

FY2005 First Half Results Meeting

Results for the six months ended September 30,2004

FY2005 : Years ending March 31,2005

Nov 26,2004

Ryosan Co., Ltd

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-balance for products
- Sharp fluctuations in the ¥/\$ exchange rate
- Rapid technological innovation
- Substantial fluctuation in prices in the capital markets

Summary

	FY05 First Half (Results)			FY04 First Half (Results)		
	of Total	% Chg. YoY		of Total	% Chg. YoY	
Net sales	¥ 100 million 1,586	% 100.0	% 17.4	¥ 100 million 1,350	% 100.0	% 8.7
Gross margin	130	8.2	23.3	105	7.8	(4.1)
SG&A expenses	75	4.8	9.1	69	5.2	(7.6)
Operating income	54	3.4	50.8	35	2.6	3.5
Ordinary income	57	3.6	40.3	40	3.0	10.6
Net income	34	2.1	61.7	21	1.6	13.7
EPS	¥93.53			¥55.55		
BPS	¥3,001			¥2,834		

Summary

	FY05 (Forecasts)			FY04 (Results)		
	of Total	% Chg. YoY		of Total	% Chg. YoY	
Net sales	¥ 100 million 3,150	% 100.0	% 9.3	¥ 100 million 2,882	% 100.0	% 12.8
Gross margin	257	8.2	14.1	225	7.8	3.5
SG&A expenses	153	4.9	5.1	145	5.0	(3.5)
Operating income	104	3.3	30.6	79	2.8	19.3
Ordinary income	109	3.5	22.1	89	3.1	17.6
Net income	65	2.1	13.9	57	2.0	53.2
EPS	¥177.75			¥150.27		
BPS	¥3,066			¥2,934		

Business Segment Summary

Business Segment	FY05 First Half (Results)				FY04 First Half (Results)			
	Sales		OP		Sales		OP	
	¥ 100 million	% Chg. YoY	¥ 100 million	% Chg. YoY	¥ 100 million	% Chg. YoY	¥ 100 million	% Chg. YoY
Semiconductors	844	24.1	37	35.9	680	2.3	27	(5.2)
Electronic components	596	10.9	22	46.7	537	16.5	15	39.4
Electronic equipment	104	3.5	4	32.9	100	23.6	3	47.6
Ryosan products	40	29.8	6	54.3	31	(5.8)	4	(10.6)
Unallocable operating expenses	—	—	(15)	—	—	—	(13)	—
Consolidated	1,586	17.4	54	50.8	1,350	8.7	35	3.5

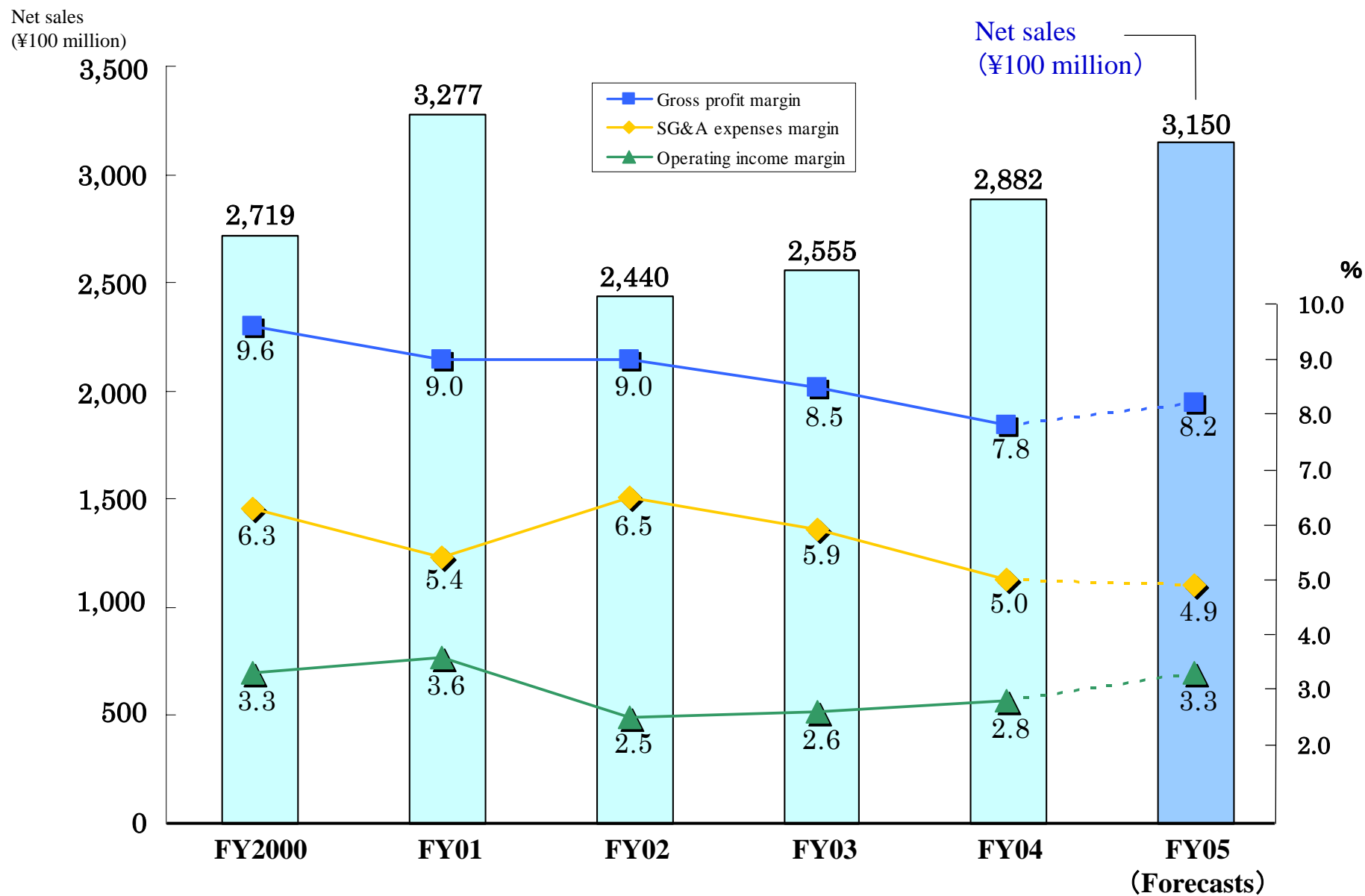
Geographical segment	(Japan)	1,163	11.9	39	31.3	1,039	13.9	30	12.4
	(Asia)	423	35.8	12	53.4	311	(5.5)	7	11.0

Business Segment Summary

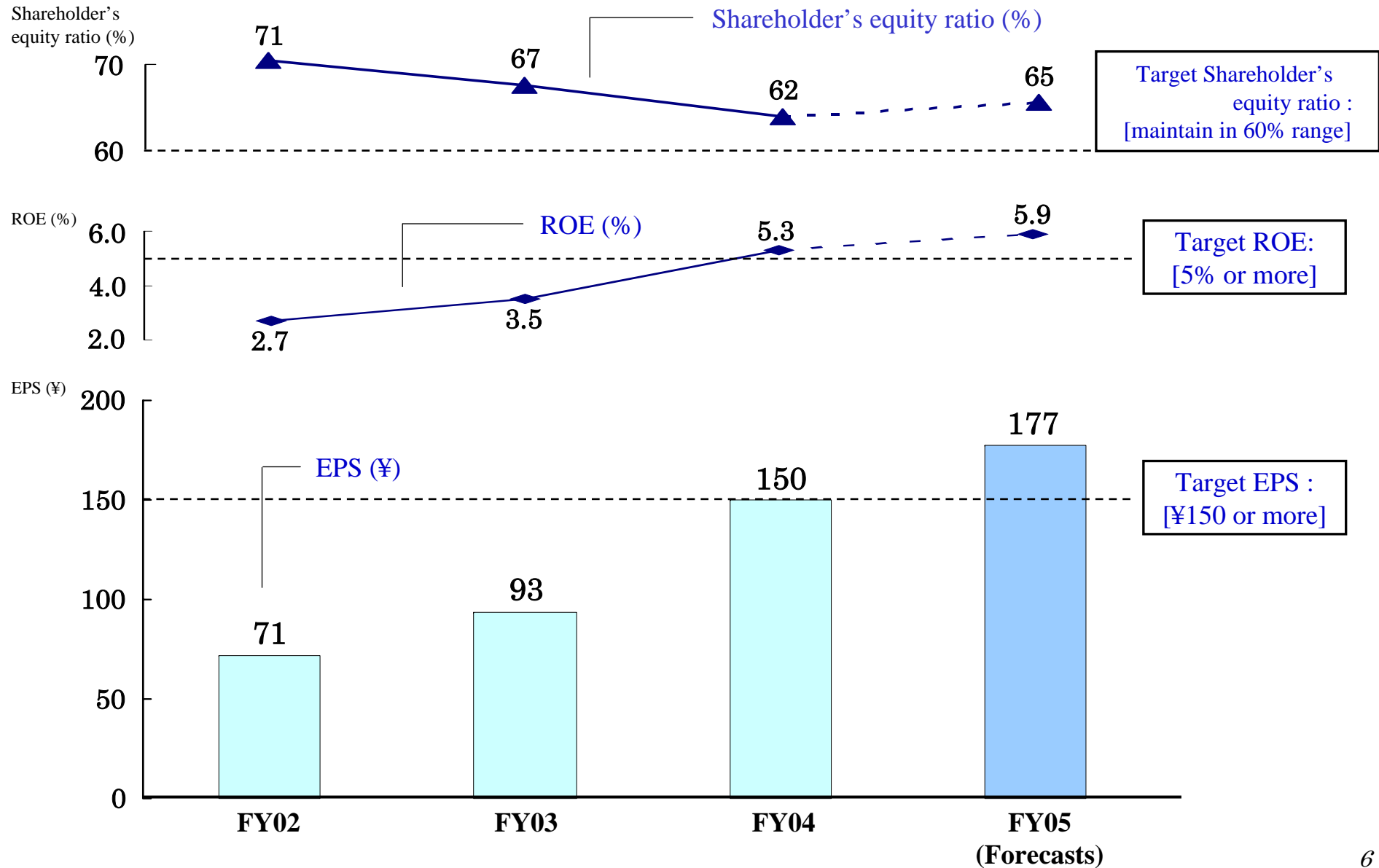
Business Segment	FY05 (Forecasts)				FY04 (Results)			
	Sales		OP		Sales		OP	
	¥ 100 million	% Chg. YoY	¥ 100 million	% Chg. YoY	¥ 100 million	% Chg. YoY	¥ 100 million	% Chg. YoY
Semiconductors	1,710	17.7	73	27.7	1,452	8.2	57	0.2
Electronic components	1,128	(1.1)	40	27.8	1,140	20.0	31	33.9
Electronic equipment	235	7.2	9	21.0	219	10.2	7	52.1
Ryosan products	77	10.3	12	17.0	69	9.7	10	39.8
Unallocable operating expenses	—	—	(30)	—	—	—	(26)	—
Consolidated	3,150	9.3	104	30.6	2,882	12.8	79	19.3

Geographical segment	(Japan)	2,310	3.1	78	21.3	2,240	15.2	64	15.3
	(Asia)	840	30.8	23	18.3	642	5.0	19	69.3

Consolidated Results Trend



Financial Indicators



Semiconductors Sales Breakdown

Interim Results

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05/1H	FY05 (Plan at Beginning of the period)	FY04/1H	Vs.Plan	% Chg.1H YoY
Memories	127	93	73	36.6%	74.0%
System LSIs	479	416	396	15.1%	21.0%
Discrete	239	255	212	△6.3%	12.7%
Total	845	764	681	10.6%	24.1%

Full-year Forecasts

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05(Full-Year Forecasts)	FY05 (Plan at Beginning of the period)	FY04(Full-Year Results)	Vs.Plan	% Chg.YoY
Memories	250	210	155	19.0%	61.3%
System LSIs	968	872	837	11.0%	15.7%
Discrete	492	558	461	△11.8%	6.7%
Total	1,710	1,640	1,453	4.3%	17.7%

NECEL Product Sales

Interim Results and Full-Year Forecasts

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05/1H	FY05(Full-Year Forecasts)	% Chg.1H YoY	% Chg.YoY
NECEL	661	1,320	15.4%	8.7%

Measures to Expand Sales

▪ Strengthen efforts to expand sales in growth fields domestically and overseas

Digital AV products (Microcomputers, system LSIs, compound and optical devices)
(Flat-panel TVs, D-TVs, DVD recorders)

Car multimedia (Microcomputers, system LSIs)

Mobile phones (System LSIs [Appli-chip], compound devices)

Automotive electronics (Microcomputers, IPD)

Displays (TFT Drivers/Controllers)

▪ Bolster solution proposal and technical support systems



Elpida Memory Product Sales

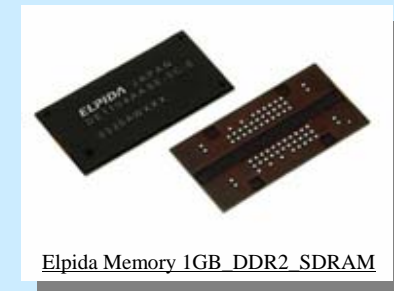
Interim Results and Full-Year Forecasts

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05/1H	FY05(Full-Year Forecasts)	% Chg.1H YoY	% Chg.YoY
Elpida Memory	86	176	95.5%	95.6%

Measures to Expand Sales

- **Strengthen efforts to expand sales in growth fields**
(Digital AV products, mobile phones, car multimedia)
- **Establish partnerships with leading server and PC customers**
(Prioritize DDR2 sales expansion)
- **Collaborate with system LSI manufacturers**
(Respond to SIP needs)



New-resource Semiconductor Business Sales

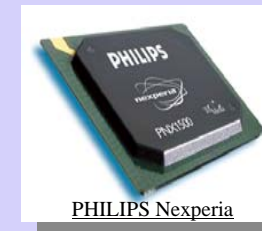
Interim Results and Full-Year Forecasts

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05/1H	FY05(Full-Year Forecasts)	% Chg.1H YoY	% Chg.YoY
Philips	34	77	78.9%	63.8%
Memory	31	55	106.7%	19.6%
ASSP	15	52	△16.7%	6.1%
Total	80	184	53.8%	29.6%

Philips

- Promoting 5 projects: UOC/Nexperia/LCD Drivers/Automotive/MMS
- Enter RFID(tag) IC business
- Construction of a global sales network targeting Japanese customers



Memory

- Strengthen component sales for digital home appliances
(Expand sales of non-DRAM products including SRAM, flash memories, and other)

ASSP

- Boost sales of mobile LCD drivers ICs, graphics LSIs

Overview of Fabless Semiconductor Development

Interim Results and Full-Year Forecasts

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05/1H	FY05(Full-Year Forecasts)	% Chg.1H YoY	% Chg.YoY
Handled amt.(Group)	1.9	6.0	5.6%	100.0%

Development Activity Status

Unit: Millions of yen

Taget Technology	Development status	Sales		Remarks
		FY05/1H	FY05/2H	
Security Camera LSI (DVR)	Completed	2	40+30*	ASSP (China)
Graphic LSI	Completed	—	60	ASCP (Japan)
Image Processing LSI1 (Camera)	In progress	60*	43*	ASCP (Japan)
Image Processing LSI2 (Navigation)	In progress	17*	50*	ASCP (Japan)
Wireless Communication LSI	In progress	26*	66*	ASCP (Japan)
Fixed Line LAN LSI	In progress	—	45*	ASCP (Japan)
ASIC (Other)	—	70+15*	60+10*	ASIC (Taiwan and China)

※ Figures * represent development expenses

Electronic Components Sales Breakdown

Interim Results

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05/1H	FY05 (Plan at Beginning of the period)	FY04/1H	Vs.Plan	% Chg.1H YoY
Display devices	248	263	198	Δ5.7%	25.3%
Power supplies	36	31	31	16.1%	16.1%
Mechanical Components	312	276	309	13.0%	1.0%
Total	596	570	538	4.6%	10.8%

Full-year Forecasts

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05(Full-Year Forecasts)	FY05 (Plan at Beginning of the period)	FY04(Full-Year Results)	Vs.Plan	% Chg.YoY
Display devices	471	544	467	Δ13.4%	0.9%
Power supplies	73	70	63	4.3%	15.9%
Mechanical Components	584	536	610	9.0%	Δ4.3%
Total	1,128	1,150	1,140	Δ1.9%	Δ1.1%

Electronic Equipment Sales Breakdown

Interim Results

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05/1H	FY05 (Plan at Beginning of the period)	FY04/1H	Vs.Plan	% Chg.1H YoY
Facilities equipment	50	40	37	25.0%	35.1%
Systems equipment	54	60	64	Δ10.0%	Δ15.6%
Total	104	100	101	4.0%	3.0%

Full-year Forecasts

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05(Full-Year Forecasts)	FY05 (Plan at Beginning of the period)	FY04(Full-Year Results)	Vs.Plan	% Chg.YoY
Facilities equipment	97	88	94	10.2%	3.2%
Systems equipment	138	149	125	Δ7.4%	10.4%
Total	235	237	219	Δ0.8%	7.3%

Ryosan Products Sales Breakdown

Interim Results

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05/1H	FY05 (Plan at Beginning of the period)	FY04/1H	Vs.Plan	% Chg.1H YoY
Domestic	33	31	26	6.5%	26.9%
Overseas	8	5	5	60.0%	60.0%
Total	41	36	31	13.9%	32.3%

Full-year Forecasts

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05(Full-Year Forecasts)	FY05 (Plan at Beginning of the period)	FY04(Full-Year Results)	Vs.Plan	% Chg.YoY
Domestic	64	63	58	1.6%	10.3%
Overseas	13	10	12	30.0%	8.3%
Total	77	73	70	5.5%	10.0%

Chinese Market Sales Breakdown

Interim Results

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05/1H	FY05 (Plan at Beginning of the period)	FY04/1H	Vs.Plan	% Chg.1H YoY
Overseas	543	470	412	15.7%	31.9%
Chinese Market	169	149	132	13.4%	28.0%
Local Mkts	41	41	36	0.0%	13.9%
Shift Mkts	128	108	96	18.5%	33.3%

Full-year Forecasts

Unit: ¥100 million; Year-on-year figures represent growth rates

	FY05(Full-Year Forecasts)	FY05 (Plan at Beginning of the period)	FY04(Full-Year Results)	Vs.Plan	% Chg.YoY
Overseas	1,030	990	882	4.0%	16.8%
Chinese Market	332	309	264	7.4%	25.8%
Local Mkts	90	90	57	0.0%	57.9%
Shift Mkts	242	219	207	10.5%	16.9%

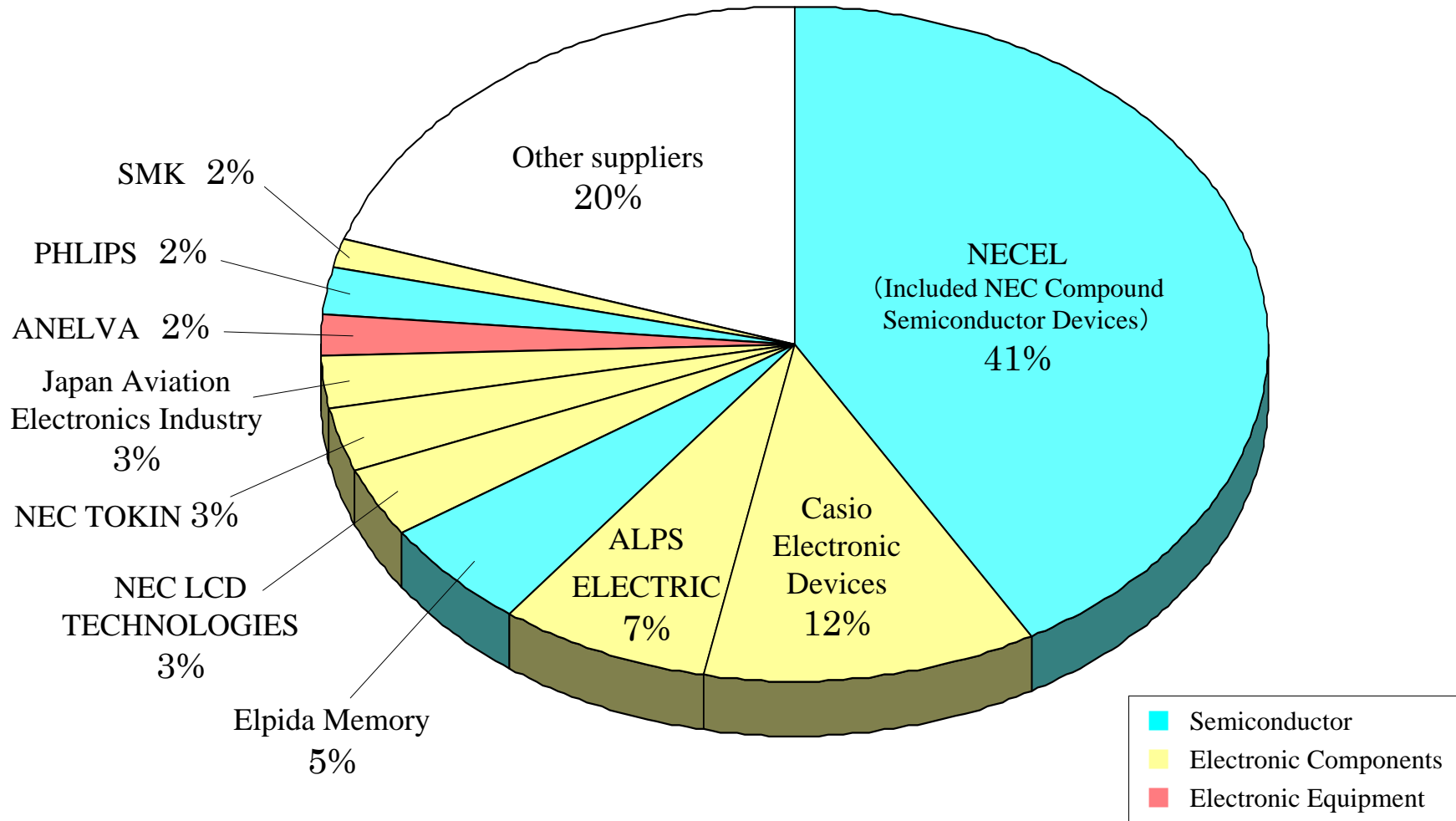
※ Approximately 37% of total overseas sales was to Japanese companies (Results for the six-month period ended September 30, 2004).

Key Clients Ranked by Ryosan's Sales

	Top 1-10	Top 11-20	Top 21-30	Top 31-40
Clients (alphabetical order)	Alps Electric CASIO Fuji Photo film HITACHI JVC Mitsubishi Electric NEC PANTECH & CURITEL Pioneer SANYO	Advantest Alpine Bussan Microelectronics Clarion Fujitsu Matsushita Electric Industrial MITAC Nikon SHARP TDK	Calsonic Kansei Furuno Electric Hitachi kokusai Electric HYUNDAI ELECTRONICS Japan Radio KENWOOD MINTON OPTIC INDUSTRY TOSHIBA YAMAHA YASKAWA Electric	B.M. Nagano Brother Industries DENSO GS Yuasa Matsushita Electric Works OMRON SEGA Sumitomo Electric Industries TAKATA Tatung
Percentage sales of all clients	(Top 10) 47%	(Top 20) 59%	(Top 30) 66%	(Top 40) 70%

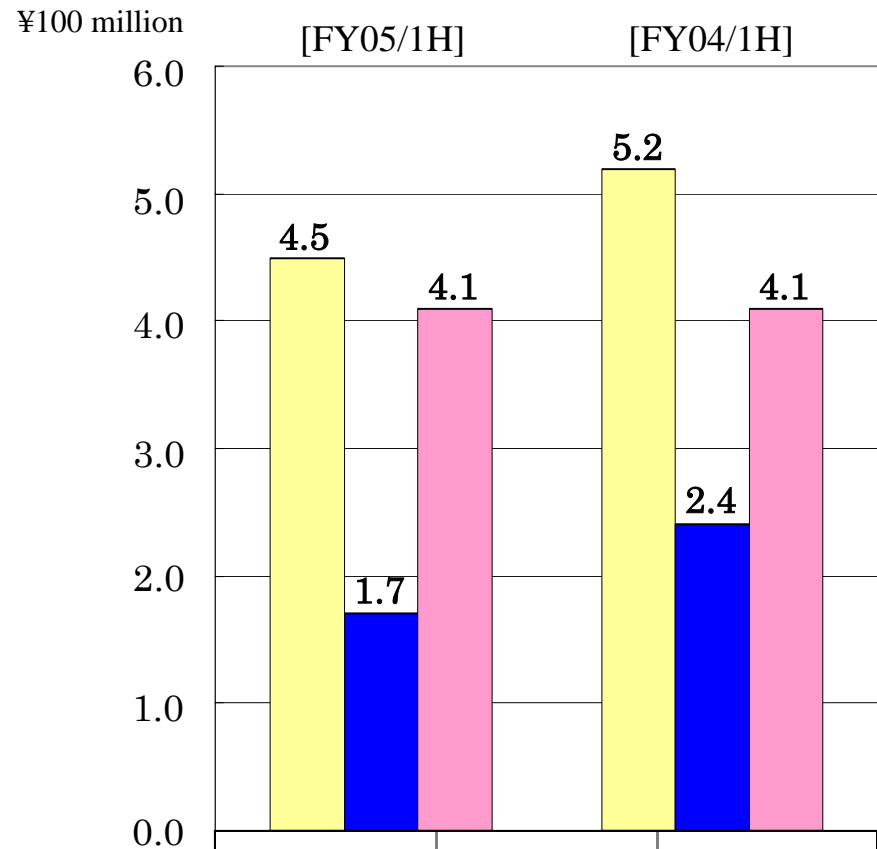
※Rank and percentage share are based on results for the six months ended September 30, 2004.

Main Suppliers



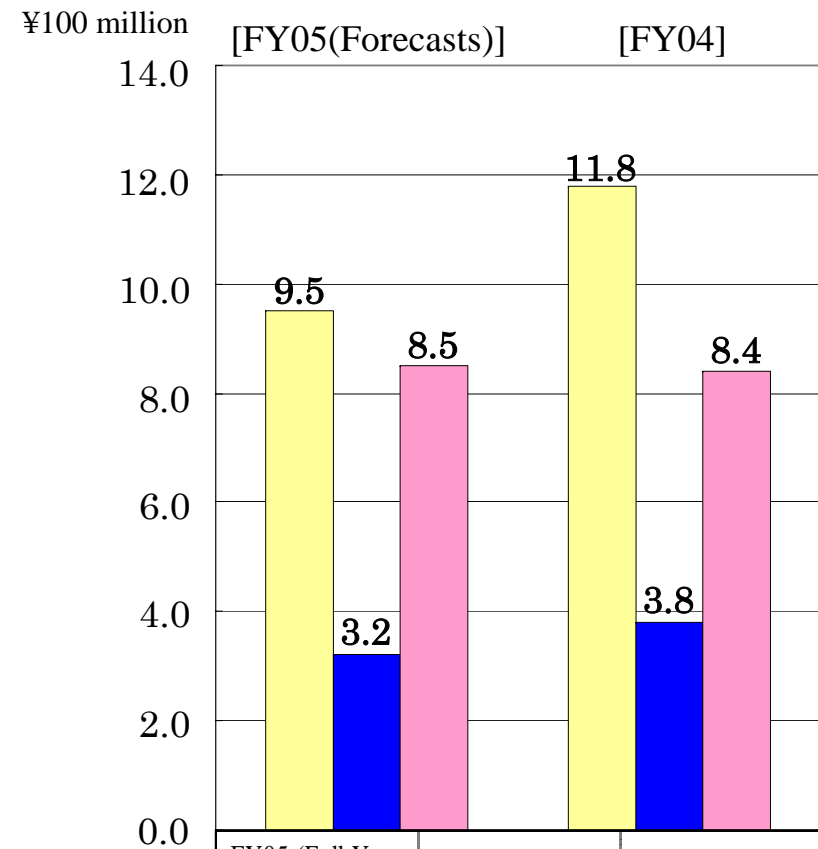
※Percentage share is based on sales of supplier's products for the six months ended September 30, 2004.

R&D , Capex , and Depreciation



■ R&D	4.5	5.2	Δ13.8%
■ Capex	1.7	2.4	Δ30.1%
■ Depreciation	4.1	4.1	Δ1.0%

Unit: ¥100 million; Year-on-year figures represent growth rates



■ R&D	9.5	11.8	Δ19.5%
■ Capex	3.2	3.8	Δ14.1%
■ Depreciation	8.5	8.4	Δ0.7%

Unit: ¥100 million; Year-on-year figures represent growth rates