



[Please note that the followings including Independent Auditor's Reports and Report of the Board of Company Auditors are English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan with certain reference information excerpted from the Company's financial report for the fiscal year ended March 31, 2014. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please be advised that certain expressions in the original document for domestic voting procedures that are not applicable to the aforesaid shareholders are omitted or modified to avoid confusion. Please also be advised that this material will not facilitate your status as a registered shareholder. In order to be authorized to physically attend the ordinary general shareholders meeting, presentation of the original Voting Form in Japanese to the receptionist at the place of the meeting is required.]

(Securities Code: 6963)  
May 29, 2014

To Our Shareholders:

**ROHM Co., Ltd.**  
21, Saiin Mizosaki-cho,  
Ukyo-ku, Kyoto, Japan  
Satoshi Sawamura  
President

## **NOTICE OF THE 56TH ORDINARY GENERAL SHAREHOLDERS MEETING**

Dear Shareholders,

You are cordially invited to attend the 56th Ordinary General Shareholders Meeting of ROHM CO., LTD. ("the Company"). If you are unable to attend the meeting, please kindly take the necessary procedure to exercise your voting rights in connection with the following matters to be resolved. Such matters can be reviewed in the attached "REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS" on page 38. Your vote must be received by the Company no later than Thursday June 26, 2014, 5:15 p.m. (JST).

### **NOTICE OF MEETING**

**1. Date and Time:** Friday, June 27, 2014, 10:00 a.m.

**2. Place:** Hyatt Regency Kyoto 1F The Ball Room  
644-2 Sanjusangendo-mawari, Higashiyama-ku, Kyoto, Japan

**3. Objectives of the Meeting:**

**Reporting:**

1. Business Report, Consolidated and Nonconsolidated Financial Statements, for the 56th Fiscal Year (from April 1, 2013 to March 31, 2014)
2. Audit Reports on Consolidated Financial Statements from the Independent Auditors and the Board of Company Auditors for the 56th Fiscal Year (from April 1, 2013 to March 31, 2014)

**Resolutions:**

- Proposal 1: Appropriation of Dividends of Surplus for the 56th Fiscal Year  
Proposal 2: Partial Amendments to the Articles of Incorporation



## How to Exercise Your Voting Rights

### 1. How to Exercise Your Voting Rights via the Internet

If you exercise your voting rights via the Internet, please follow the instructions below. If you are going to attend the meeting, you are not required to complete procedures to exercise your voting rights by mail (by means of the Voting Rights Exercise Form) or online.

#### (1) Exercise Your Voting Rights via the Internet

- 1) You are able to exercise your voting rights via the Internet by accessing the designated voting website (<http://www.evotep.jp/>). (Operation is adjourned from 2:00 a.m. to 5:00 a.m. everyday). You may be unable to access the voting website depending on the internet connection conditions.
- 2) Enter your login ID and temporary password, both of which can be found on your ballot sheet. Proceed with the instructions that appear on the display and select whether you are voting in the affirmative, or the negative for each proposals.
- 3) If you exercise your voting rights both by mail and via the Internet, only those exercised via the Internet will be valid, and if you exercise your voting rights multiple times via the Internet, the last time that you exercise your voting rights shall be deemed valid.
- 4) The expenses incurred by accessing to the voting website (internet access fees, communications charges, etc.) shall be borne by shareholders.
- 5) Voting from the website can be accepted until 5:15 p.m. (JST), Thursday, June 26, 2014. However, exercising your voting rights at an earlier date is recommended. In the event of any problems with voting from the website, please contact the Help Desk below.

#### (2) Handling of Password

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

### 2. Exercising Your Voting Rights by Designating a Shareholder Who Will Attend the General Shareholders Meeting as Your Attorney

You can exercise your voting rights by designating a shareholder who has voting rights and will attend the General Shareholders Meeting as your delegate. In such a case, a Power of Attorney will need to be submitted.

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

For the period from April 1, 2013 to March 31, 2014

### 1. Present Status of ROHM Group

#### (1) Business Progress and Results

##### Overall Review of Results of Operations

In the fiscal year ended March 31, 2014, although the pace of economic growth in China and Asia slowed, the world economy was brighter than the previous year as the economies in the US and Japan recovered, with the European economy starting to show signs of bottoming out.

By individual regions, in the US, although the debt-ceiling problem temporarily affected the stock market, the housing sector and personal consumption remained strong and employment continued on an upward trend, keeping the economy on a recovery track. As for Europe, the unemployment rate remained high in Southern Europe, keeping severe pressures on the economy. However, key countries acted as a driving force, with a strong economy in Germany as well as an improved housing sector in the UK; thus the overall economy started to recover. In Asia, although the pace of economic growth slowed in India, consumption and investment that stagnated due to the appreciation of its currency in the first half of the fiscal year recovered in the second half of the year in South Korea, and the economy is also starting to recover in other Asian regions, placing the overall economy in Asia on a recovery trend. In Japan, thanks to the effects of fiscal and monetary policies led by the Japanese government and the Bank of Japan since the end of 2012, as well as the effects of a depreciated yen, personal consumption, corporate profits, and the employment situation have improved. In addition, the stock market was also strong. As a result, the economy slowly headed towards a sustainable recovery.

In the electronic industries, sales of flatscreen TVs and personal computers appeared to have bottomed out. Also, sales of smartphones and tablet computers remained strong. The automotive market was also strong as sales of new cars were robust in Japan, the US, and China, and also thanks to an improving rate of electronic equipment use.

In the midst of these conditions, the ROHM Group remained committed to strengthening its sales structure in overseas markets and continued to expand product lineups for the automotive and industrial equipment sectors where mid- to long-term growth is expected. Furthermore, ROHM continued to tackle cost reduction across the entire group by restructuring production systems, reviewing semiconductor materials, and streamlining operations through improved yield ratios. And in order to increase sales over the mid- to long-term, the Group strengthened its product lineups and positioned four key areas as engines for future growth: 1) IC synergy (with LAPIS Semiconductor Co., Ltd.), 2) SiC-based power devices and power module products, 3) LEDs and related products, and 4) Sensor-related products. ROHM was also recognized as a prime supplier by three major overseas automotive electric parts manufacturers – a testament to the substantial efforts made to strengthen relationships with key overseas customers.

Regarding new products, ROHM enhanced its lineup of the 'PSR' series shunt resistors (\*1), which feature high power and ultra-low resistance, and began mass-producing and expanding its 'RASMID®' line (\*2) of microminiature components, while also beginning full-fledged mass-production of dedicated power management ICs for tablet computers. In addition, ROHM developed power ICs for a variety of markets, including smartphone and automotive sectors, and developed the world's smallest transistor ('VML0604' (\*3)). The Group also worked to cultivate new markets by launching 'Hybrid MOS' (\*4), a high voltage-resistance transistor featuring both high-speed operation and low loss, as well as energy-harvesting (\*6) products EnOcean (\*7). ROHM also promoted the development of new products for next-generation markets, including telecommunication ICs that comply with power line communication standards for HEMS/BEMS as well as Bluetooth® Low Energy (\*8).

As a result, consolidated net sales for the year ended March 31, 2014 were 331,087 million yen (an increase of 13.2 percent from the year ended March 31, 2013), and operating income was 23,635 million yen (operating loss of 921 million yen for the year ended March 31, 2013).

Ordinary income was 35,915 million yen partly thanks to foreign currency exchange gains (an increase of 204.7 percent from the year ended March 31, 2013), and net income for the year was 32,091 million yen (net loss of 52,464 million yen for the year ended March 31, 2013) with 5,238 million yen in gains added from the sale of land belonging to LAPIS Semiconductor Co., Ltd., a ROHM Group company.

\*1. 'PSR' series shunt resistor

Shunt resistors that deliver high power with excellent temperature coefficient of resistance (TCR) in the low-ohmic range. They employ a high functional alloy and are fabricated with in-house precision welding technology that contributes to high productivity and reduces design load while making them ideal for automotive

- and industrial equipment with stringent temperature requirements.
- \*2. 'RAS MID® (ROHM Advanced Smart Micro Device)' line  
The world's smallest electronic components that achieve unprecedented miniaturization and dimensional precision ( $\pm 10\mu\text{m}$ ) through proprietary breakthrough processes and architecture from the ROHM Group.
  - \*3. 'VML0604'  
The world's smallest transistor package, utilizing high-density package processing technology and optimized internal configuration to reduce footprint to half the size of existing products (VML0806).
  - \*4. Hybrid MOS  
A new type of MOSFET (\*5) developed by the ROHM Group that has both the characteristics of an IGBT, which provides superior performance at high voltages and currents, and the low-loss switching of MOSFETs.
  - \*5. MOSFET (Metal Oxide Semiconductor Field Effect Transistor)  
A type of field-effect transistor that is widely used in a variety of electronic components as it is capable of low power consumption and high-speed switching compared with bipolar transistors.
  - \*6. Energy Harvesting  
The process of converting natural energy into usable electric energy.
  - \*7. EnOcean  
Next-generation wireless communication standard for wireless transmission of information under low power demand by utilizing energy harvesting technology. It is advantageous in that it has no power source and is wireless and maintenance-free, and is expected to be introduced into HEMS and BEMS. The ROHM Group assumed the post of promoter, which is a key member of the EnOcean Alliance, an organization for promoting the standard, and is focused on technology development and products sales.
  - \*8. Bluetooth® Low Energy  
Bluetooth is a near-field digital wireless telecommunication standard used for exchanging information (including textual and voice data) between devices at a distance of several to tens of meters using 2.4GHz band radio waves. It has been adopted in a number of products, such as keyboards and mice for PCs (mainly notebook PCs), mobile phones, PHS, and smartphones. Bluetooth® Low Energy is a low energy protocol of the Bluetooth standard.

### Overview of performance in each segment

Starting from the year ended March 31, 2014, ROHM has changed the classification from two reportable segments – 'ICs' and 'Discrete Semiconductor Devices' – to three reportable segments: 'ICs,' 'Discrete Semiconductor Devices,' and 'Modules.' We compared data with that of the previous year reclassified based on the revised classification.

#### <ICs>

Consolidated net sales for the year ended March 31, 2014 were 154,183 million yen (an increase of 9.5 percent from the year ended March 31, 2013), and segment profits for the year were 9,216 million yen (segment losses of 7,824 million yen for the year ended March 31, 2013).

In the digital AV equipment field, as the digital camera market was affected by the expansion of the smartphone sector, sales of power management ICs and lens controller driver ICs were sluggish. Sales of flatscreen TVs and DVD-related equipment finally bottomed out but lacked staying power. As a result, sales of power ICs remained slow. In the telecommunication-related market, although the existing personal computer sector experienced tough conditions, power ICs for tablet computers and driver ICs and sensor ICs for smartphones enjoyed strong sales. In the gaming industry, sales of optical disc driver ICs and power management ICs for certain game consoles were robust.

In the automotive market, power ICs, LED driver ICs, and ICs for car audio equipment and car navigation equipment were widely adopted, as automobile production volume increased and the placement rate of electronic products improved. Likewise, in the fields of home appliances and industrial equipment, sales of power ICs, sensor ICs, and LED driver ICs were on the rise.

At LAPIS Semiconductor Co., Ltd., a ROHM Group company, although sales of ICs for communications were sluggish, high-resolution display driver ICs were increasingly adopted for TVs, and memory ICs for game software saw increased sales. Similarly, ICs for automotive equipment and lithium-ion battery monitoring ICs enjoyed robust sales.

Regarding production systems, as it did in the year ended March 31, 2013, ROHM continued to improve production efficiency in domestic front-end processes and back-end processes in Thailand and the Philippines.

#### <Discrete semiconductor devices>

Consolidated net sales for the year ended March 31, 2014 were 117,746 million yen (an increase of 18.5 percent from the year ended March 31, 2013), and segment profits for the year were 14,087 million yen (an increase of 77.7 percent from the year ended March 31, 2013).

Concerning transistors and diodes, although sales for the consumer equipment market that includes TVs and audio equipment hit a wall, sales of power MOSFETs, bipolar transistors (\*9), Schottky barrier diodes (\*10), switching diodes (\*11), and rectifier diodes (\*12) were strong in the smartphone, automotive and office equipment markets.

In the SiC power device module category, sales of customized power modules for automobiles were sluggish in the first half of the fiscal year, but entered a recovery trend in the second half. Also, modules for in-vehicle battery chargers and air conditioners were widely adopted, although sales of modules for solar power equipment entered a production adjustment phase.

In the LED category, although sales of blue/white LEDs for mobile phones entered an adjustment phase, sales for the gaming devices market were robust. Also, the PICO LED® series of ultra-compact LEDs for wearable equipment market saw increased adoption.

In the laser diode category, sales for car audio equipment and printers were on a recovery trend.

As for production systems, ROHM closed its transistor wafer factory in Ibaraki Prefecture and concentrated its efforts toward improving efficiency at individual group factories in Thailand, the Philippines, and Tianjin, China.

\*9. Bipolar transistor

A 3-terminal semiconductor in which N-type semiconductors and P-type semiconductors have a P-N-P or N-P-N junction structure. Primarily used for current amplification and switching.

\*10. Schottky barrier diode

A diode that utilizes the characteristics of a Schottky junction formed by contact of metal and a semiconductor. It is mainly used for switching power supplies and the like as voltage drop in the forward direction is low and switching speed is fast.

\*11. Switching diode

A general-purpose diode for switching that it is widely adopted for small signal switching applications.

\*12. Rectifier diode

A diode optimized for medium current/high-speed switching. It is used to generate rectification current in order to prevent damage due to reversed connections of positive and negative wiring in variety of electric components.

### <Modules>>

Consolidated net sales for the year ended March 31, 2014 were 31,648 million yen (an increase of 12.0 percent from the year ended March 31, 2013), and segment profits for the year were 1,442 million yen (segment losses of 599 million yen for the year ended March 31, 2013).

Regarding printheads, sales for the mini-printer markets in China and the US were strong.

In the power module category, sales of power modules mainly for automotive markets and wireless LAN modules were robust.

In the optical module category, although sales of IrDA telecommunication modules for mobile phones were sluggish, sales of LED displays for various applications, proximity sensors for smartphones, and photointerrupters (\*13) for printers were strong.

With regards to production systems, ROHM proceeded with automating assembly processes at group factories in Dalian, China, in an effort to improve production efficiency.

\*13. Photointerrupter

A sensor comprised of an infrared emitter on one side and an infrared detector on the other side. The sensor detects that the beam from the emitter is blocked when an object passes through the beam. It is often used to detect the existence or location of objects.

### <Others>

Consolidated net sales for the year ended March 31, 2014 were 27,509 million yen (an increase of 14.5 percent from the year ended March 31, 2013), and segment losses for the year were 796 million yen (segment losses of 1,833 million yen for the year ended March 31, 2013).

In the resistors category, sales of resistors for the automotive and industrial equipment markets increased. And for tantalum capacitors, sales for the smartphone and tablet computer markets were strong.

Sales of LED lighting products entered an adjustment phase as large volume demand cooled off in the first half of the fiscal year but recovered in the second half of the year.

Concerning production systems, ROHM strove to improve production efficiency and reduce costs at group factories in Thailand, the Philippines, and Dalian, China.

The net sales mentioned above are sales to external customers.

## (2) Capital Expenditures

In this period, the Group invested 31,754 million yen in total in facilities to pursue the improvement and expansion of the development and manufacturing system as well as drastic streamlining. A breakdown of investment by segment is as follows:

|  |        |             |
|--|--------|-------------|
| ICs  | 14,246 | million yen |
| Discrete Semiconductor Devices             | 12,772 | million yen |
| Modules                                    | 1,329  | million yen |
| Others                                     | 1,970  | million yen |
| Sales and Administrative Expenses Division | 1,435  | million yen |

## (3) Financing

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

## (4) Priority Issues

Although there is concern about economic deceleration due to an increase in the consumption tax in Japan, the global economy started to look brighter as Europe, which had been tough going, moved in the direction of economic recovery, and the US saw some improvement in personal consumption and employment.

The electronics industry will continue to grow in the mid- to long-term thanks to the increased proliferation of digital information appliances and automotive computerization. However, competition with regard to prices and technologies will become more fierce, making it increasingly necessary to supply products that are competitive all over the world. ROHM will accomplish this by developing new products and technologies that respond to global markets, and by thoroughly tackling cost reduction.

Under these circumstances, the ROHM Group will exert itself to identify needs in advance and develop eco-friendly devices that meet energy-saving needs and novel applications never before seen, in a broad range of markets (i.e. automotive electronics equipment, information and telecommunication, and mobile equipment).

ROHM will continue to enhance its global sales system by increasing the number of FAE\* for overseas automotive markets.

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

\* FAE (Field Applications Engineer)

Engineers and technicians who provide technical support and proposals, including technical information, to customers.

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

(Millions of yen otherwise noted)

| Item                              | Mar-2011 | Mar-2012 | Mar-2013 | (Current period)<br>Mar-2014 |
|-----------------------------------|----------|----------|----------|------------------------------|
| Net Sales                         | 341,885  | 304,652  | 292,410  | 331,087                      |
| Ordinary Income                   | 26,805   | 7,286    | 11,786   | 35,915                       |
| Net Income (Loss)                 | 9,632    | △16,106  | △52,464  | 32,091                       |
| Net Income (Loss) per Share (yen) | 88.07    | △149.40  | △486.63  | 297.65                       |
| Total Assets                      | 759,988  | 737,326  | 699,014  | 754,407                      |
| Equity                            | 668,778  | 634,280  | 613,647  | 663,387                      |

(Notes) 1. These values are rounded down to the nearest million except for the net income (loss) per share for the period, rounded down to two decimal places.

2. Net income (loss) per share for the period is calculated based on the average number of shares during the period after deduction of the number of treasury stock.

**(Reference) Operating Results and Financial Position of the Company**

(Millions of yen otherwise noted)

| Item                              | Mar-2011 | Mar-2012 | Mar-2013 | (Current Period)<br>Mar-2014 |
|-----------------------------------|----------|----------|----------|------------------------------|
| Net Sales                         | 294,303  | 255,787  | 249,741  | 282,123                      |
| Ordinary Income                   | 55,041   | 8,428    | 21,416   | 13,284                       |
| Net Income (Loss)                 | 50,514   | △68,982  | 4,200    | 10,765                       |
| Net Income (Loss) per Share (yen) | 461.92   | △639.82  | 38.95    | 99.85                        |
| Total Assets                      | 541,789  | 467,061  | 463,989  | 485,318                      |
| Equity                            | 484,811  | 403,511  | 403,845  | 419,324                      |

(Notes) 1. These values are rounded down to the nearest million except for the net income (loss) per share for the period, rounded down to two decimal places.

2. Net income (loss) per share for the period is calculated based on the average number of shares during the period after deduction of the number of treasury stock.

**(6) Main Business Segments**

The Group's main operations are the manufacturing and sales of electronic components.

The main products and business segments are as follows:

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

**(7) Main Business Sites**

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

**(8) Employees**

| Segment Name                               | Number of Employees | Change from<br>the Previous Fiscal Year | Average<br>Service Years |
|--|---------------------|---|--------------------------|
| ICs  | 19,985              | Decrease by 218 employees               | 9.6 years                |
| Discrete semiconductor devices             |                     |   |                          |
| Modules                                    |                     |   |                          |
| Others                                     |                     |   |                          |
| Sales and administrative expenses division |                     |   |                          |

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

2. The number of employees includes, in addition to full-time employees, 456 regular workers based on fixed-term employment contracts, who are excluded from the calculation of the average service years.



**(9) Summary of Important Subsidiaries**

| Company Name                                 | Capital                    | Voting Right Ratio by ROHM | Main Business   |
|--|----------------------------|----------------------------|---|
| ROHM HAMAMATSU CO., LTD.                     | Million yen<br>15,400      | 100.0%                     | Manufacture of electronic components                                      |
| ROHM APOLLO CO., LTD.                        | Million yen<br>450         | 100.0                      | Manufacture of electronic components                                      |
| LAPIS SEMICONDUCTOR CO., LTD.                | Million yen<br>400         | 100.0                      | Manufacture of electronic components                                      |
| ROHM ELECTRONICS PHILIPPINES, INC.           | Thousand peso<br>1,221,563 | 100.0                      | Manufacture of electronic components                                      |
| ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD. | Thousand baht<br>1,115,500 | 100.0                      | Manufacture of electronic components                                      |
| ROHM SEMICONDUCTOR (CHINA) CO., LTD.         | Million yen<br>16,190      | 100.0                      | Manufacture of electronic components                                      |
| ROHM ELECTRONICS DALIAN CO., LTD.            | Million yen<br>9,417       | 100.0                      | Manufacture of electronic components                                      |
| ROHM SEMICONDUCTOR (H.K.) CO., LTD.          | Thousand HK\$<br>27,000    | 100.0                      | Sales of electronic components  |
| ROHM U.S.A., INC.                            | Thousand US\$<br>253,642   | 100.0                      | Administrative responsibility for subsidiaries in North and South America |
| ROHM ELECTRONICS ASIA PTE. LTD.              | Thousand S\$<br>90,630     | 100.0                      | Administrative responsibility for subsidiaries in Asia and others         |

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

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

**2. Status of Shares**

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

(2) Total Number of Shares Issued 113,400,000

(Including 5,594,438 shares of treasury stock)

(3) Total Number of Shareholders as of March 31, 2014 24,965

**(4) Major Shareholders (Top 10 Shareholders)**

| Name   | Number of Shares Held<br>(Thousands of shares) | Ownership |
|--|--|-----------|
| Rohm Music Foundation  | 8,000  | 7.42%     |
| Japan Trustee Service Bank, Ltd. (Trust account)   | 7,238  | 6.71      |
| The Master Trust Bank of Japan, Ltd. (Trust account)   | 6,968  | 6.46      |
| Bank of Kyoto, Ltd.  | 2,606  | 2.41      |
| Ken Sato   | 2,405  | 2.23      |
| SAJAP  | 1,945  | 1.80      |
| JP MORGAN CHASE BANK 385632  | 1,712  | 1.58      |
| THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT  | 1,678  | 1.55      |
| Japan Trustee Service Bank, Ltd. (Trust account 9)   | 1,652  | 1.53      |
| NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST | 1,468  | 1.36      |

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

2. 5,594 thousand shares of treasury stock are excluded from the above calculation.

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

### 3. Directors and Company Auditors of the Company

#### (1) Directors and Company Auditors

(As of March 31, 2014)

| Position                    | Name              | Positions at the Company and Important Duties outside the Company  |
|-----------------------------|-------------------|--|
| * President                 | Satoshi Sawamura  |  |
| Managing Director           | Hidemi Takasu     | In charge of Business Creation, Quality                            |
| Director                    | Tadanobu Fujiwara | General Manager of Japanese Sales Headquarters                     |
| Director                    | Eiichi Sasayama   | General Manager of Accounting & Finance Headquarters               |
| Director                    | Toshiki Takano    | General Manager of LSI Corporate Strategy and Business Development |
| Director                    | Isao Matsumoto    | General Manager of LSI Production Headquarters                     |
| Director                    | Katsumi Azuma     | General Manager of Discrete Module Production Headquarters         |
| Director                    | Masahiko Yamazaki | General Manager of Administrative Headquarters                     |
| Director                    | Hachiro Kawamoto  |  |
| Director                    | Koichi Nishioka   |  |
| Company Auditor (Full-Time) | Yoshiaki Shibata  |  |
| Company Auditor (Full-Time) | Hideo Iwata       |  |
| Company Auditor             | Yasuhito Tamaki   | Attorney at Law  |
| Company Auditor             | Shinya Murao      | CPA  |
| Company Auditor             | Haruo Kitamura    | CPA, Outside Director of Yamaha Corporation                        |

(Notes) 1. \* Representative Director.

2. Hachiro Kawamoto and Koichi Nishioka are Outside Directors as provided in Article 2, Paragraph 15, of the Companies Act.
3. All five of the Company Auditors are Outside Company Auditors as provided in Article 2, Paragraph 16, of the Companies Act.
4. The Company has designated Directors Hachiro Kawamoto and Koichi Nishioka and all five of the Company Auditors as Independent Directors/Company Auditors pursuant to the rules of the Tokyo Stock Exchange, and reported that information to the Exchanges.
5. Company Auditors Shinya Murao and Haruo Kitamura are certified public accountants and are duly informed of finances and accounting.
6. Changes in the membership of the Board of Directors and the Board of Company Auditors during this fiscal year were as specified below.
  - (1) New appointments
    - 1) Isao Matsumoto was newly elected and appointed as a Director at the 55th Ordinary General Shareholders Meeting of June 27, 2013.
    - 2) Katsumi Azuma was newly elected and appointed as a Director at the 55th Ordinary General Shareholders Meeting of June 27, 2013.
  - (2) Retirements
 

Takahisa Yamaha retired from the position of Managing Director as of the closing of the 55th Ordinary General Shareholders Meeting of June 27, 2013 due to the expiry of his term of office.
  - (3) Changes in duties
    - 1) Hidemi Takasu's position was changed from General Manager of Research and Development Headquarters to in charge of Quality and General Manager of Research and Development Headquarters as of May 11, 2013, and from in charge of Quality and General Manager of Research and Development Headquarters to in charge of Business Creation, Quality as of July 1, 2013.
    - 2) Toshiki Takano's position was changed from General Manager of LSI Development System Headquarters to General Manager of LSI Corporate Strategy and Business Development as of July 1, 2013.
    - 3) Katsumi Azuma's position was changed from General Manager of Discrete Production Headquarters to General Manager of Discrete Module Production Headquarters as of February 25, 2014.

## (2) Total Remunerations for Directors and Company Auditors

| Position         | Number of Members | Remuneration    |
|------------------|-------------------|-----------------|
| Directors        | 11                | 241 million yen |
| Company Auditors | 5                 | 57 million yen  |
| Total            | 16                | 299 million yen |

- (Notes) 1. Directors' remunerations do not include the amount paid as salary for employees to those Directors who are also employees.
2. The total amount of Directors' remuneration is limited to 600 million yen per year based on the resolution of the 48th Ordinary General Shareholders Meeting held on June 29, 2006, and the total amount of Company Auditors' remuneration is limited to 6 million yen per month based on the resolution of the 36th Ordinary General Shareholders Meeting held on June 29, 1994.
3. Directors' remunerations include the amount of 55 million yen as bonuses for the Directors with respect to the 56th fiscal year.
4. Two Directors are Outside Directors and all the Company Auditors are Outside Company Auditors. The total amount of their remunerations is 78 million yen.

## (3) Main Activities of Outside Director and Outside Company Auditors

| Position                    | Name             | Main Activity   |
|-----------------------------|------------------|---|
| Director                    | Hachiro Kawamoto | Attended 96% of the 28 meetings of Board of Directors during the fiscal year ended March 31, 2014 (including participation in 14 resolutions deemed to have been made in writing). Provides opinions based on experience and knowledge as a longtime administrator of an incorporated school.   |
| Director                    | Koichi Nishioka  | Attended 89% of the 28 meetings of Board of Directors during the fiscal year ended March 31, 2014 (including participation in 14 resolutions deemed to have been made in writing). Provides opinions based on experience and knowledge as a longtime economic press reporter.   |
| Company Auditor (Full-Time) | Yoshiaki Shibata | Attended all 28 meetings of Board of Directors during the fiscal year ended March 31, 2014 (including participation in 14 resolutions deemed to have been made in writing). Attended all 10 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., from a comprehensive point of view, based on his position and experience as the full-time Company Auditor.   |
| Company Auditor (Full-Time) | Hideo Iwata      | Attended all 28 meetings of Board of Directors during the fiscal year ended March 31, 2014 (including participation in 14 resolutions deemed to have been made in writing). Attended all 10 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., from a comprehensive point of view, based on his position as the full-time Company Auditor and based on experience and knowledge as a longtime administrator at a financial institution. |
| Company Auditor             | Yasuhito Tamaki  | Attended all 28 meetings of Board of Directors during the fiscal year ended March 31, 2014 (including participation in 14 resolutions deemed to have been made in writing). Attended all 10 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., principally from a professional point of view as a lawyer.   |
| Company Auditor             | Shinya Murao     | Attended all 28 meetings of Board of Directors during the fiscal year ended March 31, 2014 (including participation in 14 resolutions deemed to have been made in writing). Attended all 10 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., principally from a professional point of view as a certified public accountant (CPA).  |
| Company Auditor             | Haruo Kitamura   | Attended all 28 meetings of Board of Directors during the fiscal year ended March 31, 2014 (including participation in 14 resolutions deemed to have been made in writing). Attended all 10 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., principally from a professional point of view as a CPA.  |

#### 4. Independent Auditor

##### (1) Name of the Independent Auditor

Deloitte Touche Tohmatsu LLC

##### (2) Remuneration for the Independent Auditor for the 56th Fiscal Year 85 million yen

The audit engagement between the Company and its Independent Auditor, Deloitte Touche Tohmatsu LLC, does not and actually cannot distinguish between remuneration based on the Companies Act and remuneration based on the Financial Instruments and Exchange Act. For this reason, the amount above includes the aggregate sum of these amounts.

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

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

The Directors may propose not to reappoint the Independent Auditor at the General Shareholders Meeting with an agreement of the Board of Company Auditors or upon request of the Board of Company Auditors when it is deemed difficult for the Independent Auditors to perform audits properly due to an event that may damage their qualification or independence.

##### (4) Total Remuneration for the Independent Auditor to be Paid by the Company and Its Subsidiaries 129 million yen

(Note) Among ROHM group's major subsidiaries, financial statements of the seven overseas subsidiaries are audited by certified public accountants or auditing firms (including those who have commensurate licenses in foreign countries) other than the Company's Independent Auditor.

#### 5. Corporate System and Policies of ROHM Group

##### (1) Corporate System to Ensure the Compliance of the Execution of Duties of the Directors under the Laws, Regulations and the Articles of Incorporation, and to Ensure Proper Operation (Internal Control System)

Regarding the reinforcement of the internal control system as one of the major corporate missions, ROHM Group intends to carry out its corporate social responsibilities not only by ensuring the reliability of the Group's financial reports but also by maintaining compliance of the operational processes of the entire Group. The Board of Directors of the Company has resolved the basic policies to build the internal control system and the improvement of the system, as listed below:

- 1) The system to ensure the compliance of the execution of duties of the Directors under applicable laws as well as the Articles of Incorporation
  - (a) In order to promote further progress of globalization, ROHM Group will comply not only with laws and regulations but also with the 10 principles of the United Nations Global Compact for a wide range of problems in the areas of human rights, labor, the environment, anti-corruption, etc. and promote the management focusing on CSR based on "ISO26000," the international standards for social responsibility and "Electronic Industry Citizenship Coalition (EICC) Code of Conduct", etc.
  - (b) Directors' violation of applicable laws, regulations, or the Articles of Incorporation should be prevented when they perform their duties, based on the "ROHM Group Business Conduct Guidelines" and the Basic Rules of the Board of Directors.
  - (c) The Director or Directors who are highly informed in a specific field should be responsible for the duties related to such field, while all Directors should hold discussions and monitor each other on a daily basis concerning the respective individual fields.
  - (d) Should a Director be found having committed an illegal act by another Director or a Company Auditor, it should be promptly reported to the Board of Directors and the Board of Company Auditors.
  - (e) The Compliance Hotline (the internal hotline system and hotline system for suppliers) should be created to discover any illegal conduct of a Director and to prevent recurrence thereof.
  - (f) In addition to two Outside Directors, five Outside Company Auditors should constantly check that Directors perform their duties in compliance with all applicable laws and regulations as well as the Articles of Incorporation.
- 2) System to save and control information related to Directors' performance of duties
  - (a) Decisions regarding Directors' performance of their duties, such as the minutes of general

shareholders meetings, the minutes of the meetings of the Board of Directors, executive proposals, business plans for individual fiscal years, etc., should be saved in writing. The documents should be saved and controlled in compliance with all applicable laws and regulations as well as all in-house regulations.

- (b) The directions and notices provided to Group companies or in-house divisions concerned shall be issued via email or in writing as a rule. The directions and notices shall be saved so as to be inspected at any time by Directors and Company Auditors.
  - (c) Information related to Directors' performance of duties should be kept and controlled duly by relevant sections or divisions concerned, and the leak and inappropriate use of such information must be prevented by giving internal notice and information security training to all employees to ensure that they are fully aware of and comply with such rule.
- 3) Rules and other systems to control the risk of loss
- (a) Under the CSR Committee chaired by the President himself, Committees of Quality, Corporate Safety and Health, Risk Management/BCM, Compliance, Information Disclosure, Environmental Conservation, etc. should be established as company-wide cross-sectional committees. These committees will appropriately respond to various management issues and risks in each responsible area by taking necessary measures, giving directions and solving problems.
  - (b) The Risk Management/BCM Committee should be organized to identify, analyze and control major risks that may occur in the course of the performance of business operations. In order to avoid or minimize the effect of unforeseeable circumstances such as sudden natural disasters as much as possible and enable the survival of our business as a consequence, the Risk Management/BCM Committee will verify the activities of each section in charge of risk management, establish a business continuity plan and take any and all possible preliminary measures or preparations across the Group.
  - (c) As a corporate effort to eradicate antisocial groups, a Risk Management Office should be established in the Department of General Affairs. The Office should cooperate and exchange information with external specialist organizations such as the police department, promote specific actions and perform them thoroughly, to eradicate antisocial groups. In-house regulations should be established to eradicate antisocial groups and should be strictly observed. All Group employees should be informed by way of the "ROHM Group Business Conduct Guidelines", as distributed to all employees, or by other means, that they must take a firm stand against antisocial groups. Further, the necessity of taking a firm stand against antisocial groups should be communicated to all employees through various in-house training sessions.
- 4) System to ensure that Directors perform their duties efficiently
- (a) The Board of Directors should consist of a small number of Directors authorized to execute business operations to realize prompt executive decision-making.
  - (b) The Board of Directors should have Directors who are highly experienced in different fields. The Board should divide duties to the Director in charge of that certain field and have him/her perform the specific duties of that field.
  - (c) Issues that may have a considerable influence on corporate management should be examined, analyzed and reported by in-house project teams established separately for individual issues. Upon completion of such examination, prompt decisions should be made by way of a meeting of Board of Directors or executive proposals, as appropriate, based on the Articles of Incorporation and internal regulations.
  - (d) The in-house written standards of in-house control procedures regarding various managerial issues such as risk control and information control should be strictly observed.
  - (e) To increase the competitiveness of the Group and to ensure a fair amount of profits, business performance targets should be established as part of annual profit-raising projects for the entire company and individual divisions, and progress and achievement status of such projects and targets should be controlled.
- 5) System to ensure that employees perform their duties in compliance with all applicable laws and regulations as well as the Articles of Incorporation
- (a) The Compliance Committee should be organized and across-the-group compliance actions should be taken by implementing the "ROHM Group Business Conduct Guidelines". A compliance system of the Group companies should be created based on the system of our company, and a leader for each division should be nominated as a leader to raise the awareness of the importance of compliance and to ensure the ongoing compliance of each division.

- (b) To cope with proprietary laws and regulations in a proper manner, not only the CSR Committee but also the Corporate Safety and Health Committee, Compliance Committee, Information Disclosure Committee, and Environmental Conservation Committee, should be committed to such actions as checking the status of compliance for the entire Group and performing ongoing educational activities.
  - (c) Under the control of the Information Disclosure Committee, individual sections and divisions should properly control insider information and educate employees in the interest of and raising awareness of the importance of strict information handling, to prevent insider trading.
  - (d) A Compliance Hotline (internal hotline system and hotline system for suppliers) should be deployed to the entire ROHM Group including overseas entities, to uncover any illegal employee conduct and to prevent any recurrence of illegal conduct.
- 6) System to ensure compliance of the Group's corporate operations
- (a) The Group companies share the corporate mission and policy, which are the basis of the founding spirit of the Company, in order to carry out the business activities as a team working together and enhance the corporate value of the entire Group.
  - (b) Each Committee under the Company's CSR Committee should supervise and control Group companies comprehensively to ensure proper execution of duties in each responsible area.
  - (c) Written standards applicable to the entire ROHM group should be established and implemented.
  - (d) The compliant business operations of Group companies should be monitored by appointing employees of the Company or another Group company to Group companies' Board of Directors or Company Auditors.
  - (e) A system should be operated that requires the Board of Directors' resolution or an executive decision at the Company to settle critical issues at the Group companies level, thus enabling the Company's relevant divisions to control Group companies.
  - (f) An internal control system that includes the Company and significant Group companies should be established and reinforced through a framework that ensures financial reporting compliance and through efforts to conform to the auditing system.
  - (g) The Company's internal auditing division under the direct control of the President should perform internal audits to check each Group company's situations of execution of duties, compliance with all applicable laws and regulations as well as in-house regulations, risk management, etc.
- 7) Employees Hired upon the Request of a Company Auditor to Assist the Auditor's Duties and Independence of the Employees from Directors
- (a) The Company should, upon Company Auditor's request, appoint staff employees with proper capabilities.
  - (b) The staff of Company Auditors should be independent of duties related to the execution of corporate business. In the employment, transfer and evaluation of performance of Company Auditors' staff, opinions from the Board of Company Auditors shall be respected.
- 8) System for Directors and employees to report to Company Auditors, and other systems for reporting to Company Auditors
- (a) Should a Director be found to have committed an illegal conduct in the performance of Directors' duties, any neglect in the obligation of being duly conscious as good Directors, or any fact that may damage the Company considerably, etc. by another Director, it should be promptly reported to the Board of Company Auditors.
  - (b) The meetings of committees, not only the CSR Committee but also the Risk Management/BCM Committee, Compliance Committee, and Information Disclosure Committee should be attended by full-time Company Auditors as observers, and individual committees should make periodical reports on their activities to the Company Auditors by submitting meeting minutes or by other appropriate means.
  - (c) A system should be retained whereby the status and results of business operations can be properly reported to Company Auditors through executive proposals and reports.
- 9) Other systems to ensure that the audits by Company Auditors are performed effectively
- (a) Concerning the status of the operation of the internal control system, Directors should report to the Board of Company Auditors where requested.
  - (b) The internal audit division should strengthen the collaboration with the Company Auditors and report the results of audit periodically.

- (c) All Company Auditors should be Outside Company Auditors. The Board of Company Auditors should be a strongly independent group consisting of diversified experts, including legal specialists, accounting specialists, and those who used to work for financial institutions.
- (d) Company Auditors should exchange opinions with Directors whenever necessary.

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

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

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

## Consolidated Balance Sheet

As of March 31, 2014

(Millions of yen)

| Accounts                                | Amount         | Accounts   | Amount          |
|---|----------------|--|-----------------|
| (Assets)                                |                | (Liabilities)  |                 |
| <b>Current assets</b>                   | <b>461,745</b> | <b>Current liabilities</b>                           | <b>52,954</b>   |
| Cash and deposits                       | 272,982        | Notes and accounts payable-trade                     | 12,324          |
| Notes and accounts receivable-trade     | 67,536         | Electronically recorded obligations                  | 7,065           |
| Electronically recorded monetary claims | 2,214          | Accounts payable-other                               | 12,595          |
| Securities                              | 15,282         | Income taxes payable                                 | 3,636           |
| Merchandise and finished products       | 25,533         | Deferred tax liabilities                             | 45              |
| Work in process                         | 39,739         | Other  | 17,285          |
| Raw materials and supplies              | 25,761         | <b>Long-term liabilities</b>                         | <b>38,065</b>   |
| Deferred tax assets                     | 4,170          | Deferred tax liabilities                             | 25,764          |
| Refundable income taxes                 | 269            | Liability for retirement benefits                    | 9,948           |
| Other                                   | 8,475          | Other  | 2,351           |
| Allowance for doubtful accounts         | (220)          |  |                 |
| <b>Fixed assets</b>                     | <b>292,661</b> | <b>Total liabilities</b>                             | <b>91,019</b>   |
| <b>Tangible fixed assets</b>            | <b>212,297</b> | (Equity)   |                 |
| Buildings and structures                | 76,277         | <b>Shareholders' equity</b>                          | <b>700,250</b>  |
| Machinery, equipment, and vehicles      | 48,565         | Common stock   | 86,969          |
| Furniture and fixtures                  | 7,664          | Capital surplus                                      | 102,403         |
| Land                                    | 63,960         | Retained earnings                                    | 561,002         |
| Construction in progress                | 15,828         | Treasury stock                                       | (50,125)        |
| <b>Intangible fixed assets</b>          | <b>3,005</b>   | <b>Accumulated other comprehensive income (loss)</b> | <b>(37,266)</b> |
| Goodwill                                | 66             | Unrealized gain on available-for-sale securities     | 13,347          |
| Other                                   | 2,938          | Foreign currency translation adjustments             | (45,788)        |
| <b>Investments and other assets</b>     | <b>77,359</b>  | Accumulated adjustments for retirement benefits      | (4,825)         |
| Investment securities                   | 58,841         | <b>Minority interests</b>                            | <b>404</b>      |
| Asset for retirement benefits           | 723            |  |                 |
| Deferred tax assets                     | 5,525          | <b>Total equity</b>                                  | <b>663,387</b>  |
| Other                                   | 12,556         |  |                 |
| Allowance for doubtful accounts         | (287)          | <b>Total liabilities and equity</b>                  | <b>754,407</b>  |
| <b>Total assets</b>                     | <b>754,407</b> |  |                 |

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



## Consolidated Statement of Income

From April 1, 2013 to March 31, 2014

(Millions of yen)

| Accounts   | Amount |                |
|--|--------|----------------|
| Net sales  |        | 331,087        |
| Cost of sales  |        | 227,014        |
| <b>Gross profit</b>                                      |        | <b>104,073</b> |
| Selling, general and administrative expenses             |        | 80,437         |
| <b>Operating income</b>                                  |        | <b>23,635</b>  |
| Nonoperating income                                      |        |                |
| Interest income  | 1,387  |                |
| Foreign currency exchange gain                           | 10,092 |                |
| Other  | 1,122  | 12,602         |
| Nonoperating expenses                                    |        |                |
| Interest expense   | 1      |                |
| Provision for doubtful accounts                          | 184    |                |
| Environmental remediation cost                           | 114    |                |
| Other  | 21     | 322            |
| <b>Ordinary income</b>                                   |        | <b>35,915</b>  |
| Extraordinary gains                                      |        |                |
| Gain on sale of fixed assets                             | 5,832  |                |
| Gain on insurance settlement                             | 895    | 6,728          |
| Extraordinary losses                                     |        |                |
| Loss on sale and disposal of fixed assets                | 439    |                |
| Loss on impairment of fixed assets                       | 951    |                |
| Loss on reduction of fixed assets                        | 107    |                |
| Loss on valuation of investment securities               | 63     |                |
| Loss on transfer of business                             | 52     |                |
| Loss on quality compensation                             | 850    | 2,463          |
| <b>Income before income taxes and minority interests</b> |        | <b>40,179</b>  |
| Income taxes-current                                     | 5,936  |                |
| Income taxes for prior periods                           | 2,497  |                |
| Income taxes-deferred                                    | (378)  | 8,056          |
| <b>Net income before minority interests</b>              |        | <b>32,123</b>  |
| Minority interests in net income                         |        | 31             |
| <b>Net income</b>  |        | <b>32,091</b>  |

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

## Consolidated Statement of Changes in Equity

From April 1, 2013 to March 31, 2014

(Millions of yen)

|  | Shareholders' Equity |                 |                   |                |                            | Accumulated Other Comprehensive Income (Loss)    |  |   |  |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|--|--|---|--|
|  | Common Stock         | Capital Surplus | Retained Earnings | Treasury Stock | Total Shareholders' Equity | Unrealized Gain on Available-for-Sale Securities | Foreign Currency Translation Adjustments | Accumulated Adjustments for Retirement Benefits | Total Accumulated Other Comprehensive Loss |
| Balance at the beginning of the year                 | 86,969               | 102,403         | 532,683           | (50,087)       | <b>671,970</b>             | 4,766  | (63,466)                                 | -   | <b>(58,700)</b>                            |
| Changes in the year                                  |                      |                 |                   |                |                            |  |  |   |  |
| Dividends  |                      |                 | (3,773)           |                | <b>(3,773)</b>             |  |  |   |  |
| Net income   |                      |                 | 32,091            |                | <b>32,091</b>              |  |  |   |  |
| Purchase of treasury stock                           |                      |                 |                   | (37)           | <b>(37)</b>                |  |  |   |  |
| Net changes in items other than shareholders' equity |                      |                 |                   |                |                            | 8,580  | 17,677                                   | (4,825)   | <b>21,433</b>                              |
| Total changes in the year                            | -                    | -               | 28,318            | (37)           | <b>28,280</b>              | 8,580  | 17,677                                   | (4,825)   | <b>21,433</b>                              |
| Balance at the end of the year                       | 86,969               | 102,403         | 561,002           | (50,125)       | <b>700,250</b>             | 13,347   | (45,788)                                 | (4,825)   | <b>(37,266)</b>                            |

|  | Minority Interests | Total Equity |
|--|--------------------|--------------|
| Balance at the beginning of the year                 | 377                | 613,647      |
| Changes in the year                                  |                    |              |
| Dividends  |                    | (3,773)      |
| Net income   |                    | 32,091       |
| Purchase of treasury stock                           |                    | (37)         |
| Net changes in items other than shareholders' equity | 26                 | 21,459       |
| Total changes in the year                            | 26                 | 49,740       |
| Balance at the end of the year                       | 404                | 663,387      |

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

## **Notes to Consolidated Financial Statements**

### **Basis in Preparing Consolidated Financial Statements**

#### **1. Scope of Consolidation**

**(1) Number of consolidated subsidiaries** 47

#### **(2) Names of major consolidated subsidiaries**

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

Changes in the scope of consolidation for the fiscal year ended March 31, 2014, are as follows:

Completion of liquidation (one company)  
ROHM AMAGI CO., LTD.

#### **(3) Name of major unconsolidated subsidiaries**

NARITAGIKEN CO., LTD.

The unconsolidated subsidiary is excluded from the scope of consolidation due to immateriality to the consolidated financial statements in terms of total assets, net sales, net income or loss (amount corresponding to equity ownership), retained earnings (amount corresponding to equity ownership), and others, as well as the immateriality as a whole.

#### **2. Application of Equity Method**

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

**(2) Number of associated companies accounted for by the equity method** 0

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

(Unconsolidated subsidiary)

NARITAGIKEN CO., LTD.

(Associated company)

LUSEM CO., LTD.

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

#### **3. Fiscal Year of the Consolidated Subsidiaries**

The fiscal year end of 9 consolidated subsidiaries is different from that of the consolidated balance sheet date, March 31. The fiscal year end of these consolidated subsidiaries is December 31.

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

#### **4. Accounting Policies**

##### **(1) Basis and method for valuation of significant assets**

###### 1) Securities

Marketable securities classified as available-for-sale securities are stated at fair value (based on market prices, etc., at the consolidated balance sheet date), with unrealized gains and losses reported as a separate component of equity. The cost of available-for-sale securities sold is principally determined based on the moving-average method. Nonmarketable securities are stated

at cost determined by the moving-average method.

2) Derivatives

Derivatives are stated at fair value.

3) Inventories

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

(The balances on the consolidated balance sheet are written down when decreases in profitability have occurred.)

**(2) Depreciation of significant fixed assets**

1) Tangible fixed assets excluding leased assets

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

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

2) Intangible fixed assets excluding leased assets

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

3) Leased assets

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

**(3) Basis for significant allowances**

Allowance for doubtful accounts

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

**(4) Translation of foreign currencies**

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

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

**(5) Hedge accounting**

1) Hedge accounting

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

2) Hedging instruments and hedged items

Hedging instruments and hedged items are as follows:

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

3) Hedging policy

The Company and consolidated subsidiaries (the "Group") use derivative financial instruments only as a means to hedge foreign currency exchange risks.

4) Evaluation of hedge effectiveness

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

## (6) Amortization of goodwill

Goodwill is amortized over five years, unless deemed immaterial.

## (7) Other significant conditions in preparing consolidated financial statements

### 1) Liability for retirement benefits

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

In calculating the projected benefit obligation, a straight-line basis or point basis is utilized to attribute expected retirement benefit to periods up to the consolidated balance sheet date.

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

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

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

### 2) Accounting for consumption taxes

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

## Notes to Changes in Accounting Policies

Effective the consolidated balance sheet date, the Group adopted Accounting Standard Board of Japan (ASBJ) Statement No. 26 "Accounting Standard for Retirement Benefits" (the Standard) and ASBJ Guidance No. 25 "Guidance on Accounting Standard for Retirement Benefits" dated May 17, 2012 (the Guidance), except for the provisions in the body text of paragraph 35 of the Standard and paragraph 67 of the Guidance. The Group recorded the amount of the projected benefit obligation, less the amount of pension assets, as liability for retirement benefits. Unrecognized actuarial gains and losses and unrecognized past service cost are recorded within a liability for retirement benefits (in the event pension assets exceed the projected benefit obligation, as an asset for retirement benefit). Also, according to paragraph 27 of the Standard, the Group reclassified "Prepaid pension cost", which had been recorded within current assets in the prior years, as "Asset for retirement benefit" within fixed assets as of the consolidated balance sheet date.

In adopting the Standard and the Guidance, the Group accounted for the effects of the changes in accounting policies arising from initial adoption as an accumulated adjustment for retirement benefits within accumulated other comprehensive income in accordance with paragraph 37 of the Standard.

As the result, liability for retirement benefits and asset for retirement benefits are recorded as 9,948 million yen and 723 million yen, respectively. Also, deferred tax assets increased by 62 million yen, and deferred tax liabilities and accumulated other comprehensive income decreased by 491 million yen and 4,825 million yen, respectively. Equity per share decreased by 44.75 yen.

## Notes to Consolidated Balance Sheet

### 1. Accumulated Depreciation of Tangible Fixed Assets

591,977 million yen

### 2. Accumulated Reduction of Tangible Fixed Assets

The accumulated reduction from the acquisition cost of tangible fixed assets due to insurance benefits for fire or other disaster loss, and subsidies or other benefits received from the government are 474 million yen and 980 million yen, respectively.

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

|                                    | (Millions of yen) |
|------------------------------------|-------------------|
| Buildings and structures           | 539               |
| Machinery, equipment, and vehicles | 529               |
| Furniture and fixtures             | 7                 |
| Land                               | 377               |

### 3. Guarantee Liabilities

The Group guarantees employees' loans from banks.

Employees (housing loans) 88 million yen

### 4. Assets in Unconsolidated Subsidiaries and Associated Companies

Investment securities (stock) 714 million yen

## Notes to Consolidated Statement of Income

### 1. Loss on Impairment of Fixed Assets

The Group recognized impairment loss on the following asset groups for the fiscal year ended March 31, 2014.

| Use of Asset     | Location    | Account                                       | Amount<br>(Millions of yen) |
|------------------|-------------|---|-----------------------------|
| Operating assets | Japan       | Furniture and fixtures                        | 40                          |
|                  | China       | Machinery, equipment, and vehicles            | 36                          |
|                  |             | Furniture and fixtures                        | 35                          |
|                  |             | Intangible fixed assets (excluding goodwill)  | 6                           |
| Idle assets      | Japan       | Machinery, equipment, and vehicles            | 253                         |
|                  |             | Buildings and structures                      | 124                         |
|                  |             | Land  | 7                           |
|                  |             | Furniture and fixtures                        | 4                           |
|                  | Thailand    | Buildings and structures                      | 257                         |
|                  |             | Machinery, equipment, and vehicles and others | 100                         |
|                  | Philippines | Machinery, equipment, and vehicles            | 31                          |
|                  |             | Furniture and fixtures                        | 13                          |
|                  |             | Construction in progress                      | 11                          |
|                  |             | Buildings and structures                      | 4                           |
|                  | China       | Machinery, equipment, and vehicles            | 18                          |
|                  |             | Furniture and fixtures                        | 5                           |
| Total            |             |   | 951                         |

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

(Operating assets)

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

The recoverable amounts were measured at their value in use and the discount rate used for computation of the present value of future cash flows was 10.0%.

(Idle assets)

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

The recoverable amounts were measured at their net selling prices, which were based on a reasonable

estimation in consideration of market value.

## 2. Income Taxes for Prior Period

Income taxes for prior period are principally the additional tax paid according to a notice from the China Taxation Bureau related to the transfer pricing taxation for the transactions between the Company and its subsidiaries (ROHM SEMICONDUCTOR (CHINA) CO., LTD., and ROHM ELECTRONICS DALIAN CO., LTD.)

The Company is considering to request the Japanese National Tax Agency to implement Mutual Agreement Procedures in accordance with the provision of the tax treaty between Japan and China for avoidance of double taxation.

## Notes to Consolidated Statement of Changes in Equity

### 1. Number of Shares Issued as of March 31, 2014

Common stock 113,400,000 shares

### 2. Dividends

#### (1) Dividends paid

| (Resolution)  | Class of Stock | Total Amount of Dividends | Dividend per Share | Record Date        | Effective Date   |
|---|----------------|---------------------------|--------------------|--------------------|------------------|
| Ordinary General Shareholders Meeting held on June 27, 2013 | Common stock   | 1,617 million yen         | 15.00 yen          | March 31, 2013     | June 28, 2013    |
| Meeting of the Board of Directors held on November 5, 2013  | Common stock   | 2,156 million yen         | 20.00 yen          | September 30, 2013 | December 6, 2013 |

#### (2) Dividends for the fiscal year ended March 31, 2014, to be distributed after the end of the fiscal year

| (Scheduled Resolution)                                      | Class of Stock | Total Amount of Dividends | Source of Dividends | Dividend per Share | Record Date    | Effective Date |
|---|----------------|---------------------------|---------------------|--------------------|----------------|----------------|
| Ordinary General Shareholders Meeting held on June 27, 2014 | Common stock   | 3,234 million yen         | Retained earnings   | 30.00 yen          | March 31, 2014 | June 30, 2014  |

## Notes to Financial Instruments

### 1. Matters Relating to Financial Instruments

#### (1) Policy for financial instruments

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

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

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

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

Payment terms of payables, such as trade notes, trade accounts, and electronically recorded obligations, are primarily less than one year. These payables are exposed to liquidity risk and the

Group manages the risk by preparing and updating financing plans as appropriate.

The Group enters into derivative transactions pursuant to the internal policy approved by the Board of Directors and 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 information to fair value of financial instruments

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

## 2. Fair Values of Financial Instruments

Carrying amounts of fair value, and differences of financial instruments as of March 31, 2014, are listed in the table below. Any financial instruments whose fair values are not readily determinable are not included (see Note 2).

| (Millions of yen)                           |                 |                |            |
|---|-----------------|----------------|------------|
|   | Carrying Amount | Fair Value     | Difference |
| (1) Cash and deposits                       | 272,982         | 272,982        | -          |
| (2) Notes and accounts receivable-trade     | 67,536          | 67,536         | -          |
| (3) Electronically recorded monetary claims | 2,214           | 2,214          | -          |
| (4) Securities and investment securities    |                 |                |            |
| Available-for-sale securities               | 72,954          | 72,954         | -          |
| (5) Refundable income taxes                 | 269             | 269            | -          |
| <b>Total assets</b>                         | <b>415,958</b>  | <b>415,958</b> | <b>-</b>   |
| (1) Notes and accounts payable-trade        | 12,324          | 12,324         | -          |
| (2) Electronically recorded obligations     | 7,065           | 7,065          | -          |
| (3) Accounts payable-other                  | 12,595          | 12,595         | -          |
| (4) Income taxes payable                    | 3,636           | 3,636          | -          |
| <b>Total liabilities</b>                    | <b>35,623</b>   | <b>35,623</b>  | <b>-</b>   |

(Notes)

#### 1. Methods for calculating fair values

##### Assets

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

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

(4) Securities and investment securities

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

##### Liabilities

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

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

#### 2. Financial instruments whose fair values are not readily determinable

| (Millions of yen)  |                 |
|--|-----------------|
| Category   | Carrying Amount |
| Unlisted stocks  | 357             |
| Rights under limited partnership agreements for investment     | 96              |
| Stocks of unconsolidated subsidiaries and associated companies | 714             |

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



## 3. Maturity analysis for financial assets and securities with contractual maturities

(Millions of yen)

|   | Due in<br>One Year | Due after One<br>Year through<br>Five Years | Due after Five<br>Years through<br>Ten Years | Due after<br>Ten Years |
|---|--------------------|---|--|------------------------|
| Cash and deposits   | 272,982            | -   | -  | -                      |
| Notes and accounts receivable-trade   | 67,536             | -   | -  | -                      |
| Electronically recorded monetary claims   | 2,214              | -   | -  | -                      |
| Securities and investment securities  |                    |   |  |                        |
| Available-for-sale securities with contractual maturities (Japanese government bonds, local government bonds, etc.) | -                  | 2   | -  | -                      |
| Available-for-sale securities with contractual maturities (corporate bonds)   | 5,015              | 17,203                                      | -  | -                      |
| Available-for-sale securities with contractual maturities (other)   | 10,025             | -   | -  | 1,073                  |
| Refundable income taxes   | 269                | -   | -  | -                      |
| Total   | 358,043            | 17,206                                      | -  | 1,073                  |

**Notes to Per Share Information**

|                      |              |
|----------------------|--------------|
| Equity per share     | 6,149.79 yen |
| Net income per share | 297.65 yen   |

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

### INDEPENDENT AUDITOR'S REPORT

May 12, 2014

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

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:  
Hiroyasu Kawai

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

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

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2014 of ROHM CO., LTD. (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in equity for the fiscal year from April 1, 2013 to March 31, 2014, and the related notes.

#### Management's Responsibility for the Consolidated Financial Statements

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

#### Auditor's Responsibility

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

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

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

#### Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2014, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

#### Interest

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

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

## Nonconsolidated Balance Sheet

As of March 31, 2014

(Millions of yen)

| Accounts  | Amount         | Accounts   | Amount         |
|---|----------------|--|----------------|
| (Assets)  |                | (Liabilities)                                    |                |
| <b>Current assets</b>                           | <b>194,778</b> | <b>Current liabilities</b>                       | <b>57,829</b>  |
| Cash and deposits                               | 79,021         | Accounts payable-trade                           | 38,702         |
| Notes receivable-trade                          | 780            | Electronically recorded obligations              | 5,815          |
| Accounts receivable-trade                       | 62,018         | Accounts payable-other                           | 6,778          |
| Electronically recorded monetary claims         | 2,214          | Accrued expenses                                 | 5,463          |
| Securities                                      | 8,282          | Income taxes payable                             | 301            |
| Merchandise and finished products               | 12,507         | Deposits received                                | 630            |
| Work in process                                 | 2,965          | Other  | 137            |
| Raw materials and supplies                      | 3,200          | <b>Long-term liabilities</b>                     | <b>8,163</b>   |
| Prepaid expenses                                | 284            | Other long-term liabilities                      | 1,887          |
| Deferred tax assets                             | 874            | Deferred tax liabilities                         | 6,062          |
| Short-term loans receivable                     | 2,900          | Liability for retirement benefits                | 197            |
| Accounts receivable-other                       | 18,429         | Asset retirement obligations                     | 15             |
| Other   | 1,298          |  |                |
|   |                | <b>Total liabilities</b>                         | <b>65,993</b>  |
| <b>Fixed assets</b>                             | <b>290,540</b> | (Equity)   |                |
| <b>Tangible fixed assets</b>                    | <b>58,877</b>  | <b>Shareholders' equity</b>                      | <b>406,060</b> |
| Buildings                                       | 13,203         | Common stock                                     | 86,969         |
| Structures                                      | 417            | Capital surplus                                  | 97,253         |
| Machinery and equipment                         | 497            | Additional paid-in capital                       | 97,253         |
| Vehicles  | 0              | Retained earnings                                | 271,962        |
| Furniture and fixtures                          | 587            | Legal reserve                                    | 2,464          |
| Land  | 39,223         | Other retained earnings                          | 269,497        |
| Construction in progress                        | 4,947          | Reserve for research and development             | 1,500          |
| <b>Intangible fixed assets</b>                  | <b>1,502</b>   | Reserve for losses of overseas investments       | 28             |
| Goodwill  | 66             | Other reserve                                    | 243,500        |
| Patents   | 829            | Retained earnings carried forward                | 24,469         |
| Software  | 577            | Treasury stock                                   | (50,125)       |
| Other   | 28             |  |                |
| <b>Investments and other assets</b>             | <b>230,160</b> | <b>Valuation and translation adjustments</b>     | <b>13,264</b>  |
| Investment securities                           | 57,826         | Unrealized gain on available-for-sale securities | 13,264         |
| Stocks of subsidiaries and associated companies | 137,952        |  |                |
| Long-term loans receivable                      | 37,528         | <b>Total equity</b>                              | <b>419,324</b> |
| Long-term prepaid expenses                      | 6,083          |  |                |
| Prepaid pension cost                            | 531            | <b>Total liabilities and equity</b>              | <b>485,318</b> |
| Other   | 3,478          |  |                |
| Allowance for doubtful accounts                 | (13,241)       |  |                |
|   |                |  |                |
| <b>Total assets</b>                             | <b>485,318</b> |  |                |

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

## Nonconsolidated Statement of Income

From April 1, 2013 to March 31, 2014

(Millions of yen)

| Accounts   | Amount  |                |
|--|---------|----------------|
| Net sales  |         | 282,123        |
| Cost of sales  |         | 239,843        |
| <b>Gross profit</b>  |         | <b>42,279</b>  |
| Selling, general and administrative expenses                 |         | 46,542         |
| <b>Operating loss</b>  |         | <b>(4,262)</b> |
| Nonoperating income  |         |                |
| Interest and dividend income                                 | 8,286   |                |
| Foreign currency exchange gain                               | 6,270   |                |
| Technical advisory fees                                      | 4,991   |                |
| Other  | 2,572   | 22,120         |
| Nonoperating expenses  |         |                |
| Commission fees  | 1,321   |                |
| Taxes and dues   | 853     |                |
| Provision for doubtful accounts                              | 2,361   |                |
| Other  | 36      | 4,573          |
| <b>Ordinary income</b>                                       |         | <b>13,284</b>  |
| Extraordinary gains  |         |                |
| Gain on sale of fixed assets                                 | 389     | 389            |
| Extraordinary losses   |         |                |
| Loss on sale and disposal of fixed assets                    | 274     |                |
| Loss on impairment of fixed assets                           | 2,734   |                |
| Loss on reduction of fixed assets                            | 107     |                |
| Loss on valuation of investment securities                   | 62      |                |
| Loss on liquidation of subsidiaries and associated companies | 58      |                |
| Loss on quality compensation                                 | 850     | 4,087          |
| <b>Income before income taxes</b>                            |         | <b>9,587</b>   |
| Income taxes-current   | 470     |                |
| Income taxes-deferred  | (1,649) | (1,178)        |
| <b>Net Income</b>  |         | <b>10,765</b>  |

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

## Nonconsolidated Statement of Changes in Equity

From April 1, 2013 to March 31, 2014

(Millions of yen)

|  | Shareholders' Equity |                            |                       |               |                                      |  |               |                                   |                         |                |                            |
|--|----------------------|----------------------------|-----------------------|---------------|--------------------------------------|--|---------------|-----------------------------------|-------------------------|----------------|----------------------------|
|  | Common Stock         | Capital Surplus            |                       | Legal Reserve | Retained Earnings                    |  |               |                                   | Total Retained Earnings | Treasury Stock | Total Shareholders' Equity |
|  |                      | Additional Paid-in Capital | Total Capital Surplus |               | Other Retained Earnings              |  |               |                                   |                         |                |                            |
|  |                      |                            |                       |               | Reserve for Research and Development | Reserve for Losses of Overseas Investments | Other Reserve | Retained Earnings Carried Forward |                         |                |                            |
| Balance at the beginning of the year                   | 86,969               | 97,253                     | 97,253                | 2,464         | 1,500                                | 36   | 243,500       | 17,469                            | 264,970                 | (50,087)       | 399,106                    |
| Changes in the year                                    |                      |                            |                       |               |                                      |  |               |                                   |                         |                |                            |
| Reversal of reserve for losses of overseas investments |                      |                            |                       |               |                                      | (7)  |               | 7                                 | -                       |                | -                          |
| Dividends  |                      |                            |                       |               |                                      |  |               | (3,773)                           | (3,773)                 |                | (3,773)                    |
| Net income   |                      |                            |                       |               |                                      |  |               | 10,765                            | 10,765                  |                | 10,765                     |
| Purchase of treasury stock                             |                      |                            |                       |               |                                      |  |               |                                   |                         | (37)           | (37)                       |
| Net changes in items other than shareholders' equity   |                      |                            |                       |               |                                      |  |               |                                   |                         |                |                            |
| Total changes in the year                              | -                    | -                          | -                     | -             | -                                    | (7)  | -             | 6,999                             | 6,992                   | (37)           | 6,954                      |
| Balance at the end of the year                         | 86,969               | 97,253                     | 97,253                | 2,464         | 1,500                                | 28   | 243,500       | 24,469                            | 271,962                 | (50,125)       | 406,060                    |

|  | Valuation and Translation Adjustments            |   | Total Equity |
|--|--|---|--------------|
|  | Unrealized Gain on Available-for-Sale Securities | Total Valuation and Translation Adjustments |              |
| Balance at the beginning of the year                   | 4,739  | 4,739                                       | 403,845      |
| Changes in the year                                    |  |   |              |
| Reversal of reserve for losses of overseas investments |  |   | -            |
| Dividends  |  |   | (3,773)      |
| Net income   |  |   | 10,765       |
| Purchase of treasury stock                             |  |   | (37)         |
| Net changes in items other than shareholders' equity   | 8,524  | 8,524                                       | 8,524        |
| Total changes in the year                              | 8,524  | 8,524                                       | 15,479       |
| Balance at the end of the year                         | 13,264   | 13,264                                      | 419,324      |

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

## Notes to Nonconsolidated Financial Statements

### Significant Accounting Policies

#### 1. Basis and Method for Valuation of Securities

Investment securities in subsidiaries and associated companies are stated at cost determined by the moving-average method. Marketable securities classified as available-for-sale securities are stated at fair value (based on market prices, etc., at the balance sheet date), with unrealized gains and losses reported as a separate component of equity. The cost of available-for-sale securities sold is principally determined based on the moving-average method. Nonmarketable securities are stated at cost determined by the moving-average method.

#### 2. Basis and Method for Valuation of Inventories

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

(The balances on the nonconsolidated balance sheet are written down when decreases in profitability have occurred.)

#### 3. Depreciation of Fixed Assets

##### (1) Tangible fixed assets

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

The estimated useful life of buildings is mainly 3 to 50 years and that of machinery and equipment is mainly 2 to 8 years.

##### (2) Intangible fixed assets

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

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

#### 4. Translation of Foreign Currencies

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

#### 5. Basis for Significant Allowances

##### (1) Allowance for doubtful accounts

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

##### (2) Liability for retirement benefits

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

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

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

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

## 6. Hedge Accounting

### (1) Hedge accounting

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

### (2) Hedging instruments and hedged items

Hedging instruments and hedged items are as follows:

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

### (3) Hedging policy

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

### (4) Evaluation of hedge effectiveness

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

## 7. Other Significant Conditions in Preparing Nonconsolidated Financial Statements

Accounting for consumption taxes

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

## Notes to Nonconsolidated Balance Sheet

### 1. Accumulated Depreciation of Tangible Fixed Assets

99,582 million yen

### 2. Accumulated Reduction of Tangible Fixed Assets

The accumulated reduction from the acquisition cost of tangible fixed assets due to fire and other insurance benefit, and subsidies or others received from government are 208 million yen and 390 million yen, respectively.

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

|                         |                   |
|-------------------------|-------------------|
|                         | (Millions of yen) |
| Buildings               | 180               |
| Machinery and equipment | 44                |
| Furniture and fixtures  | 7                 |
| Land                    | 365               |

### 3. Guarantee Liabilities

The Company guarantees the following subsidiaries' liabilities.

|                          |                   |
|--------------------------|-------------------|
|                          | (Millions of yen) |
| ROHM HAMAMATSU CO., LTD. | 258               |
| SICRYSTAL AG             | 142               |

### 4. Receivables from and Payables to Subsidiaries and Associated Companies

|   |                   |
|---|-------------------|
|   | (Millions of yen) |
| Short-term receivables from subsidiaries and associated companies | 55,993            |
| Long-term receivables from subsidiaries and associated companies  | 37,252            |
| Short-term payables to subsidiaries and associated companies      | 38,291            |

## Notes to Nonconsolidated Statement of Income

### 1. Transactions with Subsidiaries and Associated Companies

|                           |                                     | (Millions of yen) |         |
|---------------------------|-------------------------------------|-------------------|---------|
| Operating transactions    | Net sales                           |                   | 191,518 |
|                           | Purchase and subcontract processing |                   | 207,937 |
|                           | Other operating expenses            |                   | 5,434   |
| Nonoperating transactions | Nonoperating income                 |                   | 7,839   |
|                           | Nonoperating expenses               |                   | 1,364   |
|                           | Sale of assets                      |                   | 10,884  |
|                           | Purchase of assets                  |                   | 2,368   |

### 2. Loss on Impairment of Fixed Assets

The Company recognized impairment loss on the following asset groups for the fiscal year ended March 31, 2014.

| Use of Asset     | Location         | Account                            | Amount<br>(Millions of yen) |
|------------------|------------------|------------------------------------|-----------------------------|
| Operating assets | Kyoto and others | Machinery and equipment            | 1,618                       |
|                  |                  | Long-term prepaid expenses         | 716                         |
|                  |                  | Construction in progress           | 166                         |
|                  |                  | Furniture and fixtures             | 162                         |
|                  |                  | Software                           | 52                          |
| Idle assets      | Kyoto and others | Machinery and equipment and others | 18                          |
| Total            |                  |                                    | 2,734                       |

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

(Operating assets)

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

The recoverable amounts were measured at their value in use and the discount rate used for computation of the present value of future cash flows was 10.0%.

(Idle assets)

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

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

## Notes to Nonconsolidated Statement of Changes in Equity

Type and number of treasury stock as of March 31, 2014

|              |                  |
|--------------|------------------|
| Common stock | 5,594,438 shares |
|--------------|------------------|



## Notes to Tax Effect Accounting

The breakdown of major temporary differences that resulted in deferred tax assets and liabilities is as follows

| Deferred tax assets                               | (Millions of yen) |
|---|-------------------|
| Securities  | 25,930            |
| Inventories                                       | 4,809             |
| Depreciation                                      | 964               |
| Accrued enterprise tax                            | 103               |
| Accrued expenses                                  | 2,036             |
| Liability for retirement benefits                 | 70                |
| Allowance for doubtful accounts                   | 4,681             |
| Tax credits for research and development expenses | 1,293             |
| Tax loss carryforwards                            | 2,631             |
| Loss on impairment of fixed assets                | 3,159             |
| Other   | 108               |
| <hr/>   | <hr/>             |
| Subtotal  | 45,788            |
| Valuation allowance                               | (44,140)          |
| <hr/>   | <hr/>             |
| Total   | 1,648             |
| Deferred tax liabilities                          |                   |
| Prepaid pension cost                              | (188)             |
| Unrealized gain on available-for-sale securities  | (6,635)           |
| Other   | (12)              |
| <hr/>   | <hr/>             |
| Total   | (6,836)           |
| <hr/>   | <hr/>             |
| Net deferred tax liabilities                      | (5,188)           |

## Notes to Related Party Transactions

| Type         | Company Name                                 | Voting Right Ratio by ROHM | Relationship                      | Transaction                        | Amount of Transaction (Millions of yen) | Account   | Year-End Balance (Millions of yen) |
|--------------|--|----------------------------|-----------------------------------|------------------------------------|---|---|------------------------------------|
| Subsidiaries | ROHM HAMAMATSU CO., LTD.                     | 100%                       | Processing subcontractor for ROHM | Subscription for shares            | 30,000                                  |   | -                                  |
|              | ROHM TSUKUBA CO., LTD.                       | 100%                       | Processing subcontractor for ROHM | Capital loan *1                    | -                                       | Long-term loans receivable *5   | 10,700                             |
|              | LAPIS SEMICONDUCTOR CO., LTD.                | 100%                       | Products supplier for ROHM        | Purchase of products and others *2 | 36,990                                  | Accounts receivable-other<br>Accounts payable-trade<br>Accounts payable-other | 313<br>3,062<br>255                |
|              | ROHM ELECTRONICS PHILIPPINES, INC.           | 100%                       | Processing subcontractor for ROHM | Product processing by contract *3  | 34,278                                  | Accounts receivable-other<br>Accounts payable-trade<br>Accounts payable-other | 6,454<br>9,795<br>17               |
|              | ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD. | 100%                       | Processing subcontractor for ROHM | Product processing by contract *3  | 32,617                                  | Accounts receivable-other<br>Accounts payable-trade<br>Accounts payable-other | 3,575<br>8,098<br>29               |
|              | ROHM SEMICONDUCTOR (CHINA) CO., LTD.         | 100%                       | Processing subcontractor for ROHM | Capital loan *1                    | -                                       | Short-term loans receivable<br>Long-term loans receivable                     | 1,248<br>11,410                    |
|              | ROHM SEMICONDUCTOR KOREA CORPORATION         | 100%                       | Wholesaler of ROHM products       | Product sales *4                   | 30,322                                  | Accounts receivable-trade   | 5,605                              |
|              | ROHM SEMICONDUCTOR (H.K.) CO., LTD.          | 100%                       | Wholesaler of ROHM products       | Product sales *4                   | 56,276                                  | Accounts receivable-trade   | 8,572                              |
|              | ROHM SEMICONDUCTOR TAIWAN CO., LTD.          | 100%                       | Wholesaler of ROHM products       | Product sales *4                   | 22,365                                  | Accounts receivable-trade   | 5,167                              |
|              | SICRYSTAL AG                                 | 100%                       | Raw materials supplier for ROHM   | Capital loan *1                    | -                                       | Short-term loans receivable<br>Long-term loans receivable *6                  | 424<br>5,736                       |

Terms and conditions of transactions and decision policies for them

(Notes) \* The subsidiaries listed above do not have voting rights to the Company.

- \*1. Economically reasonable interest rates based on market interest rates are applied for the loan receivables.
- \*2. Purchase prices are determined in consideration of the market prices of products.
- \*3. Purchase prices are determined in consideration of the market prices of products and subsidiaries' process costs.
- \*4. Terms and conditions for product sales are determined based on those generally used for transactions with third parties.
- \*5. Regarding the long-term loans receivable to ROHM TSUKUBA CO., LTD., 9,625 million yen is recorded as "Allowance for doubtful accounts." 232 million yen is recorded as "Provision for doubtful accounts" for the fiscal year ended March 31, 2014.
- \*6. Regarding the long-term loans receivable to SICRYSTAL AG, 1,385 million yen is recorded as "Allowance for doubtful accounts." 1,060 million yen is recorded as "Provision for doubtful accounts" for the fiscal year ended March 31, 2014.

**Notes to Per Share Information**

|                      |              |
|----------------------|--------------|
| Equity per share     | 3,889.64 yen |
| Net income per share | 99.85 yen    |

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

### INDEPENDENT AUDITOR'S REPORT

May 12, 2014

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

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:  
Hiroyasu Kawai

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

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

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the nonconsolidated balance sheet as of March 31, 2014 of ROHM CO., LTD. (the "Company"), and the related nonconsolidated statements of income and changes in equity for the 56th fiscal year from April 1, 2013 to March 31, 2014, and the related notes and the accompanying supplemental schedules.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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

#### Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2014, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

#### Interest

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

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

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

### Report of the Board of Company Auditors

The Board of Company Auditors, based on the audit reports prepared by and the discussions held with each of the Company Auditors regarding the execution of their duties as Directors of the Company for the 56<sup>th</sup> fiscal year from April 1, 2013 to March 31, 2014, has prepared this audit report and hereby reports as follows;

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

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

Each Company Auditor has complied with the auditing standards for Company Auditors established by the Board of Company Auditors, followed the auditing policies, allocation of duties and other relevant matters, communicated with the Directors, the internal auditing division of the Company and other officers, made efforts to establish the environment for collecting information and auditing, and attended meetings of the Board of Directors and other important meetings, received reports from the Directors and other officers regarding the execution of their duties as Directors and officers of the Company, requested necessary explanations, examined important internal documents with appropriate approvals, made reviews of operations and conditions of assets of the head office and major business offices. In addition, as well as the resolution of the Board of Directors in the Business Report regarding the organization of the following systems, the Company Auditors have audited the systems established to ensure that the execution of duties of the Directors shall be in compliance with laws and regulations and the Articles of Incorporation, and the systems established to ensure that the operations shall be conducted appropriately (Internal Control System). With respect to the Basic Policies related to the Company's Ownership Control in the Business Report, the Company Auditors have reviewed the discussions of the Board of Directors and examined the contents. The Company Auditors have also communicated and exchanged information with the directors and the company auditors of the Company's subsidiaries, received the business reports regarding their operations and conditions of assets. Based on the above methods, the Company Auditors have examined the Business Report and the accompanying supplemental schedules for this fiscal year.

In addition, the Company Auditors have audited whether the independent auditors of the Company have maintained their independence and carried out their audits in an appropriate manner, and received reports regarding the execution of their duties from and requested necessary explanations of the independent auditors of the Company. The Company Auditors have also received notification from the independent auditors of the Company that they have taken steps to improve the "System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Company Accounting Regulations) in compliance with the "Quality Management Standards Regarding Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and have requested necessary explanations. Based on the above methods, the Company Auditors have examined the nonconsolidated financial statements (nonconsolidated balance sheet, nonconsolidated statement of income, nonconsolidated statement of changes in equity, and notes to nonconsolidated financial statements) and the accompanying supplemental schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for this fiscal year.

#### 2. Results of Audit

##### (1) Results of Audit of Business Report

- 1) The Business Report and the supplemental schedules are recognized as being in accordance with laws and regulations and the Articles of Incorporation and as properly indicating the conditions of the Company.
- 2) With respect to the execution of the duties of the Directors, no misconduct or material facts that violate laws and regulations or the Articles of Incorporation are recognized.
- 3) The content of the resolution by the Board of Directors regarding Internal Control Systems is appropriate, and, in this connection, there are no matters that ought to be pointed out with respect to the content of the Business Report and the execution of duties of the Directors.
- 4) With respect to the Basic Policies related to the Company's Ownership Control in the Business Report, there are no matters that ought to be pointed out.

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

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

##### (3) Results of Audit of Consolidated Financial Statements

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

May 15, 2014

Board of Company Auditors

ROHM CO., LTD.

Company Auditor (Full-time)

Company Auditor (Full-time)

Company Auditor

Company Auditor

Company Auditor

Yoshiaki Shibata (Seal)

Hideo Iwata (Seal)

Yasuhito Tamaki (Seal)

Shinya Murao (Seal)

Haruo Kitamura (Seal)

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

## REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS

### Proposal 1: Appropriation of Dividends of Surplus for the 56th Fiscal Year

Concerning the appropriation and year-end dividends of surplus, ROHM plans to pay out as specified below, in thorough consideration of relevant factors, including the results of the year ended March 31, 2014, financial forecasts, and future fund demands for investment in business to improve our corporate value. Accordingly, the total dividend for the year is 50 yen per share, including the interim dividend of 20 yen.

- (1) Type of assets distributed: Cash
- (2) Distribution of dividends of surplus and total distributed amount:
- |  |                   |
|--|-------------------|
| Distribution of each common share of the Company | 30 yen            |
| Total amount distributed                         | 3,234,166,860 yen |
- (3) Date when the distribution takes effect: June 30, 2014

### Proposal 2: Partial Amendments to the Articles of Incorporation

#### 1. Reasons of Amendments:

- (1) The Company proposes to add an object of business with respect to the Article 2 (Objects) of the present Articles of Incorporation, in preparation for future business development and with a view to apply LED lighting technology and sensor network technology for development to new business. In accordance with this, the item numbers will be moved down.
- (2) From the perspective of expansion of the services for the shareholders, the Company proposes to establish Article 9 (Demand for the Sale of Shares Constituting Less Than One Full Share Unit), and make necessary amendments corresponding to this, so that the Company may introduce a system for the sale of shares constituting less than one full share unit as provided for in Article 194 of the Companies Act. In accordance with this, the numbers of Article 9 and subsequent Articles of the present Articles of Incorporation will each be moved down one position.

#### 2. Details of Amendments:

Details of amendments are as follows:

(Underlined are the amended positions)

| Current Articles of Incorporation  | Proposed Articles of Incorporation   |
|--|--|
| <p>[Objects]<br/>Article 2 The objects of the Company are to perform business prescribed in the items below:</p> <p style="margin-left: 40px;">1.~12. (Text omitted)</p> <p style="margin-left: 80px;">(Newly added)</p> <p style="margin-left: 40px;"><u>13.</u> Investment in the business related to the foregoing items</p> <p style="margin-left: 40px;"><u>14.</u> Import/export of goods related to the foregoing items and other business operations incidental or related thereto</p> | <p>[Objects]<br/>Article 2 The objects of the Company are to perform the business prescribed in the items below:</p> <p style="margin-left: 40px;">1.~12. (Unchanged)</p> <p style="margin-left: 40px;"><u>13. Research and development, production, processing and sales related to farming and cultivating of agricultural, livestock and marine products.</u></p> <p style="margin-left: 40px;"><u>14.</u> Investment in the business related to the foregoing items</p> <p style="margin-left: 40px;"><u>15.</u> Import/export of goods related to the foregoing items and other business operations incidental or related thereto</p> |



| Current Articles of Incorporation   | Proposed Articles of Incorporation   |
|---|--|
| <p>[Rights Vested in Shares Constituting Less Than One Full Share Unit]</p> <p>Article 8 Shareholders of the Company shall not exercise rights other than those listed below with respect to shares constituting less than one full share unit:</p> <p>1.~3. (Text omitted)</p> <p>4. (Newly added)</p> <p>(Newly added)</p> <p>Article 9 ~ Article 35 (Text omitted)</p> | <p>[Rights Vested in Shares Constituting Less Than One Full Share Unit]</p> <p>Article 8 Shareholders of the Company shall not exercise rights other than those listed below with respect to shares constituting less than one full share unit:</p> <p>1.~3. (Unchanged)</p> <p>4. <u>The right to make a demand as provided for in the subsequent Article</u></p> <p><u>[Demand for the Sale of Shares Constituting Less Than One Full Share Unit]</u></p> <p>Article 9 <u>Shareholders who hold shares constituting less than one full share unit of the Company may demand that the Company sell such number of shares which, together with the number of shares constituting less than one full share unit held by such shareholders, will constitute one full share unit, in accordance with the provisions of Share Handling Regulations.</u></p> <p>Article 10 ~ Article 36 (Unchanged)</p> |

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

— End —