RYOSAN ANNUAL REPORT 2003

A STRATEGIC MOVE

FINANCIAL HIGHLIGHTS

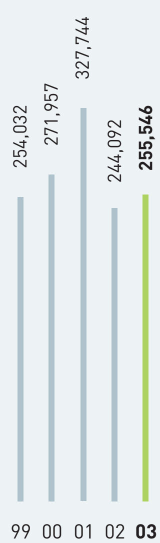
Ryosan Company, Limited and Consolidated Subsidiaries
Years Ended March 31

	Millions of Yen			Thousands of U.S. Dollars (Note)
	2001	2002	**2003**	**2003**
Net sales	¥327,744	¥244,092	**¥255,546**	**$2,126,007**
Operating income	11,698	6,148	**6,679**	**55,566**
Income before income taxes and minority interests	13,246	5,711	**7,358**	**61,215**
Net income	7,336	2,885	**3,724**	**30,982**
Total assets	175,011	147,075	**156,580**	**1,302,662**
Shareholders' equity	105,683	105,252	**105,737**	**879,675**
	Yen			U.S. Dollars (Note)
Net income per share	¥179.70	¥71.62	**¥93.21**	**$0.78**
Fully diluted net income per share	167.34	68.05		
Cash dividends per share applicable to the year	30.00	30.00	**30.00**	**0.25**

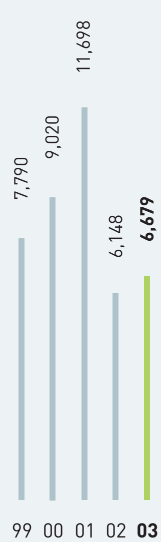
Note: The U.S. dollar amounts have been translated from yen, for convenience only, at the rate of 120.20 = US$1, the approximate exchange rate prevailing on March 31, 2003.

CONTENTS

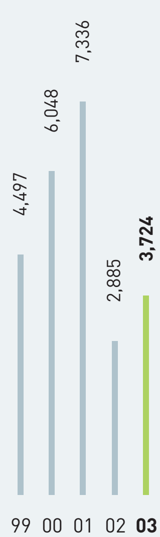
Net sales
(Millions of Yen)



Operating income
(Millions of Yen)



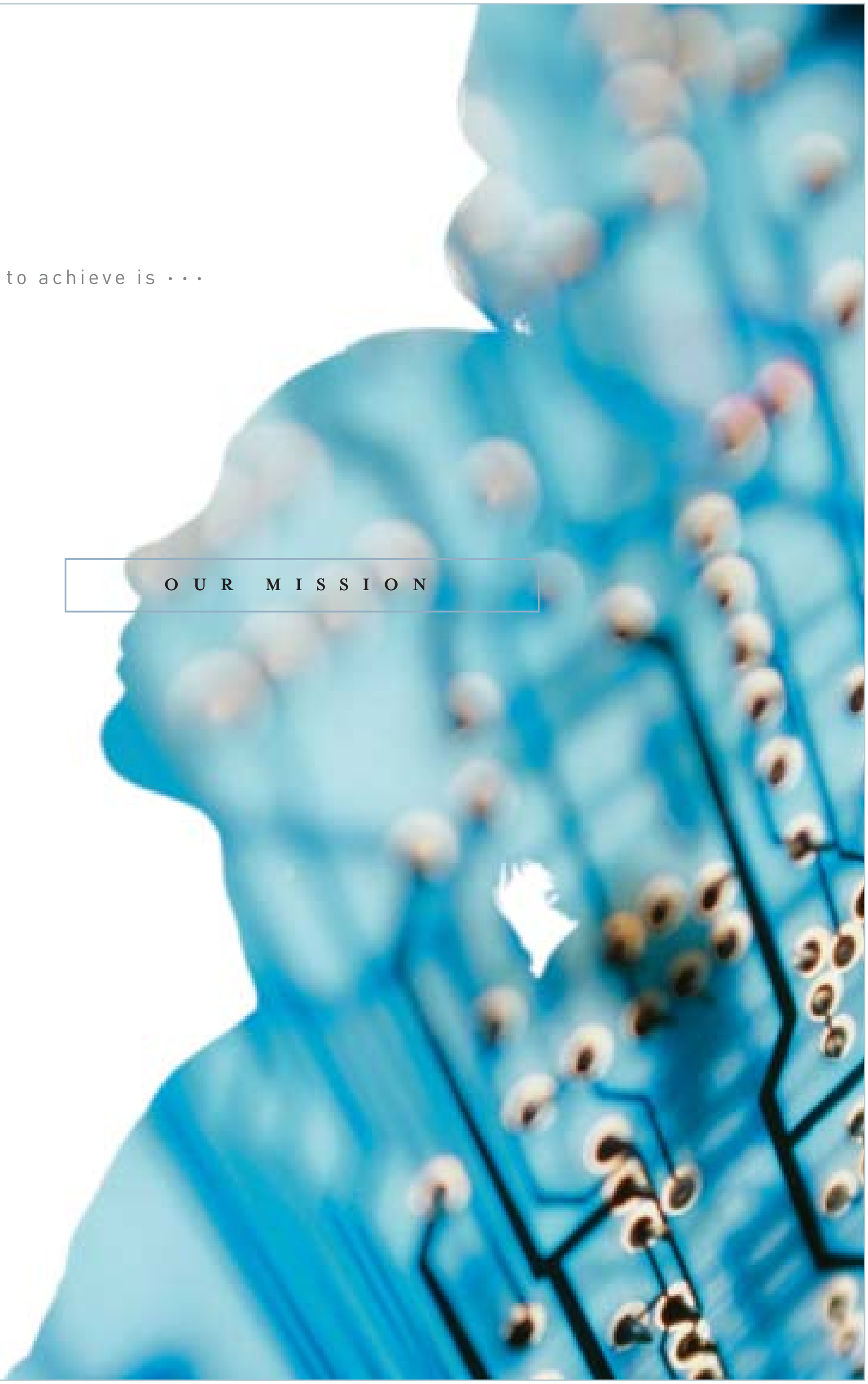
Net income
(Millions of Yen)



CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements related to the Company's business results, which are inherently subject to a variety of risks and uncertainties. The Company's actual activities and business results could differ significantly.

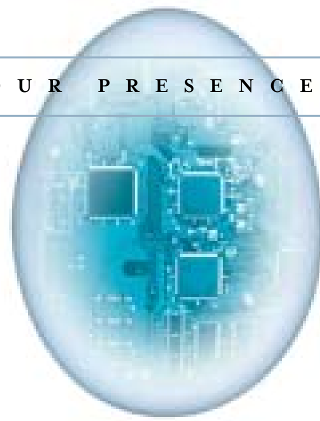
What we seek to achieve is · · ·



OUR MISSION

Ryosan seeks, as a systems coordinator in the electronics industry, to provide the ideal linkage between people's needs and electronics technology.

OUR PRESENCE



Ceaseless evolution means ···

The source of the value added by Ryosan lies in three functions: the information function, through which we provide customers with accurate information on the needs of the era and trends in technology, gathered from wide-ranging and diverse sources; the solutions function, through which we integrate expertise and knowledge with advanced technology to offer the best possible solution to the customer; and the distribution function, through which we deliver required products in the required locations, in the best possible condition. The ceaseless evolution of these three functions raises the level of customer satisfaction and increases the Company's intrinsic value.

An effective response to
customer needs requires ···

OUR STRATEGY

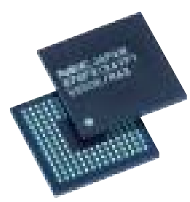
As competition intensifies on a worldwide scale, Ryosan is pressing forward with a multi-vendor strategy that will allow the Company to quickly respond to customer needs for "one-stop shopping" and "supplying the optimal device" from among the diverse products of its suppliers.

MAJOR BUSINESSES AND STRATEGIES

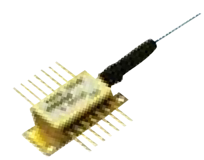
BUSINESSES AND PRODUCTS | NET SALES AND PERCENTAGE OF TOTAL

SEMICONDUCTORS

NEC Electronics
32-bit Microcontroller

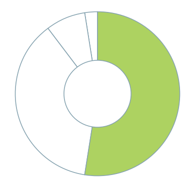


NEC Compound Semiconductor Devices
Laser Diode



- Memories
- Microcomputers
- ASICs
- Application Specific Standard System LSIs (ASSP)
- Optical and compound semiconductors
- Transistors
- Diodes etc.

- System LSI design (hardware / software)



¥134.2 BILLION

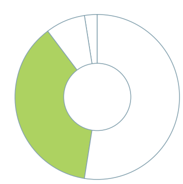
52.5%

ELECTRONIC COMPONENTS

CASIO
LCD Modules

ALPS
Tuner Unit for Digital Terrestrial Broadcasting

- Display devices
- Network devices
- Condensers
- Transformers
- Connectors
- Switches
- Relays
- Printed circuit boards
- Switching power supplies
- Tuners
- Ferrite cores
- Rechargeable batteries etc.

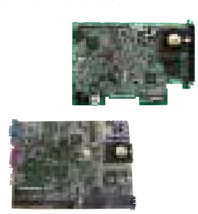


¥95.0 BILLION

37.2%

ELECTRONIC EQUIPMENT

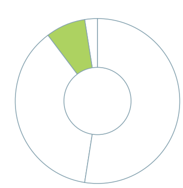
Customized Motherboard



LCD Laser Repair

- Servers
- Workstations (applications)
- Networking equipment
- Sputtering systems
- Dry-etching systems
- Plasma CVD systems
- Laser systems etc.

- Systems design

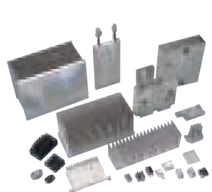


¥19.9 BILLION

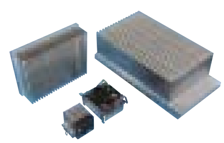
7.8%

RYOSAN PRODUCTS

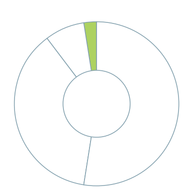
Heatsinks



Wave Coolers (New product)



- Air-cooled heatsinks
- Forced air-cooled heatsinks
- Water-cooled heatsinks
- Heat pipes
- Other heatsinks etc. (semiconductor circuit elements)

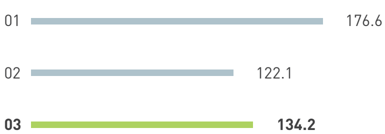


¥6.4 BILLION

2.5%

TRENDS IN NET SALES (¥BILLION)

STRATEGIES AND ROLES

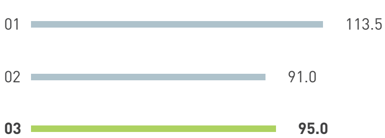


Note: During the fiscal year under review, four consolidated subsidiaries changed the ending dates of their fiscal years. As a result, data for those subsidiaries reflect a period of 15 months rather than 12 months. This caused an increase of approximately ¥7,600 million in consolidated net sales of semiconductors.

The Company has designated the semiconductor business its strategic, mainstay business.

In this business, our market strategy is to achieve business growth through a focus on five electrical systems fields: digital audio and visual, automobile multimedia, automotive electronics, communications, and displays.

Technology strategy in this business calls for a focus on fields that transcend manufacturing technology. We have begun to establish *technical marketing services* based on timely gathering of information on the properties and prices of semiconductor products around the world, introducing the R&D departments of our clients to the products they want, and providing "best solutions" that incorporate our technological expertise. To further reinforce technical support, one of the Company's strengths, we are boosting the technical support abilities of our field application engineers, the systems technology expertise of our systems engineers, and the development technology capabilities of our development engineers.

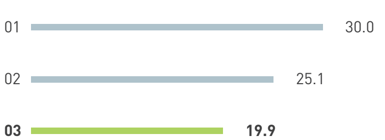


Note: During the fiscal year under review, four consolidated subsidiaries changed the ending dates of their fiscal years. As a result, data for those subsidiaries reflect a period of 15 months rather than 12 months. This caused an increase of approximately ¥1,900 million in consolidated net sales of electronic components.

The electronic components business is the Company's cornerstone business.

Our market strategy in this business is to expand by focusing on growing markets, taking into account the particular characteristics of each product. Specifically, we are working to market display devices in the digital audio and video, information and communications, and game devices markets; to market power sources in the digital audio and video, information and communications, and measurement and control equipment market; and to market component parts in the digital audio and video, information and communications, automotive electronics, and game devices markets.

Our product strategy mandates business expansion through the energetic expansion of sales of products from existing suppliers, while intensifying marketing activities for products from small- and medium-scale suppliers who require sales tie-ups, through the development of new resource products.

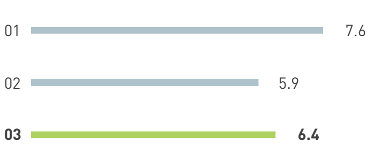


Note: During the fiscal year under review, four consolidated subsidiaries changed the ending dates of their fiscal years. As a result, data for those subsidiaries reflect a period of 15 months rather than 12 months. This caused an increase of approximately ¥30 million in consolidated net sales of electronic equipment.

The electronic equipment business is Ryosan's synergy-driving business. It is composed of the systems equipment business and the production equipment business.

Our market strategy in this business is to expand by proposing board and server solutions developed out of a precise understanding of the needs of each customer. Technology strategy in this business is based on strengthening our ability to provide innovative systems design, and using those capabilities to add additional value.

Ryosan's market strategy in the production equipment business is to develop its business through deeper penetration into existing markets and development of new demand. Our product strategy calls for assembling a product lineup (both hardware and software) that will support the marketing of systems built around products from ANELVA Corporation.



Note: During the fiscal year under review, four consolidated subsidiaries changed the ending dates of their fiscal years. As a result, data for those subsidiaries reflect a period of 15 months rather than 12 months. This caused an increase of approximately ¥200 million in consolidated net sales of Ryosan products.

The manufacturing of original products has been positioned as Ryosan's signature business.

The primary thrust of our market strategy in this business is the expansion of market share through the enhancement of our ability to offer solutions focused on customer needs, following from our strengthening of operations in our comprehensive thermal management business.

Product strategy centers on increasing the sales of our new Wave Coolers, and expanding our business by broadening our product lineup.

Following the lead of our Uenohara Plant in Japan, both our Malaysia and Thai plants have achieved ISO 9001 certification, and will continue striving for improvements in quality.

PRESIDENT'S MESSAGE

TATSUO UI
PRESIDENT

The fiscal year ending March 31, 2004 will be the third and final year of Ryosan's fifth medium-term management plan. As an electronic systems coordinator, the Company will continue to press forward with management innovation in furtherance of the implementation of its growth strategy, which calls for the establishment of a new business model, its segment strategy, which involves the qualitative strengthening of the Company's product-specific business strategies, and the strategy of establishing a strong business infrastructure that supports growth and reinforces operations.

Q. WHAT ARE YOUR THOUGHTS ON RYOSAN'S BUSINESS ENVIRONMENT AND THE BEST COURSE FOR THE COMPANY?

With the rise of overseas semiconductor manufacturers in Europe, North America, and Asia, major domestic semiconductor manufacturers are practicing selection and concentration with regard to their products. The domestic semiconductor industry saw a good deal of M&A and spin-off activity over the past several years. However, the entire picture considered, this M&A activity appears now to have abated.

Accordingly, semiconductor manufacturers will be hammering out new business strategies in an attempt to get back on a growth trajectory. One such strategy is a reform of their sales channel policies, which will result in a full-scale reorganization among semiconductor-trading companies. This could be a major turning point for them.

Given these circumstances within the industry, Ryosan recognizes a need to set itself apart from its competitors on the strength of its design capabilities and ability to produce increased sales of semiconductor products. Taking as its guiding principles "A higher degree of originality in business operations," and "Market-centered business expansion," the Company will maintain a firm grasp of the actual needs of its customers through business activities that are closely attuned to their operations.

Q. WHAT IS THE STATUS OF THE MULTI-VENDOR STRATEGY?

Ryosan's goal is to respond to customer requirements with one-stop shopping that delivers the optimal device from among the diverse products of its suppliers. To achieve this, we are energetically pursuing our multi-vendor strategy.

Our multi-vendor strategy focuses on securing trade rights to the products of capable suppliers, with particular emphasis on new-resource products, and investing in semiconductor venture companies that have significant potential. On the strength of the reputation we enjoy for marketing and technological support capabilities, we have obtained trade rights to the products of Philips Semiconductors of the Netherlands, which is one of the top ten semiconductor firms in the world, and commenced the marketing of their products in fiscal 2004.

In addition, to secure market-leading trade rights, we have made anticipatory investments in several semiconductor venture companies, totaling approximately ¥1.0 billion. In fiscal 2005, our sales of these companies' products are expected to be approximately ¥10.0 billion.

Q. COULD YOU TELL US SOMETHING ABOUT RYOSAN'S FABLESS SEMICONDUCTOR BUSINESS?

To create new value in the semiconductor industry's value chain, in 1998 Ryosan established a subsidiary, ROAD Co., Ltd. (ROAD is an acronym for "Ryosan Originality for Advancing Dreams"), to perform the planning, design, and development of original LSIs.

ROAD now employs approximately 40 technical experts, and has built a structure to support its customers' LSI development efforts, particularly front-end and back-end design using intellectual property of ROAD (at present, approximately 36 types) and its business partners.

ROAD plans to expand its business operations in fiscal 2004, focusing on the three areas of wireless, digital video recorder (DVR), and application-specific integrated circuit (ASIC) technology. The company is targeting the security systems market, especially in the DVR area, and has particular expectations for a specialized LSI (MR-818A) and accompanying software that it has developed to write images from surveillance cameras to hard disk. ROAD will also be expanding its ties to foundries, which will enable it to meet exacting customer requirements for thermal behavior and other properties.

Q. WHAT ABOUT THE STRATEGY OF CULTIVATING AN AREA OF CLEAR SUPERIORITY TO MANUFACTURERS?

Recently, I have come to see that the most vital element in a trading company's survival is to have an area of clear superiority to manufacturers. Ryosan is stressing the area of *technical marketing services,* built on the ability to rapidly gather information on the performance and prices of semiconductor products the world over, to introduce customers' R&D divisions to the products they need, and to offer "best solutions" incorporating Ryosan technology.

To realize these objectives, we must build a structure that can gather and disseminate the latest information on semiconductor products worldwide, analyze the properties of semiconductor products, and make use of their special characteristics through advanced technology. In fiscal 2004 we will launch projects that will accomplish this.

Q. WHAT IS YOUR POSITION ON SHAREHOLDER RETURNS?

Our fifth medium-term management plan refines our financial strategy with the objective of increasing corporate value, and therefore shareholder value. Specifically, we are pursuing greater efficiency in the application of shareholders' equity by securing a sound financial position, and repurchasing 4 million shares of the Company's stock, which is approximately 10% of outstanding shares in order to increase shareholder returns. The repurchasing of treasury stock is more important than dividend payout at this particular point in time, with stock markets at historical lows, as the retirement of treasury stock has the effect of improving earnings per share.

In fiscal 2003, we repurchased 1.50 million shares of treasury stock, which is 1.27 million more than in the previous fiscal year. As a result, dividends of ¥30 per share added up to a total payout to shareholders of ¥3.1 billion. In fiscal 2004, we plan to repurchase another 2 million shares at a maximum total cost of ¥3.5 billion.

With the escalating financial instability we see around us today, we should not concentrate solely on the efficiency of shareholders' equity, but must also maintain a satisfactory level of financial health. For this reason, we have set a goal of maintaining the shareholders' equity ratio above 60%.

TO OUR SHAREHOLDERS

The macroeconomic outlook remains clouded, and the management environment adverse. Under these circumstances, the Ryosan Group will pursue the basic strategies set forth in its fifth medium-term management plan—the growth strategy, the segment strategy, and the strategy for establishing a strong business infrastructure, which will result in improved performance.

The Company will seek a high degree of management transparency through its investor relations activities, which will include disclosures of information to shareholders and investors through presentations on Ryosan's activities and performance, and its Web site.

I would like to ask the continued support and understanding of shareholders and all connected with the firm as we address the challenges that we face.

1 MULTI-VENDOR STRATEGY

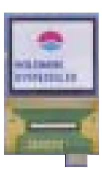
One of Ryosan's growth strategies is the expansion of its new-resource semiconductor products business. This will allow Ryosan to respond to customer needs for "one-stop shopping" and always to "supply the optimal device" from the diverse array of products offered by the Company's suppliers. We are energetically implementing our multi-vendor strategy and seeking to expand our business. The objective of this is to become an electronics systems coordinator capable of providing total solutions.

MARKETING OF PHILIPS SEMICONDUCTORS PRODUCTS COMMENCES

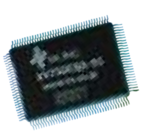
Philips Semiconductors

Ryosan has begun marketing the products of Philips semiconductors, further increasing its access to products. With this alliance, the Company is bolstering its domestic and overseas marketing systems, and working to outstrip other trading companies in the establishment of strong technical support systems for the trade rights purchased. This will win Ryosan the trust of both customers and suppliers. In addition, the Company has initiated market-specific projects intended to develop new demand, and is working with Philips Semiconductors Japan to achieve further growth through development of products that have the capabilities needed by customers designed in.

BRINGING TO MARKET THE PRODUCTS DEVELOPED BY OUR ANTICIPATORY INVESTMENT TARGET FIRMS



Solomon Systech Limited



IIX Inc.

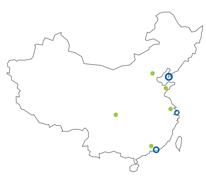
In the interest of acquiring trade rights to market-leading products, Ryosan has for some years been making investments in domestic and overseas semiconductor venture companies. The five companies in which we have invested are Bermai, Inc. (LSIs for wireless LANs) and Vega Vista, Inc. (LSIs for human interfaces), both of the U.S., Infomax Optical Technology Corporation (optical communications devices) and G-LINK Technology (DRAM), both of Taiwan, and IIX,Inc. (video decoder LSIs) of Japan. Total investments have reached ¥1.0 billion. Development is proceeding steadily, and some products are already in mass production. We are pursuing a vigorous sale-expansion program to help these companies succeed.

In addition to the companies named above, we already handle new-resource products manufactured by OmniVision Technologies, Inc. (CMOS sensors), Silicon Motion, Inc. (graphic LSIs), Solomon Systech Limited (LCD drivers), and Niigata Seimitsu Co., Ltd. (one-chip AM/FM ICs). In our drive to realize the goal of providing total solutions, we are further expanding our access to products and working to offer customers the optimal device for their needs.

2 MARKET STRATEGY FOR CHINA

China continues to develop into the world's most favored region for manufacturing facilities, and Ryosan has recognized it as its greatest opportunity to register new successes. The Company has established subsidiaries in Hong Kong, Shanghai, and Dalian, and offices in Beijing, Qingdao, Shanghai, Chengdu, and Shenzen. From these bases, Ryosan is building a global sales and support structure that is closely attuned to customer requirements.

BUSINESS EXPANSION ATTUNED TO THE NEEDS OF LOCAL CUSTOMERS

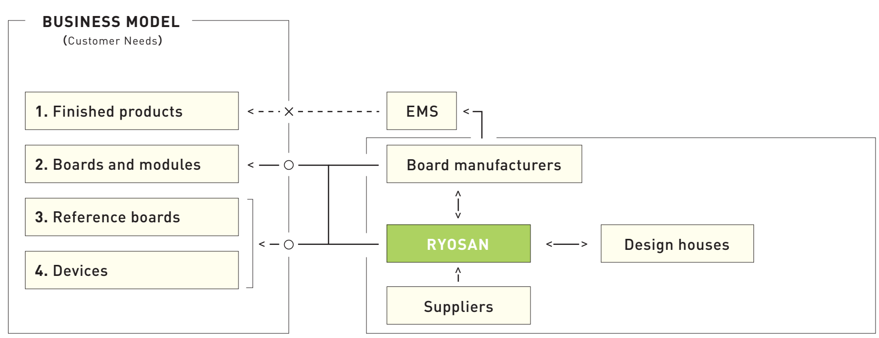


Chinese Bases

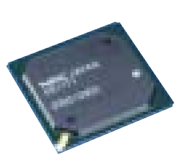
The Company's strategies in China are separated into the "local market" strategy, which targets local firms, and the "shift market" strategy, which targets Japanese, European, and U.S. companies. This allows us to provide our various customers with services attuned to their needs, while at the same time pursuing operational efficiency.

In the local market, our customers are calling on us to supply a variety of products. However, while we are working to expand our business, we have decided to focus our energies on boards and modules, reference boards, and devices. We are, therefore, pursuing business expansion through strong partnerships with suppliers, design houses, and board manufacturers.

LOCAL MARKET BUSINESS MODEL



ENHANCING THE COMPANY'S ABILITY TO PROPOSE SOLUTIONS



NEC Electronics

In the Chinese market, we have designated mobile telephones, digital still cameras, set-top boxes, digital video recorders, car audio, communications, optical communications, and home appliances as focus systems. Using NEC's microcomputers, system LSIs, and compound devices, Ryosan is energetically expanding its business related to solutions in its areas of strength, including servos, image processors, radio frequency devices, and optical communications technology.

In July 2003, the Company established a design center in Shenzen to strengthen its ASIC and software development capabilities. In collaboration with its subsidiary, fabless semiconductor manufacturer ROAD Co., Ltd., as well as local software houses and other business partners, the Company is working to expand its business through enhancing its ability to propose solutions.

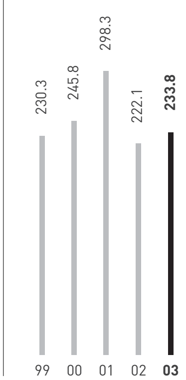
SIX-YEAR SUMMARY

Ryosan Company, Limited and Consolidated Subsidiaries
Years Ended March 31

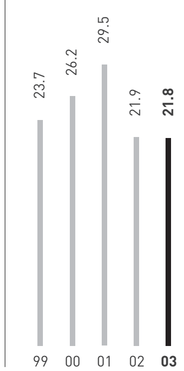
	Millions of Yen (except per share data)					
	2003	2002	2001	2000	1999	1998
FOR THE YEAR:						
Net sales	**¥ 255,546**	¥ 244,092	¥ 327,744	¥ 271,957	¥ 254,032	¥ 271,338
Cost of sales	**233,785**	222,144	298,287	245,758	230,336	243,165
Gross profit	**21,761**	21,948	29,457	26,199	23,696	28,173
Selling, general and administrative expenses	**15,082**	15,800	17,759	17,179	15,906	16,641
Operating income	**6,679**	6,148	11,698	9,020	7,790	11,532
Other income (expenses)—net	**679**	(437)	1,548	1,538	650	834
Income before income taxes and minority interests	**7,358**	5,711	13,246	10,558	8,440	12,366
Net income	**3,724**	2,885	7,336	6,048	4,497	5,828
PER SHARE:						
Net income (Yen)	**¥ 93.21**	¥ 71.62	¥ 179.70	¥ 148.13	¥ 110.14	¥ 142.74
Cash dividends applicable to the year (Yen)	**30.00**	30.00	30.00	30.00	29.00	29.00
AT YEAR END:						
Working capital	**¥ 82,371**	¥ 81,017	¥ 83,712	¥ 86,938	¥ 82,597	¥ 84,211
Total assets	**156,580**	147,075	175,011	165,928	148,066	151,550
Long-term liabilities	**1,768**	1,905	1,787	15,275	10,857	11,309
Total shareholders' equity	**105,737**	105,252	105,683	99,675	94,227	90,970
OTHER DATA:						
Gross profit margin (%)	**8.5**	9.0	9.0	9.6	9.3	10.4
Return on equity (%)	**3.5**	2.7	7.1	6.2	4.9	6.6
Current ratio (%)	**268.6**	305.4	224.5	271.5	293.0	271.7
Inventory turnover ratio (times)	**23.6**	17.4	20.3	20.4	17.4	18.2
Dividend payout ratio (%)	**28.9**	40.5	18.5	19.6	26.3	20.3

Ryosan Company, Limited and Consolidated Subsidiaries
Years Ended March 31

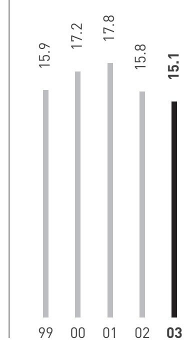
COST OF SALES
(Billions of Yen)



GROSS PROFIT
(Billions of Yen)



SELLING, GENERAL AND ADMINISTRATIVE EXPENSES
(Billions of Yen)



CORPORATE GROUP

The Ryosan Group consists of Ryosan Company, Limited, seven consolidated subsidiaries, 10 non-consolidated subsidiaries and one associated company.

The Group operates primarily as a trading firm that specializes in semiconductors, electronic components and equipment, which it sells to manufacturers of electronic equipment and other customers both domestically and overseas. The Group also develops, manufactures and sells proprietary products.

RESULTS OF OPERATIONS

Despite tight demand in the Company's principal PC-related market and stagnant conditions in the communications-related sector, net sales for fiscal 2003 increased 4.7% compared with the previous fiscal year to ¥255,546 million, reflecting strong performance in the Company's mainstay semiconductors and electronic components businesses.

Accompanying the rise in net sales, cost of sales increased 5.2% year on year to ¥233,785 million. The cost of sales ratio rose 0.5 of a percentage point to 91.5% impacted by prolonged deflation and downward pressure on product prices. As a result, gross profit contracted 0.9% to ¥21,761 million, and the gross profit margin was 8.5%.

Selling, general and administrative expenses decreased year on year owing to the sale of low-profit subsidiaries and a drop in personnel expenses due to natural attrition. This decline exceeded the fall in gross profit and accordingly operating income increased 8.6% compared with the previous fiscal year to ¥6,679 million. Furthermore, the operating income margin was 2.6%, a slight increase of 0.1 of a percentage point.

Other income—net amounted to ¥679 million reflecting an increase in interest and dividend income, gain on foreign exchange and a drop in the loss on devaluation of investment securities. As a result, income before income taxes and minority interests climbed 28.8% to ¥7,358 million and net income rose 29.1% to ¥3,724 million. Moreover, return on sales was 1.5%, up 0.3 of a percentage point compared with the previous fiscal year and net income per share increased 30.1% from ¥71.62 to ¥93.21 for the fiscal year under review.

Ryosan Company, Limited has declared a full-year dividend of ¥30 per share for fiscal 2003, which consists of an interim dividend of ¥15 and a year-end dividend of ¥15. The payout ratio on a non-consolidated basis stood at 28.9%, down from 40.5% in the previous fiscal year, reflecting the dramatic recovery in net income. The Company considers the consistent payment of a steadily increasing cash dividend to be one of its fundamental corporate responsibilities. In addition, the Company will continue its policy to purchase and retire treasury stock with the aim of increasing earnings per share and enhancing returns to shareholders.

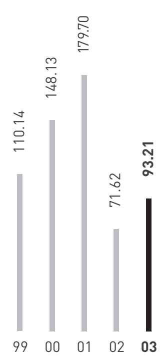
OVERVIEW OF RESULTS BY BUSINESS SEGMENT

• SEMICONDUCTORS

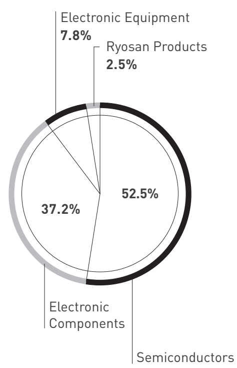
The Ryosan Group sells memories, system LSIs, and discrete semiconductors, and designs and develops system LSIs. During the year under review, segment sales rose, reflecting increased demand for memories for PCs and ASICs for digital still cameras and game machines. Sales were inflated approximately ¥7,600 million reflecting net sales over 15 months at four consolidated subsidiaries due to a change of fiscal year. As a result, sales were up 9.9% year on year to ¥134,244 million, and operating income climbed 10.7% to ¥5,706 million.

NET INCOME PER SHARE

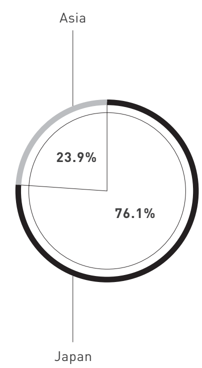
(Yen)



SALES BY BUSINESS SEGMENT



SALES BY GEOGRAPHICAL SEGMENT



• ELECTRONIC COMPONENTS

In this segment the Ryosan Group sells display devices, power supplies and mechanical components. During the fiscal year under review, segment sales were up, as a result of increased sales of liquid crystal displays (LCDs) for mobile phones and digital still cameras, PDP for TVs and power supplies for base stations. Results were also impacted by the change of fiscal year by four consolidated subsidiaries and its 15-month contribution of approximately ¥1,900 million to net sales. Consequently, sales increased 4.5% to ¥95,057 million and operating income edged up 0.6% to ¥2,338 million.

• ELECTRONIC EQUIPMENT

In this segment the Ryosan Group sells system and manufacturing epuipment. During the fiscal year under review, sales of system boards for OA equipment and facility equipment declined. On the other hand, sales in this segment benefited from a 15-month contribution totaling approximately ¥30 million in net sales from four consolidated subsidiaries due to a change in fiscal year. Sales in this segment however fell 20.7% compared with the previous fiscal year to ¥19,881 million and operating income plunged 44.6% to ¥490 million.

• RYOSAN PRODUCTS

In this segment the Ryosan Group manufactures and sells heat sinks used for semiconductor circuit elements. During the fiscal year under review, results were buoyed by increased sales of heat sinks for application in measuring equipment and household appliances and a 15-month contribution to net sales of approximately ¥200 million from four consolidated subsidiaries due to a change in fiscal year. As a result, sales in this segment totaled ¥6,364 million, a year-on-year increase of 8.5%, and operating income jumped 58.7% to ¥765 million.

OVERVIEW OF RESULTS BY GEOGRAPHICAL SEGMENT

• JAPAN

Sales in Japan increased 5.5% to ¥194,372 million, and operating income surged 35.4% to ¥5,578 million. These increases were attributable to increased sales of ASICs for digital still cameras and game machines, LCDs for mobile phones and digital still cameras, and electronic components for TV PDPs.

• ASIA

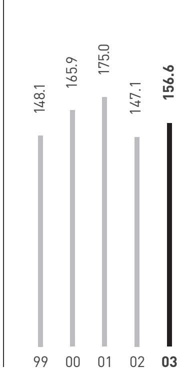
Sales in the Asia region were up on the back of increased sales of PC memories, car audio microcomputers and other semiconductors, along with a 15-month net sales contribution of ¥9,800 million from four consolidated subsidiaries due to a change in fiscal year. Accordingly, sales edged up 2.1% year on year to ¥61,174 million. Operating income, on the other hand, fell 34.0% to ¥1,171 million for the fiscal year under review.

FINANCIAL POSITION

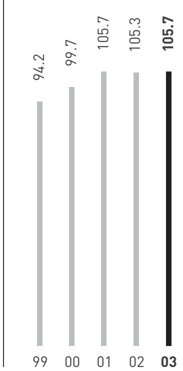
Total assets at the end of fiscal 2003 amounted to ¥156,580 million, up ¥9,505 million from the previous fiscal year-end. This increase was attributable to an increase in current assets, which totaled ¥131,217 million, up 8.9% compared with the previous fiscal year-end, in the wake of expanded trading contributing to increased notes and accounts receivable and inventories.

Total liabilities as of March 31, 2003 stood at ¥50,614 million, an increase of 22.4%. Current liabilities were ¥48,846 million, up 23.8% compared with the previous fiscal year-end and comprised mainly accounts payable reflecting the growth in business activity. As a result, working capital increased ¥1,354 million

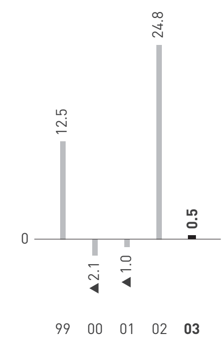
TOTAL ASSETS
(Billions of Yen)



TOTAL SHAREHOLDERS' EQUITY
(Billions of Yen)



NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES
(Billions of Yen)



to ¥82,371 million while the current ratio declined 36.8 percentage points to 268.6%. Total long-term liabilities fell 7.2% compared with the previous fiscal year-end to ¥1,768 million.

Total shareholders' equity edged up 0.5% to ¥105,737 million due to the increase in retained earnings. The shareholders' equity ratio, however, fell 4.1 percentage points to 67.5% attributable to the increase in current liabilities in line with the growth in sales and the Company's continued acquisition of treasury stock.

CASH FLOW ANALYSIS

Cash and cash equivalents as of the fiscal year-end declined ¥992 million, or 2.8% from the end of the previous fiscal year, to ¥34,842 million. Principal components were income before income taxes and minority interests, which climbed ¥1,647 million year on year to ¥7,358 million and an increase in notes and accounts receivable of ¥13,747 million in line with the growth in sales.

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash provided by operating activities was ¥477 million. Principal factors in this were income before income taxes and minority interests of ¥7,358 million, and increases in notes and accounts receivable of ¥13,747 million in line with the growth in sales, in inventories of ¥1,826 million, and in notes and accounts payable of ¥8,332 million.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash provided by investing activities totaled ¥1,058 million. This reflected a reduction in the outflow of cash for the purchase of investment securities and ¥1,595 million in proceeds from sales of investment in subsidiary due to changes in the scope of consolidation.

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash used in financing activities amounted to ¥2,322 million. Principal components were cash dividends paid and a ¥1,021 million increase in treasury stock—net.

RESEARCH & DEVELOPMENT

The Ryosan Group is not simply a trading company, but serves as an electronics system coordinator promoting R&D activities and delivering innovative technology based on technical skills and know-how accumulated over years of experience.

In the semiconductor business during the current consolidated accounting period, Ryosan focuses its R&D activities in the development of such basic technologies as standard interface (I/F), communication BUS controllers, servos and inverters, and the establishment of OS porting technology. Furthermore, the Company concentrated on developing wireless and DVR systems as well as establishing layout technologies through its consolidated subsidiary Road Co., Ltd. In the Ryosan products business, the Company strove to develop an automated manufacturing system for the corrugated fins used in the new product "Wave Cooler," low-cost molded heat sinks, and a series of products to improve the density of printed circuit boards.

For the consolidated fiscal year under review, Ryosan undertook R&D expenditure in the semiconductor and Ryosan products businesses of ¥1,192 million and ¥8 million respectively, for a total of ¥1,200 million.

CONSOLIDATED BALANCE SHEETS

Ryosan Company, Limited and Consolidated Subsidiaries
March 31, 2003 and 2002

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	**2003**	2002	**2003**
CURRENT ASSETS:			
Cash and cash equivalents	**¥ 34,842**	¥ 35,834	**$ 289,867**
Notes and accounts receivable:			
Trade notes	**7,363**	8,604	**61,256**
Trade accounts	**74,579**	63,041	**620,458**
Due from unconsolidated subsidiaries and associated companies	**208**	89	**1,731**
Other	**1,809**	1,927	**15,050**
Allowance for doubtful accounts	**(106)**	(174)	**(882)**
Inventories (Note 4)	**11,580**	10,053	**96,339**
Deferred tax assets (Note 8)	**749**	132	**6,231**
Prepaid expenses and other current assets	**193**	959	**1,606**
TOTAL CURRENT ASSETS	**131,217**	120,465	**1,091,656**
PROPERTY, PLANT AND EQUIPMENT:			
Land	**8,206**	8,216	**68,270**
Buildings and structures	**11,577**	11,737	**96,314**
Machinery and equipment	**3,316**	3,264	**27,587**
Total	**23,099**	23,217	**192,171**
Accumulated depreciation	**(6,947)**	(6,486)	**(57,795)**
NET PROPERTY, PLANT AND EQUIPMENT	**16,152**	16,731	**134,376**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 5)	**5,391**	6,406	**44,850**
Investments in and advances to unconsolidated subsidiaries and associated companies	**454**	547	**3,777**
Goodwill	**434**	207	**3,611**
Deferred tax assets (Note 8)	**1,393**	968	**11,589**
Other assets	**1,539**	1,751	**12,803**
TOTAL INVESTMENTS AND OTHER ASSETS	**9,211**	9,879	**76,630**
TOTAL	**¥156,580**	¥147,075	**$ 1,302,662**

See notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen 2003	2002	Thousands of U.S. Dollars (Note 1) 2003
CURRENT LIABILITIES:			
Short-term bank loans (Note 6)	¥ 952	¥ 1,128	$ 7,920
Notes and accounts payable:			
Trade notes	216	1,384	1,797
Trade accounts (Note 5)	42,750	34,900	355,658
Due to unconsolidated subsidiaries and associated companies	113	65	940
Accrued expenses	1,367	996	11,373
Accrued income taxes	3,203	176	26,647
Other current liabilities	245	799	2,038
TOTAL CURRENT LIABILITIES	48,846	39,448	406,373
LONG-TERM LIABILITIES:			
Liability for retirement benefits (Note 7)	1,329	1,252	11,057
Liability for directors' and corporate auditors' severance payments	341	389	2,837
Other liabilities	98	264	815
TOTAL LONG-TERM LIABILITIES	1,768	1,905	14,709
MINORITY INTERESTS	229	470	1,905
CONTINGENT LIABILITIES (Note 14)			
SHAREHOLDERS' EQUITY (Notes 9 and 15):			
Common stock—authorized, 158,166,300 shares in 2003 and 159,876,000 shares in 2002; issued, 38,992,702 shares in 2003 and 40,702,402 shares in 2002	17,691	17,691	147,180
Additional paid-in capital	19,114	19,114	159,018
Retained earnings	69,945	69,585	581,905
Unrealized gain (loss) on available-for-sale securities	(34)	456	(283)
Foreign currency translation adjustments	(343)	198	(2,854)
Treasury stock—at cost, 344,708 shares in 2003 and 1,150,692 shares in 2002	(636)	(1,792)	(5,291)
TOTAL SHAREHOLDERS' EQUITY	105,737	105,252	879,675
TOTAL	¥156,580	¥147,075	$ 1,302,662

CONSOLIDATED STATEMENTS OF INCOME

Ryosan Company, Limited and Consolidated Subsidiaries
Years Ended March 31, 2003 and 2002

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
NET SALES	**¥255,546**	¥ 244,092	**$ 2,126,007**
COST OF SALES (Notes 10 and 11)	**233,785**	222,144	**1,944,967**
Gross profit	**21,761**	21,948	**181,040**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 10 and 11)	**15,082**	15,800	**125,474**
Operating income	**6,679**	6,148	**55,566**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**339**	144	**2,820**
Interest expense	**(22)**	(182)	**(183)**
Reversal of allowance for doubtful accounts	**55**	170	**458**
Gain on sales of property, plant and equipment	**34**		**283**
Loss on sales and disposals of property, plant and equipment	**(27)**	(30)	**(225)**
Gain on sales of investment securities	**124**	4	**1,032**
Loss on devaluation of investment securities	**(361)**	(573)	**(3,003)**
Gain on sale of commercial right	**176**		**1,464**
Other—net	**361**	30	**3,003**
OTHER INCOME (EXPENSES)—NET	**679**	(437)	**5,649**
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	**7,358**	5,711	**61,215**
INCOME TAXES (Note 8):			
Current	**4,420**	2,463	**36,772**
Deferred	**(805)**	293	**(6,697)**
TOTAL INCOME TAXES	**3,615**	2,756	**30,075**
MINORITY INTERESTS IN NET INCOME	**19**	70	**158**
NET INCOME	**¥ 3,724**	¥ 2,885	**$ 30,982**

	Yen		Dollars
	2003	2002	**2003**
PER SHARE OF COMMON STOCK (Note 2.p):			
Basic net income	**¥93.21**	¥71.62	**$0.78**
Diluted net income		68.05	
Cash dividends applicable to the year	**30.00**	30.00	**0.25**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Ryosan Company, Limited and Consolidated Subsidiaries
Years Ended March 31, 2003 and 2002

	Thousands	Millions of Yen					
	Issued Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gain (Loss) on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Treasury Stock (Note 9)
BALANCE, APRIL 1, 2001	40,826	¥17,691	¥19,114	¥68,377	¥826	¥(325)	
Adjustment of retained earnings for newly consolidated subsidiary				(175)			
Net income				2,885			
Cash dividends, ¥30 per share				(1,218)			
Bonuses to directors				(100)			
Treasury stock—at cost:							
Acquisition (1,284,092 shares)							¥(1,993)
Cancelled (124,000 shares)	(124)			(184)			184
Disposal (9,400 shares)							17
Net decrease in unrealized gain on available-for-sale securities					(370)		
Net increase in foreign currency translation adjustments						523	
BALANCE, MARCH 31, 2002	40,702	17,691	19,114	69,585	456	198	(1,792)
Net income				3,724			
Cash dividends, ¥30 per share				(1,187)			
Treasury stock—at cost:							
Acquisition (903,716 shares)							(1,021)
Cancelled (1,709,700 shares)	(1,709)			(2,177)			2,177
Net decrease in unrealized gain on available-for-sale securities					(490)		
Net decrease in foreign currency translation adjustments						(541)	
BALANCE, MARCH 31, 2003	**38,993**	**¥17,691**	**¥19,114**	**¥69,945**	**¥ (34)**	**¥(343)**	**¥ (636)**

	Thousands of U.S. Dollars (Note 1)					
	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gain (Loss) on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Treasury Stock (Note 9)
BALANCE, MARCH 31, 2002	$147,180	$159,018	$578,909	$3,794	$ 1,647	$(14,908)
Net income			30,982			
Cash dividends, $0.25 per share			(9,875)			
Treasury stock—at cost:						
Acquisition (903,716 shares)						(8,494)
Cancelled (1,709,700 shares)			(18,111)			18,111
Net decrease in unrealized gain on available-for-sale securities				(4,077)		
Net decrease in foreign currency translation adjustments					(4,501)	
BALANCE, MARCH 31, 2003	**$147,180**	**$159,018**	**$581,905**	**$ (283)**	**$(2,854)**	**$ (5,291)**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Ryosan Company, Limited and Consolidated Subsidiaries
Years Ended March 31, 2003 and 2002

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 7,358	¥ 5,711	$ 61,215
Adjustments for:			
Income taxes—paid	(1,359)	(6,557)	(11,306)
Income taxes—refunded	676		5,624
Depreciation and amortization	833	840	6,930
Provision for directors', corporate auditors' and employees' severance payments	93	16	774
Reversal of allowance for doubtful accounts	(82)	(502)	(682)
Loss on devaluation of investment securities	361	573	3,003
Gain on sales of investment securities—net	(124)	(4)	(1,032)
Gain on sales of property, plant and equipment	(34)		(283)
Loss on sales and disposals of property, plant and equipment	27	30	225
Changes in operating assets and liabilities:			
(Increase) decrease in notes and accounts receivable	(13,747)	28,354	(114,368)
(Increase) decrease in inventories	(1,826)	8,281	(15,191)
Increase (decrease) in notes and accounts payable	8,332	(11,954)	69,318
Other—net	(31)	55	(259)
Total adjustments	(6,881)	19,132	(57,247)
NET CASH PROVIDED BY OPERATING ACTIVITIES	477	24,843	3,968
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(270)	(314)	(2,246)
Purchases of intangible assets	(392)	(230)	(3,261)
Purchases of investment securities	(326)	(3,411)	(2,712)
Investments in and advances to unconsolidated subsidiaries and associated companies	(432)	(333)	(3,594)
Proceeds from investments in and advances to unconsolidated subsidiaries and associated companies	463		3,852
Proceeds from sales of property, plant and equipment	41	6	341
Proceeds from sales of investment securities	255	104	2,121
Proceeds from sales of investment in subsidiary	1,595		13,270
Decrease (increase) in other assets	124	(240)	1,031
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,058	(4,418)	8,802
FINANCING ACTIVITIES:			
(Decrease) increase in short-term bank loans—net	(109)	110	(907)
Redemption of long-term debt		(9,118)	
Increase in treasury stock—net	(1,021)	(1,976)	(8,494)
Cash dividends paid	(1,192)	(1,218)	(9,917)
NET CASH USED IN FINANCING ACTIVITIES	(2,322)	(12,202)	(19,318)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(205)	387	(1,705)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(992)	8,610	(8,253)
CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARY, BEGINNING OF YEAR		46	
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	35,834	27,178	298,120
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 34,842	¥ 35,834	$ 289,867

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Ryosan Company, Limited and Consolidated Subsidiaries
Years Ended March 31, 2003 and 2002

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing the consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued in Japan in order to present these statements in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the 2002 financial statements to conform to classifications and presentations used in 2003.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Ryosan Company, Limited (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.20 to $1, the approximate rate of exchange at March 31, 2003. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation—The consolidated financial statements as of March 31, 2003 include the accounts of the Company and its seven (eight in 2002) significant subsidiaries (together the "Companies").

Under the control or influence concept, those entities in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those entities over which the Companies have the ability to exercise significant influence are accounted for by the equity method.

Consolidation of the remaining ten (eight in 2002) subsidiaries and one (two in 2002) associated company would not have a material effect on the accompanying consolidated financial statements. Investments in unconsolidated subsidiaries and associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The difference between the cost and underlying fair value of the consolidated subsidiaries at acquisition are included in other assets and are being amortized on a straight-line basis over five years.

All significant intercompany transactions and balances have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions with the Companies has been eliminated.

b. Cash Equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and commercial paper, all of which mature or become due within three months of the date of acquisition.

c. Marketable and Investment Securities—Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: (1) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost and (2) available-for-sale securities, which are not classified as the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined based on the moving-average method.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

d. Inventories—Inventories are stated at the lower of cost or market, determined by the moving-average method.

e. Property, Plant and Equipment—Property, plant and equipment are stated at cost. Depreciation is mainly computed by the declining-balance method, while the straight-line method is applied to buildings of the Company acquired after April 1, 1998. The range of useful lives is principally from 3 to 50 years for buildings, and from 2 to 15 years for machinery and equipment.

f. Goodwill—Goodwill is carried at cost less accumulated amortization, which is calculated by the straight-line method over a period of 5 years.

g. Liability for Employees' Severance Payments—The Companies have two types of retirement plans. The first plan, which is provided to the employees of the Companies, is a Retirement Allowance Plan ("RAP"), where the Company will pay for lump-sum retirement benefits from the Company's general funds. The second plan, which is provided to the employees of the parent company and one consolidated subsidiary, is a Tax Qualified Pension Plan ("TQPP"), where plan assets to fund future retirement benefits are managed by an independent investment manager.

The Companies accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

h. Liability for Directors' and Corporate Auditors' Severance Payments—Directors and corporate auditors of the Company (and one consolidated subsidiary in 2002) are generally entitled to receive lump-sum payments based on compensation at the time of retirement and years of service when they leave the Company (and one consolidated subsidiary in 2002), under the condition of approval by the shareholders and the Board of Directors.

The annual provision for severance payments is calculated to present the liability at the amount that would be required if all directors and corporate auditors of the Company (and one consolidated subsidiary in 2002) were to retire at the end of the respective fiscal period.

i. Research and Development Costs—Research and development costs are charged to income as incurred.

j. Leases—All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's consolidated financial statements.

k. Income Taxes—The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

l. Appropriations of Retained Earnings—Appropriations of retained earnings at each year end are reflected in the financial statements for the following year upon shareholders' approval.

m. Foreign Currency Transactions—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the income statement to the extent that they are not hedged by forward exchange contracts.

n. Foreign Currency Financial Statements—The balance sheet accounts, revenue and expense of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for shareholders' equity, which is translated at the historical rate. Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of shareholders' equity.

o. Derivative Financial Instruments—The Companies enter into foreign currency forward contracts as a means of hedging exposure to foreign currency. The Companies do not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: (a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement and (b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign currency forward contracts are utilized to hedge foreign currency exposures when the Companies receive orders from customers or place orders with suppliers. Trade payables and receivables denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting.

p. Per Share Information—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

The number of shares used in computing net income per share was 39,313 thousand shares for 2003 and 40,289 thousand shares for 2002.

Diluted net income per share for the year ended March 31, 2003 is not disclosed because it is anti-dilutive.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

3. INVESTMENT SECURITIES

Investment securities as of March 31, 2003 and 2002, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
NON-CURRENT:			
Marketable equity securities	**¥1,980**	¥3,048	**$16,473**
Non-marketable securities	**655**	622	**5,449**
Bonds	**1,000**	800	**8,319**
Investment trust	**1,756**	1,936	**14,609**
TOTAL	**¥5,391**	¥6,406	**$44,850**

The carrying amounts and aggregate fair values of investment securities at March 31, 2003 and 2002, were as follows:

	Millions of Yen			
March 31, 2003	Cost	Unrealized Gains	Unrealized Losses	Fair Value (Carrying Amount)
Securities classified as available-for-sale:				
Equity securities	**¥1,723**	**¥362**	**¥105**	**¥1,980**
Investment trust	**2,000**		**244**	**1,756**
March 31, 2002				
Securities classified as available-for-sale:				
Equity securities	2,195	1,014	161	3,048
Investment trust	2,000		64	1,936

	Thousands of U.S. Dollars			
March 31, 2003	Cost	Unrealized Gains	Unrealized Losses	Fair Value (Carrying Amount)
Securities classified as available-for-sale:				
Equity securities	**$14,334**	**$3,012**	**$ 873**	**$16,473**
Investment trust	**16,639**		**2,030**	**14,609**

Available-for-sale securities whose fair value is not readily determinable at March 31, 2003 and 2002, were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
Available-for-sale:			
Equity securities	**¥ 655**	¥ 622	**$ 5,449**
Debt securities	**1,000**	800	**8,319**
Total	**¥1,655**	¥1,422	**$13,768**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2003 and 2002, were ¥255 million ($2,121 thousand) and ¥104 million, respectively. Gross realized gains on these sales, computed on the moving average cost basis, were ¥124 million ($1,032 thousand) for the year ended March 31, 2003. Gross realized gains and losses on these sales were ¥4 million and ¥10 million, respectively, for the year ended March 31, 2002.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2003, are ¥1,000 million ($8,319 thousand), due after ten years.

4. INVENTORIES

Inventories at March 31, 2003 and 2002, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
Merchandise	**¥11,098**	¥ 9,590	**$92,329**
Finished products	**213**	204	**1,772**
Work in process	**116**	127	**965**
Raw materials	**153**	132	**1,273**
Total	**¥11,580**	¥10,053	**$96,339**

5. PLEDGED ASSETS

The following assets were pledged as collateral for trade accounts payable of ALPS ELECTRIC CO., LTD., etc. at March 31, 2003 and 2002:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
Investment securities	**¥182**	¥496	**$1,514**

6. SHORT-TERM BANK LOANS

Short-term bank loans at March 31, 2003 and 2002, denominated in foreign currency, were represented by notes due within one to three months. The annual interest rates applicable to the short-term bank loans ranged from 1.81% to 3.30% and from 2.42% to 5.00% at March 31, 2003 and 2002, respectively.

7. LIABILITY FOR EMPLOYEES' SEVERANCE PAYMENTS

Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

The liability for employees' retirement benefits at March 31, 2003 and 2002, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
Projected benefit obligation	**¥3,910**	¥4,292	**$32,529**
Fair value of plan assets	**(2,224)**	(2,280)	**(18,502)**
Unrecognized actuarial loss	**(357)**	(760)	**(2,970)**
Net liability	**¥1,329**	¥1,252	**$11,057**

The components of net periodic benefit costs for the years ended March 31, 2003 and 2002, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
Service cost	**¥320**	¥262	**$2,662**
Interest cost	**82**	90	**682**
Expected return on plan assets	**(33)**	(60)	**(274)**
Recognized actuarial loss	**76**		**632**
Net periodic benefit costs	**¥445**	¥292	**$3,702**

Assumptions used for the years ended March 31, 2003 and 2002, are set forth as follows:

	2003	2002
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**1.5%**	2.5%
Recognition period of actuarial gain/loss	**10 years**	10 years

8. INCOME TAXES

The Company and its domestic subsidiary are subject to a number of different taxes based on income which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 42.0% for the years ended March 31, 2003 and 2002.

On March 31, 2003, a tax reform law concerning enterprise tax was enacted in Japan which changed the normal effective statutory tax rate from 42.0% to 40.5%, effective for years beginning on or after April 1, 2004. The income effect of this change on income taxes—deferred in the consolidated statement of income for the year ended March 31, 2003 was a decrease of approximately ¥51 million ($424 thousand).

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2003 and 2002, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
DEFERRED TAX ASSETS:			
Amortization of software	**¥ 329**	¥ 431	**$ 2,737**
Loss on devaluation of investment securities	**387**	271	**3,219**
Accrued bonuses	**393**	115	**3,269**
Accrued enterprise tax	**282**		**2,346**
Liability for employees' severance payments	**378**	249	**3,145**
Liability for directors' and corporate auditors' severance payments	**138**	164	**1,148**
Tax loss carryforwards	**705**	513	**5,866**
Other	**254**	363	**2,113**
Less valuation allowance	**(724)**	(522)	**(6,023)**
TOTAL DEFERRED TAX ASSETS	**2,142**	1,584	**17,820**
DEFERRED TAX LIABILITIES:			
Unrealized gain on available-for-sale securities		427	
Other		57	
TOTAL DEFERRED TAX LIABILITIES		484	
NET DEFERRED TAX ASSETS	**¥2,142**	¥1,100	**$17,820**

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2003 and 2002, is as follows:

	2003	2002
Normal effective statutory tax rate	**42.0%**	42.0%
Expenses not deductible for income tax purposes	**2.3**	3.6
Inhabitants taxes	**0.5**	0.8
Deduction for foreign taxes	**0.5**	(2.0)
Tax benefits not recognized on operating losses of subsidiaries	**2.8**	3.0
Lower income tax rates applicable to income in overseas subsidiaries	**(1.8)**	(4.2)
Elimination of dividend from subsidiaries	**1.7**	5.6
Reduction on deferred tax assets based on the change of enterprise tax rate	**0.7**	
Other—net	**0.4**	(0.5)
Actual effective tax rate	**49.1%**	48.3%

At March 31, 2003, certain subsidiaries have tax loss carryforwards aggregating approximately ¥1,741 million ($14,484 thousand) which are available to be offset against taxable income of such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2004	¥ 1	$ 8
2005	160	1,331
2006	593	4,933
2007	457	3,802
2008	530	4,410
Total	¥1,741	$14,484

9. SHAREHOLDERS' EQUITY

Japanese companies are subject to the Japanese Commercial Code (the "Code") to which certain amendments became effective from October 1, 2001.

The Code was revised whereby common stock par value was eliminated resulting in all shares being recorded with no par value and at least 50% of the issue price of new shares is required to be recorded as common stock and the remaining net proceeds as additional paid-in capital. The Code permits Japanese companies, upon approval of the Board of Directors, to issue shares to existing shareholders without consideration as a stock split. Such issuance of shares generally does not give rise to changes within the shareholders' accounts.

The revised Code also provides that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other appropriations of retained earnings associated with cash outlays applicable to each period shall be appropriated as a legal reserve (a component of retained earnings) until such reserve and additional paid-in capital equals 25% of common stock. The amount of total additional paid-in capital and legal reserve that exceeds 25% of the common stock may be available for dividends by resolution of the shareholders. In addition, the Code permits the transfer of a portion of additional paid-in capital and legal reserve to the common stock by resolution of the Board of Directors.

The revised Code eliminated restrictions on the repurchase and use of treasury stock allowing Japanese companies to repurchase treasury stock by a resolution of the shareholders at the general shareholders meeting and dispose of such treasury stock by resolution of the Board of Directors beginning April 1, 2002. The repurchased amount of treasury stock cannot exceed the amount available for future dividend plus amount of common stock, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the general shareholders meeting.

The amount of retained earnings available for dividends under the Code was ¥64,266 million ($534,659 thousand) as of March 31, 2003, based on the amount recorded in the parent company's general books of account. In addition to the provision that requires an appropriation for a legal reserve in connection with the cash payment, the Code imposes certain limitations on the amount of retained earnings available for dividends.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

Stock Option Plan — At the general shareholders meeting held on June 28, 2001, the Company's shareholders approved the following stock option plan for the Company's directors and key employees.

The plan provides for granting options to directors and key employees to purchase up to 350 thousand shares of the Company's common stock in the period from July 1, 2003 to June 30, 2005. The options will be granted at the price of ¥1,871. The Company is authorized to repurchase up to an aggregate of ¥1,000 million ($8,319 thousand) of common stock and plans to issue such acquired treasury stock upon exercise of the stock options.

10. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥1,200 million ($9,983 thousand) and ¥987 million for the years ended March 31, 2003 and 2002, respectively.

11. LEASES

The Companies lease certain vehicles, computer equipment and other assets.

Total lease payments included in cost of sales and selling, general and administrative expenses under finance lease arrangements that do not transfer ownership of the leased property to the lessee were ¥812 million ($6,755 thousand) and ¥838 million for the years ended March 31, 2003 and 2002, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance lease, depreciation expense and interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2003 and 2002, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
Acquisition cost	**¥3,973**	¥4,112	**$33,053**
Accumulated depreciation	**2,169**	1,813	**18,045**
Net leased property	**¥1,804**	¥2,299	**$15,008**

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
Due within one year	**¥ 668**	¥ 693	**$ 5,557**
Due after one year	**1,257**	1,736	**10,458**
Total	**¥1,925**	¥2,429	**$16,015**

The imputed interest expense portion which is computed using the interest method is excluded from the above obligations under finance leases.

Depreciation expense and interest expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
Depreciation expense	**¥708**	¥726	**$5,890**
Interest expense	**105**	135	**874**
Total	**¥813**	¥861	**$6,764**

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of income, are computed by the straight-line method and the interest method, respectively.

The minimum rental commitments under noncancelable operating leases at March 31, 2003 and 2002, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	**2003**
Due within one year	**¥44**	¥94	**$366**
Due after one year	**26**	46	**216**
Total	**¥70**	¥140	**$582**

12. DERIVATIVES

The Companies enter into foreign exchange forward contracts in the normal course of business, when the Companies receive orders from customers or places orders with suppliers, to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currency.

It is the Companies' policy to use forward exchange contracts to reduce foreign exchange risk associated with assets and liabilities and the Companies do not hold derivatives for speculative purposes.

Because the counterparties to such forward exchange contracts are limited to major Japanese or foreign financial institutions, the Companies do not anticipate any loss arising from credit risk.

The Accounting Division executes forward exchange contracts with financial institutions when requested from the Overseas Sales Division based on the Companies' foreign exchange transaction rules, and confirms the status of forward exchange contracts on a regular basis.

Market value information for foreign currency forward contracts which qualify for hedge accounting for the years ended March 31, 2003 and 2002, is not required to be disclosed.

13. SEGMENT INFORMATION

a. Business Segments

The Companies operate in four reportable segments: Semiconductor, electronic components, electronic equipment, products.

Information about industry segments of the Companies for the years ended March 31, 2003 and 2002, was as follows:

(1) Sales and Operating Income

	Millions of Yen					
2003	Semiconductor	Electronic Components	Electronic Equipment	Products	Eliminations or Corporate	Consolidated
Total sales	**¥ 134,244**	**¥ 95,057**	**¥ 19,881**	**¥ 6,364**		**¥ 255,546**
Operating expenses	**128,538**	**92,719**	**19,391**	**5,599**	**¥ 2,620**	**248,867**
Operating income	**¥ 5,706**	**¥ 2,338**	**¥ 490**	**¥ 765**	**¥ (2,620)**	**¥ 6,679**

	Thousands of U.S. Dollars					
2003	Semiconductor	Electronic Components	Electronic Equipment	Products	Eliminations or Corporate	Consolidated
Total sales	**$1,116,839**	**$790,824**	**$165,399**	**$52,945**		**$2,126,007**
Operating expenses	**1,069,368**	**771,373**	**161,322**	**46,581**	**$ 21,797**	**2,070,441**
Operating income	**$ 47,471**	**$ 19,451**	**$ 4,077**	**$ 6,364**	**$ (21,797)**	**$ 55,566**

	Millions of Yen					
2002	Semiconductor	Electronic Components	Electronic Equipment	Products	Eliminations or Corporate	Consolidated
Total sales	¥ 122,153	¥ 90,993	¥ 25,078	¥ 5,868		¥ 244,092
Operating expenses	116,999	88,669	24,194	5,386	¥ 2,696	237,944
Operating income	¥ 5,154	¥ 2,324	¥ 884	¥ 482	¥ (2,696)	¥ 6,148

(2) Assets, Depreciation and Capital Expenditures

	Millions of Yen					
2003	Semiconductor	Electronic Components	Electronic Equipment	Products	Corporate	Consolidated
Assets	**¥ 60,490**	**¥ 41,076**	**¥ 12,880**	**¥ 4,298**	**¥ 37,836**	**¥ 156,580**
Depreciation	**390**	**246**	**60**	**116**	**20**	**832**
Capital expenditures	**500**	**87**	**23**	**51**		**661**

	Thousands of U.S. Dollars					
2003	Semiconductor	Electronic Components	Electronic Equipment	Products	Corporate	Consolidated
Assets	**$ 503,245**	**$ 341,730**	**$ 107,155**	**$ 35,757**	**$ 314,775**	**$ 1,302,662**
Depreciation	**3,245**	**2,047**	**499**	**965**	**166**	**6,922**
Capital expenditures	**4,160**	**724**	**191**	**424**		**5,499**

	Millions of Yen					
2002	Semiconductor	Electronic Components	Electronic Equipment	Products	Corporate	Consolidated
Assets	¥ 51,410	¥ 38,719	¥ 13,732	¥ 3,940	¥ 39,274	¥ 147,075
Depreciation	377	268	73	97	22	837
Capital expenditures	143	309	26	61		539

b. Geographical Segments
The geographical segments of the Companies for the years ended March 31, 2003 and 2002, were summarized as follows:

	Millions of Yen			
2003	Japan	Asia	Eliminations or Corporate	Consolidated
Outside customers	**¥ 194,372**	**¥ 61,174**		**¥ 255,546**
Interarea	**5,374**	**295**	**¥ (5,669)**	
Total sales	**199,746**	**61,469**	**(5,669)**	**255,546**
Operating expenses	**194,168**	**60,298**	**(5,599)**	**248,867**
Operating income	**¥ 5,578**	**¥ 1,171**	**¥ (70)**	**¥ 6,679**
Assets	**¥ 142,502**	**¥ 14,078**		**¥ 156,580**

	Thousands of U.S. Dollars			
2003	Japan	Asia	Eliminations or Corporate	Consolidated
Outside customers	**$ 1,617,072**	**$508,935**		**$ 2,126,007**
Interarea	**44,709**	**2,454**	**$(47,163)**	
Total sales	**1,661,781**	**511,389**	**(47,163)**	**2,126,007**
Operating expenses	**1,615,375**	**501,647**	**(46,581)**	**2,070,441**
Operating income	**$ 46,406**	**$ 9,742**	**$ (582)**	**$ 55,566**
Assets	**$ 1,185,541**	**$117,121**		**$ 1,302,662**

	Millions of Yen			
2002	Japan	Asia	Eliminations or Corporate	Consolidated
Outside customers	¥ 184,194	¥ 59,898		¥ 244,092
Interarea	3,753	367	¥ (4,120)	
Total sales	187,947	60,265	(4,120)	244,092
Operating expenses	183,828	58,490	(4,374)	237,944
Operating income	¥ 4,119	¥ 1,775	¥ 254	¥ 6,148
Assets	¥ 132,262	¥ 14,813		¥ 147,075

Sales are summarized by geographic area based on the countries where subsidiaries are located.

c. Sales to Foreign Customers
Sales to foreign customers for the years ended March 31, 2003 and 2002, amounted to ¥70,908 million ($589,917 thousand) and ¥63,657 million, respectively.

14. CONTINGENT LIABILITIES

At March 31, 2003, the Companies had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Discounted export draft	¥ 3	$ 25
Guarantees of bank loans and items of a similar nature	107	890

15. SUBSEQUENT EVENTS

On June 26, 2003, the shareholders of the Company authorized the following appropriations of retained earnings as of March 31, 2003:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividends, ¥15 ($0.12)	¥580	$4,825
Bonuses to directors and corporate auditors	60	499

Repurchase of the Company's Common Stock
At the general shareholders meeting held on June 26, 2003, the Company's shareholders approved the repurchase of the Company's common stock as follows:

The Company is authorized to repurchase, at management's discretion, up to 2,000 thousand shares of the Company's common stock (aggregate amount of ¥3.5 billion ($29 million)) as treasury stock until the next general shareholders meeting.

INDEPENDENT AUDITORS' REPORT

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Deloitte Touche Tohmatsu

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF RYOSAN COMPANY, LIMITED:

We have audited the accompanying consolidated balance sheets of Ryosan Company, Limited and consolidated subsidiaries as of March 31, 2003 and 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ryosan Company, Limited and consolidated subsidiaries as of March 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 26, 2003

BOARD OF DIRECTORS AND CORPORATE AUDITORS (As of June 26, 2003)

PRESIDENT
Tatsuo Ui *

SENIOR MANAGING DIRECTOR
Tsutomu Sano

MANAGING DIRECTORS
Masakazu Umezawa
Eiji Hamano
Yukio Tanaka
Shizuo Eguchi
Hiroshi Yoshida

DIRECTORS
Kazuo Yanagisawa
Isao Hayashi
Naotsugu Kasuya
Sugao Komatsu
Yukio Sasaki

CORPORATE AUDITORS
Hiroyuki Tanaka **
Akira Tone **
Michio Tachikawa

* Representative Director
** Full-time Corporate Auditor

Note: Michio Tachikawa, corporate auditor, is a Statutory Auditor as set out in Article 18-1 of the Law for Special Exceptions to Commercial Code concerning Audit etc. of Kabushiki-Kaisha.

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TEL:86-21-58695891
FAX:86-21-58695592

Zhong Ling International Trading
(Shanghai) Co., Ltd. Pushi Office
Rm. 1101, Shanghai Union Building
100 Yan An Road East,
People's Republic of China
TEL:86-21-63202670
FAX:86-21-63201363

Dalian F.T.Z Ryosan International
Trading Co., Ltd.
Rm. 101, International Trade Center, No.3
Haitian Rd.,
Dalian Free Trade Zone, Dalian 116600,
People's Republic of China
TEL:86-411-7325290
FAX:86-411-7327782

Singapore Ryosan Private Limited
23 Genting Road,
#02-01/06 Chevalier House,
Singapore 349481
TEL:65-7478668
FAX:65-7460035

Ryotai Corporation
11th Floor Sunplaza,
No. 57 Fushing North Road,
Taipei, Taiwan, R.O.C.
TEL:886-2-27314907
FAX:886-2-27724554

Ryosan IPC (Malaysia) Sdn. Bhd.
N017, Jalan Kartunis, U1/47,
Temasya Industrial Park
40150, Shah Alam, Selangor Darul,
Ehsan, Malaysia
TEL:60-3-55698808
FAX:60-3-55698806

Ryosan IPC (Malaysia) Sdn. Bhd., Penang Office
Tingkat Tiga, 345-K-1,
Bangunan Kelab Gelugor,
11700 Jalan Sultan AzlanShah,
Gelugor, Penang, Malaysia
TEL:60-4-6572755
FAX:60-4-6572761

Ryosan IPC (Malaysia) Sdn. Bhd., Johor Bahru Office
No. 22A, Jalan Sagu 5, Taman Daya,
81100, Johor Bahru, Malaysia
TEL:60-7-3530781
FAX:60-7-3532716

Ryosan (Malaysia) Sdn. Bhd.
W605, 6th Floor, West Tower,
Wisma Consplant,
No. 02, SS16/4, Subang Jaya,
47500, Petaling Jaya, Selangor Darul,
Ehsan, Malaysia
TEL:60-3-56344818
FAX:60-3-56344819

Korea Ryosan Corporation
6th Floor, Chungnam Building,
1329-3, Seocho-Dong, Seocho-ku,
Seoul 137-072, Korea
TEL: 82-2-34740961
FAX: 82-2-34740965

Ryosan (Thailand) Co., Ltd.
Bangkok Union Insurance Building, (BUI)
9th Floor, Unit 7. 177/1
Surawongse Road, Suriyawongse Bangrak,
Bangkok, 10500, Thailand
TEL: 66-2-634-7315/7316
FAX: 66-2-634-7317

Ryosan Technologies USA Inc.
100 Century Center Ct., Suite 504,
San Jose, CA 95112, U.S.A.
TEL: 1-408-4419511
FAX: 1-408-4419529

Ryosan Technologies USA Inc., Cincinnati Office
5 Triangle Park Drive,
Suite 503 Cincinnati,
Ohio 45246 U.S.A.
TEL: 1-513-771-1610
FAX: 1-513-771-1628

Ryosan Engineering (Malaysia) Sdn. Bhd.
Lot 6, Jalan Lada Hitam, 16/12,
Kawasan Perindustrian, Miel, 40000 Shah
Alam, Selangor Darul Ehsan, Malaysia
TEL: 60-3-55193766
FAX: 60-3-55193768

Ryosan Engineering (Thailand) Co., Ltd.
Amata Nakorn Industrial Estate, 700/339
Moo6, Bangna-Trading Road KM. 57,
Tambol Donhualor, Amphur Muang,
Chonburi Province, 20000, Thailand
TEL: 66-38-214430
FAX: 66-38-214434

INVESTOR INFORMATION

As of March 31, 2003

Date of Incorporation:	March 1957
Paid-in Capital:	¥17,690,508,514
Authorized Shares:	158,166,300
Outstanding Shares:	38,992,702
Number of Shareholders:	5,127
Ordinary General Meeting:	The Ordinary General Meeting of Shareholders is held annually in June.
Stock Listing:	Tokyo Stock Exchange, First Section
Transfer Agent:	The Sumitomo Trust & Banking Co., Ltd. 4-5-33, Kitahama, Chuo-ku, Osaka
Share Handling Agent:	The Sumitomo Trust & Banking Co., Ltd. Stock Transfer Agency Department 1-4-4, Marunouchi, Chiyoda-ku, Tokyo

COMPOSITION OF SHAREHOLDERS

	Thousands of shares	%
Financial Institutions	21,147	54.23
Securities companies	285	0.73
Other corporations	3,401	8.72
Foreign corporations and other foreign investors	4,573	11.73
Individuals and others	9,587	24.59

MAJOR SHAREHOLDERS

	Thousands of shares	Percentage of voting rights %
Japan Trustee Services Bank, Ltd. (Money Trust)	4,229	10.96
Trust & Custody Services Bank, Ltd.	2,758	7.15
The Master Trust Bank of Japan, Ltd. (Holder in Trust)	2,299	5.96
Sumitomo Mitsui Banking Corporation	1,306	3.39
NEC Electronics Corporation	1,204	3.12
Pension Trust, Mitsui Asset Trust and Banking Company, Limited. (No.2 Account)	1,131	2.93
The Bank of Tokyo-Mitsubishi, Ltd.	949	2.46
Nippon Life Insurance Company	869	2.25
Sumitomo Life Insurance Company	861	2.23
The Mitsubishi Trust and Banking Corporation (Money Trust)	756	1.96

COMMON STOCK PRICE RANGE

	FY1999	FY2000	FY2001	FY2002	FY2003
High(¥)	2,560	3,240	2,460	1,989	1,520
Low(¥)	1,566	1,685	1,623	1,332	1,036

	Apr.2002	May 2002	Jun.2002	Jul.2002	Aug.2002	Sept.2002	Oct.2002	Nov.2002	Dec.2002	Jan.2003	Feb.2003	Mar.2003
High(¥)	1,492	1,510	1,520	1,452	1,465	1,372	1,298	1,199	1,210	1,280	1,269	1,294
Low(¥)	1,391	1,404	1,350	1,300	1,300	1,267	1,046	1,036	1,079	1,142	1,146	1,085

FOR FURTHER INFORMATION, PLEASE CONTACT:

INVESTOR RELATIONS AND PUBLICITY OFFICE

TEL: 03-3862-3816 FAX: 03-3862-1390

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