

ROHM CO., LTD. Financial Highlights for Year Ended March 31, 2004



May 13, 2004

1. Consolidated Financial Results

(Figures are rounded down to the nearest million yen. Any fraction less than the unit are rounded off.)

		Year ended March 31, 2004 Actual	Year ended March 31, 2003 Actual	Increase/decrease from the year ended March 31, 2003		Year ending March 31, 2005 (Projected)			
				Amount	Percentage	Annual	Increase/ decrease from the previous year	First six months	Increase/ decrease from the corresponding six months of the previous year
Net sales	Millions of yen	355,630	350,281	+5,349	+1.5%	396,000	+11.4%	202,000	+11.0%
Cost of sales	Millions of yen	194,856	185,795	+9,061	+4.9%	219,000		108,300	
Selling, general and administrative expenses	Millions of yen	66,266	68,363	-2,097	-3.1%	70,000		36,700	
Operating income	Millions of yen	94,507	96,122	-1,615	-1.7%	107,000	+13.2%	57,000	+12.6%
(Operating income margin)		(26.6%)	(27.4%)	(-0.8%)		(27.0%)		(28.2%)	
Ordinary income	Millions of yen	92,083	91,684	+399	+0.4%	109,000	+18.4%	58,000	+23.5%
(Ordinary income margin)		(25.9%)	(26.2%)	(-0.3%)		(27.5%)		(28.7%)	
Net income	Millions of yen	63,717	53,003	+10,714	+20.2%	67,000	+5.2%	35,000	+30.6%
(Net income margin)		(17.9%)	(15.1%)	(+2.8%)		(16.9%)		(17.3%)	
Basic net income per share	Yen	535.62	445.52	+90.10	+20.2%	564.06		294.66	
Return on equity	%	9.2	8.1	+1.1					
Ordinary income to total assets	%	11.1	11.9	-0.8					
Total assets	Millions of yen	846,799	805,692	+41,107	+5.1%				
Shareholders' equity	Millions of yen	715,938	676,577	+39,361	+5.8%				
Shareholders' equity ratio	%	84.5	84.0	+0.5					
Shareholders' equity per share	Yen	6,026.56	5,694.92	+331.64	+5.8%				
Capital expenditures	Millions of yen	51,958	40,547	+11,411	+28.1%	75,000	+44.3%	39,000	+120.1%
Depreciation (Tangible fixed assets)	Millions of yen	45,539	52,041	-6,502	-12.5%	55,000	+20.8%	24,000	+12.4%
Research and development costs	Millions of yen	31,380	31,827	-447	-1.4%	32,800	+4.5%	17,400	+17.8%
Net financial revenue									
(Interest and dividend income)	(Millions of yen)	(2,370)	(2,786)	(-416)	(-14.9%)				
(Interest expense)	(Millions of yen)	-	(-1)	(+1)	-				
Net	Millions of yen	2,370	2,785	-415	-14.9%				
Foreign currency exchange gains/losses	Millions of yen	(loss) 5,529	(loss) 7,240	(gain) 1,711					
Foreign exchange rate (Average yen-dollar rate)	Yen/US\$	113.97	122.28	-8.31	-6.8%	105		105	
Number of employees		18,591	16,841	+1,750	+10.4%				
(Number of R&D employees)		(1,943)	(1,720)	(+223)	(+13.0%)				
Overseas production ratio	%	52	50	+2		54			
Number of consolidated subsidiaries		47	48	-1					
(Domestic)		(13)	(13)	(0)					
(Overseas)		(34)	(35)	(-1)					
Number of companies accounted for by equity method		2	3	-1					
Number of non-consolidated subsidiaries		0	0	0					

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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.

1. Consolidated Financial Results (Continued from previous page)

(Figures are rounded down to the nearest million yen. Any fraction less than the unit are rounded off.)

	Year ended March 31, 2004 Actual	Year ended March 31, 2003 Actual	Increase/decrease from the year ended March 31, 2003		Year ending March 31, 2005 (Projected)				
			Amount	Percentage	Annual	Increase/decrease from the previous year	First six months	Increase/ decrease from the corresponding six months of the previous year	
Sales by product category and geographical region									
Integrated circuits	Millions of yen	155,446	159,424	-3,978	-2.5%	175,991	+13.2%	88,040	+7.4%
(Japan)		(78,902)	(83,846)	(-4,944)	(-5.9%)	(86,762)	+10.0%	(41,401)	-0.2%
(Asia)		(67,146)	(67,363)	(-217)	(-0.3%)	(79,168)	+17.9%	(41,419)	+15.6%
(Americas)		(3,550)	(3,935)	(-385)	(-9.8%)	(3,677)	+3.6%	(1,892)	+5.8%
(Europe)		(5,847)	(4,279)	(+1,568)	(+36.7%)	(6,382)	+9.1%	(3,325)	+16.3%
Discrete semiconductor devices		139,009	136,252	+2,757	+2.0%	152,566	+9.8%	79,142	+14.4%
(Japan)		(54,591)	(55,126)	(-535)	(-1.0%)	(52,930)	-3.0%	(26,798)	+0.9%
(Asia)		(69,020)	(63,677)	(+5,343)	(+8.4%)	(84,206)	+22.0%	(44,371)	+26.6%
(Americas)		(7,501)	(9,880)	(-2,379)	(-24.1%)	(7,289)	-2.8%	(3,821)	-3.2%
(Europe)		(7,896)	(7,568)	(+328)	(+4.3%)	(8,140)	+3.1%	(4,150)	+13.6%
Passive components		24,601	24,688	-87	-0.4%	25,793	+4.8%	13,187	+8.2%
(Japan)		(8,593)	(7,974)	(+619)	(+7.8%)	(8,973)	+4.4%	(4,427)	+4.5%
(Asia)		(10,369)	(9,889)	(+480)	(+4.8%)	(11,835)	+14.1%	(6,066)	+18.4%
(Americas)		(1,992)	(2,557)	(-565)	(-22.1%)	(1,313)	-34.1%	(758)	-25.2%
(Europe)		(3,645)	(4,267)	(-622)	(-14.6%)	(3,671)	+0.7%	(1,936)	+7.1%
Displays		36,573	29,916	+6,657	+22.3%	41,649	+13.9%	21,629	+16.0%
(Japan)		(14,675)	(14,510)	(+165)	(+1.1%)	(16,723)	+13.9%	(8,584)	+11.6%
(Asia)		(16,922)	(10,440)	(+6,482)	(+62.1%)	(19,907)	+17.6%	(10,434)	+24.1%
(Americas)		(1,767)	(1,738)	(+29)	(+1.7%)	(2,216)	+25.4%	(1,136)	+36.7%
(Europe)		(3,208)	(3,227)	(-19)	(-0.6%)	(2,802)	-12.7%	(1,473)	-14.1%

Sales by application

Visual	%	7.6	8.2	-0.6
Audio		13.4	14.6	-1.2
Home appliance		2.2	2.5	-0.3
Other consumer		5.9	6.6	-0.7
Computer and OA		21.1	21.1	0.0
Telecommunications		15.3	13.8	+1.5
Automotive		4.9	5.3	-0.4
Other industrial		1.3	1.3	0.0
Subassemblies		14.7	14.4	+0.3
Others		13.6	12.2	+1.4

Capital expenditures by product category

Integrated circuits	Millions of yen	23,129	19,273	+3,856	+20.0%	32,500	+40.5%	15,000	+151.8%
Discrete semiconductor devices		16,028	13,814	+2,214	+16.0%	27,000	+68.5%	15,500	+140.2%
Passive components		1,665	1,484	+181	+12.3%	2,500	+50.1%	1,500	+96.4%
Displays		4,466	3,498	+968	+27.7%	5,500	+23.1%	3,500	+75.5%
Others		6,668	2,478	+4,190	+169.1%	7,500	+12.5%	3,500	+37.0%

2. Non-consolidated Financial Results

(Figures are rounded down to the nearest million yen. Any fraction less than the unit are rounded off.)

		Year ended March 31, 2004 Actual	Year ended March 31, 2003 Actual	Increase/decrease from the year ended March 31, 2003		Year ending March 31, 2005 (Projected)			
				Amount	Percentage	Annual	Increase/ decrease from the previous year	First six months	Increase/ decrease from the corresponding six months of the previous year
Net sales	Millions of yen	331,249	315,624	+15,625	+5.0%	364,000	+9.9%	186,000	+13.1%
Operating income	Millions of yen	33,218	41,271	-8,053	-19.5%	36,000	+8.4%	22,000	+14.9%
(Operating income margin)		(10.0%)	(13.1%)	(-3.1%)		(9.9%)		(11.8%)	
Ordinary income	Millions of yen	38,211	39,865	-1,654	-4.1%	59,000	+54.4%	44,000	+70.9%
(Ordinary income margin)		(11.5%)	(12.6%)	(-1.1%)		(16.2%)		(23.7%)	
Net income	Millions of yen	29,342	23,618	+5,724	+24.2%	43,000	+46.5%	33,000	+71.1%
(Net income margin)		(8.9%)	(7.5%)	(+1.4%)		(11.8%)		(17.7%)	
Basic net income per share	Yen	246.65	198.54	+48.11	+24.2%	362.01		277.82	
Return on equity	%	6.1	5.1	+1.0					
Ordinary income to total assets	%	6.5	7.3	-0.8					
Total assets	Millions of yen	607,152	567,097	+40,055	+7.1%				
Shareholders' equity	Millions of yen	497,456	469,216	+28,240	+6.0%				
Shareholders' equity ratio	%	81.9	82.7	-0.8					
Shareholders' equity per share	Yen	4,187.61	3,949.75	+237.86	+6.0%				
Annual cash dividends	Yen	55.0	22.0	+33.0		85.0		42.5	
(Year-end cash dividends)	(Yen)	(42.5)	(12.5)	(30.0)					
Capital expenditures	Millions of yen	7,737	8,627	-890	-10.3%	15,500	+100.3%	6,800	+315.9%
Depreciation (Tangible fixed assets)	Millions of yen	7,586	8,169	-583	-7.1%	10,000	+31.8%	4,500	+37.5%
Net financial revenue									
(Interest income)	(Millions of yen)	(1,593)	(2,103)	(-510)	(-24.2%)				
(Dividend income)	(Millions of yen)	(9,894)	(897)	(+8,997)	(+1002.7%)				
(Interest on expense)	(Millions of yen)	-	(-1)	(+1)	-				
Net	Millions of yen	11,488	3,000	+8,488	+282.9%				
Foreign currency exchange gains/losses	Millions of yen	(loss) 7,074	(loss) 4,357	(loss) 2,717					
Number of employees		2,985	2,873	+112	+3.9%				
Number of shareholders		22,978	19,989	+2,989	+15.0%				
Financial institution shareholding ratio	%	34.63	42.09	-7.46					
Foreign shareholding ratio	%	47.05	40.71	+6.34					



Consolidated Financial Report for Fiscal Year Ended March 31, 2004

May 13, 2004

Listed Company Name ROHM CO., LTD.

Code No.: 6963

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

Company representative Title: President

Name: Ken Sato

Contact person Title: Director, Administration Headquarters

Name: Eiichi Sasayama

TEL (075) 311 - 2121

Stock Exchange Listings Tokyo, Osaka

Head Office Location

Kyoto Prefecture

Date of Board of Directors meeting for approval of financial statements: May 13, 2004

Adoption of the GAAP in the U.S. : None

1. Consolidated Business Results for Year Ended March 31, 2004 (From April 1, 2003 to March 31, 2004)

(1) Consolidated Results of Operations (Figures are rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2004	355,630	1.5	94,507	-1.7	92,083	0.4
Year ended March 31, 2003	350,281	9.0	96,122	44.6	91,684	22.2

	Net income		Basic net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Millions of yen	%	Yen	Yen	%	%	%
Year ended March 31, 2004	63,717	20.2	535.62	-	9.2	11.1	25.9
Year ended March 31, 2003	53,003	35.0	445.52	445.31	8.1	11.9	26.2

(Notes) (i) Equity in income (losses) Year ended Mar. 31, 2004: 8 million yen Year ended Mar. 31, 2003: -7 million yen

(ii) Average number of shares outstanding (consolidated) Year ended Mar. 31, 2004: 118,783,647 share

Year ended Mar. 31, 2003: 118,743,246 share

(iii) Change in accounting policies: None

(iv) Percentage (%) shown for Net sales, Operating income, Ordinary income and Net income represents change from the data of the previous year.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2004	846,799	715,938	84.5	6,026.56
Year ended March 31, 2003	805,692	676,577	84.0	5,694.92

(Note) Number of shares outstanding (consolidated) at end of year Year ended Mar. 31, 2004: 118,781,637 shares

Year ended Mar. 31, 2003: 118,785,890 share

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2004	78,365	-72,136	-3,028	310,578
Year ended March 31, 2003	140,931	-38,381	-2,544	322,549

(4) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 47 Number of non-consolidated subsidiaries accounted for by equity method: None

Number of associated companies accounted for by equity method: 2

(5) Changes in scope of consolidation and application of equity method

Companies newly consolidated: 1 Companies excluded from consolidation: 2

Companies newly accounted for by equity method: None Companies no longer accounted for by equity method: 1

2. Consolidated Business Results Forecast for Fiscal 2005 (From April 1, 2004 to March 31, 2005)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim	202,000	58,000	35,000
Fiscal 2005	396,000	109,000	67,000

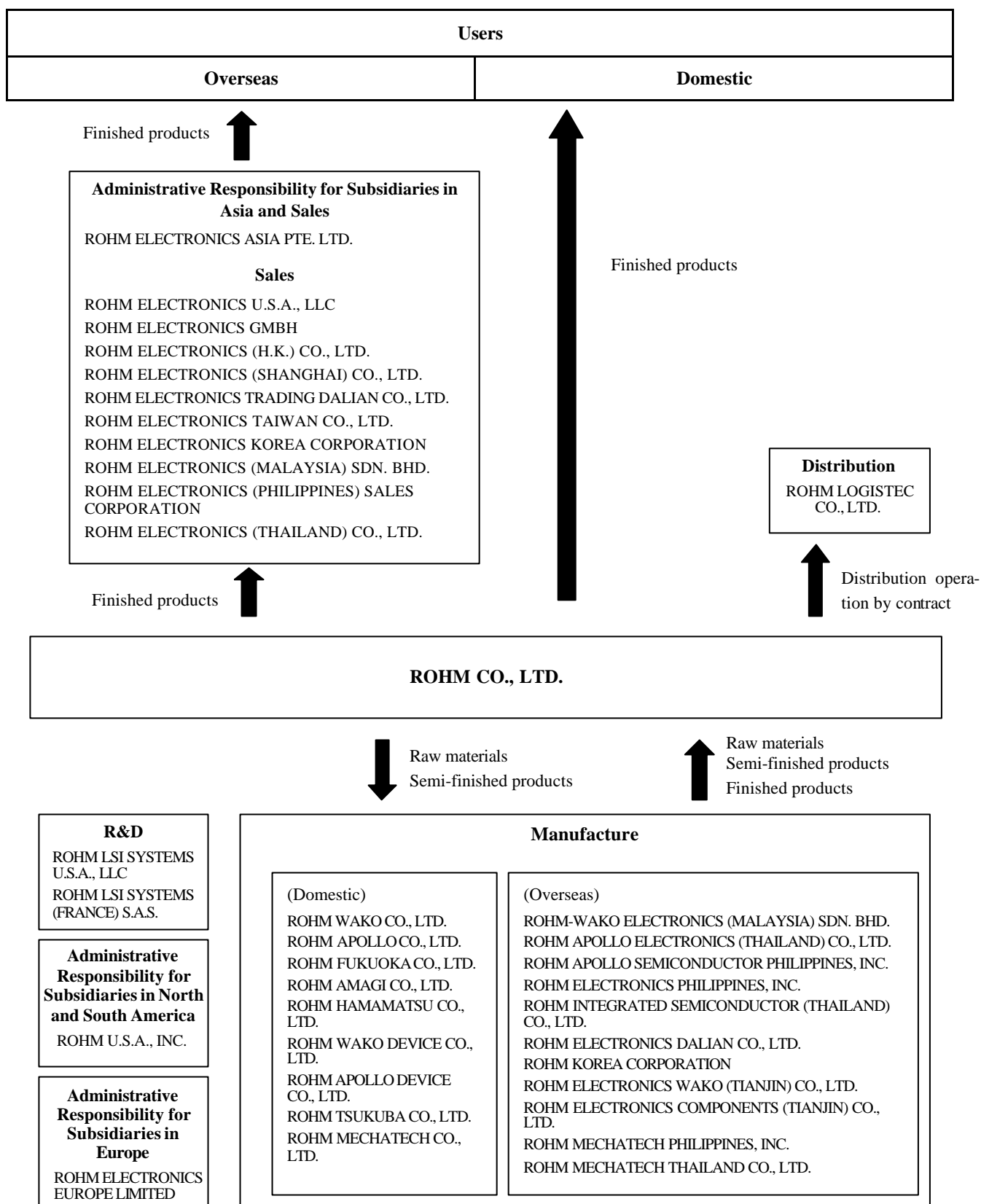
(Note) Projected net income per share for the year ending Mar. 31, 2005: 564.06 yen

* The forecast data are based on the information available at the time of release of this report. Therefore, a number of important factors including change in business conditions may cause actual results to differ materially from those discussed in the prospective statements.

Refer to page 9 to 10 of the attached documents for reasons for the forecast and other relevant information

Status of the ROHM Group

The ROHM Group consists of ROHM CO., LTD., 47 consolidated subsidiaries (13 in Japan and 34 outside Japan) and 2 associated companies (1 in Japan and 1 outside Japan). We are a comprehensive electronic component manufacturer, whose principal business is the manufacture and sales of electronic components. The Group diagram and information on our consolidated subsidiaries are given below.



Information on Consolidated Subsidiaries

Corporate name	Location	Capital	Principal business	Percentage of voting right held by ROHM CO., LTD.	Remarks
ROHM WAKO CO., LTD.	Okayama	Million yen 450	Manufacture of electronic components	100.0 %	
ROHM APOLLO CO., LTD.	Fukuoka	Million yen 450	Manufacture of electronic components	100.0	
ROHM FUKUOKA CO., LTD.	Fukuoka	Million yen 385	Manufacture of electronic components	100.0	
ROHM AMAGI CO., LTD.	Fukuoka	Million yen 300	Manufacture of electronic components	100.0	
ROHM HAMAMATSU CO., LTD.	Shizuoka	Million yen 400	Manufacture of electronic components	95.0	
ROHM WAKO DEVICE CO., LTD.	Okayama	Million yen 450	Manufacture of electronic components	100.0 (25.0)	
ROHM APOLLO DEVICE CO., LTD.	Fukuoka	Million yen 492	Manufacture of electronic components	100.0 (25.0)	
ROHM TSUKUBA CO., LTD.	Ibaraki	Million yen 450	Manufacture of electronic components	100.0	
ROHM MECHATECH CO., LTD.	Kyoto	Million yen 98	Manufacture of electronic components	100.0	
ROHM LOGISTEC CO., LTD.	Okayama	Million yen 20	Distribution of electronic components	100.0	
IDD CO., LTD.	Tokyo	Million yen 96	Development and design of electronic circuitry	100.0	
NARITA GIKEN CO., LTD.	Hyogo	Million yen 80	Development and design of electronic circuitry	93.7	
WAKO SERVICE CO., LTD.	Okayama	Million yen 10	Plant and equipment maintenance	100.0 (100.0)	
ROHM-WAKO ELECTRONICS (MALAYSIA) SDN. BHD.	Malaysia	Thousand M\$ 53,400	Manufacture of electronic components	100.0 (100.0)	
ROHM APOLLO ELECTRONICS (THAILAND) CO., LTD.	Thailand	Thousand baht 448,000	Manufacture of electronic components	100.0 (100.0)	
ROHM APOLLO SEMICONDUCTOR PHILIPPINES, INC.	Philippines	Thousand peso 406,580	Manufacture of electronic components	100.0 (100.0)	
ROHM ELECTRONICS PHILIPPINES, INC.	Philippines	Thousand peso 1,005,000	Manufacture of electronic components	100.0 (100.0)	
ROHM INTEGRATED SEMICONDUCTOR (THAILAND) CO., LTD.	Thailand	Thousand baht 667,500	Manufacture of electronic components	100.0 (100.0)	
ROHM ELECTRONICS DALIAN CO., LTD.	China	Million yen 5,135	Manufacture of electronic components	100.0 (100.0)	* 1
ROHM KOREA CORPORATION	Korea	Million Won 9,654	Manufacture of electronic components	100.0 (100.0)	
ROHM ELECTRONICS WAKO (TIANJIN) CO., LTD.	China	Million yen 3,600	Manufacture of electronic components	100.0 (100.0)	* 1
ROHM ELECTRONICS COMPONENTS (TIANJIN) CO., LTD.	China	Thousand US\$ 28,200	Manufacture of electronic components	100.0 (100.0)	* 1
ROHM MECHATECH PHILIPPINES, INC.	Philippines	Thousand peso 776,000	Manufacture of electronic components	100.0 (75.0)	
ROHM MECHATECH THAILAND CO., LTD.	Thailand	Thousand baht 100,000	Manufacture of electronic components	100.0 (100.0)	
ROHM DEVICE U.S.A., LLC	U. S. A.	Thousand US\$ 50,676	Manufacture of electronic components	100.0 (100.0)	
ROHM ELECTRONICS U.S.A., LLC	U. S. A.	Thousand US\$ 26,298	Sales of electronic components	100.0 (100.0)	
ROHM ELECTRONICS GMBH	Germany	Thousand EURO 511	Sales of electronic components	100.0 (100.0)	
ROHM ELECTRONICS (H.K.) CO., LTD.	Hong Kong	Thousand HK\$ 27,000	Sales of electronic components	100.0 (100.0)	
ROHM ELECTRONICS (SHANGHAI) CO., LTD.	China	Thousand US\$ 200	Sales of electronic components	100.0 (100.0)	* 1
ROHM ELECTRONICS TRADING DALIAN CO., LTD.	China	Thousand US\$ 200	Sales of electronic components	100.0 (100.0)	* 1
ROHM ELECTRONICS TAIWAN CO., LTD.	Taiwan	Thousand NT\$ 140,500	Sales of electronic components	100.0 (100.0)	

Corporate name	Location	Capital	Principal business	Percentage of voting right held by ROHM CO., LTD.	Remarks
ROHM ELECTRONICS KOREA CORPORATION	Korea	Million Won 1,000	Sales of electronic components	100.0 (100.0)	
ROHM ELECTRONICS ASIA PTE. LTD.	Singapore	Thousand S\$ 90,630	Administrative responsibility for subsidiaries in Asia and sales of electronic components	100.0	
ROHM ELECTRONICS (MALAYSIA) SDN. BHD.	Malaysia	Thousand M\$ 700	Sales of electronic components	49.0 (49.0) [51.0]	
ROHM ELECTRONICS (PHILIPPINES) SALES CORPORATION	Philippines	Thousand peso 13,250	Sales of electronic components	100.0 (100.0)	
ROHM ELECTRONICS (THAILAND) CO., LTD.	Thailand	Thousand baht 104,000	Sales of electronic components	100.0 (100.0)	
ROHM ELECTRONICS BRAZIL LIMITADA	Brazil	Thousand R\$ 11,584	Sales of electronic components	99.9 (99.9)	* 1
ROHM ELECTRONICS (U.K.) LIMITED	United Kingdom	Thousand £Stg. 500	Sales of electronic components	100.0 (100.0)	
ROHM LSI SYSTEMS U.S.A., LLC	U. S. A.	Thousand US\$ 1,608	Research and development	100.0 (100.0)	
ROHM LSI SYSTEMS (FRANCE) S.A.S.	France	Thousand EURO 800	Research and development	100.0 (100.0)	
ROHM LSI DESIGN PHILIPPINES, INC.	Philippines	Thousand peso 52,500	Design of electronic components	100.0	
ROHM LSI TECHNOLOGY THAILAND CO., LTD.	Thailand	Thousand baht 30,000	Design of electronic components	100.0 (100.0)	
ROHM IC DESIGN (TIANJIN) CO., LTD.	China	Million yen 869	Design of electronic components	100.0 (100.0)	* 1
ROHM U.S.A., INC.	U. S. A.	Thousand US\$ 133,642	Administrative responsibility for subsidiaries in North and South America	100.0	
ROHM ELECTRONICS EUROPE LIMITED	United Kingdom	Thousand £Stg. 3,400	Administrative responsibility for subsidiaries in Europe	100.0	
ROHM REALTY CORPORATION	Philippines	Thousand peso 34,100	Real estate leasing	100.0 (74.1)	
ROHM ASSETS PHILIPPINES INC.	Philippines	Thousand peso 15,000	Holding company	40.0 (40.0) [60.0]	

(Notes) *1 Consolidated subsidiary whose accounting date differs from that of ROHM CO., Ltd. on March 31

2 The percentages in parentheses indicate indirect voting right held by ROHM CO., LTD., and the figures in brackets indicate the percentage of voting right held by those (other than ROHM CO., LTD.) having close relationship with the subsidiary.

Management Policies

Basic Management Policy

ROHM considers it essential to allocate added value produced by the Company, in appropriate proportions, to all stakeholders surrounding the Company; this to include shareholders, employees and local communities, and applies also to retained earnings to be used for business investment that is intended to strengthen competitiveness. This means that all stakeholders cooperate with each other in pursuit of creation of, and improvement in, lasting, comprehensive corporate value. ROHM thereby intends to make its shares more attractive to investors, and this is one of the Company's highest priorities in management.

Accordingly, ROHM is committed to developing the world's market-leading products, including high-value-added system LSIs for digital information appliances and mobile electronic equipment, which are expected to undergo rapid growth, along with optical devices, which is also an area with great potential for growth. ROHM also seeks as a basic policy the enhancement of cost competitiveness through the best use of its distinctive production technologies, and will thereby continue to lead the world electronic component market.

Basic Policy on Distribution of Profits

Regarding profit distribution to shareholders, ROHM will press ahead with its current measures and policies to live up to shareholders' expectations, in light of comprehensive consideration given to various factors, including business performance, financial position, and expected demand for funds for business investment aimed at improving corporate value. To be concrete, with consolidated dividend payout ratio also taken into account, the Company will continue to direct its efforts toward satisfactory direct profit distribution based on corporate performance.

For ROHM to sustain its growth and improve its performance in the semiconductor industry, the market for which is expected to grow in the medium to long term, it is indispensable to have product development capabilities outstripping other manufacturers and to enhance cost competitiveness. With the accelerated sophistication of development and manufacturing technologies, which serve as core factors in such competition, funds needed for investment in R&D and production facilities in the Company's core business areas, that is, semiconductors and optical devices are increasing each year. ROHM considers that, to make appropriate and prompt investment aimed at maintaining and strengthening its international competitiveness and growth potential in a semiconductor industry that is undergoing drastic changes, it is vital, in terms of management, to maintain in reserve, ample funds. Specifically, the Company considers that it will be increasingly necessary to make large-scale investment in construction of production lines for large-diameter 300 mm wafers, 0.13 μm or smaller ultra-fine processes, and optical devices. ROHM intends to make efficient use of retained earnings for such medium- to long-term improvement in the Company's corporate value, as well as for tie-up with and acquisition of Japanese and overseas companies, from which business synergy can be expected.

Policy on Changes in Minimum Trading Lot Size

ROHM reduced the size of the minimum trading lot of its shares from 1,000 to 100 shares in August 1999. We consider that some positive results have been achieved since then, including a considerable increase in the number of shareholders.

Medium- to Long-term Corporate Strategies

While expansion of the electronics market is anticipated over the medium to long term in parallel with the advancement of the highly sophisticated information society, international competition is expected to intensify amid the widening fluctuation in demand, encouraging realignment of the industry and the shakeout of uncompetitive businesses.

To ensure stable growth and a strong and well-balanced financial position under these circumstances, a range of measures should be taken, including development of creative, high-value-added products utilizing world leading advanced technologies, enhancement of cost competitiveness, establishment of a global production and distribution network that enables high customer satisfaction in both domestic and overseas markets, and strengthening of service and technical support systems for customers. ROHM will make persistent efforts to formulate and implement such measures, with consistent emphasis on the development of custom-designed products and top priority on quality.

As part of these efforts, ROHM is, with increased personnel for research and development, promoting the development of system LSIs for, chiefly, the markets for digital home appliances and information and communications equipment, by continuing to upgrade our newly-developed, innovative LSI design system "REAL SOCKET," together with our established digital and combined digital/analog technologies. We are also focusing on the development of optical devices, including laser diodes, the market for which is expected to undergo rapid growth especially in the

fields of next-generation high-density optical discs and optical communications, and organic EL (electroluminescence) displays, which are attracting attention as next-generation displays. Moreover, we will continue to upgrade our high-quality, high-reliability product line for the increasingly electronically sophisticated automobile-related markets. As a base for these technological improvement activities, ROHM constructed and commenced operation of the Yokohama Technology Center, followed by the Optical Device Research Center and the LSI Test Technology Center. We will also upgrade our marketing system both in Japan and overseas, and thereby continue to strengthen our activities of presenting proposals to, as well as providing technical support to, our customers worldwide. As for next-generation technological development, ROHM is actively involved in a wide range of joint R&D projects, including the establishment of a comprehensive industrial-academic collaboration alliance with Kyoto University and leading Japanese companies, R&D cooperation with Semiconductor Industry Research Institute Japan, which is a think-tank for the Japanese semiconductor industry, and participation in Japanese national leading-edge R&D projects, ASCA (Advanced Semiconductors through Collaborative Achievement), MIRAI (Millennium Research for Advanced Information Technology), and HALCA (High-performance & Agilent Clean-room Association), to which the wisdom of academic, industrial, and governmental circles is concentrated. Moreover, ROHM promotes partnerships with companies complementing our technologies wherever necessary, thus facilitating the efficiency of R&D activities. Regarding production system improvement, ROHM is aggressively accelerating the production shift to Thailand, the Philippines and China to enhance its supply system and improve cost competitiveness in the global market. Our existing domestic plants are clearly positioned as “mother” plants for the construction of the ROHM Group’s production network, with the focus on further accumulation of production technologies. Such production technologies established by our domestic plants will then be shared with overseas plants to manufacture and supply ROHM’s high quality products throughout the world.

Focusing on quality first and foremost not only in the manufacturing division but also in the field of technological development, including LSI circuit design and manufacturing technologies, ROHM will continue to promote company-wide efforts to enhance the reliability of its products. The Company will also develop and continuously supply industry-leading high-reliability products to our customers in Japan and overseas, thus further strengthening our international competitiveness.

Moreover, the ROHM Group as a whole will continue to pursue further management efficiency improvement and swifter decision-making, through the restructuring and integration of the corporate organization both in and outside Japan.

To contribute to environmental conservation, the ROHM Group as a whole continues to make progress with establishing and implementing an environmental management system based on ISO 14001 standards. Our environmental conservation activities include the development of low-power-consumption, energy-saving products, as well as efforts to promptly attain zero emission goals through promotion of recycling of waste and to promote “green” procurement and supply at all our production bases in Japan and overseas. In addition, we are implementing a tree-planting project as part of the fight against global warming.

Priority Issues

While the electronics industry is expected to grow from the mid- and long-term viewpoint due to the increasing demand for digital information appliances and more sophisticated automobile electronic control systems, technological competition is also expected to continue to intensify on a global scale. Therefore, it will be increasingly necessary to supply internationally competitive products constantly to the market, through sustained efforts toward innovative, high quality products and technologies.

Under these circumstances, ROHM will continue to pursue business performance improvement through the development of high-value-added products and technologies in anticipation of future needs of customers, quality and reliability improvement, enhancement of production and marketing systems, and thorough company-wide rationalization and cost reduction.

Basic Policy and Measures for Corporate Governance

As proper corporate governance is increasing in importance, ROHM places top priority on maintaining a fair and appropriate management system.

As one of the specific measures to this end, the Company has reduced the number of members of the Board of Directors and has no outside board members so as to, with the appropriate size of the Board, increase the effectiveness and efficiency of the Board and ensure swift and proper decision-making after thorough discussion. As for management control, while maintaining the existing auditing system, ROHM ensures the adequate number of corporate auditors and appoints all corporate auditors from outside the Company, so as to strengthen management auditing functions, thereby ensuring a fair and appropriate corporate management structure. When appointing outside corporate auditors, we select candidates who have no stake in the Company. In an effort to enhance corporate governance,

our internal auditing department and accounting auditors work in coordination and cooperation with each other to improve the quality of the audit.

ROHM is also committed to disclosure of information so as to ensure fair and transparent management. A wide range of information disclosure initiatives carried out by the Company in this connection include holding of information sessions for research analysts, fund managers and other institutional investors, as well as disclosure of financial information on the Internet. In addition, ROHM began to disclose information on its quarterly performance, as from the year ended March 2004.

In light of its social responsibility for sustainable development as a corporate citizen, ROHM is also striving to enlighten and educate its employees through formulating the Rules of Conduct for Employees and by ensuring that the Rules are fully understood and observed by employees, so as to comply with statutes and improve corporate ethics.

Operating Results and Financial Status

1. Operating Results

(1) Review for the Year Ended March 31, 2004

Overall review of results of operations

In the fiscal year ended March 31, 2004, the world economy as a whole remained sluggish in the first half of the year due to the effects of international conflicts and SARS, as well as continuous employment uncertainty mainly in the U.S. However, in the second half, with the U.S. housing investment and consumer spending showing improvement, as well as with signs of economic recovery in Asia following the SARS scare, the world economy took an upturn.

The Japanese economy also remained slow in the first half of the year, but some signs of recovery finally appeared after the summer, including a stock market upturn and various economic indicators showing continuing improvement.

In the electronic components industry, in the first half of the year the market recovery resulting from certain seasonal factors remained slow and the demand for electronic components was weak, except those for some components for digital audio/video equipment such as flash memories. Following the autumn lull, however, supported by steady consumer spending and increasing prevalence of digital still cameras and other digital audio/video equipment, the electronic component market remained steady and did not show the decline seen in previous years.

In Japan, the demand for electronic components remained strong, especially in the second half of the year, due to a steady growth in production of digital audio/video equipment such as DVD recorders and digital still cameras, as well as the increasing sophistication of cellular phones. The Asian electronics market, despite its slowdown in spring due to the effects of SARS, remained brisk as a whole due to the continued production shift from the U.S., Europe, Japan and other parts of the world, as well as a strong growth not only in export but also in consumer spending in China and other Asian countries.

In the U.S., while consumer spending was strong, the electronics market remained slow, affected by the continued production shift to Asia and the communications equipment market failing to attain full-fledged recovery. The European market, supported by an increase in demand for electronic components resulting from increasing sophistication of cellular phones, remained stable despite the continued production shift to Asia just as in the U.S.

Under these circumstances, ROHM concentrated its efforts, as in the previous year, on capital investment efficiency improvement and streamlining of the manufacturing process, so as to ensure profits. The Company also continued the shift of domestic production lines to overseas plants in Thailand, the Philippines, China and some other countries. Moreover, in an effort to establish a system to respond to future market growth from the medium- to long-term viewpoints, ROHM purchased a semiconductor manufacturing plant in Tsukuba, Ibaraki Prefecture, of LSI Logic Japan Semiconductor Inc., the Japanese subsidiary of the U.S. company, LSI Logic Corporation, so as to secure sufficient production capacity in anticipation of a growth in demand for semiconductor products.

In addition, ROHM took a progressive approach to the development of innovative products ahead of the market needs, enhancing its product line intended for cellular phones and digital audio/video equipment, as well as the

operation of the Optical Device Research Center, which serves as an R&D and production base for optical devices, the market for which is expected to undergo rapid growth.

Rohm has also strengthened its marketing system through the establishment of a customer-focused marketing organization.

As a result of these aggressive efforts, ROHM's net sales for the fiscal year ended March 31, 2004, increased 1.5% to ¥ 355.63 billion from the previous year, and ordinary income and net income were up 0.4% and 20.2% to ¥92.083 billion and ¥63.717 billion respectively.

Divisional review of results of operations

<Integrated circuits>

ROHM's sales of integrated circuits for the fiscal year ended March 31, 2004 decreased 2.5% to ¥155.446 billion.

Despite the slow recovery of the market for audio/video and other consumer equipment, competition intensified in the market for conventional LSIs, including those for compact disc players. Meanwhile, as the demand for LSIs intended for digital audio/video equipment and compact portable equipment remained strong, ROHM increased the sales of its system power management LSIs and system controller LSIs for compact portable equipment including digital still cameras and digital video cameras. In the area of LSIs for cellular phones, the Company has poured its sales promotion efforts into baseband LSIs and sound-source LSIs for GSM applications for overseas markets, as well as multimedia image processor LSIs. For Japanese markets, as the conventional cellular phone market remained stagnant, ROHM focused on the development of various LSIs for next-generation cellular phones, including W-CDMA phones. Moreover, ROHM continued to upgrade the LSI Development Center, Kyoto Technology Center and Yokohama Technology Center to enhance our LSI development and technical support system. The Company also established new bases in Taiwan and Shanghai to improve its technical support system for overseas markets.

While accelerating the shift of post-process operations to overseas, the Company has directed efforts toward further improvement in production efficiency, quality and reliability at our domestic plants, where we have also carried out the development of a new, miniature and thin package product line intended for portable equipment. Regarding the LSI wafer processes, the production system for power devices intended for digital audio/video equipment and compact portable equipment, the demand for which is expected to undergo strong growth, has been enhanced. The Company also developed a 0.13 μm fine process and established a prototype production line for 300 mm wafers so as to respond to the increasing digitalization, and strengthen cost competitiveness.

In the area of function modules, ROHM has poured its sales promotion efforts into products such as IrDA modules incorporating a remote control function for audio/video equipment, as well as lithium-ion battery protection modules. Moreover, the Company has promoted the production shift to China and increased the use of its own semiconductor products, thus reducing manufacturing costs.

<Discrete semiconductor devices>

ROHM's sales of discrete semiconductor devices for the fiscal year ended March 31, 2004 increased 2.0% to ¥139.009 billion.

Sales of discrete semiconductor devices as a whole remained low, while the demand for products for certain digital audio/video equipment remained steady. ROHM has enhanced its product line-up for compact portable equipment, with the development of miniaturized MOS FETs (field-effect transistors) and rectifier diodes. The Company has also upgraded its power transistor and power diode product series, the demand for which is expected to grow, mainly for digital audio/video equipment. The production system has been strengthened through the continued production shift to overseas and the purchase of a semiconductor manufacturing plant in Tsukuba, Ibaraki Prefecture, from the Japanese subsidiary of the U.S. company, LSI Logic Corporation. In the area of LEDs, the sales of blue and white LEDs, intended for cellular phones and amusement-related equipment, increased steadily. As for laser diodes, while the markets for conventional products for audio equipment etc. remained stagnant, ROHM devoted its energies to developing new products such as high-power laser diodes and dual-wavelength laser diodes intended for DVD recorders and DVD combo drives. The Company also accelerated the production shift to China.

<Passive components>

ROHM's sales of passive components for the fiscal year ended March 31, 2004 decreased 0.4% to ¥24.601 billion.

Amid difficult market conditions, including price competition with overseas manufacturers, ROHM pursued cost reduction in various ways, including review of materials and adoption of new manufacturing processes, while promoting further improvement in product quality and reliability. The Company has also enhanced its 0603-size (0.6 mm by 0.3 mm) ultra-miniature product series intended for digital audio/video equipment and cellular phones, the markets for which are expected to undergo rapid growth, and started shipment of 0402-size product samples. Moreover, ROHM has expanded its high-reliability, high-accuracy product line-up, to which the Company has also added high-capacity capacitors. As for production system improvement, ROHM continued as in previous years to enhance the production systems at overseas production bases.

<Displays>

ROHM's sales of displays for the fiscal year ended March 31, 2004 increased 22.3% to ¥36.573 billion.

The sales of LCD modules intended for overseas cellular phones increased. ROHM also focused on the development of new products, such as thin color LCD modules for the domestic cellular phone market. Image sensor heads for multifunction printers, the market for which is expanding, and printheads for miniaturized printers for POS (Point-of-Sale) systems sold favorably. Moreover, besides commencing production of CMOS image sensors for cellular phones, ROHM promoted the development of full-color LED display modules intended for industrial equipment and amusement-related equipment.

Distribution of profits for fiscal year ended March 31, 2004

Measuring up to investors' expectations, the Company has decided to pay annual dividends of ¥55.00 per share, up ¥33.00 from the previous year, in light of business performance of the fiscal year ended March 31, 2004, expected demand for funds, and other factors.

(2) Forecast for Fiscal Year Ending March 31, 2005

Overall Business Result Outlook for Fiscal 2005

The world economy is expected to remain steady for the time being due to the current strong U.S. economy and Olympics-driven demand. However, with smoldering fears of deterioration of the international situation, as well as fears of the economy entering an adjustment phase after the Olympic Games and the U.S. presidential election, the world economic outlook can be considered as being not necessarily optimistic. In Japan, too, despite sustained improvement in various economic indicators, discouraging factors for the corporate sector's performance remain, including appreciation of the Japanese yen. In view of this outlook, the electronic components industry is expected to undergo a steady growth due to the increasingly widespread use of digital home appliances, while further intensified competition can also be expected.

Under these circumstances, ROHM will continue to focus on the development of high-value-added products, including high-performance system LSIs and other miniaturized, high-reliability products. Besides proceeding with product development for the markets in information and communications equipment and digital audio/video equipment, the Company will also direct its efforts to the automobile-related markets, where demand for more sophisticated car electronics is expected to grow. Moreover, the Company will continue to pursue improvements in business performance through quality and reliability improvement, enhancement of customer support and other marketing systems, and company-wide rationalization and cost reduction.

Furthermore, we will continue to encourage environmentally friendly business activities, thus contributing to environmental conservation.

Consolidated forecast for the fiscal year 2005 is as follows:

Net sales: 396,000 million yen (11.4% up from previous year)

Ordinary income: 109,000 million yen (18.4% up from previous year)

Net income: 67,000 million yen (5.2% up from previous year)

Consolidated divisional sales forecast is given below.

Integrated circuits	175,900 million yen (13.2% up from previous year)
Discrete semiconductor devices	152,500 million yen (9.8% up from previous year)
Passive components	25,700 million yen (4.8% up from previous year)
Displays	41,600 million yen (13.9% up from previous year)

The forecasts are based on the exchange rate of ¥105.00 to US\$1.

Distribution of profits for fiscal 2005

In light of business performance of the fiscal 2005 ending March 31, 2005, expected demand for funds, and other factors, the Company plans to pay an interim dividend of ¥42.50 per share and a year-end dividend of ¥42.50 per share to bring the total annual cash dividend to ¥85.00 for the fiscal year 2005. To ensure expeditious profit distribution in response to changes in the business environment, the Company also plans to submit a draft amendment to the Articles of Incorporation regarding purchase of treasury stock based on Section 211-3 of the Commercial Code to the ordinary general meeting of shareholders scheduled for June 29, 2004.

2. Financial Position

As of March 31, 2004, total assets, total liabilities, minority interest and total shareholders' equity amounted to ¥846.799 billion (up ¥41.107 billion from March 31, 2003), ¥130.566 billion (up ¥1.695 billion), ¥294 million (up ¥50 million) and ¥715.938 billion (up ¥39.361 billion) respectively.

The status of cash flow for the fiscal year ended March 31, 2004 is as follows:

Net cash provided by operating activities amounted to ¥78.365 billion (¥140.931 billion for the previous year). This resulted primarily from cash increases due to the growth in income before income taxes and minority interests and in depreciation/amortization, as well as from cash decreases as a result of the payment of corporate taxes and increase in inventories.

Net cash used in investing activities amounted to ¥72.136 billion (¥38.381 billion for the previous year), primarily as a result of purchases of securities and investment securities, as well as acquisition of tangible fixed assets associated with capital expenditures.

Net cash used in financing activities amounted to ¥3.028 billion (¥2.544 billion for the previous year), primarily as a result of dividend payments.

As a result, cash and cash equivalents amounted to ¥310.578 billion at the end of the year in review, down ¥11.971 billion from the end of the previous year.

The scheduled amounts of capital expenditures and depreciation (tangible fixed assets) that will greatly affect cash flow for the next year are ¥75 billion and ¥55 billion, respectively.

Shareholders' equity ratio, shareholders' equity ratio on the market value basis, number of years required for debt redemption and interest coverage ratio for each of the recent four fiscal years on the consolidated basis are as follows:

	Year ended March 31, 2001	Year ended March 31, 2002	Year ended March 31, 2003	Year ended March 31, 2004
Shareholders' equity ratio	77.4%	86.3%	84.0%	84.5%
Shareholders' equity ratio on market value basis	325.8%	313.5%	189.5%	188.9%
Number of years required for debt redemption	0.004	0.004	-	-
Interest coverage ratio	20,633.4	21,303.8	136,959.4	-

(Computation) Shareholders' equity ratio = shareholders' equity/total assets

Shareholders' equity ratio on market value basis = aggregate market value of shares/total assets

Number of years required for debt redemption = interest-bearing debt/cash flows from operating activities

Interest coverage ratio = cash flows from operating activities/interest expenses

Consolidated Balance Sheets

Accounts	Period	Fiscal year 2004 (As of March 31, 2004)		Fiscal year 2003 (As of March 31, 2003)		Increase/decrease (-) from the year ended March 31, 2003
		Amount	Ratio	Amount	Ratio	Amount
		Millions of yen	%	Millions of yen	%	Millions of yen
(Assets)						
Current assets						
Cash and time deposits		307,319		310,054		- 2,735
Notes and accounts receivable - trade		92,508		84,350		8,158
Securities		38,681		47,960		- 9,279
Inventories		61,493		52,487		9,006
Prepaid pension cost		4,356		4,752		- 396
Deferred tax assets		12,425		14,159		- 1,734
Refundable income taxes		3,560		-		3,560
Other		10,279		6,820		3,459
Allowance for doubtful notes and accounts		- 502		- 590		88
Total current assets		530,121	62.6	519,996	64.5	10,125
Fixed assets						
Property, plant and equipment						
Buildings and structures		150,281		146,664		3,617
Machinery, equipment and vehicles		328,069		314,428		13,641
Tools and furniture		27,691		25,584		2,107
Land		53,968		52,537		1,431
Construction in progress		23,592		17,779		5,813
Accumulated depreciation		- 365,976		- 340,792		- 25,184
Total tangible fixed assets		217,627	25.7	216,201	26.8	1,426
Intangible fixed assets		2,632	0.3	2,871	0.4	- 239
Investments and other assets						
Investment securities		89,084		57,355		31,729
Deferred tax assets		5,794		6,966		- 1,172
Other		1,835		2,691		- 856
Allowance for doubtful accounts		- 294		- 389		95
Total investments and other assets		96,419	11.4	66,623	8.3	29,796
Total fixed assets		316,678	37.4	285,696	35.5	30,982
Total assets		846,799	100.0	805,692	100.0	41,107

Accounts	Period	Fiscal year 2004 (As of March 31, 2004)		Fiscal year 2003 (As of March 31, 2003)		Increase/decrease (-) from the year ended March 31, 2003
		Amount	Ratio	Amount	Ratio	Amount
		Millions of yen	%	Millions of yen	%	Millions of yen
(Liabilities)						
Current liabilities						
Notes and accounts payable - trade		23,431		17,866		5,565
Other accounts payable		42,213		22,975		19,238
Accrued income taxes		10,400		28,732		- 18,332
Deferred tax liabilities		381		747		- 366
Other		11,892		13,359		- 1,467
Total current liabilities		88,319	10.5	83,681	10.4	4,638
Long-term liabilities						
Deferred tax liabilities		32,857		26,253		6,604
Liability for retirement benefits		7,404		16,801		- 9,397
Allowance for directors' retirement benefits		1,983		2,135		- 152
Total long-term liabilities		42,246	5.0	45,190	5.6	- 2,944
Total liabilities		130,566	15.5	128,871	16.0	1,695
(Minority interests)						
Minority interests		294	0.0	244	0.0	50
(Shareholders' equity)						
Common stock		86,969	10.3	86,969	10.8	-
Capital surplus		102,403	12.1	102,403	12.7	-
Retained earnings		566,749	66.9	506,100	62.8	60,649
Net unrealized gain on available-for-sale securities		2,673	0.3	709	0.1	1,964
Foreign currency translation adjustments		- 42,556	- 5.0	- 19,362	- 2.4	- 23,194
Treasury stock - at cost		- 301	- 0.1	- 243	- 0.0	- 58
Total shareholders' equity		715,938	84.5	676,577	84.0	39,361
Total liabilities, minority interests and shareholders' equity		846,799	100.0	805,692	100.0	41,107

Consolidated Statements of Income

Accounts	Period	Fiscal year 2004		Fiscal year 2003		Increase/decrease (-) from the year ended March 31, 2003
		From April 1, 2003 To March 31, 2004		From April 1, 2002 To March 31, 2003		
		Amount	Percentage	Amount	Percentage	
		Millions of yen	%	Millions of yen	%	Millions of yen
Net sales		355,630	100.0	350,281	100.0	5,349
Cost of sales		194,856	54.8	185,795	53.0	9,061
Gross profit		160,773	45.2	164,486	47.0	- 3,713
Selling, general and administrative expenses		66,266	18.6	68,363	19.6	- 2,097
Operating income		94,507	26.6	96,122	27.4	- 1,615
Non-operating income		4,058	1.1	4,649	1.4	- 591
Non-operating expenses		6,482	1.8	9,087	2.6	- 2,605
Ordinary income		92,083	25.9	91,684	26.2	399
Extraordinary gains		12,812	3.6	190	0.0	12,622
Extraordinary losses		3,826	1.1	1,399	0.4	2,427
Income before income taxes and minority interests		101,070	28.4	90,476	25.8	10,594
Income taxes - current		26,731	7.5	35,280	10.1	- 8,549
Income taxes - deferred		10,537	3.0	2,198	0.6	8,339
Minority interests		84	0.0	- 6	- 0.0	90
Net income		63,717	17.9	53,003	15.1	10,714

Consolidated Statements of Retained Earnings

Accounts	Period	Fiscal year 2004 From April 1, 2003 To March 31, 2004	Fiscal year 2003 From April 1, 2002 To March 31, 2003	Increase/decrease (-) from the year ended March 31, 2003
		Amount	Amount	Amount
		Millions of yen	Millions of yen	Millions of yen
(Capital surplus)				
Capital surplus at beginning of year		102,403	102,236	167
Increase in capital surplus				
Stock issued on conversion of convertible debt		-	167	- 167
Decrease in capital surplus		-	-	-
Capital surplus at end of year		102,403	102,403	-
(Retained earnings)				
Retained earnings at beginning of year		506,100	455,743	50,357
Increase in retained earnings				
Net income		63,717	53,003	10,714
Decrease in retained earnings				
Cash dividends		2,969	2,255	714
Bonuses to directors		94	321	- 227
Loss on sales of treasury stock		-	68	- 68
Decrease in retained earnings due to decrease of an affiliate		4	-	4
Retained earnings at end of year		566,749	506,100	60,649

Consolidated Statements of Cash Flows

Accounts	Period	Fiscal year 2004		Fiscal year 2003		Increase/decrease (-) from the year ended March 31, 2003
		From April 1, 2003 To March 31, 2004		From April 1, 2002 To March 31, 2003		
		Amount		Amount		Amount
		Millions of yen		Millions of yen		Millions of yen
I Operating Activities						
1. Income before income taxes and minority interests		101,070		90,476		10,594
2. Depreciation and amortization		45,868		52,424	-	6,556
3. Amortization of goodwill - net		16	-	260	-	276
4. Interest and dividends income		-	2,370	-	2,786	416
5. Foreign currency exchange losses (- gains) - net		2,015		4,983	-	2,968
6. Compensation for expropriation		-	1,837	-	-	1,837
7. Increase (- decrease) in net liability for retirement benefits		-	8,977	1,529	-	10,506
8. Write-down of investment securities		9		803	-	794
9. Decrease (- increase) in notes and accounts receivables - trade		-	10,822	-	901	-
10. Decrease (- increase) in inventories		-	12,142	-	7,654	-
11. Increase (- decrease) in notes and accounts payables - trade		6,604		569		6,035
12. Other - net		4,439		421	-	4,860
Sub-total		123,873		138,761	-	14,888
13. Interest and dividends - received		2,569		3,036	-	467
14. Interest - paid		-	-	1	-	1
15. Income taxes - paid (refunded)		-	48,077	-	866	-
Net cash provided by operating activities		78,365		140,931	-	62,566
II Investing Activities						
1. Decrease (- increase) in time deposits		-	4,782	11,186	-	15,968
2. Purchases of securities and investment securities		-	62,585	-	46,294	-
3. Proceeds from sales and repayments of securities and investment securities		39,270		31,444		7,826
4. Purchases of property, plant and equipment		-	45,221	-	35,827	-
5. Other - net		1,180		1,110	-	70
Net cash used in investing activities		-	72,136	-	38,381	-
III Financing Activities						
1. Dividends paid		-	2,969	-	2,255	-
2. Other - net		-	59	-	289	230
Net cash used in financing activities		-	3,028	-	2,544	-
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents		-	15,171	-	7,795	-
V Net Increase (-decrease) in Cash and Cash Equivalents		-	11,971	92,209	-	104,180
VI Cash and Cash Equivalents at Beginning of Year		322,549		230,340		92,209
VII Cash and Cash Equivalents at End of Year		310,578		322,549	-	11,971

(Note) Breakdown of "Cash and cash equivalents at end of year" is as follows:

	(Fiscal 2004)	(Fiscal 2003)	(Increase/decrease)
Cash and time deposits	289,546 million yen	296,413 million yen	-
Securities	21,032	26,136	-
Total cash and cash equivalents	310,578	322,549	-

[Basis of Presenting Consolidated Financial Statements]

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 47

(2) Names of consolidated subsidiaries

Consolidated subsidiaries are listed in the “Information on Consolidated Subsidiaries” section of “Status of the ROHM GROUP.”

In the year ended March 31, 2004, one company was newly consolidated and two companies were excluded from consolidation, as shown below:

Newly consolidated (One company)

ROHM TSUKUBA CO., LTD.

Excluded from consolidation (Two companies)

ROHM FUJI CO., LTD.

ROHM ELECTRONICS (FRANCE) S.A.S.

2. Application of equity method

(1) Number of unconsolidated subsidiaries accounted for by equity method: 0

(2) Number of associated companies accounted for by equity method: 2

3. Fiscal periods of consolidated subsidiaries

The accounting date of ROHM ELECTRONICS DALIAN CO., LTD. and six other consolidated subsidiaries is December 31, which differs from that of ROHM CO., LTD. on March 31.

4. Accounting standards

(1) Valuation basis and method for significant assets

(i) Securities

Marketable securities classified as available-for-sale securities are reported at fair value (based on market prices on the accounting date, or the like), with unrealized gains and losses directly included in shareholders' equity. The cost of available-for-sale securities sold is principally determined based on the moving average method. Non-marketable securities are stated at cost determined by the moving average method.

(ii) Inventories

Inventories of ROHM Co., Ltd. are stated principally at cost determined by the average method.

(2) Depreciation of significant tangible fixed assets

Depreciation of tangible fixed assets is computed principally by the declining-balance method, while the straight-line method is applied to buildings (excluding building improvements) acquired by ROHM Co., Ltd. or its domestic consolidated subsidiaries after April 1, 1998.

(3) Accounting for significant allowances

(i) The allowance for doubtful accounts is provided at an estimated amount of the past actual ratio of losses on bad debts. Certain allowance is provided for estimated uncollectible receivables.

(ii) Liability for retirement benefits is stated at the amount calculated based on the retirement benefit obligation and the fair value of the plan assets at the end of the current fiscal year.

According to the enactment of the Defined Benefit Pension Plan Law, ROHM Co., Ltd. and certain domestic consolidated subsidiaries received approval from the Minister of Health, Labor and Welfare on December 1, 2003 for transferring to the Government the past benefit obligations of the “substitutional” portion of their employees' pension fund plans; employees' pension funds have been substituting for a portion of the old-age pensions of the Government-run employees' pension insurance. On March 26, 2004, they transferred minimum actuarial liability to the Government.

The effect of this on the profit and loss for this year under review amounted to ¥10.9 billion and is accounted for as “Gain on transfer of substitutional portion of the governmental pension program.”

After the transfer of the substitutional portion to the Government, as the remaining corporate pension portion will be changed into defined contribution pension plans within the next fiscal year, loss on transfer to a defined contribution pension plan was reasonably estimated in the amount of ¥2.205 billion and accounted for as “Loss on transfer to a defined contribution pension plan” (extraordinary loss), and the net liability for employees' retirement benefits was increased, according to “Practical Accounting Procedure for Shifts between Retirement Benefit Plans” (Practical Accounting Procedure Report No. 2).

(iii) For ROHM Co., Ltd. and certain domestic consolidated subsidiaries, retirement benefits to directors and corporate auditors are provided at the amount which would be required if all directors and corporate auditors retired at the accounting date based on the internal rules.

(4) Basis for translation of significant foreign currency assets and liabilities

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the accounting 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.

The balance sheet accounts of the overseas consolidated subsidiaries and the like are translated into Japanese yen at the current exchange rates as of the accounting dates of such subsidiaries and the like. Revenue and expense accounts of the overseas subsidiaries and the like are translated into Japanese yen at the average annual exchange rates. Differences arising from such translation are included in “Minority Interests,” as well as “Foreign currency translation adjustments” in a separate component of shareholders’ equity.

(5) Significant lease transactions

Finance lease transactions, other than those that are deemed to transfer ownership of the leased property to the lessee, are accounted for as operating lease transactions.

(6) Significant hedge accounting

Foreign exchange forward contracts are used for hedge accounting.

(7) Others

Consumption tax

All transactions are recorded net of consumption taxes.

5. Evaluation of assets and liabilities of consolidated subsidiaries

The market value method is adopted.

6. Amortization of goodwill

Goodwill is amortized over a period of five years, unless deemed immaterial.

7. Appropriation of retained earnings

The Company has prepared the Consolidated Statements of Retained Earnings based on the appropriations of retained earnings determined during the year under review.

8. Cash and cash equivalents in consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, cash in banks that can be withdrawn at any time, and short-term investments with a maturity of three months or less when purchased, which can easily be converted to cash and are subject to little risk of change in value.

[Notes]

(Notes to Consolidated Statements of Income)

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
1. Non-operating income		
Interest income	2,341 million yen	2,760 million yen
2. Non-operating expenses		
Write-down of securities	9	803
Foreign currency exchange losses	5,529	7,240
3. Extraordinary gain		
Gain on transfer of substitutional portion of the governmental pension program	10,900	-
Compensation for expropriation	1,837	-
4. Extraordinary loss		
Loss on sale/disposal of fixed assets	1,620	595
Loss on liquidation of subsidiaries	-	793
Loss on transfer to a defined contribution pension plan	2,205	-

[Segment information]

1. Industry segments

The Group's main operations are the manufacturing and sales of electronic components. As net sales, operating income and total assets of the Group's main industry segment constituted more than 90% of the consolidated totals for the years ended March 31, 2003 and 2004, consequently the disclosure of industry segment information has been omitted.

2. Geographical segments

Fiscal 2004 (From April 1, 2003 to March 31, 2004)

(Millions of yen)

	Japan	Asia	Americas	Europe	Total	Eliminations/ (Corporate)	Consolidated
I Sales and operating income/loss							
Sales							
(1) Sales to customers	158,765	161,086	14,087	21,690	355,630	–	355,630
(2) Interarea transfer	53,200	107,033	235	406	160,876	(160,876)	–
Total sales	211,966	268,120	14,323	22,096	516,506	(160,876)	355,630
Operating expenses	172,891	212,321	14,906	21,140	421,260	(160,137)	261,122
Operating income	39,074	55,799	– 582	955	95,246	(738)	94,507
II Assets	372,751	252,675	32,247	16,495	674,169	172,629	846,799

Fiscal 2003 (From April 1, 2002 to March 31, 2003)

(Millions of yen)

	Japan	Asia	Americas	Europe	Total	Eliminations/ (Corporate)	Consolidated
I Sales and operating income/loss							
Sales							
(1) Sales to customers	164,399	148,016	17,419	20,446	350,281	–	350,281
(2) Interarea transfer	55,369	103,304	295	366	159,336	(159,336)	–
Total sales	219,768	251,320	17,715	20,812	509,617	(159,336)	350,281
Operating expenses	174,163	202,027	17,524	19,674	413,389	(159,231)	254,158
Operating income	45,605	49,293	191	1,138	96,228	(105)	96,122
II Assets	359,655	242,582	35,176	15,061	652,475	153,217	805,692

(Notes) 1. Countries and areas are segmented based on their geographical proximity.

2. Major countries and areas which belong to segments other than Japan are as follows:

Asia : Hong Kong, Singapore, Taiwan

Americas : The United States

Europe : Germany

3. Unallocable operating expenses included in "Eliminations (Corporate)" are shown below. Unallocable operating expenses consist primarily of expenses relating to the administrative division of the headquarters of the Company.

Fiscal 2004 2,946 million yen

Fiscal 2003 3,289

4. Total Group assets included in "Eliminations (Corporate)" are shown below. Total Group assets consist primarily of surplus funds for investment (cash, deposits and securities), long-term investment funds (investment securities), and assets relating to the administrative division of the headquarters of the Company.

Fiscal 2004 251,402 million yen

Fiscal 2003 223,084

3. Sales to foreign customers

Fiscal 2004 (From April 1, 2003 to March 31, 2004)

(Millions of yen)

	Asia	Americas	Europe	Total
I Sales to foreign customers	163,457	14,811	20,597	198,867
II Net sales				355,630
III Sales to foreign customers as a percentage of net sales	46.0 %	4.1 %	5.8 %	55.9 %

Fiscal 2003 (From April 1, 2002 to March 31, 2003)

(Millions of yen)

	Asia	Americas	Europe	Total
I Sales to foreign customers	151,371	18,111	19,342	188,824
II Net sales				350,281
III Sales to foreign customers as a percentage of net sales	43.2 %	5.2 %	5.5 %	53.9 %

(Notes) 1. Countries and areas are segmented based on their geographical proximity.

2. Major countries and areas which belong to segments other than Japan are as follows:

Asia : Hong Kong, Singapore, Taiwan

Americas : The United States

Europe : Germany

3. Sales to foreign customers consist of export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the overseas consolidated subsidiaries.

[Leases]

Finance leases that do not transfer ownership of the leased property to the lessee

1. Pro forma information of the acquisition cost, accumulated depreciation and net book value of the leased property

	Year ended	Year ended
	Mar. 31, 2004	Mar. 31, 2003
	Tools, furniture and other	Tools, furniture and other
Acquisition cost	172 million yen	215 million yen
Accumulated depreciation	145	170
Net leased property	26	44

2. Pro forma obligations under finance leases

Due within 1 year	16	29
Due after 1 year	9	14
Total	26	44

3. Lease payments and depreciation of the leased property

Lease payments	31	43
Depreciation	31	43

4. Depreciation of leased property is calculated by the straight-line method over the respective lease terms regarded as being the useful life, with the residual value of zero.

5. Acquisition cost and the pro forma obligations under finance leases presented above are calculated prior to the deduction of portions attributable to interest expense, as the year-end balance of the obligations accounts for only a small percentage of the year-end tangible fixed assets.

[Related party transactions]

Fiscal 2004 (From April 1, 2003 to March 31, 2004)

Directors and major individual shareholders

Category	Name	Address	Capital/ equity	Business/occupation	Percentage of voting right held
Directors and their close relatives	Ken Sato	-	million yen -	•President, ROHM CO., LTD. •Chairman, ROHM Music Foundation	2.0% (directly)
Relationship		Transactions	Amount of transactions	Account	Year-end balance
Concurrent post	Business relations				
-	-	Donation to the ROHM Music Foundation	million yen 100	-	million yen -

Fiscal 2003 (From April 1, 2002 to March 31, 2003)

Directors and major individual shareholders

Category	Name	Address	Capital/ equity	Business/occupation	Percentage of voting right held
Directors and their close relatives	Ken Sato	–	million yen –	•President, ROHM CO., LTD. •Chairman, ROHM Music Foundation	2.0% (directly)
Relationship		Transactions	Amount of transactions	Account	Year-end balance
Concurrent post	Business relations				
–	–	Donation to the ROHM Music Foundation	million yen 100	–	million yen –

[Tax effect accounting]

1. Deferred tax assets and deferred tax liabilities by main source

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
Deferred tax assets		
Securities	462 million yen	1,321 million yen
Inventories	8,247	7,748
Depreciation	11,761	11,253
Accrued enterprise tax	432	1,646
Accrued expenses	1,635	1,666
Liability for retirement benefits	2,754	6,591
Other	5,648	5,912
Total	30,942	36,140
Deferred tax liabilities		
Undistributed earnings of foreign subsidiaries	41,752	38,623
Prepaid pension cost	1,768	1,991
Enterprise tax refund receivable	284	–
Other	2,156	1,400
Total	45,961	42,014
Net deferred tax assets	– 15,019	– 5,874

(Note) Net deferred tax assets (-liabilities) as of March 31, 2003 and 2004 are included in the following accounts in the consolidated balance sheets:

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
Current assets - Deferred tax assets	12,425 million yen	14,159 million yen
Fixed assets - Deferred tax assets	5,794	6,966
Current liabilities - Deferred tax liabilities	– 381	– 747
Long-term liabilities - Deferred tax liabilities	– 32,857	– 26,253

2. A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
Normal effective statutory tax rate	41.9 %	–
(Adjustments)		
Lower income tax rates applicable to income in certain foreign countries	– 4.4	–
Tax credit for research and development expenses	– 1.4	–
Other - net	0.8	–
Actual effective tax rates	36.9 %	–

[Debt and equity securities]

Fiscal 2004 (From April 1, 2003 to March 31, 2004)

1. Marketable available-for-sale securities

(Millions of yen)

Classification	Acquisition costs	Carrying values	Differences
Securities whose carrying value exceeds their acquisition cost			
(1) Equity securities	2,720	7,098	4,377
(2) Government and corporate bonds			
Government bonds, local government bonds etc.	16,919	17,113	193
Corporate bonds	20,753	20,798	45
(3) Other	21,005	21,075	69
Sub-total	61,399	66,086	4,686
Securities whose carrying value does not exceed their acquisition cost			
(1) Equity securities	255	249	- 6
(2) Government and corporate bonds			
Government bonds, local government bonds etc.	3,518	3,503	- 14
Corporate bonds	57,272	57,104	- 167
Sub-total	61,045	60,857	- 188
Total	122,445	126,943	4,498

2. Available-for-sale securities sold in the year ended March 31, 2004

(Millions of yen)

Proceeds from sales	Gross realized gains	Gross realized losses
1,810	2	8

3. Major securities whose fair value is not readily determinable, and their carrying values

Available-for-sale securities (Millions of yen)

Classification	Carrying values
Unlisted equity securities (Excluding over-the-counter securities)	818
Total	818

4. Carrying values of debt securities by contractual maturities for securities classified as available-for-sale

(Millions of yen)

Classification	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 year through 10 years
Government and corporate bonds			
Government bonds, local government bonds etc.	6,965	12,220	1,056
Corporate bonds	10,585	66,100	1,000
Total	17,550	78,320	2,056

Fiscal 2003 (From April 1, 2002 to March 31, 2003)

1. Marketable available-for-sale securities

(Millions of yen)

Classification	Acquisition costs	Carrying values	Differences
Securities whose carrying value exceeds their acquisition cost			
(1) Equity securities	983	2,299	1,315
(2) Government and corporate bonds			
Government bonds, local government bonds etc.	14,048	14,259	211
Corporate bonds	17,391	17,443	52
(3) Other	21,005	21,022	16
Sub-total	53,429	55,024	1,595
Securities whose carrying value does not exceed their acquisition cost			
(1) Equity securities	1,868	1,560	- 308
(2) Government and corporate bonds			
Government bonds, local government bonds etc.	2,661	2,659	- 1
Corporate bonds	40,135	40,034	- 100
Sub-total	44,665	44,254	- 410
Total	98,094	99,279	1,184

2. Available-for-sale securities sold in the year ended March 31, 2003

(Millions of yen)

Proceeds from sales	Gross realized gains	Gross realized losses
7	1	0

3. Major securities whose fair value is not readily determinable, and their carrying values

Available-for-sale securities (Millions of yen)

Classification	Carrying values
(1) Unlisted equity securities (Excluding over-the-counter securities)	907
(2) Mutual funds investing in bonds	5,113
Total	6,020

4. Carrying values of debt securities by contractual maturities for securities classified as available-for-sale

(Millions of yen)

Classification	Due in 1 year or less	Due after 1 year through 5 years
Government and corporate bonds		
Government bonds, local government bonds etc.	8,218	8,211
Corporate bonds	13,551	43,678
Total	21,769	51,889

[Derivatives]

Fiscal 2004 (From April 1, 2003 to March 31, 2004)

Currency derivatives

Not disclosed because hedge accounting is adopted.

Fiscal 2003 (From April 1, 2002 to March 31, 2003)

Currency derivatives

Not disclosed because hedge accounting is adopted.

[Retirement benefits]

1. Outline of retirement benefits scheme adopted

ROHM Co., Ltd. and certain domestic consolidated subsidiaries had defined benefit pension plans, i.e., employees' pension fund plans, approved retirement annuity plans and lump-sum payment plans. However, regarding the employees' pension fund plans, after transferring minimum actuarial liability to the Government on March 26, 2004, they have shifted to defined benefit corporate pension plans, and are now going through the procedures for the shift to defined contribution pension plans.

Certain overseas consolidated subsidiaries of the Company have defined contribution pension plans in addition to defined benefit pension plans.

ROHM shifted from lump-sum payment plans to approved retirement annuity plans in September 1967, followed by its domestic consolidated subsidiaries thereafter.

2. Liability for employees' retirement benefits (As of March 31, 2004)

	Year ended March 31, 2004	Year ended March 31, 2003
(1) Projected benefit obligation	– 28,947 million yen	– 52,380 million yen
(2) Fair value of plan assets	21,887	28,566
(3) Unfunded retirement benefit obligation ((1)+(2))	– 7,059	– 23,814
(4) Unrecognized actuarial loss	4,010	20,069
(5) Unrecognized prior service credit (liability reduction)	–	– 8,303
(6) Net Liability ((3)+(4)+(5))	– 3,048	– 12,048
(7) Prepaid pension cost	4,356	4,752
(8) Liability for retirement benefits ((6)-(7))	<u>– 7,404</u>	<u>– 16,801</u>

(Note) With the transfer of the minimum actuarial liability to the Government on March 26, 2004, ROHM Co., Ltd. and certain domestic consolidated subsidiaries completed the procedures for transfer of the substitutional portion of their employees' pension fund plans. After the transfer of the substitutional portion to the Government, as the remaining corporate pension portion is scheduled to be changed into defined contribution pension plans within the next fiscal year, loss resulting from the termination of the previous pension plan was reasonably estimated and accounted for as "Loss on transfer to a defined contribution pension plan" (extraordinary loss), and the net liability for employees' retirement benefits was increased, according to "Practical Accounting Procedure for Shifts between Retirement Benefit Plans" (Practical Accounting Procedure Report No. 2).

3. Net periodic benefit cost (From April 1, 2003 to March 31, 2004)

	Year ended March 31, 2004	Year ended March 31, 2003
(1) Service cost	1,535 million yen	2,110 million yen
(2) Interest cost	865	1,233
(3) Expected return on plan assets	– 500	– 822
(4) Recognized actuarial loss	1,764	1,263
(5) Amortization of prior service credit	– 593	– 579
(6) Other	93	207
(7) Net periodic benefit cost ((1)+(2)+(3)+(4)+(5)+(6))	3,165	3,413
(8) Gain on transfer of substitutional portion of the governmental pension program	– 10,900	–
(9) Loss on transfer to a defined contribution pension plan	2,205	–
Total	<u>– 5,529</u>	<u>3,413</u>

(Note) "(6) Other" includes premiums paid for defined contribution pension plans.

4. Assumptions used for calculation

	Year ended March 31, 2004	Year ended March 31, 2003
(1) Allocation method of the retirement benefits expected to be paid at the retirement date	Straight-line method based on years of service	Straight-line method based on years of service
(2) Discount rate	2.0%	2.0%
(3) Expected rate of return on plan assets	2.0%	2.5%
(4) Amortization period of prior service credit (Amortization from the accrual year by straight-line method)	10 years	10 years
(5) Recognition period of actuarial gain/loss (Amortization from the year following the accrual year by straight-line method)	10 years	10 years

Production, Orders Received and Sales

1. Actual production

(Millions of yen)

Product category		Period	Fiscal 2004	Fiscal 2003	Increase/Decrease (-)
			From April 1, 2003 To March 31, 2004	From April 1, 2002 To March 31, 2003	
Electronic Components	Integrated circuits		156,154	162,134	- 5,980
	Discrete semiconductor devices		143,353	138,299	5,054
	Passive components		25,212	24,771	441
	Displays		37,268	30,531	6,737
Total			361,989	355,736	6,253

(Notes) 1. The amounts above are calculated based on the average sales prices for each accounting period and are exclusive of consumption tax and the like.

2. Major products included in each category are as follows:

Product category		Major products
Electronic Components	Integrated circuits	Monolithic ICs, Power Modules, Photo Link Modules
	Discrete semiconductor devices	Transistors, Diodes, Light Emitting Diodes, Laser Diodes
	Passive components	Resistors, Capacitors
	Displays	Liquid Crystal Displays, Thermal Heads, Image Sensor Heads, LED Displays, Others

2. Orders

(Millions of yen)

Product category		Fiscal 2004		Fiscal 2003		Increase/Decrease (-)	
		From April 1, 2003 To March 31, 2004		From April 1, 2002 To March 31, 2003			
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Electronic Components	Integrated circuits	158,786	25,006	155,672	21,666	3,114	3,340
	Discrete semiconductor devices	143,881	20,987	133,786	16,115	10,095	4,872
	Passive components	25,019	3,516	24,602	3,098	417	418
	Displays	38,638	8,060	30,816	5,995	7,822	2,065
Total		366,326	57,571	344,876	46,875	21,450	10,696

3. Actual sales

Actual sales by product category (domestic)

(Millions of yen)

Product category		Fiscal 2004		Fiscal 2003		Increase/Decrease (-)	
		From April 1, 2003 To March 31, 2004		From April 1, 2002 To March 31, 2003			
		Sales	Domestic ratio	Sales	Domestic ratio	Sales	Increase/ Decrease ratio
Electronic Components	Integrated circuits	78,902	50.8%	83,846	52.6%	- 4,944	- 5.9%
	Discrete semiconductor devices	54,591	39.3	55,126	40.5	- 535	- 1.0
	Passive components	8,593	34.9	7,974	32.3	619	7.8
	Displays	14,675	40.1	14,510	48.5	165	1.1
Total		156,762	44.1	161,456	46.1	- 4,694	- 2.9

Actual sales by product category (overseas)

(Millions of yen)

Product category		Fiscal 2004		Fiscal 2003		Increase/Decrease (-)	
		From April 1, 2003 To March 31, 2004		From April 1, 2002 To March 31, 2003			
		Sales	Overseas ratio	Sales	Overseas ratio	Sales	Increase/ Decrease ratio
Electronic Components	Integrated circuits	76,544	49.2%	75,577	47.4%	967	1.3%
	Discrete semiconductor devices	84,417	60.7	81,126	59.5	3,291	4.1
	Passive components	16,007	65.1	16,714	67.7	- 707	- 4.2
	Displays	21,897	59.9	15,406	51.5	6,491	42.1
Total		198,867	55.9	188,824	53.9	10,043	5.3

Actual sales by product category (total)

(Millions of yen)

Product category		Fiscal 2004		Fiscal 2003		Increase/Decrease (-)	
		From April 1, 2003 To March 31, 2004		From April 1, 2002 To March 31, 2003			
		Sales	Sales as a percentage of net sales	Sales	Sales as a percentage of net sales	Sales	Increase/ Decrease ratio
Electronic Components	Integrated circuits	155,446	43.7%	159,424	45.5%	- 3,978	- 2.5%
	Discrete semiconductor devices	139,009	39.1	136,252	38.9	2,757	2.0
	Passive components	24,601	6.9	24,688	7.1	- 87	- 0.4
	Displays	36,573	10.3	29,916	8.5	6,657	22.3
Total		355,630	100.0	350,281	100.0	5,349	1.5



Summarized Non-consolidated Financial Statements for Year Ended March 31, 2004

May 13, 2004

Listed Company Name ROHM CO., LTD.

Stock Exchange Listings Tokyo, Osaka

Code No.: 6963

Head Office Location

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

Kyoto Prefecture

Company representative Title: President

Name: Ken Sato

Contact person

Title: Director, Administration Headquarters

Name: Eiichi Sasayama

TEL (075) 311 - 2121

Date of Board of Directors meeting for approval of financial statements: May 13, 2004

Existence of interim dividend system: Yes

Date of general shareholders' meeting: June 29, 2004

Adoption of trading unit system: Yes (1 unit: 100 shares)

1. Business Results for the Year Ended March 31, 2004 (From April 1, 2003 to March 31, 2004)

(1) Results of Operations (Figures are rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2004	331,249	5.0	33,218	-19.5	38,211	-4.1
Year ended March 31, 2003	315,624	16.4	41,271	71.0	39,865	21.9

	Net income		Basic net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Millions of yen	%	Yen	Yen	%	%	%
Year ended March 31, 2004	29,342	24.2	246.65	-	6.1	6.5	11.5
Year ended March 31, 2003	23,618	21.0	198.54	198.45	5.1	7.3	12.6

(Notes) (i) Average number of shares outstanding Year ended Mar. 31, 2004: 118,783,647 shares

Year ended Mar. 31, 2003: 118,743,246 shares

(ii) Change in accounting policies: None

(iii) Percentage (%) shown for Net sales, Operating income, Ordinary income and Net income represents change from the data of the previous year.

(2) Dividends Information

	Annual dividends per share			Total dividends paid for the year	Dividends payout ratio	Ratio of dividends to shareholders' equity
	Interim	Year-end	Yen			
Year ended March 31, 2004	55.00	12.50	42.50	6,533	22.3	1.3
Year ended March 31, 2003	22.00	9.50	12.50	2,613	11.1	0.6

(3) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2004	607,152	497,456	81.9	4,187.61
Year ended March 31, 2003	567,097	469,216	82.7	3,949.75

(Notes) (i) Number of shares outstanding at end of year Year ended Mar. 31, 2004: 118,781,637 shares

Year ended Mar. 31, 2003: 118,785,890 shares

(ii) Number of treasury stock at end of year Year ended Mar. 31, 2004: 19,751 shares

Year ended Mar. 31, 2003: 15,498 shares

2. Business Results Forecast for Fiscal 2005 (From April 1, 2004 to March 31, 2005)

	Net sales	Ordinary income	Net income	Annual dividends per share		
				Interim	Year-end	Yen
Interim	186,000	44,000	33,000	42.50	-	-
Fiscal 2005	364,000	59,000	43,000	-	42.50	85.00

(Note) Projected net income per share for the year ending March 31, 2005: 362.01 yen

* The forecast data are based on the information available at the time of release of this report. Therefore, a number of important factors including changes in business conditions may cause actual results to differ materially from those discussed in the prospective statements. Refer to page 9 to 10 of the attached documents for reasons for the forecast and other relevant information.

Non-consolidated Balance Sheets

Accounts	Period	Fiscal year 2004 (As of March 31, 2004)		Fiscal year 2003 (As of March 31, 2003)		Increase/decrease (-) from the year ended March 31, 2003
		Amount	Ratio	Amount	Ratio	Amount
		Millions of yen	%	Millions of yen	%	Millions of yen
(Assets)						
Current assets						
Cash and time deposits		136,772		125,721		11,051
Notes receivable - trade		2,775		4,423		- 1,648
Accounts receivable - trade		91,096		75,689		15,407
Securities		33,804		40,945		- 7,141
Inventories		22,584		21,138		1,446
Prepaid pension cost		187		263		- 76
Deferred tax assets		7,024		7,540		- 516
Sundry receivables		38,078		25,498		12,580
Refundable income taxes		3,550		-		3,550
Other		16,451		18,541		- 2,090
Allowance for doubtful notes and accounts		- 77		- 63		- 14
Total current assets		352,246	58.0	319,699	56.4	32,547
Fixed assets						
Property, plant and equipment						
Buildings		22,048		23,539		- 1,491
Machinery and equipment		8,361		7,681		680
Land		34,995		35,379		- 384
Other		10,871		6,448		4,423
Total tangible fixed assets		76,276	12.6	73,049	12.9	3,227
Intangible fixed assets		1,042	0.2	1,270	0.2	- 228
Investments and other assets						
Investment securities		75,375		50,733		24,642
Investment in subsidiaries and associated companies		58,956		62,065		- 3,109
Long-term loans receivable		35,982		49,862		- 13,880
Deferred tax assets		6,714		9,723		- 3,009
Other		806		1,065		- 259
Allowance for doubtful accounts		- 249		- 372		123
Total investments and other assets		177,586	29.2	173,078	30.5	4,508
Total fixed assets		254,905	42.0	247,397	43.6	7,508
Total assets		607,152	100.0	567,097	100.0	40,055

Accounts	Period	Fiscal year 2004 (As of March 31, 2004)		Fiscal year 2003 (As of March 31, 2003)		Increase/decrease (-) from the year ended March 31, 2003
		Amount	Ratio	Amount	Ratio	Amount
		Millions of yen	%	Millions of yen	%	Millions of yen
(Liabilities)						
Current liabilities						
Accounts payable - trade		68,844		50,044		18,800
Other accounts payable		30,190		15,278		14,912
Accrued income taxes		-		18,150		- 18,150
Other		5,695		5,722		- 27
Total current liabilities		104,730	17.3	89,195	15.7	15,535
Long-term liabilities						
Liability for retirement benefits		3,553		7,343		- 3,790
Allowance for directors' retirement benefits		1,412		1,340		72
Total long-term liabilities		4,966	0.8	8,684	1.6	- 3,718
Total liabilities		109,696	18.1	97,880	17.3	11,816
(Shareholders' equity)						
Common stock		86,969	14.3	86,969	15.3	-
Capital surplus						
Capital surplus		97,253		97,253		-
Total Capital surplus		97,253	16.0	97,253	17.1	-
Retained earnings						
Legal reserve		2,464		2,464		-
General reserve		277,615		257,408		20,207
Unappropriated retained earnings		30,887		24,764		6,123
Total retained earnings		310,968	51.2	284,637	50.2	26,331
Net unrealized gain on available-for-sale securities		2,566	0.4	599	0.1	1,967
Treasury stock - at cost		- 301	- 0.0	- 243	- 0.0	- 58
Total shareholders' equity		497,456	81.9	469,216	82.7	28,240
Total liabilities and shareholders' equity		607,152	100.0	567,097	100.0	40,055

Non-consolidated Statements of Income

Accounts	Period	Fiscal year 2004 From April 1, 2003 To March 31, 2004		Fiscal year 2003 From April 1, 2002 To March 31, 2003		Increase/decrease (-) from the year ended March 31, 2003
		Amount	Percentage	Amount	Percentage	
		Millions of yen	%	Millions of yen	%	Millions of yen
Net sales		331,249	100.0	315,624	100.0	15,625
Cost of sales		247,784	74.8	226,125	71.6	21,659
Gross profit		83,464	25.2	89,498	28.4	- 6,034
Selling, general and administrative expenses		50,246	15.2	48,227	15.3	2,019
Operating income		33,218	10.0	41,271	13.1	- 8,053
Non-operating income		12,981	3.9	4,539	1.4	8,442
Non-operating expenses		7,987	2.4	5,944	1.9	2,043
Ordinary income		38,211	11.5	39,865	12.6	- 1,654
Extraordinary gains		5,559	1.7	128	0.1	5,431
Extraordinary losses		2,762	0.8	264	0.1	2,498
Income before income taxes		41,009	12.4	39,729	12.6	1,280
Income taxes - current		9,486	2.9	21,471	6.8	- 11,985
Income taxes - deferred		2,180	0.6	- 5,359	- 1.7	7,539
Net income		29,342	8.9	23,618	7.5	5,724
Unappropriated retained earnings brought forward from the previous year		3,029		2,342		687
Loss on sales of treasury stock		-		68		- 68
Interim dividends		1,484		1,128		356
Unappropriated retained earnings		30,887		24,764		6,123

Statements of Appropriation of Retained Earnings

(Millions of yen)

Accounts	Period	Fiscal year 2004 From April 1, 2003 To March 31, 2004		Fiscal year 2003 From April 1, 2002 To March 31, 2003		Increase/decrease (-)
		Unappropriated retained earnings		30,887		
Appropriation of retained earnings						
Cash dividends		5,048		1,484		3,564
Bonuses to directors		45		42		3
Voluntary reserve						
Reserve for overseas investment loss		5		6		- 1
General reserve		5,500		20,200		- 14,700
Balance to be carried forward		20,288		3,029		17,259

[Significant Accounting Policies]

1. Valuation basis and method for securities

Investment securities in subsidiaries and associated companies are stated at cost determined by the moving average method. Marketable securities classified as available-for-sale securities are reported at fair value (based on market prices on the accounting date, or the like), with unrealized gains and losses directly included in shareholders' equity. The cost of available-for-sale securities sold is principally determined based on the moving average method. Non-marketable securities are stated at cost determined by the moving average method.

2. Valuation basis and method for inventories

Finished products, semi-finished products, raw materials and work in process are stated at cost determined by the average method. Supplies are stated at cost determined by the last purchase method.

3. Depreciation of fixed assets

(1) Depreciation of tangible fixed assets is computed by the declining-balance method, while the straight-line method is applied to buildings (excluding building improvements) acquired after April 1, 1998.

(2) Depreciation of intangible fixed assets is computed by the straight-line method.

4. Basis for translation of foreign currency assets and liabilities

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the accounting 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.

5. Accounting for allowances

(1) The allowance for doubtful accounts is provided at an estimated amount of the past actual ratio of losses on bad debts. Certain allowance is provided for estimated uncollectible receivables.

(2) Liability for retirement benefits is stated at the amount calculated based on the retirement benefit obligation and the fair value of the plan assets at the end of the current fiscal year.

According to the enactment of the Defined Benefit Pension Plan Law, ROHM Co., Ltd. received approval from the Minister of Health, Labor and Welfare on December 1, 2003 for transferring to the Government the past benefit obligations of the "substitutional" portion of its employees' pension fund plans; employees' pension funds have been substituting for a portion of the old-age pensions of the Government-run employees' pension insurance. On March 26, 2004, the Company transferred minimum actuarial liability to the Government.

The effect of this on the profit and loss for this year under review amounted to ¥5.116 billion and is accounted for as "Gain on transfer of substitutional portion of the governmental pension program."

After the transfer of the substitutional portion to the Government, as the remaining corporate pension portion will be changed into defined contribution pension plans within the next fiscal year, loss on transfer to a defined contribution pension plan was reasonably estimated in the amount of ¥1.511 billion and accounted for as "Loss on transfer to a defined contribution pension plan" (extraordinary loss), and the net liability for employees' retirement benefits was increased, according to "Practical Accounting Procedure for Shifts between Retirement Benefit Plans" (Practical Accounting Procedure Report No. 2).

(3) Retirement benefits to directors and corporate auditors are provided at the amount that would be required if all directors and corporate auditors retired at the accounting date based on the internal rules.

6. Lease transactions

Finance lease transactions, other than those that are deemed to transfer ownership of the leased property to the lessee, are accounted for as operating lease transactions.

7. Hedge accounting

Foreign exchange forward contracts are used for hedge accounting.

8. Others

Consumption tax

All transactions are recorded net of consumption taxes.

[Notes]

(Notes to non-consolidated balance sheets)

Accumulated depreciation of tangible fixed assets

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
	104,326 million yen	99,511 million yen

(Notes to non-consolidated statements of income)

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
1. Non-operating income		
Interest income (including interest on securities)	1,593 million yen	2,103 million yen
Dividend income	9,894	897
2. Non-operating expenses		
Foreign currency exchange losses	7,074	4,357
Write-down of securities	9	773
3. Extraordinary gain		
Gain on sale of fixed assets	412	128
Gain on transfer of substitutional portion of the governmental pension program	5,116	-
4. Extraordinary loss		
Loss on sale/disposal of fixed assets	1,250	264
Loss on transfer to a defined contribution pension plan	1,511	-

[Leases]

Finance leases that do not transfer ownership of the leased property to the lessee

1. Pro forma information of the acquisition cost, accumulated depreciation and net book value of the leased property

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
	Other in tangible fixed assets	Other in tangible fixed assets
Acquisition cost	52 million yen	47 million yen
Accumulated depreciation	31	19
Net leased property	20	27

2. Pro forma obligations under finance leases

Due within 1 year	13	15
Due after 1 year	7	12
Total	20	27

3. Lease payments and depreciation of the leased property

Lease payments	16	15
Depreciation	16	15

4. Depreciation of leased property is calculated by the straight-line method over the respective lease terms regarded as being the useful life, with the residual value of zero.

5. Acquisition cost and the pro forma obligations under finance leases presented above are calculated prior to the deduction of portions attributable to interest expense, as the year-end balance of the obligation accounts for only a small percentage of the year-end tangible fixed assets.

[Tax effect accounting]

1. Deferred tax assets and deferred tax liabilities by main source

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
Deferred tax assets		
Securities	422 million yen	1,266 million yen
Inventories	4,242	2,858
Depreciation	5,827	5,159
Accrued enterprise tax	-	1,236
Accrued expenses	991	1,089
Liability for retirement benefits	1,442	2,981
Other	2,938	3,200
Total	15,865	17,793
Deferred tax liabilities		
Prepaid pension cost	75	110
Enterprise tax refund receivable	284	-
Net unrealized gain on available-for-sale securities	1,754	410
Other	11	8
Total	2,126	529
Net deferred tax assets	13,739	17,263

2. Reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the statement of Income

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
Normal effective statutory tax rate	41.9%	-
(Adjustments)		
Income not taxable for income tax purposes	- 10.1	-
Tax credit for research and development expenses	- 3.4	-
Other	0.1	-
Actual effective tax rate after application of tax effect accounting	28.5%	-

Changes in Directors

(Effective June 29, 2004)

1. Changes in Representative Directors

None

2. Changes in Other Directors

New Corporate Auditor Candidates

Toshiki Shimozono, Part-time Corporate Auditor (Outside Corporate Auditor)

Haruo Kitamura, Part-time Corporate Auditor (Outside Corporate Auditor)

Retiring Corporate Auditor

Toshio Minoura, Part-time Corporate Auditor (Outside Corporate Auditor)