ABSTRACT OF THE DISCLOSURE

Grooves are defined in a substrate having device isolation regions by dry etching with silicon nitride films and side wall spacers as masks. Thereafter, the side wall spacers lying on side walls of the silicon nitride films are removed and the substrate is subjected to thermal oxidation, whereby the surface of the substrate at a peripheral portion of each active region is subjected to round processing so as to have a sectional shape with a convex round.