ROHM
SEMICONDUCTOR

Annual Report 2010

For the Year Ended
March 31, 2010

Aiming beyond

Arashiyama, Kyoto
Tenryū-ji, which was built 671 years ago,
is the head temple among the "Kyoto Gozan [five most important Rinzai Zen Buddhism temples of Kyoto]" in ancient times.
The temple was founded by Ashikaga Takauji in 1339 and completed construction in 1345.
Tenryū-ji was registered in 1994 as a UNESCO World Heritage Site as part of the "Historic Monuments of Ancient Kyoto."
The temple was named after a dream Ashikaga Takauji's younger brother,
Tadayoshi had of a golden dragon soaring through the sky.
In the midst of the turmoil of the Nanboku-chō [Northern and Southern Courts] period,
funds were raised to build the temple by launching two trading vessels called the Tenryūji-bune,
which crossed the sea to the Chinese mainland in search of wealth.
Great wisdom and a will that soars like a dragon shall open new paths to the future: The key to a new era.

2010

Annual Report

To Our Shareholders and Friends

ROHM celebrated its 50th anniversary in 2008 and after overcoming the subsequent Lehman shock, made a new start toward the NEXT 50. We are grateful to our customers, hard-working employees, local communities, and most of all, to you, our shareholders, for your relentless support and confidence throughout the years.

Ken Sato, who served as the President of ROHM for more than 50 years since the company's establishment retired this past April. He will stay as ROHM's Honorary Chairman. Under the new system, we will strive to reinforce the development of new products that respond to market changes and a support system that serves customers worldwide. We continue to improve our business performance, following ROHM's management policies emphasizing on "Quality First" principle which we have fostered for years.

We look forward to the continued support of our shareholders, investors, and stakeholders.

June 2010

Satoshi Sawamura

President
Satoshi Sawamura

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Overall Review of Business Results

The global economy is gradually recovering from an unprecedented recession and many new possibilities in the electronic market are opening up toward future growth. Looking at medium- to long-term market needs, ROHM is focusing on developing new technologies while continually predicting future trends.
Innovative thinking and product design and development remain vital to a wide array of technology segments; ranging from digital home appliances to information and telecommunication applications (smart phones and PCs), environmental electronics (hybrid/electric cars and solar power generators), and medical and healthcare equipment.
In order to stay ahead of the needs, ROHM is committed to developing eco-friendly technology and material such as silicon carbide (SiC)(*1) and exploring new markets, while assessing new directions in electronics such as bioelectronics and sensing technology.

Aiming beyond

Tenryū-ji

Tenryū-ji is the head temple of the Tenryū-ji branch of Rinzai Zen Buddhist temples of Kyoto, which was constructed in 1339.
It was established by the Zen master Musō Kokushi at the request of Ashikaga Takauji, the first Shogun of the Muromachi Shogunate. This was during the Nanboku-chō period, when the government was split in two. Raising the funds to construct a large temple was extremely difficult. Kokushi's strategy was to dispatch trading vessels called "Tenryūji-bune" to the Chinese mainland, although no diplomatic relations were established at the time. This plan proved to be successful, strengthening the ties between the two countries, and ultimately resulting in licensed trading.
ROHM has taken a step forward under a new system. In order to achieve greater prosperity, ROHM has undertaken a variety of new challenges, but maintained its vision on the world and future. Tenryūji-bune crossed the seas during a time of turmoil and opened up the possibility of licensed trading between the two countries. Following the concept of expanding new territories, ROHM will continue to innovate and lead the future as well as demonstrate its strength and sustainability under its new system and company vision. For this reason, we have chosen Tenryū-ji as this year's theme.

Development of New Technologies and Products, and Research and Development for the Future

While electronics products, including digital home appliances and information and telecommunication products, continue to expand globally, highly efficient and accurate ASSPs (*2) that optimized ROHM's digital, analog, and combined digital/analog technologies remain in demand. The semiconductor industry pursues the "refinement" of manufacturing processes in accordance with Moore's Law (*3) as a core factor of the technological innovations. However under the motto of "More than Moore", which seeks high functionality with new ideas beyond "Moore's Law" (*3) ROHM seeks a diversity of technological innovations. At the same time, the company will develop and combine core technologies in a wide range of areas, such as new materials, MEMS (*4), biotechnology and optical technology, to respond to new demands.

As new results in the past year, ROHM started mass-production of SiC devices, which we have developed over 10 years and improved continuously based on the feedback from our customers. The first product that we started mass-producing was a low-power Schottky barrier diode. In the fall, MOSFETs will be commercialized for the first time in the industry. After that, ROHM will promote MOSFETs of higher currents and expand product lineups including those for power conditioners for electric cars and solar power generation devices. In addition, ROHM also accelerated the commercialization of products for next-generation applications, including the mass-production of nonvolatile logic-based LSI that can maintain the processing status inside the LSI even without a power supply.

ROHM is also focusing on strengthening technological support bases for customers and improving the ASSP lineup in response to overseas markets that keep growing every year, and the expansion of new customer groups. In the LSI Division in particular, ROHM is substantially increasing the number of circuit design engineers and FAEs (*5) of each design center in Europe, the US and Asia, and strengthening the design capabilities for locally specified products as well as quick-response customer support systems. In the area of discrete semiconductors and module products, ROHM is improving the lineup of LED-related products, for which rapid market growth is expected in the future, and to develop various types of power devices. As for LED-related products, in addition to reinforcing the lineup of LEDs used for the backlight of LCD TVs and lighting, by utilizing its comprehensive capabilities as a semiconductor manufacturer ROHM is proposing system solutions that include LED driver ICs, wireless communication ICs for control of illumination intensity and power supply modules,. As for the existing device module business that includes transistor diodes, ROHM is also striving to expand product lineups, focusing on the power device field which is a growing market.

Ryūmon［Dragon Gate］Falls

Ryūmon Falls is rockwork modeled after the Chinese saying "gateway to success," a concept which allows even a carp to ascend to the top of a waterfall to become a dragon. It is located in the "Sōgen Pond" garden of Tenryū-ji. A large rock resembling a dragon is located at the top of the waterfall where the mountain stream falls into the pond and carp stones arranged just above it. It is believed to have been designed by Musō Kokushi.
The Tenryū-ji temple, which was built by the funds generated from the Tenryūji-bune, passed down many temple treasures brought over from China. Physical objects were not the only things brought over from China during the trade; the concept of the Zen sect was brought over to Japan as well.
Tenryū-ji temple produced many monks who studied the Zen concept from China in great detail as well as monks skilled in navigation, and was revered as a valuable information center and gathering place for Chinese teachings.

Production Technology and Systems

ROHM implements measures to continuously evolve as an integrated device manufacturer (IDM) (*6) with a strong competitive edge over the long term. ROHM enforces integrated quality controls in all divisions from material procurement to the final processing stages. This provides ROHM's products with overwhelming superiority in terms of quality and reliability. At the same time, ROHM has made improvements that enable stable production of same-high-quality products at production sites worldwide through a self-developed production system, and established a system that enables a steady supply of its products to customers around the world.

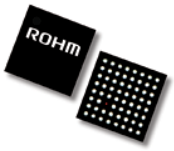
As activities in the past year, ROHM acquired a German SiC wafer manufacturer, SiCrystal AG, in order to build an integrated production system of wafers for SiC devices, with mass-production starting this year. ROHM also acquired Kionix, Inc. of the US, which offers manufacturing technology for highly functional MEMS acceleration sensors whose market is rapidly growing because of their usage in various types of mobile equipment such as mobile phones, notebook PCs and game consoles. ROHM strived to establish a highly efficient production line that can respond to growing demands in a stable supply method at existing production sites. In addition, ROHM has promoted sharing of manufacturing lines with OKI Semiconductor Co., Ltd., which the company acquired in October 2008, and improved systems so as to produce highly functional products within the ROHM Group by utilizing the advantages of OKI Semiconductor in technology segments of low power consumption, high voltage resistance, mixed digital/analog circuits, and small package mounting.

Sales System and Customer Support

ROHM is committed to the timely development of products that satisfy the needs of customers confronted by globalization, and to being among the first to provide them with the best techniques and services, and promoting the "ROHM Semiconductor" brand as a global manufacturer of superior semiconductors.

In the technical support arena, ROHM reinforced the development system with a focus on its technology centers in Yokohama and Kyoto, both of which are core development bases of the ROHM Group. Outside Japan, ROHM increased circuit design engineers and FAEs in key global design centers to strengthen the customer support system, and enhanced not only local resources for customer response but also planning and proposal abilities, as well as design capabilities, to meet local needs.

ROHM's sales entities are located close to customer development bases, allowing ROHM to carry out customer-centered sales activities. Outside Japan, ROHM not only augmented personnel at its key global R&D bases but also substantially reinforced the sales and marketing system. Last April, ROHM absorbed OKI Semiconductor's Sales Department into its Sales Headquarters with an aim to reinforce the sales promotion system for OKI Semiconductor products, and made improvements to expand the sales of OKI Semiconductor products by fully utilizing the strong sales networks of the ROHM Group.



Stone Bridge

The stone bridge over Sōgen Pond, in which three natural stones are aligned, is the oldest bridge that exists in Japan to date.
The three stones are said to represent "master, environment, and personal will," which are important in Zen teachings.
The teachings of Zen have been carefully passed down from teacher to pupil in the hopes of attaining enlightenment through direct realization by means of meditation.

Social Responsibility

With the belief that our social responsibility for sustainable development as a corporate citizen is the top priority of business management, each of us at ROHM has the responsibility as a ROHM representative to conduct business activities under the motto of "Quality First". We at ROHM are spearheading efforts toward establishing a fair and transparent management system in areas such as corporate governance, corporate ethics, and the observance of statutes.
ROHM is striving to ensure employees fully understand and observe the "ROHM Group Business Conduct Guidelines" in an effort to enlighten and educate employees. Moreover, ROHM is enhancing its internal control system by establishing committees, each focusing on a specific subject such as risk management, compliance, and information disclosure. Furthermore, in 2008, ROHM established a Corporate Social Responsibility promotion committee and launched efforts to enhance communications concerning CSR in and outside the company.
As part of its activities to contribute to local communities and society in general, ROHM has donated the "ROHM Plaza" research facilities to Ritsumeikan, Doshisha and Kyoto Universities, where sizeable educational programs and joint industrial training projects are being implemented for the technological advancement of Japan. Likewise, ROHM is committed to its social responsibilities from a global perspective and, as a part of that initiative, donated the "Tsinghua-ROHM Electronic Engineering Hall (under construction)" to Tsinghua University, Beijing, China.
As a responsible enterprise, ROHM is also constructively participating in various activities involving local communities and supporting their welfare, educational, and cultural activities. ROHM is also contributing to the development of local communities together with its employees by participating in the social and community affairs overseas.
Occupational health and safety is another focal area for ROHM as it has introduced risk assessment measures and continues group-wide efforts to diffuse these measures on a company-wide basis. At the Kyoto Headquarters, ROHM achieved fifteen consecutive years of zero accidents of the type that would normally cause employee leave of absence from work, demonstrating its consistently high performance in terms of occupational health and safety.

Corporate Philosophy

Through its business functions, ROHM is providing creative assistance to cultural activities parallel to its social contributions.
ROHM provides continuous support to ROHM Music Foundation established in 1991, aiming to contribute to the advancement of music as a cultural activity by supporting and sponsoring concerts. Besides, ROHM has also provided support for the annual "Kyoto International Music Students Festival" and the "Seiji Ozawa Ongaku-juku Opera Project Series" to assist aspiring young musicians.

Kuri

The kuri (kitchen and administrative office for the entire monastery) is where Zen monks conduct most of their daily lives. The teachings of Zen emphasizes on the importance of the activities of daily life. Many young Zen monks have grown into great Zen masters based on their daily life in the kuri.
Tenryū-ji suffered fires seven times, and the kuri was rebuilt in more recent times. The constant rebuilding despite the repeated destruction was no doubt based upon the teachings of Musō Kokushi, which have been passed down through many generations by Zen monks of his era.

Environmental Conservation

In its environmental policy ROHM clearly states “Care for the global environment and contribute to the healthy survival of the human race and eternal prosperity of the company.” Through these activities, which are shared across all business levels of the ROHM Group, ROHM leads the industry in environmental conservation.
ROHM has obtained a single ISO 14001 certification covering all domestic and overseas group companies.
As an environmental activity promotion system, ROHM is constructively engaged in various affairs, with such entities as the “Environmental Conservation Committee,” and its umbrella specialty sectional committees. Through these activities, ROHM has produced successful results. Examples include zero waste emissions achieved promptly at all production bases of the group in Japan, consideration for aquatic environments by a closed wastewater treatment system, the development of “eco-device” products that help save energy and resources, reduction of environmental load by reusing packaging material, the non-use of substances of environmental concerns, and green procurement.
As part of its anti-global warming efforts, ROHM is cutting power consumption by installing energy-saving advanced “LED lighting,” as well as cutting the volume of greenhouse gas emissions. In addition, ROHM has conducted a large-scale reforestation project named the “ROHM Forest” in Southern Australia, which is the first such endeavor of a Japanese semiconductor manufacturer.

Distribution of Profits to Shareholders

In order to increase shareholder value, ROHM will give top priority to the enhancement of business performance while introducing measures such as M&A as needed, and enhance shareholder value by improving its business performance via concerted efforts of the entire ROHM group. In regards to profit distribution to shareholders, ROHM ensures thorough consideration of all factors, including business performance, financial position, and expected demand for funds for business investment aimed at improving corporate value, in order to live up to shareholder expectations.

***1 SiC（silicon carbide）**
A compound semiconductor with outstanding physical properties in that the band cap is about 3 times that of silicon, breakdown field strength about 10 times, and thermal conductivity about 3 times, respectively. With these characteristics, SiC is expected to be a key material for power devices.

***2 ASSP（Application Specific Standard Product）**
A standard IC exclusive to specific applications. One type of ASIC to be sold to multiple users.

***3 Moore’s Law**
An empirical rule concerning technological development speed that says the number of transistors integratable into an LSI increases 4 times in about 3 years. Advocated by Gordon Moore, one of the founders of Intel, USA.

***4 MEMS（Micro Electro-Mechanical System）**
Generic name of micro electro-mechanical systems, including mobile products, which are fabricated by the use of fine processing technology cultivated in the silicon wafer process.

***5 FAE（Field Application Engineer）**
An engineer and technological sales person who accurately understands customer needs and has technological capabilities for proposing optimal solutions.

***6 Integrated Device Manufacturer（IDM）**
A form of integrated semiconductor company that has its own facilities and designs, manufacturers, markets, and delivers support internally.

Corporate Governance

Basic Policy concerning Corporate Governance

In line with the social trend that mandates effective corporate governance, ROHM acknowledges that it is an entity supported by all its stakeholders including customers, business partners, employees, shareholders, and local communities and others. Based on this acknowledgment, ROHM believes that its business operations and activities must be founded on corporate fairness, soundness and transparency and positions establishment of the corporate governance as an extremely important issue. Under this acknowledgment, ROHM has been carrying out various activities to prioritize the enhancement of corporate values in consideration of its stakeholders.

Matters related to functions such as performance of business operation, audits, supervision.

ROHM believes that an agile and effective management system with emphasis on competitive enhancements in the semiconductor industry, where the business environment is undergoing accelerated change, can be established so Directors familiar with ROHM's businesses and technologies have executive power and supervise each other. As part of the executive supervision, ROHM maintains the existing auditing system, which is implemented only by outside Corporate Auditors, based on the idea that internal supervision over the executive branch will function sufficiently by improving and enhancing the system.

Based on this idea, the Articles of Incorporation limit the number of directors on the Board of Directors to ten in order to encourage sufficient discussion while allowing adequate and swift decision making. Additionally, one outside Director has been designated to enhance mutual supervision among the Directors. With five Corporate Auditors, ROHM reinforces auditing functions by overseeing all implementations. The Auditors are committed to building a fair management supervision system through legally stipulated audits.

The Corporate Auditors attend important meetings such as the Board of Directors' meetings, and audit the individual divisions of ROHM and its affiliates at home and abroad along with the Internal Audit Department by holding meetings with those in managerial positions, inspecting documents and reports, and others. Through these audits, ROHM checks whether or not the Directors are performing their duties in compliance with existing laws, whether or not ROHM's internal control is well maintained and operated, whether or not in-house rules are well observed, and whether or not ROHM's assets are secured.

Corporate Auditors, the Internal Audit Department, and Accounting Auditors regularly hold report meetings, consistently maintain close cooperation and coordination, and proactively exchange information and opinions. Sharing information obtained through individual audits enhances the accuracy of the audits and allows for constant improvement of the operation process.

ROHM is under contract with Deloitte Touche Tohmatsu LLC for its accounting audits and internal control audits related to financial reporting and abides by both the Japanese Corporation Law and the Financial Instruments and Exchange Law. ROHM has an established environment where the auditing organization can perform audits from a fair, unbiased position as an independent third party.

CPAs who audited ROHM (Number of consecutive years they have been engaged in auditing ROHM)

Designated CPAs (employees in charge of performing the audits) of Deloitte Touche Tohmatsu:

Yoshifumi Tsutsumi (7 years), Yasuhiro Onishi (4 years), Tomoyuki Suzuki (2 year)

Major assistants in the audits

5 CPAs, 15 assistant CPAs and clerical officers, and 2 assistants

Updates on the Implementation of Actions Intended for Shareholders and Other Stakeholders

(1) Efforts to Energize General Shareholders' Meetings and Facilitate the Process of Exercising Voting Rights

ROHM sends out notices of general shareholders meetings four weeks prior to each meeting, and has enabled its shareholders to exercise their voting rights via the Internet from PCs and mobile phones. Based on the findings of surveys on shareholders, ROHM takes various actions including the promotion of investor relations activities, facilitation of the process to exercise voting rights and preparing an English version of notices of general shareholders meetings. Furthermore, Rohm places related information on its website.

(2) Investor Relations Activities

ROHM strives to positively disclose information in order to enhance fairness and transparency of our business operations, and holds financial results briefings given by two or more Directors are held twice a year to provide domestic securities analysts and corporate investors with information on business results, forecasts and strategies. For overseas investors, regular briefings are held twice a year in the US and Europe. Furthermore, ROHM has an investor relations section on its website (www.rohm.com/financial/index.html/) that provides a wealth of information including legally stipulated disclosure documents such as financial reports, voluntary information including annual reports, materials for financial results briefings, performance trend charts and long-term financial data, an IR calendar and information on paperwork for shareholders.

(3) Efforts to Ensure Respect for Stakeholders

ROHM is aware that it is unable to conduct its business activities without the reliance and cooperation of all stakeholders including customers, business partners, employees, shareholders, and local communities and others. ROHM respects its valued stakeholders by recognizing them through the publication of its annual CSR (Corporate Social Responsibility) report. ROHM also enlightens and educates its employees by distributing the 'Guidelines for Ethics in the Business of the ROHM Group'. ROHM has also introduced an environmental management system applicable to all ROHM Group companies based on ISO 14001 to continuously contribute to environmental conservation. As for CSR activities, ROHM also promotes business operations based on the idea that sustainable development as a corporate citizen fulfills its social corporate responsibility. Specifically, ROHM makes constant efforts to build up and maintain favorable relations with stakeholders through various activities by CSR Promotion committee and other organization from a global viewpoint including promotion of compliance, risk management such as BCM (Business Continuity Management), involvement in activities for supporting local communities, and realization of ideal working workshops. ROHM's policies on information disclosure to stakeholders are outlined in in-house rules on information disclosure including the requirements for fairness and legal compliance.

Basic Policy on and Current Status of Internal Control System

Enhancement of the internal control system is one of the most important management issues, and the ROHM Group is not only committed to maintaining proper business processes across the whole Group, but also to ensuring reliable financial reporting, thereby fulfilling corporate social responsibility. The Board of Directors of the Company has resolved the basic policies to build the internal control system, as listed below:

(1) System for ensuring that the Directors perform their duties in compliance with established laws, regulations, and Articles of Incorporation

1) Directors' noncompliance with the laws, regulations or Articles of Incorporation in performing their duties is deterred, based on the Guidelines for Ethics in the Business of the ROHM Group, Board of Directors Regulations, and other relevant rules.
2) Directors with a thorough knowledge of their own area of expertise have responsibility and authority for business operations of their respective areas, hold discussions regularly, and supervise each other.
3) Every Director/Corporate Auditor promptly notifies the Board of Directors and the Board of Corporate Auditors of any violation of laws, regulations or in-house rules by any Director when the violation comes to be known by the Director/Corporate Auditor.
4) An internal "Compliance Hotline" system for reporting compliance concerns and issues has been established and is used to find any violation by Director of the laws, regulations or in-house rules and to take preventive measures against any recurrence.
5) In addition to one external board member, five auditors— who are all appointed outside of ROHM— constantly monitor how the Directors are performing their duties in compliance with established laws, regulations, and Articles of Incorporation.

(2) System regarding storage and management of information on the execution of Directors' duties

1) All materials related to the Directors' decision-making process as well as information regarding the execution of their duties are maintained in written form. This may include minutes and other materials pertaining to general shareholders meetings, materials pertaining to the Board of Directors, circulars sent around for managerial decisions, and materials pertaining to annual business planning. Retention periods and other instructions for management of such documents comply with established laws, regulations and in-house rules.
2) All instructions to different units of ROHM, Group companies or other relevant sectors are issued in e-mail or written form in principle, and are maintained in a manner that is accessible by Directors, Corporate Auditors and other relevant parties upon request.
3) Information pertaining to the execution of duties of Directors is properly retained and controlled by related units, etc., and insider information is disclosed on a timely basis and properly through the corporate public relations units under the control of the Information Disclosure Committee.

(3) Rules and system regarding the management of risk of loss

1) ROHM has organized an in-house Risk Control Committee as an overall risk management function. The committee sets out risk management policies on the basis of the risk management regulations formulated by the committee. The committee extracts and analyzes all the potential risks that may occur in performing tasks, and decides countermeasures against them, and at the same time, reviews and controls the activities of various divisions in management regarding potential risks.
2) ROHM has established different in-house committees including the Central Health and Safety Committee, Fire Prevention Committee, and the Environmental Conservation Committee as well as subcommittees, and through daily activities of those committees, prevents risks and addresses unavoidable risks in a proper and ethical manner.
3) The in-house Crisis Management Section of the General Administration Division cooperates and exchanges information with police departments and other external specialized institutions, and deploys and implements specific activities for eliminating antisocial forces. In-house rules are established for eliminating antisocial forces and employees are requested to strictly abide by the rules. In the 'Guidelines for Ethics in the Business of the ROHM Group' distributed to all employees, it is stipulated that employees must deal with any antisocial forces with a resolute attitude. Further efforts are made to enlighten employees through various types of in-house training.

(4) System to ensure efficient execution of Directors' duties

1) The number of members of the Board of Directors with executive authority has been reduced to ensure swift and proper executive decision-making.
2) The Board of Directors consists of Directors with a thorough knowledge of their respective areas of responsibility and each Director, based on the segregation of duties, executes his/her own specific duties.
3) Regarding matters that may have a significant impact on business management, an in-house project team is installed individually to handle problems, and at the same time, swift decision-making is performed, as appropriate, at the Board of Directors meeting or by consultation via circular (documents sent around for managerial decision) according to the Articles of Incorporation and in-house rules.
4) Documented company standards of risk management, information management and other in-house management procedures are strictly observed.
5) To strengthen the competitiveness of the ROHM Group and to secure appropriate profits, a profit plan is prepared annually for each Group company and operating division specifying the target profit for use in performance management.

(5) System to ensure that employees perform their duties in compliance with established laws, regulations, and Articles of Incorporation

1) A Compliance Committee has been organized to formulate and disseminate the "Guidelines for Ethics in the Business of the ROHM Group" throughout the Group, thereby promoting the compliance activities of the Group as a whole. The responsible persons of the functions of each Group company are appointed as compliance leaders in order to make sure that everyone in the function is thoroughly conversant with awareness of compliance and legal compliance.
2) In an effort to ensure that efficient actions are taken regarding compliance matters inherent in different areas of management, various committees have been established, including the Compliance Committee, the Information Disclosure Committee, the Central Health and Safety Committee, and the Environmental Conservation Committee, to check the status of compliance and conduct enlightenment activities across the Group.
3) Under the control of the Information Disclosure Committee, each unit makes efforts to properly manage insider information, provide education and enlightenment to employees, and prevent insider trading.
4) Through addressing the system for evaluating and auditing internal control concerning financial reporting, the internal control system is being enhanced and the reliability of financial reporting is secured.
5) An internal "Compliance Hotline" system in the entire ROHM Group including overseas, for reporting compliance concerns and issues has been and is used to determine any developed violation by any employee of laws, regulations or in-house rules in the course of performing his/her duties and preventative measures against recurrence.

6) Internal audits are conducted to check employees' execution of duties, ensuring compliance with the established laws, regulations, Articles of Incorporation, and making necessary improvements for the streamlining of work processes.

(6) System to ensure sound and appropriate business operations within the corporate group

1) Documented standards applicable across the ROHM Group are prepared and implemented.
2) Some directors/auditors of the ROHM Group companies are appointed from the staff members of ROHM Co., Ltd. or its subsidiaries to supervise and ensure sound and appropriate business operations.
3) A compliance system similar to that of ROHM is organized in subsidiaries for enhancing deployment and cooperation of compliance activities.
4) The operating system requires board approvals or consultation with ROHM Co., Ltd. via a circular sent around for managerial decisions so that each sector of ROHM exercises control across all the Group companies in the case of important matters or issues at the different subsidiary levels.
5) The internal control system is being improved and enhanced in order to cover not only ROHM, but also its major subsidiaries through addressing a system for ensuring sound and appropriate financial reporting, which includes procedures for auditing financial reporting.
6) ROHM's auditing department conducts internal audits of the Group companies.

(7) In the case where Corporate Auditors request employees to serve as assistants in performing their duties

When requested by a Corporate Auditor, support staff with necessary practical skills is provided.

(8) Independence of the employees indicated in (7) above from Directors

Corporate Auditors' support staff members shall not hold a post or engage in any activity related to the implementation of ROHM's business operations. Any personnel changes involving them shall require the prior approval of the Board of Corporate Auditors. In the personnel performance evaluation process, the views and opinions of the members of the Board of Corporate Auditors shall be taken into account.

(9) System for Directors and employees to make reports to Corporate Auditors and other system reports to Corporate Auditors

1) Every Director submits reports to Corporate Auditors, as required, regarding the violation of laws, regulations or in-house rules by Directors in the performance of his/her duties, breaches of duty by Directors, or any action that may cause material damage to ROHM.
2) The Compliance Committee, Risk Control Committee, Information Disclosure Committee, and other committees have full-time auditors who attend each meeting as observers and at the same time, submit a report regularly to the Corporate Auditors by means of the minutes.
3) ROHM maintains a system in which the processes and results of execution of business operations are communicated to Corporate Auditors as deemed appropriate by presenting reports and circulars sent around for managerial decisions as well as by other means.

(10) Other systems to ensure effective audits by Corporate Auditors

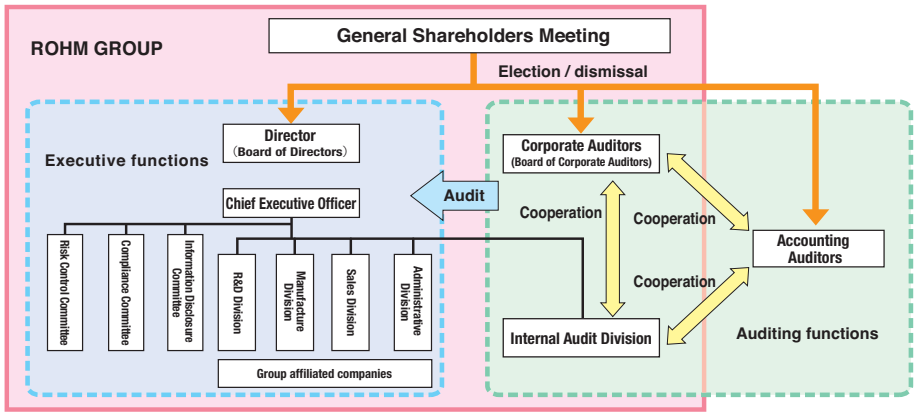
1) Directors submit reports on the current status of the internal control system at the request of the Board of Corporate Auditors.
2) The Internal Audit Department is expanded, and its cooperation with Corporate Auditors is enhanced.
3) All Corporate Auditors are appointed from facilities other than ROHM and include legal experts, accounting experts, and those from financial circles to establish a sophisticated audit system with a high degree of independence.

Basic policy against antisocial forces and current status of its implementation

As one of the most important policies, ROHM strictly prohibits its association with antisocial forces such as organized crimes, corporate extortionists, antisocial political groups, and social activist groups and individuals.

ROHM has set up a Crisis Management Department in the General Administration Division as an internal system for eliminating antisocial forces in order to promote cooperation and information exchange with external specialized agencies such as the police, thereby upholding and implementing their elimination.

<ROHM Group Corporate Governance System>



ROHM has included the provisions on how to respond to such forces in in-house rules and requested company employees to observe them. The 'ROHM Group Business Conduct Guidelines', which is distributed to all employees, also states that employees take a firm stand against antisocial forces. In addition to the above, ROHM strives to enlighten its employees on the elimination of antisocial forces via various in-house education and training programs.

Risk Management

The following are risks that may have a significant impact on the financial status and operating results of the ROHM Group. Meanwhile, the items regarding the future in the following text were judged by the ROHM Group for the end of the year ended March 31, 2010.

(1) Risks Associated with Market Changes

The semiconductor industry and electronics component industry are subject to sharp, abrupt changes in market conditions, due to factors such as the tendency of end-set manufacturers in adjusting production according to the sales status of electronic products, as well as competition in prices and technology development. Prices are especially susceptible to sudden drops according to the supply-demand relationship, while competition from emerging Southeast Asian manufacturers tends to cause instability with regard to maintaining and increasing sales and procuring profits.

(2) Exchange Risks

The ROHM Group has expanded its stronghold in global development, production, and sales; meaning the financial statements prepared in each local currency are converted into the Japanese yen in order to prepare consolidated financial statements. Accordingly, even if the values in local currencies remain the same, the profits and losses on the consolidated financial statement may be affected because of the exchange rates at the time of conversion.

The ROHM Group, while conducting production activities in Japan and Asian countries, sells its products in Japan, Asia, the U.S., and Europe. This means different currencies are used between production and sales bases and consequently exchange rate fluctuations exert a continual influence on ROHM. Generally, a strong Japanese yen conversion adversely affects our business performance, while a weak yen conversion has a favorable impact.

(3) Risks of Product Defects

The ROHM Group places top priority on quality, as stated in the Company Mission, and produces products subject to stringent quality control standards. However, this does not guarantee that it never produces defective products or that it will never be liable to compensate buyers for product defects. If a buyer should make a claim for defects with regard to ROHM products, company performance might be adversely affected.

(4) Legal Risks

In order to manufacture products distinguished from those of other companies, ROHM develops various new technologies and know-how, and produces and sells products worldwide based on these proprietary technologies. ROHM has a division that specializes in the strict supervision of in-house activities so as to ensure that the technologies and know-how used by the Group do not infringe on the intellectual property rights of other companies such as patent rights. In addition, in all business fields in which the ROHM Group is involved, the Group complies with all relevant laws and regulations with respect to the utilization and handling of exhaust air, drainage, and harmful materials, waste treatment, surveys on soil/underground water pollution, and protection of the environment, health, and safety. However, the Group may incur legal responsibilities in this respect due to unexpected events, possibly having an adverse influence on business results.

(5) Natural Disasters and Geopolitical Risks

The ROHM Group performs development, manufacturing, and sales activities not only in Japan, but also worldwide. To diversify the risks, the Group locates production lines at different bases as a countermeasure. However, these production bases may be damaged due to earthquake, typhoon, flooding, and other natural disasters, or political uncertainty or international conflicts. If these events prevent product supply to consumers, ROHM's business results may be adversely affected.

(6) Other Risks and Corporate Risk Management System

In addition to the above-mentioned risks, there are various other risks that may influence the financial condition and business performance during business activities, such as risks related to logistics, material procurement, and information systems. The ROHM Group has an in-house Risk Control Committee to preclude these risks or minimize their influence, thus strengthening our risk management system.

Other Information

Defense against Takeover

ROHM believes that in the event of a takeover bid, the final decision on whether to accept it should be made by ROHM's existing shareholders at the time of the bid, and in order to ensure that the shareholders make an informed judgment— based on sufficient information within a reasonable time period— it should go through a fair and transparent procedure to confirm its intentions. The Board of Directors of ROHM decided to adopt 'Fair Rules for the Substantial Acquisition of Shares (Takeover Defense Measures)' (hereinafter referred to as the Rules) on May 11, 2006 for this purpose.

After introducing the Rules, the Financial Instruments and Exchange Law was amended to improve the law and establish a system to secure the information and time necessary for shareholders to make an informed judgment. The management environment surrounding ROHM has changed greatly since the time the Rules were adopted. As a result, the Board of Directors decided to abolish the Rules on May 11, 2009.

Incidentally, any rules similar to the Rules (also called Takeover Defense Measures) that are to be re-introduced shall be, in principle, submitted to the ROHM general shareholders meeting in advance and will be subject to approval. However, the Board of Directors shall continuously monitor the transactions and transfer conditions of ROHM's shares, and if anyone wishes to acquire a large quantity of ROHM's shares (takeover bidder), the Board of Directors will assess the proposal of the bidder and negotiate as required with careful consideration given to ROHM's external board member, outside corporate auditors, independent outside specialists, and others. If there is a fear that ROHM's corporate value and the common interests of its shareholders will be negatively influenced unless immediate action is taken, the Board of Directors will decide the most appropriate countermeasures to take— within the boundaries permitted by the Japanese Corporation Law and other related laws and regulations— and it is the legitimate responsibility of the persons management has delegated to implement these countermeasures.

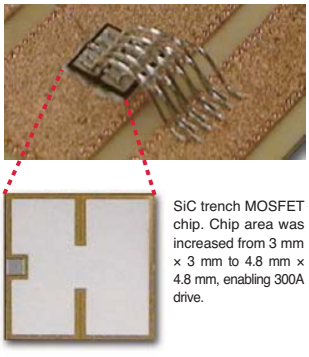
Commercializing next-generation eco-devices through environmentally-focused R&D

ROHM not only seeks semiconductor-based technological innovation through the refinement of manufacturing processes, but has continued the pursuit towards increased functionality by bringing added value utilizing new ideas. This "More than Moore" philosophy continues to fuel the development of new technologies and products that will sustain the next generation by combining a variety of fundamental mechanisms, including new materials, MEMS, and bio/optical technologies.
Minimizing environmental impact continues to be a major consideration in the development of next-generation eco-devices incorporating novel technologies. These products are designed to provide capabilities and functions that meet the emerging need for greater interconnectivity and functionality while greatly contributing to a low-carbon-footprint society.

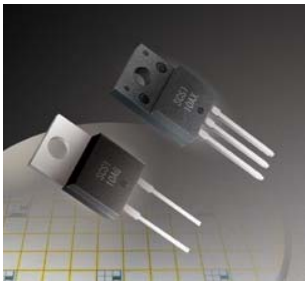
Next-generation material: Silicon Carbide (SiC)

A completely integrated production system has allowed ROHM to develop and mass produce SiC products.

In the field of power electronics, loss from power consumed by silicon-based semiconductor devices during power conversion continues to present major problems. This has led the discovery of SiC, which was found to have material properties superior to silicon – including higher efficiencies that make it attractive from an environmental standpoint. Anticipating this trend, ROHM has progressed with research and development into SiC devices, culminating in the industry's first successful trial production of an SiC MOSFET in 2004, and, more recently, mass production of SiC Schottky barrier diodes (SBD) and power modules.
In October 2009, in collaboration with Kyoto University, ROHM was able to increase the current capacity of a large-area trench gate vertical type SiC MOSFET – previously impossible to achieve. The result is a single chip capable of 300A drive, paving the way for the application of SiC devices in high-current power conversion modules for greater energy conservation.
Furthermore, in order to secure a stable supply of high-quality SiC wafers ROHM acquired SiCrystal (Germany) and established an integrated production system for SiC devices. Also, in 2010 mass production of the first SiC SBDs in Japan was initiated.
SiC devices have been positioned as a core technology in ROHM's next-generation semiconductor business strategy. In addition to further increasing voltage resistance and strengthening its lineup of higher-current SBDs, ROHM is moving towards shifting to mass production and developing additional SiC products such as MOSFETs and IPMs (Intelligent Power Modules).



SiC trench MOSFET chip. Chip area was increased from 3 mm × 3 mm to 4.8 mm × 4.8 mm, enabling 300A drive.



Mass production has begun for SiC SBDs.

Thin, light, flexible

New lighting designs with flexible organic ELs

Organic EL technology – already utilized in the display sector – has recently expanded to lighting devices due to their superior brightness, life span, and eco-friendliness. In order to take advantage of this trend ROHM, in a joint venture with Mitsubishi Heavy Industries, Toppan Printing, Mitsui & Co., and others, has established a new company - Lumiotec – in 2008 in order to assess the commercial viability of organic EL panels for use in lighting.
Organic EL, in principle, allows for greater flexibility and reduces thickness and weight compared with conventional systems, resulting in greater versatility. However, strong gas barrier properties (10–6g/m2day) are required in order to seal the organic EL elements, which deteriorate easily. Sealing the elements between pieces of glass are required, resulting in less than optimum flexibility. In response to this ROHM has successfully developed a structure where the organic EL is sandwiched by ultra-thin glass (thickness of 0.05mm) and a gas barrier layer, ensuring a good deal of flexibility (25mm bending radius) while maintaining high gas barrier properties. The result is a bendable light source with one-eighth the weight and one-sixth the thickness of conventional products, making new lighting designs and products possible.
In the future, in addition to general lighting, ROHM intends to incorporate organic EL technology in higher end products that place a commodity on design, such as airplane/train lighting and displays as well as automotive systems, while continuing efforts towards streamlining mass production.

Flexible organic EL devices feature significantly reduced thickness and weight compared to conventional products, enabling the development of new products, such as personal lighting accessories.

Lumiotec Inc., a joint venture between ROHM and other companies, began sample shipment of organic EL panels for lighting in February 2010. Full-scale mass production is slated to begin shortly.

Easily incorporate network functionality into
household electronics, game consoles, and other devices

IEEE802.11n-compatible baseband LSI for wireless LAN

Wireless LAN systems are faced with the demand for faster speeds in order to meet the increasing amount of data being transmitted from multiple devices. The latest standard, IEEE802.11n, makes high-definition video transmission possible. This is expected to increase the amount of networked devices in the home (i.e. applicances, electronics) as well as in industrial and commercial environments.
However, in order to configure wireless LAN systems it has become necessary to develop software that meets the relevant communication protocol(s), increasing design load and costs, which make it difficult to include additional network functionality.
ROHM utilizes proprietary high-speed wireless LAN technology to integrate a number of functions into a single chip. A full support system is included, making it possible for even customers with no experience in network communication to add wireless LAN capability in their designs.

Touchless device operation

Monolithic optical proximity sensor and illumination sensor IC

Touch-panel mobile phones, or 'smartphones', employ proximity sensors that turn off touch panel functions and the LCD screen when the phone is brought close to the ear when on a call in order to reduce power consumption and prevent malfunction. In addition, since much of the system power is used to drive the LCD, brightness sensors are required to minimize power consumption while maintaining visibility by detecting ambient light.
ROHM has improved on the functionality of optical proximity and brightness sensors and has successfully integrated both onto a single chip. Furthermore, the proximity sensor has been modified to include touchless motion detection – the first in the industry – making operation possible without directly touching the panel.

ROHM sensors utilize a unique structure for stable operation at low operating current and high temperature.

Two-wavelength lasers diodes for DVD/CD playback

The DVD/CD market has reached maturation and the transition is currently being made to next-generation Blu-ray players. However, backwards compatibility with CD/DVD media is still required, making it necessary to incorporate two lasers. Also, the types of products exposed to severe temperatures, such as game consoles, car navigation systems/DVD players, are increasing.
In answer to this ROHM has developed three types of 2-wavelength laser diodes capable of stable operation at high temperatures (80°C to 85°C). This is achieved through utilization of a unique structure, resulting in operating currents much lower than conventional products. Three package types are offered for greater compatibility. ROHM will continue to develop laser diodes for current and next-generation products that meet market needs.


RLD2WMUR1


RLD2WMDR1


RLD2WMFR1

Zero standby power consumption

Nonvolatile logic counter IC

The increasing functionality of PCs, appliances, and other devices comes with a price – greater standby power consumption due to the utilization of logic system ICs and CPUs that require constant power to maintain internal data.
To solve this dilemma ROHM has developed non-volatile logic counter ICs that can maintain internal data without power. Applying this technology to logic units in a variety of devices will reduce power consumption significantly, by an estimated 15 billion kilowatt-hours per year*. This number is expected to grow as non-volatile technology expands to more products, including portable devices and consumer electronics. An added benefit of this technology can be seen in PCs. Startup times, which are normally up to several dozen seconds, are greatly shortened, resulting in almost immediate startup – similar to watching TV.

*In Japan only. Estimate based on the 'Investigation into Standby Power Consumption' conducted by The Energy Conservation Center, Japan.

CSR Activities

“Creating a harmonious future”, an assignment that must be fulfilled at our own responsibility

Since its foundation in compliance with the corporate objectives, ROHM has constantly attached importance to improved business performance and contribution to society. Satisfaction of customers can be obtained through good quality in every aspect of products, while at a global level prioritizing quality serves as the driving force for the promotion of CSR.

In addition, ROHM thoroughly recognizes its responsibility for the future, the responsibility that it must assume for the future generation, and will continue to carry forward product development with consideration given to the reduction of CO_2 emission and to the environment, observance of compliance (laws and regulations, norms of society, corporate ethics, etc.), promotion of risk management, establishment of information security, proper maintenance and operation of intellectual property rights, participation in community activities, development of ideal workshops, and others, from a global perspective.

Commitment to customers

ROHM considers in-depth quality control as the most serious responsibility so that customers can use ROHM products with full satisfaction and a sense of security.

Commitment to ROHM stockholders and investors

ROHM aims at creating and improving corporate value under the recognition that ROHM stockholders and investors are important stakeholders.

Commitment to suppliers

ROHM conducts sustainable transactions with suppliers, which enables co-existence and co-prosperity, based on a relationship of mutual trust.

Commitment to local societies and communities

In order to be a company upon whom the local community constantly bestows its confidence, the ROHM Group participates in relevant community affairs. In addition, ROHM actively performs academic-industrial alliance with universities, Furthermore, over many years, ROHM has supported musical, cultural and sporting activities to aim at becoming a “good corporate citizen.”

Commitment to employees

ROHM encourages employees to do their best and provides opportunities for them to take the initiative. In addition, ROHM performs various activities to promote the health of company members.

Environmental policy/environment management system

The ROHM Group organizes its environmental management system in accordance with its environmental policy. All corporate members seriously undertake the task of continuously improving the environment.

Efforts toward the realization of low-carbon society/ consideration given to the water and air

ROHM has seized the initiative of the reduction of greenhouse gas for the purpose of prevention of global warming. In addition, ROHM engages in various activities aimed at improving water and air quality, including improvement of the water recycling ratio and total abolishment of ODC (ozone-depleting chemicals).

Waste and recycling

In order to build a recycling-oriented society, ROHM works positively to reduce waste generation and recycle waste.

Ecologically friendly products/green procurement

ROHM contributes to energy saving of electrical appliances by developing low power consumption products. In addition, ROHM aims at reducing environmental load by achieving compliance with the RoHS directives and waste volume reduction, waste weight reduction, and recycling of packaging material.

Environmental education and enlightenment/environmental communication

ROHM enhances awareness of the environment right throughout the company by corporate member education and enlightenment activities. In addition, ROHM’s environmental conservation activities are extensively reported through CSR reports, and others.

Production activities and environmental load/environmental accounting

ROHM creates and releases environmental accounting so that ROHM’s environmental activities and their effects are properly analyzed and comprehensively assessed.

Assessment in socially responsible investment

SRI (socially responsible investment), which adopts social, environmental, and ethical aspects of a company for judgment criteria of investment, ROHM is receiving high commendation from SRI-related survey institutions, and has been selected as an index component of various SRI indices.

ROHM stock is part of the following SRI indices:

Dow Jones Sustainability Indexes

Ethibel Sustainability Index

FTSE4Good Index Series

MS-SRI
(Morning Star Socially Responsible Investment Index)

ⓒ Tatsuo Sasaki

■ “Music seminars” by ROHM Music Foundation
The seminar is held featuring the world’s top musicians as teachers, to aim at developing professional musicians.

■ Illuminations, the center of attraction every year
For ROHM’s illumination, eco-friendly green energy is used.

2010

Management Policies and Financial Data

CONTENTS

Management Policies

1. ROHM's Basic Management Policy

ROHM believes that, in creating and improving perpetual and overall corporate value, added-values created by the company's business activities should be allocated to all constituents, including shareholders, employees, and stakeholders in local communities in appropriate proportions, while retained earnings should be allotted to business investment and efforts to increase its competitive strength. To pursue this objective, it is also essential to obtain the understanding and cooperation of all those with a stake in the company's performance. Making ROHM shares more attractive to investors has been one of the highest priorities of company management.

With these perspectives, ROHM has committed itself to developing market-leading products by focusing on high value-added system LSIs for digital information technologies, mobile electronic equipment, and automobile components, which are expected to undergo rapid growth along with optical devices— another area with considerable growth potential. As a fundamental policy, ROHM pursues a stable supply of high quality, cost-competitive products in high volume through optimal utilization of its distinctive production technologies, and will consequently maintain a leading position in the global electronic component market.

2. Referenced Corporate Performance Indices

ROHM is making continued efforts to ensure profit by moving forward with various steps, including the development of new products, while reinforcing its sales operations. ROHM uses indices representing the rate of return, such as EBITDA (*), as well as asset turnover ratio and plant and equipment investment efficiency. In addition, we are also striving to improve the net income per share (EPS) and the rate of return on equity (ROE), in order to enhance shareholder value.

*** EBITDA (earnings before interest, taxes, depreciation, and amortization)**
An index obtained by adding interest expenses and depreciation to income before income taxes and minority interests. It is commonly used to compare corporate earning power internationally.

3. Mid- to Long-term Corporate Strategies

Amidst anticipated expansion in the electronics industry over the medium to long term, and parallel to further progress of informatization, global competition is expected to intensify, due mainly to broader demand fluctuations, ultimately mandating a realignment of the industry and an elimination of noncompetitive businesses.

To ensure stable growth and a strong, well-balanced financial position under these circumstances, a range of measures should be implemented: the development of original high value-added products, utilizing world-ranked advanced technologies, enhanced cost competitiveness, the establishment of a global production and distribution network that conveys high customer satisfaction in both domestic and overseas markets, as well as strengthening of sales and technical support for customers.

ROHM puts top priority on consistent development and production systems and the significance of quality, and devotes ceaseless effort to achieve these values.

As concrete measures, ROHM will enhance digital, analog, and integrated digital/analog technologies via a continuous increase in R&D personnel. For this purpose, ROHM is reinforcing customer support and the in-house R&D system for further future growth with the development bases of the "Kyoto Technology Center", "Yokohama Technology Center", "Optical Device Research Center", and "LSI Test Technology Center" at the core of technological enhancement.

ROHM is actively involved in a wide range of joint projects with a multitude of domestic and foreign universities regarding next-generation R&D, including comprehensive industrial-academic collaboration alliances with Kyoto University and Tsinghua University in China; joint efforts with the Semiconductor Industry Research Institute of Japan—a think-tank of the Japanese semiconductor industry; and participation in other Japanese national leading-edge R&D projects that integrate industry-government-academia expertise. ROHM is also promoting partnerships with other companies whenever necessary to complement its technologies and consequently improve the efficiency of its R&D activities. Furthermore, ROHM is advancing with R&D for the next generation by moving forward with development of power devices using silicon carbide substrate, which are expected to be far superior in terms of voltage endurance, high electric current, and low-loss to semiconductor devices made with conventional silicon substrates, and will proceed with the introduction of these devices to the market. In addition, the company is expanding into new fields and technologies by enhancing the lineups of biochips for the medical equipment industry and developing non-volatile logic ICs that nullify power consumption when on standby. At the same time, ROHM is carrying out research on an extra-sensitive/wideband image sensor using new materials and image sensors for far-infrared rays and x-rays. The company will also strengthen lineups of sensor-related products with the technology of Kionix Inc. (US), which is the leading company of MEMS acceleration sensors and acquired by ROHM last year, as well as with ROHM proprietary technology. In addition, ROHM will enrich its product lineup for LED lighting, which is expected to be the next-generation energy-saving solution that will contribute to the reduction of CO_2, and LED products for flat screen TVs. Both markets are rapidly expanding.

In production systems, ROHM is responding to global competition in the industry by enhancing its cost competitiveness and supply system to achieve global success. In the front-end process, ROHM is aggressively advancing with the enlargement and miniaturization of wafers while in the back-end process, tackling improvements to production efficiency at overseas production facilities centering on Thailand, the Philippines and China, and establishing an immediate supply system of new products. Domestic production facilities serve as process-supporting facilities for production networks for the entire ROHM Group. By horizontally developing production technology established at domestic facilities and extending it to overseas facilities of the entire group, we will supply high-quality ROHM products on a global scale.

By focusing first and foremost on quality not only in the manufacturing division but also in the field of technological development including LSI circuit design and manufacturing technologies development, ROHM will extend its company-wide effort to enhance its product reliability. ROHM will also continue to produce components such as wafers, photomasks, and lead frames in-house, develop products that exceed competitor products in terms of quality and reliability, and reduce lead times, ultimately improving its global competitiveness.

In addition, with a view to expanding the company's share in growing overseas markets, ROHM not only consolidates networks of Technology Centers in Europe, the U.S., and Asia, but also strengthens sales, technology, and quality support systems for customers worldwide by increasing local design personnel and FAEs(*) at its overseas design centers. To respond to increasing global needs for digitalization and standardization, the company makes the utmost efforts to reinforce the lineup of ASSPs (application-specific standard products). At the same time, ROHM is dedicated to restructuring and integrating corporate organizations both

in and outside Japan, in order to continue improving its business efficiency and accelerate the decision-making process.

In the area of environmental conservation, the ROHM Group will continue to establish and implement environmental management systems based on "ISO 14001" as well as develop new products that contribute to energy conservation such as low-power-consumption products. ROHM is committed at both domestic and overseas production bases to attaining zero-emission goals by promoting the recycling of waste and continuing to support "green" procurement and supply. In Australia, ROHM has promoted a tree-planting project as part of its efforts against global warming. Furthermore, ROHM swiftly responded to the RoHS Directive, the European environmental regulations, and imposed analyses of toxic substances by acquiring accreditation of the "ISO/IEC 17025" laboratory and undertaking business activities in consideration of global environmental protection.

*** FAE (Field Application Engineer)**
Sales representative who is knowledgeable of technologies.

4. Priority Issues

The world economy gradually moved toward recovery from the abrupt economic slowdown triggered by the financial crisis in the US in 2008. However, because tough employment environments in individual regions remain, the overall economy has not yet reached full-fledged recovery.

The electronics industry is expected to grow in the mid- to long-term due to increasing demand for digital home information equipment and more sophisticated automotive electronic control systems. However, worldwide economic deterioration, technological competition and price wars are expected to continuously intensify. These factors mandate the increasing necessity of a constant supply of internationally competitive, innovative and high quality products and technologies with sustained efforts toward comprehensive cost reduction efforts.

The ROHM Group does its best with across-the-board efforts to improve business performance through the development of new, value-added products and technologies in anticipation of future customer demands, the improvement in quality and reliability by further enhancing its manufacturing technologies, the reinforcement of production and sales structures, the streamlining of corporate operations, and implementation of cost-cutting measures.

Furthermore, in order to exert a synergetic effect by supplementing each other with OKI Semiconductor Co., Ltd., ROHM makes company-wide efforts to further construct and strengthen partnerships in its LSI business. In the previous fiscal year, ROHM purchased SiCrystal AG (Germany), a manufacturer of SiC wafers, which are garnering attention as a next-generation material for semiconductors, and Kionix, Inc. (US), which is the world's third largest manufacturer of MEMS acceleration sensors. Accordingly, the company will make use of the business advantages brought by the purchases of these two companies. ROHM will promote various strategies to focus on development of next generation products and continue to improve its corporate values.

5. Basic Policy for Profit Distribution

(1)Basic Policy for Profit Distribution

In profit distribution to shareholders, ROHM is implementing actions in order to meet shareholders' expectations for improving future value of the Company, by thoroughly considering the Company's business results, financial status, and funding demands for business investment.

As ROHM's existing principle, the company intends to pay a return to shareholders that will represent no less than 100 percent of the consolidated cash flow of each fiscal year by the year ended March 31, 2010. In addition, the cash reserves were applied to funding demands for M&A and business restructuring.

Under the global-scale restructuring and shakeout in semiconductor industries, ROHM further promotes these policies, infuses funds to necessary capital investment and M&A to win out over competition, and improve our business performance, in order to live up to the expectation of shareholders.

On the other hand, in view that stable continuous payment of dividends is important, ROHM will make utmost efforts to stable pay dividends with consideration given to business performance.

It seems that the world economy will remain unstable for a while. In the semiconductor industry, market expansion is anticipated over the medium to long term while global competition is also expected to intensify, leading to industry realignment and the elimination of noncompetitive businesses on a global scale. For the ROHM Group to continue growing and expanding its business under these circumstances, it is essential to reinforce expertise in developing innovative products and enhance cost competitiveness, thus preventing other companies from easily duplicating what we do. The group is conducting company-wide efforts to enhance its corporate value through investment in cash reserves and generated cash flows both carefully and effectively, and ensure its manufacturing facilities are equipped with the proper equipment required to enhance its developmental and technological expertise. ROHM's competitiveness is based on its expertise in technology, which leads to joint ventures and company acquisitions that ensure attractive returns. This allows ROHM to improve its net income per share (EPS) and return on equity (ROE).

(2)Cancellation of Treasury Share

The ROHM Group, in consideration that our shareholders are significant stakeholders of the company, continues to acquire treasury stock under the basic principles described above. The maximum for possessing treasury stocks is to be 5 percent of the total outstanding shares, and, in principle, any amount beyond this limit shall be cancelled at the end of every fiscal year. The group continuously possesses treasury stocks on hand in order to secure management flexibility by utilizing them for merger and acquisition activity and other needs as required.

Business Results

1. Analysis of Business Results

(1) Business results for the year ended March 31, 2010

Overall condition of business performance

During the year ended March 31, 2010, the world economy started to show signs of gradual recovery from the sluggishness that predominated since the autumn of 2008. In most of the developed world, in addition to a continuing slowdown in home sales, the employment environment did not improve, holding economies in stagnation. By individual regions, the economic environment in the US showed signs of recovery in personal consumption and capital investment after it passed the worst period, however it was not enough to reach a full fledged recovery. In Europe, thanks to governmental economic measures, the downturn came to halt while exports increased, showing signs of recovery. Automobile sales, which were robust in the first half of the year, started to decrease after the turn of the year as car buying assistance measures promoted by the German government ended. Personal consumption remained sluggish and the unemployment rate stayed at a high level. In addition, risks due to deteriorating financial conditions in some south European countries,

notably Greece, were a concern, keeping the economy in a severe state. In China, exports recovered and the economy showed a pickup trend triggered by improved personal consumption due to economic stimulus measures as well as investment in infrastructure and real estate. Other Asian regions also enjoyed robust economies as their exports to China increased. In Japan, the economy was supported by various measures and exports moved to a recovery track centering on those to Asia, while personal consumption slightly recovered as well. However, in addition to sluggish corporate capital investment and deteriorating employment, the appreciation of the yen and deflation since autumn decreased corporate profits, therefore the economy did not reach a self-sustaining recovery.

In the electronics industry, large-scale production adjustments in the fields of personal computers, AV equipment, mobile phones came to an end. Measures to encourage consumer spending by individual governments and the shift to digitalization made sales of flat screen TVs favorable, while the sales of mobile phones to emerging countries increased, demonstrating a tendency toward recovery of the overall economy.

In the electronic component industry, due to a backlash of demand for electronic components in excess of production adjustment of final products which original equipment manufacturers have instituted since autumn of 2008, the market was leaning toward recovery. After autumn, the market moved into its usual seasonal adjustment but flat screen TVs, personal computers, and mobile phones recorded robust sales and the fall was smaller than anticipated. Demand for LEDs including LED TVs and lighting, widely increased.

By individual regions, home appliances such as flat-screen TVs and refrigerators were in strong demand in Japan due to the upcoming complete switchover to terrestrial digital media broadcasting in 2011 and eco-point systems for home appliances. Sales of personal computers also remained robust due to the spread of Notebook PCs and the release of a new operating system. On the other hand, the recovery was weak in other consumer product markets and the mobile phone market also declined due to market saturation and prolonged replacement cycles. The automotive market was weak in this first half of the year, however the market went through a recovery phase centering on hybrid vehicles thanks to a tax reduction program aimed at promoting purchases of eco-friendly cars. Regarding other Asian regions, production suddenly recovered after the end of inventory adjustments. Exports to the US and European countries, which had previously been sluggish, has been on a gradual recovery trend since autumn and production of flat screen TVs, laptop PCs and mobile phones such as smart phones headed toward recovery. In China, political measures to disseminate home appliances increased demand and consumer products such as flat-screen TVs registered robust sales. In the US, the slowdown in the automotive market temporarily halted due to car buying assistance measures promoted by the government; however sales decreased compared to the previous fiscal year and the demand for automotive components also slowed down. The demand for electronic components remained stagnant. In Europe, the automotive market leaned towards recovery due to supportive measures designed by the governments, but the production of TV sets in Eastern Europe considerably decreased, and as a whole, the economic recovery was not strong.

Under these circumstances, the ROHM Group focused on strengthening product lineups for the automotive and electrical markets, flat-screen TV market, information and telecommunication markets and mobile device market, while enforcing the sales divisions related to the each market to strengthen the system of sales to overseas customers with primary focus on personal computers, mobile phones and flat-screen TVs. The group continued to make the utmost effort to improve organizational structure in order to promptly respond to the shift in the global market.

In addition, the group focused on the development of eco-devices with the aim to improve the global environment, and sales of energy-saving and advanced LED lighting that can contribute to the reduction of CO_2. Furthermore, while working to improve management at OKI Semiconductor Co., Ltd. and constructing a cooperative system with the LSI division of ROHM, the company finalized the purchase of SiCrystal AG (Germany), a manufacturer of SiC wafers, which are garnering attention as a next-generation material for semiconductors, and Kionix Inc. (US), which is the world's third largest manufacturer of MEMS acceleration sensors (*1), pursuing a focus on future product development.

In this situation, net sales of the year ended March 31, 2010 recorded 335,640 million yen (an increase of 5.8 percent from the previous fiscal year) and operating income marked 18,809 million yen (an increase of 78.5 percent from the previous fiscal year). This was accompanied by the effects of increased revenue as well as a reduction in selling, general and administrative expenses.

Ordinary income was 17,284 million yen (a decrease of 6.8 percent from the previous fiscal year) as foreign currency exchange gains in the previous fiscal year had changed to foreign currency exchange losses.

Net income was 7,134 million yen (a decrease of 27.5 percent from the previous fiscal year) as the result of posting impairment losses and restructuring expenses.

***1 MEMS acceleration sensors**
Electronic device having an electromechanical structure equipped with a sensor function to measure changes in speed on silicon chips by the use of semiconductor microfabrication technology.

Overview of performance in each division

<Integrated circuits>

Net sales for the year ended March 31, 2010 were 186,898 million yen (an increase of 16.9 percent from the year ended March 31, 2009).

In the category of ICs, after an abrupt adjustment phase in autumn of 2008, signs of recovery were evident, but the overall market remained in a severe state. Sales of ICs for mobile phones including LED drivers were robust in overseas markets, but the sales of analog front-end ICs (*2), display driver ICs and audio related ICs were low. In the category of audio and visual equipment, sales of power supply ICs, backlight inverter ICs, sound amplifiers, and audio DSPs (*3) for flat-screen TVs were strong. Sales of power supply ICs for car audios and motor driver ICs for audios and DVD players/recorders showed signs of recovery after autumn. Sound processors also increased sales after the turn of the year, however overall sales stagnated. As for game consoles, although sales of power supply ICs were strong, sales of Voice Generation ADPCM Decoder ICs (*4) remained low. With regards to personal computers, sales of motor driver ICs for fan motors and optical disks slowed down. In general-purpose equipment, although sales of LDO regulators (*5), EEPROMs, DC/DC converters and reset ICs showed a healthy trend in the second half of the year, sales as a whole remained stagnant.

In the area of modular products, sales of AC/DC converters, which were sluggish in the first half of the year, enjoyed robust sales in the second half of the year. Other power modules were on a recovery track after the turn of the year. However, sales of IrDA(*6)modules were sluggish.

At OKI Semiconductor Co., Ltd., sales of the P2ROM™ (*7) for gaming equipment, which had been strong in the first half of the year, slowed down after summer. Furthermore, LCD driver ICs were affected by tough price competition, as severe conditions continued.

The ROHM continued to focus its efforts on cost reduction and improvement of production efficiency at OKI Semiconductor Co., Ltd.,

and to work on sharing existing production lines of the ROHM Group with OKI Semiconductor Co., Ltd.

***2 Analog front-end IC for mobile phone**
IC that converts analog signals received with an antenna into digital signals that can be processed within a mobile phone.

***3 Audio DSP (digital sound processor)**
A dedicated processor for audio equipment that digitally processes audio signals.

***4 Voice Generation ADPCM (Adaptive Differential Pulse Code Modulation) Decoder LSI**
An IC for demodulating voice-compressed data in the form of ADPCM (one of the systems for converting voice into digital data, which, by digitalizing the difference with the data that was most recently digitalized, besides digitalizing voices at regular time intervals, reduces amount of data without losing sound quality) and for reproducing audio via speakers.

***5 LDO (Low Drop Out) regulator**
A circuit for outputting a desired constant voltage from a certain input voltage. LDO stands for Low Drop Out type, which suffers minimal loss in conversion.

***6 IrDA**
Infrared Data Association, a standard for transmitting and receiving data using infrared rays, widely used for laptop computers and mobile phones.

***7 P2ROM™ (Production Programmed ROM)**
OKI Semiconductor's unique non-volatile memory, on which customer programs and data are written at the factory before shipment. It is used for game consoles and can be shipped in a shorter amount of time compared to general-use mask ROMs.

<Discrete semiconductor devices>

Net sales for the year ended March 31, 2010 were 108,021 million yen (a decrease of 5.4 percent from the year ended March 31, 2009).

In the transistor and diode product group, fast recovery diodes (*8) and Zener diodes had brisk sales. The sales of other leading products such as bi-polar transistors and small-signal diodes, which were sluggish in the first half of the year, showed potential after the turn of the year, so overall sales were on a trend toward recovery.

In the LED (light emitting diode) area, sales of high-intensity full-color LEDs for amusement equipment increased considerably and showed relatively positive results.

As for laser diodes, sales of dual wavelength lasers for CD/DVD showed a trend toward improvement due to some new product releases. In addition, lasers for CD and DVD slightly trended toward recovery after the turn of the year.

In the area of production systems, production transfers continued to overseas plants of the ROHM Group in Thailand, the Philippines, and Tianjin, China. Furthermore, with the objective of enhancing the group's ability to respond to cost concerns, ROHM strived for improved production efficiency.

***8 Fast recovery diode**
A diode that is equipped with features for faster reverse recovery than a normal diode.

<Passive components>

Net sales for the year ended March 31, 2010 were 18,034 million yen (a decrease of 6.0 percent from the year ended March 31, 2009).

In the resistors product family, the recovery continued to be slow, however in the second half of the year, the market was on a readjustment path centering on resistors for automobile component markets.

Within our tantalum capacitors, bottom-surface electrodes for laptop PCs experienced a favorable increase in sales, moving towards gradual recovery after the turn of the year.

The production system for tantalum capacitors continuously strengthened at the ROHM Group plant in Thailand and efforts for cost reduction were implemented.

<Displays>

Net sales for the year ended March 31, 2010 were 22,685 million yen (a decrease of 4.6 percent from the year ended March 31, 2009).

In the Printhead product family, small-size thermal Printheads for miniaturized printers enjoyed robust sales after the turn of the year, but overall sales decreased mainly in the fields of image sensor heads for facsimile machines and multifunction printers.

Regarding LED displays, sales of LED display modules such as eight-character numeric displays, which had been stagnant, started to recover. In addition, sales of dot matrix-type LED display modules enjoyed brisk sales growth.

LED lighting, which is expected to be an energy-saving light source of the next generation and contributor to CO_2 reduction, is gradually growing its sales figures as commercial facilities and office buildings have started to adopt this illumination system.

As for production systems, enforcement of a production control processes and improvement of production efficiency at the plant of the ROHM Group in Dalian, China progressed with efforts to reduce cost.

2. Financial Analysis

Analysis on status of assets, liabilities, net assets and cash flow

During the fiscal year ended March 31, 2010, total assets decreased by 1,845 million yen from the previous fiscal year and amounted to 807,340 million yen.

Liabilities increased by 277 million yen from the previous fiscal year and amounted to 99,621 million yen.

Net assets decreased by 2,122 million yen from the previous fiscal year and amounted to 707,719 million yen.

Consequently, equity ratio increased from the 87.5 percent of the previous fiscal year to 87.4 percent.

The cash flow status in the year ended March 31, 2010 is as follows.

Cash flow from operating activities recorded a plus of 51,999 million yen (a plus of 65,971 million yen in the year ended March 31, 2009). This is mainly attributable to increased depreciation and income before income taxes and minority interests, and decreased notes and accounts receivable.

Cash flow from investment activities recorded a minus of 35,431 million yen (a minus of 90,407 million yen in the year ended March 31, 2009). This was caused by a decreased balance of purchases and sales of tangible fixed assets and expenses from purchase and sales of subsidiary's shares accompanying revision to the scope of consolidation, and an increased balance of purchase, sales and paying-off of marketable securities and investment securities.

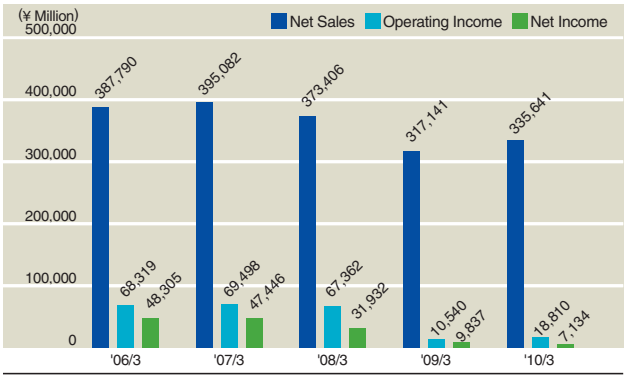
Cash flow from financial activities recorded a minus of 14,434 million yen (a minus of 27,719 million yen in the year ended March 31, 2009). This results from a decrease in the payment of dividends.

As a result of adding exchange rate changes on cash and cash equivalents to the above factors, cash and cash equivalents decreased by 3,075 million yen, and the balance was 259,136 million yen as of March 31, 2010.

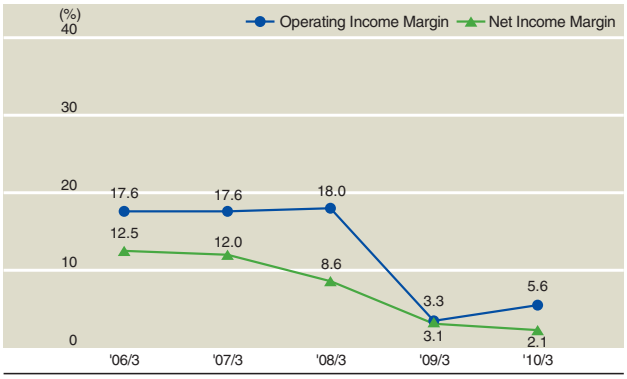
Five-Year Summary

Results of Operations

1. Results of Operations



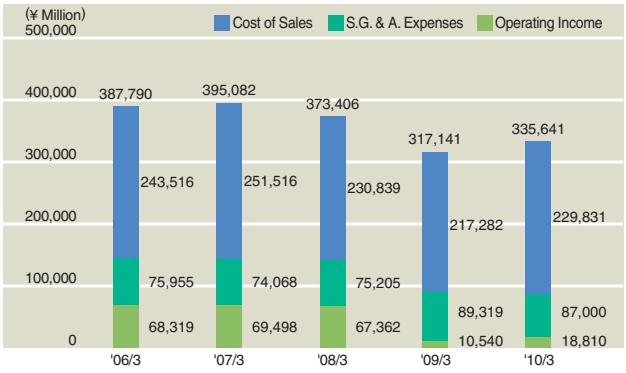
2. Income Margin



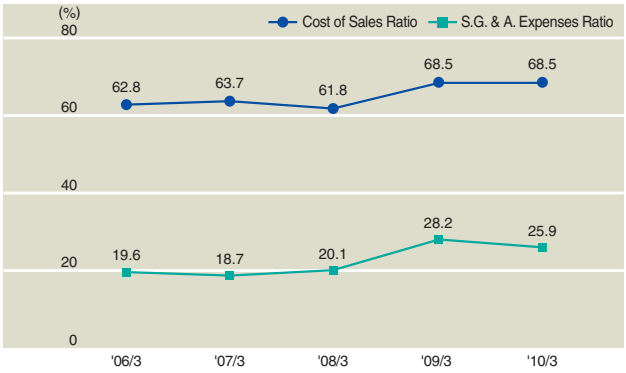
During the year ended March 31, 2010, the global economy showed signs of recovery from a worldwide recession that has endured since the fall of 2008. The electronics market started on a recovery trend as the flat screen TV market did well due to the effects of economic stimulus measures in each country and the transition to digital TVs, and sales of mobile phones for emerging countries increased. ROHM also achieved a successful outcome in reinforcing product lineups for the automotive and electrical areas, flat-screen TVs, and information and telecommunication and mobile equipment markets. Operating income increased as a result of cost reduction efforts across the ROHM Group and a recovery trend in sales.

Cost of Sales, Selling, General and Administrative Expenses, and Operating Income

1. Cost of Sales, Selling, General and Administrative Expenses, and Operating Income

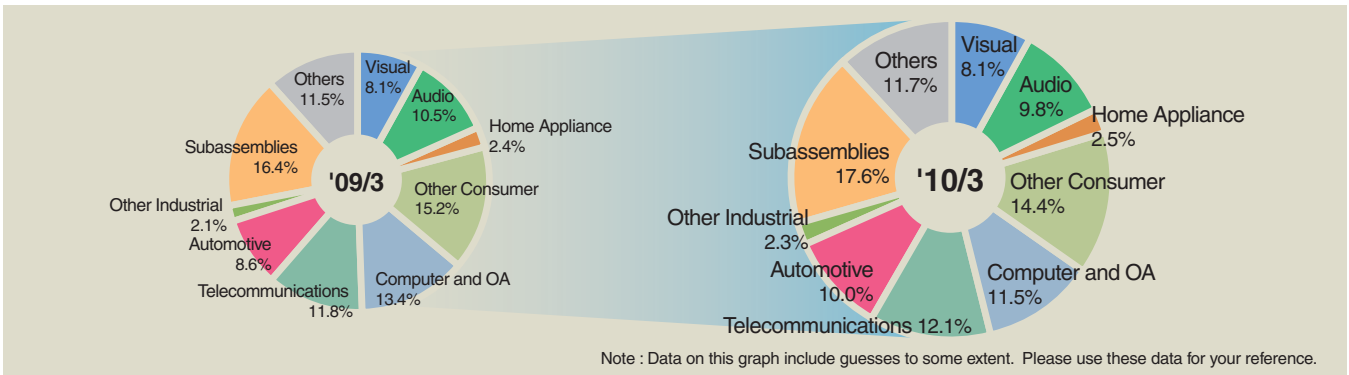


2. Cost of Sales and Selling, General and Administrative Expenses to Net Sales



While the cost of sales rose alongside the increase in sales, selling, general and administrative expenses, including the research and development costs, decreased and operating income margin improved.

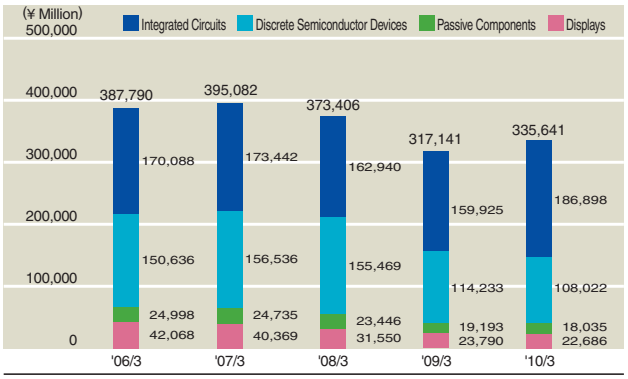
Sales by Application



Note : Data on this graph include guesses to some extent. Please use these data for your reference.

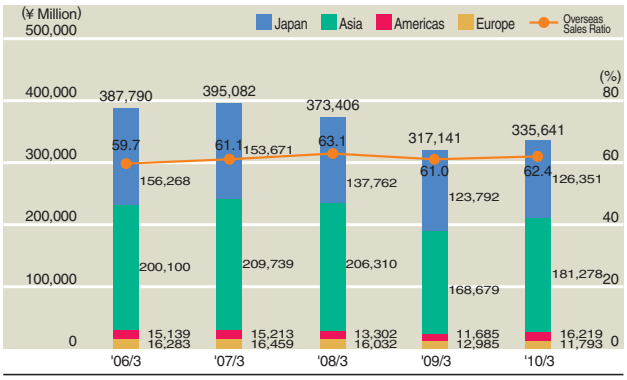
Sales

1. Sales by Product Category



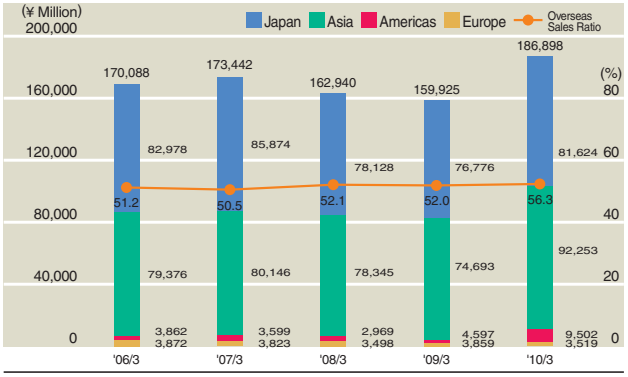
While sales increased in the segment of integrated circuits, they slightly decreased in other segments.

2. Sales by Geographical Region and Overseas Production Ratio

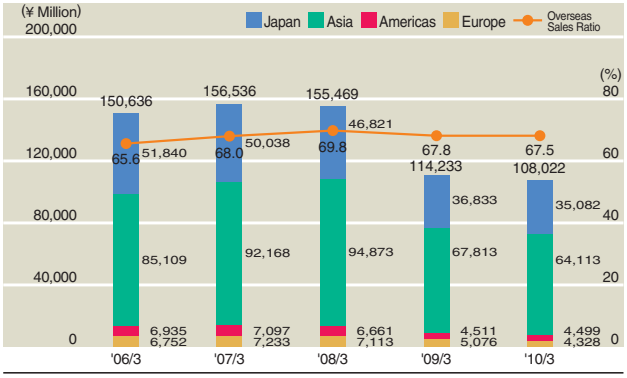


Although sales in the first half of the year severely decreased on a year-on-year basis under the influence of extensive production adjustments since the fall of 2008, they showed a recovery trend in each geographical region in the second half of the year.

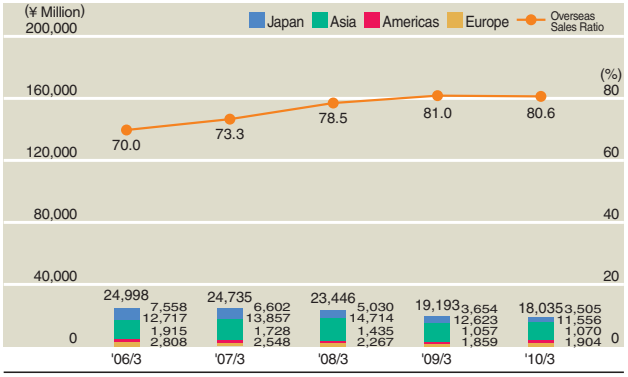
3. Integrated Circuits Sales by Geographical Region



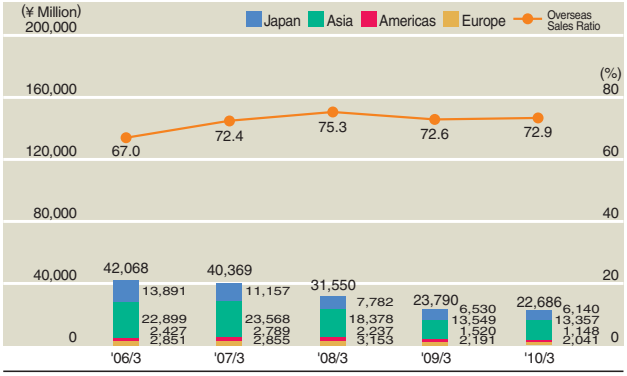
4. Discrete Semiconductor Devices Sales by Geographical Region



5. Passive Components Sales by Geographical Region

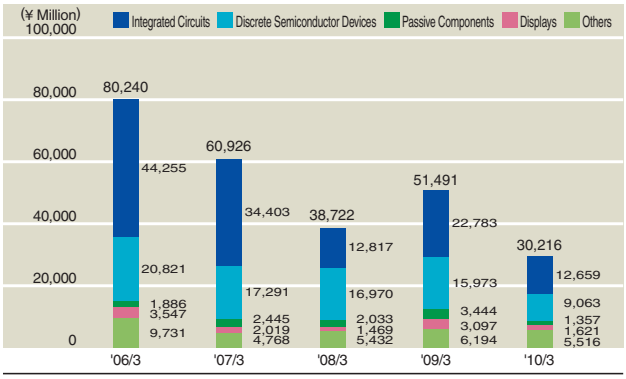


6. Displays Sales by Geographical Region



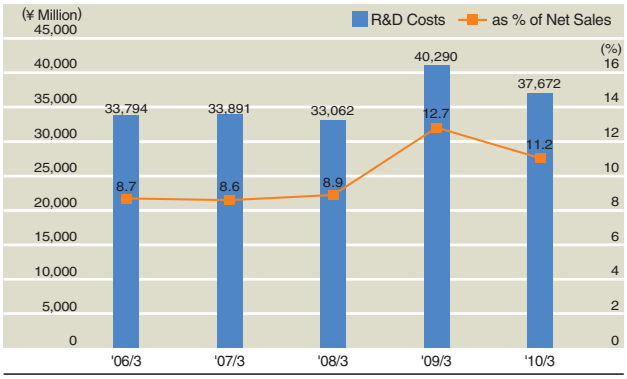
Capital Expenditures and Research and Development Costs

1. Capital Expenditures



Due to a gradual recovery of the market, capital expenditures were significantly concentrated on priority areas.

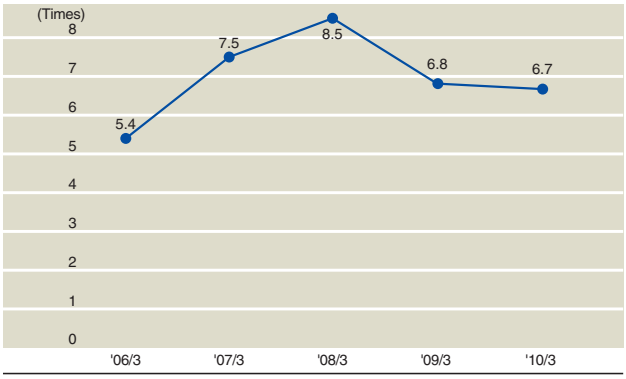
2. Research and Development Costs



ROHM constructively undertook research and development in preparation for future growth, such as the development of SiC devices that are attracting attention as a next-generation semiconductor. Although research and development costs increased in the year ended March 2009 due to the acquisition of OKI Semiconductor Co., Ltd., they decreased in the current period due to an improvement in business efficiency.

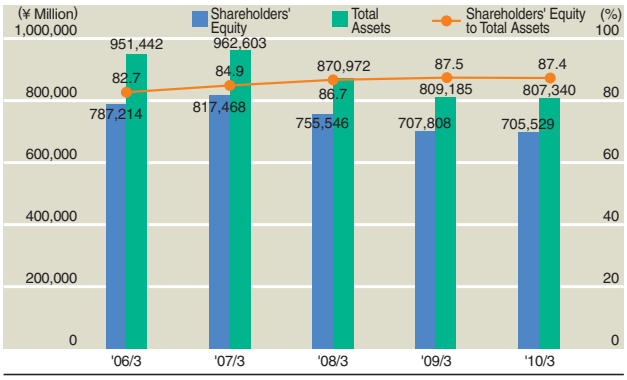
Financial Position

1. Current Ratio



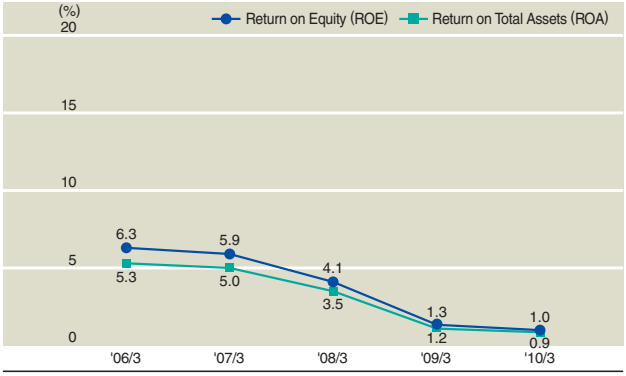
Since there were no significant changes in current assets and current liabilities, the current ratio remained the same.

2. Equity Capital and Total Assets



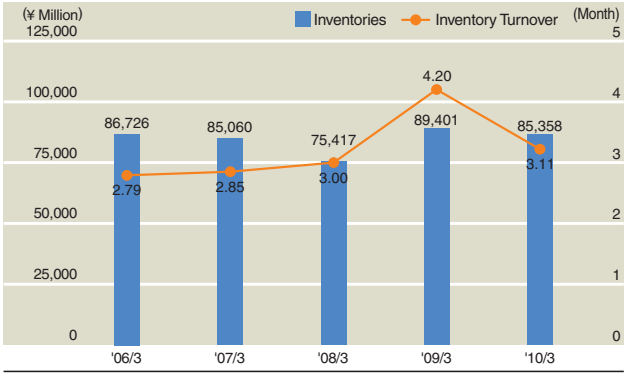
Since there were no significant changes in total assets and equity capital, the equity capital ratio remained the same.

3. Return on Equity (ROE) and Return on Total Assets (ROA)



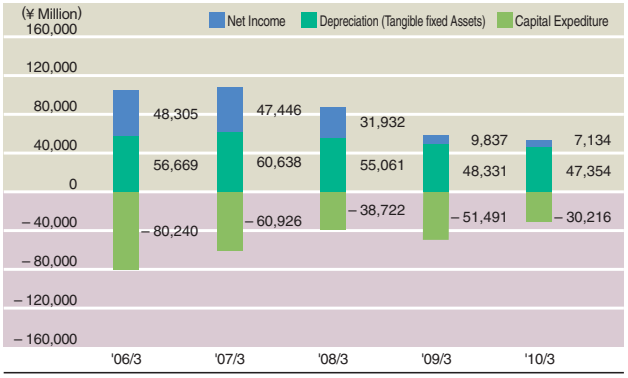
Because the net income decreased, both the return on equity (ROE) and return on total assets (ROA) deteriorated.

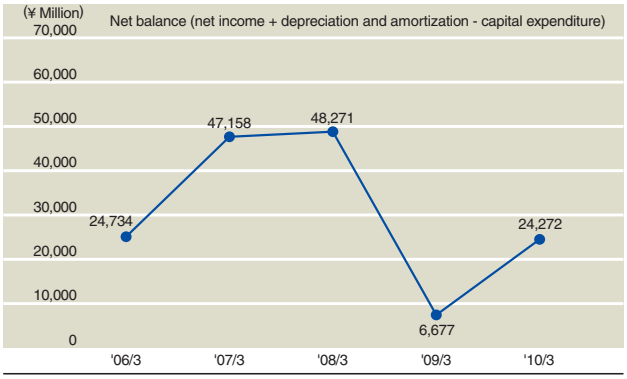
4. Inventories and Inventory Turnover



Because inventories decreased and, at the same time, sales of the fourth quarter increased on a year-on-year basis, inventory turnover improved.

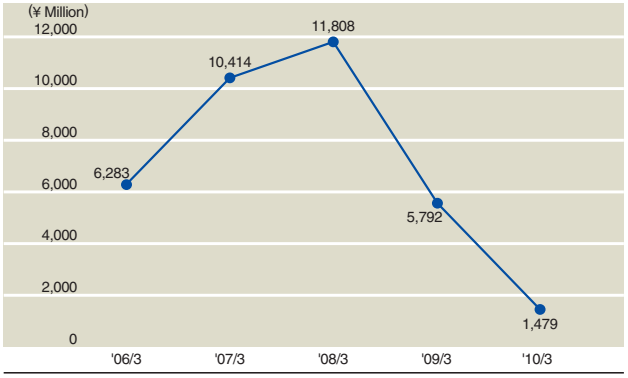
Net income, Depreciation, and Capital Expenditure

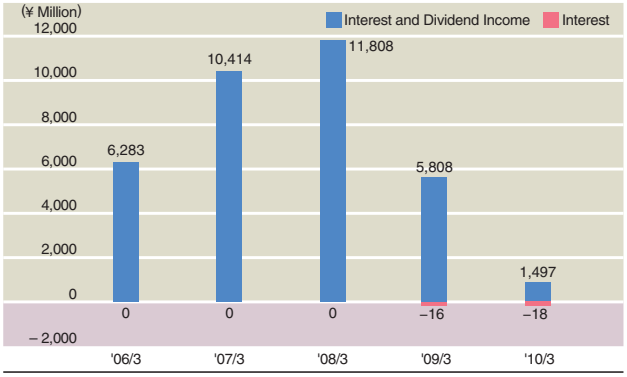




Net income and depreciation slightly decreased and, at the same time, the capital expenditure significantly decreased. As a result, net balance increased.

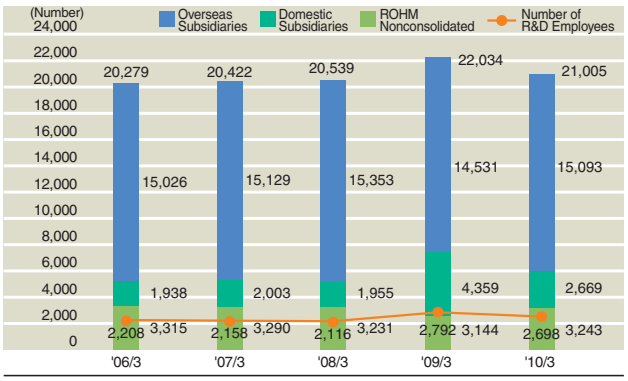
Net Financial Revenue





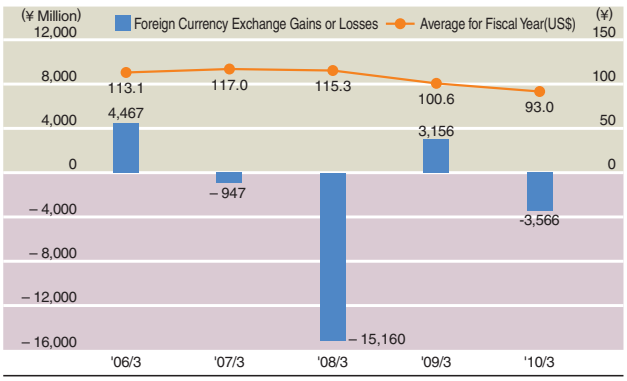
ROHM carries out fund management with the highest priority given to safety. In the current period, lower investment yields and decreased resources used resulted in reduced interests received.

Number of Employees



Because streamlining was promoted in the OKI Semiconductor Group, the number of employees in the domestic affiliated companies decreased.

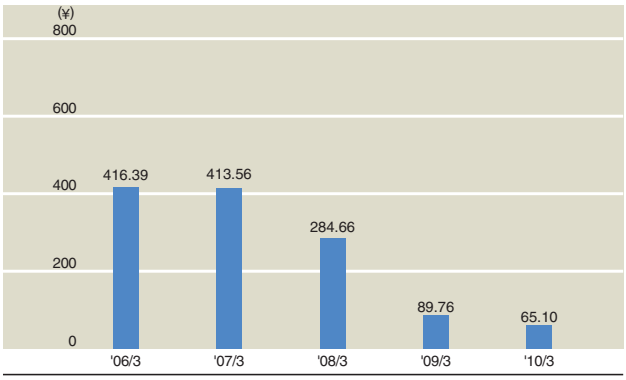
Exchange Rate and Foreign Currency Exchange Gains or Losses



Because the exchange rate fluctuated on a trend of a strong yen, an exchange loss resulted.

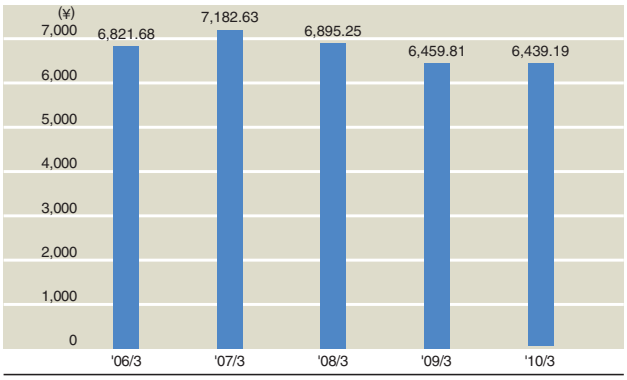
Share-related Information

1. Net Income per Share



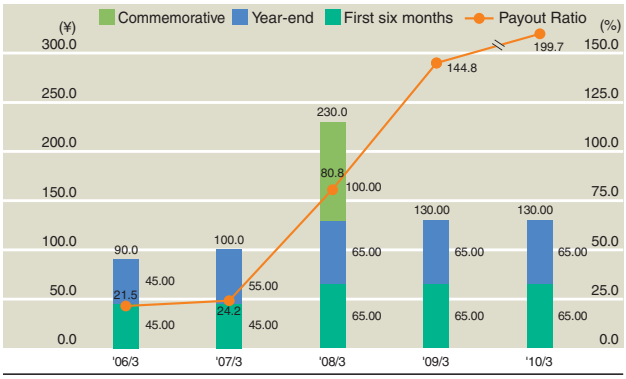
Since net income decreased, the net income per share in the current period decreased to 65.10 yen.

2. Net Assets per Share



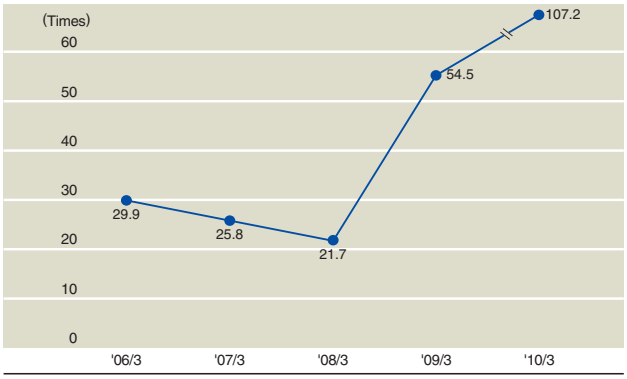
Since there were few changes in net assets, the net assets per share remained almost unchanged.

3. Cash Dividends per Share and Payout Ratio

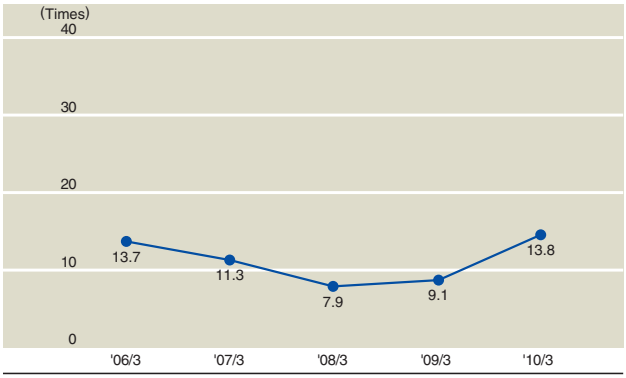


With improvement in profit distribution to shareholders, business results and fund demands in the future all taken into account, ROHM has declared an annual dividend of 130 yen per share.

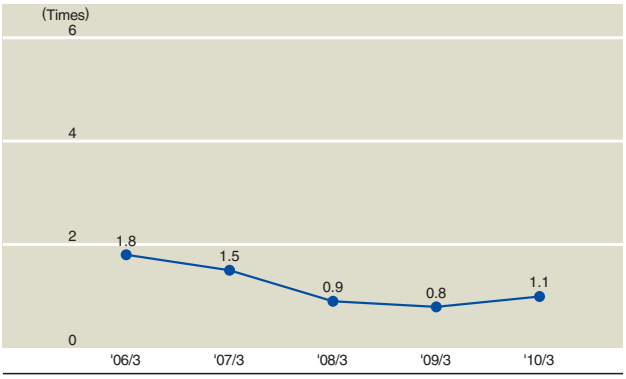
4. Price-earnings Ratio (PER)



5. Price Cash Flow Ratio (PCFR)

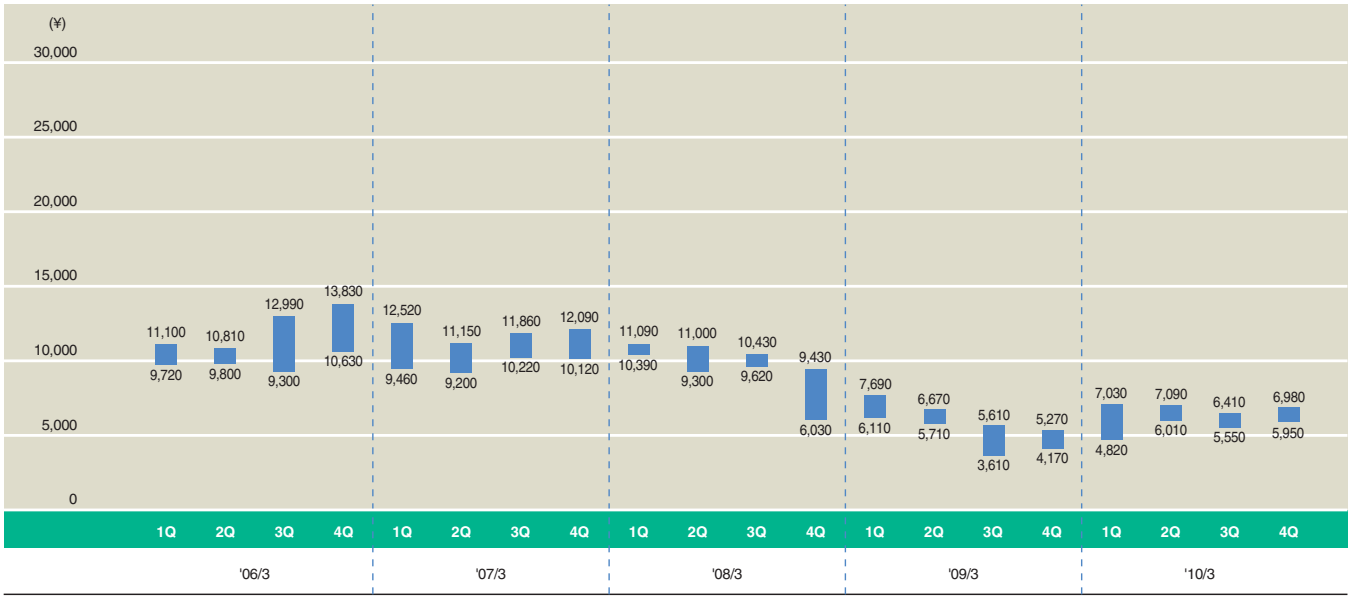


6. Price Book-value Ratio (PBR)



Stock Prices

Stock Prices; Quarterly Highs and Lows in Each Year (Osaka Securities Exchange)



(Note) Stock price is stipulated on a closing price basis.

Stock Information (as of March 31, 2010)

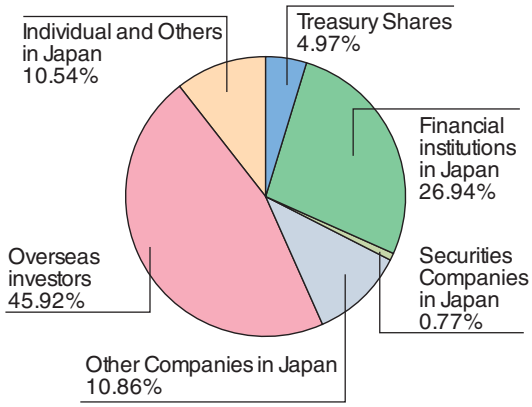
- Authorized Common Stock 300,000,000
- Issued Common Stock 115,300,000
- Number of Shareholders 28,428

- Major Shareholders

Ranking	Name	Number of Shares Held (in thousands)	Percentage (%)
1	Japan Trustee Service Bank, Ltd. (Trust account)	8,354	7.62
2	Rohm Music Foundation	8,000	7.30
3	The Master Trust Bank of Japan, Ltd. (Trust account)	6,773	6.18
4	State Street Bank and Trust Company 505223	4,587	4.18
5	State Street Bank and Trust Company	2,910	2.65
6	Bank of Kyoto, Ltd.	2,606	2.37
7	State Street Bank and Trust Company 505225	2,498	2.28
8	Ken Sato	2,405	2.19
9	Japan Trustee Service Bank, Ltd. (Trust account 9)	2,342	2.13
10	The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	1,896	1.73
Total		42,375	38.63

(Note) 1. Treasury stock (5,732,200) is excluded from the above list.
2. Percentage indicates ratio to issued common stock (109,567,800).
3. The percentages are rounded off the second decimal place.

- Shareholder Mix



Notes (Computation)

- **Price-earnings ratio (PER) =** stock price (year-end closing price at Osaka Securities Exchange) / net income per share
- **Price cash flow ratio (PCFR) =** stock price (year-end closing price at Osaka Securities Exchange) / cash flow per share*
  *Cash flow per share = (net income + depreciation and amortization) / the average number of shares of common stock
- **Price book-value ratio (PBR) =** stock price (year-end closing price at Osaka Securities Exchange) / net assets per share
- **Inventory turnover period =** {(inventories at the beginning of the year + inventories at the end of the year) / 2} / monthly average sales for the most recent three months
- **Payout ratio =** cash dividends per share / net income per share

The computation of net income per share and cash flow per share is based on the average number of shares of common stock outstanding during each year.

The average number of shares of common stock used in the computation for the fiscal year 2010, 2009, 2008, 2007, and 2006 was 109,569 thousand, 109,572 thousand, 112,168 thousand, 114,720 thousand, 115,768 thousand, respectively.

Eleven-Year Summary

ROHM CO., LTD. and Consolidated Subsidiaries
Years ended March 31

	2000	2001	2002	2003
For the Year:				
Net sales	¥ 360,080	¥ 409,335	¥ 321,265	¥ 350,281
Cost of sales	179,380	215,366	198,631	185,795
Selling, general and administrative expenses	58,358	56,226	56,176	68,363
Operating income	122,342	137,743	66,458	96,123
Income (loss) before income taxes and minority interests	114,902	147,059	68,129	90,476
Income taxes	46,469	60,581	28,829	37,479
Net income	66,727	86,165	39,274	53,003
Capital expenditures	57,997	125,020	43,326	40,548
Depreciation and amortization	38,759	53,082	52,377	52,424
Per Share Information (in yen and U.S. dollars):				
Basic net income	¥ 562.97	¥ 722.68	¥ 328.24	¥ 445.51
Diluted net income	561.63	721.47	327.89	445.30
Cash dividends applicable to the year	19.00	19.00	19.00	22.00
At Year-End:				
Current assets	¥ 407,524	¥ 449,684	¥ 445,094	¥ 519,996
Current liabilities	98,477	136,765	58,579	83,681
Long-term debt	678	579		
Equity	509,718	591,409	639,210	676,577
Total assets	648,336	764,495	740,627	805,693
Number of employees	13,659	15,316	15,174	16,841

Notes: 1. U.S. dollar amounts are provided solely for convenience at the rate of ¥93 to US$1, the approximate exchange rate at March 31, 2010.
2. Certain reclassifications of previously reported amounts have been made to conform with current classifications.
3. Diluted net income per share for 2010, 2009, 2008, 2007, 2006, 2005 and 2004 is not disclosed because there is no outstanding potentially dilutive securities.
4. Effective April 1, 2008, ROHM CO., LTD and its consolidated subsidiaries applied new accounting standards as follows:
(1) applied a new accounting standard for measurement of inventories. The effect of this change was to decrease "Operating Income" by ¥3,184 million and to increase "Loss before income taxes and minority interests" by ¥3,184 million for the year ended March 31, 2009.
(2) applied a new accounting standard for lease transactions. The effect of this change to the consolidated financial statements was immaterial for the year ended March 31, 2009.
(3) applied a new accounting standard for unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements. The effect of this change to the consolidated financial statements was immaterial for the year ended March 31,2009.

Millions of yen							Thousands of U.S. dollars
2004	2005	2006	2007	2008	2009	**2010**	**2010**
¥ 355,630	¥ 369,024	¥ 387,790	¥ 395,082	¥ 373,406	¥ 317,141	**¥ 335,641**	**$ 3,609,043**
194,857	221,133	243,516	251,516	230,839	217,282	**229,831**	**2,471,301**
66,266	71,837	75,955	74,068	75,205	89,319	**87,000**	**935,484**
94,507	76,054	68,319	69,498	67,362	10,540	**18,810**	**202,258**
101,070	70,842	73,858	77,874	57,967	(25,520)	**10,836**	**116,516**
37,268	25,667	25,490	30,400	26,007	(33,775)	**4,001**	**43,021**
63,717	45,135	48,305	47,446	31,932	9,837	**7,134**	**76,710**
51,958	85,171	80,240	60,926	38,722	51,491	**30,216**	**324,903**
45,869	47,442	57,032	61,141	55,605	48,951	**48,446**	**520,925**
¥ 535.62	¥ 380.21	¥ 416.39	¥ 413.56	¥ 284.66	¥ 89.76	**¥ 65.10**	**$ 0.70**
55.00	85.00	90.00	100.00	230.00	130.00	**130.00**	**1.40**
¥ 530,121	¥ 512,990	¥ 568,112	¥ 602,705	¥ 535,898	¥ 464,187	**¥ 462,435**	**$ 4,972,419**
88,321	85,964	105,779	80,383	62,775	68,325	**68,850**	**740,323**
715,938	739,329	787,214	817,818	755,873	709,841	**707,719**	**7,609,882**
846,800	867,323	951,442	962,603	870,972	809,185	**807,340**	**8,681,075**
18,591	19,803	20,279	20,422	20,539	22,034	**21,005**	

Consolidated Balance Sheets

ROHM CO., LTD. and Consolidated Subsidiaries
March 31, 2010 and 2009

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	**2010**
Current Assets:			
Cash and cash equivalents (Note 14)	**¥ 259,136**	¥ 262,211	**$ 2,786,409**
Marketable securities (Notes 4 and 14)	**2,902**	18,894	**31,204**
Short-term investments (Notes 5 and 14)	**17,989**	10,150	**193,430**
Notes and accounts receivable (Note 14):			
Trade	**78,259**	63,992	**841,495**
Other	**1,824**	1,833	**19,613**
Allowance for doubtful notes and accounts	**(329)**	(498)	**(3,538)**
Inventories (Note 6)	**85,358**	89,401	**917,828**
Deferred tax assets (Note 13)	**10,516**	7,987	**113,075**
Prepaid pension cost (Note 8)	**2,615**	3,409	**28,118**
Refundable income taxes (Note 14)	**662**	2,434	**7,118**
Prepaid expenses and other	**3,503**	4,374	**37,667**
Total current assets	**462,435**	464,187	**4,972,419**
Property, Plant and Equipment :			
Land (Note 7)	**85,501**	84,392	**919,366**
Buildings and structures (Notes 7 and 16)	**213,985**	210,215	**2,300,914**
Machinery and equipment (Notes 7 and 16)	**471,926**	463,467	**5,074,473**
Furniture and fixtures (Notes 7 and 16)	**43,267**	43,593	**465,237**
Construction in progress (Note 7)	**14,838**	16,412	**159,548**
Total	**829,517**	818,079	**8,919,538**
Accumulated depreciation	**(568,820)**	(535,840)	**(6,116,344)**
Net property, plant and equipment	**260,697**	282,239	**2,803,194**
Investments and Other Assets:			
Investment securities (Notes 4 and 14)	**37,247**	28,113	**400,505**
Investments in and advance to unconsolidated subsidiaries and associated companies (Note 14)	**1,636**	1,934	**17,591**
Goodwill (Note 3)	**27,454**	19,406	**295,204**
Other intangible assets	**10,476**	3,056	**112,645**
Deferred tax assets (Note 13)	**2,207**	4,092	**23,731**
Other	**5,801**	6,511	**62,377**
Allowance for doubtful accounts	**(613)**	(353)	**(6,591)**
Total investments and other assets	**84,208**	62,759	**905,462**
Total	**¥ 807,340**	¥ 809,185	**$ 8,681,075**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	**2010**
Current Liabilities:			
Notes and accounts payable (Note 14):			
Trade	**¥ 20,995**	¥ 15,723	**$ 225,753**
Construction and other	**28,723**	28,201	**308,849**
Accrued income taxes (Note 14)	**4,004**	1,018	**43,054**
Deferred tax liabilities (Note 13)	**1,110**	3,704	**11,935**
Provision for business structure improvement	**437**	6,011	**4,699**
Accrued expenses and other	**13,581**	13,668	**146,032**
Total current liabilities	**68,850**	68,325	**740,322**
Long-term Liabilities:			
Liability for retirement benefits (Note 8)	**10,211**	12,216	**109,796**
Deferred tax liabilities (Note 13)	**18,337**	14,833	**197,172**
Other	**2,223**	3,970	**23,903**
Total long-term liabilities	**30,771**	31,019	**330,871**
Commitments and Contingent Liabilities (Notes 15, 16 and 17)			
Equity (Notes 9 and 18):			
Common stock - authorized, 300,000,000 shares; issued, 115,300,000 shares in 2010 and 118,801,388 shares in 2009	**86,969**	86,969	**935,151**
Capital surplus	**102,404**	102,404	**1,101,118**
Retained earnings	**637,999**	679,996	**6,860,204**
Net unrealized gain on available-for-sale securities (Note 4)	**8,122**	168	**87,333**
Foreign currency translation adjustments	**(72,860)**	(69,756)	**(783,441)**
Treasury stock-at cost 5,732,200 shares in 2010 and 9,230,546 shares in 2009	**(57,105)**	(91,973)	**(614,032)**
Total	**705,529**	707,808	**7,586,333**
Minority interests	**2,190**	2,033	**23,549**
Total equity	**707,719**	709,841	**7,609,882**
Total	**¥ 807,340**	¥ 809,185	**$ 8,681,075**

Consolidated Statements of Income

ROHM CO., LTD. and Consolidated Subsidiaries
Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	**2010**
Net Sales	**¥ 335,641**	¥ 317,141	¥ 373,406	**$ 3,609,043**
Operating Cost and Expenses :				
Cost of sales	**229,831**	217,282	230,839	**2,471,301**
Selling, general and administrative expenses (Notes 10 and 11)	**87,000**	89,319	75,205	**935,484**
Total operating cost and expenses	**316,831**	306,601	306,044	**3,406,785**
Operating Income	**18,810**	10,540	67,362	**202,258**
Other Income (Expenses):				
Interest and dividend income	**1,497**	5,808	11,808	**16,097**
Foreign currency exchange gains (losses) - net	**(3,566)**	3,156	(15,159)	**(38,344)**
Gain on sale of property, plant and equipment	**76**	139	123	**817**
Loss on sale and disposal of property, plant and equipment	**(712)**	(1,212)	(2,037)	**(7,656)**
Loss on impairment of long-lived assets (Note 7)	**(1,738)**	(11,908)	(1,593)	**(18,688)**
Loss on valuation of investment securities	**(23)**	(6,789)	(2,997)	**(247)**
Special retirement expenses	**(213)**	(15,001)		**(2,290)**
Business structure improvement expenses (Note 12)	**(2,999)**	(9,495)		**(32,247)**
Other - net	**(296)**	(758)	460	**(3,184)**
Total other income (expenses) - net	**(7,974)**	(36,060)	(9,395)	**(85,742)**
Income (Loss) before Income Taxes and Minority Interests	**10,836**	(25,520)	57,967	**116,516**
Income Taxes (Note 13):				
Current	**7,272**	6,156	18,406	**78,193**
Deferred	**(3,271)**	(39,931)	7,601	**(35,172)**
Total income taxes	**4,001**	(33,775)	26,007	**43,021**
Minority Interests in Net Loss (Income)	**299**	1,582	(28)	**3,215**
Net Income	**¥ 7,134**	¥ 9,837	¥ 31,932	**$ 76,710**

	Yen			U.S. dollars
Per Share Information (Note 2. (s)):				
Basic net income	**¥ 65.10**	¥ 89.76	¥ 284.66	**$ 0.70**
Cash dividends applicable to the year	**130.00**	130.00	230.00	**1.40**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

ROHM CO., LTD. and Consolidated Subsidiaries
Years ended March 31, 2010, 2009 and 2008

	Number of shares of common stock outstanding	Millions of yen								
		Common stock	Capital surplus	Retained earnings	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Treasury stock	Total	Minority interests	Total equity
Balance at April 1, 2007	113,811,499	¥ 86,969	¥ 102,404	¥ 676,750	¥ 3,615	¥ 131	¥ (52,401)	¥ 817,468	¥ 350	¥ 817,818
Net income				31,932				31,932		31,932
Cash dividends, ¥120.00 per share				(13,564)				(13,564)		(13,564)
Purchase of treasury stock	(4,236,946)						(39,553)	(39,553)		(39,553)
Net change in the year					(1,713)	(39,024)		(40,737)	(23)	(40,760)
Balance at March 31, 2008	109,574,553	86,969	102,404	695,118	1,902	(38,893)	(91,954)	755,546	327	755,873
Adjustment of retained earnings due to an adoption of PITF No.18 (Note 2.(b))				319				319		319
Net income				9,837				9,837		9,837
Cash dividends, ¥230.00 per share				(25,202)				(25,202)		(25,202)
Purchase of treasury stock	(3,711)						(19)	(19)		(19)
Other				(76)				(76)		(76)
Net change in the year					(1,734)	(30,863)		(32,597)	1,706	(30,891)
Balance at March 31, 2009	109,570,842	86,969	102,404	679,996	168	(69,756)	(91,973)	707,808	2,033	709,841
Net income				**7,134**				**7,134**		**7,134**
Cash dividends, ¥130.00 per share				**(14,244)**				**(14,244)**		**(14,244)**
Purchase of treasury stock	**(3,042)**						**(19)**	**(19)**		**(19)**
Retirement of treasury stock			**(34,887)**				**34,887**			
Transfer from retained earnings to capital surplus			**34,887**	**(34,887)**						
Net change in the year					**7,954**	**(3,104)**		**4,850**	**157**	**5,007**
Balance at March 31, 2010	**109,567,800**	**¥ 86,969**	**¥ 102,404**	**¥ 637,999**	**¥ 8,122**	**¥ (72,860)**	**¥ (57,105)**	**¥ 705,529**	**¥ 2,190**	**¥ 707,719**

	Thousands of U.S. dollars (Note 1)								
	Common stock	Capital surplus	Retained earnings	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Treasury stock	Total	Minority interests	Total equity
Balance at March 31, 2009	$ 935,151	$ 1,101,118	$ 7,311,784	$ 1,806	$ (750,065)	$ (988,957)	$ 7,610,837	$ 21,860	$ 7,632,697
Net income			**76,710**				**76,710**		**76,710**
Cash dividends, $1.40 per share			**(153,161)**				**(153,161)**		**(153,161)**
Purchase of treasury stock						**(204)**	**(204)**		**(204)**
Retirement of treasury stock		**(375,129)**				**375,129**			
Transfer from retained earnings to capital surplus		**375,129**	**(375,129)**						
Net change in the year				**85,527**	**(33,376)**		**52,151**	**1,689**	**53,840**
Balance at March 31, 2010	**$ 935,151**	**$ 1,101,118**	**$ 6,860,204**	**$ 87,333**	**$ (783,441)**	**$ (614,032)**	**$ 7,586,333**	**$ 23,549**	**$ 7,609,882**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

ROHM CO., LTD. and Consolidated Subsidiaries
Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	**2010**
Operating Activities:				
Income (loss) before income taxes and minority interests	**¥ 10,836**	¥ (25,520)	¥ 57,967	**$ 116,516**
Adjustments for:				
Income taxes - paid	**(2,552)**	(13,331)	(19,374)	**(27,441)**
Depreciation and amortization	**48,446**	48,951	55,605	**520,925**
Amortization of goodwill	**5,282**	2,156		**56,796**
Foreign currency exchange losses (gains) - net	**346**	1,161	12,086	**3,720**
Increase (decrease) in provision for retirement benefits	**(1,979)**	(4,195)	8	**(21,280)**
Decrease (increase) in prepaid pension costs	**794**	1,154	(38)	**8,538**
Loss on impairment of long-lived assets	**1,738**	11,908	1,593	**18,688**
Increase (decrease) in provision for business structure improvement	**(5,563)**	6,011		**(59,817)**
Loss on valuation of investment securities	**23**	6,789	2,997	**247**
Changes in assets and liabilities:				
Decrease (increase) in notes and accounts receivables - trade	**(13,514)**	37,349	18,133	**(145,312)**
Decrease (increase) in inventories	**5,299**	9,095	3,865	**56,978**
Increase (decrease) in notes and accounts payables - trade	**4,933**	(15,288)	(5,506)	**53,043**
Increase (decrease) in accounts payable - other	**(4,067)**	140	3,468	**(43,731)**
Other - net	**1,977**	(409)	5,387	**21,259**
Total adjustments	**41,163**	91,491	78,224	**442,613**
Net cash provided by operating activities	**51,999**	65,971	136,191	**559,129**
Investing Activities:				
Decrease (increase) in time deposits - net	**(6,974)**	8,444	2,708	**(74,989)**
Purchases of marketable and investment securities	**(334)**	(4,782)	(48,756)	**(3,591)**
Proceeds from sales and redemption of marketable and investment securities	**18,976**	41,560	65,455	**204,043**
Purchases of property, plant and equipment	**(23,012)**	(53,852)	(51,076)	**(247,441)**
Proceeds from sale of property, plant and equipment	**121**	202	253	**1,301**
Acquisition of shares of newly consolidated subsidiaries, net of cash and cash equivalents acquired	**(22,338)**	(81,460)		**(240,194)**
Payments for sales of shares of consolidated subsidiaries, net of cash and cash equivalents transferred	**(60)**			**(645)**
Other - net	**(1,810)**	(519)	(1,921)	**(19,462)**
Net cash used in investing activities	**(35,431)**	(90,407)	(33,337)	**(380,978)**
Financing Activities:				
Purchase of treasury stock	**(19)**	(20)	(39,553)	**(204)**
Dividends paid	**(14,244)**	(25,202)	(13,564)	**(153,161)**
Repayments of short-term bank loans		(2,381)		
Other - net	**(171)**	(116)	(1)	**(1,839)**
Net cash used in financing activities	**(14,434)**	(27,719)	(53,118)	**(155,204)**
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	**(5,209)**	(11,191)	(36,199)	**(56,011)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(3,075)**	(63,346)	13,537	**(33,064)**
Cash and Cash Equivalents at Beginning of Year	**262,211**	325,715	312,178	**2,819,473**
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation		(158)		
Cash and Cash Equivalents at End of Year	**¥ 259,136**	¥ 262,211	¥ 325,715	**$ 2,786,409**

(Additional information)

ROHM Electronics Europe Limited, a wholly-owned subsidiary of ROHM Co.,Ltd., acquired the stock of SiCrystal AG as of July 14, 2009 and ROHM U.S.A., Inc., a wholly-owned subsidiary of ROHM Co., Ltd., acquired Kionix Inc. as of November 16, 2009 by reverse triangular merger. As a result, SiCrystal AG, Kionix Inc. and its 3 subsidiaries became consolidated subsidiaries of ROHM Co., Ltd. (Note 3)

ROHM Co., Ltd. acquired the stock of OKI Semiconductor Co., Ltd. as of October 1, 2008. As a result, OKI Semiconductor Co., Ltd. and its 15 subsidiaries became consolidated subsidiaries of ROHM Co., Ltd. (Note 3)

A reconciliation between assets and liabilities of the newly consolidated subsidiaries at the date of acquisition, cash paid for the capital and payment for acquisition of shares of newly consolidated subsidiaries, net of cash and cash equivalents acquired, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Assets	**¥10,879**	¥119,383	**$116,979**
Goodwill	**12,877**	21,563	**138,462**
Liabilities	**(617)**	(50,684)	**(6,634)**
Minority interests	**(341)**	(3,435)	**(3,667)**
Cash paid for the capital	**22,798**	86,827	**245,140**
Cash and cash equivalents of consolidated subsidiaries	**(460)**	(5,367)	**(4,946)**
Payment for acquisition of shares of newly consolidated subsidiaries, net of cash and cash equivalents acquired	**¥22,338**	¥ 81,460	**$240,194**

 See notes to consolidated financial statements.

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instrument and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

Certain reclassifications of previously reported amounts have been made to conform with current classifications.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which ROHM CO., LTD. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥93 to $1, the approximate rate of exchange at March 31, 2010. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

(a) Consolidation

The consolidated financial statements as of March 31, 2010 include the accounts of the Company and its 54 significant (53 in 2009) subsidiaries (together, the "Group").

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investment in zero (one in 2009) associated company is accounted for by the equity method.

Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The significant difference between the equity in net assets acquired at the respective dates of acquisition and the cost of the Company's investments in subsidiaries and associated companies, is being amortized over a period of five years.

All significant intercompany balances and transactions have been eliminated in consolidation.

All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

The fiscal year end dates of thirteen (eight in 2009) consolidated subsidiaries, are different from the consolidated balance sheet date March 31. One of them is dated September 30, and twelve, including ROHM SEMICONDUCTOR CHINA CO., LTD., are dated December 31, and the financial statements of these subsidiaries as of the provisional closing date of March 31 were used for consolidation purposes.

(b) Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

In May 2006, the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Practical Issues Task Force ("PITF") No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". PITF No.18 prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and 6) exclusion of minority interests from net income, if contained. PITF No.18 was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

The Company applied this accounting standard effective April 1, 2008. The effect of this change to the consolidated financial statements was immaterial for the year ended March 31, 2009.

In addition, the Company adjusted the beginning balance of retained earning at April 1, 2008 as if this accouting standard had been retrospectively applied.

(c) Business combination

In October 2003, the Business Accounting Council issued a Statement of Opinion, "Accounting for Business Combinations", and in December 2005, the ASBJ issued ASBJ Statement No.7, "Accounting Standard for Business Divestitures" and ASBJ Guidance No.10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures". The accounting standard for business combinations allows companies to apply the pooling of interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. For business combinations that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

ROHM U.S.A., Inc., a wholly-owned subsidiary of the Company, acquired Kionix, Inc. ("Kionix") on November 16, 2009 by reverse triangular merger, and accounted for it by the purchase method of accounting. The related goodwill is systematically amortized over five years.

(d) Cash equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits and certificates of deposit, all of which mature or become due within three months of the date of acquisition.

(e) Marketable and investment securities

Marketable and investment securities are classified and accounted for, depending on management's intent.

Available-for-sale securities, which are not classified as either trading securities or held-to-maturity debt securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

The Group classified all marketable and investment securities as available-for-sale securities.

Non-marketable available-for-sale securities are stated at cost principally determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(f) Inventories

Prior to April 1, 2008, inventories were stated principally at cost determined by the moving-average method. In July 2006, the ASBJ issued ASBJ Statement No.9, "Accounting Standard for Measurement of Inventories". This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

The Group applied this new accounting standard for measurement of inventories effective April 1, 2008. The effect of this change was to increase loss before income taxes and minority interests by ¥ 3,184 million for the year ended March 31, 2009.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost.

Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed substantially by the declining-balance method based on the estimated useful lives of the assets while the straight-line method is applied to buildings acquired after April 1, 1998. Depreciation of property, plant and equipment of consolidated foreign subsidiaries is computed principally by the declining-balance method based on the estimated useful lives of the assets. Equipment held for lease is depreciated by the straight-line method over the respective lease periods.

Estimated useful lives of the assets are principally as follows:

Buildings and structures ..... 3 to 50 years

Machinery and equipment ..... 2 to 10 years

(h) Intangible assets

Intangible assets are stated at cost less accumulated amortization, which is calculated by the straight-line method.

(i) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use

and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(j) Liability for retirement benefits

The Company and certain consolidated domestic subsidiaries have pension plans for employees; contributory and non-contributory funded defined benefit pension plans, and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

The Company and certain consolidated foreign subsidiaries also have defined contribution pension plans.

(k) Provision for business structure improvement

Provision for business structure improvement is provided based on an estimate of future expenses and losses that will be incured in the process of business restructuring.

(l) Research and development costs

Research and development costs are charged to "Selling, general and administrative expenses" as incurred.

(m) Leases

In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008, with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions.

The effect of this change to income (loss) was immaterial for the year ended March 31, 2009.

All other leases are accounted for as operating leases.

(n) Bonuses to directors and corporate auditors

Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

(o) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

(p) Foreign currency transactions

Both short-term and long-term receivables and payables denominated in foreign currencies are translated into Japanese yen at exchange rates in effect at the balance sheet date.

However, short-term receivables covered by forward exchange contracts are translated at the contract rates.

Any differences between the foreign exchange contract rates and historical rates resulting from the translation of receivables are recognized as income or expense over the lives of the related contracts.

(q) Foreign currency financial statements

The balance sheet accounts of consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rates as of the balance sheet date except for equity, which is translated at the historical rates. Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiaries and an associated company are translated into Japanese yen at the average exchange rates.

(r) Derivatives and hedging activities

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange. Foreign exchange forward contracts are utilized by the Group to reduce foreign currency exchange risk. The Group does not enter into derivatives for trading or speculative purposes.

Monetary receivables denominated in foreign currencies, for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations, are translated at the contracted rate if the forward contracts qualify for hedge accounting.

(s) Per share information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

The average number of shares used to compute basic net income per share for the years ended March 31, 2010, 2009 and 2008 were 109,569 thousand shares, 109,573 thousand shares and 112,168 thousand shares, respectively.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

(t) New accounting pronouncements

Business Combinations

In December, 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No.21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows:

(1) The current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires to account for such business combination by the purchase method and the pooling of interests method of accounting is no longer allowed.

(2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.

(3) The current accounting standard accounts for a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed with a review of such procedures used.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method

The current accounting standard requires to unify accounting policies within the consolidation group. However, the current guidance allows to apply the equity method for the financial statements of its foreign associated company which have been prepared in accordance with generally accepted accounting principles in their respective jurisdictions without unification of accounting policies.

In December, 2008, the ASBJ issued ASBJ Statement No.16 (Revised 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments". The new standard requires adjustments to be made to conform the associate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method unless it is impracticable to determine adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to the financial statements have been incorporated; and 6) exclusion of minority interests from net income, if contained.

This standard is applicable to equity method of accounting for investments effective on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Asset Retirement Obligations

In March, 2008, the ASBJ published a new accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability.

The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

This standard is effective for fiscal years beginning on or after April 1, 2010, with early adoption permitted for fiscal years beginning on or before March 31, 2010.

Accounting Changes and Error Corrections

In December 2009, ASBJ issued ASBJ Statement No. 24 "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows;

(1) Changes in Accounting Policies
When a new accounting policy is applied with revision of accounting standards, a new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in Presentations
When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates
A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior Period Errors
When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

Segment Information Disclosures

In March 2008, the ASBJ revised ASBJ Statement No. 17 "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No.20 "Guidance on Accounting Standard for Segment Information Disclosures". Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

3. Business Combination

On November 16, 2009, ROHM U.S.A., Inc., a wholly-owned subsidiary of the Company, acquired Kionix by reverse triangular merger.

The main businesses of Kionix are the manufacture, development and sales of MEMS devices (acceleration sensor).

The main reason for this business combination is that by putting Kionix, which is a world renowned supplier of MEMS acceleration sensors, under the Company's control, the Company has acquired Kionix's exceptional basic technology and product groups. Furthermore, by assimilating this technology with the Company's circuit design, production and packaging technology and then fulfilling product series that matches customer needs, the Company will be in a position to accelerate growth as a semiconductor company.

The Company accounted for this business combination by the purchase method of accounting. The acquisition cost was $ 236,009 thousand. The total cost of acquisition has been allocated to the assets acquired and the liabilities assumed based on their respective fair values. Goodwill recorded in connection with the acquisition totaled ¥ 12,173 million ($ 130,892 thousand).

The estimated fair values of the assets acquired and the liabilities assumed at the acquisition date are as follows:

	Millions of yen	Thousands of U.S. dollars
Current assets	**¥ 1,747**	**$ 18,785**
Fixed assets	**7,720**	**83,011**
Total assets acquired	**9,467**	**101,796**
Current liabilities	**505**	**5,430**
Fixed liabilities	**36**	**387**
Total liabilities assumed	**541**	**5,817**

If this business combination had been completed as of April 1, 2009, the beginning of the current fiscal year, the unaudited condensed pro forma consolidated financial statement of income for the year ended March 31, 2010 would be as follows:

	Millions of yen	Thousands of U.S. dollars
Sales	**¥ 3,394**	**$ 36,495**
Operating income	**567**	**6,097**

On October 1, 2008, the Company acquired 95% of the issued shares of OKI Semiconductor Co., Ltd ("OKI Semiconductor").

The main businesses of OKI Semiconductor are the manufacturing, development and sales of system LSI, logic LSI, memory LSI and devices for high-speed optical communication, and foundry service.

Main reason for this business combination is as OKI Semiconductor and the Company have relatively few overlapping products for semiconductor market, and the synergy effect by mutually cooperating with each other can be expected, thus further improvement of sales and profitability of both companies are being expected. In addition, this combination was for the purpose of enhancing corporate value by developing as an integrated device manufacture (IDM) having a wide ranging product portfolio with strong competitiveness.

The Company accounted for this business combination by the purchase method of accounting. The acquisition cost was ¥ 86,827 million. The total cost of acquisition has been allocated to the assets acquired and the liabilities assumed based on their respective fair values. Goodwill recorded in connection with the acquisition totaled ¥ 21,563 million.

The estimated fair values of the assets acquired and the liabilities assumed at the acquisition date are as follows:

	Millions of yen
Current assets	¥ 56,249
Fixed assets	63,134
Total assets acquired	119,383
Current liabilities	29,648
Fixed liabilities	21,036
Total liabilities assumed	50,684

The amounts which affect consolidated financial statement of income for the year ended March 31, 2009, assuming that this business combination had been completed as of April 1, 2008, the beginning of the fiscal year ended March 31, 2009, cannot be estimated, because the existing accounting procedures of the acquired company and those of the Group have large differences, and the acquired company is a company which was newly setup and divided during the year ended March 31, 2009.

4. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Current:			
Government and corporate bonds	**¥ 2,902**	¥ 18,894	**$ 31,204**
Non-current:			
Marketable equity securities	**¥ 28,687**	¥ 17,773	**$ 308,462**
Government and corporate bonds	**4,530**	7,185	**48,710**
Other	**4,030**	3,155	**43,333**
Total	**¥ 37,247**	¥ 28,113	**$ 400,505**

The costs and aggregate fair values of marketable and investment securities at March 31, 2010 and 2009 were as follows:

	Millions of yen			
	2010			
Securities classified as:	Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale:				
Equity securities	**¥ 16,995**	**¥ 11,740**	**¥ (48)**	**¥ 28,687**
Debt securities	**7,623**	**6**	**(172)**	**7,457**
Other	**2,363**	**553**	**(150)**	**2,766**
Total	**¥ 26,981**	**¥ 12,299**	**¥ (370)**	**¥ 38,910**

	Millions of yen			
	2009			
Securities classified as:	Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale:				
Equity securities	¥ 16,677	¥ 2,385	¥ (1,289)	¥ 17,773
Debt securities	26,652	5	(578)	26,079
Other	2,408		(222)	2,186
Total	¥ 45,737	¥ 2,390	¥ (2,089)	¥ 46,038

	Thousands of U.S. dollars			
	2010			
Securities classified as:	Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale:				
Equity securities	**$ 182,742**	**$ 126,236**	**$ (516)**	**$ 308,462**
Debt securities	**81,967**	**65**	**(1,849)**	**80,183**
Other	**25,409**	**5,946**	**(1,613)**	**29,742**
Total	**$ 290,118**	**$ 132,247**	**$ (3,978)**	**$ 418,387**

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2009 were as follows. The similar information for 2010 is disclosed in Note 14.

	Carrying amount
	Millions of yen
	2009
Available-for-sale:	
Equity securities	¥ 869
Other	100
Total	¥ 969

Proceeds from sales of available-for-sale securities for the years ended March 31, 2009 were ¥21,088 million. Gross realized gains and losses on these sales, principally computed on the moving-average cost basis, were ¥127 million and ¥6 million, respectively, for the year ended March 31, 2009.

The information of available-for-sale securities which were sold during the year ended March 31, 2010 was as follows:

	Millions of yen		
	2010		
	Proceeds	Realized gains	Realized loss
Available-for-sale:			
Equity securities	**¥ 2**	**¥ 1**	**¥ (0)**
Debt securities	**0**	**0**	
Total	**¥ 2**	**¥ 1**	**¥ (0)**

	Thousands of U.S. Dollars		
	2010		
	Proceeds	Realized gains	Realized loss
Available-for-sale:			
Equity securities	**$ 22**	**$ 11**	**$ (0)**
Debt securities	**0**	**0**	
Total	**$ 22**	**$ 11**	**$ (0)**

The impairment losses on available-for-sale securities for the years ended March 31, 2010 and 2009 were ¥ 23 million ($ 247 thousand) and ¥ 6,789 million, respectively.

5. Short-term Investments

Short-term investments at March 31, 2010 and 2009 were time deposits.

6. Inventories

Inventories at March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Finished products	**¥ 22,063**	¥ 22,241	**$ 237,236**
Work in process	**39,692**	44,860	**426,796**
Raw materials and supplies	**23,603**	22,300	**253,796**
Total	**¥ 85,358**	¥ 89,401	**$ 917,828**

7. Long-lived assets

The Group reviewed its long-lived assets for impairment during the year ended March 31, 2010 and, as a result, recognized an impairment loss of ¥1,738 million ($18,688 thousand) as other expense for idle assets located in Fukuoka, Shizuoka, Okayama, Kyoto and other as the Group determined that the idle assets were not likely to be used in the future and the carrying amount of the relevant idle assets were written down to the recoverable amount for the year ended March 31, 2010. The recoverable amount of idle assets were measured at their net selling prices, which were calculated based on reasonable estimation in consideration of market value.

The Group reviewed its long-lived assets for impairment during the year ended March 31, 2009 and, as a result, recognized an impairment loss of ¥11,908 million as other expense.

The components of impairment loss for the year ended March 31, 2009 were as follows:

a) The Group recognized an impairment loss of ¥1,231 million for the Laser Diodes processing machinery group of the Okayama and China Plants due to a continuous operating loss of that unit and the carrying amount of the relevant machinery was written down to the recoverable amount for the year ended March 31, 2009. The recoverable amount of that machinery group was measured at its value in use and the discount rate used for computation of present value of future cash flows was 8.8%.

b) The Group recognized an impairment loss of ¥10,677 million for idle assets located in Tokyo, Fukuoka, Okayama and other as the Group determined that the idle assets were not likely to be used in the future and the carrying amount of the relevant idle assets were written down to the recoverable amount for the year ended March 31, 2009. The recoverable amount of idle assets were measured at their net selling prices, which were calculated based on the appraised real estate value, etc. for land, and based on reasonable estimation in consideration of market value for other assets.

8. Retirement Plans

The Company and certain consolidated subsidiaries have retirement plans for employees.

Under non-contributory funded defined benefit pension plans and contributory funded defined benefit pension plans, employees terminating their employment are entitled to lump-sum and annuity payments based on their rate of pay at the time of termination, length of service and certain other factors. If the termination is involuntary, caused by retirement at the mandatory retirement age, or caused by death, the employee is entitled to a greater payment than in the case of voluntary termination.

The contributory funded defined benefit pension plan was added when OKI Semiconductor and certain subsidiaries became the Company's consolidated subsidiaries in October, 2008.

The net liability for employees' retirement benefits at March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Projected benefit obligation	**¥ 36,202**	¥ 40,884	**$ 389,269**
Fair value of plan assets	**(26,941)**	(25,054)	**(289,688)**
Unrecognized actuarial loss	**(1,665)**	(7,023)	**(17,903)**
Net liability (asset)	**7,596**	8,807	**81,678**
Prepaid pension cost	**2,615**	3,409	**28,118**
Liability for retirement benefits	**¥ 10,211**	¥ 12,216	**$ 109,796**

The components of net periodic pension costs for the years ended March 31, 2010, 2009 and 2008 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	**2010**
Service cost	**¥ 1,948**	¥ 1,940	¥ 1,719	**$ 20,946**
Interest cost	**855**	750	419	**9,194**
Expected return on plan assets	**(354)**	(627)	(519)	**(3,806)**
Recognized actuarial loss (gain)	**788**	237	(131)	**8,473**
Other	**334**	376	376	**3,591**
Net periodic benefit costs	**¥ 3,571**	¥ 2,676	¥ 1,864	**$ 38,398**

In addition to the net periodic pension costs stated above, the Group recorded "Special retirement expenses" for the years ended March 31, 2010 and 2009 in the amount of ¥213 million ($2,290 thousand) and ¥15,001 million, respectively, as other expense. The Group also recorded an estimated amount of special retirement expense of ¥2,649 million ($28,484 thousand) and ¥7,500 million which were included in "Business structure improvement expenses" in other expenses for the years ended March 31, 2010 and 2009, respectively.

Assumptions used for the years ended March 31, 2010, 2009 and 2008 were as follows:

	2010	2009	2008
Discount rate	**2.0~2.1%**	2.0~2.1%	2.0%
Expected rate of return on plan assets	**1.0~2.0%**	0.5~2.0%	2.0%
Allocation method of the retirement benefits expected to be paid at the retirement date	**Straight-line method based on years of service or point method**	Straight-line method based on years of service or point method	Straight-line method based on years of service
Recognition period of actuarial gain / loss	**10~14 years**	10~14 years	10 years

9. Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the general shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases / decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

10. Research and Development Costs

Research and development costs charged to income were ¥37,672 million ($405,075 thousand), ¥40,290 million and ¥33,062 million for the years ended March 31, 2010, 2009 and 2008, respectively.

11. Amortization of Goodwill

Amortization of goodwill was ¥5,282 million ($56,796 thousand) and ¥2,156 million for the year ended March 31, 2010 and 2009, respectively.

12. Business Structure Improvement Expenses

Business structure improvement expenses are expenses and losses related to liquidation of a subsidiary and other restructuring activities such as personnel reduction.

13. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.6% for fiscal 2010, 2009 and 2008. Foreign consolidated subsidiaries are subject to income taxes of the countries in which they operate.

The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Deferred tax assets:			
Securities	**¥ 2,663**	¥ 2,579	**$ 28,635**
Inventories	**8,502**	5,594	**91,419**
Depreciation	**9,219**	12,042	**99,129**
Tax loss carryforwards	**26,894**	17,982	**289,183**
Accrued expenses	**2,165**	3,881	**23,280**
Liability for retirement benefits	**2,276**	1,600	**24,473**
Foreign tax credit	**1,256**	860	**13,505**
Loss on impairment of long-lived assets	**4,020**	4,509	**43,226**
Provision for business structure improvement	**15**	2,199	**161**
Other	**3,411**	3,307	**36,678**
Valuation allowance	**(40,101)**	(39,519)	**(431,194)**
Total	**20,320**	15,034	**218,495**
Deferred tax liabilities:			
Undistributed earnings of foreign subsidiaries	**(14,909)**	(15,318)	**(160,312)**
Prepaid pension cost	**(1,084)**	(1,621)	**(11,656)**
Goodwill	**(1,806)**	(2,322)	**(19,419)**
Allowance for doubtful accounts for subsidiaries and associated companies	**(1,674)**	(1,674)	**(18,000)**
Net unrealized gain on available-for-sale securities	**(4,838)**		**(52,022)**
Intangible assets	**(2,093)**		**(22,505)**
Other	**(640)**	(557)	**(6,882)**
Total	**(27,044)**	(21,492)	**(290,796)**
Net deferred tax liabilities	**¥ (6,724)**	¥ (6,458)	**$ (72,301)**

Deferred tax assets (liabilities) were included in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Current Assets - Deferred tax assets	**¥ 10,516**	¥ 7,987	**$ 113,075**
Investments and Other Assets - Deferred tax assets	**2,207**	4,092	**23,731**
Current Liabilities - Deferred tax liabilities	**(1,110)**	(3,704)	**(11,935)**
Long-term Liabilities - Deferred tax liabilities	**(18,337)**	(14,833)	**(197,172)**
Net deferred tax liabilities	**¥ (6,724)**	¥ (6,458)	**$ (72,301)**

Prior to the year ended March 31, 2008, the Company recorded income taxes in order to provide for future income taxes on dividends in connection with undistributed earnings of overseas subsidiaries. The revised Corporation Tax Act issued on March 31, 2009 changed tax regulations in Japan to treat a large share of dividends from overseas subsidiaries as non-taxable income. As a result, future income tax payments were expected to decrease, and the Company partially reversed income tax expenses recorded in prior years. The effect of this change was to increase net income by ¥49,578 million for the year ended March 31, 2009.

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2010, 2009 and 2008 was as follows:

	2010	2009	2008
Normal effective tax rate	**40.6%**	40.6%	40.6%
Reversal of income tax expenses provided for income taxes on undistibuted earnings of overseas consolidated subsidiaries		194.4	
Increase (decrease) in valuation allowance	**12.6**	(109.2)	3.3
Lower income tax rates applicable to income in certain foreign countries	**(35.0)**	6.6	(0.1)
Amortization of goodwill	**19.8**	(3.4)	
Equity in gains (losses) of associated companies	**(0.7)**	(2.3)	(0.0)
Tax credit for research and development expenses	**(3.3)**	1.9	(2.5)
Other-net	**2.9**	3.7	3.6
Actual effective tax rate	**36.9%**	132.3%	44.9%

14. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10 “Accounting Standard for Financial Instruments” and issued ASBJ Guidance No.19 “Guidance on Accounting Standard for Financial Instruments and Related Disclosures”. This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. The Group applied the revised accounting standard and the new guidance effective March 31, 2010.

(1) Policy for financial instruments

The Group manages surplus funds with high-security financial assets and uses derivatives only as a means to hedge the foreign exchange risk of trade receivables. The Group does not practice any speculative transactions.

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

Receivables such as trade notes and trade accounts are exposed to customer credit risk. Regarding the relevant risks, the Group controls due dates and balances of receivables to customers pursuant to the internal rules of the Group, and, at the same time, promotes the early identification and reduction of bad debts risk due to financial deterioration. Foreign currency trade receivables are exposed to market risk resulting from fluctuations in foreign currency exchange rates. Such foreign exchange risk is 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, 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 just involving minimum credit risks.

Payment terms of payables, such as trade notes and trade accounts, 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 reports the status of the derivative transactions once or more every half year to the Board of Directors. Furthermore, in order to reduce credit risks, the Group only conducts derivative transactions with highly-rated financial institutions.

(3) Supplemental to fair value of financial instruments

Fair value of financial instruments includes not only values based on quoted market prices but also those calculated by other rational valuation techniques in case a quoted price is not available. Since variation factors are incorporated to calculate this value, and the use of different preconditions may change this value.

(4) Fair values of financial instruments

Carrying amounts of financial instruments in the consolidated balance sheet, their fair values, and differences as of March 31, 2010 are as listed in the table below (a). Any financial instruments, whose fair values cannot be reliably determined, are not included (see the table below (b)).

(a)Fair value of financial instruments

	Millions of yen		
	2010		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	¥ 259,136	¥ 259,136	
Marketable securities	2,902	2,902	
Short-term investment	17,989	17,989	
Notes and accounts receivable - trade	78,259	78,259	
Investment securities	36,008	36,008	
Refundable income taxes	662	662	
Total	¥ 394,956	¥ 394,956	
Notes and accounts payable - trade	¥ 20,995	¥ 20,995	
Accounts payable – other	28,697	28,697	
Accrued income taxes	4,004	4,004	
Total	¥ 53,696	¥ 53,696	
Derivatives(note)	¥ (96)	¥ (96)	

	Thousands of U.S.Dollars		
	2010		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	$ 2,786,409	$ 2,786,409	
Marketable securities	31,204	31,204	
Short-term investment	193,430	193,430	
Notes and accounts receivable - trade	841,495	841,495	
Investment securities	387,183	387,183	
Refundable income taxes	7,118	7,118	
Total	$ 4,246,839	$ 4,246,839	
Notes and accounts payable - trade	$ 225,753	$ 225,753	
Accounts payable – other	308,570	308,570	
Accrued income taxes	43,054	43,054	
Total	$ 577,377	$ 577,377	
Derivatives(note)	$ (1,032)	$ (1,032)	

(note) Net credits and debits arising from derivative transaction were offset, and items that are recognized as debits as a result of offsetting are presented in parentheses.

Cash and cash equivalents, short-term investment, Notes and accounts receivable-trade, Refundable income taxes
The carrying values of these assets approximate fair value because of their short maturities.

Marketable securities, Investment securities
The fair value of marketable securities and investment securities are measured at the quoted market price of the stock exchange for equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. The information of the fair value for the marketable and investement securities by classification is included in Note 4.

Notes and accounts payable-trade, Accounts payable-other, Accrued income taxes
The carrying values of these liabilities approximate fair value because of their short maturities.

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

(b) Financial instruments whose fair value cannot be reliably determined

	Carrying amount	
	2010	
	Millions of Yen	Thousands of U.S.Dollars
Unlisted stock	**¥ 1,143**	**$ 12,290**
Rights under limited partnership agreement for investment	**96**	**1,032**
Stocks of unconsolidated subsidiaries and associated companies, etc	**1,446**	**15,549**

(c) Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen			
	2010			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	**¥ 259,136**			
Marketable securities				
Corporate bonds	**2,900**			
Short-term investment	**17,989**			
Notes and accounts receivable - trade	**78,259**			
Investment securities				
Government and local government bonds		**¥ 1**	**¥ 1**	
Corporate bonds		**2,700**	**2,000**	
Other		**745**	**709**	**¥ 1,337**
Refundable income taxes	**662**			
Total	**¥ 358,946**	**¥ 3,446**	**¥ 2,710**	**¥ 1,337**

	Thousands of U.S.Dollars			
	2010			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	**$2,786,409**			
Marketable securities				
Corporate bonds	**31,183**			
Short-term investment	**193,430**			
Notes and accounts receivable - trade	**841,495**			
Investment securities				
Government and local government bonds		**$ 11**	**$ 11**	
Corporate bonds		**29,032**	**21,505**	
Other		**8,011**	**7,624**	**$ 14,376**
Refundable income taxes	**7,118**			
Total	**$3,859,635**	**$ 37,054**	**$ 29,140**	**$ 14,376**

Please see Note 16. for obligations under finance leases.

15. Derivatives

The Group enters into foreign exchange forward contracts to hedge foreign exchange risk associated with certain assets denominated in foreign currencies.

All derivative transactions are entered into to hedge foreign currency exposures incorporated within its business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets. The Group does not hold or issue derivatives for trading purposes.

Because the counterparties to these derivatives are limited to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies which regulate the authorization and credit limit amounts.

As noted in Note 14, the Group applied ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" and ASBJ Guidance No.19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures". The accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010; therefore, the required information is disclosed only for 2010.

Derivative transactions to which hedge accounting is applied at March 31, 2010

	Millions of Yen			
	2010			
	Hedged item	Contract amount	Contract amount due after one year	Fair Value
Foreign currency forward contracts:				
Selling U.S.$	**Accounts receivables**	**¥ 4,927**		**(Note)**

	Thousands of U.S.Dollars			
	2010			
	Hedged item	Contract amount	Contract amount due after one year	Fair Value
Foreign currency forward contracts:				
Selling U.S.$	**Accounts receivables**	**$ 52,978**		**(Note)**

(Note) The fair value of foreign currency forward contracts is included in the fair value of hedged item (i.e.accounts receivable).

16. Leases

The Company and certain consolidated subsidiaries lease certain machinery, computer equipment and other assets. Total lease payments under finance leases were ¥3,813 million ($41,000 thousand), ¥1,953 million and ¥13 million for the years ended March 31, 2010, 2009 and 2008, respectively.

Obligations under finance leases and future minimum payments under noncancelable operating leases were as follows:

	Millions of Yen		Thousands of U.S.Dollars	
	2010		2010	
	Finance leases	Operating leases	Finance leases	Operating leases
Due within one year	**¥ 2,368**	**¥ 613**	**$ 25,462**	**$ 6,591**
Due after one year	**2,519**	**1,541**	**27,086**	**16,570**
Total	**¥ 4,887**	**¥ 2,154**	**$ 52,548**	**$ 23,161**

Pro forma information of leased property whose lease inception was before March 31, 2008

ASBJ Statement No.13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. However, the ASBJ Statement No. 13

permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements. The Company and certain consolidated subsidiaries applied the ASBJ Statement No. 13 effective April 1, 2008 and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense and other information of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

	Millions of yen	
	2010	
	Machinery and equipment	Furniture and fixtures
Acquisition cost	**¥ 17,816**	**¥ 269**
Accumulated depreciation	**13,582**	**229**
Net leased property	**¥ 4,234**	**¥ 40**

	Millions of yen		
	2009		
	Buildings and structures	Machinery and equipment	Furniture and fixtures
Acquisition cost	¥ 7	¥ 18,247	¥ 287
Accumulated depreciation	6	10,417	202
Net leased property	¥ 1	¥ 7,830	¥ 85

	Thousands of U.S. dollars	
	2010	
	Machinery and equipment	Furniture and fixtures
Acquisition cost	**$ 191,570**	**$ 2,892**
Accumulated depreciation	**146,043**	**2,462**
Net leased property	**$ 45,527**	**$ 430**

Obligations under finance leases:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Due within one year	**¥ 2,188**	¥ 3,466	**$ 23,527**
Due after one year	**2,086**	4,450	**22,430**
Total	**¥ 4,274**	¥ 7,916	**$ 45,957**

The amount of acquisition cost and obligations under finance leases includes the imputed interest expense portion.

Depreciation expense and other information under finance leases:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	**2010**
Depreciation expense	**¥ 3,642**	¥ 1,881	¥ 13	**$ 39,161**
Lease payments	**3,642**	1,881	13	**39,161**

Depreciation expense, which is not reflected in the accompanying cousolidated statements of income, is computed by the straight line method.

17. Contingent Liabilities

The Group was contingently liable for guarantees of housing loans of employees amounting to ¥217 million ($2,333 thousand) at March 31, 2010.

18. Subsequent Events

Appropriation of retained earnings

The following appropriation of retained earnings at March 31, 2010 was approved at the Company's general shareholders meeting held on June 29, 2010.

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥65.00 ($0.70) per share	**¥ 7,122**	**$ 76,581**

19. Segment Information

Information about industry segments, geographical segments and sales to foreign customers of the Group for the years ended March 31, 2010, 2009 and 2008 was as follows:

(a) Industry segments

The Group's main operations are the manufacturing and distribution of electronic components. Under Japanese accounting regulations, since the Group does not have any segment information to disclose other than such operations, the disclosure of industry segment information has been omitted.

(b) Geographical segments

The geographical segments of the Group for the years ended March 31, 2010, 2009 and 2008 were summarized as follows:

	Millions of yen					
	2010					
	Japan	Asia	Americas	Europe	Eliminations/ Corporate	Consolidated
Sales to customers	**¥ 145,461**	**¥ 162,879**	**¥ 13,523**	**¥ 13,778**		**¥ 335,641**
Interarea transfer	**177,455**	**204,181**	**533**	**301**	**¥ (382,470)**	
Total sales	**322,916**	**367,060**	**14,056**	**14,079**	**(382,470)**	**335,641**
Operating expenses	**323,204**	**340,501**	**15,415**	**14,447**	**(376,736)**	**316,831**
Operating income (loss)	**¥ (288)**	**¥ 26,559**	**¥ (1,359)**	**¥ (368)**	**¥ (5,734)**	**¥ 18,810**
Total assets	**¥ 429,062**	**¥ 344,754**	**¥ 30,204**	**¥ 15,426**	**¥ (12,106)**	**¥ 807,340**

	Millions of yen					
	2009					
	Japan	Asia	Americas	Europe	Eliminations/ Corporate	Consolidated
Sales to customers	¥ 128,821	¥ 161,121	¥ 13,300	¥ 13,899		¥ 317,141
Interarea transfer	172,765	175,905	742	399	¥ (349,811)	
Total sales	301,586	337,026	14,042	14,298	(349,811)	317,141
Operating expenses	295,230	322,738	14,314	14,903	(340,584)	306,601
Operating income (loss)	¥ 6,356	¥ 14,288	¥ (272)	¥ (605)	¥ (9,227)	¥ 10,540
Total assets	¥ 463,674	¥ 295,433	¥ 10,088	¥ 14,332	¥ 25,658	¥ 809,185

	Millions of yen					
	2008					
	Japan	Asia	Americas	Europe	Eliminations/ Corporate	Consolidated
Sales to customers	¥ 138,134	¥ 205,241	¥ 12,687	¥ 17,344		¥ 373,406
Interarea transfer	208,493	218,901	815	212	¥ (428,421)	
Total sales	346,627	424,142	13,502	17,556	(428,421)	373,406
Operating expenses	298,569	396,361	13,370	16,994	(419,250)	306,044
Operating income	¥ 48,058	¥ 27,781	¥ 132	¥ 562	¥ (9,171)	¥ 67,362
Total assets	¥ 412,242	¥ 318,961	¥ 9,010	¥ 19,160	¥ 111,599	¥ 870,972

	Thousands of U.S. dollars					
	2010					
	Japan	Asia	Americas	Europe	Eliminations/ Corporate	Consolidated
Sales to customers	**$ 1,564,097**	**$ 1,751,387**	**$ 145,409**	**$ 148,150**		**$ 3,609,043**
Interarea transfer	**1,908,118**	**2,195,495**	**5,731**	**3,237**	**$(4,112,581)**	
Total sales	**3,472,215**	**3,946,882**	**151,140**	**151,387**	**(4,112,581)**	**3,609,043**
Operating expenses	**3,475,312**	**3,661,301**	**165,753**	**155,344**	**(4,050,925)**	**3,406,785**
Operating income (loss)	**$ (3,097)**	**$ 285,581**	**$ (14,613)**	**$ (3,957)**	**$ (61,656)**	**$ 202,258**
Total assets	**$ 4,613,570**	**$ 3,707,032**	**$ 324,774**	**$ 165,871**	**$ (130,172)**	**$ 8,681,075**

Countries and areas are segmented based on their geographical proximity.

The Group has recorded a loss on impairment for the years ended March 31, 2010 and 2009. Therefore, assets in "Japan" decreased ¥1,738 million ($18,688 thousand), for the year ended March 31, 2010. Assets in "Japan" decreased ¥10,272 million, assets in "Asia" decreased ¥1,587 million, and assets in "Americas" decreased ¥49 million, for the year ended March 31, 2009.

As discussed in Note 2.(f), effective April 1, 2008, the Company applied ASBJ Statement No.9 "Accounting Standard of Measurement of Inventories". The effect of this change was to decrease operating income of "Japan" by ¥1,772 million and operating income of "Asia" by ¥1,412 million, for the year ended March 31, 2009.

As discussed in Note 2.(m), effective April 1, 2008, the Group applied the revised ASBJ Statement No.13, "Accounting Standard for Lease Transactions". The effect of this change to operating income in the geographical segment information for the year ended March 31, 2009 was immaterial.

As discussed in Note 2.(b), effective April 1, 2008, the Company applied PITF No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". The

effect of this change to operating income in the geographical segment information for the year ended March 31, 2009 was immaterial.

(c) Sales to foreign customers

Sales to foreign customers for the years ended March 31, 2010, 2009 and 2008 consisted of the following:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	**2010**
Asia	**¥ 181,278**	¥ 168,679	¥ 206,310	**$ 1,949,225**
Americas	**16,219**	11,685	13,302	**174,398**
Europe	**11,792**	12,985	16,032	**126,796**
Total sales to foreign customers	**¥ 209,289**	¥ 193,349	¥ 235,644	**$ 2,250,419**

Countries and areas are segmented based on their geographical proximity.

Independent Auditors' Report

Deloitte.

Deloitte Touche Tohmatsu LLC
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheets of ROHM CO., LTD. (the "Company") and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, changes in equity, and cash flows for each of the three years in the period ended March 31, 2010, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ROHM CO., LTD. and consolidated subsidiaries as of March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2010, in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 29, 2010

Member of
Deloitte Touche Tohmatsu

Principal Subsidiaries (Domestic/Overseas)

Corporate name	Location	Principal business	Capital % owned by ROHM Co., Ltd.
ROHM Hamamatsu Co., Ltd.	Shizuoka	Manufacture of ROHM products (monolithic ICs)	¥ 400 million 100.0%
ROHM Wako Device Co., Ltd.	Okayama	Manufacture of ROHM products (monolithic ICs and diodes)	¥ 450 million 75.0% (100.0%)
ROHM Apollo Device Co., Ltd.	Fukuoka	Manufacture of ROHM products (monolithic ICs and transistors)	¥ 492 million 75.0% (100.0%)
ROHM Tsukuba Co., Ltd.	Ibaraki	Manufacture of ROHM products (transistors)	¥ 450 million 100.0%
ROHM Wako Co., Ltd.	Okayama	Manufacture of ROHM products (diodes, LEDs, laser diodes and LED displays)	¥ 450 million 100.0%
ROHM Apollo Co., Ltd.	Fukuoka	Manufacture of ROHM products (transistors, diodes and capacitors)	¥ 450 million 100.0%
ROHM Fukuoka Co., Ltd.	Fukuoka	Manufacture of ROHM products (monolithic ICs)	¥ 385 million 100.0%
ROHM Mechatech Co., Ltd.	Kyoto	Manufacture of molding dies and lead frames	¥ 98 million 100.0%
ROHM Logistec Co., Ltd.	Okayama	Distribution of ROHM products	¥ 20 million 100.0%
OKI Semiconductor Co., Ltd.	Tokyo	Development, manufacture and sales of semiconductor (monolithic ICs)	¥ 20,000 million 95.0%
OKI Semiconductor Miyazaki Co., Ltd.	Miyazaki	Manufacture of ROHM products (monolithic ICs)	¥ 200 million 100.0%
OKI Semiconductor Miyagi Co., Ltd.	Miyagi	Manufacture of ROHM products (monolithic ICs)	¥ 200 million 100.0%
ROHM Korea Corporation	Seoul, Korea	Manufacture of ROHM products (monolithic ICs, transistors, diodes, LEDs, sensors and LED displays)	Won 9,654 million 0% (100.0%)
ROHM Electronics Philippines, Inc.	Cavite, Philippines	Manufacture of ROHM products (monolithic ICs, transistors, diodes and resistors)	P 1,221,563 thousand 0% (100.0%)
ROHM Integrated Systems (Thailand) Co., Ltd.	Pathumthani, Thailand	Manufacture of ROHM products (monolithic ICs, transistors, diodes, resistors and capacitors)	B 1,115,500 thousand 0% (100.0%)
ROHM Semiconductor (China) Co., Ltd.	Tianjin, China	Manufacture of ROHM products (transistors, diodes, LEDs, laser diodes and LED displays)	¥ 12,990 million 0% (100.0%)
ROHM Electronics Dalian Co., Ltd.	Dalian, China	Manufacture of ROHM products (power modules, thermal heads, image sensor heads, photo link modules and lighting)	¥ 8,572 million 0% (100.0%)
ROHM-Wako Electronics (Malaysia) Sdn. Bhd.	Kelantan, Malaysia	Manufacture of ROHM products (diodes and LEDs)	M$ 53,400 thousand 0% (100.0%)
ROHM Mechatech Philippines, Inc.	Cavite, Philippines	Manufacture of molding dies and lead frames	P 150,000 thousand 25.0% (100.0%)
ROHM Mechatech (Thailand) Co., Ltd.	Pathumthani, Thailand	Manufacture of molding dies and lead frames	B 100,000 thousand 0% (100.0%)
OKI (Thailand) Co.,Ltd	Ayutthaya, Thailand	Manufacture of ROHM products (monolithic ICs)	B 700,000 thousand 0% (100.0%)
Kionix, Inc.	New York, U.S.A.	Manufacture and sales of ROHM products (MEMS inertial sensors)	US$ 233,091 thousand 0% (100.0%)
SiCrystal AG	Erlangen, Germany	Manufacture and Sales of SiC wafers	Euro 771 thousand 0% (74.5%)
ROHM Semiconductor U.S.A., LLC	California, U.S.A.	Sales of ROHM Products	US$ 27,906 thousand 0% (100.0%)
ROHM Semiconductor GmbH	Willich-Munchheide, Germany	Sales of ROHM Products	Euro 512 thousand 0% (100.0%)
ROHM Semiconductor Korea Corporation	Seoul, Korea	Sales of ROHM Products	Won 1,000 million 0% (100.0%)
ROHM Semiconductor Trading (Dalian) Co., Ltd.	Dalian, China	Sales of ROHM Products	US$ 200 thousand 0% (100.0%)
ROHM Semiconductor (Shanghai) Co., Ltd.	Shanghai, China	Sales of ROHM Products	US$ 200 thousand 0% (100.0%)
ROHM Semiconductor (Shenzhen) Co., Ltd.	Shenzhen, China	Sales of ROHM Products	US$ 2,156 thousand 0% (100.0%)
ROHM Semiconductor Hong Kong Co., Ltd.	Hong Kong	Sales of ROHM Products	HK$ 27,000 thousand 0% (100.0%)
ROHM Semiconductor Taiwan Co., Ltd.	Taiwan	Sales of ROHM Products	NT$ 140,500 thousand 0% (100.0%)
ROHM Semiconductor Singapore Pte. Ltd.	Singapore	Sales of ROHM Products	S$ 90,630 thousand 100.0%
ROHM Semiconductor Philippines Corporation	Muntinlupa City, Philippines	Sales of ROHM Products	P 13,250 thousand 0% (100.0%)
ROHM Semiconductor (Thailand) Co., Ltd.	Bangkok, Thailand	Sales of ROHM Products	B 104,000 thousand 0% (100.0%)
ROHM Semiconductor Malaysia Sdn. Bhd.	Petaling Jaya, Malaysia	Sales of ROHM Products	M$ 1,000 thousand 0% (70.0%)

Note: The percentages in parenthesis indicate indirect equity ownership by ROHM CO., LTD

(As of March 31, 2010)

Board of Directors

President

Satoshi Sawamura

Managing Directors

Hidemi Takasu

Takahisa Yamaha

Directors ★Outside Director

Nobuo Hatta

Osamu Hattori

Eiichi Sasayama

Tadanobu Fujiwara

Toshiki Takano

Masahiko Yamazaki

Hachiro Kawamoto ★

Company Auditors ★Outside Company Auditors

Yoshiaki Shibata ★

Hideo Iwata ★

Yasuhito Tamaki ★

Shinya Murao ★

Haruo Kitamura ★

(As of June 29, 2010)

Corporate Data

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TEL: +81-75-311-2121
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Date of Establishment
September 17, 1958

Common Stock
Authorized: 300,000,000
Issued: 115,300,000

Number of Employees
21,005

Listing Stock Markets
Tokyo Stock Exchange
Osaka Securities Exchange

Administrator of the Registry of Shareholders
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-0005, Japan

(As of March 31, 2010)

Technology Centers / Design Centers

<Domestic>

Kyoto Technology Center (Head office)
21 Saiin Mizosaki-cho, Ukyo-ku, Kyoto 615-8585 Japan

Kyoto Technology Center (Kyoto Ekimae)
ROHM Kyoto-ekimae building, 579-32, Higashi Shiokoji-cho,
Karasuma Nishi-iru, Shiokoji-dori, Shimogyo-ku, Kyoto 600-8216 Japan

Yokohama Technology Center
ROHM Shin Yokohama Ekimae Building,
2-4-8 Shin-Yokohama, Kohoku-ku, Yokohama 222-8575 Japan

Nagoya Design Center
14F Nagoya Prime Central Tower, 2-27-8, Meieki, Nishi-ku, Nagoya 451-0045 Japan

<Overseas>

America Design Center (San Diego)
10145 Pacific Heights Boulevard, Suite 1000, San Diego, CA 92121 U.S.A.

America Design Center (San Jose)
2001 Gateway Place, Suite 435E, San Jose, CA 95110 U.S.A.

Europe Design Center
Karl-Arnold-Straβe 15, 47877 Willich-Munchheide Germany

Shanghai Design Center
25F UNITED PLAZA, 1468 Nanjing Road West, Shanghai 200040 China

Shenzhen Design Center
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Hong Kong Design Center
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Hong Kong

Taiwan Design Center
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Korea Design Center
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(As of June 29, 2010)

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