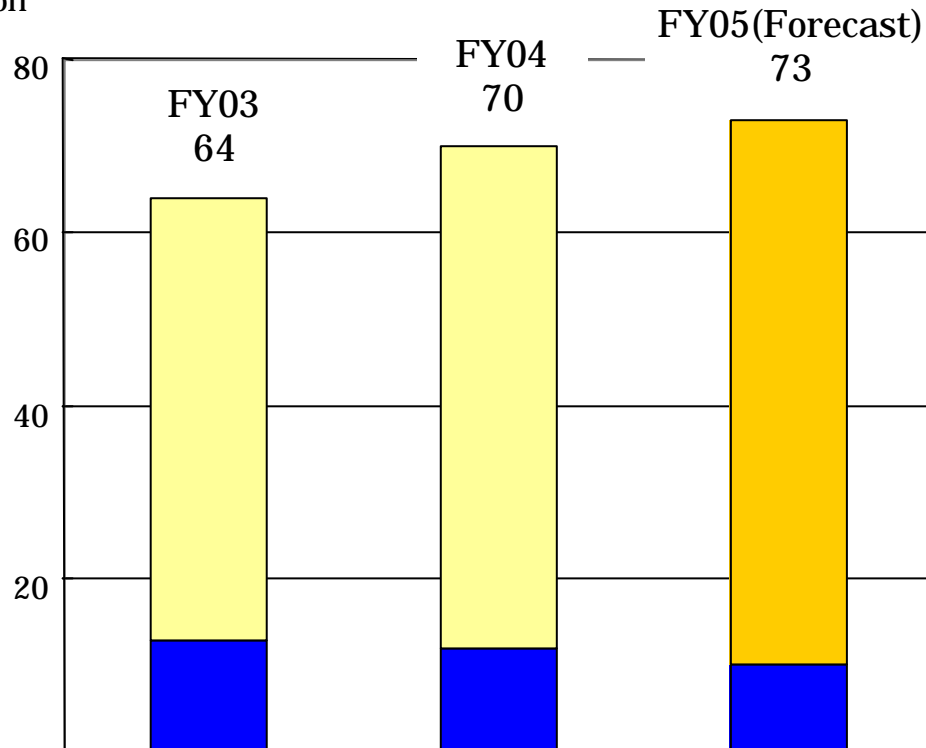
	FY03	FY04	YoY Change	FY05 (Forecast)	YoY Change
Facility Equipment	75	94	25%	88	-6%
System Equipment	124	125	1%	149	19%
Total	199	219	10%	237	8%

¥100 million . Year-on-year figures represent growth rates .

Ryosan Products Sales Breakdown

Sales Results/Forecasts

¥100 million



	FY03	FY04	YoY Change	FY05 (Forecast)	YoY Change
Domestic	51	58	14%	63	9%
Overseas	13	12	-8%	10	-17%
Total	64	70	9%	73	4%

<FY04 Achievements>

[Domestic]

- Increase in heatsinks for measuring equipment such as memory testers.

[Overseas]

- Decrease in heatsinks for AV equipment.

<FY05 Forecasts>

[Domestic]

- Increase in heatsinks for measuring equipment such as machine tools and memory testers.

[Overseas]

- Decrease due to AV equipment production transfers to China.

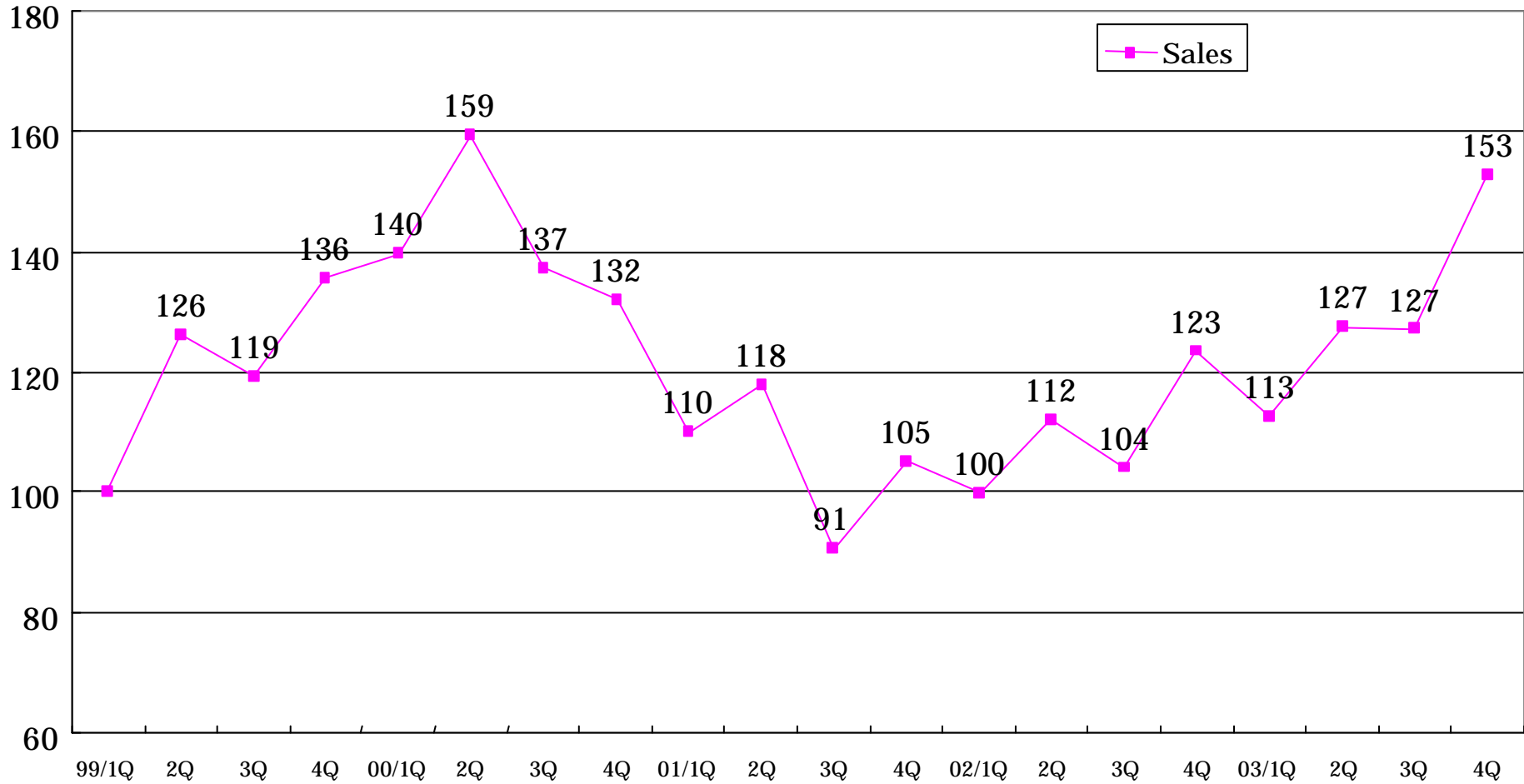
¥100 million . Year-on-year figures represent growth rates .

Reference material

- **Group Sales Trends (Quarterly)**
- **Key Domestic and Overseas Clients**
- **R&D , Capex , and Depreciation**

Group Sales Trends (Quarterly)

Index: First quarter FY1999
(Apr through Jun 1999) results
= 100



99=1999 , 1Q=April through June

Key Domestic and Overseas Clients

Top 20 Japan

- Advantest
- Alpine
- Alps Electric
- Casio
- Sanyo
- Sharp
- Sumitomo Electric
- Tatung
- Toshiba
- NEC
- JVC
- Japan Radio
- Pioneer
- Hitachi
- Fuji Photo film
- Fujitsu
- Bussan Microelectronics
- Furuno Electric
- MEI
- Mitsubishi Electric

Top 20 Overseas

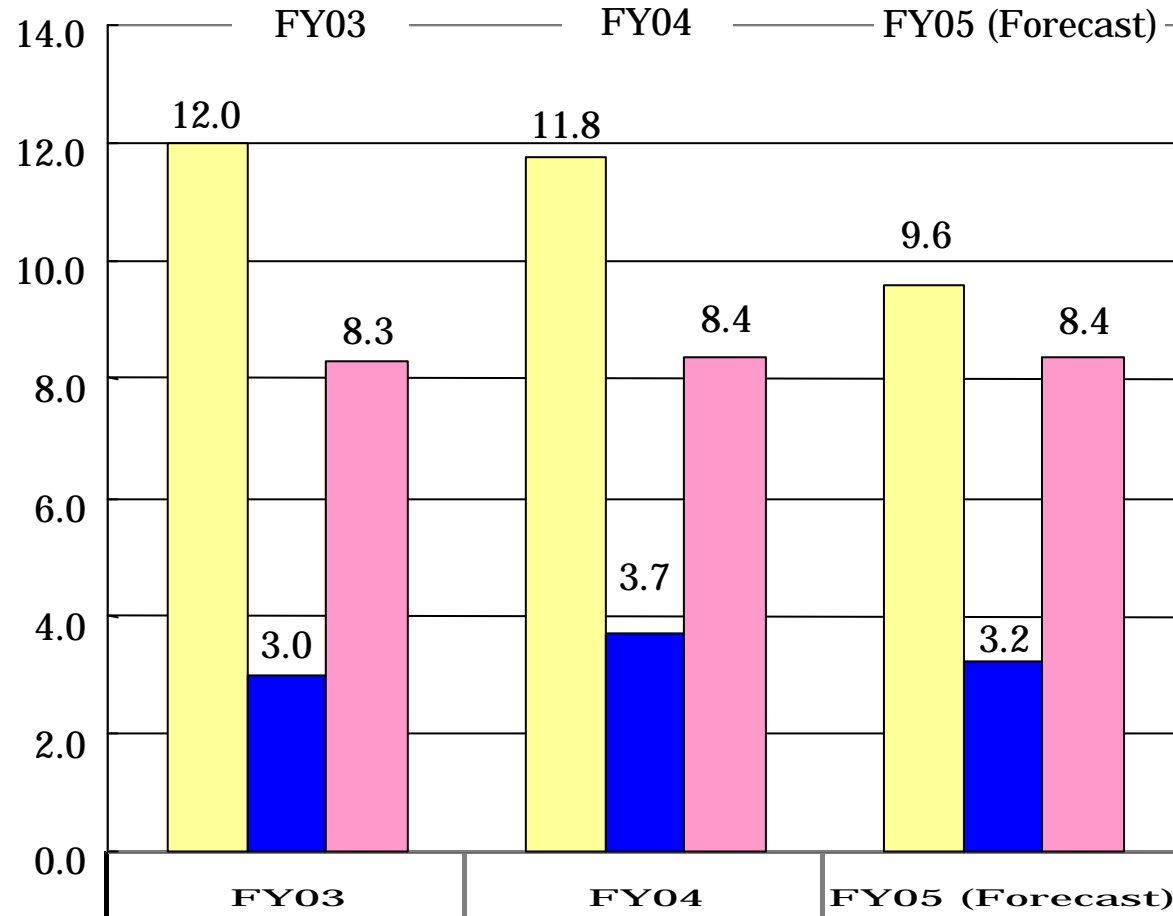
- ACTUAL (Taiwan)
- ALPS (China / Korea / Malaysia)
- BROTHER (Hong Kong / Singapore)
- CASIO COMPUTER (Hong Kong)
- CURITEL COMMUNICATION (Korea)
- HYUNDAI AUTO (Korea)
- HYUNDAI LCD (Korea)
- JABIL (Malaysia)
- JPA (Singapore)
- JVC (Singapore / Malaysia)
- KINGMAX (Taiwan)
- LEGEND (Hong Kong)
- MINTON OPTIC INDUSTRY (Taiwan)
- MITAC (Taiwan)
- PIONEER (Hong Kong / China / Singapore)
- PREMIER IMAGE TECHNOLOGY (Taiwan)
- TECH-FRONT (Taiwan)
- UNIFOSA (Taiwan)
- YET FOUNDATE (Taiwan)
- ZINWELL (Taiwan)

Sales composition of top 40 customers
Approx. 60%

Names abbreviated , in alphabetical order

R&D , Capex , and Depreciation

¥ 100million



	FY03	FY04	FY05 (Forecast)
R&D exp.	12.0	11.8	9.6
Capex	3.0	3.7	3.2
Depreciation	8.3	8.4	8.4

¥100million

Notice

This presentation contains forward-looking statements regarding business performance, which may differ substantially from actual results, depending on certain risks and uncertainties, the most significant of which are listed below.

- ✦ Economic conditions in key markets (Japan and the rest of Asia), rapid changes in consumption patterns and supply-demand for products
- ✦ Sharp fluctuations in the ¥/\$ exchange rate
- ✦ Rapid technological innovation
- ✦ Substantial fluctuation in prices in the capital markets