

[Please note that the followings including Independent Auditor's Reports and Report of the Board of Company Auditors are English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan with certain reference information excerpted from the Company's financial report for the fiscal year ended March 31, 2019. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please be advised that certain expressions in the original document for domestic voting procedures that are not applicable to the aforesaid shareholders are omitted or modified to avoid confusion. Please also be advised that this material will not facilitate your status as a registered shareholder. In order to be authorized to physically attend the ordinary general shareholders meeting, presentation of the original Voting Form in Japanese to the receptionist at the place of the meeting is required.]

(Securities Code: 6963)
May 31, 2019

To Our Shareholders:

ROHM Co., Ltd.
21, Saiin Mizosaki-cho,
Ukyo-ku, Kyoto, Japan
Tadanobu Fujiwara
President

NOTICE OF THE 61TH ORDINARY GENERAL SHAREHOLDERS MEETING

Dear Shareholders,

You are cordially invited to attend the 61th Ordinary General Shareholders Meeting of ROHM CO., LTD. ("the Company"). If you are unable to attend the meeting, please kindly take the necessary procedure to exercise your voting rights in connection with the following matters to be resolved. Such matters can be reviewed in the attached "REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS" on page 3. Your vote must be received by the Company no later than Wednesday June 26, 2019, 5:15 p.m. (JST).

NOTICE OF MEETING

- 1. Date and Time:** Thursday, June 27, 2019, 10:00 a.m. (Start Accepting: 9:00 a.m.)
- 2. Place:** Hyatt Regency Kyoto 1F The Ball Room
644-2 Sanjusangendo-mawari, Higashiyama-ku, Kyoto, Japan

3. Objectives of the Meeting:

Reporting:

1. Business Report, Consolidated and Nonconsolidated Financial Statements, for the 61th Fiscal Year (from April 1, 2018 to March 31, 2019)
2. Audit Reports on Consolidated Financial Statements from the Independent Auditors and the Board of Company Auditors for the 61th Fiscal Year (from April 1, 2018 to March 31, 2019)

Resolutions:

- Proposal 1: Appropriation of Dividends of Surplus for the 61th Fiscal Year
- Proposal 2: Partial Amendment to the Articles of Incorporation
- Proposal 3: Election of Nine (9) Directors who are not Audit and Supervisory Committee Members
- Proposal 4: Election of Four (4) Directors who are Audit and Supervisory Committee Members
- Proposal 5: Determination of Amount of Remuneration
for Directors who are not Audit and Supervisory Committee Members
- Proposal 6: Determination of Amount of Remuneration
for Directors who are Audit and Supervisory Committee Members

Note:

- * You can exercise your voting rights by designating a shareholder who has voting rights and will attend the General Shareholders Meeting as your delegate. In such a case, a Power of Attorney will need to be submitted.
- * Please note that the meeting will be conducted in Japanese only.
- * If any changes have been made to items in the Reference Materials for the Exercise of Voting Rights, Business Report, Consolidated Financial Statements, or Nonconsolidated Financial Statements, such changes will be posted on our website. (<https://www.rohm.com/web/global/investor-relations>)

How to Exercise Your Voting Rights

1. Three Methods to Exercise Your Voting Rights as follows:

- Attend the General Shareholders Meeting
Presentation of the original Voting Form in Japanese to the receptionist at the place of the meeting is required.
- By means of the Voting Rights Exercise Form
Fill out the Voting Rights Exercise Form with your voting in the affirmative or the negative for each proposal, and send the Form to the Company by mail. Voting by means of the Voting Rights Exercise Form can be accepted until 5:15 p.m. (JST), Wednesday, June 26, 2019.
- Via the Internet
If you exercise your voting rights via the Internet, please follow the instructions below. If you are going to attend the meeting, you are not required to complete procedures to exercise your voting rights by mail (by means of the Voting Rights Exercise Form) or online.

(1) Exercise Your Voting Rights via the Internet

- 1) You are able to exercise your voting rights via the Internet by accessing the designated voting website (<https://evote.tr.mufg.jp/>). (Operation is adjourned from 2:00 a.m. to 5:00 a.m. everyday). You may be unable to access the voting website depending on the internet connection conditions.
- 2) Enter your login ID and temporary password, both of which can be found on your ballot sheet. Enter your current password, new password and the same again for confirmation, and then click a send button. Proceed with the instructions that appear on the display and select whether you are voting in the affirmative, or the negative for each proposals.
- 3) If you exercise your voting rights both by mail and via the Internet, only those exercised via the Internet will be valid, and if you exercise your voting rights multiple times via the Internet, the last time that you exercise your voting rights shall be deemed valid.
- 4) The expenses incurred by accessing to the voting website (internet access fees, communications charges, etc.) shall be borne by shareholders.
- 5) Voting from the website can be accepted until 5:15 p.m. (JST), Wednesday, June 26, 2019. However, exercising your voting rights at an earlier date is recommended. In the event of any problems with voting from the website, please contact the Help Desk below.

(2) Handling of Password

- 1) You will be informed of your login ID and temporary password each time a shareholders meeting is called.
- 2) The password is very important to prove your legitimacy as a shareholder of the Company, so please ensure that you do not disclose them to other people.
Please note that the Company cannot answer any inquiries regarding your password by phone, etc.

For the e-voting system, please contact:
 Help Desk, Securities Business Division
Mitsubishi UFJ Trust and Banking Corporation
 Telephone: 0120-173-027
 Working hours: 9:00 a.m. to 9:00 p.m. (JST)

2. Exercising Your Voting Rights by Electronic voting platform

If nominal shareholders (including standing proxies), such as management trust banks, apply in advance for the use of the platform for electronic exercise of voting rights for institutional investors, which is operated by ICJ, Inc., they may utilize the said platform as a method for exercising voting rights via an electromagnetic method for this Shareholders Meeting of the Company.

REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS

Proposal 1: Appropriation of Dividends of Surplus for the 61th Fiscal Year

Concerning the appropriation and year-end dividends of surplus, ROHM plans to pay out as specified below, in thorough consideration of relevant factors, including the results of the year ended March 31, 2019, financial forecasts, and future fund demands for investment in business to improve our corporate value. Accordingly, the total dividend for the year is 150 yen per share, including the interim dividend of 75 yen.

- (1) Type of assets distributed: Cash
- (2) Distribution of dividends of surplus and total distributed amount:

| | |
|--|-------------------|
| Distribution of each common share of the Company | 75 yen |
| Total amount distributed | 7,837,997,625 yen |
- (3) Date when the distribution takes effect: June 28, 2019

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the amendments:

- (1) In order to further promote corporate governance and improve corporate value, the Company intends a transition to a Company with an Audit and Supervisory Committee by having Directors who are Audit and Supervisory Committee Members possessing voting rights in the Board of Directors which will strengthen the supervisory functions of the Board of Directors. Therefore, the Company will newly establish provisions concerning the Audit and Supervisory Committee Members and an Audit and Supervisory Committee, and also provisions concerning permitting the delegation of all or part of a decision regarding execution of important duties to a Director by resolution of the Board of Directors. Thus, the Company will delete the provision concerning Statutory Auditors and the Board of Statutory Auditors.
- (2) In order to ensure that competent and diverse directors are appointed and to create an environment that enables them to fully perform the roles expected from them, the Company proposes that the focus of limited liability agreements be altered so as not to restrict the scope to Outside Directors, so that Directors who do not execute duties can enter into the limited liability agreements as well. The Company has obtained the consent of all the Statutory Auditors to this amendment to the provision.

The resolution of this proposal shall take effect at the end of this general shareholders meeting.

2. Details of Amendments:

Details of amendments are as follows:

(Underlined are the amended positions)

| Current Articles of Incorporation | Proposed Articles of Incorporation |
|--|---|
| <p style="text-align: center;">CHAPTER 1 GENERAL PROVISIONS</p> <p>Article 1 ~ 3 (Text omitted)</p> <p>Article 4 (Organizations) The Company shall have the following organizations in addition to the general shareholders meeting and Directors:</p> <ul style="list-style-type: none"> 1. Board of Directors 2. <u>Company Auditors</u> 3. <u>Board of Company Auditors</u> 4. Accounting Auditors <p>Article 5 ~ 18 (Text omitted)</p> | <p style="text-align: center;">CHAPTER 1 GENERAL PROVISIONS</p> <p>Article 1 ~ 3 (Unchanged)</p> <p>Article 4 (Organizations) The Company shall have the following organizations in addition to the general shareholders meeting and Directors:</p> <ul style="list-style-type: none"> 1. Board of Directors 2. <u>Audit and Supervisory Committee</u> <li style="padding-left: 40px;">(Deleted) 3. Accounting Auditors <p>Article 5 ~ 18 (Unchanged)</p> |

| Current Articles of Incorporation | Proposed Articles of Incorporation |
|---|--|
| <p style="text-align: center;">CHAPTER 4 DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 19 (Number and Election Method of Directors) The Company shall have <u>ten (10)</u> or less Directors, who shall be elected in a general shareholders meeting.</p> <p>The resolutions for the election of Directors shall require the attendance of the shareholders constituting one third or more of the voting rights of the shareholders who are entitled to exercise voting rights, and shall be adopted by a majority of the voting rights of the shareholders so present at the meeting. Cumulative voting shall not be permitted for the resolutions for the election of Directors.</p> <p>Article 20 (Term of office) The term of office of a Director shall end with the conclusion of the ordinary general shareholders meeting for the last business year ending within <u>two (2)</u> years after his/her election.</p> <p>The term of office of a Director elected to increase the number of the Directors or to fill a vacancy shall terminate when the term of office of the other Directors in office expires.</p> <p>Article 21 (Directors with Title) The Board of Directors shall select, by resolution, one (1) President from among Directors, and shall select, if necessary, respectively one (1) or more Executive Vice Presidents, Senior Managing Directors, and Managing Directors, from among Directors.</p> <p>Article 22 ~ 23(Text omitted)</p> | <p style="text-align: center;">CHAPTER 4 DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 19 (Number and Election Method of Directors) The Company shall have <u>fifteen (15)</u> or less Directors <u>who are not Audit and Supervisory Committee Members and five (5) or less Directors who are Audit and Supervisory Committee Members.</u> Directors shall be elected in a general shareholders meetings; <u>while making a distinction between Directors who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members.</u></p> <p>The resolutions for the election of Directors shall require the attendance of the shareholders constituting one third or more of the voting rights of the shareholders who are entitled to exercise voting rights, and shall be adopted by a majority of the voting rights of the shareholders so present at the meeting. Cumulative voting shall not be permitted for the resolutions for the election of Directors.</p> <p>Article 20 (Term of office) The term of office of a Director <u>who are not Audit and Supervisory Committee Members</u> shall end with the conclusion of the ordinary general shareholders meeting for the last business year ending within <u>one (1)</u> years after his/her election. <u>The term of office of a Director who are Audit and Supervisory Committee Members shall end with the conclusion of the ordinary general shareholders meeting for the last business year ending within two (2) years after his/her election.</u></p> <p>The term of office of a Director <u>who is an Audit and Supervisory Committee Member elected to fill a vacancy of a Director who is an Audit and Supervisory Committee Member and who retired before the expiration of the term of office shall expire when such predecessor's full term of office would have expired.</u></p> <p>Article 21 (Directors with Title) The Board of Directors shall select, by resolution, one (1) President from among Directors <u>who are not Audit and Supervisory Committee Members,</u> and shall select, if necessary, respectively one (1) or more Executive Vice Presidents, Senior Managing Directors, and Managing Directors, from among Directors.</p> <p>Article 22 ~ 23 (Unchanged)</p> |

| Current Articles of Incorporation | Proposed Articles of Incorporation |
|---|--|
| <p>Article 24 (Convocation of Meetings of Board of Directors) Notice of meetings of the Board of Directors shall be dispatched to each Director <u>and Company Auditor</u> at least three (3) days prior to the date set for such meeting; provided, however, that in the event of emergency such period may be shortened. Meetings of the Board of Directors may be held without taking the convocation procedures if unanimous consent is obtained from all Directors <u>and Company Auditors</u>.</p> <p>Article 25 (Text omitted)</p> <p>(Newly added)</p> <p>Article <u>26</u> (Remunerations) The remunerations, bonuses and any other financial benefits for Directors as a consideration for the execution of their duties (hereinafter referred to as the "Remunerations") shall be determined upon a resolution of a general shareholders meeting.</p> <p>Article <u>27</u> (Contracts for Limitation of Liability with <u>Outside Directors</u>) The Company may, pursuant to Article 427, Paragraph 1 of the Companies Act, enter into contracts with Outside Directors that will limit their liabilities specified in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as specified in applicable laws and regulations.</p> <p style="text-align: center;">CHAPTER 5 <u>COMPANY AUDITORS AND BOARD OF COMPANY AUDITORS</u></p> <p>(Newly added)</p> | <p>Article 24 (Convocation of Meetings of Board of Directors) Notice of meetings of the Board of Directors shall be dispatched to each Director at least three (3) days prior to the date set for such meeting; provided, however, that in the event of emergency such period may be shortened. Meetings of the Board of Directors may be held without taking the convocation procedures if unanimous consent is obtained from all Directors.</p> <p>Article 25 (Unchanged)</p> <p><u>Article 26 (Delegation to Directors)</u> <u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or part of a decision regarding execution of important duties except for matters set forth in items of Paragraph 5 of the same Article to a Director by resolution of the Board of Directors.</u></p> <p>Article 27 (Remunerations) The remunerations, bonuses and any other financial benefits for Directors as a consideration for the execution of their duties (hereinafter referred to as the "Remunerations") shall be determined upon a resolution of a general shareholders meeting, <u>while making a distinction between Directors who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members.</u></p> <p>Article <u>28</u> (Contracts for Limitation of Liability with Directors) The Company may, pursuant to Article 427, Paragraph 1 of the Companies Act, enter into contracts with Directors <u>(excluding those are Executive Directors, etc.)</u> that will limit their liabilities specified in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as specified in applicable laws and regulations.</p> <p style="text-align: center;">CHAPTER 5 <u>THE AUDIT AND SUPERVISORY COMMITTEE</u></p> <p><u>Article 29 (Full-time Audit and Supervisory Committee Members)</u> <u>The Audit and Supervisory Committee may, by its resolution, elect full-time Audit and Supervisory Committee Members.</u></p> |

| Current Articles of Incorporation | Proposed Articles of Incorporation |
|---|--|
| <p>(Newly added)</p> <p>(Newly added)</p> | <p><u>Article 30 (Convocation of Meetings of the Audit and Supervisory Committee)</u> <u>Notice of meetings of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member at least three (3) days prior to the date set for such meeting; provided, however, that in the event of emergency such period may be shortened.</u> <u>Meetings of the Audit and Supervisory Committee may be held without taking the convocation procedures if unanimous consent is obtained from all the Audit and Supervisory Committee Members.</u></p> <p><u>Article 31 (Regulations of the Audit and Supervisory Committee)</u> <u>The Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation.</u></p> |
| <p><u>Article 28 (Number and Election Method of Company Auditors)</u> <u>The Company shall have three (3) or more Company Auditors, who shall be elected in a general shareholders meeting.</u> <u>The Resolution for the election of Company Auditors shall require the attendance of the shareholders constituting one third or more of the voting rights of the shareholders who are entitled to exercise voting rights, and shall be adopted by a majority of the voting rights of the shareholders so present at the meeting.</u></p> <p><u>Article 29 (Term of office)</u> <u>The term of office of a Company Auditor shall end with the conclusion of the ordinary general shareholders meeting for the last business year ending within four (4) years after his/her election.</u> <u>The term of office of a Company Auditor elected to fill a vacancy due to retirement or resignation of another Company Auditor before the expiration of his/her term shall be the same as the remaining term of such Company Auditor who retired or resigned.</u></p> <p><u>Article 30 (Convocation of Meetings of Board of Company Auditors)</u> <u>Notice of meetings of the Board of Company Auditors shall be dispatched to each Company Auditor at least three (3) days prior to the date set for such meeting; provided, however, that in the event of emergency such period may be shortened.</u> <u>Meeting of the Board of Company Auditors may be held without taking the convocation procedures if unanimous consent is obtained from all Company Auditors.</u></p> | <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> |

| Current Articles of Incorporation | Proposed Articles of Incorporation |
|--|--|
| <p><u>Article 31 (Remunerations)</u> <u>Remunerations for Company Auditors shall be determined upon a resolution of a general shareholders meeting.</u></p> <p><u>Article 32 (Contracts for Limitation of Liability with Outside Company Auditors)</u> <u>The Company may, pursuant to Article 427, Paragraph 1 of the Companies Act, enter into contracts with Outside Company Auditors that will limit their liabilities specified in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as specified in applicable laws and regulations.</u></p> <p>CHAPTER 6 ACCOUNTS</p> <p>Article <u>33</u> ~ <u>36</u>(Text omitted)</p> <p>(Newly added)</p> | <p>(Deleted)</p> <p>(Deleted)</p> <p>CHAPTER 6 ACCOUNTS</p> <p>Article <u>32</u> ~ <u>35</u> (Unchanged)</p> <p><u>Supplementary Provision</u></p> <p><u>(Transitional Measure Concerning Limited Liability Agreements with Outside Company Auditors)</u> <u>Limited liability agreements pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act already entered into with Outside Company Auditors (including former Outside Company Auditors) regarding the liability for damages described in Article 423, Paragraph 1 of the Companies Act prior to the conclusion of the 61th ordinary general shareholders meeting held in June 2019 shall be governed by Article 32 of the Articles of Incorporation prior to the amendment made by resolution of the said ordinary general shareholders meeting.</u></p> |

Proposal 3: Election of Nine (9) Directors who are not Audit and Supervisory Committee

If Proposal 2 “Partial Amendment to the Articles of Incorporation” is approved, the Company will make a transition to a Company with Audit and Supervisory Committee. The terms of office for all current directors expire at the closing of this Ordinary General Shareholders Meeting.

Accordingly, it is proposed that nine (9) directors who are not Audit and Supervisory Committee Members be elected.

The resolution of this proposal shall only take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2 become effective.

This proposal has been determined by the Board of Directors on the basis of reports from the Officer Nomination Council, an advisory body to the Board of Directors the majority of whose members are Independent Outside Directors.

The candidates for the directors who are not Audit and Supervisory Committee Members are as follows:

(* New Candidate)

| No. | Name (Date of Birth) | Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company | | Number of ROHM Shares Held |
|-----|---|--|--|-------------------------------------|
| 1 | Tadanobu Fujiwara (M) (Oct. 1, 1953) | Sep. 1983 | Joined the Company | 2,500 |
| | | Jun. 2009 | Director of the Company, General Manager of Eastern Japan Sales Headquarters | |
| | | Jun. 2018 | President (Representative Director) (Current Position) | |
| | [Reasons for nomination as a candidate for a Director] Tadanobu Fujiwara has attained an abundant knowledge and ability through the experience of corporate management for many years and sales operations towards a wide variety of customers, contributes to improve corporate value of the whole group by strong leadership. The Company requests continued election for a Director. | | | |
| 2 | Katsumi Azuma (M) (Nov. 10, 1964) | Apr. 1989 | Joined the Company | 1,500 |
| | | Jun. 2013 | Director of the Company, General Manager of Discrete Production Headquarters | |
| | | Feb. 2019 | Senior Managing Director of the Company, in charge of Development, Production and Corporate Marketing Strategy(Current Position) | |
| | [Reasons for nomination as a candidate for a Director] Katsumi Azuma has attained an abundant knowledge and experience in quality improvement and production engineering primarily through the duties in production sections of semiconductors or electronic components, and he has superior ability in promoting product development and business strategy. The Company requests election for a Director. | | | |
| 3 | Isao Matsumoto (M) (Jan. 25, 1961) | Apr. 1985 | Joined the Company | 2,000 |
| | | Jun. 2013 | Director of the Company, General Manager of LSI Production Headquarters | |
| | | Sep. 2018 | Director of the Company, in charge of Wafer Process (Current Position) | |
| | [Reasons for nomination as a candidate for a Director] Isao Matsumoto has attained an abundant knowledge and experience through the duties in domestic and foreign production and engineering divisions, and he has superior ability in improvement quality and production engineering in semiconductor manufacturing processes. The Company requests continued election for a Director. | | | |
| 4 | Masahiko Yamazaki (M) (Jul. 27, 1959) | Mar. 1982 | Joined the Company | 5,500 |
| | | Jun. 2010 | Director of the Company, General Manager of Administrative Headquarters | |
| | | Jun. 2018 | Director of the Company, in charge of General Affairs, Environment and CSR (Current Position) | |
| | [Reasons for nomination as a candidate for a Director] Masahiko Yamazaki has attained an abundant knowledge and experience through the duties in the administration sections such as general affairs, legal affairs and Environmental management, and he has superior ability in managing administration sections of the whole group. The Company requests continued election for a Director. | | | |

| No. | Name (Date of Birth) | Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company | | Number of ROHM Shares Held |
|-----|---|--|--|-------------------------------------|
| 5 | Yoshiaki Suenaga (M) (Jan. 1, 1959) | Apr. 1985 Jun. 2017 May. 2019 | Joined the Company Director of the Company, in charge of Corporate Marketing Strategy Director of the Company, in charge of Application Engineer (Current Position) | 746 |
| | [Reasons for nomination as a candidate for a Director] Yoshiaki Suenaga has attained an abundant knowledge and experience through the duties of LSIs development and design, product strategy and the experience of overseas operations, and he has superior ability to propose solutions to the challenges faced by customers by increasing products' added value. The Company requests continued election for a Director. | | | |
| 6 | Kunio Uehara (M) (May. 8, 1960) | Mar. 1983 Jun. 2018 | Joined the Company Director of the Company, in charge of Finance (Current Position) | 1,613 |
| | [Reasons for nomination as a candidate for a Director] Kunio Uehara has attained an abundant knowledge and experience through the duties of the accounting and financial, and he has superior ability in carrying out the strategic financial operations of the ROHM Group. The Company requests continued election for a Director. | | | |
| 7 | Kenichiro Sato (M) (Mar. 8, 1931) | Dec. 1954 Sep. 1958 Feb. 1991 Apr. 2010 Jun. 2016 | Established Toyo Electronics Industry, the antecedent of the Company Established Toyo Electronics Industry Corporation. (Currently ROHM CO., LTD.) President (Representative Director) Chairman of Rohm Music Foundation (Current position) Chairman Emeritus of the Company Director of the Company (Current position) | 2,405,066 |
| | [Reasons for nomination as a candidate for a Director] Kenichiro Sato, as the Company's founder, has a wealth of knowledge and experience gained through corporate management over the years, helps to strengthen the unity of the Board of Directors, and can contribute to rapid management decisions and the improvement of ROHM's corporate value. The Company requests continued election for a Director. | | | |
| 8 | Koichi Nishioka (M) (May. 11, 1946) | Apr. 1971 Mar. 1991 Apr. 2003 Apr. 2008 Jun. 2011 | Reporter working at the Editorial Office of Nikkei, Inc. Editorial Writer & Member of Nikkei, Inc. Columnist of Nikkei, Inc. Professor of Senshu University and Visiting Columnist of Nikkei, Inc. Director of the Company (Current Position) | 0 |
| | [Reasons for nomination as a candidate for a Director] Koichi Nishioka has given advices and suggestions to the Company in terms of management and other issues by sharing broad-based insight and rich experience as a longtime economic press reporter. Though never having previously engaged in company management in any way other than serving as outside officer, the Company is certain that he will carry out his duties as an Independent Outside Director properly for this reasons. The Company requests continued election for an Outside Director. | | | |
| 9 | * Tetsuo Tateishi (M) (Sep. 24, 1963) | Jul. 2014 Sep. 2019 | Joined the Company Fellow of LSI Development Headquarters in charge of Technology Development (Current Position) | 0 |
| | [Reasons for nomination as a candidate for a Director] Tetsuo Tateishi has attained highly specialized expertise and abundant experience as an LSI developer, and he is familiar with a broad range of LSI technologies and he has superior ability in carrying out the strategic product development. The Company requests election for a Director. | | | |

(Notes)

1. Kenichiro Sato is the Chairman of Rohm Music Foundation and the Company supports the activities of the foundation. There are no special relationships of interest between the other candidates and the Company.
2. Koichi Nishioka is a candidate for the position of Outside Director of the Company. He satisfies the “Independence Standards for Outside Officers” of the Company on page 14, it has been judged that they are fully independent with no risk for conflict of interest with general shareholders. The Company has designated Koichi Nishioka as Independent Directors/Company Auditors pursuant to the rules of the Tokyo Stock Exchange, and reported that information to the Exchange.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into a contract with Koichi Nishioka that limits his liability specified in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as specified in Article 425, Paragraph 1 of the Companies Act. If his reelection is approved, the Company will continue the contract with him.
4. Koichi Nishioka is currently an Outside Director of the Company and as of the closing of this General Meeting, his term of office as an Outside Director will reach eight years.

Proposal 4: Election of Four (4) Directors who are Audit and Supervisory Committee

If Proposal 2 “Partial Amendment to the Articles of Incorporation” is approved, the Company will make a transition to a Company with Audit and Supervisory Committee.

Accordingly, it is proposed that four (4) directors who are Audit and Supervisory Committee Members be elected.

The resolution of this proposal shall only take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2 become effective.

This proposal has been determined by the Board of Directors after agreement by the Board of Company Auditors on the basis of reports from the Officer Nomination Council, an advisory body to the Board of Directors the majority of whose members are Independent Outside Directors.

If Proposal 3 “Election of Nine (9) Directors who are not Audit and Supervisory Committee” and this Proposal are approved, the Board of Directors of the Company will consist of eight (8) Internal Directors and five (5) Outside Directors (of whom one (1) will be female).

The candidates for the directors who are Audit and Supervisory Committee Members are as follows:

(* New Candidate)

| No. | Name (Date of Birth) | Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company | Number of ROHM Shares Held |
|-----|---|--|-------------------------------------|
| 1 | * Hiroyuki Nii (M) (Aug. 16, 1957) | Apr. 1981 Joined the Daiwa Bank Co., Ltd. Apr. 2006 Group Leader of Real Estate Division of Resona Bank, Ltd. Apr. 2011 Senior Managing Director of the Resona Foundation for Asia and Oceania Jun. 2016 Company Auditor of the Company (Full Time) (Current Position) | 1,300 |
| | [Reasons for nomination as a candidate for a Director] Hiroyuki Nii will be expected to be able to utilize knowledge and insight through long-time experience at a financial institution and abundant experience as the full-time Company Auditor of the Company to coordination with the Internal Audit Department and to strengthen audit and supervisory functions of the Board of Directors from an independent perspective. Though never having previously engaged in company management in any way other than serving as outside officer, the Company is certain that he will carry out his duties as an Independent Outside Director properly for this reasons. The Company requests election for an Outside Director who is an Audit and Supervisory Committee Member. | | |
| 2 | * Hidero Chimori (M) (May. 24, 1954) | Apr. 1983 Attorney at law (Member of Osaka Bar Association) Joined Miyake & Partners May. 2002 Managing Partner of Miyake & Partners Jun. 2016 Outside Director of Kobe Steel, Ltd.(Current Position) Company Auditor of the Company (Current Position) May. 2019 Partner of Miyake & Partners (Current Position) | 100 |
| | [Reasons for nomination as a candidate for a Director] Hidero Chimori will be expected to be able to utilize professional knowledge and experience, wide insight as an attorney-at-law to ensuring the proper decision-making of the Board of Directors and to strengthen audit and supervisory functions of the Board of Directors from an independent perspective. Though never having previously engaged in company management in any way other than serving as outside officer, the Company is certain that he will carry out his duties as an Independent Outside Director properly for this reasons. The Company requests election for an Outside Director who is an Audit and Supervisory Committee Member. | | |
| 3 | * Toshiro Miyabayashi (M) (Sep. 4, 1958) | Jul. 1985 Joined Eiwa Audit Corporation (Currently KPMG AZSA LLC) Sep. 1990 Registered as CPA Jun. 2007 Partner of KPMG AZSA LLC Aug. 2016 Founded Miyabayashi Accounting Office | 0 |
| | [Reasons for nomination as a candidate for a Director] Toshiro Miyabayashi will be expected to be able to utilize professional knowledge and experience, wide insight as a certified public accountant to strengthen decision-making functions and audit and supervisory functions of the Board of Directors from an independent perspective. Though never having previously engaged in company management in any way, the Company is certain that he will carry out his duties as an Independent Outside Director properly for this reasons. The Company requests election for an Outside Director who is an Audit and Supervisory Committee Member. | | |

| No. | Name (Date of Birth) | Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company | Number of ROHM Shares Held |
|-----|---|---|-------------------------------------|
| 4 | * Kumiko Tanaka (F) (Jul. 23, 1968) | Jan. 1994 Joined KPMG Century Audit Corporation (Currently KPMG AZSA LLC) Apr. 1997 Registered as CPA May. 2008 Partner of KPMG AZSA LLC Sep. 2017 Joined Midosuji Audit Corporation Feb. 2018 Partner of Midosuji Audit Corporation (Current Position) | 0 |
| | [Reasons for nomination as a candidate for a Director] Kumiko Tanaka will be expected to be able to utilize professional knowledge and experience as a certified public accountant as well as a global perspective nurtured through overseas assignments to strengthen decision-making functions and audit and supervisory functions of the Board of Directors from an independent perspective. Though never having previously engaged in company management in any way, the Company is certain that she will carry out her duties as an Independent Outside Director properly for this reasons. The Company requests election for an Outside Director who is an Audit and Supervisory Committee Member. | | |

(Notes)

- There are no special relationships of interest between the candidates and the Company.
- Kumiko Tanaka's official name in the family register is Kumiko Miyabayashi. Among the candidates, there is a person who shares the same family name. They are totally unrelated and have no kinship with each other, and they have also total externality each other.
- The candidates are for the position of Outside Director of the Company. The candidates satisfy the "Independence Standards for Outside Officers" of the Company on page 14, and it has been judged that they are fully independent with no risk for conflict of interest with general shareholders.
- The Company has designated Hiroyuki Nii and Hidero Chimori as Independent Directors/Company Auditors pursuant to the rules of the Tokyo Stock Exchange, and reported that information to the Exchange, if both are elected, the Company will continue to be Independent Directors/Company Auditors.
Toshiro Miyabayashi and Kumiko Tanaka meet the requirements for Independent Directors/Company Auditors as specified in the regulations of the Tokyo Stock Exchange, if both are elected, the Company will designate as Independent Directors/Company Auditors and report the designation to the exchange.
- Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into contracts with Hiroyuki Nii and Hidero Chimori that limit their liabilities specified in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as specified in Article 425, Paragraph 1 of the Companies Act. If Proposal 2 "Partial Amendment to the Articles of Incorporation" is approved and both are elected, the Company will enter into the same agreements to limit liability as Directors excluding those are Executive Directors, etc.
If Proposal 2 "Partial Amendment to the Articles of Incorporation" is approved and Toshiro Miyabayashi and Kumiko Tanaka are elected, the Company will enter into the same agreements to limit liability as Directors excluding those are Executive Directors, etc.
- Hiroyuki Nii and Hidero Chimori are currently Outside Company Auditors of the Company and as of the closing of this General Meeting, their term of office as Outside Company Auditors will reach three years.
- In October 2017, Kobe Steel, Ltd. announced the fact that misconducts had been taking place in Kobe Steel, Ltd. group concerning the products and services delivered by this group, including the act of falsifying or fabricating inspection data for products falling short of public standards or customer specifications, and shipping or delivering those products to customers as if they conformed to the public standards or customer specifications. And in March 2019, regarding a part of such act Kobe Steel, Ltd. has been crimes in violation of the Unfair Competition Prevention Act.

Hidero Chimori belongs to Kobe Steel, Ltd. as an Outside Director (who is its Audit and Supervisory Committee Member). He was unaware of the fact until it came to light. Since his appointment as Kobe Steel, Ltd.'s Outside Director, he has actively provided advice and suggestions at Kobe Steel, Ltd.'s meetings of the Board of Directors and other meetings to strengthen the group's compliance activities. After the falsification or fabrication of the inspection results came to light, he has actively provided opinions, advice and suggestions about the adequacy and appropriateness of investigation methods, identification of root causes and safety verification at meetings of the Board of Directors and other meetings, and also as a member of the Quality Governance Restructuring Deliberation Committee, about a review of the quality misconduct, how to strengthen quality governance, and corporate governance reforms, among other things. We believe that he has fully fulfilled his responsibility as Kobe Steel, Ltd.'s Outside Director to ensure that the recurrence of similar violations is prevented at Kobe Steel, Ltd.

Proposal 5: Determination of Amount of Remuneration for Directors who are not Audit and Supervisory Committee Members

The amount of remuneration for Directors of the Company has been no more than ¥600 million annually since a resolution was taken to set it at this level at the 48th ordinary general shareholders meeting held on June 29, 2006.

If Proposal 2 “Partial Amendment to the Articles of Incorporation” is approved, the Company will make a transition to a Company with Audit and Supervisory Committee.

Accordingly, in accordance with the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, the Company proposes that, in place of the current amount of remuneration for Directors, the amount of remuneration for Directors who are not Audit and Supervisory Committee Members be set at no more than ¥900 million annually (including no more than ¥100 million annually for Outside Directors), in view of such factors as the economic climate. The Company proposes that the amount of remuneration for Directors who are not Audit and Supervisory Committee Members should exclude the employee salaries of Directors who serve concurrently as employees.

There are currently ten (10) Directors (of whom two (2) are Outside Directors), but if Proposal 2 and Proposal 3 are approved as originally proposed, there will be nine (9) Directors who are not Audit and Supervisory Committee Members (of whom one (1) will be an Outside Director).

The resolution of this proposal shall only take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2 become effective.

Proposal 6: Determination of Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

If Proposal 2 “Partial Amendment to the Articles of Incorporation” is approved, the Company will make a transition to a Company with Audit and Supervisory Committee.

Accordingly, in accordance with the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, the Company proposes that the amount of remuneration for Directors who are Audit and Supervisory Committee Members be set at no more than ¥100 million annually, in view of such factors as the economic climate.

If Proposal 2 and Proposal 4 are approved as originally proposed, there will be four (4) Directors who are Audit and Supervisory Committee Members (of whom four (4) will be Outside Directors).

The resolution of this proposal shall only take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2 become effective.

Independence Standards for Outside Officers

The Company appoints only persons who do not fall into any of the following categories of persons as its Outside Officers.

1. A major shareholder¹ of the Company or a person who executes the business² of the said shareholder;
2. A person who executes the business of a company of which the Company is a major shareholder;
3. A major customer³ of the Group or a person who executes the business of that major customer;
4. An organization for whom the Group is a major customer⁴ or a person who executes the business of said organization;
5. A consultant, accounting expert or legal expert who, in addition to director's remuneration, receives money or other assets exceeding a certain amount⁵ from the Group (and, if such consultant, accounting expert or legal expert is an organization, a person who belongs to the said organization);
6. A person who receives donations or grants exceeding a certain amount⁶ from the Group (or an organization that receives the said grants is, or a director of that organization or a person who executes the business of that organization);
7. A partner, member or employee of the Independent Auditor of the Company;
8. A person who executes the business of a major lender of the Company⁷;
9. A person who fell into any of the categories described in 1 to 8 above in the last three years;
10. An organization a director of whom comes from the Group or a person who executes the business of the said organization, or;
11. The spouse of an important person who executes the business⁸ of the Group or a relative of that person within the second degree of relationship.

(Enacted on November 5, 2015)

¹ A major shareholder means a shareholder holding at least 10% of the total voting rights of the Company.

² A person who executes business means a director, an executive officer, a member or an employee.

³ A major customer means a company whose payments account for over 2% of annual consolidated sales of the Company.

⁴ An organization for whom the Group is a major customer means a company with over 2% in annual sales coming from the Company.

⁵ A certain amount means ten million yen per year for an individual and over 2% of total revenue for an organization.

⁶ A certain amount means over ten million yen per year.

⁷ A major lender of the Company means a lender from which an amount exceeding 2% of total consolidated assets of the Company is borrowed.

⁸ An important person who executes business means a director (excluding outside directors) or a person in the senior management position of general manager or above.

Business Report

For the period from April 1, 2018 to March 31, 2019

1. Present Status of ROHM Group

(1) Business Progress and Results

Overall Review of Results of Operations

The world economy in the fiscal year ended in March 2019 was bullish in the first half of the year owing to strong performing economies in Japan, the USA and other industrially advanced nations, but retracted in the second half of the year because of the impacts from the trade friction between the USA and China, Brexit and other issues. By region, the economies in both the USA and Japan were solid throughout the year as personal consumption and business investment remained high, but in China, personal consumption slumped especially in the second half of the year as evidenced by the notable fall in automobile sales, and business investment trended downward. Europe, too, was basically solid in the first half of the year, but the general economy slowed down in the second half of the year because of the political squabbling over the Brexit issue that lay in the background and the effects of the economic slowdown in China.

In the electronics industry, the automotive electronics market was steady throughout the year, despite a slowdown in new vehicle sales in China, as growing demand for “safety” and “environmental performance” continued to fuel the increasing use of in-vehicle electronics around the world. As for industrial equipment market, the FA (*1) equipment market was strong in the first half of the year owing to wider-spread factory automation and increased application of energy efficiency technologies, but slowed down in the second half of the year because of the impacts of trade friction between the USA and China. With regards to consumer products market, the first half of the year was strong on a core of energy-saving air conditioners and other home appliances, while the second half of the year saw inventory adjustments because of the impacts of trade friction between the USA and China, and slower demand in the smartphone market as ownership peaked and the market matured.

Working within this business environment, the ROHM Group continued to implement important strategies aimed at strengthening product lineups for the automotive electronics and industrial equipment markets, which are expected to grow in the mid- to long-term, and boosting sales in overseas markets. Moreover, time and resources were directed at developing new products and technologies around a core of analog solutions, power solutions and other technological fields where the ROHM Group excels. The ROHM Group also pushed ahead with “production innovation” by continuing its RPS activities (*2) and, with the goal of achieving “zero defects”, by building a state-of-the-art quality management system and converting its production sites into smart factories (*3). Furthermore, the ROHM Group constructively invested in equipment that will increase the Group’s production capacity of SiC devices and products for other fields that are expected to grow in the future. Moreover, the ROHM Group undertook efforts to build up its procurement activities, by, for example, strengthening relations with suppliers.

Under these circumstances, consolidated net sales for the fiscal year ended on March 31, 2019 were 398,989 million yen (an increase of 0.5% from last year) according to decrease of net sales in the consumer products market and the smartphone market, but increase of net sales in the automotive electronics market and the industrial equipment market.

Operating income was 55,909 million yen (a decrease of 1.9% from last year) according to increase of the fixed cost such as depreciation mainly, and net sales ratio decreased from 14.4% to 14.0%.

Ordinary income was 64,689 million yen (an increase of 19.3% from last year) according to incurrence of foreign currency exchange gain unlike the previous fiscal year’s incurrence of foreign currency exchange loss.

Net income attributable to owners of parent was 45,441 million yen (an increase of 22.0% from last year) according to increase of ordinary income mainly.

And regarding to an important business performance indicator in ROHM Group, EBITDA (*4) was 101,325 million yen (an increase of 0.9% from last year).

*1. FA (Factory Automation)

Systems that automate various processes of a factory.

*2 RPS (ROHM Production System) activities

A production system centered on improvement activities for integrating higher quality into products, shortening lead time and thoroughly eliminating waste in inventory and other operations at all Group plants. ROHM believes that establishing production systems of remarkably different efficiency and quality is essential for strengthening the Group's earning structure.

*3 Smart factory

A factory that improves product quality and production efficiency by interconnecting production systems over a network.

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

EBITDA is a measure calculated by taking Earnings Before Taxes and adding Interest, Depreciation and Amortization, and it is global common in comparing company's earnings capacities. ROHM Group calculate it by simply taking Operation Profit and adding Depreciation and Amortization.

Overview of performance in each segment

<LSI>

Consolidated net sales for the year ended March 31, 2019 were 183,313 million yen (a decrease of 0.1% from last year) and segment income was 15,990 million yen (a decrease of 20.8% from last year). Sales to the automotive electronics market were strong overall, despite of the falling in sales of power ICs and other IC products for car audio, as sales of isolated gate driver ICs (*5) for xEV (*6) grew and driver ICs were widely adopted for instrument panels and power ICs for car bodies. In the industrial equipment market, sales of power ICs and other products to the energy and FA markets decreased. In the consumer products market, while sales for amusement and PC applications were good, sales of LCD ICs and power ICs for TVs, and driver ICs for cameras dropped.

*5. Isolated gate driver IC

A gate driver IC for driving power semiconductors like IGBT (*7). By incorporating an isolated element in a gate driver, external isolating components that are critical to protecting people and systems have become unnecessary.

*6. xEV

A collective acronym for vehicles that use an electric power drive such as electric vehicles (EV), hybrid vehicles (HV) and plug-in hybrid vehicles (PHV).

*7. IGBT (Insulated Gate Bipolar Transistor)

A bipolar transistor (*8) that lessens the operating resistance by incorporating a MOSFET (*9) for the gate. Suited for high current switching, IGBTs are often used for power control applications.

*8. Bipolar transistor

A 3-terminal semiconductor that structures N-type and P-type semiconductors into either P-N-P or N-P-N junctions. Bipolar transistors are widely used in electronic devices for current amplification/switching and other signal processing tasks.

*9. MOSFET (Metal Oxide Semiconductor Field Effect Transistor)

A type of field-effect-transistor that enables faster switching with less power consumption than bipolar transistors, and is widely used in a variety of electronic products.

<Discrete semiconductor devices>

Consolidated net sales for the year ended March 31, 2019 were 152,861 million yen (an increase of 2.0% from last year) and segment income was 30,054 million yen (a decrease of 6.6% from last year). With regard to transistors and diodes, sales overall were strong, despite continuing adjustments amongst products for the consumer products market, as sales to the automotive electronics market were good. Regarding power devices, sales of SiC devices and IGBTs to the automotive electronics and other markets were steady. In contrast, photodiode sales targeted at predominantly consumer products fell, as did sales of semiconductor lasers because of a slump in the optical disk market.

<Modules>

Consolidated net sales for the year ended March 31, 2019 were 40,158 million yen (a decrease of 4.0% from last year) and segment income was 5,918 million yen (an increase of 56.0% from last year).

With regard to printheads, sales of printheads for mobile payment terminals and other applications were strong. As for optical modules, sales of sensor modules for smartphones and wearable electronics decreased.

<Others>

Consolidated net sales for the year ended March 31, 2019 were 22,655 million yen (an increase of 3.3% from last year) and segment income was 4,093 million yen (an increase of 37.9% from last year).

Sales of resistors for smartphone applications fell on the one hand, while sales to the automotive electronics market grew considerably on the other. Sales of tantalum capacitors were affected by the slump in the smartphone market.

The net sales mentioned above are sales to external customers.

(2) Capital Expenditures

In this period, the Group invested 57,291 million yen in total in facilities to pursue the improvement and expansion of the development and manufacturing system as well as drastic streamlining. A breakdown of investment by segment is as follows:

| | | |
|--|--------|-------------|
| LSI | 17,119 | million yen |
| Discrete Semiconductor Devices | 30,407 | million yen |
| Modules | 1,979 | million yen |
| Others | 4,694 | million yen |
| Sales and Administrative Expenses Division | 3,089 | million yen |

(3) Financing

The capital expenditures and others during this period were funded through internal funding. No financing through stock issuance, bond issuance and borrowing was carried out.

(4) Priority Issues

The world electronics market is expected to see continued growth over the mid- to long-term because of growing demand for energy saving and increased use of electronics in automobiles, but this will also bring greater competition when it comes to technologies. This will likely augment the pressure to supply internationally competitive products, which means that new products and technologies will have to be developed for global markets and costs will have to be reduced across the board.

Understanding the circumstances, the ROHM Group will continue to direct efforts at developing high value-added products that anticipate industry needs in a wide range of markets, including automotive electronics, industrial equipment, information and communications, and white goods.

Moreover, in order to serve expanding overseas markets, the ROHM Group will continue to strengthen our development and sales structures around the world.

In addition, we will continue to strengthen CSV activities as a contribution to the realization of a sustainable society, and our risk management system in order to maintain business intact in the face of potential and actual risks.

(5) Operating Results and Financial Position of the ROHM Group

(Millions of yen otherwise noted)

| Item | Mar-2016 | Mar-2017 | Mar-2018 | (Current period) Mar-2019 |
|---|----------|----------|----------|------------------------------|
| Net Sales | 352,397 | 352,010 | 397,106 | 398,989 |
| Ordinary Income | 36,625 | 35,579 | 54,213 | 64,689 |
| Net Income Attributable to Owners of the Parent | 25,686 | 26,432 | 37,249 | 45,441 |
| Net Income per Share (yen) | 241.91 | 249.87 | 352.14 | 431.29 |
| Total Assets | 804,134 | 834,503 | 864,072 | 874,427 |
| Equity | 706,251 | 725,452 | 751,877 | 766,754 |

- (Notes) 1. These values are rounded down to the nearest million except for the net income per share for the period, rounded down to two decimal places.
2. Net income per share for the period is calculated based on the average number of shares during the period after deduction of the number of treasury stock.
3. Standards including Partial Amendments to Accounting Standard for Tax Effect Accounting (Accounting Standards Board of Japan [ASBJ] Statement No. 28, February 16, 2018) have been applied beginning at the start of this period. The figure shown for Total Assets in the previous period represents the amount after applying these accounting standards retroactively.

(Reference) Operating Results and Financial Position of the Company

(Millions of yen otherwise noted)

| Item | Mar-2016 | Mar-2017 | Mar-2018 | (Current Period) Mar-2019 |
|----------------------------|----------|----------|----------|------------------------------|
| Net Sales | 307,047 | 303,279 | 348,737 | 342,360 |
| Ordinary Income | 12,094 | 21,060 | 42,935 | 44,034 |
| Net Income | 6,450 | 20,187 | 26,784 | 35,372 |
| Net Income per Share (yen) | 60.75 | 190.85 | 253.21 | 335.87 |
| Total Assets | 496,342 | 521,498 | 540,135 | 528,371 |
| Equity | 425,359 | 442,278 | 456,341 | 456,060 |

- (Notes) 1. These values are rounded down to the nearest million except for the net income per share for the period, rounded down to two decimal places.
2. Net income per share for the period is calculated based on the average number of shares during the period after deduction of the number of treasury stock.
3. Standards including Partial Amendments to Accounting Standard for Tax Effect Accounting (Accounting Standards Board of Japan [ASBJ] Statement No. 28, February 16, 2018) have been applied beginning at the start of this period. The figure shown for Total Assets in the previous period represents the amount after applying these accounting standards retroactively.

(6) Main Business Segments

The Group's main operations are the manufacturing and sales of electronic components.
The main products and business segments are as follows:

(As of March 31, 2019)

| Segment Name | Main products and business |
|--------------------------------|--|
| LSI | Analog ICs, Logic ICs, Memory ICs, MEMS |
| Discrete semiconductor devices | Diodes, Transistors, Light Emitting Diodes, Laser Diodes |
| Modules | Printhead Products, Optical Modules, Power Modules |
| Others | Resistors, Tantalum Capacitors, |

(7) Main Business Sites

(As of March 31, 2019)

| Name | | Location |
|----------------|---|---|
| ROHM CO., LTD. | Head Office/Factory Kyoto Technology Center Yokohama Technology Center Kyoto Business Center Tokyo Business Center Yokohama Business Center Nagoya Business Center | Kyoto Kyoto Kanagawa Kyoto Tokyo Kanagawa Aichi |
| Manufacturing | ROHM HAMAMATSU CO., LTD. ROHM WAKO CO., LTD. ROHM APOLLO CO., LTD. ROHM MECHATECH CO., LTD. ROHM SHIGA CO., LTD. LAPIS SEMICONDUCTOR CO., LTD. LAPIS SEMICONDUCTOR MIYAGI CO., LTD. LAPIS SEMICONDUCTOR MIYAZAKI CO., LTD. ROHM KOREA CORPORATION ROHM ELECTRONICS PHILIPPINES, INC. ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD. ROHM SEMICONDUCTOR (CHINA) CO., LTD. ROHM ELECTRONICS DALIAN CO., LTD. ROHM WAKO ELECTRONICS (MALAYSIA) SDN., BHD. ROHM MECHATECH PHILIPPINES, INC. ROHM MECHATECH (THAILAND) CO., LTD. ROHM POWERVATION LTD. KIONIX, INC. SICRYSTAL GmbH | Shizuoka Okayama Fukuoka Kyoto Shiga Kanagawa Miyagi Miyazaki Korea Philippines Thailand China China Malaysia Philippines Thailand Ireland U.S.A. Germany |
| Sales | ROHM SEMICONDUCTOR KOREA CORPORATION ROHM SEMICONDUCTOR (SHANGHAI) CO., LTD. ROHM SEMICONDUCTOR (BEIJING) CO., LTD. ROHM SEMICONDUCTOR (SHENZHEN) CO., LTD. ROHM SEMICONDUCTOR (H.K.) CO., LTD. ROHM SEMICONDUCTOR TAIWAN CO., LTD. ROHM SEMICONDUCTOR SINGAPORE PTE. LTD. ROHM SEMICONDUCTOR PHILIPPINES CORPORATION ROHM SEMICONDUCTOR (THAILAND) CO., LTD. ROHM SEMICONDUCTOR MALAYSIA SDN. BHD. ROHM SEMICONDUCTOR INDIA PVT. LTD. ROHM SEMICONDUCTOR U.S.A., LLC ROHM SEMICONDUCTOR DO BRASIL LTDA. ROHM SEMICONDUCTOR GmbH | Korea China China China China Taiwan Singapore Philippines Thailand Malaysia India U.S.A. Brazil Germany |
| Logistics | ROHM LOGISTEC CO., LTD. | Okayama |

(8) Employees

(As of March 31, 2019)

| Segment Name | Number of Employees | Change from the Previous Fiscal Year | Average Service Years |
|--|---------------------|--------------------------------------|-----------------------|
| LSI | 22,899 | Decrease by 221 employees | 10.7 years |
| Discrete semiconductor devices | | | |
| Modules | | | |
| Others | | | |
| Sales and administrative expenses division | | | |

(Notes) 1. The value of the average service years is rounded down to one decimal place.

2. The number of employees includes, in addition to full-time employees, 215 regular workers based on fixed-term employment contracts.

(9) Summary of Important Subsidiaries

| Company Name | Capital | Voting Right Ratio by ROHM | Main Business |
|--|----------------------------|----------------------------|---|
| ROHM HAMAMATSU CO., LTD. | Million yen 10,000 | 100.0% | Manufacture of electronic components |
| ROHM APOLLO CO., LTD. | Million yen 450 | 100.0 | Manufacture of electronic components |
| LAPIS SEMICONDUCTOR CO., LTD. | Million yen 400 | 100.0 | Manufacture of electronic components |
| ROHM ELECTRONICS PHILIPPINES, INC. | Thousand peso 1,221,563 | 100.0 | Manufacture of electronic components |
| ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD. | Thousand baht 1,115,500 | 100.0 | Manufacture of electronic components |
| ROHM SEMICONDUCTOR (CHINA) CO., LTD. | Million yen 16,190 | 100.0 | Manufacture of electronic components |
| ROHM ELECTRONICS DALIAN CO., LTD. | Million yen 9,417 | 100.0 | Manufacture of electronic components |
| ROHM SEMICONDUCTOR (H.K.) CO., LTD. | Thousand HK\$ 27,000 | 100.0 | Sales of electronic components |
| ROHM U.S.A., INC. | Thousand US\$ 253,642 | 100.0 | Administrative responsibility for subsidiaries in North and South America |
| ROHM ELECTRONICS ASIA PTE. LTD. | Thousand S\$ 90,630 | 100.0 | Administrative responsibility for subsidiaries in Asia and others |

(Notes) 1. Amounts of capital and voting right ratios are rounded down to the nearest million (in yen) or the nearest thousand (in foreign currencies), and to one decimal places, respectively.

2. Voting right ratio by ROHM includes indirect holdings through subsidiaries.

2. Status of Shares

(1) Total Number of Shares Authorized to be Issued 300,000,000

(2) Total Number of Shares Issued 110,000,000

(Including 5,493,365 shares of treasury stock)

* As a result of the write-off of treasury stock conducted effective March 29, 2019, holdings of treasury stock decreased by 1,200,000 shares from the end of the previous period.

(3) Total Number of Shareholders as of March 31, 2019 29,817

(4) Major Shareholders (Top 10 Shareholders)

(As of March 31, 2019)

| Name | Number of Shares Held (Thousands of shares) | Ownership |
|--|--|-----------|
| Japan Trustee Service Bank, Ltd. (Trust account) | 9,824 | 9.40% |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 8,174 | 7.82- |
| Rohm Music Foundation | 8,000 | 7.65- |
| The Bank of Kyoto, Ltd. | 2,606 | 2.49- |
| Kenichiro Sato | 2,405 | 2.30- |
| Japan Trustee Service Bank, Ltd. (Trust account 9) | 2,364 | 2.26- |
| Japan Trustee Service Bank, Ltd. (Trust account 5) | 1,896 | 1.81- |
| BBH FOR MATTHEWS ASIA DIVIDEND FUND | 1,796 | 1.71- |
| STATE STREET BANK WEST CLIENT - TREATY 505234 | 1,543 | 1.47- |
| GOVERNMENT OF NORWAY | 1,383 | 1.32- |

(Notes) 1. The number of shares less than one thousand shares and the percentage of ownership less than two decimal places are rounded down to the nearest unit, respectively.

2. 5,493 thousand shares of treasury stock are excluded from the above calculation.

3. Ownership is calculated by deducting the number of treasury stock from the total number of shares issued.

3. Directors and Company Auditors of the Company

(1) Directors and Company Auditors

(As of March 31, 2019)

| Position | Name | Positions at the Company and Important Duties outside the Company |
|-----------------------------|-------------------|---|
| * President | Tadanobu Fujiwara | |
| Senior Managing Director | Katsumi Azuma | Development, Production and Corporate Marketing Strategy |
| Director | Isao Matsumoto | Wafer Process |
| Director | Masahiko Yamazaki | General Affairs, Environment and CSR |
| Director | Yoshiaki Suenaga | |
| Director | Kunio Uehara | Finance |
| Director | Shinichi Yoshimi | Human Resources |
| Director | Kenichiro Sato | Chairman of Rohm Music Foundation |
| Director | Hachiro Kawamoto | |
| Director | Koichi Nishioka | |
| Company Auditor (Full-Time) | Hiroyuki Nii | |
| Company Auditor (Full-Time) | Yoshiaki Shibata | |
| Company Auditor | Hidero Chimori | Attorney at Law, Outside Director of Kobe Steel, Ltd. |
| Company Auditor | Shinya Murao | CPA |
| Company Auditor | Haruo Kitamura | CPA, Outside Director of MonotaRO Co., Ltd. |

(Notes) 1. * Representative Director.

2. Hachiro Kawamoto and Koichi Nishioka are Outside Directors as provided in Article 2, Item 15, of the Companies Act.
3. All five of the Company Auditors are Outside Company Auditors as provided in Article 2, Item 16, of the Companies Act.
4. The Company has designated Directors Hachiro Kawamoto and Koichi Nishioka and all five of the Company Auditors as Independent Directors/Company Auditors pursuant to the rules of the Tokyo Stock Exchange, and reported that information to the Exchange.
5. Company Auditors Shinya Murao and Haruo Kitamura are certified public accountants and are duly informed of finances and accounting.
6. Changes in the membership of the Board of Directors and the Board of Company Auditors during this fiscal year were as specified below.

(1) New appointments

Kunio Uehara and Shinichi Yoshimi were newly elected and appointed as a Director at the 60th Ordinary General Shareholders Meeting of June 28, 2018.

(2) Retirements

- 1) Satoshi Sawamura resigned from the position of President (Representative Director) as of the closing of the 60th Ordinary General Shareholders Meeting of June 28, 2018.
- 2) Haruo Kitamura resigned from the position of Company Auditor (Outside) as of March 31, 2019.

(3) Changes in positions

Tadanobu Fujiwara was appointed as President (Representative Director) as of June 28, 2018.

(4) Changes in duties

- 1) Katsumi Azuma's position was changed from in charge of Discrete and Optical Module to in charge of Manufacturing as of September 11, 2018, and from in charge of Manufacturing to in charge of Development, Production and Corporate Marketing Strategy as of February 11, 2019.
- 2) Isao Matsumoto's position was changed from in charge of LSI to in charge of Wafer Process as of September 11, 2018.
- 3) Masahiko Yamazaki's position was changed from General Manager of Administrative Headquarters, General Manager of Accounting & Finance Headquarters and General Manager of CSR to General Manager of Administrative Headquarters and General Manager of CSR Headquarters as of June 11, 2018, and from General Manager of Administrative Headquarters and General Manager of CSR Headquarters to in charge of General Affairs, Environment and CSR as of June 28, 2018.
- 4) Yoshiaki Suenaga's position was changed from in charge of Corporate Marketing Strategy to in charge of Corporate Marketing Strategy and LSI Development as September 11, 2018 and was in charge by February 11, 2019, and is going to be in charge of Application Engineer as of May 11, 2019.

(2) Overview of the Contents of Contracts for Limitation of Liability

Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into contracts with all Outside Directors and Outside Company Auditors that limit their liabilities specified in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as specified in Article 425, Paragraph 1 of the Companies Act.

(3) Total Remunerations for Directors and Company Auditors

| Position | Number of Members | Remuneration |
|--|-------------------|-------------------------|
| Directors (Outside Directors). | 11 (2) | 358 million yen (22) |
| Company Auditors (Outside Company Auditors) | 5 (5) | 61 million yen (61) |
| Total (Outside Officers) | 16 (7) | 420 million yen (84) |

- (Notes) 1. The table above includes one Director who retired as of the closing of the 60th Ordinary General Shareholders Meeting of June 28, 2018.
2. Directors' remunerations do not include the amount paid as salary for employees to those Directors who are also employees.
3. The total amount of Directors' remuneration is limited to 600 million yen per year based on the resolution of the 48th Ordinary General Shareholders Meeting held on June 29, 2006, and the total amount of Company Auditors' remuneration is limited to 6 million yen per month based on the resolution of the 36th Ordinary General Shareholders Meeting held on June 29, 1994.
4. Directors' remunerations include the amount of 69 million yen as bonuses for the Directors with respect to the 61th fiscal year.

(4) Main Activities of Outside Director and Outside Company Auditors

| Position | Name | Main Activity |
|--------------------------------|------------------|---|
| Director | Hachiro Kawamoto | Attended 65% of the all 17 meetings of Board of Directors during the fiscal year ended March 31, 2019 (including participation in 3 resolution deemed to have been made in writing). Provides opinions based on experience and knowledge as a longtime administrator of an incorporated school. |
| Director | Koichi Nishioka | Attended all 17 meetings of Board of Directors during the fiscal year ended March 31, 2019 (including participation in 3 resolution deemed to have been made in writing). Provides opinions based on experience and knowledge as a longtime economic press reporter. |
| Company Auditor (Full-Time) | Hiroyuki Nii | Attended all 17 meetings of Board of Directors during the fiscal year ended March 31, 2019 (including participation in 3 resolution deemed to have been made in writing). Attended all 9 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., from a comprehensive point of view, based on experience and knowledge as a longtime administrator at a financial institution. |
| Company Auditor (Full-Time) | Yoshiaki Shibata | Attended all 17 meetings of Board of Directors during the fiscal year ended March 31, 2019 (including participation in 3 resolution deemed to have been made in writing). Attended all 9 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., from a comprehensive point of view, based on his position and experience as the full-time Company Auditor. |
| Company Auditor | Hidero Chimori | Attended all 17 meetings of Board of Directors during the fiscal year ended March 31, 2019 (including participation in 3 resolution deemed to have been made in writing). Attended all 9 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., principally from a professional point of view as a lawyer. |
| Company Auditor | Shinya Murao | Attended all 17 meetings of Board of Directors during the fiscal year ended March 31, 2019 (including participation in 3 resolution deemed to have been made in writing). Attended all 9 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., principally from a professional point of view as a certified public accountant (CPA). |
| Company Auditor | Haruo Kitamura | Attended 94% of the all 17 meetings of Board of Directors during the fiscal year ended March 31, 2019 (including participation in 3 resolution deemed to have been made in writing). Attended 88% of the all 9 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., principally from a professional point of view as a CPA. |

4. Independent Auditor

(1) Name of the Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Remuneration

| | Remuneration |
|---|-----------------|
| Remuneration for the Independent Auditor for the 61th Fiscal Year | 100 million yen |
| Total Remuneration for the Independent Auditor to be Paid by the Company and Its Subsidiaries | 141 million yen |

- (Notes)
1. The audit engagement between the Company and its Independent Auditor, Deloitte Touche Tohmatsu LLC, does not and actually cannot distinguish between remuneration based on the Companies Act and remuneration based on the Financial Instruments and Exchange Act. For this reason, the amount above includes the aggregate sum of these amounts.
 2. Based on the "Practical Guidelines for Cooperation with Independent Auditors" released by the Japan Audit & Supervisory Board Members Association, the Board of Company Auditors has verified and examined the execution of duties of accounting audit and remuneration for previous fiscal year, the contents of audit plans and the calculation basis for remuneration estimates. As a result, the Board of Company Auditors agreed to the remuneration paid to the Independent Auditor.
 3. Among ROHM Group's major subsidiaries, financial statements of the seven overseas subsidiaries are audited by certified public accountants or auditing firms (including those who have commensurate licenses in foreign countries) other than the Company's Independent Auditor.

(3) Policy Regarding Decision to Dismiss or Not to Reappoint Independent Auditor

The Board of Company Auditors may dismiss the Independent Auditor based on a unanimous decision when the Board of Company Auditors has decided that the Independent Auditor has violated or infringed such laws as the Companies Act or the Certified Public Accountants Act or have offended public order or morals.

The Board of Company Auditors may decide the proposal regarding dismiss or not to reappoint the Independent Auditor and based on such decision the Board of Directors shall submit such proposal at the General Shareholders Meeting when it is deemed difficult for the Independent Auditors to perform audits properly due to an event that may damage their qualification or independence.

5. Corporate System and Policies of ROHM Group

(1) Corporate System to Ensure Proper Operation (Internal Control System)

Regarding the reinforcement of the internal control system as one of the major corporate missions, ROHM Group intends to carry out its corporate social responsibilities by maintaining compliance of the operational processes of the entire Group. The Board of Directors of the Company has resolved the basic policies to build the internal control system and the improvement of the system, as listed below:

- 1) The system to ensure the compliance of the execution of duties of the Directors under applicable laws as well as the Articles of Incorporation
 - (a) In order to promote further progress of globalization, ROHM Group will not only comply with laws and regulations but also support the 10 principles of the United Nations Global Compact for a wide range of problems in the areas of human rights, labor, the environment, anti-corruption, etc. and contribute to solve these social challenges (Sustainable Development Goals) through ROHM's products, technology, and services. And ROHM will promote the management focusing on CSR by complying with "ISO26000" the international standards for social responsibility, as well as the Code of Conduct of the Responsible Business Alliance (RBA).
 - (b) Directors should perform their duties based on the in-house regulations such as "ROHM Group Business Conduct Guidelines" and the Basic Rules of the Board of Directors and ensure the compliance with all applicable laws and regulations as well as the Articles of Incorporation.
 - (c) The Director or Directors who are highly informed in a specific field should be responsible for the duties related to such field, while all Directors should hold discussions and monitor each other on a daily basis concerning the respective individual fields.
 - (d) Should a Director be found having committed an illegal act by another Director or a Company Auditor, it should be promptly reported to the Board of Directors and the Board of Company Auditors.
 - (e) In addition to two Outside Directors, five Outside Company Auditors should regularly hold the meeting to exchange information and opinions with each other and constantly check that Directors perform their duties in compliance with all applicable laws and regulations as well as the Articles of Incorporation.
 - (f) The Compliance Hotline (the internal hotline system (including the case where the hotline system independent from the management is set up at an outside law firm) and hotline system for suppliers) should be deployed to the entire ROHM Group including overseas entities to discover any illegal conduct of a Director and to prevent recurrence thereof.
- 2) System to save and control information related to Directors' performance of duties
 - (a) Decisions regarding Directors' performance of their duties, such as the minutes of general shareholders meetings, the minutes of the meetings of the Board of Directors, executive proposals, business plans for individual fiscal years, etc., should be saved in writing. The documents should be saved and controlled in compliance with all applicable laws and regulations as well as all in-house regulations.
 - (b) The directions and notices provided to Group companies or in-house divisions concerned shall be issued via email or in writing as a rule. The directions and notices shall be saved so as to be inspected at any time by Directors and Company Auditors.
 - (c) Information related to Directors' performance of duties should be kept and controlled duly by relevant sections or divisions concerned, and the leak and unjust use of such information must be prevented by giving internal notice and information security training to all employees to ensure that they are fully aware of and comply with such rule.
- 3) Rules and other systems to control the risk of loss
 - (a) Under the CSR Committee chaired by the President himself, Committees of Quality, Corporate Safety and Health, Risk Management/BCM, Compliance, Information Disclosure, Environmental Conservation, etc. should be established as company-wide cross-sectional committees. These committees will appropriately respond to various management issues and risks in each responsible area by taking necessary measures, giving directions and solving problems.
 - (b) The Risk Management/BCM Committee should be organized to identify, analyze and control major risks that may occur in the course of the performance of business operations. In order to avoid or minimize the effect of unforeseeable circumstances such as sudden natural disasters as much as possible and enable the survival of our business as a consequence, the Risk Management/BCM Committee will verify the activities of each section in charge of risk management, establish a business continuity plan and take any and all possible preliminary measures or preparations across

ROHM Group.

- (c) As a corporate effort to eradicate antisocial groups, a Risk Management Office should be established in the Department of General Affairs. The Office should cooperate and exchange information with external specialist organizations such as the police department, promote specific actions and perform them thoroughly, to eradicate antisocial groups. In-house regulations should be established to eradicate antisocial groups and should be strictly observed. All ROHM Group employees should be informed by way of the "ROHM Group Business Conduct Guidelines", as distributed to all employees, or by other means, that they must take a firm stand against antisocial groups. Further, the necessity of taking a firm stand against antisocial groups should be communicated to all employees through various in-house training sessions.
- 4) System to ensure that Directors perform their duties efficiently
 - (a) The Board of Directors should consist of a small number of Directors authorized to execute business operations to realize prompt executive decision-making.
 - (b) The Board of Directors should have Directors who are highly experienced in different fields. The Board should divide duties to the Director in charge of that certain field and have him/her perform the specific duties of that field.
 - (c) Issues that may have a considerable influence on corporate management should be examined, analyzed and reported by in-house project teams established separately for individual issues. Upon completion of such examination, prompt decisions should be made by way of a meeting of Board of Directors or executive proposals, as appropriate, based on the Articles of Incorporation and in-house regulations.
 - (d) The in-house written standards of in-house control procedures regarding various managerial issues such as risk control and information control should be strictly observed.
 - (e) To increase the competitiveness of ROHM Group and to ensure a fair amount of profits, business performance targets should be established as part of annual profit-raising projects for the entire ROHM Group and individual divisions, and progress and achievement status of such projects and targets should be controlled.
- 5) System to ensure that employees perform their duties in compliance with all applicable laws and regulations as well as the Articles of Incorporation
 - (a) The Compliance Committee should be organized and across-the-group compliance actions should be taken by implementing the "ROHM Group Business Conduct Guidelines". A compliance system of the Group companies should be created based on the system of our company, and a leader for each division should be nominated as a leader to raise the awareness of the importance of compliance and to ensure the ongoing compliance of each division.
 - (b) To appropriately comply with proprietary laws and regulations in a proper manner, not only the CSR Committee but also the Corporate Safety and Health Committee, Compliance Committee, Information Disclosure Committee, and Environmental Conservation Committee, should be committed to such actions as checking the status of compliance for the entire Group and performing ongoing educational activities.
 - (c) Under the control of the Information Disclosure Committee, individual sections and divisions should properly control insider information and educate employees in the interest of and raising awareness of the importance of strict information handling, to prevent insider trading.
 - (d) The Compliance Hotline (the internal hotline system (including the case where the hotline system independent from the management is set up at an outside law firm) and hotline system for suppliers) should be deployed to the entire ROHM Group including overseas entities, to uncover any illegal conduct of an employee and to prevent any recurrence thereof.
- 6) System to ensure compliance of the Group's corporate operations
 - (a) ROHM Group shares the corporate mission and policy, which are the basis of the founding spirit of the Company, and carries out the business activities with the concerted efforts as the Group in order to enhance the corporate values of the entire Group.
 - (b) Each Committee under the Company's CSR Committee should supervise and control Group companies comprehensively to ensure proper execution of duties in each responsible area.
 - (c) Written standards applicable to the entire ROHM Group should be established and implemented.
 - (d) The compliant business operations of Group companies should be monitored by appointing employees of the Company or another Group company to Group companies' Board of Directors or Company Auditors.

- (e) A system should be operated that requires the Board of Directors' resolution or an executive decision at the Company to settle critical issues at the Group companies level and periodical reports to the Company's relevant divisions from Group companies should be made, thus enabling to control Group companies.
 - (f) An internal control system that includes the Company and significant Group companies should be established and reinforced through a framework that ensures financial reporting compliance and through efforts to conform to the auditing system.
 - (g) The Company's internal auditing division under the direct control of the President should perform internal audits to check each Group company's situations of execution of duties, compliance with all applicable laws and regulations as well as in-house regulations, risk management, etc.
- 7) Employees hired upon the request of a Company Auditor to assist the Company Auditor's duties, independence of the employees from Directors and to ensure effectiveness of the Company Auditor's instruction to such employees
- (a) The Company should, upon Company Auditor's request, appoint staff employees with proper capabilities.
 - (b) The staff of Company Auditors should be independent of duties related to the execution of corporate business. In the employment, transfer and evaluation of performance of Company Auditors' staff, opinions from the Board of Company Auditors shall be respected.
- 8) System for Directors and employees of the Company and its subsidiaries to report to Company Auditors, other systems for reporting to Company Auditors and system for employees not to be treated disadvantageously by the reason of such reports
- (a) Should a Director be found having committed an illegal conduct in the performance of Directors' duties or neglected the obligation of being duly conscious as good Directors, or any fact be found having a threat to damage the Company considerably, etc. by another Director, it should be promptly reported to the Board of Company Auditors.
 - (b) The meetings of committees, not only the CSR Committee but also the Risk Management/BCM Committee, Compliance Committee, and Information Disclosure Committee should be attended by full-time Company Auditors as observers, and individual committees should make periodical reports on their activities to the Company Auditors by submitting meeting minutes or by other appropriate means.
 - (c) A system should be retained whereby the status and results of business operations can be properly reported to Company Auditors through executive proposals and reports.
 - (d) Directors and employees of the Company and Group companies should promptly make a necessary report if they are asked by Company Auditors to make a report of their business operations.
 - (e) A section in charge of the Compliance Hotline should make periodical reports on situations and results thereof to Company Auditors.
 - (f) Employees that have reported to Company Auditors shall not disadvantageously treated by the reason of such reports according to applicable laws and regulations as well as in-house regulations.
- 9) Other systems to ensure that the audits by Company Auditors are performed effectively
- (a) Concerning the status of the operation of the internal control system, Directors should report to the Board of Company Auditors where requested.
 - (b) The internal audit division should strengthen the collaboration with the Company Auditors and report the results of audit periodically.
 - (c) All Company Auditors should be Outside Company Auditors. The Board of Company Auditors should be a strongly independent group consisting of diversified experts, including legal specialists, accounting specialists, and those who used to work for financial institutions.
 - (d) Company Auditors should exchange opinions with Directors whenever necessary.
 - (e) The expenses that Company Auditors deem to be necessary when they perform their duties should be borne by the Company.

(2) Outline of the Status of the Operation of the Corporate System to Ensure Proper Operation

ROHM Group is striving to build the internal control system and properly operate it based on the aforementioned basic policies. The outline of the status of the operation of the internal control system during the fiscal year ended March 31, 2019 is as follows:

1) Compliance system

- ROHM Group not only makes all Directors and employees fully aware of the “ROHM Group Business Conduct Guidelines” as their codes of conduct to comply with when they practice the mission and policy such as “Company Mission” and “Management Policy” but also thoroughly ensures that they act according to such Guidelines.
- ROHM Group regularly holds the Compliance Committee in order to formulate a plan to reinforce the compliance system, implement education by rank and by role in accordance with the plan, send the message from the top concerning the compliance with the “ROHM Group Business Conduct Guidelines,” etc.
- ROHM Group operates the internal hotline system to prevent compliance violations, discover violations early, and take appropriate measures. ROHM Group also regularly reports the status of the operation to the Board of Directors and Company Auditors.

2) Risk management system

- ROHM Group holds the Risk Management/BCM Committee as needed to identify, analyze and control major risks that may occur in the course of the performance of business operations. Also, in order to avoid or minimize the effect of unforeseeable circumstances such as sudden natural disasters as much as possible and enable the survival of our business as a consequence, the Risk Management/BCM Committee verifies the activities of each section in charge of risk management, establishes a business continuity plan (BCP) and takes any and all possible preliminary measures or preparations across ROHM Group.

3) Subsidiary management system

- ROHM Group manages Group companies by operating the system that requires the approval of the Company's Board of Directors and final decision on executive proposals regarding important projects in Group companies, and also by each division of the Company regularly receiving the report with respect to the status of its operation.
- Based on an annual plan, the Company's internal auditing division under the direct control of the President performs internal audits to check each Group company's situations of execution of duties, compliance with all applicable laws and regulations as well as in-house regulations, risk management, etc., and confirms the compliance of business. Also, the results of audits are periodically reported to Directors and Company Auditors.

4) Directors' performance of duties

- The regular meetings of Board of Directors are held according to the annual plan and extraordinary meetings of Board of Directors are held where necessary to resolve matters stipulated in laws and regulations or Articles of Incorporation as well as matters which are important for management and to mutually supervise the performance of Directors' duties.
- Matters to be delegated to each Director are made clear in the Basic Rules of the Board of Directors and in the in-house regulations to ensure Directors' efficient and agile performance of their duties.
- Information related to Directors' performance of duties is properly kept and controlled duly according to the in-house regulations, and the leak and unjust use of such information are prevented.

5) Company Auditors' performance of duties

- Company Auditors attend not only the meetings of Board of Directors but also other important meetings such as those of the CSR Committee to offer opinions as needed.
- Company Auditors visit each division of the Company and Group companies for auditing and confirm the legality and compliance of business operations.
- Company Auditors regularly exchange information and opinions with Directors, Independent Auditor and the internal auditing division to improve effectiveness of auditing.

(3) Basic Policies Related to the Company's Ownership Control

The Company's Mission has been to contribute to the advancement and progress of our culture through a consistent supply, under all circumstances, of high quality products in large volumes to the global market. We believe that fulfilling this mission creates and enhances total long-term corporate value, and at the same time promotes the common interests of all of our stakeholders including our shareholders. We understand that the Board of Directors, delegated by the shareholders, is responsible for further enhancing corporate value by fulfilling the above mission and making consistent managerial efforts for sustainable growth.

As for so-called takeover defenses, the Company believes that the best strategy is to achieve a higher stock price as well as to gain, to the fullest extent, the confidence of its shareholders by mutual communications through ongoing and comprehensive investor relations activities. And if a takeover proposal is put forward, we consider that the ultimate decision as to whether or not to accept the takeover proposal should be made by the shareholders of that time. The Company considers that, in the process of the ultimate decision making, it is not acceptable that the Board of Directors make arbitrary judgments in order to protect their own interests, for instance. Moreover, the Company has determined that, when a takeover is proposed, it is necessary to have our shareholders be able to make an appropriate decision based on sufficient information and within a reasonable time period for the purpose of securing and improving the corporate value and the common interests of the shareholders.

Consolidated Balance Sheet

As of March 31, 2019

(Millions of yen)

| Accounts | Amount | Accounts | Amount |
|---|----------------|--|-----------------|
| (Assets) | | (Liabilities) | |
| Current assets | 511,002 | Current liabilities | 76,174 |
| Cash and deposits | 268,254 | Notes and accounts payable—trade | 11,873 |
| Notes and accounts receivable—trade | 84,021 | Electronically recorded obligations | 4,252 |
| Electronically recorded monetary claims | 5,833 | Accounts payable—other | 26,453 |
| Securities | 21,491 | Income taxes payable | 8,137 |
| Merchandise and finished products | 30,261 | Other | 25,457 |
| Work in process | 56,592 | | |
| Raw materials and supplies | 34,114 | Long-term liabilities | 31,499 |
| Refundable income taxes | 481 | Deferred tax liabilities | 19,964 |
| Other | 10,022 | Liability for retirement benefits | 10,688 |
| Allowance for doubtful accounts | (69) | Other | 845 |
| Fixed assets | 363,425 | Total liabilities | 107,673 |
| Tangible fixed assets | 251,645 | (Equity) | |
| Buildings and structures | 74,949 | Shareholders' equity | 776,549 |
| Machinery, equipment, and vehicles | 79,177 | Common stock | 86,969 |
| Furniture and fixtures | 8,210 | Capital surplus | 102,403 |
| Land | 66,973 | Retained earnings | 634,606 |
| Construction in progress | 22,334 | Treasury stock | (47,430) |
| Intangible fixed assets | 4,097 | Accumulated other comprehensive income | (10,282) |
| Other | 4,097 | Unrealized gain on available-for-sale securities | 28,850 |
| Investments and other assets | 107,682 | Foreign currency translation adjustments | (35,487) |
| Investment securities | 87,683 | Accumulated adjustments for retirement benefits | (3,645) |
| Asset for retirement benefits | 1,772 | Noncontrolling interests | 487 |
| Deferred tax assets | 6,717 | | |
| Other | 12,212 | Total equity | 766,754 |
| Allowance for doubtful accounts | (703) | Total liabilities and equity | 874,427 |
| Total assets | 874,427 | | |

(Note) In the figures above, amounts less than one million yen are rounded down to the nearest unit.

Consolidated Statement of Income

From April 1, 2018 to March 31, 2019

(Millions of yen)

| Accounts | Amount | |
|--|---------|----------------|
| Net sales | | 398,989 |
| Cost of sales | | 254,727 |
| Gross profit | | 144,262 |
| Selling, general and administrative expenses | | 88,352 |
| Operating income | | 55,909 |
| Non-operating income | | |
| Interest income | 3,810 | |
| Dividend income | 1,014 | |
| Foreign currency exchange gain | 3,927 | |
| Other | 1,291 | 10,043 |
| Non-operating expenses | | |
| Interest expense | 1 | |
| Settlement package | 1,200 | |
| Other | 62 | 1,264 |
| Ordinary income | | 64,689 |
| Extraordinary gains | | |
| Gain on sale of fixed assets | 138 | |
| Gain on sale of investment securities | 222 | 360 |
| Extraordinary losses | | |
| Loss on sale and disposal of fixed assets | 377 | |
| Loss on impairment of fixed assets | 1,398 | |
| Loss on sale of investment securities | 0 | |
| Loss on valuation of investment securities | 0 | |
| Loss on business liquidation | 254 | |
| Special severance benefit | 2,094 | 4,126 |
| Income before income taxes | | 60,923 |
| Income taxes—current | 16,480 | |
| Income taxes—deferred | (1,025) | 15,454 |
| Net income | | 45,468 |
| Net income attributable to noncontrolling interests | | 26 |
| Net income attributable to owners of the parent | | 45,441 |

(Note) In the figures above, amounts less than one million yen are rounded down to the nearest unit.

Consolidated Statement of Changes in Equity

From April 1, 2018 to March 31, 2019

(Millions of yen)

| | Shareholders' Equity | | | | | Accumulated Other Comprehensive Income (Loss) | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|--|--|---|---|
| | Common Stock | Capital Surplus | Retained Earnings | Treasury Stock | Total Shareholders' Equity | Unrealized Gain on Available-for-Sale Securities | Foreign Currency Translation Adjustments | Accumulated Adjustments for Retirement Benefits | Total Accumulated Other Comprehensive Income (Loss) |
| Balance at the beginning of the year | 86,969 | 102,403 | 620,151 | (47,788) | 761,736 | 33,931 | (40,666) | (3,576) | (10,311) |
| Changes in the year | | | | | | | | | |
| Dividends | | | (20,625) | | (20,625) | | | | |
| Net income attributable to owners of the parent | | | 45,441 | | 45,441 | | | | |
| Purchase of treasury stock | | | | (10,003) | (10,003) | | | | |
| Disposal of treasury stock | | (0) | | 0 | 0 | | | | |
| Retirement of treasury stock | | (10,360) | | 10,360 | - | | | | |
| Transfer from retained earnings to capital surplus | | 10,360 | (10,360) | | - | | | | |
| Net changes in items other than shareholders' equity | | | | | | (5,081) | 5,178 | (68) | 28 |
| Total changes in the year | - | - | 14,455 | 357 | 14,812 | (5,081) | 5,178 | (68) | 28 |
| Balance at the end of the year | 86,969 | 102,403 | 634,606 | (47,430) | 776,549 | 28,850 | (35,487) | (3,645) | (10,282) |

| | Non controlling Interests | Total Equity |
|--|---------------------------|-----------------|
| Balance at the beginning of the year | 452 | 751,877 |
| Changes in the year | | |
| Dividends | | (20,625) |
| Net income attributable to owners of the parent | | 45,441 |
| Purchase of treasury stock | | (10,003) |
| Disposal of treasury stock | | 0 |
| Retirement of treasury stock | | - |
| Transfer from retained earnings to capital surplus | | - |
| Net changes in items other than shareholders' equity | 34 | 63 |
| Total changes in the year | 34 | 14,876 |
| Balance at the end of the year | 487 | 766,754 |

(Note) In the figures above, amounts less than one million yen are rounded down to the nearest unit.

Notes to Consolidated Financial Statements

Basis of Preparing Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries 44

(2) Names of major consolidated subsidiaries

| | |
|--|--|
| ROHM HAMAMATSU CO., LTD. | ROHM APOLLO CO., LTD. |
| LAPIS SEMICONDUCTOR CO., LTD. | ROHM ELECTRONICS PHILIPPINES, INC. |
| ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD. | ROHM SEMICONDUCTOR (CHINA) CO., LTD. |
| ROHM ELECTRONICS DALIAN CO., LTD. | ROHM SEMICONDUCTOR Hong Kong CO., LTD. |
| ROHM U.S.A., INC. | ROHM ELECTRONICS ASIA PTE. LTD. |

Decrease in the scope of consolidation for the fiscal year ended March 31, 2019, is as follows:

ROHM MECHATECH TIANJIN CO., LTD. (Completion of liquidation on March 11, 2019)

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 0

(3) Names of major unconsolidated subsidiaries and associated companies not accounted for by the equity method

(Associated company)

LB LUSEM CO., LTD.

This associated company is excluded from the scope of application of the equity method due to immateriality in terms of net income or loss (amount corresponding to equity ownership), retained earnings (amount corresponding to equity ownership), and others, as well as the immateriality as a whole.

3. Fiscal Year of the Consolidated Subsidiaries

The fiscal year end of 7 consolidated subsidiaries is different from that of the consolidated balance sheet date, March 31. The fiscal year end of these consolidated subsidiaries is December 31.

Consolidated financial statements are prepared based on the financial statements of these subsidiaries, which are prepared as of the provisional closing date of March 31.

4. Accounting Policies

(1) Basis and method for valuation of significant assets

1) Securities

Marketable securities classified as available-for-sale securities are stated at fair value (based on market prices, etc., at the consolidated balance sheet date), with unrealized gains and losses reported as a separate component of 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) Derivatives

Derivatives are stated at fair value.

3) Inventories

Merchandise, finished products, work in process, and raw materials are stated principally at the lower of cost, determined by the moving-average method, or net selling value. Supplies are stated principally at cost determined by the last purchase cost method.

(2) Depreciation of significant fixed assets

1) Tangible fixed assets excluding leased assets

Depreciation of tangible fixed assets is computed principally by the declining-balance method, while the straight-line method is applied to buildings (excluding fixtures) acquired by ROHM CO., LTD. (the "Company") and its domestic subsidiaries on or after April 1, 1998.

The range of estimated useful lives of buildings and structures is mainly 3 to 50 years and that of machinery, equipment, and vehicles is mainly 2 to 10 years.

2) Intangible fixed assets excluding leased assets

Amortization of intangible fixed assets is computed by the straight-line method.

3) Leased assets

Leased assets are depreciated by the straight-line method over the lease term, assuming no residual value.

(3) Basis for significant allowances

Allowance for doubtful accounts

In order to account for losses on doubtful accounts, an allowance for ordinary receivables is determined based on past actual loss ratios, and an allowance for certain identified doubtful accounts is determined based on individually estimated collectability.

(4) Translation of foreign currencies

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen using the exchange rates at the consolidated balance sheet date, and the foreign currency exchange gains and losses from the translation are recognized in the consolidated statement of income.

The balance sheet accounts of foreign subsidiaries are translated into Japanese yen using the current exchange rate as of the balance sheet date, except for shareholders' equity, which is translated using the historical rate. Revenue and expense accounts of foreign subsidiaries are translated into Japanese yen using the average exchange rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" and "Noncontrolling interests" in a separate component of equity.

(5) Other significant conditions in preparing consolidated financial statements

1) Accounting for retirement benefits

Asset and liability for retirement benefits are stated based on the projected benefit obligations and plan assets at the consolidated balance sheet date.

In calculating the projected benefit obligation, a benefit formula basis is utilized to attribute expected retirement benefits to periods up to the consolidated balance sheet date.

Actuarial gains and losses arising in the current year are amortized on a straight-line basis, commencing in the following year, over certain periods (mainly 10 to 13 years) within the average remaining service periods of employees for each fiscal year in which the actuarial gains or losses arose.

Past service cost is amortized on a straight-line basis over certain periods (10 to 13 years) within the average remaining service periods of employees for each fiscal year in which the past service cost arose.

Unrecognized actuarial gains and losses and unrecognized past service costs are recognized as accumulated adjustments for retirement benefits within accumulated other comprehensive income in equity, after adjusting for tax effects.

2) Accounting for consumption taxes

Transactions subject to consumption taxes are accounted for by the tax exclusion method.

Changes in Presentation

(Application of Partial Amendments to Accounting Standard for Tax Effect Accounting)

Pursuant to Partial Amendments to Accounting Standard for Tax Effect Accounting (Accounting Standards Board of Japan ("ASBJ") Statement No. 28, February 16, 2018), the Ministerial Ordinance on Partial Amendments to the Enforcement Regulations to the Companies Act and to the Rules of Corporate Accounting (2018 Ministerial Ordinance No. 5 of the Ministry of Justice, March 26, 2018) has been applied beginning this fiscal year, resulting in the following changes: Deferred tax assets are recorded under Investments and other assets, and Deferred tax liabilities are recorded under Long-term liabilities.

Notes to Consolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

714,844 million yen

2. Accumulated Reduction of Tangible Fixed Assets

The accumulated reduction from the acquisition cost of tangible fixed assets due to insurance benefits for fire or other disaster loss, and subsidies or other benefits received from the government are 481 million yen and 1,168 million yen, respectively.

The breakdown of the accumulated reduction from the acquisition cost of tangible fixed assets is as follows:

| | (Millions of yen) |
|------------------------------------|-------------------|
| Buildings and structures | 729 |
| Machinery, equipment, and vehicles | 529 |
| Furniture and fixtures | 13 |
| Land | 377 |

3. Guarantees

The Company and its subsidiaries (the "Group") guarantee employees' loans from banks as follows:

| | |
|---------------------------|----------------|
| Employees (housing loans) | 41 million yen |
|---------------------------|----------------|

4. Assets in Unconsolidated Subsidiaries and Associated Companies

| | |
|-------------------------------|-----------------|
| Investment securities (stock) | 680 million yen |
|-------------------------------|-----------------|

Notes to Consolidated Statement of Income

1. Loss on Impairment of Fixed Assets

The Group recognized impairment loss on the following asset groups for the fiscal year ended March 31, 2019.

| Use of Asset | Location | Account | Amount (Millions of yen) |
|------------------|------------------|---|-----------------------------|
| Operating assets | USA | Machinery, equipment, and vehicles | 349 |
| | | Other intangible fixed assets | 53 |
| | | Buildings and structures and others | 19 |
| | Thailand | Machinery, equipment, and vehicles | 181 |
| | | Construction in progress | 149 |
| | Japan and others | Construction in progress | 288 |
| | | Machinery, equipment, and vehicles and others | 27 |
| Idle assets | Japan and others | Construction in progress | 260 |
| | | Machinery, equipment, and vehicles and others | 37 |
| | | Buildings and structures | 18 |
| | | Land | 12 |
| Total | | | 1,398 |

In recognizing impairment loss on fixed assets, for operating assets, the Group identifies asset groups according to the units of management accounting for which revenue and expenditures are managed on a continuous basis, and for idle assets, each property is deemed an asset group.

(Operating assets)

As the estimated future cash flows fell below the carrying amounts of the asset groups listed above due to deterioration of the revenue environment, their carrying amounts were reduced to the recoverable amounts, and the reduced amounts were recorded as "Loss on impairment of fixed assets" in extraordinary losses.

The recoverable amounts were measured at their value in use, using a discount rate of 9.0% for computation of the present value of future cash flows, or measured at their net selling prices, which were based on a reasonable estimation in consideration of market value.

(Idle assets)

As the Group determined that the idle assets are unlikely to be used in the future, their carrying amounts were reduced to the recoverable amounts, and the reduced amounts were recorded as "Loss on impairment of fixed assets" in extraordinary losses.

The recoverable amounts were measured at their net selling prices, which were based on a reasonable estimation in consideration of market value.

Notes to Consolidated Statement of Changes in Equity

1. Number of Shares Issued as of March 31, 2019

Common stock 110,000,000 shares

2. Dividends

(1) Dividends paid

| (Resolution) | Class of Stock | Total Amount of Dividends | Dividend per Share | Record Date | Effective Date |
|--|----------------|---------------------------|--------------------|--------------------|------------------|
| Ordinary General Shareholders' Meeting held on June 28, 2018 | Common stock | 12,692 million yen | 120.00 yen | March 31, 2018 | June 29, 2018 |
| Meeting of the Board of Directors held on October 30, 2018 | Common stock | 7,933 million yen | 75.00 yen | September 30, 2018 | December 7, 2018 |

(2) Dividends for the fiscal year ended March 31, 2019, to be distributed after the end of the fiscal year

| (Scheduled Resolution) | Class of Stock | Total Amount of Dividends | Source of Dividends | Dividend per Share | Record Date | Effective Date |
|--|----------------|---------------------------|---------------------|--------------------|----------------|----------------|
| Ordinary General Shareholders' Meeting to be held on June 27, 2019 | Common stock | 7,837 million yen | Retained earnings | 75.00 yen | March 31, 2019 | June 28, 2019 |

Notes to Financial Instruments

1. Matters Relating to Financial Instruments

(1) Policy for financial instruments

The Group invests surplus funds in low-risk financial assets and uses derivatives only as a means to hedge the foreign exchange risk of trade receivables. The Group does not engage in any speculative transactions.

(2) Nature and extent of risks arising from financial instruments and risk management

Receivables, such as trade notes, trade accounts, and electronically recorded monetary claims, are exposed to customer credit risk. Regarding the relevant risks, the Group controls due dates and the receivable balances by customer pursuant to the internal rules of the Group and, at the same time, promotes the early identification and reduction of bad debt risk due to financial deterioration. Foreign currency trade receivables are exposed to market risks resulting from fluctuations in foreign currency exchange rates. Such foreign exchange risks are partially hedged by forward foreign currency contracts.

Securities and investment securities, such as stocks and bonds, are exposed to the risk of market price fluctuations. The Group continually reviews the status of possessing such securities, monitoring fair value, and the financial positions of issuers and others on a regular basis. The Group purchases only highly rated bonds pursuant to the internal policy approved by the Board of Directors, thereby minimizing its exposure to credit risks.

Payment terms of payables, such as notes payable—trade, accounts payable—trade, and electronically recorded obligations, are primarily less than one year. These payables are exposed to liquidity risk, and the Group manages the risk by preparing and updating financing plans as appropriate.

The Group enters into derivative transactions pursuant to the internal policy approved by the Board of Directors, and in order to reduce credit risks, the Group only conducts derivative transactions with highly rated financial institutions.

(3) Supplemental information to fair value of financial instruments

Fair value of financial instruments is measured based on quoted market prices or those calculated by other rational valuation techniques in cases where a quoted price is not available. Since variable factors are incorporated to calculate this fair value, the use of different preconditions may change the value.

2. Fair Value of Financial Instruments

Carrying amount, fair value, and the difference thereof for financial instruments as of March 31, 2019, are listed in the table below, except for financial instruments whose fair values are not readily determinable (see Note 2).

(Millions of yen)

| | Carrying Amount | Fair Value | Difference |
|---|-----------------|------------|------------|
| (1) Cash and deposits | 268,254 | 268,254 | - |
| (2) Notes and accounts receivable—trade | 84,021 | | |
| Allowance for doubtful accounts *1 | (60) | | |
| | 83,961 | 83,961 | - |
| (3) Electronically recorded monetary claims | 5,833 | 5,833 | - |
| (4) Securities and investment securities | | | |
| Available-for-sale securities | 108,182 | 108,182 | - |
| (5) Refundable income taxes | 481 | 481 | - |
| Total assets | 466,712 | 466,712 | - |
| (1) Notes and accounts payable—trade | 11,873 | 11,873 | - |
| (2) Electronically recorded obligations | 4,252 | 4,252 | - |
| (3) Accounts payable—other | 26,453 | 26,453 | - |
| (4) Income taxes payable | 8,137 | 8,137 | - |
| Total liabilities | 50,716 | 50,716 | - |
| Derivative transactions *2 | (13) | (13) | - |

*1. Allowance for doubtful accounts is deducted from notes and accounts receivable—trade.

*2. Assets and liabilities arising from derivative transactions are presented on a net basis, and net liabilities are presented in parentheses.

(Notes)

1. Methods for calculating fair values and matters relating to securities and derivative transactions

Assets

(1) Cash and deposits, (2) Notes and accounts receivable—trade, (3) Electronically recorded monetary claims, and (5) Refundable income taxes

The carrying values of these assets approximate fair value because of their short maturities.

(4) Securities and investment securities

The fair value of securities and investment securities is measured at the quoted market price of the stock exchange for equity instruments and at the quoted price obtained from financial institutions for certain debt instruments.

Liabilities

(1) Notes and accounts payable—trade, (2) Electronically recorded obligations, (3) Accounts payable—other, and (4) Income taxes payable

The carrying values of these liabilities approximate fair value because of their short maturities.

Derivative transactions

The fair value of derivatives is measured at the quoted price obtained from financial institutions.

2. Financial instruments whose fair values are not readily determinable

(Millions of yen)

| Category | Carrying Amount |
|--|-----------------|
| Unlisted stocks | 227 |
| Rights under limited partnership agreements for investment | 84 |
| Stocks of unconsolidated subsidiaries and associated companies | 680 |

These financial instruments do not have quoted market prices, and their fair values are not readily determinable. Therefore, these financial instruments are excluded from “(4) Securities and investment securities.”

3. Maturity analysis for monetary receivables and securities with contractual maturities

(Millions of yen)

| | Due in One Year | Due after One Year through Five Years | Due after Five Years through Ten Years | Due after Ten Years |
|---|--------------------|---|--|------------------------|
| Cash and deposits | 268,254 | - | - | - |
| Notes and accounts receivable—trade | 84,021 | - | - | - |
| Electronically recorded monetary claims | 5,833 | - | - | - |
| Securities and investment securities | | | | |
| Available-for-sale securities with contractual maturities (Japanese government bonds, local government bonds, etc.) | 364 | - | - | - |
| Available-for-sale securities with contractual maturities (corporate bonds) | 10,580 | 22,845 | - | - |
| Available-for-sale securities with contractual maturities (other) | 10,564 | - | - | - |
| Refundable income taxes | 481 | - | - | - |
| Total | 380,099 | 22,845 | - | - |

Notes to per Share Information

| | |
|----------------------|--------------|
| Equity per share | 7,332.04 yen |
| Net income per share | 431.29 yen |

Nonconsolidated Balance Sheet

As of March 31, 2019

(Millions of yen)

| Accounts | Amount | Accounts | Amount |
|---|----------------|--|----------------|
| (Assets) | | (Liabilities) | |
| Current assets | 217,184 | Current liabilities | 68,211 |
| Cash and deposits | 66,496 | Accounts payable—trade | 39,265 |
| Notes receivable—trade | 275 | Electronically recorded obligations | 4,734 |
| Accounts receivable—trade | 72,901 | Accounts payable—other | 9,065 |
| Electronically recorded monetary claims | 5,827 | Accrued expenses | 8,310 |
| Securities | 15,404 | Income taxes payable | 5,654 |
| Merchandise and finished products | 16,553 | Deposits received | 924 |
| Work in process | 5,143 | Other | 256 |
| Raw materials and supplies | 7,361 | Long-term liabilities | 4,099 |
| Prepaid expenses | 682 | Other long-term liabilities | 328 |
| Short-term loans receivable | 1,808 | Deferred tax liabilities | 2,420 |
| Accounts receivable—other | 22,719 | Liability for retirement benefits | 1,333 |
| Other | 2,010 | Asset retirement obligations | 16 |
| Allowance for doubtful accounts | (1) | | |
| | | Total liabilities | 72,310 |
| Fixed assets | 311,186 | (Equity) | |
| Tangible fixed assets | 66,995 | Shareholders' equity | 427,340 |
| Buildings | 13,072 | Common stock | 86,969 |
| Structures | 276 | Capital surplus | 97,253 |
| Machinery and equipment | 4,018 | Additional paid-in capital | 97,253 |
| Vehicles | 3 | Retained earnings | 290,547 |
| Furniture and fixtures | 1,635 | Legal reserve | 2,464 |
| Land | 43,457 | Other retained earnings | 288,082 |
| Construction in progress | 4,532 | Reserve for research and development | 1,500 |
| Intangible fixed assets | 1,816 | Other reserve | 243,500 |
| Patents | 18 | Retained earnings carried forward | 43,082 |
| Software | 1,796 | Treasury stock | (47,430) |
| Other | 1 | | |
| Investments and other assets | 242,375 | Valuation and translation adjustments | 28,720 |
| Investment securities | 86,604 | Unrealized gain on available-for-sale securities | 28,720 |
| Investment in subsidiaries and associated companies | 114,251 | | |
| Long-term loans receivable | 47,422 | Total equity | 456,060 |
| Long-term prepaid expenses | 5,291 | | |
| Prepaid pension cost | 2,124 | Total liabilities and equity | 528,371 |
| Other | 4,383 | | |
| Allowance for doubtful accounts | (17,703) | | |
| Total assets | 528,371 | | |

(Note) In the figures above, amounts less than one million yen are rounded down to the nearest unit.

Nonconsolidated Statement of Income

From April 1, 2018 to March 31, 2019

(Millions of yen)

| Accounts | Amount | |
|--|---------|---------------|
| Net sales | | 342,360 |
| Cost of sales | | 267,498 |
| Gross profit | | 74,861 |
| Selling, general and administrative expenses | | 50,891 |
| Operating income | | 23,969 |
| Non-operating income | | |
| Interest and dividend income | 18,413 | |
| Technical advisory fees | 8,626 | |
| Management advisory fees | 1,805 | |
| Foreign currency exchange gain | 1,303 | |
| Other | 1,096 | 31,245 |
| Non-operating expenses | | |
| Commission fees | 1,784 | |
| Taxes and dues | 1,196 | |
| Provision for doubtful accounts | 6,938 | |
| Settlement package | 1,200 | |
| Other | 60 | 11,180 |
| Ordinary income | | 44,034 |
| Extraordinary gains | | |
| Gain on sale of fixed assets | 346 | |
| Gain on sale of investment securities | 222 | 568 |
| Extraordinary losses | | |
| Loss on sale and disposal of fixed assets | 42 | |
| Loss on impairment of fixed assets | 331 | |
| Loss on sale of investment securities | 0 | |
| Loss on valuation of investment securities | 0 | |
| Loss on business liquidation | 254 | 630 |
| Income before income taxes | | 43,973 |
| Income taxes—current | 9,876 | |
| Income taxes—deferred | (1,275) | 8,600 |
| Net Income | | 35,372 |

(Note) In the figures above, amounts less than one million yen are rounded down to the nearest unit.

Nonconsolidated Statement of Changes in Equity

From April 1, 2018 to March 31, 2019

(Millions of yen)

| | (Amount in '000) | | | | | | | | | | | | |
|--|--|----------------------------|-----------------------|-----------------------|-------------------|-------------------------|-----------------------------------|---------|----------|-------------------------|----------|----------------|----------------------------|
| | Common Stock | Shareholders' Equity | | | | | | | | | | Treasury Stock | Total Shareholders' Equity |
| | | Capital Surplus | | | Retained Earnings | | | | | | | | |
| | | Additional Paid-in Capital | Other Capital Surplus | Total Capital Surplus | Legal Reserve | Other Retained Earnings | | | | Total Retained Earnings | | | |
| Reserve for Research and Development | Reserve for Losses of Overseas Investments | | | | | Other Reserve | Retained Earnings Carried Forward | | | | | | |
| Balance at the beginning of the year | 86,969 | 97,253 | - | 97,253 | 2,464 | 1,500 | 2 | 243,500 | 38,694 | 286,161 | (47,788) | 422,596 | |
| Changes in the year | | | | | | | | | | | | | |
| Reversal of reserve for losses of overseas investments | | | | | | | (2) | | 2 | - | | - | |
| Dividends | | | | | | | | | (20,625) | (20,625) | | (20,625) | |
| Net income | | | | | | | | | 35,372 | 35,372 | | 35,372 | |
| Purchase of treasury stock | | | | | | | | | | | (10,003) | (10,003) | |
| Disposal of treasury stock | | | (0) | (0) | | | | | | | 0 | 0 | |
| Retirement of treasury stock | | | (10,360) | (10,360) | | | | | | | 10,360 | - | |
| Transfer negative balance of other capital surplus | | | 10,360 | 10,360 | | | | | (10,360) | (10,360) | | - | |
| Net changes in items other than shareholders' equity | | | | | | | | | | | | | |
| Total changes in the year | - | - | - | - | - | - | (2) | - | 4,387 | 4,385 | 357 | 4,743 | |
| Balance at the end of the year | 86,969 | 97,253 | - | 97,253 | 2,464 | 1,500 | - | 243,500 | 43,082 | 290,547 | (47,430) | 427,340 | |

| | Valuation and Translation Adjustments | | Total Equity |
|--|--|---|-----------------|
| | Unrealized Gain on Available-for-Sale Securities | Total Valuation and Translation Adjustments | |
| Balance at the beginning of the year | 33,744 | 33,744 | 456,341 |
| Changes in the year | | | |
| Reversal of reserve for losses of overseas investments | | | - |
| Dividends | | | (20,625) |
| Net income | | | 35,372 |
| Purchase of treasury stock | | | (10,003) |
| Disposal of treasury stock | | | 0 |
| Retirement of treasury stock | | | - |
| Transfer negative balance of other capital surplus | | | - |
| Net changes in items other than shareholders' equity | (5,024) | (5,024) | (5,024) |
| Total changes in the year | (5,024) | (5,024) | (280) |
| Balance at the end of the year | 28,720 | 28,720 | 456,060 |

(Note) In the figures above, amounts less than one million yen are rounded down to the nearest unit.

Notes to Nonconsolidated Financial Statements

Significant Accounting Policies

1. Basis and Method for Valuation of Assets

(1) Basis and method for valuation of 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 stated at fair value (based on market prices, etc., at the balance sheet date), with unrealized gains and losses reported as a separate component of 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) Basis and method for valuation of inventories

Merchandise, finished products, work in process, and raw materials are stated at the lower of cost, determined by the moving-average method, and net selling value. Supplies are stated at cost determined by the last purchase cost method (Carrying amount in the balance sheet is calculated net of any write-downs due to decreased profitability.).

2. Depreciation of Fixed Assets

(1) Tangible fixed assets

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

The estimated useful life of buildings is mainly 3 to 50 years and that of machinery and equipment is mainly 5 to 8 years.

(2) Intangible fixed assets

Amortization of intangible fixed assets is computed by the straight-line method.

Software for internal use is computed using the straight-line method over the estimated useful life (mainly 3 to 5 years).

3. Basis for Significant Allowances

(1) Allowance for doubtful accounts

In order to account for losses on doubtful accounts, an allowance for ordinary receivables is determined based on past actual loss ratios, and the allowance for certain identified doubtful accounts is determined based on individually estimated collectability.

(2) Liability for retirement benefits

Liability for retirement benefits is stated based on the projected benefit obligations and plan assets at the balance sheet date.

In calculating the projected benefit obligation, a benefit formula basis is utilized to attribute expected retirement benefits to periods up to the balance sheet date.

Actuarial gains and losses arising in the current year are amortized on a straight-line basis, commencing in the following year, over a certain period (10 years) within the average remaining service period of employees for each fiscal year in which the actuarial gains or losses arose.

Past service cost is amortized on a straight-line basis over a certain period (10 years) within the average remaining service period of employees for each fiscal year in which the past service cost arose.

4. Other Significant Conditions in Preparing Nonconsolidated Financial Statements

(1) Translation of foreign currencies

All monetary receivables and payables denominated in foreign currencies, unless hedged by forward exchange contracts, are translated into Japanese yen at the exchange rates at the balance sheet date, and the foreign exchange gains and losses from translation are recognized in the nonconsolidated statement of income.

(2) Hedge accounting

1) Hedge accounting

Accounts receivable denominated in foreign currencies for which foreign exchange forward contracts are used to hedge exchange rate fluctuations are translated at the contracted rate.

2) Hedging instruments and hedged items

Hedging instruments and hedged items are as follows:

| (Hedging instruments) | (Hedged items) |
|------------------------------------|---|
| Foreign exchange forward contracts | Accounts receivable in foreign currencies |

3) Hedging policy

The Company uses derivative financial instruments only as a means to hedge foreign currency exchange risks.

4) Evaluation of hedge effectiveness

The Company evaluates hedge effectiveness by assessing the conditions of the hedging transactions for the derivative financial instruments and hedged items in each transaction.

(3) Accounting for retirement benefits

Accounting treatments for unrecognized actuarial gains and losses and unrecognized past service costs in the nonconsolidated financial statements are different from those in the consolidated financial statements.

(4) Accounting for consumption taxes

Transactions subject to consumption taxes are accounted for by the tax excluded method.

Changes in Presentation

(Application of Partial Amendments to Accounting Standard for Tax Effect Accounting)

Pursuant to Partial Amendments to Accounting Standard for Tax Effect Accounting (Accounting Standards Board of Japan ("ASBJ") Statement No. 28, February 16, 2018), the Ministerial Ordinance on Partial Amendments to the Enforcement Regulations to the Companies Act and to the Rules of Corporate Accounting (2018 Ministerial Ordinance No. 5 of the Ministry of Justice, March 26, 2018) has been applied beginning this fiscal year, resulting in the following changes: Deferred tax assets are recorded under Investments and other assets, and Deferred tax liabilities are recorded under Long-term liabilities.

(Nonconsolidated Statement of Income)

"Settlement package" is separately presented in the nonconsolidated statement of income for the year ended March 31, 2019, due to it being quantitatively material, while it was included in "Other" in Non-operating expenses for the year ended March 31, 2018.

The amount of "Settlement package" which was included in "Other" for the year ended March 31, 2018 was 212 million yen.

Notes to Nonconsolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

106,665 million yen

2. Accumulated Reduction of Tangible Fixed Assets

The accumulated reduction from the acquisition cost of tangible fixed assets due to insurance benefits for fire or other disaster loss, and subsidies or other benefits received from the government are 163 million yen and 389 million yen, respectively.

The breakdown of the accumulated reduction from the acquisition cost of tangible fixed assets is as follows:

| | (Millions of yen) |
|------------------------|-------------------|
| Buildings | 180 |
| Furniture and fixtures | 6 |
| Land | 365 |

3. Guarantees

The Company guarantees subsidiaries' liabilities as follows:

| | (Millions of yen) |
|--------------------------|-------------------|
| ROHM HAMAMATSU CO., LTD. | 44 |
| ROHM SHIGA CO., LTD. | 212 |
| KIONIX, INC. | 464 |
| SICRYSTAL GMBH | 827 |

4. Receivables from and Payables to Subsidiaries and Associated Companies

| | (Millions of yen) |
|---|-------------------|
| Short-term receivables from subsidiaries and associated companies | 55,575 |
| Long-term receivables from subsidiaries and associated companies | 47,420 |
| Short-term payables to subsidiaries and associated companies | 39,500 |

Notes to Nonconsolidated Statement of Income

1. Transactions with Subsidiaries and Associated Companies

| | | (Millions of yen) |
|----------------------------|-------------------------------------|-------------------|
| Operating transactions | Net sales | 217,908 |
| | Purchase and subcontract processing | 228,697 |
| | Other operating expenses | 8,582 |
| Non-operating transactions | Non-operating income | 11,358 |
| | Non-operating expenses | 1,784 |
| | Sale of assets | 19,467 |
| | Purchase of assets | 1,266 |

2. Loss on Impairment of Fixed Assets

The Company recognized impairment loss on the following asset groups for the fiscal year ended March 31, 2019.

| Use of Asset | Location | Account | Amount (Millions of yen) |
|------------------|------------------|------------------------------------|-----------------------------|
| Operating assets | Kyoto and others | Machinery and equipment | 117 |
| | | Furniture and fixtures | 71 |
| | | Software and others | 22 |
| Idle assets | Kyoto and others | Construction in progress | 88 |
| | | Land | 12 |
| | | Buildings | 9 |
| | | Machinery and equipment and others | 9 |
| Total | | | 331 |

In recognizing impairment loss on fixed assets, for operating assets, the Company identifies asset groups according to the units of management accounting for which revenue and expenditure are managed on a continuous basis, and for idle assets, each property is deemed an asset group.

(Operating assets)

As the estimated future cash flows fell below the carrying amounts of the asset groups listed above due to deterioration of the revenue environment, their carrying amounts were reduced to the recoverable amounts, and the reduced amounts were recorded as "Loss on impairment of fixed assets" in extraordinary losses.

The recoverable amounts were measured at their value in use, using a discount rate of 9.0% for computation of the present value of future cash flows, or measured at their net selling prices, which were based on a reasonable estimation in consideration of market value.

(Idle assets)

As the Group determined that the idle assets are unlikely to be used in the future, their carrying amounts were reduced to the recoverable amounts, and the reduced amounts were recorded as "Loss on impairment of fixed assets" in extraordinary losses.

The recoverable amounts were measured at their net selling prices, which were based on a reasonable estimation in consideration of market value.

Notes to Nonconsolidated Statement of Changes in Equity

Type and number of treasury stock as of March 31, 2019

| | |
|--------------|------------------|
| Common stock | 5,493,365 shares |
|--------------|------------------|

Notes to Tax Effect Accounting

The breakdown of deferred tax assets and liabilities by major temporary differences is as follows:

| Deferred tax assets | (Millions of yen) |
|--|-------------------|
| Securities and investments | 677 |
| Investment in subsidiaries and associated companies | 26,767 |
| Inventories | 1,559 |
| Depreciation | 1,155 |
| Accrued enterprise tax | 451 |
| Accrued expenses | 1,815 |
| Liability for retirement benefits | 406 |
| Allowance for doubtful accounts | 5,399 |
| Loss on impairment of fixed assets | 1,406 |
| Other | 563 |
| <u>Subtotal</u> | <u>40,204</u> |
| <u>Valuation allowance</u> | <u>(29,548)</u> |
| Total | 10,656 |
| Deferred tax liabilities | |
| Prepaid pension cost | (647) |
| Unrealized gain on available-for-sale securities | (12,391) |
| Other | (37) |
| <u>Total</u> | <u>(13,077)</u> |
| <u>Net deferred tax liabilities</u> | <u>(2,420)</u> |

Notes to Related Party Transactions

| Type | Company Name | Voting Right Ratio by ROHM | Relationship | Transaction | Amount of Transaction (Millions of yen) | Account | Year-End Balance (Millions of yen) |
|--------------|--|----------------------------|-----------------------------------|--|---|---|------------------------------------|
| Subsidiaries | ROHM SHIGA CO., LTD. | 100% | Processing subcontractor for ROHM | Lending of funds *1 | 6,000 | Long-term loans receivable *6 | 20,000 |
| | LAPIS SEMICONDUCTOR CO., LTD. | 100% | Product supplier for ROHM | Purchase of products and others *2 | 55,284 | Accounts receivable—other Accounts payable—trade Accounts payable—other | 1,958 3,873 332 |
| | ROHM ELECTRONICS PHILIPPINES, INC. | 100% | Processing subcontractor for ROHM | Product processing by contract *3 Receipt of technical advisory fees *4 | 32,540 2,505 | Accounts receivable—other Accounts payable—trade Accounts payable—other | 4,932 8,134 93 |
| | ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD. | 100% | Processing subcontractor for ROHM | Product processing by contract *3 Receipt of technical advisory fees *4 | 34,179 3,602 | Accounts receivable—other Accounts payable—trade Accounts payable—other | 4,871 10,023 32 |
| | ROHM SEMICONDUCTOR (CHINA) CO., LTD. | 100% | Processing subcontractor for ROHM | Lending of funds *1 | - | Short-term loans receivable Long-term loans receivable | 1,200 5,350 |
| | KIONIX, INC. | 100% | Product supplier for ROHM | Lending of funds *1 | 743 | Long-term loans receivable *7 | 7,047 |
| | SICRYSTAL GMBH | 100% | Raw materials supplier for ROHM | Lending of funds *1 | 2,558 | Short-term loans receivable Long-term loans receivable *8 | 124 10,836 |
| | ROHM SEMICONDUCTOR Hong Kong CO., LTD. | 100% | Wholesaler of ROHM products | Product sales *5 | 62,797 | Accounts receivable—trade | 8,087 |

Terms and conditions of transactions and decision policies thereof:

(Notes) * The subsidiaries listed above do not hold the Company's voting rights.

*1. Interest rates applied to loan receivables are determined based on market interest rates, which are considered economically reasonable.

*2. Purchase prices are determined in consideration of the market prices of products.

*3. Purchase prices are determined in consideration of the market prices of products and subsidiaries' process costs.

*4. Technical advisory fees are determined based on the amount of net sales of each subsidiary.

*5. Terms and conditions for product sales are determined based on those generally used for transactions with third parties.

*6. The Company recorded 7,991 million yen of allowance for doubtful accounts for the long-term loans receivable to ROHM SHIGA CO., LTD. as of March 31, 2019, which was increased by 2,272 million yen during the fiscal year ended March 31, 2019.

*7. The Company recorded 5,959 million yen of allowance for doubtful accounts for the long-term loans receivable to KIONIX, INC. as of March 31, 2019, which was increased by 1,773 million yen during the fiscal year ended March 31, 2019.

*8. The Company recorded 1,358 million yen of allowance for doubtful accounts for the long-term loans receivable to SICRYSTAL GMBH as of March 31, 2019, which was increased by 1,358 million yen during the fiscal year ended March 31, 2019.

Notes to per Share Information

| | |
|----------------------|--------------|
| Equity per share | 4,363.93 yen |
| Net income per share | 335.87 yen |

Independent Auditor's Report on Consolidated Financial Statements (TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 7, 2019

To the Board of Directors of
ROHM CO., LTD.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Yasuhiro Onishi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Tomoyuki Suzuki

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Hiromi Ueda

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2019 of ROHM CO., LTD. (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in equity for the fiscal year from April 1, 2018 to March 31, 2019, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2019, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Independent Auditor's Report on Nonconsolidated Financial Statements (TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 7, 2019

To the Board of Directors of
ROHM CO., LTD.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Yasuhiro Onishi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Tomoyuki Suzuki

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Hiromi Ueda

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements, namely, the nonconsolidated balance sheet as of March 31, 2019 of ROHM CO., LTD. (the "Company"), and the related nonconsolidated statements of income and changes in equity for the 61th fiscal year from April 1, 2018 to March 31, 2019, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of these nonconsolidated financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these nonconsolidated financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the nonconsolidated financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the nonconsolidated financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the nonconsolidated financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the nonconsolidated financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the nonconsolidated financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the nonconsolidated financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2019, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language, and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

Certified Copy of the Board of Company Auditors Report (Translation)

Report of the Board of Company Auditors

The Board of Company Auditors, based on the audit reports prepared by and the discussions held with each of the Company Auditors regarding the execution of their duties as Directors of the Company for the 61th fiscal year from April 1, 2018 to March 31, 2019, has prepared this audit report and hereby reports as follows;

1. Auditing Methods and Contents of the Company Auditors and the Board of Company Auditors

(1) The Board of Company Auditors has established the auditing policies, allocation of duties and other relevant matters, and received reports from each Company Auditor regarding their execution of audits and results thereof, as well as reports from the Directors and other officers, and the independent auditors of the Company regarding the execution of their duties, and requested necessary explanations.

(2) Each Company Auditor has complied with the auditing standards for Company Auditors established by the Board of Company Auditors, followed the auditing policies, allocation of duties and other relevant matters, communicated with the Directors, the internal auditing division of the Company and other officers, made efforts to establish the environment for collecting information and auditing, and performed audit as follows;

1) attended meetings of the Board of Directors and other important meetings, received reports from the Directors and other officers regarding the execution of their duties as Directors and officers of the Company, requested necessary explanations, examined important internal documents with appropriate approvals, made reviews of operations and conditions of assets of the head office and major business offices. The Company Auditors have also communicated and exchanged information with the directors and the company auditors of the Company's subsidiaries, received the business reports regarding their operations and conditions of assets.

2) audited the resolution of the Board of Directors in the Business Report regarding the systems established to ensure that the execution of duties of the Directors shall be in compliance with laws and regulations and the Articles of Incorporation, and the systems established to ensure that the operations of the Company and its subsidiaries shall be conducted appropriately, and the status of development and operation of these systems based on the resolutions (Internal Control System).

3) reviewed the discussions of the Board of Directors and examined the contents of the Basic Policies related to the Company's Ownership Control in the Business Report.

4) confirmed whether the independent auditors of the Company have maintained their independence and carried out their audits in an appropriate manner, and received reports regarding the execution of their duties from and requested necessary explanations of the independent auditors of the Company. The Company Auditors have also received notification from the independent auditors of the Company that they have taken steps to improve the "System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Rules of Corporate Accounting) in compliance with the "Quality Management Standards Regarding Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and have requested necessary explanations.

Based on the above methods, the Company Auditors have examined the Business Report and the accompanying supplemental schedules, the nonconsolidated financial statements (nonconsolidated balance sheet, nonconsolidated statement of income, nonconsolidated statement of changes in equity, and notes to nonconsolidated financial statements) and the accompanying supplemental schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for this fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report

1) The Business Report and the supplemental schedules are recognized as being in accordance with laws and regulations and the Articles of Incorporation and as properly indicating the conditions of the Company.

2) With respect to the execution of the duties of the Directors, no misconduct or material facts that violate laws and regulations or the Articles of Incorporation are recognized.

3) The content of the resolution by the Board of Directors regarding Internal Control Systems is appropriate, and, in this connection, there are no matters that ought to be pointed out with respect to the content of the Business Report and the execution of duties of the Directors.

4) With respect to the Basic Policies related to the Company's Ownership Control in the Business Report, there are no matters that ought to be pointed out.

(2) Results of Audit of Nonconsolidated Financial Statements and the Accompanying Supplemental Schedules

The auditing methods and results of the independent auditors, Deloitte Touche Tohmatsu LLC, are recognized as being adequate.

(3) Results of Audit of Consolidated Financial Statements

The auditing methods and results of the independent auditors, Deloitte Touche Tohmatsu LLC, are recognized as being adequate.

May 8, 2019

Board of Company Auditors
ROHM CO., LTD.

Company Auditor (Full-time)

Company Auditor (Full-time)

Company Auditor

Company Auditor

Hiroyuki Nii (Seal)

Yoshiaki Shibata (Seal)

Hidero Chimori (Seal)

Shinya Murao (Seal)

Note: 1. All of the four Company Auditors are the outside Company Auditors as provided in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.

2. Haruo Kitamura resigned from the position of Company Auditor (Outside) as of March 31, 2019 and therefore he neither signed nor affixed his seal to this Report.

For further information, please visit: <https://www.rohm.com/web/global/investor-relations>

— End —