

ROHM CO., LTD. Financial Highlights for the First Quarter of Fiscal Year Ending March 31, 2006



August 9, 2005

Consolidated Financial Results

(Figures less than ¥1 million are rounded down. Any other fractions less than the unit are rounded off.)

		First quarter of	First quarter of	Increase/decrease from the first		Year ended	Year ending March 31, 2006 (Projected)		
		fiscal year ending	fiscal year ended	quarter of fiscal year ended	Match 31,	March 31, 2005	Annual	Increase/ decrease from the previous year	First six months
		March 31, 2006	March 31, 2005	2005	2005	March 31, 2005			
		Actual	Actual	Amount	Percentage	Actual			
Net sales	Millions of yen	95,192	97,984	-2,792	-2.8%	369,023	387,500	+5.0%	198,000
Cost of sales	Millions of yen	59,901	53,689	+6,212	+11.6%	221,132	232,000		118,000
Selling, general and administrative expenses	Millions of yen	20,064	17,619	+2,445	+13.9%	71,836	75,500		38,000
Operating income	Millions of yen	15,227	26,674	-11,447	-42.9%	76,054	80,000	+5.2%	42,000
(Operating income margin)		(16.0%)	(27.2%)	(-11.2%)		(20.6%)	(20.6%)		(21.2%)
Ordinary income	Millions of yen	18,831	29,156	-10,325	-35.4%	79,320	83,500	+5.3%	43,000
(Ordinary income margin)		(19.8%)	(29.8%)	(-10.0%)		(21.5%)	(21.5%)		(21.7%)
Net income	Millions of yen	12,131	17,652	-5,521	-31.3%	45,135	54,500	+20.7%	28,000
(Net income margin)		(12.7%)	(18.0%)	(-5.3%)		(12.2%)	(14.1%)		(14.1%)
Basic net income per share	Yen	104.46	148.61	-44.15	-29.7%	380.22	469.98		241.46
Return on equity	%					6.2			
Ordinary income to total assets	%					9.3			
Total assets	Millions of yen	869,258	870,862			867,322			
Shareholders' equity	Millions of yen	738,663	732,473			739,329			
Shareholders' equity ratio	%	85.0	84.1			85.2			
Shareholders' equity per share	Yen	6,373.97	6,166.59			6,326.64			
Foreign exchange rate (Average yen-dollar rate)	Yen/US\$	107.28	108.41			107.28	105		105

Notes:

Figures for the year ending March 31, 2006 (projected) were forecasted based on certain data and information available at this time. Thus, actual business results may differ considerably from the projected figures due to changes in business conditions.

The financial figures for the first quarters of the fiscal years ended March 31, 2005 and ending March 31, 2006 have not been audited by independent auditors.

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



(Translation)

**Summary of Consolidated Financial and Operating Results
for the First Quarter of the Year ending March 31, 2006**

August 9, 2005

Name of the listed company: ROHM CO., LTD.

Code number: 6963

Listing: The Tokyo Stock Exchange and the Osaka Securities Exchange, 1st section

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

Contact:

Title and name of representative: Ken Sato, President & CEO

Title and name of responsible person: Eiichi Sasayama, Group General Manager of the Accounting
& Financing Division

Telephone number: (075) 311-2121

1. Matters concerning the preparation of the consolidated quarterly financial information
 - 1) Adoption of simplified accounting method: None
 - 2) Accounting changes from the most recent consolidated financial year: None
 - 3) Changes in the scope of consolidation and application of the equity method: None

2. Summary of financial and operating results for the first quarter of the year ending March 31, 2006 (from April 1, 2005 to June 30, 2005)
 - 1) Consolidated financial and operating results

(Amounts less than ¥1 million have been rounded down.)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	(%)	¥ million	(%)	¥ million	(%)	¥ million	(%)
Three months ended June 30, 2005	¥95,192	(2.8%)	¥15,227	(42.9%)	¥18,831	(35.4%)	¥12,131	(31.3%)
Three months ended June 30, 2004	97,984	10.1%	26,674	9.1%	29,156	20.2%	17,652	26.7%
Year ended March 31, 2005 (for reference)	369,023		76,054		79,320		45,135	

	First Quarter Net Income per Share	First Quarter Diluted Net Income per Share
	(in ¥)	(in ¥)
Three months ended June 30, 2005	¥104.46	-
Three months ended June 30, 2004	148.61	-
Year ended March 31, 2005 (for reference)	380.22	-

Note: The percentage changes in net sales, operating income, ordinary income and net income represent increases (decreases) from the same quarter of the prior year.

[Qualitative Information Regarding Consolidated Business Results] (April 1, 2005 to June 30, 2005)

Overall Review of Business Results

The world economy during this first quarter generally progressed steadily with exception of Europe's lagging economic recovery. However, the direction of this economy became unclear due to rising crude oil prices. The Japanese economy has yet to break through, due to slowing export growth trends, in spite of increased capital expenditures and improved employment conditions. In the electrical component industry, the recovery of the consumer electronics market remained weak. Although demand for certain digital audio visual devices such as flat-panel televisions was high, this was offset by the effects of inventory adjustments and increased competition. The personal computer market entered a seasonal correction phase, but was relatively firm compared to the prior fiscal year. The mobile phone market continued to be strong due to popularization of the third generation mobile phones and higher functionalities, despite the effect of production adjustments in certain countries.

Under these circumstances, the Group has continued to persistently work on cost reduction measures including rationalization of production processes, expanding its product lines and research and development of new products.

As a result, consolidated business results for this first quarter were as follows: consolidated sales were 95,192 million yen, down 2.8% from the same period last year; consolidated ordinary income was 18,831 million yen, down 35.4% from the same period last year; and consolidated net income was 12,131 million yen, down 31.3% from the same period last year.

Consolidated Business Results by Division

<Integrated Circuits>

Consolidated sales for the integrated circuit (IC) division for this first quarter was 41,730 million yen, down 0.7% from the same period last year.

In the consumer electronic components market, there has been widespread adoption of various large-scale integrations circuits (LSIs) for flat-screen displays such as flat-panel televisions and audio related LSIs for portable music players featuring hard disks or flash memory. Sales of LSIs for conventional audio devices such as portable CD players remained stagnant. Sales of LSIs for digital still cameras and DVD players showed sluggish growth due to slowing demand and falling retail prices. In the personal computer market, overall sales were strong despite of seasonal adjustments, fueled by introduction of new products such as power supply LSIs for optical disk and hard drives. In the mobile phone market, sales were strong for LCD-driver LSIs, various power supply LSIs, and sound source LSIs for third generation mobile phones. As for general-purpose LSIs, sales remained steady for Rohm's

original double-cell (W-CELL) system based electronically erasable and programmable read only memory (EEPROM).

<Discrete Semiconductor Devices>

Consolidated sales for the discrete semiconductor device division for this first quarter were 37,339 million yen, down 2.1% from the same period last year.

Sales of transistors and diodes were affected by slowing demand, although marketing efforts were made for power MOSFET* as well as power diodes. Sales of light-emitting diodes (LEDs) increased, especially for blue LEDs and white LEDs for mobile phones. Laser diodes sales were steady, especially for high power laser diodes supporting CD-R/RW (write only) and high power dual-wavelength laser diodes. Sales of laser diodes supporting CD/DVD (read only) declined due to production adjustments implemented by some end set manufacturers. With respect to the Division's production structure, Rohm Tsukuba Co., Ltd., worked to expand front end production capacity for power MOSFETs(*1), the demand for which has been increasing. At the same time, post-production processes are being transferred to overseas factories to strengthen cost competitiveness.

*1 MOSFET: Metal oxide semiconductor field effect transistors, featuring low power dissipation.

<Passive Components>

Consolidated sales for the semiconductor element division for this first quarter was 5,890 million yen, down 6.7% from the same period last year.

The passive component market showed signs of seasonal recovery due to order increases in ultra miniature products, multiple-chip compound products and high precision products, such as low ohmic resistors and 0603-size film resistors. Competition from overseas manufactures continued to increase.

With respect to the Division's production structure, the Group has continued to transfer passive component production to overseas factories as well as striving to improve supply system efficiency.

<Displays>

Consolidated sales for the semiconductor element division for this first quarter was 10,232 million yen, down 11.2% from the same period last year.

Sales were steady for printheads for miniaturized printers for POS systems and image sensor heads for multifunction printers (*2). Sales for LED displays were slow due to stagnant growth mainly in the digital still camera market. Conditions were severe for LCD modules and camera modules due to production adjustments in certain mobile phone markets in Asia, etc.

With respect to the Division's production structure, continued cost reduction measures were taken including the transfer of certain production to a newly-established factory in Dalian, China.

*2 Multifunction printer is a printer featuring a number of additional functions, for example, copying, faxing, and scanning.

2) Changes in consolidated financial position

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	¥ million	¥ million	(%)	(in ¥)
As of June 30, 2005	¥869,258	¥738,663	85.0%	¥6,373.97
As of June 30, 2004	870,862	732,473	84.1	6,166.59
As of March 31, 2005 (for reference)	867,322	739,329	85.2	6,326.64

[Consolidated cash flows]

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Ending balance of cash & cash equivalents
	¥ million	¥ million	¥ million	¥ million
Three months ended June 30, 2005	¥16,451	(¥11,430)	(¥15,063)	¥282,676
Three months ended June 30, 2004	29,447	(22,233)	(5,058)	316,075
Year ended March 31, 2005 (for reference)	91,919	(87,429)	(30,037)	288,974

[Qualitative Information Regarding Changes in Consolidated Financial Position] (April 1, 2005 to June 30, 2005)

With respect to the financial position at the end of this first quarter: total assets were ¥869,258 million (a ¥1,936 million increase from the prior year end); total liabilities were ¥130,266 million (a ¥2,614 million increase from the prior year end); minority shareholders' interest was ¥327 million (a ¥13 million decrease from the prior year end); and total shareholders' equity was ¥738,663 million (a ¥666 million decrease from the prior year end).

The status of cash flows was as follows:

Cash flow from operating activities for this first quarter was a positive ¥16,451 million (positive ¥29,447 million for the prior first quarter) due to first quarter income before income taxes and depreciation, offset by income tax payments and increases in trade receivables.

Cash flow from investing activities for this first quarter was a negative ¥11,430 million (negative ¥22,233 million for the prior first quarter) due to expenditures for acquisition of tangible fixed assets, offset by proceeds from the sale of marketable securities and investment securities.

Cash flow from financing activities for this first quarter was a negative ¥15,063 million (negative ¥5,058 million for the prior first quarter) due to payments for the acquisition of treasury stock and dividend payments.

After inclusion of the exchange gain on cash and cash equivalents, the balance of cash and cash equivalents as of the end of this first quarter was ¥282,676 million, a ¥6,298 million decrease from the end of the prior year.

(Note)

Projected consolidated financial results for the year ending March 31, 2006 (from April 1, 2005 to March 31, 2005):

There has been no change in the projected consolidated financial results since the prior period announcement made on May 12, 2005.

Consolidated Balance Sheets – First Quarter

Assets

Account	Period	Current first quarter As of June 30, 2005 (Unaudited)		Prior first quarter As of June 30, 2004 (Unaudited)		Prior year As of March 31, 2005		Increase (decrease) from prior year-end
		Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
		¥ million	%	¥ million	%	¥ million	%	¥ million
Current Assets:								
Cash and time deposits		¥ 289,061		¥ 311,454		¥ 270,337		¥ 18,724
Notes and accounts receivable - trade		98,752		102,644		93,078		5,674
Securities		35,750		40,980		58,175		(22,425)
Inventories		68,460		62,093		68,037		423
Prepaid pension cost		3,731		4,378		3,676		55
Deferred tax assets		11,490		13,601		12,138		(648)
Refundable income taxes		1,741		76		1,645		96
Other		8,013		7,477		6,494		1,519
Allowance for doubtful note and accounts		(535)		(564)		(594)		59
Total current assets		516,466	59.4%	542,142	62.3%	512,990	59.1%	3,476
Noncurrent Assets:								
Property, Plant and Equipment								
Buildings and structures		161,273		151,473		156,327		4,946
Machinery and transportation equipment		375,305		335,821		364,086		11,219
Tools, furniture and fixtures		32,213		28,224		31,391		822
Land		64,376		54,406		64,582		(206)
Construction in progress		26,851		28,079		33,181		(6,330)
Accumulated depreciation		(402,169)		(370,637)		(395,610)		(6,559)
Total property, plant and equipment		257,852	29.7	227,368	26.1	253,958	29.3	3,894
Intangible Noncurrent Assets		1,745	0.2	2,458	0.3	1,803	0.2	(58)
Investments and Other Assets								
Investment securities		83,964		91,015		89,781		(5,817)
Deferred tax assets		7,558		6,510		7,253		305
Other		1,922		1,793		1,785		137
Allowance for doubtful accounts		(251)		(426)		(250)		(1)
Total investments and other assets		93,194	10.7	98,893	11.3	98,570	11.4	(5,376)
Total noncurrent assets		352,791	40.6	328,720	37.7	354,332	40.9	(1,541)
Total Assets		¥ 869,258	100.0%	¥ 870,862	100.0%	¥ 867,322	100.0%	¥ 1,936

Liabilities and Shareholders' Equity

Account	Current first quarter As of June 30, 2005 (Unaudited)		Prior first quarter As of June 30, 2004 (Unaudited)		Prior year As of March 31, 2005		Increase (decrease) from prior year-end
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
	¥ million	%	¥ million	%	¥ million	%	¥ million
Current Liabilities:							
Notes and accounts payable - trade	¥ 22,027		¥ 26,184		¥ 22,153		(¥ 126)
Other accounts payable	43,129		45,834		42,260		869
Accrued income taxes	5,352		10,217		8,873		(3,521)
Deferred tax liabilities	622		790		477		145
Other	12,388		10,809		12,199		189
Total current liabilities	83,520	9.6%	93,836	10.8%	85,964	10.0%	(2,444)
Long-Term Liabilities:							
Deferred tax liabilities	43,837		35,008		38,896		4,941
Liability for employees' retirement benefits	901		7,346		805		96
Allowance for retirement benefits for directors and corporate auditors	1,983		1,891		1,986		(3)
Other	23		-		-		23
Total long-term liabilities	46,745	5.4	44,246	5.1	41,688	4.8	5,057
Total liabilities	130,266	15.0	138,083	15.9	127,652	14.8	2,614
Minority interests	327	0.0	305	0.0	340	0.0	(13)
Shareholders' Equity:							
Common stock	86,969	10.0	86,969	10.0	86,969	10.0	-
Capital surplus	102,403	11.8	102,403	11.7	102,403	11.8	-
Retained earnings	608,802	70.0	579,259	66.5	601,689	69.4	7,113
Net unrealized gain on available-for-sale securities	3,003	0.4	2,458	0.3	2,569	0.3	434
Foreign currency translation adjustments	(32,177)	(3.7)	(38,307)	(4.4)	(34,061)	(3.9)	1,884
Treasury stock	(30,337)	(3.5)	(310)	(0.0)	(20,241)	(2.4)	(10,096)
Total shareholders' equity	738,663	85.0	732,473	84.1	739,329	85.2	(666)
Total Liabilities, Minority Interests and Shareholders' Equity	¥ 869,258	100.0%	¥ 870,862	100.0%	¥ 867,322	100.0%	¥ 1,936

Consolidated Income Statements – First Quarter

Account	Three months ended June 30, 2005 (Unaudited)		Three months ended June 30, 2004 (Unaudited)		Increase (decrease)	Year ended March 31, 2005	
	Amount	Percentage	Amount	Percentage	Amount	Amount	Percentage
	¥ million	%	¥ million	%	¥ million	¥ million	%
Net sales	¥ 95,192	100.0%	¥ 97,984	100.0%	(¥ 2,792)	¥ 369,023	100.0%
Cost of sales	59,901	62.9	53,689	54.8	6,212	221,132	59.9
Gross profit	35,291	37.1	44,294	45.2	(9,003)	147,891	40.1
Selling, general and administrative expenses	20,064	21.1	17,619	18.0	2,445	71,836	19.5
Operating income	15,227	16.0	26,674	27.2	(11,447)	76,054	20.6
Non-operating income:							
Interest income	1,226		609		617	3,275	
Foreign currency exchange gains	2,131		1,663		468	332	
Other	362		304		58	1,160	
Total non-operating income	3,720	3.9	2,578	2.7	1,142	4,767	1.3
Non-operating expenses:	116	0.1	96	0.1	20	1,501	0.4
Ordinary income	18,831	19.8	29,156	29.8	(10,325)	79,320	21.5
Extraordinary gains	78	0.1	2	0.0	76	21	0.0
Extraordinary losses	191	0.2	105	0.1	86	8,500	2.3
Income before income taxes and minority interests	18,718	19.7	29,052	29.7	(10,334)	70,841	19.2
Income taxes - current	4,281	4.5	10,214	10.5	(5,933)	20,975	5.7
Income taxes - deferred	2,320	2.5	1,178	1.2	1,142	4,691	1.3
Minority interests (loss)	(14)	(0.0)	7	0.0	(21)	40	0.0
Net Income for the period	¥ 12,131	12.7%	¥ 17,652	18.0%	(¥ 5,521)	¥ 45,135	12.2%

Consolidated Cash Flow Statements – First Quarter

Account	Period	Three months ended June 30, 2005 (Unaudited)	Three months ended June 30, 2004 (Unaudited)	Increase (decrease)	Year ended March 31, 2005
		Amount	Amount	Amount	Amount
		¥ million	¥ million	¥ million	¥ million
I Operating activities					
1. Income before income taxes and minority interests		¥ 18,718	¥ 29,052	(¥ 10,334)	¥ 70,841
2. Depreciation and amortization		12,113	9,794	2,319	47,442
3. Amortization of goodwill		-	167	(167)	668
4. Interest and dividend income		(1,252)	(629)	(623)	(3,318)
5. Foreign currency exchange losses/(gains)		(2,038)	(1,454)	(584)	(1,320)
6. Increase/(decrease) in net liability for employees' retirement benefits		35	(95)	130	(6,003)
7. (Increase)/decrease in notes and accounts receivable - trade		(4,723)	(9,079)	4,356	716
8. (Increase)/decrease in inventories		(136)	72	(208)	(5,252)
9. Increase/(decrease) in notes and accounts payable - trade		(311)	2,967	(3,278)	(1,630)
10. Other - net		(47)	3,577	(3,624)	5,323
Sub-total		22,358	34,371	(12,013)	107,465
11. Interest and dividends - received		1,475	637	838	3,510
12. Compensation for expropriation - received		-	1,383	(1,383)	1,383
13. Income taxes - refunded (paid)		(7,381)	(6,946)	(435)	(20,440)
Net cash provided by operating activities		16,451	29,447	(12,996)	91,919
II Investing activities					
1. Decrease (increase) in time deposits		(3,975)	877	(4,852)	15,909
2. Purchases of securities and investment securities		(1,942)	(17,049)	15,107	(56,497)
3. Proceeds from sales and repayments of securities and investment securities		10,297	10,865	(568)	31,932
4. Purchases of property, plants and equipment		(16,193)	(17,731)	1,538	(78,753)
5. Other - net		384	803	(419)	(19)
Net cash used in investing activities		(11,430)	(22,233)	10,803	(87,429)
III Financing activities					
1. Purchases of treasury stock		(10,096)	(9)	(10,087)	(19,940)
2. Dividends paid		(4,966)	(5,048)	82	(10,096)
3. Other - net		(1)	(1)	(0)	(1)
Net cash used in financing activities		(15,063)	(5,058)	(10,005)	(30,037)
IV Exchange gain on cash and cash equivalents		3,743	3,342	401	3,944
V Increase (decrease) in cash and cash equivalents		(6,298)	5,496	(11,794)	(21,603)
VI Beginning balance of cash and cash equivalents		288,974	310,578	(21,604)	310,578
VII Ending balance of cash and cash equivalents		¥ 282,676	¥ 316,075	(¥ 33,399)	¥ 288,974

Segment Information

1. Geographical segments

For the three months ended June 30, 2005 (Unaudited) (In ¥ million)

	Japan	Asia	Americas	Europe	Total	Eliminations /Corporate	Consolidated
Sales							
(1) Sales to customers	¥38,886	¥48,528	¥3,102	¥4,675	¥95,192	-	¥95,192
(2) Interarea transfer	13,404	43,601	67	73	57,146	(¥57,146)	-
Total sales	¥52,290	¥92,129	¥3,170	¥4,748	¥152,339	(¥57,146)	¥95,192

For the three months ended June 30, 2004 (Unaudited) (In ¥ million)

	Japan	Asia	Americas	Europe	Total	Eliminations /Corporate	Consolidated
Sales							
(1) Sales to customers	¥42,574	¥46,289	¥3,783	¥5,335	¥97,984	-	¥97,984
(2) Interarea transfer	14,776	28,039	62	103	42,981	(¥42,981)	-
Total sales	¥57,351	¥74,329	¥3,845	¥5,439	¥140,965	(¥42,981)	¥97,984

For the year ended March 31, 2005 (In ¥ million)

	Japan	Asia	Americas	Europe	Total	Eliminations /Corporate	Consolidated
Sales							
(1) Sales to customers	¥162,816	¥172,729	¥13,111	¥20,366	¥369,023	-	¥369,023
(2) Interarea transfer	58,288	115,210	219	874	174,592	(¥174,592)	-
Total sales	¥221,104	¥287,939	¥13,331	¥21,240	¥543,615	(¥174,592)	¥369,023

2. Sales to foreign customers

For the three months ended June 30, 2005 (Unaudited) (In ¥ million)

	Asia	Americas	Europe	Total
I Sales to foreign customers	¥48,731	¥3,536	¥4,147	¥56,414
II Net sales				¥95,192
III Percentage of sales to foreign customers to net sales	51.2%	3.7%	4.4%	59.3%

For the three months ended June 30, 2004 (Unaudited) (In ¥ million)

	Asia	Americas	Europe	Total
I Sales to foreign customers	¥46,779	¥3,963	¥5,046	¥55,789
II Net sales				97,984
III Percentage of sales to foreign customers to net sales	47.7%	4.0%	5.2%	56.9%

For the year ended March 31, 2005

(In ¥ million)

	Asia	Americas	Europe	Total
I Sales to foreign customers	¥174,159	¥13,990	¥19,021	¥207,171
II Net sales				369,023
III Percentage of sales to foreign customers to net sales	47.2%	3.8%	5.1%	56.1%

3. Sales Performance

Sales by product line

(In ¥ million)

Period Product line	Three months ended June 30, 2005 (Unaudited)		Three months ended June 30, 2004 (Unaudited)		Increase (decrease)		Year ended March 31, 2005	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Electronic components:								
Integrated circuits	¥41,730	43.8%	¥42,022	42.9%	(¥292)	(0.7%)	¥159,022	43.1%
Discrete semiconductor devices	37,339	39.2	38,133	38.9	(794)	(2.1)	141,787	38.4
Passive components	5,890	6.2	6,312	6.4	(422)	(6.7)	23,610	6.4
Displayies	10,232	10.8	11,516	11.8	(1,284)	(11.1)	44,603	12.1
Total	¥95,192	100.0%	¥97,984	100.0%	(¥2,792)	(2.8%)	¥369,023	100.0%