

**ROHM CO., LTD. Interim Financial Highlights for the Six-Month Period Ended
September 30, 2006**



November 9, 2006

1. Consolidated Financial Results

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

		Year ending	Year ended	Increase/decrease from the six-month period		Year ended	Year ending	Increase/decrease from the year ended Mar. 31, 2006
		Mar. 31, 2007	Mar. 31, 2006	ended Sept. 30, 2005		Mar. 31, 2006	Mar. 31, 2007	
		First six months Actual	First six months Actual	Amount	Percentage	Annual Actual	Annual Projected	
Net sales	Millions of yen	205,249	193,033	+12,216	+6.3%	387,790	401,000	+3.4%
Cost of sales	Millions of yen	129,467	121,445	+8,022	+6.6%	243,516	253,000	
Selling, general and administrative expenses	Millions of yen	35,489	37,221	-1,732	-4.7%	75,954	74,500	
Operating income	Millions of yen	40,292	34,366	+5,926	+17.2%	68,318	73,500	+7.6%
(Operating income margin)		(19.6%)	(17.8%)	(+1.8%)		(17.6%)	(18.3%)	
Ordinary income	Millions of yen	44,366	40,461	+3,905	+9.6%	78,437	80,000	+2.0%
(Ordinary income margin)		(21.6%)	(21.0%)	(+0.6%)		(20.2%)	(20.0%)	
Net income	Millions of yen	28,855	24,238	+4,617	+19.0%	48,304	51,000	+5.6%
(Net income margin)		(14.1%)	(12.6%)	(+1.5%)		(12.5%)	(12.7%)	
Basic net income per share	Yen	250.56	208.91	+41.65	+19.9%	416.39	446.27	
Ratio of net income to equity	%					6.3		
Ordinary income to total assets	%					8.6		
Total assets	Millions of yen	943,924	892,459	+51,465	+5.8%	951,441		
Net assets	Millions of yen	801,683	756,465	+45,218	+6.0%	787,214		
Equity ratio	%	84.9	84.8	+0.1		82.7		
Net assets per share	Yen	7,012.15	6,527.65	+484.50	+7.4%	6,821.68		
Capital expenditures	Millions of yen	26,432	31,256	-4,824	-15.4%	80,239	72,000	-10.3%
Depreciation (Tangible fixed assets)	Millions of yen	28,411	24,920	+3,491	+14.0%	56,669	63,500	+12.1%
Research and development costs	Millions of yen	16,419	16,135	+284	+1.8%	33,794	34,500	+2.1%
Net financial revenue								
(Interest and dividend income)	(Millions of yen)	(4,835)	(2,689)	(+2,146)	(+79.8%)	(6,283)		
Foreign currency exchange gains/losses	Millions of yen	(loss) 70	(gain) 3,405	(loss) 3,475		(gain) 4,466		
Foreign exchange rate (Average yen-dollar rate)	Yen/US\$	115.50	109.40	+6.10	+5.6%	113.09	115.00	(Second half of the year)
Number of employees		20,564	20,597	-33	-0.2%	20,279		
(Number of R&D employees)		(2,233)	(2,345)	(-112)	(-4.8%)	(2,208)		
Overseas production ratio	%	59	56	+3		56	61	
Number of consolidated subsidiaries		40	44	-4		41		
(Domestic)		(12)	(13)	(-1)		(12)		
(Overseas)		(28)	(31)	(-3)		(29)		
Number of companies accounted for by equity method		2	2	0		2		
Number of non-consolidated subsidiaries		0	0	0		0		

* The projected 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 projected.

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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 ending	Year ended	Increase/decrease from the six-month period		Year ended	Year ending	Increase/decrease from the year ended Mar. 31, 2006
		Mar. 31, 2007	Mar. 31, 2006	ended Sept. 30, 2005		Mar. 31, 2006	Mar. 31, 2007	
		First six months Actual	First six months Actual	Amount	Percentage	Annual Actual	Annual Projected	
Sales by product category and geographical region								
Integrated circuits	Millions of yen	90,857	85,467	+5,390	+6.3%	170,087	176,727	+3.9%
(Japan)		(44,425)	(40,697)	(+3,728)	(+9.2%)	(82,977)	(86,410)	(+4.1%)
(Asia)		(42,446)	(40,677)	(+1,769)	(+4.3%)	(79,375)	(82,965)	(+4.5%)
(Americas)		(1,954)	(2,156)	(-202)	(-9.4%)	(3,861)	(3,653)	(-5.4%)
(Europe)		(2,031)	(1,935)	(+96)	(+4.9%)	(3,872)	(3,698)	(-4.5%)
Discrete semiconductor devices		80,182	74,836	+5,346	+7.1%	150,636	158,579	+5.3%
(Japan)		(25,224)	(26,029)	(-805)	(-3.1%)	(51,840)	(50,074)	(-3.4%)
(Asia)		(47,504)	(41,907)	(+5,597)	(+13.4%)	(85,108)	(94,526)	(+11.1%)
(Americas)		(3,791)	(3,464)	(+327)	(+9.5%)	(6,935)	(7,101)	(+2.4%)
(Europe)		(3,662)	(3,436)	(+226)	(+6.6%)	(6,752)	(6,877)	(+1.9%)
Passive components		12,659	12,127	+532	+4.4%	24,998	24,423	-2.3%
(Japan)		(3,448)	(3,715)	(-267)	(-7.2%)	(7,558)	(6,535)	(-13.5%)
(Asia)		(7,009)	(6,032)	(+977)	(+16.2%)	(12,716)	(13,628)	(+7.2%)
(Americas)		(894)	(964)	(-70)	(-7.3%)	(1,915)	(1,661)	(-13.2%)
(Europe)		(1,307)	(1,415)	(-108)	(-7.6%)	(2,807)	(2,598)	(-7.4%)
Displays		21,549	20,602	+947	+4.6%	42,068	41,269	-1.9%
(Japan)		(6,250)	(6,661)	(-411)	(-6.2%)	(13,891)	(11,042)	(-20.5%)
(Asia)		(12,455)	(11,439)	(+1,016)	(+8.9%)	(22,899)	(23,876)	(+4.3%)
(Americas)		(1,427)	(1,154)	(+273)	(+23.6%)	(2,426)	(3,105)	(+28.0%)
(Europe)		(1,416)	(1,346)	(+70)	(+5.2%)	(2,850)	(3,245)	(+13.8%)
Total		205,249	193,033	12,216	+6.3%	387,790	401,000	+3.4%
(Japan)		(79,348)	(77,104)	(+2,244)	(+2.9%)	(156,268)	(154,063)	(-1.4%)
(Asia)		(109,416)	(100,056)	(+9,360)	(+9.4%)	(200,100)	(214,997)	(+7.4%)
(Americas)		(8,067)	(7,739)	(+328)	(+4.2%)	(15,138)	(15,520)	(+2.5%)
(Europe)		(8,417)	(8,133)	(+284)	(+3.5%)	(16,282)	(16,419)	(+0.8%)

Sales by application

Visual	%	7.0	7.7	-0.7		7.4
Audio		11.9	11.8	+0.1		11.1
Home appliance		2.3	2.2	+0.1		2.3
Other consumer		5.5	4.8	+0.7		4.7
Computer and OA		21.5	22.1	-0.6		22.1
Telecommunications		19.8	17.0	+2.8		18.3
Automotive		5.2	5.1	+0.1		5.2
Other industrial		1.4	1.4	0.0		1.5
Subassemblies		15.7	13.9	+1.8		13.5
Others		9.7	14.0	-4.3		13.9

Capital expenditures by product category

Integrated circuits	Millions of yen	12,834	14,164	-1,330	-9.4%	44,254	40,000	-9.6%
Discrete semiconductor devices		8,721	9,115	-394	-4.3%	20,820	21,500	+3.3%
Passive components		1,235	823	+412	+50.2%	1,886	2,600	+37.8%
Displays		1,054	2,346	-1,292	-55.1%	3,546	2,700	-23.9%
Others		2,586	4,807	-2,221	-46.2%	9,731	5,200	-46.6%
Total		26,432	31,256	-4,824	-15.4%	80,239	72,000	-10.3%

2. Non-consolidated Financial Results

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

		Year ending	Year ended	Increase/decrease from the six-month period		Year ended	Year ending	Increase/decrease from the year ended Mar. 31, 2006
		Mar. 31, 2007	Mar. 31, 2006	ended Sept. 30, 2005		Mar. 31, 2006	Mar. 31, 2007	
		First six months Actual	First six months Actual	Amount	Percentage	Annual Actual	Annual Projected	
Net sales	Millions of yen	187,558	178,590	+8,968	+5.0%	360,870	367,000	+1.7%
Operating income	Millions of yen	16,912	10,355	+6,557	+63.3%	24,129	32,500	+34.7%
	(Operating income margin)	(9.0%)	(5.8%)	(+3.2%)		(6.7%)	(8.9%)	
Ordinary income	Millions of yen	25,559	21,576	+3,983	+18.5%	38,035	42,500	+11.7%
	(Ordinary income margin)	(13.6%)	(12.1%)	(+1.5%)		(10.5%)	(11.6%)	
Net income	Millions of yen	19,739	15,861	+3,878	+24.4%	27,238	30,500	+12.0%
	(Net income margin)	(10.5%)	(8.9%)	(+1.6%)		(7.5%)	(8.3%)	
Basic net income per share	Yen	171.40	136.71	+34.69	+25.4%	234.91	266.89	
Ratio of net income to equity	%					5.3		
Ordinary income to total assets	%					6.1		
Total assets	Millions of yen	610,334	613,092	-2,758	-0.4%	630,721		
Net assets	Millions of yen	513,608	509,441	+4,167	+0.8%	513,433		
Equity ratio	%	84.2	83.1	+1.1		81.4		
Net assets per share	Yen	4,494.31	4,396.04	+98.27	+2.2%	4,449.39		
Interim cash dividends	Yen	45.0	45.0	0.0				
	(Annual cash dividends)	(Yen)				(90.0)	(90.0)	
Capital expenditures	Millions of yen	2,903	4,918	-2,015	-41.0%	9,401	7,900	-16.0%
Depreciation (Tangible fixed assets)	Millions of yen	3,382	3,399	-17	-0.5%	7,620	8,300	+8.9%
Net financial revenue								
	(Interest income)	(Millions of yen)	(1,721)	(963)	(+758)	(+78.7%)	(2,109)	
	(Dividend income)	(Millions of yen)	(6,719)	(6,816)	(-97)	(-1.4%)	(6,859)	
	Total	Millions of yen	8,441	7,779	+662	+8.5%	8,969	
Foreign currency exchange gains/losses	Millions of yen	(gain)15	(gain)2,417	(loss) 2,402		(gain)3,919		
Number of employees		3,444	3,416	+28	+0.8%	3,315		
Number of shareholders		27,894	26,998	+896	+3.3%	27,099		
	Financial institution shareholding ratio	%	25.11	26.69	-1.58		24.84	
	Foreign shareholding ratio	%	50.37	50.15	+0.22		51.65	

Consolidated Interim Financial Report for Fiscal Year Ending March 31, 2007



November 9, 2006

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, Accounting & Finance Headquarters

Name: Eiichi Sasayama

TEL (075) 311 - 2121

Date of Board of Directors meeting for approval of financial statements: November 9, 2006

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

1. Consolidated Business Results for the Six-month Period Ended September 30, 2006 (From April 1, 2006 to September 30, 2006)

(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	%
Six months ended September 30, 2006	205,249	6.3	40,292	17.2	44,366	9.6
Six months ended September 30, 2005	193,033	-3.7	34,366	-36.4	40,461	-31.1
Year ended March 31, 2006	387,790		68,318		78,437	

	Net income		Basic net income per share	Diluted net income per share
	Millions of yen	%	yen	yen
Six months ended September 30, 2006	28,855	19.0	250.56	-
Six months ended September 30, 2005	24,238	-34.0	208.91	-
Year ended March 31, 2006	48,304		416.39	-

(Notes) (i) Equity in income (losses) Six months ended Sept. 30, 2006: -4 million yen Six months ended Sept. 30, 2005: -2 million yen
Year ended Mar. 31, 2006: 0 million yen

(ii) Average number of shares outstanding (consolidated) Six months ended Sept. 30, 2006: 115,165,156 shares
Six months ended Sept. 30, 2005: 116,024,848 shares Year ended Mar. 31, 2006: 115,768,014 shares

(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 corresponding period of the previous year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Six months ended September 30, 2006	943,924	801,683	84.9	7,012.15
Six months ended September 30, 2005	892,459	756,465	84.8	6,527.65
Year ended March 31, 2006	951,441	787,214	82.7	6,821.68

(Note) Number of shares outstanding (consolidated) at end of term Six months ended Sept. 30, 2006: 114,279,668 shares
Six months ended Sept. 30, 2005: 115,886,475 shares Year ended Mar. 31, 2006: 115,384,269 shares

(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 term
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Six months ended September 30, 2006	47,203	-19,153	-17,207	289,721
Six months ended September 30, 2005	44,137	-36,504	-15,074	288,984
Year ended March 31, 2006	94,548	-95,332	-25,310	280,465

(4) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 40 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: None Companies excluded from consolidation: 1

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

2. Consolidated Business Results Forecast for Fiscal 2007 (From April 1, 2006 to March 31, 2007)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Fiscal 2007	401,000	80,000	51,000

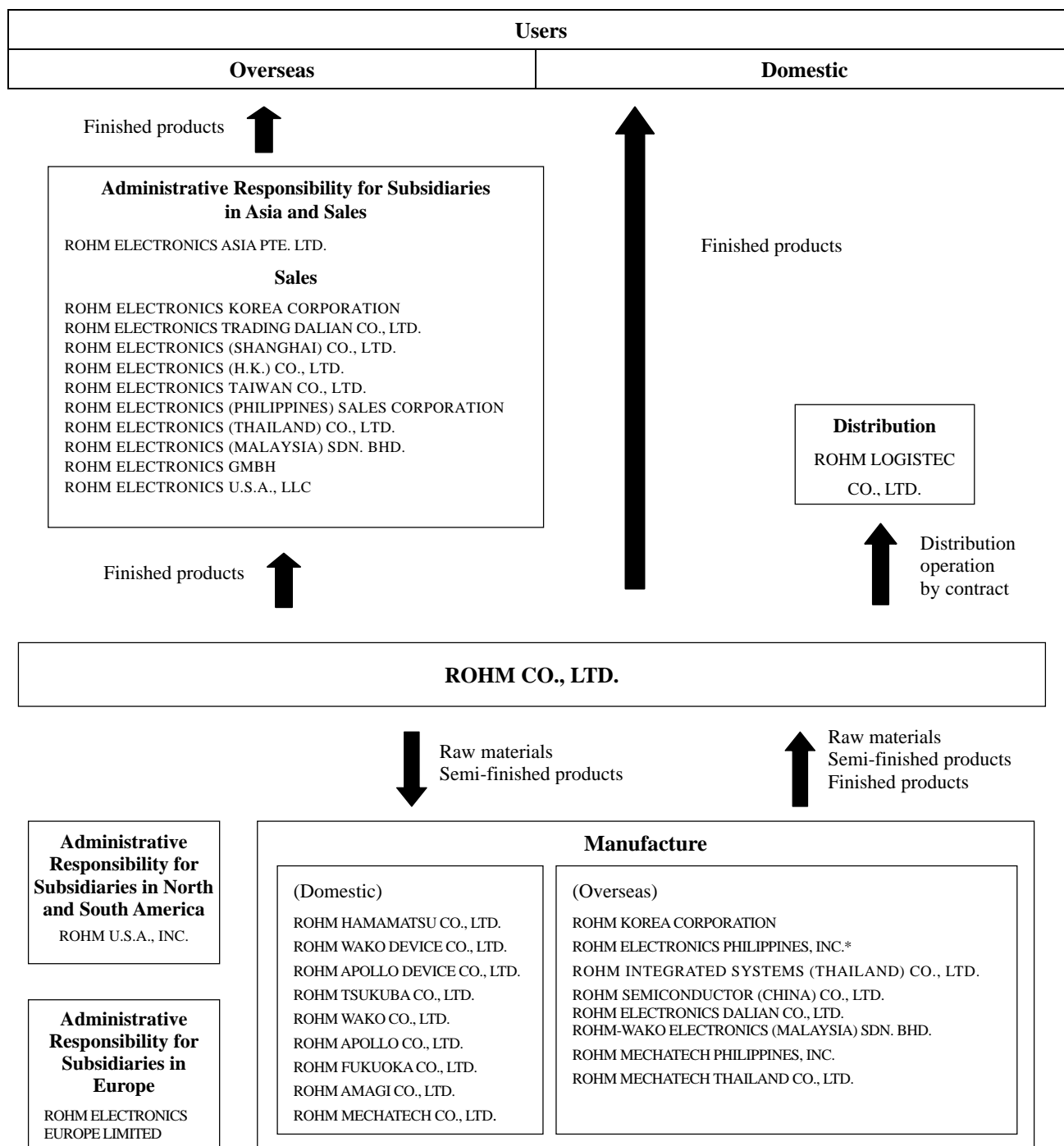
(Note) Projected net income per share for the year ending March 31, 2007: 446.27 yen

* 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 pages 7 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., 40 consolidated subsidiaries (12 in Japan and 28 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 presented below.



* ROHM APOLLO SEMICONDUCTOR PHILIPPINES, INC. was merged into ROHM ELECTRONICS PHILIPPINES, INC. in April 2006.

Management Policies

Basic Management Policy

ROHM considers that it must allocate the added values produced by the Company, in appropriate proportions, to all its stakeholders, including shareholders, employees and local communities, as well as to the retained earnings for business investment for making the Company more competitive. Thus ROHM regards it essential to obtain the understanding and cooperation of all its stakeholders, to create everlasting, extensive corporate value under continuous improvement. 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 LSI devices for digital information appliances, mobile electronic equipment, and automotive components, which are expected to continue rapid growth, along with optical devices, which are also an area with great potential for growth. As a basic policy ROHM also seeks the enhancement of cost competitiveness through the best use of its distinctive production technologies, and will consequently continue to lead the world electronic component market.

Basic Policy on Distribution of Profits

Regarding profit distribution to shareholders, ROHM will press ahead with measures and policies to live up to their expectations, in thorough consideration of various factors, including the Company's business performance, financial conditions, and estimated fund demands for business investment to improve its corporate value. More specifically, the Company intends to improve the total return ratio, by keeping the dividend rate consecutive in consideration of the consolidated dividend payout ratio, while implementing flexible return-improvement measures such as treasury-stock purchasing in light of cash-flow conditions.

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 ample funds in reserve. 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, 90 nm or smaller ultra-fine processes, and optical devices. ROHM intends to use retained earnings effectively, to improve the Company's corporate value over the medium to long term, as well as to tie up with or acquire Japanese and overseas companies, expecting synergy effects in our business.

Currently the Company has no plan to change the frequency of dividend payment under the new Japanese Corporation Law, which came into effect recently.

Policy on Changes in Minimum Trading Lot Size

ROHM reduced the minimum trading lot size of its shares from 1,000 to 100. We consider that the change has produced positive results in that the number of shareholders has increased rapidly since then.

Regarding a further reduction in the minimum trading lot size, we intend to make a decision after carefully examining the factors concerned, including cost-benefit performance and the liquidity of shares.

Referenced Corporate Performance Indexes

ROHM intends to make efforts to ensure its earning power by taking various actions, including the development of new products and the reinforcement of sales operations. We attach importance to indexes representing the rate of return, such as EBITDA*, as well as asset turnover ratio, and business investment efficiency.

* EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)

An index obtained by adding interest expenses and depreciation to income before income taxes and minority interests. This index is commonly used to compare corporate earnings internationally.

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 becoming increasingly

intense 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 intends to attach overriding importance to the integrated development–production system, development of custom-designed products, and quality, as well as to make persistent efforts to formulate and implement measures in these respects.

Specifically, ROHM intends to increase R&D personnel continuously while reinforcing the corporate operations handling digital technologies and digital–analog integration technologies. ROHM also intends to satisfy various needs from customers, especially from those in the digital home appliance market and information and communications equipment market, with larger-scale LSI devices, more sophisticated LSI devices, and lead-time reduction, realized by making good use of our original REAL SOCKET design system, which enables the development of complicated system LSI devices, as well as our REAL PLATFORM, which slashes design lead-time and speeds up the development of system LSI devices. We are also committed to the development of next-generation optical devices, including LEDs that use zinc oxide as the main material, and silicon-carbide-substrate power devices, which are expected to be far better than conventional silicon-substrate semiconductors in terms of voltage resistance and high-current characteristics. In addition, we intend to upgrade our high-quality, high-reliability product lines to satisfy needs from automotive industries that are becoming increasingly electronic.

As the corporate bases for these technological-reinforcement efforts, ROHM runs the Yokohama Technology Center, Optical Device Research Center and LSI Test Technology Center in addition to the Kyoto Technology Center, leveraging customer-support operations and reinforcing its corporate R&D system for further growth in the future.

To contribute to the development of future technologies, ROHM is actively involved in a wide range of joint R&D projects, including comprehensive industrial–academic collaboration alliances with Kyoto University and other major institutions; joint efforts with the Semiconductor Industry Research Institute Japan, which is a think-tank for the Japanese semiconductor industry; and participation in leading-edge R&D projects, which integrate the wisdom of academic, industrial, and governmental circles. Moreover, ROHM promotes partnerships with other companies wherever necessary to complement our technologies, thus improving the efficiency of its R&D activities.

Regarding the organization of its corporate production system, ROHM is aggressively committed to improving cost competitiveness and reinforcing the corporate supply system for sales to the worldwide market. Specifically, concerning the front-end process of semiconductor production, the Company is pressing ahead with the adoption of larger-diameter wafer process, such as 300 mm wafer process, and microfabrication process. Concerning the back-end process, ROHM intends to powerfully shift production to overseas plants, including those in Thailand, the Philippines and China, while upgrading them. Our existing domestic plants are intended to continue to accumulate the Company’s production technologies as the mother plants of the production network of the entire ROHM Group. The production technologies established by those mother plants will then be introduced to the overseas plants, to enable the manufacture and supply of ROHM’s high-quality products worldwide.

Concerning product quality, ROHM intends to continue company-wide efforts to further enhance the reliability of its products, implementing quality-improving actions in its manufacturing divisions as well as thoroughly instilling the quality-first policy in technological divisions, including LSI circuit design and manufacturing-technology development. ROHM also intends to proactively commit itself to internally producing materials such as wafers, photomasks and lead frames, thereby developing products that will overwhelm the products of competitors in quality and reliability, while reducing lead-time, thus improving our international competitiveness.

To expand market shares in the growing global markets, ROHM intends to reinforce its corporate customer relations systems in various locations worldwide, including sales and technical support, by opening new sales bases and design centers and by improving quality-assurance-center networks in Europe, North America and Asia. At the same time, the Company intends to make continued efforts to achieve more efficient corporate management and swifter decision-making by proceeding with the restructure and integration of corporate organizations in and outside Japan.

To contribute to environmental conservation, the ROHM Group is making across-the-board efforts to establish an environmental management system based on ISO 14001 standards and develop new low-power-consumption, energy-saving products. All the production bases of ROHM in and outside Japan intend to commit themselves

continuously to realizing zero emissions through the promotion of waste recycling and to pressing ahead with green procurement and supply. In addition, ROHM intends to proceed with its tree-planting project as part of the fight against global warming. Leading the industry, ROHM quite some time ago completed all actions necessary to satisfy the RoHS Directive, the environment conservation regulations that took effect in July 2006 in Europe, as a corporate citizen who performs business in consideration of environmental conservation.

Priority Issues

While the electronics industry is expected to grow in the medium to long term thanks to the increasing demand for digital home information appliances and more sophisticated automobile electronic control systems, technological competition and price wars are also expected to intensify continuously on a global scale. Therefore, it is becoming increasingly necessary to supply internationally competitive products constantly to the market, through sustained efforts toward innovative, high-quality products and technologies and through thorough cost-reduction efforts.

Under these circumstances, the ROHM Group intends to commit itself deeply to improving its business performance, through the development of high-value-added products and technologies in anticipation of future customer needs, improvement of quality and reliability, reinforcement of production and marketing systems, and thorough streamlining and cost-reduction efforts in the entire Group.

Matters Related to the Parent Company

There are no matters to be noted here as appropriate.

Operating Results and Financial Status

1. Operating Results

(1) Review for the Six-month Period Ended September 30, 2006

Overall review of results of operations

In the six-month period ended September 30, 2006, the world economy stayed firm by and large, principally because Asian countries increased export turnover and because the European economy recovered, although signs of stagnation were seen, such as concern over inflation owing to soaring crude-oil prices, a decline in the North American housing market, and a slowdown in consumer spending. The Japanese economy was in an expansion phase, owing mainly to brisk plant and equipment spending and continuously-growing consumer spending lifted by improvement in employment conditions.

In the electronics industry, the thin-TV market and HDD/DVD recorder market expanded significantly owing to the soccer World Cup, and the mobile-phone market was relatively firm. In the latter half of the six-month period, the electronics component market underwent ups and downs, primarily because the audio/visual equipment market entered an adjustment phase after the soccer World Cup and because the personal computer market slowed down.

Regarding markets in different regions worldwide, in Japan, thin TVs, digital still cameras and some other products were high in demand, while the mobile-phone market and personal-computer market were sluggish. In other Asian countries, the electronic component market was buoyant in the first half of the six-month period because European, American and Japanese companies relocated production sites to the region, and because the soccer World Cup had a favorable impact. In the latter half, however, the digital audio/visual equipment market entered an adjustment phase as a backlash. Concerning North America and Europe, the North American market showed signs of recovery in the automotive electrical component market, while the European market was sluggish, principally because of the relocation of production sites to Asia.

Under these circumstances, the ROHM Group continued proactive efforts to streamline manufacturing process lines, to invest capital more efficiently, to research for and develop new products, and to reinforce sales and customer support systems.

Concerning manufacturing process lines, at domestic production bases, we pressed ahead further with the establishment of an integrated production system and with expansion of the production capacity of the front-end process, including that for power devices and the 300 mm wafer process. Regarding our production operations overseas, to be prepared for future expansion of demand, we proceeded with the construction of new production buildings in China, Thailand, and the Philippines.

Concerning the development of new products, we remain proactively committed to the development of various system LSI devices, power transistors and power diodes, to satisfy customer needs for use in mobile phones, digital audio/visual equipment, and automotive components, all of which are expected to grow further in demand.

For sales and customer support systems, we reinforced sales bases within and outside Japan to realize a more comprehensive customer-centered sales system and technical support system. We also expanded and improved the corporate network of our development bases.

As a result of these efforts, ROHM's net sales for the six-month period ended September 30, 2006 increased by 6.3% to ¥205.249 billion over the previous year, ordinary income increased by 9.6% to ¥44.366 billion, and net income increased by 19.0% to ¥28.855 billion.

Divisional review of results of operations

<Integrated circuits>

ROHM's sales of integrated circuits for the six-month period ended September 30, 2006 increased by 6.3% to ¥90.857 billion.

In the home-appliance market, the market for conventional audio/visual equipment stayed sluggish; however, in the digital home-appliance market, LSI devices for panel displays, such as thin TVs, steadily increased in sales, along with lens controller and driver LSI devices^{*1} and system power supplies for digital still cameras and digital video cameras. Demand remained brisk for some devices including EEPROMs and system power LSI devices used in game machines. In the mobile-phone market, the employment of integrated application power LSI devices, audio LSI devices, and analog front-end LSI devices^{*2} became increasingly common. On the other hand, the market was temporarily in an adjustment phase and we were influenced by this situation. Regarding liquid-crystal display driver LSI devices^{*3}, sales of driver LSI devices for TFT liquid-crystal displays increased, while price competition intensified. We are developing LSI devices for automotive components on a favorable basis.

Concerning production operations, we continued to switch the production of materials such as wafers to in-house production. Concerning the front-end process, we reinforced the production capacity of 300 mm wafer process. To be prepared for future expansion of demand, we proceeded with the construction of a new plant, which will be compatible with the 300 mm wafer process, at ROHM HAMAMATSU CO., LTD., a ROHM Group company. Regarding the back-end process, we continuously strengthened our overseas production systems, and made efforts to enrich the lines of compact, thin-package products and increase production capacity.

For module products, the sales of IrDA communication modules used in mobile phones stayed firm. We continued cost-reduction efforts in the production of these products, primarily by transferring production to China.

*1. Lens controller and driver LSI devices

LSI devices that focus the camera lens and control the functions such as zooming and the correction of image blurred by hand movement.

*2. Analog front-end LSI chips

LSI chips that convert radio waves (analog signals) received by a mobile phone into digital signal data that can be processed.

*3. LCD driver LSI chips

LSI chips that show images on the liquid-crystal display based on information sent from the LCD controller, by applying adequate voltage to each display element on the LCD panel.

<Discrete semiconductor devices>

ROHM's sales of discrete semiconductor devices for the six-month period ended September 30, 2006 increased by 7.1% over the six-month period ended September 30, 2005, to ¥80.182 billion.

Concerning transistors, the sales of power MOS FETs^{*4} stayed firm for use typically in thin TVs.

Regarding diodes, the sales of small-signal products stayed firm for use in mobile phones. In addition, the sales of power diodes increased for use in automotive components.

For LEDs, the sales of white LEDs for use in mobile phones decreased because the price competition has become extremely severe.

For laser diodes, the sales of dual-wavelength laser diodes remained firm, while the sales of single-wavelength laser diodes for reading CD-Rs and CD-RWs stagnated.

Regarding production systems, we have committed ourselves to improving the production capacity of MOS FETs at ROHM TSUKUBA CO., LTD., a ROHM Group company, with regard to the front-end process. Regarding the back-end process, we proceeded with the relocation of production sites to overseas plants such as those in China, to be more price-competitive.

*4. MOS FET

Metal-oxide semiconductor field-effect transistor, featuring low power dissipation.

<Passive components>

ROHM's sales of passive components for the six-month period ended September 30, 2006 increased by 4.4% over the six-month period ended September 30, 2005, to ¥12.659 billion.

Among resistor products, the sales of low ohmic resistors and multiple-chip compound products increased while competition continued to be severe in international markets.

Regarding ceramic capacitors, the sales were stagnant mainly because our product line did not meet market needs. However, the sales of compact, large-capacity tantalum capacitors of face-down type were firm.

Regarding production systems, we continued the efforts for reinforcing our supply systems in international markets and for reducing cost. For example, we inaugurated the back-end process for tantalum capacitors in Thailand.

<Displays>

ROHM's sales of displays for the six-month period ended September 30, 2006 increased 4.6% over the six-month period ended September 30, 2005, to ¥21.549 billion.

Concerning printheads, the sales of image sensor heads for multifunction printers^{*5} and those of printheads for miniaturized printers for POS (Point-of-Sale) systems stayed brisk.

The sales of LED displays were firm, principally because the sales of numeric displays increased briskly.

The sales of LCD modules were extremely severe owing to adverse factors such as intensified price competition.

*5 Multifunction printer

A printer capable of performing multiple functions besides printing, such as copying, faxing, scanning etc.

Distribution of profits for six-month period ended September 30, 2006

The Company plans to pay dividends of ¥45.00 per share for the six-month period ended September 30, as projected at the beginning of this six-month period, in consideration of business performance of the six-month period ended September 30, 2006 and the demand for funds and other related factors for the future.

Regarding the acquisition of treasury stock during the six-month period ended September 30, 2006; we purchased 1,103,000 shares, which amounted to ¥11,996,763,000 before September 15, 2006, based on a decision made at the board of Directors' meeting held on August 11, 2006.

(2) Forecast for Fiscal Year Ending March 31, 2007

Overall Business Result Outlook for Fiscal 2007

The future of the global economy is becoming increasingly uncertain, because of unstable political situation and concerns over an economic slowdown in the U.S.; we cannot be optimistic about the future of the economy. The Japanese economy is in a favorable condition currently, but may be adversely influenced by the future developments of the global economy. In the electronic component industry, the demand for products for digital home appliances, automotive equipment, and information technology-related equipment is expected to continue to grow from a long-term viewpoint. However, the industry may be influenced by a seasonal market adjustment and price competition in autumn and later.

Under these circumstances, ROHM intends to continuously commit itself to the development of high-value-added products, including high-function, high-performance LSI devices and compact, high-reliability power discrete products, mainly for use in mobile phones, digital audio/visual equipment and automotive components. For manufacturing processes, we continue to increase production capacity and expand the 300 mm wafer process, in preparation for the expected demand increase. We intend to commit ourselves with our utmost energy to improving product quality and reliability, reinforcing sales and technical-support systems in and outside Japan, and reducing cost, thus improving corporate performance.

ROHM also intends to continuously make environment conservation efforts, performing environment-friendly business activities.

Consolidated forecast for the fiscal year 2007 is as follows:

Net sales: 401,000 million yen (3.4% up over previous year)

Ordinary income: 80,000 million yen (2.0% up over previous year)

Net income: 51,000 million yen (5.6% up over previous year)

Consolidated divisional sales forecast is given below.

Integrated circuits	176,700 million yen (3.9% up over previous year)
Discrete semiconductor devices	158,500 million yen (5.3% up over previous year)
Passive components	24,400 million yen (2.3% down from previous year)
Displays	41,200 million yen (1.9% down from previous year)

The forecasts are based on the exchange rate of ¥115.00 to US\$1.

Distribution of profits for fiscal 2007

In consideration of desired improvement in return to shareholders, business performance of the fiscal 2007 ending March 31, 2007, expected demand for funds, and other factors, the Company plans to pay an annual dividend of ¥90.00 per share.

2. Analysis of Financial Status and Operating Results

As of September 30, 2006, total assets amounted to ¥943.924 billion, down by ¥7.517 billion from March 31, 2006. The major factors of this result are that cash and bank deposits decreased by ¥3.206 billion, inventory decreased by ¥2.046 billion, and tangible fixed assets decreased by ¥11.808 billion, while bills receivable and account receivable increased by ¥10.698 billion.

Debts decreased by ¥21.683 billion from March 31, 2006 to ¥142.24 billion. The major factors of this decrease are that the accrued amount payable decreased by ¥18.092 billion and that accrued income tax decreased by ¥3.284 billion.

The net assets amounted to ¥801.683 billion.

Based on these results, the capital-to-asset ratio increased from 82.7% to 84.9%, as of March 31, 2006.

The status of cash flow for the six-month period ended September 30, 2006 is as follows:

The cash flows from operating activities increased ¥3.066 billion over September 30, 2005. The major factors of this result are an increase in the pretax interim net profit in the amount of ¥8.253 billion, a increase of ¥7.211 billion because of fluctuations in the amount of increase or decrease in inventories, an increase in the payment of corporation tax in the amount of ¥5.491 billion, and a decrease of ¥5.132 billion because of fluctuations in the amount of increase or decrease in purchase liabilities.

The cash flows from investing activities increased by ¥17.351 billion over September 30, 2005. The major factors of this result are an increase of ¥22.053 billion because of fluctuations in the amount of increase or decrease of time and savings deposits, an increase in the amount of ¥7.977 billion because of fluctuations in the balance resulting from the acquisition and sale of tangible fixed assets, and a decrease in the amount of ¥11.753 billion because of fluctuations in the balance resulting from the acquisition, sale and other treatment of marketable securities and investment securities.

The cash flows from financing activities decreased ¥2.133 billion over September 30, 2005 mainly because expenses concerned with the acquisition of treasury stocks increased ¥1.906 billion.

The shareholders' equity ratio and the shareholder's equity ratio on the market value basis for each of the latest two consolidated six-month periods and the latest two consolidated fiscal years are as follows:

	Consolidated six-month periods		Consolidated fiscal year	
	Six-month period ended Sept. 30, 2005	Six-month period ended Sept. 30, 2006	Year ended March 31, 2005	Year ended March 31, 2006
Shareholders' equity ratio	84.8%	84.9%	85.2%	82.7%
Shareholders' equity ratio on market value basis	127.9%	132.8%	139.4%	151.0%

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

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

3. Risks Concerning the Company's Businesses

The following are the risks that may have a great impact on the ROHM Group's financial status and operating results:

(1) Risks Associated with Market Changes

The semiconductor industry and electronics component industry are subject to sudden, abrupt changes in market conditions, as set makers may adjust production according to the sales conditions of electronic products and competition in prices and technology development with rival companies. Prices are especially susceptible to a sudden drop according to supply-demand relationship and the pricing strategies of Southeast Asian companies, which are rapidly growing. Such price changes compose an uncertainty factor in maintaining or increasing sales and in ensuring profits.

(2) Exchange Risks

The ROHM Group has development bases, manufacturing bases and sales bases around the world. The financial statements prepared in local currencies are translated into Japanese yen to prepare the consolidated financial statement. Therefore, the gains and losses on the consolidated financial statement may change because of the exchange rates at the time of translation, even if values are unchanged in local currencies.

The Group produces products in Japan and other Asian countries and sells them in Japan, other Asian countries, the Americas and Europe. Because different currencies are used between production bases and sales bases, we are constantly influenced by exchange rate fluctuation. Generally, a strong Japanese yen adversely influences our business performance, while a weak yen has a favorable influence.

(3) Risks of Product Defects

The Group places the top priority on quality persistently, as stated in the Company Mission, and we produce products under severe quality control. However, this does not guarantee that we never produce defective products or that we will never be liable to pay for product losses by a buyer. If a buyer makes a claim for losses with regard to our products, our business performance may be adversely influenced.

(4) Legal Risks

To manufacture products distinguished by the products of other companies, we develop various new technologies and know-how, and produce and sell products worldwide based on such original technologies. We have a specializing division that strictly supervises in-house activities to ensure that the technologies and know-how the Group uses do not infringe the intellectual property rights of other companies, such as patent rights. In addition, to conserve the environment, protect health and ensure safety, the ROHM Group complies with all the relevant laws and regulations in all the fields it does business in, monitoring gas emissions, drainage, harmful-material utilization and handling, waste treatment, and soil/underground water pollution. However, we may shoulder legal responsibilities in this respect, because of a difference in views among those concerned or unexpected events, possibly having an adverse influence on our business performance.

(5) Natural Disasters and Geopolitical Risks

The Group performs development and manufacture activities in Japan and in other countries. As a measure against natural disasters and geopolitical risks, the Group locates production lines at different bases. However, our business bases may suffer damage due to earthquakes, typhoons, flooding and other natural disasters, or political uncertainty or international conflict. If these events prevent us supplying products to customers, our business performance may be influenced.

(6) Other Risks and Corporate Risk Management System

In addition to the above-mentioned risks, there are various risks that may influence our financial status and operating results as we perform business activities, such as logistics risks, material procurement risks, and information system risks. The ROHM Group has an in-house Risk Control Committee to preclude these risks or minimize their influence, reinforcing the in-house risk management system.

Consolidated Interim Balance Sheets

Accounts	Period	First six months of fiscal 2007 (As of September 30, 2006)		First six months of fiscal 2006 (As of September 30, 2005)		Fiscal 2006 (As of March 31, 2006)		Increase/decrease (-) from the year ended March 31, 2006
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount
		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen
(Assets)								
Current assets								
Cash and time deposits		307,702		295,711		310,908		- 3,206
Notes and accounts receivable - trade		112,746		103,363		102,048		10,698
Securities		57,697		30,729		39,174		18,523
Inventories		84,679		73,878		86,725		- 2,046
Prepaid pension cost		4,202		3,775		3,894		308
Deferred tax assets		15,902		12,710		17,787		- 1,885
Refundable income taxes		1,088		983		1,032		56
Other		7,846		7,289		7,257		589
Allowance for doubtful notes and accounts		- 662		- 760		- 717		55
Total current assets		591,204	62.6	527,682	59.1	568,111	59.7	23,093
Fixed assets								
Property, plant and equipment								
Buildings and structures		176,661		164,102		173,011		3,650
Machinery, equipment and vehicles		446,954		383,917		431,447		15,507
Tools and furniture		39,097		32,932		35,661		3,436
Land		60,882		64,616		67,541		- 6,659
Construction in progress		23,790		28,309		21,909		1,881
Accumulated depreciation		- 475,731		- 411,835		- 446,109		- 29,622
Total tangible fixed assets		271,654	28.8	262,044	29.4	283,462	29.8	- 11,808
Intangible fixed assets		2,861	0.3	1,717	0.2	2,546	0.3	315
Investments and other assets								
Investment securities		67,563		91,096		87,519		- 19,956
Deferred tax assets		8,802		8,194		8,056		746
Other		2,224		1,995		2,154		70
Allowance for doubtful accounts		- 386		- 270		- 410		24
Total investments and other assets		78,204	8.3	101,015	11.3	97,320	10.2	- 19,116
Total fixed assets		352,720	37.4	364,777	40.9	383,329	40.3	- 30,609
Total assets		943,924	100.0	892,459	100.0	951,441	100.0	- 7,517

Accounts	Period		First six months of fiscal 2006		Fiscal 2006		Increase/decrease (-) from the year ended March 31, 2006
	First six months of fiscal 2007 (As of September 30, 2006)		First six months of fiscal 2006 (As of September 30, 2005)		Fiscal 2006 (As of March 31, 2006)		
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen
(Liabilities)							
Current liabilities							
Notes and accounts payable - trade	26,665		25,944		27,622		- 957
Other accounts payable	29,017		35,509		47,109		- 18,092
Accrued income taxes	12,728		9,450		16,012		- 3,284
Deferred tax liabilities	719		468		538		181
Other	13,370		14,233		14,495		- 1,125
Total current liabilities	82,502	8.8	85,607	9.6	105,778	11.2	- 23,276
Long-term liabilities							
Deferred tax liabilities	56,403		47,010		55,041		1,362
Liability for retirement benefits	1,201		1,002		989		212
Allowance for directors' retirement benefits	2,093		2,006		2,069		24
Other	41		35		44		- 3
Total long-term liabilities	59,738	6.3	50,054	5.6	58,144	6.1	1,594
Total liabilities	142,240	15.1	135,661	15.2	163,923	17.3	- 21,683
(Net assets)							
Shareholders' equity							
Common stock	86,969	9.2	-	-	-	-	-
Capital surplus	102,403	10.8	-	-	-	-	-
Retained earnings	663,328	70.3	-	-	-	-	-
Treasury stock - at cost	- 47,383	- 5.0	-	-	-	-	-
Total shareholders' equity	805,317	85.3	-	-	-	-	-
Unrealized or translated gains/losses							
Net unrealized gain on available-for-sale securities	4,308	0.5	-	-	-	-	-
Foreign currency translation adjustments	- 8,280	- 0.9	-	-	-	-	-
Total of unrealized or translated gains/losses	- 3,971	- 0.4					
Minority interests	337	0.0	-	-	-	-	-
Total net assets	801,683	84.9	-	-	-	-	-
Total of liabilities and net assets	943,924	100.0	-	-	-	-	-
(Minority interests)							
Minority interests	-	-	331	0.0	303	0.0	-
(Shareholders' equity)							
Common stock	-	-	86,969	9.7	86,969	9.1	-
Capital surplus	-	-	102,403	11.5	102,403	10.8	-
Retained earnings	-	-	620,910	69.6	639,760	67.2	-
Net unrealized gain on available for-sale securities	-	-	3,755	0.4	6,524	0.7	-
Foreign currency translation adjustments	-	-	- 27,224	- 3.0	- 13,074	- 1.4	-
Treasury stock - at cost	-	-	- 30,348	- 3.4	- 35,369	- 3.7	-
Total shareholders' equity	-	-	756,465	84.8	787,214	82.7	-
Total liabilities, minority interests and shareholders' equity	-	-	892,459	100.0	951,441	100.0	-

Consolidated Interim Statements of Income

Accounts	First six months of fiscal 2007		First six months of fiscal 2006		Increase/decrease (-) from the first six months of fiscal 2006	Fiscal 2006	
	From April 1, 2006 To September 30, 2006		From April 1, 2005 To September 30, 2005			From April 1, 2005 To March 31, 2006	
	Amount	Percentage	Amount	Percentage	Amount	Amount	Percentage
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Net sales	205,249	100.0	193,033	100.0	12,216	387,790	100.0
Cost of sales	129,467	63.1	121,445	62.9	8,022	243,516	62.8
Gross profit	75,782	36.9	71,587	37.1	4,195	144,273	37.2
Selling, general and administrative expenses	35,489	17.3	37,221	19.3	- 1,732	75,954	19.6
Operating income	40,292	19.6	34,366	17.8	5,926	68,318	17.6
Non-operating income	5,045	2.5	6,704	3.5	- 1,659	12,157	3.1
Non-operating expenses	970	0.5	608	0.3	362	2,039	0.5
Ordinary income	44,366	21.6	40,461	21.0	3,905	78,437	20.2
Extraordinary gains	2,209	1.1	234	0.1	1,975	248	0.0
Extraordinary losses	899	0.4	3,272	1.7	- 2,373	4,827	1.2
Income before income taxes and minority interests	45,677	22.3	37,424	19.4	8,253	73,857	19.0
Income taxes - current	11,554	5.6	10,975	5.7	579	25,297	6.5
Income taxes - deferred	5,239	2.6	2,226	1.1	3,013	192	0.0
Minority interests (- losses)	27	0.0	- 16	- 0.0	43	63	0.0
Net income	28,855	14.1	24,238	12.6	4,617	48,304	12.5

Consolidated Interim Statements of Retained Earnings

Accounts	Period	First six months of fiscal 2006	Fiscal 2006
		From April 1, 2005 To September 30, 2005	From April 1, 2005 To March 31, 2006
		Amount	Amount
		Millions of yen	Millions of yen
(Capital surplus)			
Capital surplus at beginning of term		102,403	102,403
Capital surplus at end of term		102,403	102,403
(Retained earnings)			
Retained earnings at beginning of term		601,689	601,689
Increase in retained earnings			
Net income		24,238	48,304
Decrease in retained earnings			
Cash dividends		4,966	10,181
Bonuses to directors		51	51
Reserve for Employees' welfare fund		-	0
Retained earnings at end of term		620,910	639,760

Consolidated Statements of Shareholders' Equity

Six-month period (from April 1, 2006 to September 30, 2006)

(Millions of yen)

	Shareholders' equity					Unrealized or translated gains/losses			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock - at cost	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total of unrealized or translated gains/losses		
Balance as of March 31, 2006	86,969	102,403	639,760	- 35,369	793,764	6,524	- 13,074	- 6,550	303	787,517
Changes during the six-month period ended September 30, 2006										
Dividends from retained earnings (Note)			- 5,192		- 5,192					- 5,192
Bonus to directors (Note)			- 95		- 95					- 95
Interim net income			28,855		28,855					28,855
Acquisition of treasury stock				- 12,013	- 12,013					- 12,013
Changes (Net) in the items not included in the shareholders' equity during the six-month period ended September 30, 2006						- 2,215	4,794	2,578	33	2,612
Total changes during the six-month period ended September 30, 2006	-	-	23,567	- 12,013	11,553	- 2,215	4,794	2,578	33	14,165
Balance as of September 30, 2006	86,969	102,403	663,328	- 47,383	805,317	4,308	- 8,280	- 3,971	337	801,683

(Note) Account of earnings appropriation as per decisions made at the Ordinary General Meeting of shareholders held in June 2006

Consolidated Interim Statements of Cash Flows

Accounts	Period	First six months of fiscal 2007	First six months of fiscal 2006	Increase/ Decrease (-) from the first six months of fiscal 2006	Fiscal 2006
		From April 1, 2006 To September 30, 2006	From April 1, 2005 To September 30, 2005		From April 1, 2005 To March 31, 2006
	Amount	Amount	Amount	Amount	Amount
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
I Operating Activities					
1. Income before income taxes and minority interests	45,677	37,424	8,253	73,857	
2. Depreciation and amortization	28,652	25,093	3,559	57,032	
3. Interest and dividends income	- 4,835	- 2,689	- 2,146	- 6,283	
4. Foreign currency exchange losses (- gains) - net	- 1,499	- 3,962	2,463	- 8,996	
5. Increase (- decrease) in net liability for retirement benefits	- 139	79	- 218	- 106	
6. Decrease (- increase) in notes and accounts receivables - trade	- 9,092	- 8,583	- 509	- 5,421	
7. Decrease (- increase) in inventories	2,809	- 4,402	7,211	- 14,274	
8. Increase (- decrease) in notes and accounts payables - trade	- 1,528	3,604	- 5,132	5,072	
9. Other - net	- 3,025	4,053	- 7,078	4,462	
Sub-total	57,019	50,617	6,402	105,342	
10. Interest and dividends - received	5,033	2,878	2,155	6,652	
11. Income taxes - refunded (- paid)	- 14,850	- 9,359	- 5,491	- 17,447	
Net cash provided by operating activities	47,203	44,137	3,066	94,548	
II Investing Activities					
1. Decrease (- increase) in time deposits	17,779	- 4,274	22,053	- 27,564	
2. Purchases of securities and investment securities	- 21,232	- 18,470	- 2,762	- 36,093	
3. Proceeds from sales and repayments of securities and investment securities	17,425	26,416	- 8,991	44,123	
4. Purchases of property, plant and equipment	- 43,727	- 40,452	- 3,275	- 76,067	
5. Proceeds from sales of property, plant and equipment	11,253	-	11,253	-	
6. Other - net	- 651	275	- 926	269	
Net cash used in investing activities	- 19,153	- 36,504	17,351	- 95,332	
III Financing Activities					
1. Purchases of treasury stock	- 12,013	- 10,107	- 1,906	- 15,128	
2. Dividends paid	- 5,192	- 4,966	- 226	- 10,181	
3. Other - net	- 1	1	0	1	
Net cash used in financing activities	- 17,207	- 15,074	- 2,133	- 25,310	
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents					
	- 1,586	7,450	- 9,036	17,585	
V Net Increase (- decrease) in Cash and Cash Equivalents					
	9,255	9	9,246	- 8,509	
VI Cash and Cash Equivalents at Beginning of Term					
	280,465	288,974	- 8,509	288,974	
VII Cash and Cash Equivalents at End of Term					
	289,721	288,984	737	280,465	

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

	(First six months of fiscal 2007)	(First six months of fiscal 2006)	(Increase/decrease)	(Fiscal 2006)
Cash and time deposits	287,912 million yen	288,984 million yen	-1,072 million yen	277,293 million yen
Securities	1,808	-	1,808	3,171
Total cash and cash equivalents	289,721	288,984	737	280,465

[Basis of Presenting Consolidated Interim Financial Statements]

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 40

(2) Names of major consolidated subsidiaries

The consolidated subsidiaries are listed in the section of "Status of the ROHM GROUP."

2. Application of equity method

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

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

3. Interim accounting date of consolidated subsidiaries

The interim accounting date of ROHM SEMICONDUCTOR (CHINA) CO., LTD. and four other consolidated subsidiaries is June 30, which differs from that of ROHM CO., LTD., which is on September 30.

To produce the consolidated interim statements, the accounts of those subsidiaries were settled provisionally on the consolidated accounting date. The presented consolidated interim statements incorporate the provisional financial statements of those subsidiaries.

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 interim accounting date, or the like), with unrealized gains and losses directly included in net assets. 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 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) The liability for retirement benefits represents the amount calculated based on the retirement benefit obligation and the fair value of the plan assets as of the end of the current six-month period.

(iii) For ROHM Co., Ltd. and certain domestic consolidated subsidiaries, 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 interim accounting date based on the internal rules.

(4) Basis for conversion 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 interim accounting date. The foreign exchange gains and losses from conversion 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 interim 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 interim annual exchange rates. The foreign exchange gains and losses from such translation are included in the account of the foreign currency translation adjustments in the section of Net assets as well as in the account of Minority interests.

(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. Cash and cash equivalents in consolidated interim 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 Interim Statements of Income)

	Six-month period ended Sept. 30, 2006	Six-month period ended Sept. 30, 2005	Year ended Mar. 31, 2006
1. Non-operating income			
Interest income	4,787 million yen	2,659 million yen	6,229 million yen
Foreign currency exchange gains	-	3,405	4,466
2. Non-operating expenses			
Foreign currency exchange losses	70	-	-
3. Extraordinary income			
Income on sale of fixed assets	2,116	-	-
4. Extraordinary loss			
Loss on sale/disposal of fixed assets	899	2,622	2,896
Loss on early retirement	-	650	1,931

(Notes to Consolidated Interim Statements of Shareholders' Equity)

Six-month period (from April 1, 2006 to September 30, 2006)

1. Notes on the type and total number of shares outstanding and treasury stock

(1 unit: 1,000 shares)

	Number of shares as of March 31, 2006	Increase during the six-month period from April 1, 2006 to September 30, 2006	Decrease during the six-month period from April 1, 2006 to September 30, 2006	Number of shares as of September 30, 2006
Shares outstanding Common stock	118,801	-	-	118,801
Treasury stock Common stock	3,417	1,104	-	4,521

(Note) The increase in the treasury stock shares of the common stock in the number of 1,104,000 shares consists of 1,103,000 shares acquired according to Article 156 of the Japanese Corporation Law and the purchased odd stock of 1,000 shares.

2. Notes to dividends

(1) Amount of dividend payment

(Decision)	Type of stock	Total amount of dividends	Dividend per share	Base date	Effective date
Ordinary General Meeting of shareholders held on June 29, 2006	Common stock	¥5,192 million	¥45.00	March 31, 2006	June 30, 2006

(2) The dividends whose effective date is after September 30, 2006 among those whose base date is within the six-month period ended September 30, 2006

(Decision)	Type of stock	Total amount of dividends	Underlying assets of dividends	Dividend per share	Base date	Effective date
Board of Directors' meeting held on November 9, 2006	Common stock	¥5,142 million	Retained earnings	¥45.00	September 30, 2006	December 1, 2006

[Segment information]

1. Industry segments

The Group's main operations are the manufacturing and sales of electronic components. As net sales and operating income of the Group's main industry segment constituted more than 90% of the consolidated totals for the six-month periods ended September 30, 2005 and 2006 and the year ended March 31, 2006, consequently the disclosure of industry segment information has been omitted.

2. Geographical segments

First six months of fiscal 2007 (From April 1, 2006 to September 30, 2006)

(Millions of yen)

	Japan	Asia	Americas	Europe	Total	Eliminations/ Corporate	Consolidated
Sales							
(1) Sales to customers	79,482	109,006	7,396	9,364	205,249	-	205,249
(2) Inter-area transfer	80,806	95,514	136	17	176,474	(176,474)	-
Total sales	160,289	204,521	7,533	9,381	381,724	(176,474)	205,249
Operating expenses	143,641	179,498	7,641	9,771	340,553	(175,596)	164,957
Operating income (- loss)	16,647	25,022	- 108	- 390	41,171	(878)	40,292

First six months of fiscal 2006 (From April 1, 2005 to September 30, 2005)

(Millions of yen)

	Japan	Asia	Americas	Europe	Total	Eliminations/ Corporate	Consolidated
Sales							
(1) Sales to customers	77,280	99,672	6,832	9,248	193,033	-	193,033
(2) Inter-area transfer	27,999	75,238	126	167	103,532	(103,532)	-
Total sales	105,280	174,911	6,958	9,416	296,565	(103,532)	193,033
Operating expenses	96,826	145,412	7,863	9,562	259,664	(100,997)	158,667
Operating income (- loss)	8,453	29,498	- 904	- 146	36,901	(2,534)	34,366

Fiscal 2006 (From April 1, 2005 to March 31, 2006)

(Millions of yen)

	Japan	Asia	Americas	Europe	Total	Eliminations/ Corporate	Consolidated
Sales							
(1) Sales to customers	156,654	199,217	13,525	18,393	387,790	-	387,790
(2) Inter-area transfer	55,502	136,862	386	302	193,053	(193,053)	-
Total sales	212,156	336,080	13,911	18,695	580,843	(193,053)	387,790
Operating expenses	198,189	275,928	15,062	19,162	508,343	(188,872)	319,471
Operating income (- loss)	13,967	60,151	- 1,151	- 467	72,500	(4,181)	68,318

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

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

Asia : China, Singapore, Taiwan

Americas : The United States

Europe : Germany

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

First six months of fiscal 2007 2,286 million yen

First six months of fiscal 2006 3,175

Fiscal 2006 5,896

3. Sales to foreign customers

First six months of fiscal 2007 (From April 1, 2006 to September 30, 2006)

(Millions of yen)

	Asia	Americas	Europe	Total
I Sales to foreign customers	109,416	8,067	8,417	125,901
II Net sales				205,249
III Sales to foreign customers as a percentage of net sales	53.3 %	3.9 %	4.1 %	61.3 %

First six months of fiscal 2006 (From April 1, 2005 to September 30, 2005)

(Millions of yen)

	Asia	Americas	Europe	Total
I Sales to foreign customers	100,056	7,739	8,133	115,929
II Net sales				193,033
III Sales to foreign customers as a percentage of net sales	51.9 %	4.0 %	4.2 %	60.1 %

Fiscal 2006 (From April 1, 2005 to March 31, 2006)

(Millions of yen)

	Asia	Americas	Europe	Total
I Sales to foreign customers	200,100	15,138	16,282	231,521
II Net sales				387,790
III Sales to foreign customers as a percentage of net sales	51.6 %	3.9 %	4.2 %	59.7 %

(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 : China, 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]

Detailed information is available through the Electronic Disclosure for Investors' Network (EDINET) and is omitted from this document.

[Debt and equity securities]

First six months of fiscal 2007 (as of September 30, 2006)

1. Marketable available-for-sale securities

(Millions of yen)

Classification	Acquisition cost	Amount on consolidated interim balance sheet	Difference
(1) Equity securities	8,914	16,499	7,584
(2) Government and corporate bonds	105,642	105,190	- 451
Total	114,557	121,690	7,132

2. Major securities whose fair value is not readily determinable

Available-for-sale securities

Unlisted equity securities 861 million yen

Unlisted foreign securities 898

Overseas negotiable certificates of deposit 1,808

 Total 3,568

First six months of fiscal 2006 (as of September 30, 2005)

1. Marketable available-for-sale securities

(Millions of yen)

Classification	Acquisition cost	Amount on consolidated interim balance sheet	Difference
(1) Equity securities	7,912	14,599	6,686
(2) Government and corporate bonds	106,153	105,749	- 404
Total	114,065	120,348	6,282

2. Major securities whose fair value is not readily determinable

Available-for-sale securities

Unlisted equity securities 1,064 million yen

Unlisted foreign securities 408

 Total 1,472

Fiscal 2006 (as of March 31, 2006)

1. Marketable available-for-sale securities

(Millions of yen)

Classification	Acquisition cost	Amount on consolidated interim balance sheet	Difference
(1) Equity securities	8,913	20,583	11,670
(2) Government and corporate bonds	101,771	101,021	- 750
Total	110,685	121,604	10,919

2. Major securities whose fair value is not readily determinable

Available-for-sale securities

Unlisted equity securities 1,053 million yen

Unlisted foreign securities 856

Overseas negotiable certificates of deposit 3,171

Total 5,082
[Derivatives]

Detailed information is available through the Electronic Disclosure for Investors' Network (EDINET) and is omitted from this document.

Production, Orders Received and Sales

(1) Actual production

(Millions of yen)

Product category		Period		Increase/Decrease (-) from the first six months of fiscal 2006	Fiscal 2006 From April 1, 2005 To March 31, 2006
		First six months of fiscal 2007 From April 1, 2006 To September 30, 2006	First six months of fiscal 2006 From April 1, 2005 To September 30, 2005		
Electronic Components	Integrated circuits	88,067	83,194	4,873	175,534
	Discrete semiconductor devices	78,816	74,434	4,382	154,555
	Passive components	12,574	12,405	169	25,695
	Displays	20,313	23,082	- 2,769	44,929
Total		199,770	193,115	6,655	400,715

(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		Period		First six months of fiscal 2006 From April 1, 2005 To September 30, 2005		Increase/Decrease (-) from the first six months of fiscal 2006		Fiscal 2006 From April 1, 2005 To March 31, 2006	
		First six months of fiscal 2007 From April 1, 2006 To September 30, 2006	Order received	Order backlog	Order received	Order backlog	Order received	Order backlog	Order received
Electronic Components	Integrated circuits	88,361	25,004	87,281	24,446	1,080	558	174,956	27,500
	Discrete semiconductor devices	77,612	22,631	76,895	22,111	717	520	155,785	25,201
	Passive components	12,426	3,629	12,799	3,665	- 373	- 36	25,866	3,862
	Displays	21,390	8,175	20,765	8,270	625	- 95	42,296	8,334
Total		199,791	59,442	197,742	58,493	2,049	949	398,905	64,900

(3) Actual sales

Actual sales by product category (domestic)

(Millions of yen)

Product category		First six months of fiscal 2007 From April 1, 2006 To September 30, 2006		First six months of fiscal 2006 From April 1, 2005 To September 30, 2005		Increase/Decrease (-) from the first six months of fiscal 2006		Fiscal 2006 From April 1, 2005 To March 31, 2006	
		Amount	Domestic ratio	Amount	Domestic ratio	Amount	Increase/Decrease ratio	Amount	Domestic ratio
Electronic Components	Integrated circuits	44,425	48.9%	40,697	47.6%	3,728	9.2%	82,977	48.8%
	Discrete semiconductor devices	25,224	31.5	26,029	34.8	- 805	- 3.1	51,840	34.4
	Passive components	3,448	27.2	3,715	30.6	- 267	- 7.2	7,558	30.2
	Displays	6,250	29.0	6,661	32.3	- 411	- 6.2	13,891	33.0
Total		79,348	38.7	77,104	39.9	2,244	2.9	156,268	40.3

Actual sales by product category (overseas)

(Millions of yen)

Product category		First six months of fiscal 2007 From April 1, 2006 To September 30, 2006		First six months of fiscal 2006 From April 1, 2005 To September 30, 2005		Increase/Decrease (-) from the first six months of fiscal 2006		Fiscal 2006 From April 1, 2005 To March 31, 2006	
		Amount	Overseas ratio	Amount	Overseas ratio	Amount	Increase/Decrease ratio	Amount	Overseas ratio
Electronic Components	Integrated circuits	46,432	51.1%	44,769	52.4%	1,663	3.7%	87,109	51.2%
	Discrete semiconductor devices	54,958	68.5	48,807	65.2	6,151	12.6	98,795	65.6
	Passive components	9,211	72.8	8,412	69.4	799	9.5	17,439	69.8
	Displays	15,299	71.0	13,940	67.7	1,359	9.7	28,176	67.0
Total		125,901	61.3	115,929	60.1	9,972	8.6	231,521	59.7

Actual sales by product category (total)

(Millions of yen)

Product category		First six months of fiscal 2007 From April 1, 2006 To September 30, 2006		First six months of fiscal 2006 From April 1, 2005 To September 30, 2005		Increase/Decrease (-) from the first six months of fiscal 2006		Fiscal 2006 From April 1, 2005 To March 31, 2006	
		Amount	Sales as a percentage of net sales	Amount	Sales as a percentage of net sales	Amount	Increase/Decrease ratio	Amount	Sales as a percentage of net sales
Electronic Components	Integrated circuits	90,857	44.3%	85,467	44.3%	5,390	6.3%	170,087	43.9%
	Discrete semiconductor devices	80,182	39.0	74,836	38.7	5,346	7.1	150,636	38.8
	Passive components	12,659	6.2	12,127	6.3	532	4.4	24,998	6.4
	Displays	21,549	10.5	20,602	10.7	947	4.6	42,068	10.9
Total		205,249	100.0	193,033	100.0	12,216	6.3	387,790	100.0

Summarized Non-consolidated Interim Financial Statements for Fiscal Year Ending March 31, 2007



November 9, 2006

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, Accounting & Finance Headquarters

Name: Eiichi Sasayama

TEL (075) 311 - 2121

Date of Board of Directors meeting for approval of financial statements: November 9, 2006

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

Date of commencement of dividend payment: December 1, 2006

1. Business Results for the Six-month Period Ended September 30, 2006 (From April 1, 2006 to September 30, 2006)

(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	%
Six months ended September 30, 2006	187,558	5.0	16,912	63.3	25,559	18.5
Six months ended September 30, 2005	178,590	-4.0	10,355	-53.0	21,576	-57.6
Year ended March 31, 2006	360,870		24,129		38,035	

	Net income		Basic net income per share
	Millions of yen	%	yen
Six months ended September 30, 2006	19,739	24.4	171.40
Six months ended September 30, 2005	15,861	-58.5	136.71
Year ended March 31, 2006	27,238		234.91

(Notes) (i) Average number of shares outstanding Six months ended Sept. 30, 2006: 115,165,156 shares
Six months ended Sept. 30, 2005: 116,024,848 shares Year ended Mar. 31, 2006: 115,768,014 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 corresponding period of the previous year.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Six months ended September 30, 2006	610,334	513,608	84.2	4,494.31
Six months ended September 30, 2005	613,092	509,441	83.1	4,396.04
Year ended March 31, 2006	630,721	513,433	81.4	4,449.39

(Notes) (i) Number of shares outstanding at end of term Six months ended Sept. 30, 2006: 114,279,668 shares
Six months ended Sept. 30, 2005: 115,886,475 shares Year ended Mar. 31, 2006: 115,384,269 shares

(ii) Number of treasury stock at end of term Six months ended Sept. 30, 2006: 4,521,720 shares

Six months ended Sept. 30, 2005: 2,914,913 shares Year ended Mar. 31, 2006: 3,417,119 shares

2. Business Results Forecast for Fiscal 2007 (From April 1, 2006 to March 31, 2007)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Fiscal 2007	367,000	42,500	30,500

(Note) Projected net income per share for the year ending March 31, 2007: 266.89 yen

3. Dividend Information

Cash dividend	Dividends per share		
	At the end of the first six-month period	At the end of the fiscal year	Year-round total
Year ended March 31, 2006	45.00	45.00	90.00
Year ending March 31, 2007 (paid)	45.00	-	90.00
Year ending March 31, 2007 (forecast)	-	45.00	

* 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 pages 7 of the attached documents for reasons for the forecast and other relevant information.

Non-consolidated Interim Balance Sheets

Accounts	Period	First six months of fiscal 2007 (As of September 30, 2006)		First six months of fiscal 2006 (As of September 30, 2005)		Fiscal 2006 (As of March 31, 2006)		Increase/decrease (-) from the year ended March 31, 2006
		Amount	Ratio	Amount	Ratio	Amount	Ratio	
		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen
(Assets)								
Current assets								
Cash and time deposits		104,488		122,415		120,174		- 15,686
Notes receivable - trade		1,484		1,440		1,501		- 17
Accounts receivable - trade		105,004		97,694		95,323		9,681
Securities		50,295		25,788		32,190		18,105
Inventories		31,169		20,489		29,122		2,047
Prepaid pension cost		602		406		464		138
Deferred tax assets		10,516		8,417		12,466		- 1,950
Sundry receivables		27,456		31,737		38,599		- 11,143
Other		10,282		19,213		9,916		366
Allowance for doubtful notes and accounts		- 43		- 56		- 58		15
Total current assets		341,257	55.9	327,547	53.4	339,703	53.9	1,554
Fixed assets								
Property, plant and equipment								
Buildings		19,881		21,171		20,553		- 672
Machinery and equipment		7,039		7,624		7,959		- 920
Land		39,030		44,831		46,093		- 7,063
Other		7,663		12,344		10,136		- 2,473
Total tangible fixed assets		73,615	12.1	85,971	14.0	84,742	13.4	- 11,127
Intangible fixed assets		1,965	0.3	805	0.2	1,635	0.3	330
Investments and other assets								
Investment securities		114,277		135,051		133,341		- 19,064
Long-term loans receivable		75,150		58,692		68,515		6,635
Deferred tax assets		3,154		4,234		1,944		1,210
Other		997		925		949		48
Allowance for doubtful accounts		- 83		- 136		- 111		28
Total investments and other assets		193,496	31.7	198,768	32.4	204,640	32.4	- 11,144
Total fixed assets		269,077	44.1	285,545	46.6	291,018	46.1	- 21,941
Total assets		610,334	100.0	613,092	100.0	630,721	100.0	- 20,387

Accounts	Period	First six months of fiscal 2007 (As of September 30, 2006)		First six months of fiscal 2006 (As of September 30, 2005)		Fiscal 2006 (As of March 31, 2006)		Increase/decrease (-) from the year ended March 31, 2006
		Amount	Ratio	Amount	Ratio	Amount	Ratio	
		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen
(Liabilities)								
Current liabilities								
Accounts payable - trade		66,649		68,901		68,642		- 1,993
Other accounts payable		14,466		22,088		29,540		- 15,074
Accrued income taxes		7,263		3,964		10,445		- 3,182
Other		6,747		7,176		7,098		- 351
Total current liabilities		95,125	15.6	102,129	16.7	115,727	18.4	- 20,602
Long-term liabilities								
Allowance for directors' retirement benefits		1,576		1,497		1,536		40
Other		23		23		23		-
Total long-term liabilities		1,600	0.2	1,521	0.2	1,560	0.2	40
Total liabilities		96,726	15.8	103,651	16.9	117,287	18.6	- 20,561
(Net assets)								
Shareholders' equity								
Common stock		86,969	14.2	-	-	-	-	-
Capital surplus								
Capital surplus		97,253		-	-	-	-	-
Total capital surplus		97,253	15.9	-	-	-	-	-
Retained earnings								
Legal reserve		2,464		-	-	-	-	-
Additional retained earnings								
Research and development reserve		1,500		-	-	-	-	-
Overseas investment loss reserve		33		-	-	-	-	-
General reserve		338,500		-	-	-	-	-
Retained earnings carried		29,754		-	-	-	-	-
Total retained earnings		372,253	61.0	-	-	-	-	-
Treasury stock - at cost		- 47,383	- 7.7	-	-	-	-	-
Total shareholders' equity		509,092	83.4	-	-	-	-	-
Unrealized or translated gains/losses								
Net unrealized gain on available-for-sale securities		4,515	0.8	-	-	-	-	-
Total unrealized or translated gains/losses		4,515	0.8	-	-	-	-	-
Total net assets		513,608	84.2	-	-	-	-	-
Total of liabilities and net assets		610,334	100.0	-	-	-	-	-
(Shareholders' equity)								
Common stock		-	-	86,969	14.2	86,969	13.8	-
Capital surplus								
Capital surplus		-	-	97,253		97,253		-
Total capital surplus		-	-	97,253	15.9	97,253	15.4	-
Retained earnings								
Legal reserve		-	-	2,464		2,464		-
General reserve		-	-	323,227		323,227		-
Unappropriated retained earnings		-	-	25,896		32,058		-
Total retained earnings		-	-	351,588	57.3	357,750	56.7	-
Net unrealized gain on available-for-sale securities		-	-	3,978	0.6	6,830	1.1	-
Treasury stock - at cost		-	-	- 30,348	- 4.9	- 35,369	- 5.6	-
Total shareholders' equity		-	-	509,441	83.1	513,433	81.4	-
Total of liabilities and shareholders' equity		-	-	613,092	100.0	630,721	100.0	-

Non-consolidated Interim Statements of Income

Accounts	Period	First six months of fiscal 2007		First six months of fiscal 2006		Increase/decrease (-) from the first six months of fiscal 2006	Fiscal 2006	
		From April 1, 2006 To September 30, 2006		From April 1, 2005 To September 30, 2005			From April 1, 2005 To March 31, 2006	
		Amount	Percentage	Amount	Percentage		Amount	Percentage
		Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Net sales		187,558	100.0	178,590	100.0	8,968	360,870	100.0
Cost of sales		144,017	76.8	139,150	77.9	4,867	277,506	76.9
Gross profit		43,541	23.2	39,439	22.1	4,102	83,363	23.1
Selling, general and administrative expenses		26,629	14.2	29,083	16.3	- 2,454	59,234	16.4
Operating income		16,912	9.0	10,355	5.8	6,557	24,129	6.7
Non-operating income		9,487	5.1	11,641	6.5	- 2,154	15,601	4.3
Non-operating expenses		840	0.5	419	0.2	421	1,695	0.5
Ordinary income		25,559	13.6	21,576	12.1	3,983	38,035	10.5
Extraordinary gains		2,061	1.1	209	0.1	1,852	479	0.1
Extraordinary losses		107	0.0	498	0.3	- 391	537	0.1
Income before income taxes		27,514	14.7	21,288	11.9	6,226	37,977	10.5
Income taxes - current		5,452	2.9	5,936	3.3	- 484	14,956	4.2
Income taxes - deferred		2,322	1.3	510	0.3	2,832	- 4,218	- 1.2
Net income		19,739	10.5	15,861	8.9	3,878	27,238	7.5
Unappropriated retained earnings brought forward from the previous year		-		10,034		-	10,034	
Interim dividends		-		-		-	5,214	
Unappropriated retained earnings		-		25,896		-	32,058	

Non-consolidated Statements of Shareholders' Equity

Six-month period (from April 1, 2006 to September 30, 2006)

(Millions of yen)

	Shareholders' equity										
	Common stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock - at cost	Total shareholders' equity	
		Capital surplus	Total capital surplus		Additional retained earnings						Total retained earnings
					Research and development reserve	Overseas investment loss reserve	General reserve	Retained earnings carried			
Balance as of March 31, 2006	86,969	97,253	97,253	2,464	1,500	27	321,700	32,058	357,750	- 35,369	506,603
Changes during the six-month period ended September 30, 2006											
Addition to overseas investment loss reserve (Note)						7		7	-		-
Withdrawal from overseas investment loss reserve						0		0	-		-
Addition to general reserve (Note)							16,800	16,800	-		-
Dividends from retained earning (Note)								5,192	5,192		5,192
Bonus to directors (Note)								43	43		43
Interim net income								19,739	19,739		19,739
Acquisition of treasury stock										12,013	12,013
Changes (Net) in the items no included in the shareholders' equity during the six-month period ended September 30, 2006											
Total changes during the six-month period ended September 30, 2006	-	-	-	-	-	6	16,800	2,303	14,502	- 12,013	2,489
Balance as of September 30, 2006	86,969	97,253	97,253	2,464	1,500	33	338,500	29,754	372,253	- 47,383	509,092

	Unrealized or translated gains/losses		Total net assets
	Net unrealized gain on available-for-sale securities	Total of unrealized or translated gains/losses	
Balance as of March 31, 2006	6,830	6,830	513,433
Changes during the six-month period ended September 30, 2006			
Addition to overseas investment loss reserve (Note)			-
Withdrawal from overseas investment loss reserve			-
Addition to general reserve (Note)			-
Dividends from retained earning (Note)			- 5,192
Bonus to directors (Note)			- 43
Interim net income			19,739
Acquisition of treasury stock			- 12,013
Changes (Net) in the items no included in the shareholders' equity during the six-month period ended September 30, 2006	- 2,314	- 2,314	- 2,314
Total changes during the six-month period ended September 30, 2006	- 2,314	- 2,314	174
Balance as of September 30, 2006	4,515	4,515	513,608

(Note) Account of earnings appropriation as per decisions made at the Ordinary General Meeting of shareholders held in June 2006

[Basis of Presenting Interim Financial Statements]

1. Valuation basis and method for assets

(1) 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 interim accounting date, or the like), with unrealized gains and losses directly included in net assets. 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) Inventories

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

2. 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.

3. 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.

However, because the fair value of the plan assets exceeded the projected benefit obligation as of the end of the current term, the excess is accounted for as "Prepaid pension cost," resulting in the balance of "Liability for retirement benefits" being zero.

(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 interim accounting date based on the internal rules.

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 interim 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. 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. Hedge accounting

Foreign exchange forward contracts are used for hedge accounting.

7. Others

Consumption tax

All transactions are recorded net of consumption taxes.

[Notes]

(Notes to non-consolidated interim balance sheets)

Accumulated depreciation of tangible fixed assets

	Six-month period ended Sept. 30, 2006	Six-month period ended Sept. 30, 2005	Year ended Mar. 31, 2006
	113,358 million yen	109,186 million yen	110,921 million yen

(Notes to non-consolidated interim statements of income)

	Six-month period ended Sept. 30, 2006	Six-month period ended Sept. 30, 2005	Year ended Mar. 31, 2006
1. Non-operating income			
Interest income (including interest on securities)	1,721 million yen	963 million yen	2,109 million yen
Dividend income	6,719	6,816	6,859
Foreign currency exchange gains	15	2,417	3,919
2 Extraordinary gains			
Gain on sale of fixed assets	2,044	209	479

(Notes to Non-consolidated Statements of Shareholders' Equity)

Six-month period (from April 1, 2006 to September 30, 2006)

Notes to the type and total number of treasury stock

(1 unit: thousand shares)

	Number of shares as of March 31, 2006	Increase during the six-month period from April 1, 2006 to Sep- tember 30, 2006	Decrease during the six-month period from April 1, 2006 to Sep- tember 30, 2006	Number of shares as of September 30, 2006
Treasury stock Common stock	3,417	1,104	-	4,521

(Note) The increase in the treasury stock shares of the common stock in the number of 1,104,000 shares consists of 1,103,000 shares acquired according to Article 156 of the Japanese Corporation Law and 1,000 shares of the purchased odd stock.

[Leases]

Detailed information is available through the Electronic Disclosure for Investors' Network (EDINET) and is omitted from this document.