ROHM SEMICONDUCTOR

ROHM Group Innovation Report 2012

〈Additional Volume〉 Annual Financial Report 2012

ROHM Co., Ltd.

2012

Annual Financial Report

CONTENTS

Management Policies

(1) ROHM's Basic Management Policy

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

With these perspectives, ROHM has committed itself to developing market-leading products by focusing on high value-added system ICs, Power Devices, LED related products, and Sensor devices for digital information technologies, mobile electronic equipment, industrial instruments and automotive components, where we can expect further market expansion. As a fundamental policy, ROHM pursues a stable supply of high quality, cost-competitive products in high volume through optimal utilization of its distinctive production technologies, and will consequently maintain a leading position in the global electronic components market.

(2) Referenced Corporate Performance Indices

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

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

(3) Mid- to Long-term Corporate Strategies

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

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

We also consider it extremely important to construct a concrete BCM system that maintains a stable supply chain in the event of natural disasters.

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

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

ROHM is actively involved in a wide range of joint projects with a multitude of domestic and foreign universities regarding next-generation R&D, including comprehensive industrial-academic collaboration alliances with Kyoto University and Tsinghua University in China; joint efforts with the Semiconductor Industry Research Institute of Japan—a think-tank of the Japanese semiconductor industry; and participation in other Japanese national leading-edge R&D projects that integrate industry-government-academia expertise. ROHM is also promoting partnerships with other companies whenever necessary to complement its technologies and consequently improve the efficiency of its R&D activities. Furthermore, ROHM is advancing with research and development for the next generation by moving forward with the development of using SiC substrates, which are expected to be far superior in terms of voltage endurance, high electric current, and low-loss to semiconductor devices made with conventional silicon substrates, and will proceed with the introduction of these devices to the market. At the same time, ROHM will move into new fields and technologies including bio-related business for medical related fields. In addition, the company is expanding into new fields and technologies by enhancing the lineups of biochips for the medical equipment industry and developing non-volatile logic ICs that nullify power consumption when on standby. ROHM makes the utmost efforts to build partnerships with SiCrystal AG, a SiC wafers manufacturer in Germany, and Kionix, Inc. in the US, a supplier of MEMS acceleration sensors, which we acquired in 2009, as well as strengthening lineups of sensor related products via internal development. In addition, ROHM will enrich its product lineup for LED products including LED lighting, peripheral LED devices that are mounted in LED lighting, and LED driver ICs.

At production bases, ROHM is responding to global competition in the industry by enhancing its cost competitiveness and supply system to achieve global success. As concrete schemes, in the front-end process centered on domestic group factories, ROHM is advancing with the enlargement and miniaturization of wafers, while in the back-end process - focused on overseas group factories, ROHM is working to improve production efficiency and establish a prompt supply system of new high quality products globally.

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

In addition, with a view to expanding the company's share in growing overseas markets, ROHM not only consolidates design center networks in Europe, the USA, and Asia, but also strengthens sales, technology, and quality support systems for customers worldwide by increasing local design personnel and FAEs. To respond to increasing global needs for digitalization and standardization, the company makes the utmost efforts to reinforce the lineup of ASSPs (application-specific standard products) (*). At the same time, ROHM is dedicated to restructuring and integrating corporate organizations both in and outside Japan, in order to continue improving its business efficiency and accelerate the decision-making process.

In regards to sales, ROHM exerts itself to enrich the organizational structure so as to rapidly respond to changes in global markets and enhance the sales system to non-Japanese customers by increasing sales strongholds in inland China, India, and Brazil.

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

IEC 17025" laboratory and undertaking business activities in consideration of global environmental protection.

As for CSR activities, ROHM signed the United Nations Global Compact (UNGC) in May 2011, and requested the ROHM Group as well as procurement partners to uphold universal principles related to "human rights," "labor standards," "the environment" and "corruption prevention." The group also was the first to introduce ISO 26000, an international standard for social responsibility, and promote CSR management within the scope of a global standard.

*** ASSP (Application Specific Standard Product)**
General-purpose ICs specializing in functions for specific fields. They are advantageous in that they serve as general-purpose components as well as support a broad base of customers rather than being limited to specific customers.

(4) Priority Issues

The world economy gradually moved toward recovery from the abrupt economic slowdown triggered by the financial crisis in the US in 2008. However, because of continuing tough employment environments in the individual regions, as well as the financial crisis in Europe, pressure was newly put on the overall economy, thus it has not yet achieved a full-fledged recovery.

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

The ROHM Group had continued to use the "OKI" brand as a transitional measure regarding "OKI Semiconductor Co., Ltd.," which ROHM purchased in 2008. After its acquisition and the elapse of a certain period of time, their recognition as a member of the ROHM Group increased. So, in October 2011, the company changed its name to "LAPIS Semiconductor Co., Ltd." Furthermore, Maruzen Electric Co., Ltd., a company that develops, manufactures, and sells lighting equipment was added to the ROHM Group in October 2011, and had its name changed to "AGLED Co., Ltd." They are strengthening the lineup of household lighting products of the "AGLED®" brand.

Under these circumstances, the ROHM Group will make utmost efforts in developing new products and technologies such as SiC related products including SBD [*1], DMOSFET [*2], and IPM [*3] and new technologies, chip sets for next-generation embedded processor by Intel in the US - through cooperation with LAPIS Semiconductor Co., Ltd., and LED lighting products. Such efforts, will promote the development and expansion of sales of eco-friendly products targeted at improving power conversion efficiency and power-saving devices in a variety of markets including automotive, flat-panel TVs, information and telecommunication, and mobile equipment markets.

ROHM expanded its sensor business through acquisition of Kionix, Inc. in the US, in 2009. The company also increased sales of LED lighting by way of cultivating new sales channels, thus strengthening efforts to develop new markets that will respond to business needs in the near future.

Furthermore, ROHM will take vigorous steps to enter different market segments such as the human health and fitness business based on bio-sensing via enhanced micro-fabrication technology it has cultivated, thus exerting company-wide efforts to synergize business resources to the fullest extent in order to further increase stock value and corporate value.

On the other hand, in order to keep pace with rapid changes in the global and Asian electronic components markets, and increase market share, ROHM will not only develop and disseminate new products but also continue with enhancements intended to strengthen sales structures for non-Japanese customers, by increasing sales bases in inland China and FAEs, and developing new sales companies set up in India and Brazil.

Regarding the effects of massive flooding in Thailand in October 2011, the ROHM Group was forced to temporarily suspend operations at two production bases and one molding plant. Afterwards, in regards to the recovery efforts, ROHM made the utmost efforts to minimize the effects on various fields of endeavor, with special consideration going to the recovery of production as the top priority issue. In addition, the group resumed full-volume supply on January 1, 2012 by recovering production via a substitute production system and outsourced consignment. In the future, based on the experiences of the Great East Japan Earthquake and the flooding in Thailand, ROHM will further strengthen the management system needed for continuous business by reviewing and restructuring measures against natural disasters and geopolitical risks.

***1. SBD (Schottky Barrier Diode)**
Diode of good properties at high frequency.
***2. DMOSFET (Double-Defused MOSFET)**
SiC transistor that ROHM started mass-producing before everyone else in the world. It can conduct both low-ON resistance and high speed movement.
***3. IPM (Intelligent Power Module)**
Power module embedded with driver circuits, power device including SBD of SiC, DMOSFET, and IGBT (Insulated Gate Bipolar Transistor), and a self-protection function.

(5) Basic Policy for Profit Distribution

[1] Basic Policy for Profit Distribution

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

Under the global-scale restructuring and shakeout of the semiconductor industries, ROHM aggressively infuses funds to necessary capital investments and M&A to win out over competition, and strives to improve business performance from a long-term perspective, in order to live up to the expectations of shareholders.

On the other hand, from the long-term viewpoint of making continuous improvements to corporate value and ensuring stable and continuous payment of dividends, ROHM will make utmost efforts to stably pay dividends and maintain business performance and cash flow.

The world economy is expected to remain unstable for a while. In addition, due to the effects of the Great East Japan Earthquake and the flooding in Thailand, the electronics market still remains in a sluggish state. In the semiconductor industries, market growth in the mid- to long-term can be expected alongside further development of informatization despite such negative effects. However, global competition will intensify. The group is conducting company-wide efforts to enhance its corporate value through investment in cash reserves and generated cash flows both carefully and effectively, and ensure its manufacturing facilities are equipped with the proper equipment required to enhance its developmental and technological expertise. ROHM's competitiveness is based on its expertise in technology, which leads to joint ventures and company acquisitions that ensure attractive returns. This allows ROHM to improve its net income per share (EPS) and return on equity (ROE).

[2] Retirement of Treasury Stock

The ROHM Group considers the maximum treasury stock holdings to be 5 percent of the total outstanding shares, and, in principle, any amount beyond this limit shall be retired at the end of every fiscal year. The group continuously possesses treasury stocks on hand in order to secure management flexibility by utilizing them for merger and acquisition activity and other needs as required.

Business Results

(1) Analysis of Business Results

Business results for the year ended March 31, 2012

Overall condition of business performance

During the year ended March 31, 2012, the severe conditions of the world economy deepened further due to the effects of the Great East Japan Earthquake, financial and monetary problems in Europe, and a spontaneous decline in stock values worldwide. Within individual regions, in the US, personal consumption stopped growing at a low level and consumer prices were on an upward trend as unemployment rate remained high in the first half of the year. Although some improvements were seen after autumn, the recovery of the overall economy has been weak. Nonetheless, since the beginning of the new year, the jobs situation has improved, and the economy has gradually headed towards a recovery.

In Europe, personal consumption, which was sluggish in the first half of the year, stopped slowing down in Germany after autumn. Due to the financial crisis that started in Greece, business confidence worsened mainly in Southern Europe, and the average unemployment rate in the Euro zone rose to the highest level since 1997; thus, the overall economy was at a stagnated shape.

In Asia, during the first half of the year, the overall economy was robust as personal consumption was strong, but the pace of business expansion slowed down due to increasing anxiety over inflation and the effects of the Great East Japan Earthquake and flooding in Thailand. As for exports, though strong in the first half of the fiscal year, the pace of growth slowed down due to the deteriorating European economies. In Japan, exports sank and personal consumption fell considerably due to decreased production of automobiles and other products, on account of the earthquake. The economy progressed along a recovery track after summer, but then again reverted towards a slowdown due to a stabilized but appreciated yen, while the jobs situation still remained bleak. After mid-February, the economy gradually recovered due to the Bank of Japan's monetary easing measures, an appreciation of the yen, and an adjustment to fallen stock prices.

Within the electronic industry, although smart phones and energy-saving related equipment, including LED lighting and solar power generators, enjoyed solid sales, inventory adjustment was prolonged due to a slowdown in production and sales of electronic products. Market segments for audio visual equipment, game consoles, personal computers and flat-screen TVs remained in a distressed state, having been affected by the Great East Japan Earthquake and a worsening economy. In addition, flooding in Thailand cast a shadow over the production of automobiles and other electronic equipment.

Consequently, the electronic component industry suffered from these harsh conditions as well.

In individual sectors, in Japan, production volume of audio-visual equipment, including digital still cameras, game consoles, and automotive equipment drastically decreased due to the effects of supply chain interruptions and energy-saving measures that went to effect after the Great East Japan Earthquake in March, 2011. After the summer, accompanied by the recovery from the earthquake, the overall economy tended to pick up, but did not achieve a full-fledged recovery. In addition, after autumn, the market of digital still cameras was affected by the flooding in Thailand, and sales of flat screen TVs considerably decreased as replacement demand spurred by the transition to digital terrestrial broadcasting had come to the end of its cycle. In Asia, the production of personal computers and flat-screen TVs decreased as it was affected by the Great East Japan Earthquake and the deteriorating European economies. Also, the production of digital still cameras and hard disks temporarily decreased due to the flooding in Thailand. Sales of smart phones and tablet PCs were strong.

In the US, the telecommunication infrastructure market and automotive market enjoyed robust sales, but the consumer-electronics market including TV sets, as well as the personal computer market remained sluggish.

In Europe, the consumer-electronics market remained in a slow state. Markets of automotive segments and telecommunication infrastructure, which were robust in the first half, entered into an adjustment phase due to a deteriorating interregional market in the second half of the year.

Under these circumstances, the ROHM Group exerted itself to strengthen production lines of automotive and electronic equipment, industrial instruments including medical equipment, digital home appliances, IT and mobile equipment, and also enhanced sales by increasing the number of FAEs [*1] at individual sales bases including China. In addition, the group continued to strengthen its sales structure for non-Japanese customers by establishing new sales companies in India and Brazil, and proceeding with efforts to form a structure capable of responding to changes in global markets.

The ROHM Group also aims to improve the global environment, by continuing to develop new power devices including SiC (silicon carbide) and other eco-friendly products. The group also started the world's first mass-production of full-SiC power modules in March. ROHM group has developed specific driver ICs for automotive LED rear lighting, head lights and daytime running lights, whose markets continue to expand. Furthermore, product lineups of the household LED lighting equipment including LED ceiling lights were drastically enhanced by AGLED Co., Ltd. (renamed from Maruzen Electric Co., Ltd. on October 1, 2011). Recently, the group started selling mini- krypton type LED light bulbs of 180 degree light distribution angle. In March, LED ceiling lights equipped as a standard feature with a "circadian lighting mode."[*2] were offered to the market,, thus the group continued to focus on increasing sales of LED-related devices and LED lighting whose markets are expanding rapidly as next-generation energy-saving lighting sources.

The ROHM Group also worked to augment business synergy, by strengthening partnership structures with LAPIS Semiconductor Co., Ltd. (renamed from OKI Semiconductor Co, Ltd. on October 1, 2011), which ROHM acquired in 2008, SiCrystal AG, a German SiC wafer manufacturer that ROHM purchased in 2009, and the US-based Kionix, Inc., which is a MEMS acceleration sensor [*3] supplier.

On the other hand, in the manufacturing arena, the ROHM Group was forced to temporarily suspend operations at the two strongholds of Miyagi and Ibaragi on account of the Great East Japan Earthquake, and at factories including two semiconductor assembly plants and a molding plant due to the flooding in Thailand. It is important to note that recovery from the damages caused by the flooding was much faster than anticipated and ROHM resumed full-volume supplies of products, earlier than initial estimates, from January 1, 2012, as a result of efforts by the entire group. However, unfortunately the whole process also attributed to a considerable decrease in sales.

Under these circumstances, consolidated net sales in the year ended March 31, 2012 were 304,652 million yen (a decrease of 10.9 percent from the year ended March 31, 2011), and operating profits were 6,352 million yen (a decrease of 80.6 percent from the year ended March 31, 2011), which were due to a stabilized but appreciated yen in this fiscal year. Ordinary income was 7,286 million yen (a decrease of 72.8 percent from the year ended March 31, 2011).

Although a gain on insurance adjustments related to the flooding disaster in Thailand and the Great East Japan Earthquake was recorded, the net loss of the year ended March 31, 2012 was 16,106 million yen (net profit of 9,632 million yen for the year ended March 31, 2011) as taxes increased as a result of an impairment of fixed assets and rounding off of deferred tax assets.

***1. FAE (Field Applications Engineer)**
Engineers and technicians who provide technical support and proposals including technical information to customers.

***2. Circadian lighting mode**
Automatic light modulation and toning functions that stimulate the biological rhythm of humans. Lighting mode that is embedded with a program that automatically selects between white-color lighting in daytime use and warm-color lighting in time slots after sunset.

***3. MEMS acceleration sensors**
Electronic device having a micro-electromechanical structure that mounts a sensor for measuring changes in speed on a silicon chip by means of semiconductor micro fabrication technology.

Overview of performance in each segment

<ICs>

Consolidated net sales in the year ended March 31, 2012 recorded 149,134 million yen (a decrease of 15.6 percent from the year ended March 31, 2011), and segment losses amounted to 6,665 million yen (segment profits of 6,599 million yen recorded in the year ended March 31, 2011).

In the digital audio and visual equipment segments, system power source ICs for digital still cameras enjoyed robust sales, but lens controller driver ICs, which experienced growth in the first half of the year, slowed down after January. For flat-screen TVs, as replacement demand slowed down due to the Great East Japan Earthquake and the switching to terrestrial digital broadcasting after the summer, power source ICs, LED backlight drivers, and speaker amplifiers marked a sizable drop in sales. The sales of timing controllers for panels were sluggish in the first half of the year, but increased right after the new calendar year. In the mobile phone market, although illumination and proximity sensor ICs enjoyed strong sales, the sales of LED driver ICs dropped, and the sales of system power source ICs, which were strong in the first half of the year, decreased after the new year.

In the personal computer category, sales of fan motor driver ICs and power supply ICs performed poorly. For the automotive components market, in the first half of the year, sales of power source ICs for engine control units deteriorated, but, after the summer, sales went on a positive trend thanks to a recovery from the effects of the Great East Japan Earthquake.

In the general-purpose equipment category, although stepping motor driver ICs (*4) continuously enjoyed strong sales, sales of EEPROMs and LDO regulators (*5) temporarily slowed down due to the damage from the flooding in Thailand.

At LAPIS Semiconductor Co., Ltd., a ROHM Group company, sales of LCD driver ICs were strong, but sales of memory ICs for amusement fell off considerably.

With regards to production systems, ROHM continued efforts to improve efficiency in pre- and post-processes, and strengthen the supply system against risks such as disasters by sharing production lines with LAPIS Semiconductor Co., Ltd. .

***4. Stepping motor driver ICs**
Motor driver ICs which drive stepping motors (motors that rotate a certain degree in accordance with the number of DC pulses added)
***5. LDO (Low Drop Out) regulator**
A circuit for outputting a desired constant voltage from a certain input voltage. LDO stands for Low Drop Out type, which suffers minimal loss in conversion.

<Discrete semiconductor devices>

Consolidated net sales for the year ended March 31, 2012 recorded 103,861 million yen (a decrease of 8.5 percent from the year ended March 31, 2011), and segment profits were 11,616 million yen (a decrease of 39.0 percent from the year ended March 31, 2011).

In the diode and transistor categories, overall sales slowed down due to the effects of the Great East Japan Earthquake and the flooding in Thailand, and a sluggish flat screen TV market. Sales of high efficiency power MOSFETs, which were robust in the first half of the fiscal year, deteriorated after autumn.

In the light emitting diode category, blue LEDs, which had experienced weak sales, enjoyed a robust trend after the new year. Overall sales results were on a recovery path, but did not achieve considerable growth.

In the area of laser diodes, sales of dual wavelength pulsation lasers for CD/DVD (*6) and lasers for DVD moved towards recovery.

In addition, ROHM strengthened its lineup of SiC diode / transistor products, which the company began selling as next-generation high efficiency devices in 2010, and the group started mass-production of full SiC modules by modulizing these devices.

ROHM also continued to improve production efficiency at individual group factories in Thailand, the Philippines, and Tianjin, China, as well as making efforts to enhance the BCM (Business Continuity Management) structure.

***6. Dual wavelength pulsation laser for CD/DVD**
Dual wavelength laser diode of self-pulsation type in which a single element generates two lights, of 780 nm used in playing CDs and 650 nm used in playing DVDs.

<Others>

Consolidated net sales for the year ended March 31, 2012 marked 51,656 million yen (a decrease of 0.0 percent from the year ended March 31, 2011), and segment losses were 482 million yen (segment profits of 4,633 million yen recorded in the year ended March 31, 2011).

In the resistors category, sales of super-small 0402 size resistors greatly increased, but overall sales slowed down.

In the tantalum capacitor category, sales decreased due to the effects of the flooding in Thailand.

In the module product category, as the result of enhancing product lineup of LED lighting module products, which have been garnering attention, sales of power modules used in LED lighting and infrared reception modules for remote control steadily increased.

Demand for lighting products (LED lighting) also increased as demand for energy-saving products drastically increased for straight tube type LED lights. Consequently, the sales were on the rise.

In the sensor category, sales of proximity sensors were strong as smart phones enjoyed strong sales.

In the print head category, sales were sluggish because of adjustments continuing in the mini-printer market. In the LED display category, as the existing mobile phone market was sluggish, sales of mainly dot-matrix displays slowed down.

In medical segments, micro blood testing systems started seeing an increase in sales after autumn in partnership with Arkray, Inc., a company that manufactures and sells medical equipment.

In the area of production systems, the ROHM Group continued efforts to strengthen production management systems and BCM structure, to improve production efficiency, and to reduce costs at a group factory in Dalian, China.

The net sales mentioned above are sales to external customers.

(2) Financial Analysis

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

During the fiscal year ended March 31, 2012, total assets decreased by 22,662 million yen from the previous fiscal year and amounted to 737,326 million yen. The main factors behind the decrease are as follows: cash and time deposits decreased by 19,087 million yen, intangible fixed assets decreased by 16,615 million yen, and securities decreased by 12,476 million yen, respectively, while liquidity assets increased by 30,709 million yen (of which accrued insurance increased 29,504 million yen).

Liabilities increased by 11,837 million yen from the previous fiscal year and amounted to 103,046 million yen. The main cause was our accounts payable increasing by 6,682 million yen.

Net assets decreased by 34,498 million yen from the previous fiscal year and amounted to 634,280 million yen. The main causes behind were a decrease in owners' equity by 26,353 million yen and foreign currency translation adjustments by 4,417 million yen, respectively.

Consequently, equity ratio decreased from the 87.7 percent from the previous fiscal year to 86.0 percent.

The cash flow status in the year ended March 31, 2012 is as follows.

Cash flow from operating activities recorded a decrease of 26,699 million yen, which amounts to a plus of 36,858 million yen (a plus of 63,557 million yen in the year ended March 31, 2011). This is mainly attributable to certain negative factors in that the net profit before tax changed to a loss and gains on insurance claims, which did not incur in the previous year, were earned, and to certain positive factors in that accrued losses increased and insurance payments accrued in this term, which did not incur in the previous year.

Cash flow from investment activities recorded a minus of 45,788 million yen (a minus of 52,985 million yen in the year ended March 31, 2011) by decrease in expenses 7,197 million yen. This is mainly attributable to time deposits changing from an increase to a decrease, which worked as a positive factor, and expenses increasing due to purchase of subsidiary stocks, which worked as a negative factor.

Cash flow from financial activities decreased by 13,940 million yen (a minus of 24,434 million yen in the year ended March 31, 2011) and recorded a minus of 10,494 million yen in the year ended March 31, 2012. It was mainly due to the positive effects of a decrease in expenses due to the acquisition of own shares.

As a result of adding a decrease in exchange rate changes of 2,551 million yen, cash and cash equivalents decreased by 21,976 million yen from the previous fiscal year, and amounted to 208,745 million yen.

Plant and equipment investment of 62,000 million yen and depreciation of 46,200 million yen are scheduled as events with potential to significantly affect cash flow in the next fiscal year.

Risk Management

The following are risks that may have a significant impact on the financial status and operating results of the ROHM Group. Meanwhile, the items regarding the future in the following text were judged by the ROHM Group for the end of the year ended March 31, 2012.

(1) Risks Associated with Market Changes

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

(2) Exchange Risks

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

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

(3) Risks of Product Defects

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

(4) Legal Risks

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

(5) Natural Disasters and Geopolitical Risks

The ROHM Group performs development, manufacturing, and sales activities not only in Japan, but also worldwide. To diversify the risks, the Group locates production lines at different bases as a countermeasure. However, these production bases may be damaged due to earthquake, typhoon, flooding, and other natural disasters, or political uncertainty or international conflicts. Business results could be adversely affected by stalled product supply or considerable changes in electronics markets due to these disasters.

(6) Mergers and Acquisitions Risks

The ROHM Group, taking into account future business prospects, considers it necessary to investigate and implement mergers and acquisitions worldwide with a focus on entering new fields that are relevant to our existing business, and to always make utmost efforts to improve corporate value and broaden the size of business. In conducting mergers and acquisitions, we thoroughly study, review, and discuss before any acquisitions are made. Nonetheless, due to unexpected circumstances or significant changes in market forces after an acquisition, an acquired business may not progress as expected and we may suffer loss in some cases as a result.

(7) Other Risks and Corporate Risk Management System

In addition to the above-mentioned risks, there are various other risks that may influence the financial condition and business performance during business activities, such as risks related to logistics, material procurements, security leaks, and information systems. The ROHM Group set up a “Risk Management and BCM (Business Continuity Management) Committee” with the aim of averting these risks or minimizing such effects, by strengthening our risk management structure in ways that would consent business to continue.

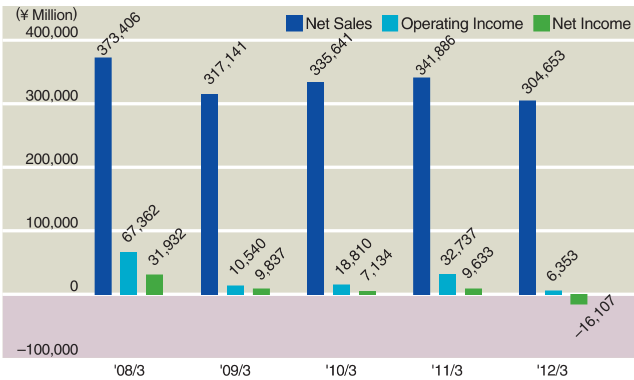
Other Information

Defense against Takeover

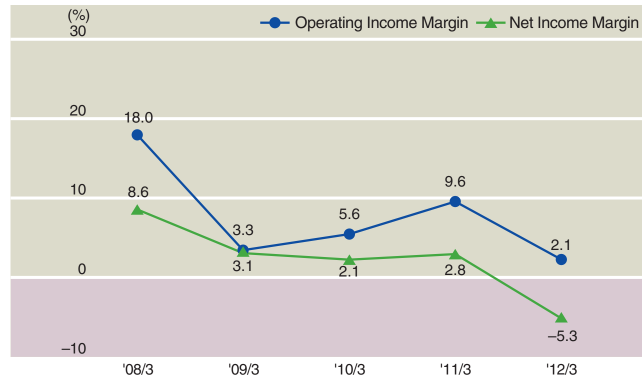
The ROHM Group believes the best defense against takeover attempts is to build a relationship of trust with shareholders by delivering higher stock prices via enhanced corporate value, accountability via proactive IR activities, and regular dialog with shareholders. If a proposal for acquisition is made to our company, we believe that the final decision whether to accept or reject the offer should be left to the current shareholders at the time, and that the board directors should not make selfish decisions intended to protect their own personal interests. In addition, in the event of an acquisition proposal, we believe that it is indispensable for ensuring and increasing ROHM’s corporate value and the common interests of shareholders that shareholders can make an “informed judgment,” meaning they would be able to make the best decision based on ample information and a sufficient amount of time.

Results of Operations

1. Results of Operations



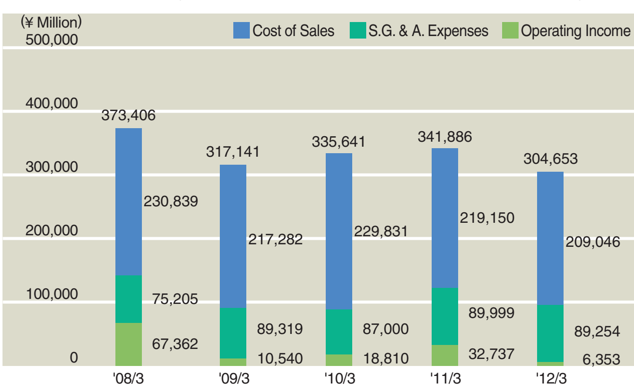
2. Income Margin



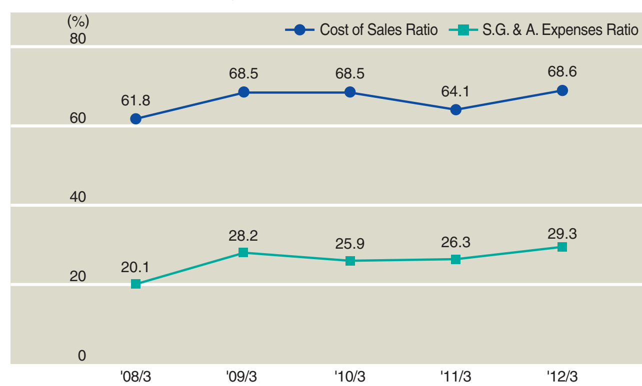
●During the year ending March 31, 2012, fiscal and monetary problems in Europe, combined with the effects of the Great East Japan Earthquake and falling stock prices around the globe, served to dampen the world economy. In the electronics industry, although smartphones and energy-saving devices such as LED lighting and solar power generation enjoyed solid sales, the industry as a whole suffered due to sluggish production and consumption stemming from the adverse effects of the Great East Japan Earthquake and the flooding in Thailand. As a result, profits for this term declined significantly due to a decrease in net sales, a stronger yen, an increase in the depreciation of fixed assets, and a higher tax burden.

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

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

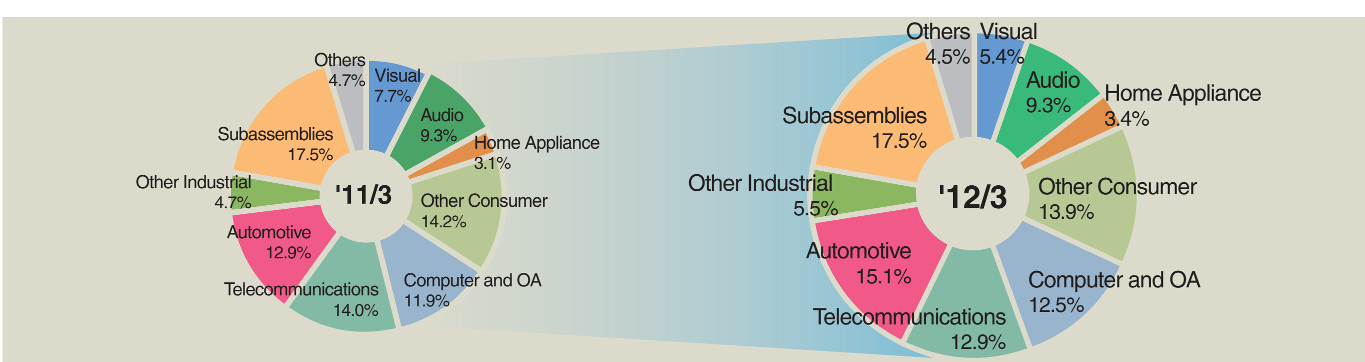


2. Cost of Sales and Selling, General and Administrative Expenses to Net Sales



●Although the cost of sales improved from the previous year due to a decrease in amortization expenses and expenditures, operating income was greatly reduced as a result of a sharp drop in sales.

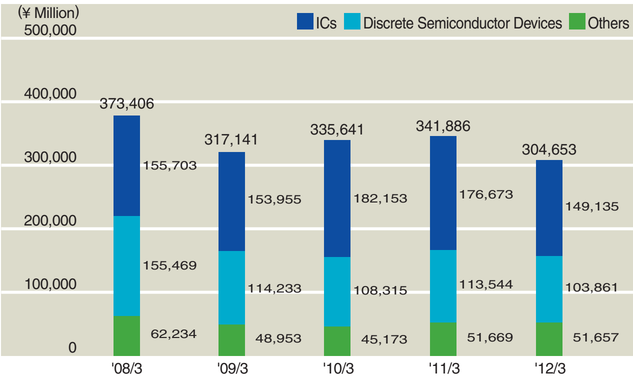
Sales by Application



Note 1: Data on this graph include guesses to some extent. Please use these data for your reference.
Note 2: As ROHM has changed its classification method of sales by application from the year ended March 31, 2012, the company has displayed its component ratio by application by changing its components in the year ended March 31, 2011.

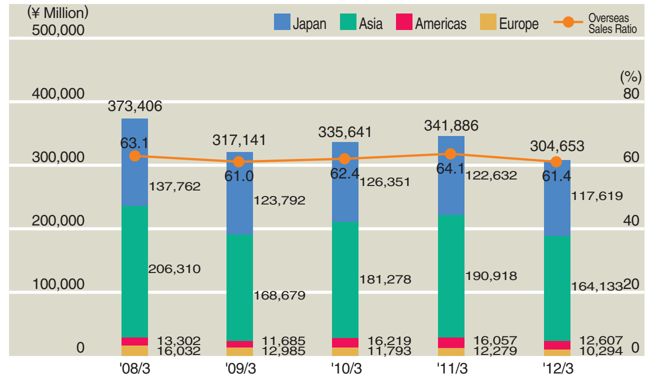
Sales

1. Sales by Segment



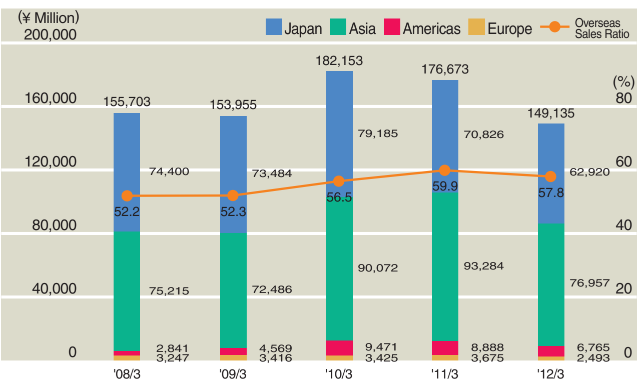
●Although all segments took a hit from the Great East Earthquake and flooding in Thailand, the IC category was especially affected by sluggish sales in the flat-screen TV and gaming industries.

2. Sales by Geographical Region and Overseas Sales Ratio



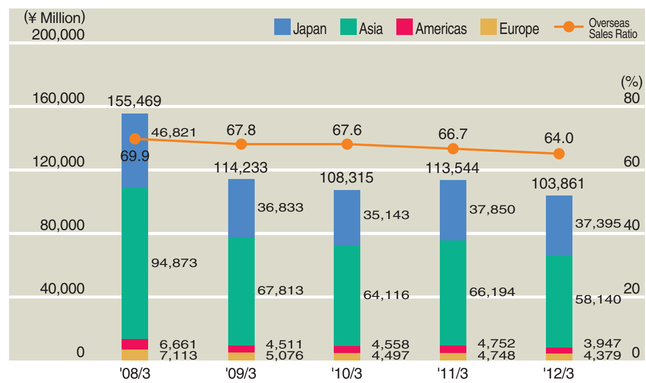
●In Japan, sales of LED lighting-related products increased significantly. However, sales in other regions stagnated from the effects of natural disasters and weak markets.

3. ICs Sales by Geographical Region



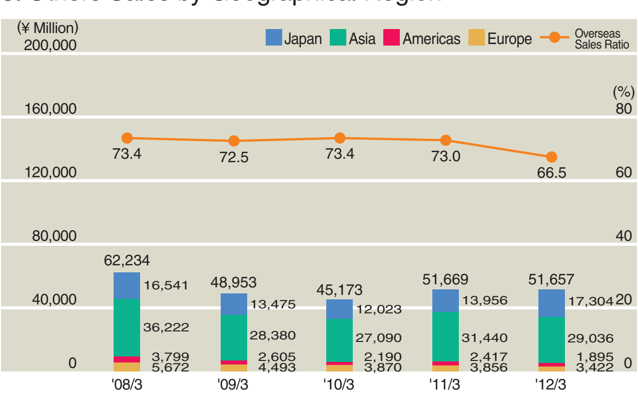
●In addition to a decline in sales of power supply ICs for flat-screen TVs, power supply ICs and memory ICs for gaming consoles, power supply ICs for existing mobile phones and PCs, and fan motor driver ICs also experienced slower sales. However, system power supply ICs for digital cameras enjoyed strong demand.

4. Discrete Semiconductor Devices Sales by Geographical Region



●Although sales of laser diodes and LEDs were relatively strong, the effects from natural disasters and weak markets (i.e., flat-screen TVs) contributed to a decrease in net sales.

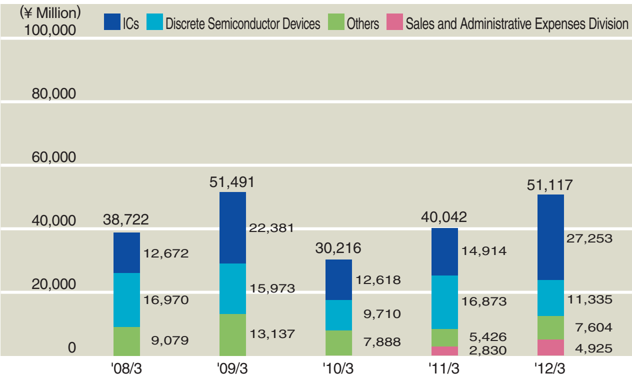
5. Others Sales by Geographical Region



●Sales of LED lighting-related products were on the rise, while proximity sensors for smartphones and ultra-compact resistors recorded brisk sales. However, net sales remained at the same level as last year due to slower sales of tantalum capacitors and print heads.

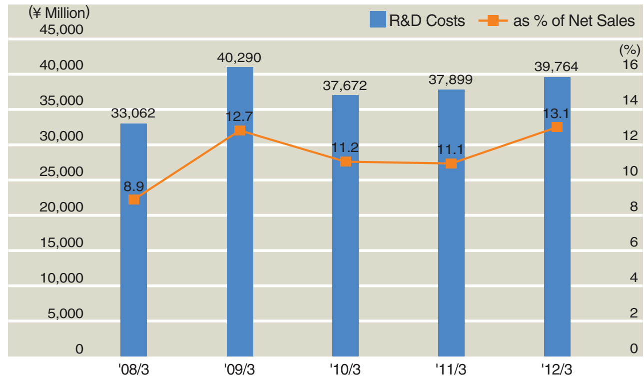
Capital Expenditures and Research and Development Costs

1. Capital Expenditures



●Capital expenditures increased from the previous fiscal year, resulting from reconstruction efforts due to the flood damage in Thailand, the establishment of a mass-production system for new products, and improvements in production efficiency for existing equipment.

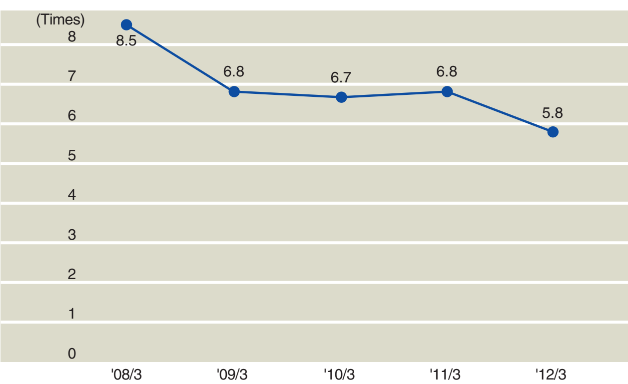
2. Research and Development Costs



●For future growth, we are focusing our product development efforts in the areas of IC synergy, power devices, sensors, and LED-related products, while continuing R&D activities in order to expand our share in the automotive and industrial equipment markets.

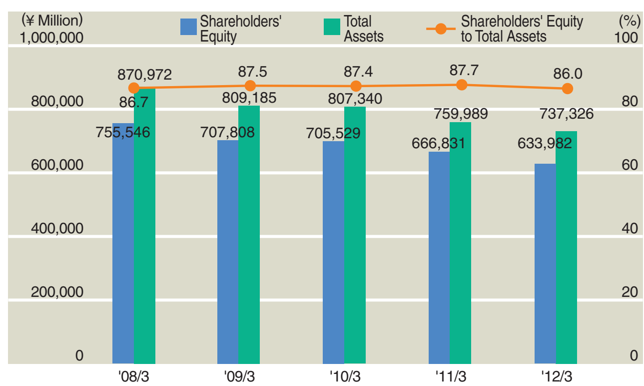
Financial Position

1. Current Ratio



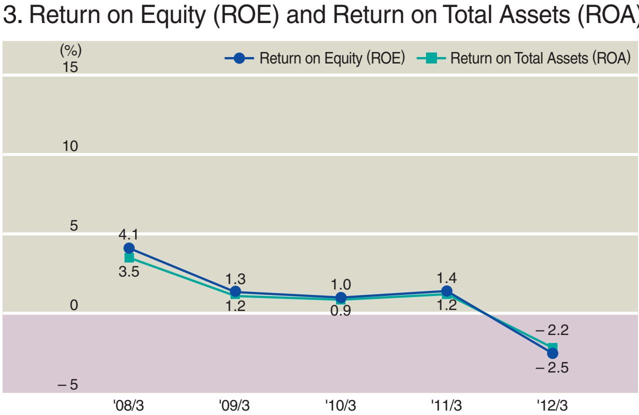
●Current ratio declined due to an increase in current assets such as inventories and corporate tax receivables, as well as an increase in current liabilities such as accounts payable.

2. Equity Capital and Total Assets



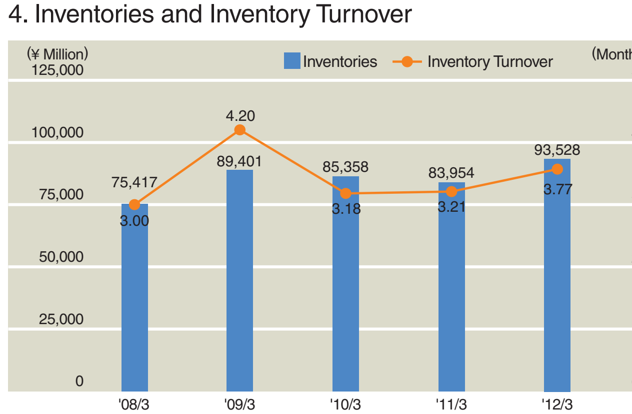
●Although total assets decreased due to factors such as a decline of goodwill, capital ratio was reduced since there was a drop in shareholder equity resulting from the cancellation of treasury stocks and the announcement of a net loss for the current term.

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



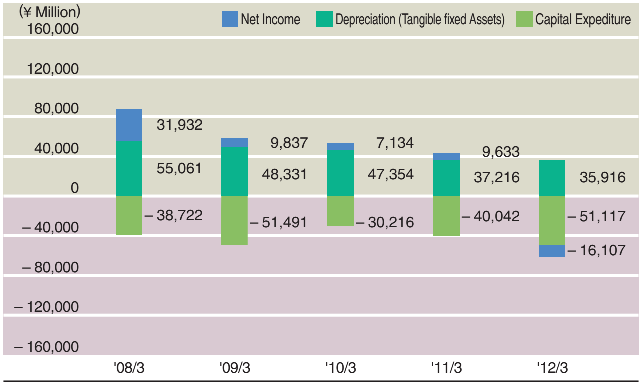
●Net income decreased, reducing both ROE and ROA.

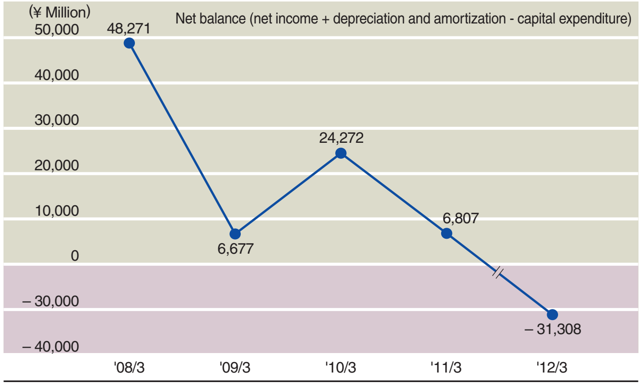
4. Inventories and Inventory Turnover



●Inventory turnover increased due to sluggish sales and an increase in inventory in accordance with our BCP (Business Continuity Plan).

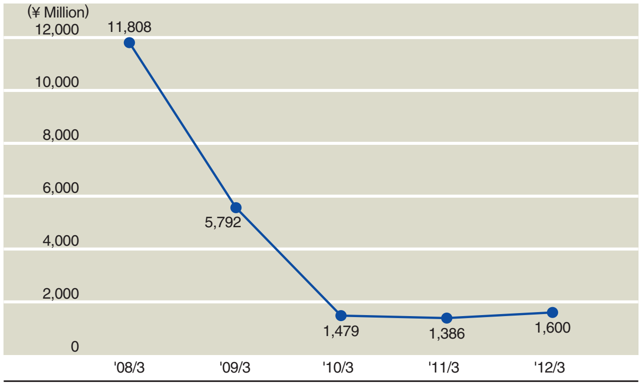
Net income, Depreciation, and Capital Expenditure

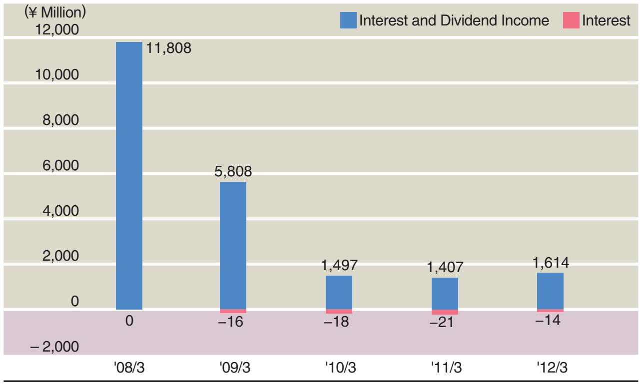




●Although depreciation and amortization expenses were reduced, net income decreased significantly while capital expenditures grew, resulting in a sharp decline in net cash.

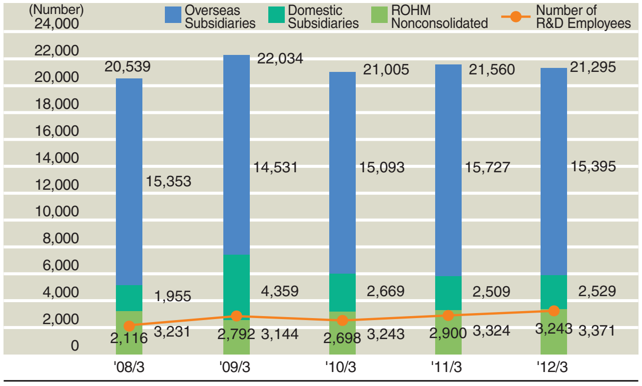
Net Financial Revenue





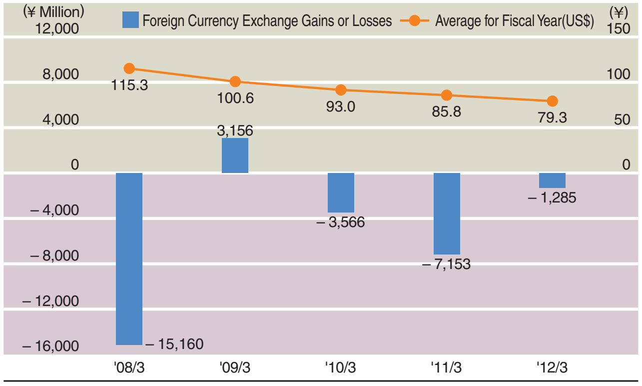
●ROHM manages funds with an emphasis on safety.

Number of Employees



●The number of personnel employed at overseas subsidiaries decreased as a result of factors such as the closure of LAPIS Semiconductor's factory in Thailand due to flooding.

Exchange Rate and Foreign Currency Exchange Gains or Losses

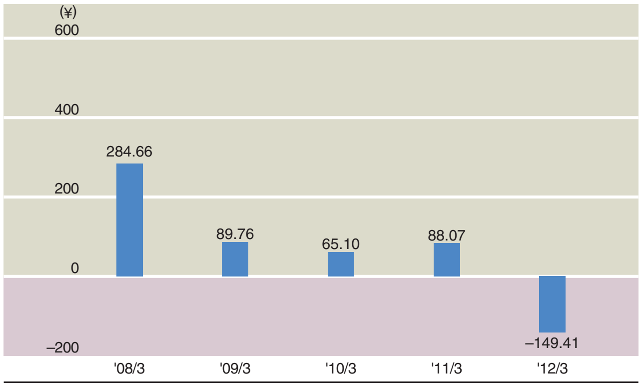


●Although foreign exchange rates transitioned with a strengthening yen, the fluctuation range was smaller than last year, thus reducing foreign exchange losses.

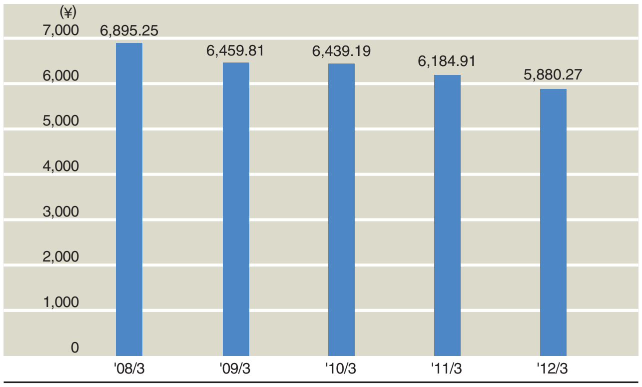
Five-Year Summary

Share-related Information

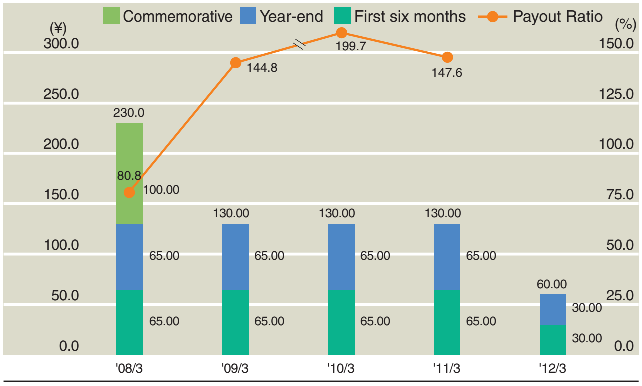
1. Net Income per Share



2. Net Assets per Share

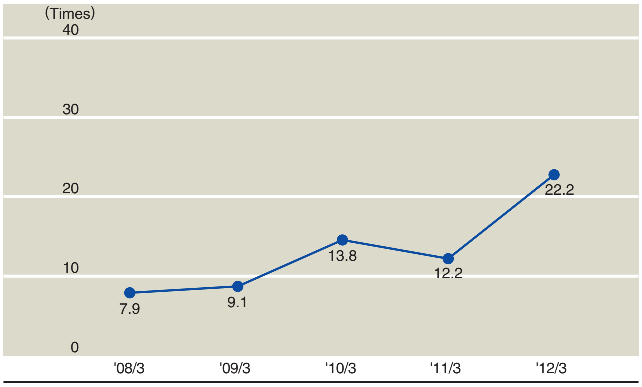


3. Cash Dividends per Share and Payout Ratio

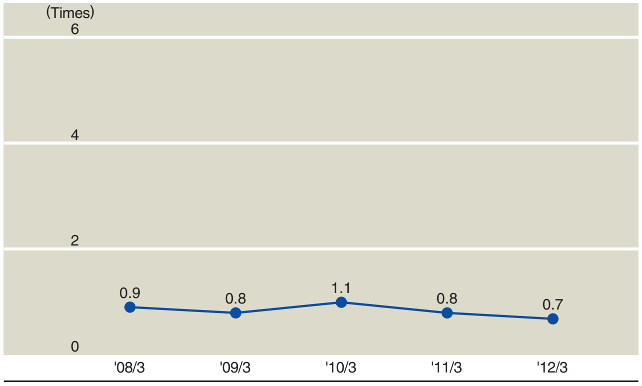


●Taking into consideration current business performance and future capital needs, the annual dividend was determined to be 60 yen.

4. Price Cash Flow Ratio (PCFR)

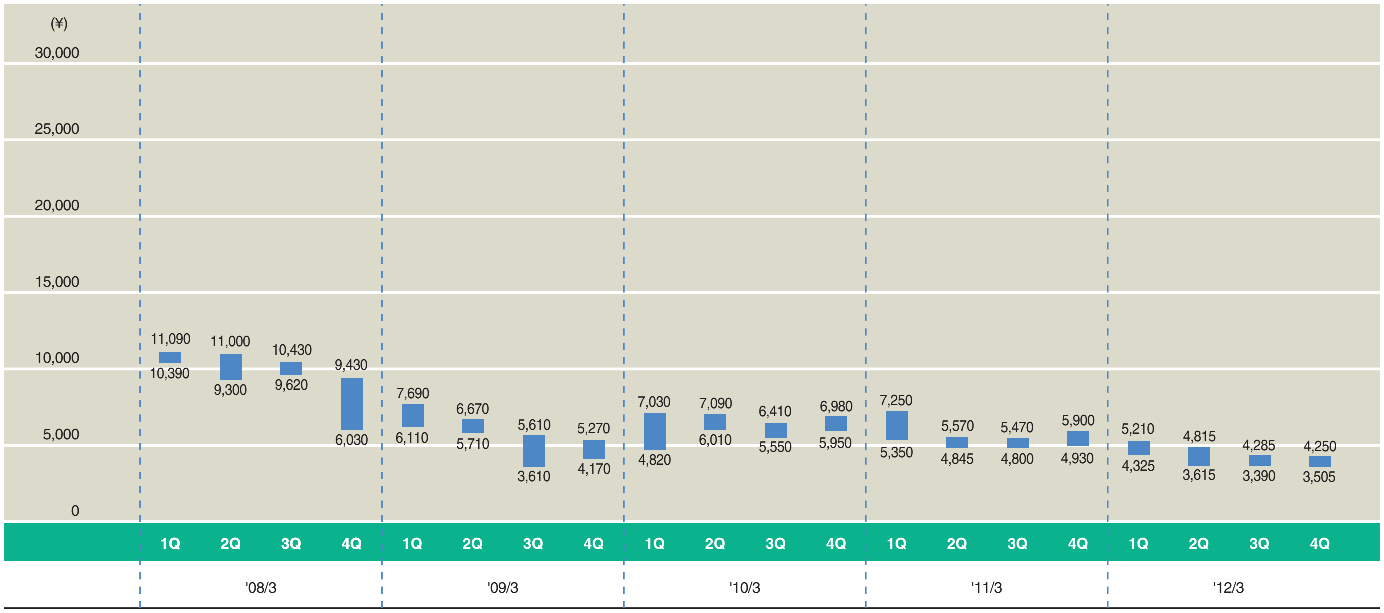


5. Price Book-value Ratio (PBR)



Stock Prices

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



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

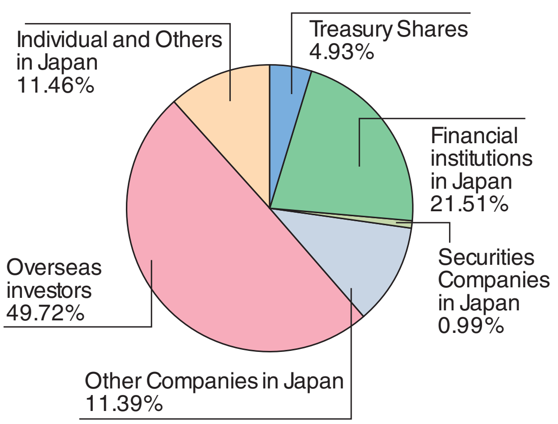
Stock Information (as of March 31, 2012)

- Authorized Common Stock 300,000,000
- Issued Common Stock 113,400,000
- Number of Shareholders 29,255
- Major Shareholders

Ranking	Name	Number of Shares Held (in thousands)	Percentage (%)
1	State Street Bank and Trust Company 505223	8,746	8.11
2	Rohm Music Foundation	8,000	7.42
3	The Master Trust Bank of Japan, Ltd. (Trust account)	5,579	5.18
4	Japan Trustee Service Bank, Ltd. (Trust account)	5,539	5.13
5	Northern Trust Co.(AVFC) Sub A/C American Clients	2,730	2.53
6	Bank of Kyoto, Ltd.	2,607	2.42
7	Deutsche Bank Trust Company Americas	2,462	2.28
8	SSBT OD05 OMNIBUS ACCOUNT−TREATY CLIENTS	2,459	2.28
9	State Street Bank and Trust Company	2,442	2.27
10	Ken Sato	2,405	2.23
Total		42,969	39.85

(Note) 1. Treasury stock (5,585,000) is excluded from the above list.
2. Percentage indicates ratio to issued common stock (107,814,827).
3. The percentages are rounded off the second decimal place.

- Shareholder Mix



Notes (Computation)

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

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

The average number of shares of common stock used in the computation for the fiscal year 2012, 2011, 2010, 2009, and 2008 was 107,815 thousand, 109,357 thousand, 109,569 thousand, 109,572 thousand, 112,168 thousand, respectively.

Eleven-Year Summary

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

	2002	2003	2004	2005
For the Year:				
Net sales	¥ 321,265	¥ 350,281	¥ 355,630	¥ 369,024
Cost of sales	198,631	185,795	194,857	221,133
Selling, general and administrative expenses	56,176	68,363	66,266	71,837
Operating income	66,458	96,123	94,507	76,054
Income (loss) before income taxes and minority interests	68,129	90,476	101,070	70,842
Income taxes	28,829	37,479	37,268	25,667
Net income (loss)	39,274	53,003	63,717	45,135
Capital expenditures	43,326	40,548	51,958	85,171
Depreciation and amortization	52,377	52,424	45,869	47,442
Per Share Information (in yen and U.S. dollars):				
Basic net income (loss)	¥ 328.24	¥ 445.51	¥ 535.62	¥ 380.21
Diluted net income	327.89	445.30		
Cash dividends applicable to the year	19.00	22.00	55.00	85.00
At Year-End:				
Current assets	¥ 445,094	¥ 519,996	¥ 530,121	¥ 512,990
Current liabilities	58,579	83,681	88,321	85,964
Equity	639,210	676,577	715,938	739,329
Total assets	740,627	805,693	846,800	867,323
Number of employees	15,174	16,841	18,591	19,803

Notes:
1. U.S. dollar amounts are provided solely for convenience at the rate of ¥82 to U.S.$1, the approximate exchange rate at March 31, 2012.
2. Certain reclassifications of previously reported amounts have been made to conform with the classifications in the 2012 financial statements.
3. Diluted net income per share for 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005 and 2004 is not disclosed because there were no outstanding potentially dilutive securities and ROHM CO., LTD. was in a net loss position for the year ended March 31, 2012.
4. Effective April 1, 2008, ROHM CO., LTD. and its consolidated subsidiaries applied new accounting standards as follows:
   (1) Applied a new accounting standard for measurement of inventories. The effect of this change was to decrease "Operating Income" by ¥3,184 million and to increase "Loss before income taxes and minority interests" by ¥3,184 million for the year ended March 31, 2009.
   (2) Applied a new accounting standard for lease transactions. The effect of this change to the consolidated financial statements was immaterial for the year ended March 31, 2009.
   (3) Applied a new accounting standard for unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements. The effect of this change to the consolidated financial statements was immaterial for the year ended March 31, 2009.
5. Effective April 1, 2010, ROHM CO., LTD. and its consolidated subsidiaries applied a new accounting standard as follow:
   (1) Applied a new accounting standard for asset retirement obligations. The effect of this change was to decrease "Operating Income" by ¥73 million and "Income before income taxes and minority interests" by ¥784 million for the year ended March 31, 2011.

	Millions of Yen							Thousands of U.S. Dollars
	2006	2007	2008	2009	2010	2011	**2012**	**2012**
	¥ 387,790	¥ 395,082	¥ 373,406	¥ 317,141	¥ 335,641	¥ 341,886	**¥ 304,653**	**$ 3,715,281**
	243,516	251,516	230,839	217,282	229,831	219,150	**209,046**	**2,549,342**
	75,955	74,068	75,205	89,319	87,000	89,999	**89,254**	**1,088,463**
	68,319	69,498	67,362	10,540	18,810	32,737	**6,353**	**77,476**
	73,858	77,874	57,967	(25,520)	10,836	19,400	**(2,697)**	**(32,890)**
	25,490	30,400	26,007	(33,775)	4,001	9,524	**13,374**	**163,098**
	48,305	47,446	31,932	9,837	7,134	9,633	**(16,107)**	**(196,427)**
	80,240	60,926	38,722	51,491	30,216	40,042	**51,117**	**623,378**
	57,032	61,141	55,605	48,951	48,446	39,019	**34,925**	**425,915**
	¥ 416.39	¥ 413.56	¥ 284.66	¥ 89.76	¥ 65.10	¥ 88.07	**¥ (149.41)**	**$ (1.82)**
	90.00	100.00	230.00	130.00	130.00	130.00	**60.00**	**0.73**
	¥ 568,112	¥ 602,705	¥ 535,898	¥ 464,187	¥ 462,435	¥ 436,247	**¥ 434,457**	**$ 5,298,256**
	105,779	80,383	62,775	68,325	68,850	64,334	**74,337**	**906,548**
	787,214	817,818	755,873	709,841	707,719	668,779	**634,280**	**7,735,122**
	951,442	962,603	870,972	809,185	807,340	759,989	**737,326**	**8,991,780**
	20,279	20,422	20,539	22,034	21,005	21,560	**21,295**	

Consolidated Balance Sheet

ROHM CO., LTD. and Consolidated Subsidiaries
March 31, 2012

ASSETS

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
Current Assets:			
Cash and cash equivalents (Note 18)	**¥ 208,745**	¥ 230,721	**$ 2,545,671**
Marketable securities (Notes 5 and 18)	**618**	4,095	**7,537**
Short-term investments (Notes 6 and 18)	**17,454**	23,565	**212,854**
Notes and accounts receivable (Note 18):			
Trade	**67,394**	73,297	**821,878**
Other	**24,431**	1,483	**297,939**
Allowance for doubtful notes and accounts	**(265)**	(287)	**(3,232)**
Inventories (Note 7)	**93,528**	83,954	**1,140,585**
Deferred tax assets (Note 17)	**1,369**	8,476	**16,695**
Prepaid pension cost (Note 9)	**2,251**	2,263	**27,451**
Refundable income taxes (Note 18)	**2,888**	397	**35,219**
Prepaid expenses and other	**16,044**	8,283	**195,659**
Total current assets	**434,457**	436,247	**5,298,256**
Property, Plant and Equipment :			
Land (Note 8)	**79,792**	85,904	**973,073**
Buildings and structures (Note 8)	**208,253**	211,806	**2,539,670**
Machinery, equipment and vehicles (Notes 8 and 20)	**460,311**	476,651	**5,613,549**
Furniture and fixtures (Notes 8 and 20)	**40,600**	42,673	**495,122**
Construction in progress (Note 8)	**20,015**	15,026	**244,086**
Total	**808,971**	832,060	**9,865,500**
Accumulated depreciation	**(563,585)**	(579,844)	**(6,872,988)**
Net property, plant and equipment	**245,386**	252,216	**2,992,512**
Investments and Other Assets:			
Investment securities (Notes 5 and 18)	**37,821**	34,784	**461,232**
Investments in and advance to unconsolidated subsidiaries and associated companies (Note 18)	**2,255**	2,566	**27,500**
Goodwill (Notes 4 and 8)	**5,562**	20,347	**67,829**
Other intangible assets (Note 8)	**6,049**	7,879	**73,768**
Deferred tax assets (Note 17)	**1,735**	1,597	**21,159**
Other	**4,594**	4,899	**56,024**
Allowance for doubtful accounts	**(533)**	(546)	**(6,500)**
Total investments and other assets	**57,483**	71,526	**701,012**
Total	**¥ 737,326**	¥ 759,989	**$ 8,991,780**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
Current Liabilities:			
Notes and accounts payable (Note 18):			
Trade	**¥ 23,979**	¥ 21,905	**$ 292,427**
Construction and other	**29,204**	22,494	**356,146**
Accrued income taxes (Note 18)	**1,552**	3,180	**18,927**
Deferred tax liabilities (Note 17)	**1,227**	1,053	**14,963**
Provision for business structure improvement	**2,057**	148	**25,085**
Provision for losses from a natural disaster	**61**	1,746	**744**
Accrued expenses	**12,563**	11,067	**153,207**
Other	**3,694**	2,741	**45,049**
Total current liabilities	**74,337**	64,334	**906,548**
Long-term Liabilities:			
Liability for retirement benefits (Note 9)	**7,700**	8,345	**93,902**
Deferred tax liabilities (Note 17)	**18,899**	16,555	**230,476**
Other	**2,110**	1,976	**25,732**
Total long-term liabilities	**28,709**	26,876	**350,110**
Commitments and Contingent Liabilities (Notes 19, 20 and 21)			
Equity (Notes 10 and 21):			
Common stock - authorized, 300,000,000 shares; issued, 113,400,000 shares	**86,969**	86,969	**1,060,598**
Capital surplus	**102,404**	102,404	**1,248,829**
Retained earnings	**590,000**	633,388	**7,195,122**
Treasury stock - at cost 5,585,173 shares in 2012 and 7,484,318 shares in 2011	**(50,084)**	(67,120)	**(610,780)**
Accumulated other comprehensive income			
Net unrealized gain (loss) on available-for-sale securities (Note 5)	**3,780**	5,860	**46,097**
Foreign currency translation adjustments	**(99,087)**	(94,670)	**(1,208,378)**
Total	**633,982**	666,831	**7,731,488**
Minority interests	**298**	1,948	**3,634**
Total equity	**634,280**	668,779	**7,735,122**
Total	**¥ 737,326**	¥ 759,989	**$ 8,991,780**

Consolidated Statement of Operations

ROHM CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2012

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2012	2011	2010	**2012**
Net Sales	**¥ 304,653**	¥ 341,886	¥ 335,641	**$ 3,715,281**
Operating Cost and Expenses :				
Cost of sales	**209,046**	219,150	229,831	**2,549,342**
Selling, general and administrative expenses (Notes 11 and 12)	**89,254**	89,999	87,000	**1,088,463**
Total operating cost and expenses	**298,300**	309,149	316,831	**3,637,805**
Operating Income	**6,353**	32,737	18,810	**77,476**
Other Income (Expenses):				
Interest and dividend income	**1,614**	1,407	1,497	**19,683**
Foreign currency exchange gains (losses) - net	**(1,285)**	(7,153)	(3,566)	**(15,671)**
Gain on sale of property, plant and equipment	**276**	88	76	**3,366**
Loss on sale and disposal of property, plant and equipment	**(349)**	(2,078)	(712)	**(4,256)**
Gain on transfer of retirement benefit plan (Note 9)		1,796		
Losses from a natural disaster (Note 14)		(996)		
Loss on adjustment for changes of accounting standard for asset retirement obligations		(148)		
Gain on insurance adjustment (Note 15)	**18,320**			**223,415**
Loss on impairment of long-lived assets (Note 8)	**(24,181)**	(2,516)	(1,738)	**(294,890)**
Loss on valuation of investment securities (Note 5)	**(164)**	(270)	(23)	**(2,000)**
Loss on valuation of stocks of unconsolidated subsidiaries and associated companies (Note 3)	**(813)**	(341)	(175)	**(9,915)**
Environmental expenses (Note 16)	**(220)**			**(2,683)**
Special retirement expenses (Note 9)	**(779)**	(2,969)	(213)	**(9,500)**
Business structure improvement expenses (Note 13)	**(1,939)**		(2,999)	**(23,647)**
Furlough expenses	**(323)**			**(3,939)**
Other - net	**793**	(157)	(121)	**9,671**
Total other income (expenses) - net	**(9,050)**	(13,337)	(7,974)	**(110,366)**
Income (Loss) before Income Taxes and Minority Interests	**(2,697)**	19,400	10,836	**(32,890)**
Income Taxes (Note 17):				
Current	**3,725**	7,372	7,272	**45,427**
Deferred	**9,649**	2,152	(3,271)	**117,671**
Total income taxes	**13,374**	9,524	4,001	**163,098**
Net Income (Loss) before Minority Interests	**(16,071)**	9,876	6,835	**(195,988)**
Minority Interests in Net Loss (Income)	**(36)**	(243)	299	**(439)**
Net Income (Loss)	**¥ (16,107)**	¥ 9,633	¥ 7,134	**$ (196,427)**

	Yen			U.S. Dollars
Per Share Information (Note 2. (u)):				
Basic net income (loss)	**¥ (149.41)**	¥ 88.07	¥ 65.10	**$ (1.82)**
Cash dividends applicable to the year	**60.00**	130.00	130.00	**0.73**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

ROHM CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2012

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2012	2011	2010	**2012**
Net Income (Loss) before Minority Interests	**¥ (16,071)**	¥ 9,876	¥ 6,835	**$ (195,988)**
Other Comprehensive Income (Note 22):				
Net unrealized gain (loss) on available-for-sale securities	**(2,080)**	(2,261)	7,955	**(25,366)**
Foreign currency translation adjustments	**(4,435)**	(21,834)	(3,096)	**(54,085)**
Total other comprehensive income	**(6,515)**	(24,095)	4,859	**(79,451)**
Comprehensive Income (Note 22)	**¥ (22,586)**	¥ (14,219)	¥ 11,694	**$ (275,439)**
Total Comprehensive Income Attributable to (Note 22):				
Owners of the parent	**¥ (22,603)**	¥ (14,439)	¥ 11,983	**$ (275,646)**
Minority interests	**17**	220	(289)	**207**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

ROHM CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2012

	Millions of Yen									
						Accumulated other comprehensive income				
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance at April 1, 2009	109,570,842	¥ 86,969	¥ 102,404	¥ 679,996	¥ (91,973)	¥ 168	¥ (69,756)	¥ 707,808	¥ 2,033	¥ 709,841
Net income				7,134				7,134		7,134
Cash dividends,¥130.00 per share				(14,244)				(14,244)		(14,244)
Purchase of treasury stock	(3,042)				(19)			(19)		(19)
Retirement of treasury stock			(34,887)		34,887					
Transfer from retained earnings to capital surplus			34,887	(34,887)						
Net change in the year						7,954	(3,104)	4,850	157	5,007
Balance at March 31, 2010	109,567,800	86,969	102,404	637,999	(57,105)	8,122	(72,860)	705,529	2,190	707,719
Net income				9,633				9,633		9,633
Cash dividends,¥130.00 per share				(14,244)				(14,244)		(14,244)
Purchase of treasury stock	(1,752,118)				(10,015)			(10,015)		(10,015)
Net change in the year						(2,262)	(21,810)	(24,072)	(242)	(24,314)
Balance at March 31, 2011	107,815,682	86,969	102,404	633,388	(67,120)	5,860	(94,670)	666,831	1,948	668,779
Net loss				(16,107)				(16,107)		(16,107)
Cash dividends,¥95.00 per share				(10,242)				(10,242)		(10,242)
Purchase of treasury stock	(855)				(3)			(3)		(3)
Retirement of treasury stock			(17,039)		17,039					
Transfer from retained earnings to capital surplus			17,039	(17,039)						
Net change in the year						(2,080)	(4,417)	(6,497)	(1,650)	(8,147)
Balance at March 31, 2012	107,814,827	¥ 86,969	¥ 102,404	¥ 590,000	¥ (50,084)	¥ 3,780	¥ (99,087)	¥ 633,982	¥ 298	¥ 634,280

	Thousands of U.S. Dollars (Note 1)								
					Accumulated other comprehensive income				
	Common stock	Capital surplus	Retained Earnings	Treasury stock	Net unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance at March 31, 2011	$ 1,060,598	$ 1,248,829	$ 7,724,244	$ (818,537)	$ 71,463	$ (1,154,512)	$ 8,132,085	$ 23,756	$ 8,155,841
Net loss			(196,427)				(196,427)		(196,427)
Cash dividends, $1.16 per share			(124,902)				(124,902)		(124,902)
Purchase of treasury stock				(36)			(36)		(36)
Retirement of treasury stock		(207,793)		207,793					
Transfer from retained earnings to capital surplus		207,793	(207,793)						
Net change in the year					(25,366)	(53,866)	(79,232)	(20,122)	(99,354)
Balance at March 31, 2012	$ 1,060,598	$ 1,248,829	$ 7,195,122	$ (610,780)	$ 46,097	$ (1,208,378)	$ 7,731,488	$ 3,634	$ 7,735,122

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

ROHM CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2012

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2012	2011	2010	**2012**
Operating Activities:				
Income (loss) before income taxes and minority interests	**¥ (2,697)**	¥ 19,400	¥ 10,836	**$ (32,890)**
Adjustments for:				
Income taxes – paid	**(7,298)**	(8,160)	(2,552)	**(89,000)**
Proceeds from insurance income	**6,593**			**80,402**
Depreciation and amortization	**34,925**	39,019	48,446	**425,915**
Amortization of goodwill	**5,251**	7,059	5,282	**64,037**
Gain on insurance adjustment	**(18,320)**			**(223,415)**
Foreign currency exchange losses (gains) – net	**842**	2,428	346	**10,268**
Increase (decrease) in provision for retirement benefits	**(630)**	(1,830)	(1,979)	**(7,683)**
Decrease (increase) in prepaid pension costs	**12**	352	794	**146**
Loss on impairment of long-lived assets	**24,181**	2,516	1,738	**294,890**
Increase (decrease) in provision for business structure improvement	**1,911**	(282)	(5,563)	**23,305**
Increase (decrease) in provision for losses from a natural disaster	**(1,685)**	1,746		**(20,549)**
Loss on valuation of marketable and investment securities	**977**	612	23	**11,915**
Changes in assets and liabilities:				
Decrease (increase) in notes and accounts receivable - trade	**5,337**	2,246	(13,514)	**65,085**
Decrease (increase) in inventories	**(13,791)**	(1,494)	5,299	**(168,183)**
Increase (decrease) in notes and accounts payable - trade	**2,275**	3,104	4,933	**27,744**
Increase (decrease) in accounts payable – other	**998**	(5,000)	(4,067)	**12,171**
Other – net	**(2,023)**	1,841	1,977	**(24,670)**
Total adjustments	**39,555**	44,157	41,163	**482,378**
Net cash provided by operating activities	**36,858**	63,557	51,999	**449,488**
Investing Activities:				
Decrease (increase) in time deposits – net	**5,039**	(6,310)	(6,974)	**61,451**
Purchases of marketable and investment securities	**(10,205)**	(7,747)	(334)	**(124,451)**
Proceeds from sales and redemption of marketable and investment securities	**6,675**	4,498	18,976	**81,402**
Purchases of property, plant and equipment	**(41,709)**	(40,628)	(23,012)	**(508,646)**
Proceeds from sale of property, plant and equipment	**362**	208	121	**4,415**
Purchases of investments in subsidiaries (Note 3)	**(4,521)**	(601)		**(55,134)**
Acquisition of shares of newly consolidated subsidiaries, net of cash and cash equivalents acquired			(22,338)	
Payments for sales of shares of consolidated subsidiaries, net of cash and cash equivalents transferred			(60)	
Other – net	**(1,430)**	(2,406)	(1,810)	**(17,439)**
Net cash used in investing activities	**(45,789)**	(52,986)	(35,431)	**(558,402)**
Financing Activities:				
Purchase of treasury stock	**(3)**	(10,015)	(19)	**(36)**
Dividends paid	**(10,242)**	(14,244)	(14,244)	**(124,902)**
Other – net.	**(249)**	(176)	(171)	**(3,038)**
Net cash used in financing activities	**(10,494)**	(24,435)	(14,434)	**(127,976)**
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	**(2,551)**	(14,551)	(5,209)	**(31,110)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(21,976)**	(28,415)	(3,075)	**(268,000)**
Cash and Cash Equivalents at Beginning of Year	**230,721**	259,136	262,211	**2,813,671**
Cash and Cash Equivalents at End of Year	**¥ 208,745**	¥ 230,721	¥ 259,136	**$ 2,545,671**

(Additional information)

ROHM Electronics Europe Limited, a wholly-owned subsidiary of ROHM CO., LTD., acquired the stock of SiCrystal AG as of July 14, 2009 and ROHM U.S.A., Inc., a wholly-owned subsidiary of ROHM CO., LTD., acquired Kionix Inc. (Kionix) as of November 16, 2009 by reverse triangular merger. As a result, SiCrystal AG, Kionix and its 3 subsidiaries became consolidated subsidiaries of ROHM CO., LTD. (Note 4)

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

	Millions of Yen
	2010
Assets	¥10,879
Goodwill	12,877
Liabilities	(617)
Minority interests	(341)
Cash paid for the capital	22,798
Cash and cash equivalents of consolidated subsidiaries	(460)
Payment for acquisition of shares of newly consolidated subsidiaries, net of cash and cash equivalents acquired	¥22,338

See notes to consolidated financial statements.

1. Basis of Presentation of Consolidated Financial Statements

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

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

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

The consolidated financial statements are stated in Japanese yen, the currency of the country in which ROHM CO., LTD. (the “Company”) is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥82 to $1, the approximate rate of exchange at March 31, 2012. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

(a) Consolidation

The consolidated financial statements as of March 31, 2012 include the accounts of the Company and its 48 significant (50 in 2011) subsidiaries (together, the “Group”).

Under the control concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated.

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

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

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

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

The fiscal year end dates of 10 (9 in 2011) consolidated subsidiaries, are different from the consolidated balance sheet date of March 31. They, including ROHM SEMICONDUCTOR CHINA CO., LTD., are dated December 31, and the financial statements of these subsidiaries as of the provisional closing date of March 31 were used for consolidation purposes.

(b) Unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements

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

(c) Business combination

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

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

(1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling of interests method of accounting is no longer allowed.

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

(3) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase allocation.

This revised standard was applicable to business combinations undertaken on or after April 1, 2010.

(d) Cash equivalents

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

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

(e) Marketable and investment securities

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

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

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

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

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

(f) Inventories

Inventories are mainly stated at the lower of cost, determined by the moving average method for merchandise, finished products, work in process and raw materials and by the last purchase cost method for supplies, or net selling value.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost.

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

Estimated useful lives of the assets are principally as follows:

Buildings and structures . . . . 3 to 50 years
Machinery, equipment and vehicles . . . . . . 2 to 10 years

(h) Intangible assets

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

(i) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(j) Liability for retirement benefits

The Company and certain consolidated subsidiaries have defined benefit plans for employees, and accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

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

(k) Asset retirement obligations

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

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

This standard was effective for fiscal years beginning on or after April 1, 2010.

The Group applied this accounting standard effective April 1, 2010. The effect of this change was to decrease operating income by ¥73 million and income before income taxes and minority interests by ¥784 million.

(l) Provision for business structure improvement

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

(m) Provision for losses from a natural disaster

The Group provides the reserve for losses from a natural disaster for restoration of assets damaged by the Great East Japan Earthquake.

(n) Research and development costs

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

(o) Leases

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

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

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

All other leases are accounted for as operating leases.

(p) Bonuses to directors and corporate auditors

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

(q) Income taxes

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

(r) Foreign currency transactions

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

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

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

(s) Foreign currency financial statements

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

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

(t) Derivatives and hedging activities

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

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

(u) Per share information

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

The average number of shares used to compute basic net income per share for the years ended March 31, 2012, 2011 and 2010 were 107,815 thousand shares, 109,357 thousand shares and 109,569 thousand shares, respectively.

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

Diluted net income per share is not disclosed because there is no outstanding potentially dilutive securities and the Company is in a net loss position for the year ended March 31, 2012.

(v) Accounting Changes and Error Corrections

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

(1) Changes in Accounting Policies

When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in Presentations

When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior-Period Errors

When an error in prior-period financial statements is discovered, those statements are restated.

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

(w) New accounting pronouncements

Accounting Standard for Retirement Benefits

On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with effective date of April 1, 2000 and the other related practical guidances, being followed by partial amendments from time to time through 2009. Major changes are as follows:

(1) Treatment in the balance sheet

Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, "deficit or surplus"), adjusted by such unrecognized amounts, are recognized as a liability or an asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and the deficit or surplus shall be recognized as a liability (liability for retirement benefits) or an asset (asset for retirement benefits).

(2) Treatment in the statement of income and the statement of comprehensive income (or the statement of income and comprehensive income)

The revised accounting standard would not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives of the employees. However, actuarial gains and losses and past service costs that arose in the current period and yet to be recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

This accounting standard and the guidance are effective for the end of annual periods beginning on or after April 1, 2013 with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Group expects to apply the revised accounting standard from the end of the annual period beginning on April 1, 2013 and is in the process of measuring the effects of applying the revised accounting standard for the year ending March 31, 2014.

3. Changes in Presentation

Prior to April 1, 2011, “Loss on valuation of stocks of unconsolidated subsidiaries and associated companies” was included in the other-net among the other income (expenses) section of the consolidated statement of operations. Since the account became significant during this fiscal year ended March 31, 2012, such account is disclosed separately in the other income (expenses) section of the consolidated statement of operations for the year ended March 31, 2012. In accordance with this change in presentation, the consolidated statements of operations for the years ended March 31, 2011 and 2010 are reclassified. The amounts included in the other-net for the years ended March 31, 2011 and 2010 were ¥341 million and ¥175 million, respectively.

Prior to April 1, 2011, “Purchases of investments in subsidiaries” were included in the other-net among the investing activities section of the consolidated statement of cash flows. Since the account became significant during this fiscal year ended March 31, 2012, such account is disclosed separately in the investing activities section of the consolidated statement of cash flows for the year ended March 31, 2012. In accordance with this change in presentation, the consolidated statement of cash flows for the year ended March 31, 2011 is reclassified. The amount included in the other-net for the year ended March 31, 2011 was ¥601 million.

4. Business Combination

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

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

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

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

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

	Millions of Yen
Current assets	¥ 1,747
Fixed assets.	7,720
Total assets acquired	9,467
Current liabilities	505
Fixed liabilities	36
Total liabilities assumed	541

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

	Millions of Yen
Sales.	¥ 3,394
Operating income	567

5. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Current:			
Government and corporate bonds	**¥ 618**	¥ 3,702	**$ 7,537**
Other		393	
Total	**¥ 618**	¥ 4,095	**$ 7,537**
Non-current:			
Marketable equity securities	**¥ 22,323**	¥ 25,700	**$ 272,232**
Government and corporate bonds	**12,612**	5,724	**153,805**
Other	**2,886**	3,360	**35,195**
Total	**¥ 37,821**	¥ 34,784	**$ 461,232**

The costs and aggregate fair values of marketable and investment securities at March 31, 2012 and 2011 were as follows:

	Millions of Yen			
	2012			
Securities classified as:	Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale:				
Equity securities	**¥ 16,835**	**¥ 6,215**	**¥ (727)**	**¥ 22,323**
Debt securities	**13,379**	**181**	**(305)**	**13,255**
Other	**2,012**	**359**	**(105)**	**2,266**
Total	**¥ 32,226**	**¥ 6,755**	**¥ (1,137)**	**¥ 37,844**

	Millions of Yen			
	2011			
Securities classified as:	Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale:				
Equity securities	¥ 16,924	¥ 8,912	¥ (136)	¥ 25,700
Debt securities	9,594	49	(193)	9,450
Other	2,318	485	(136)	2,667
Total	¥ 28,836	¥ 9,446	¥ (465)	¥ 37,817

	Thousands of U.S. Dollars			
	2012			
Securities classified as:	Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale:				
Equity securities	**$ 205,305**	**$ 75,793**	**$ (8,866)**	**$ 272,232**
Debt securities	**163,159**	**2,207**	**(3,720)**	**161,646**
Other	**24,536**	**4,378**	**(1,280)**	**27,634**
Total	**$ 393,000**	**$ 82,378**	**$ (13,866)**	**$ 461,512**

The proceeds, realized gains and realized losses of the available-for-sale securities, which were sold during the years ended March 31, 2012 , 2011 and 2010, were as follows:

	Millions of Yen		
	2012		
Available-for-sale:	Proceeds	Realized gains	Realized losses
Equity securities	**¥ 233**	**¥ 63**	**¥ (8)**
Total	**¥ 233**	**¥ 63**	**¥ (8)**

	Millions of Yen		
	2011		
Available-for-sale:	Proceeds	Realized gains	Realized losses
Equity securities	¥ 1	¥ 0	¥ (0)
Total	¥ 1	¥ 0	¥ (0)

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

	Thousands of U.S. Dollars		
	2012		
Available-for-sale:	Proceeds	Realized gains	Realized losses
Equity securities	**$ 2,841**	**$ 768**	**$ (98)**
Total	**$ 2,841**	**$ 768**	**$ (98)**

The impairment losses on available-for-sale securities for the years ended March 31, 2012, 2011 and 2010 were ¥ 164 million ($2,000 thousand), ¥270 million and ¥23 million, respectively.

6. Short-term Investments

Short-term investments at March 31, 2012 and 2011 were time deposits.

7. Inventories

Inventories at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Merchandise and Finished products	**¥ 24,367**	¥ 23,526	**$ 297,158**
Work in process	**38,508**	35,351	**469,610**
Raw materials and supplies	**30,653**	25,077	**373,817**
Total	**¥ 93,528**	¥ 83,954	**$ 1,140,585**

8. Long-lived assets

The Group reviewed its long-lived assets for impairment during the years ended March 31, 2012, 2011 and 2010. To determine impairment loss on long-lived assets, the Group identifies asset groups for operating assets according to the groupings used in management accounting, by which income and expenditures are controlled continually, while identifying each of the individual idle assets as a stand-alone asset group. As a result, the Group recognized an impairment loss of ¥24,181 million ($294,890 thousand), ¥2,516 million and ¥1,738 million as other expenses for the years ended March 31, 2012, 2011 and 2010, respectively.

The components of impairment loss for the year ended March 31, 2012 were as follows:

a) The Group recognized an impairment loss of ¥7,147 million ($87,158 thousand) for operating assets located in the U.S., Tokyo, Fukuoka, and Germany as the estimated future cash flows fell below the carrying amounts of some asset groups due to deterioration of the revenue environment. The carrying amounts of the relevant operating assets were written down to the recoverable amounts which were measured at their value in use and the discount rates used for computation of present value of future cash flows were 7.0 ~ 18.0%.

b) The Group recognized an impairment loss of ¥4,970 million ($60,610 thousand) for idle assets located in Tokyo, Fukuoka, Kyoto and others as the Group determined that the idle assets were not likely to be used in the future. The carrying amounts of the relevant idle assets were written down to the recoverable amounts which were measured at their net selling prices calculated based on reasonable estimations in consideration of market value.

c) The Group recognized an impairment loss of ¥12,064 million ($147,122 thousand) for the goodwill as the earnings projected at the time of acquiring the shares are not expected to be realized. The carrying amounts of goodwill were revaluated and were written down to the recoverable amounts which were measured at their value in use and the discount rates used for computation of present value of future cash flows were 7.0 ~ 14.2%. With regard to goodwill recorded in connection with the acquisition of Kionix, an impairment loss was recorded in the financial statements of the relevant subsidiary in accordance with generally accepted accounting principles in the United States of America. However, it was adjusted in accordance with Japanese GAAP in the consolidated financial statements.

The components of impairment loss for the year ended March 31, 2011 were as follows:

a) The Group recognized an impairment loss of ¥1,899 million for idle assets located in Shizuoka, Fukuoka, Kyoto and others as the Group determined that the idle assets were not likely to be used in the future. The carrying amounts of the relevant idle assets were written down to the recoverable amounts which were measured at their net selling prices calculated based on reasonable estimations in consideration of market value.

b) The Group recognized an impairment loss of ¥617 million for the IC assets located in the United States of America. The carrying amounts of IC assets were written down to the fair values for the assets of a subsidiary in the United States of America as an independent company by third-party evaluation. With regard to goodwill recorded in connection with the acquisition of Kionix, an impairment loss was recorded in the financial statements of the relevant subsidiary in accordance with generally accepted accounting principles in the United States of America. However, since goodwill has been amortized by the straight-line method over a period of 5 years in accordance with Japanese GAAP in the consolidated financial statements, the amount which exceeds accumulated amortization was recorded as the impairment loss.

For the year ended March 31, 2010, the Group recognized an impairment loss of ¥1,738 million as other expense for idle assets located in Fukuoka, Shizuoka, Okayama, Kyoto and others as the Group determined that the idle assets were not likely to be used in the future. The carrying amounts of the relevant idle assets were written down to the recoverable amounts which were measured at their net selling prices calculated based on reasonable estimations in consideration of market value.

9. Retirement Plans

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

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

In January 2011, OKI Semiconductor Co., Ltd. (currently, LAPIS Semiconductor Co., Ltd.) and its domestic subsidiaries transferred their pension plan from a fund-type defined benefit pension plan (The OKI Pension Fund) to a contract-type defined benefit pension plan.

The net liability for employees' retirement benefits at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Projected benefit obligation	**¥ 26,128**	¥ 25,302	**$ 318,634**
Fair value of plan assets	**(17,280)**	(16,631)	**(210,732)**
Unrecognized prior service cost	**(81)**	136	**(988)**
Unrecognized actuarial loss	**(3,318)**	(2,725)	**(40,463)**
Net liability	**5,449**	6,082	**66,451**
Prepaid pension cost	**2,251**	2,263	**27,451**
Liability for retirement benefits	**¥ 7,700**	¥ 8,345	**$ 93,902**

The components of net periodic pension costs for the years ended March 31, 2012, 2011 and 2010 were as follows:

	Millions of Yen			Thousands of U.S. Dollars
	2012	2011	2010	**2012**
Service cost	**¥1,799**	¥1,687	¥1,948	**$ 21,939**
Interest cost	**564**	727	855	**6,878**
Expected return on plan assets	**(355)**	(435)	(354)	**(4,329)**
Amortization of prior service cost	**1**	(2)		**12**
Recognized actuarial loss	**399**	396	788	**4,866**
Contribution to defined contribution pension plan and other	**378**	387	334	**4,610**
Net periodic benefit costs	**¥2,786**	¥2,760	¥3,571	**$ 33,976**

In addition to the net periodic pension costs stated above, the Group recorded “Special retirement expenses” for the years ended March 31, 2012, 2011 and 2010 in the amount of ¥779 million ($9,500 thousand), ¥2,969 million and ¥213 million, respectively, as other expense, and “Gain on transfer of retirement benefit plan” for the year ended March 31, 2011 in the amount of ¥1,796 million as other income. The Group also recorded an estimated amount of special retirement expense of ¥1,340 million ($16,341 thousand) and ¥2,649 million, which were expenses related to restructuring activities such as personnel reduction, included in “Business structure improvement expenses” in other expenses for the years ended March 31, 2012 and 2010, respectively.

Assumptions used for the years ended March 31, 2012, 2011 and 2010 were as follows:

	2012	2011	2010
Discount rate	**2.0%**	2.0～2.1%	2.0～2.1%
Expected rate of return on plan assets	**2.0%**	1.0～2.0%	1.0～2.0%
Allocation method of the retirement benefits expected to be paid at the retirement date	**Straight-line method based on years of service or point method**	Straight-line method based on years of service or point method	Straight-line method based on years of service or point method
Amortization period of prior service cost	**10~13 years**	13 years	
Recognition period of actuarial loss	**10~13 years**	10~14 years	10~14 years

10. Equity

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

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the general shareholders meeting. For companies that meet certain criteria, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the criteria.

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

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

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

(c) Treasury stock and treasury stock acquisition rights

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

11. Research and Development Costs

Research and development costs charged to income were ¥39,764 million ($484,927 thousand), ¥37,899 million and ¥37,672 million for the years ended March 31, 2012, 2011 and 2010, respectively.

12. Amortization of Goodwill

Amortization of goodwill was ¥5,251 million ($64,037 thousand), ¥7,059 million and ¥5,282 million for the years ended March 31, 2012, 2011 and 2010, respectively.

13. Business Structure Improvement Expenses

"Business structure improvement expenses" for the years ended March 31, 2012 and 2010 are expenses and losses related to integration of product lines of subsidiaries and other restructuring activities such as personnel reduction.

14. Losses from a natural disaster

"Losses from a natural disaster" for the year ended March 31, 2011 represent the estimated losses caused by the Great East Japan Earthquake after deduction of the estimated amounts of insurance benefits.

The breakdown was as follows:

	2011
Description:	Millions of Yen
Losses related to fixed assets	¥ 1,850
Losses related to inventories	1,308
Other losses	586
Estimated amount of insurance benefits	(2,748)
Total	¥ 996

15. Gain on insurance adjustment

"Gain on insurance adjustment" for the year ended March 31, 2012 represents the estimated amounts of insurance benefits for the floods in Thailand and the insurance benefits received for the Great East Japan Earthquake after deduction of the losses.

The breakdowns were as follows:

(The floods in Thailand)

	2012	
Description:	Millions of Yen	Thousands of U.S. Dollars
Estimated amount of insurance benefits	**¥ 32,116**	**$ 391,658**
Losses related to fixed assets	**(7,479)**	**(91,207)**
Losses related to inventories	**(3,928)**	**(47,902)**
Other losses	**(3,216)**	**(39,219)**
Total	**¥ 17,493**	**$ 213,330**

(The Great East Japan Earthquake)

	2012	
Description:	Millions of Yen	Thousands of U.S. Dollars
Insurance benefits received	**¥ 3,069**	**$ 37,426**
Losses related to fixed assets	**(1,021)**	**(12,451)**
Other losses	**(1,221)**	**(14,890)**
Total	**¥ 827**	**$ 10,085**

16. Environmental expenses

"Environmental expenses" for the year ended March 31, 2012 are expenses and losses for soil contamination on the plant site.

17. Income Taxes

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

The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities at March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Deferred tax assets:			
Marketable and investment securities	**¥ 3,020**	¥ 2,882	**$ 36,829**
Inventories	**8,041**	8,949	**98,061**
Depreciation and amortization	**5,708**	8,139	**69,610**
Tax loss carryforwards	**23,482**	24,728	**286,366**
Accrued expenses	**2,423**	2,099	**29,549**
Liability for retirement benefits	**2,070**	2,102	**25,244**
Foreign tax credit	**180**	1,994	**2,195**
Loss on impairment of long-lived assets	**4,729**	4,147	**57,671**
Tax credit for research and development expenses	**3,217**	1,853	**39,232**
Provision for business structure improvement	**773**	48	**9,427**
Other	**2,255**	4,656	**27,500**
Valuation allowance	**(50,988)**	(44,227)	**(621,806)**
Total	**4,910**	17,370	**59,878**
Deferred tax liabilities:			
Undistributed earnings of foreign subsidiaries	**(16,375)**	(13,365)	**(199,695)**
Prepaid pension cost	**(807)**	(933)	**(9,841)**
Goodwill	**(722)**	(1,290)	**(8,805)**
Allowance for doubtful accounts for subsidiaries and associated companies	**(314)**	(1,674)	**(3,829)**
Depreciation and amortization	**(823)**	(364)	**(10,037)**
Net unrealized gain (loss) on available-for-sale securities	**(1,816)**	(3,641)	**(22,146)**
Intangible assets	**(564)**	(1,543)	**(6,878)**
Other	**(511)**	(2,095)	**(6,232)**
Total	**(21,932)**	(24,905)	**(267,463)**
Net deferred tax liabilities	**¥ (17,022)**	¥ (7,535)	**$ (207,585)**

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

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Current Assets - Deferred tax assets	**¥ 1,369**	¥ 8,476	**$ 16,695**
Investments and Other Assets - Deferred tax assets	**1,735**	1,597	**21,159**
Current Liabilities - Deferred tax liabilities	**(1,227)**	(1,053)	**(14,963)**
Long-term Liabilities - Deferred tax liabilities	**(18,899)**	(16,555)	**(230,476)**
Net deferred tax liabilities	**¥ (17,022)**	¥ (7,535)	**$ (207,585)**

Changes in Presentation

Prior to April 1, 2011, “Provision for business structure improvement” and “Depreciation and amortization” were included in “Other” among the deferred tax assets and the deferred tax liabilities sections presented above. Since the accounts became significant during this fiscal year ended March 31, 2012, such amounts are disclosed separately as of March 31, 2012. In accordance with this change in presentation, the amounts as of March 31, 2011 have been reclassified. The amounts included in “Other” deferred tax assets and deferred tax liabilities as of March 31, 2011 were ¥48 million and ¥(364) million, respectively.

As of March 31, 2012, the Company and certain consolidated subsidiaries had tax loss carryforwards aggregating approximately ¥69,666 million ($849,585 thousand) available for reduction of future taxable income, the majority of which will expire from 2013 to 2032.

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of operations for the years ended March 31, 2011 and 2010 was as follows:

	2011	2010
Normal effective statutory tax rate	40.6%	40.6%
Increase (decrease) in valuation allowance	8.5	12.6
Lower income tax rates applicable to income in certain foreign countries	(15.5)	(35.0)
Amortization of goodwill	14.8	19.8
Equity in gains (losses) of associated companies		(0.7)
Other - net	0.7	(0.4)
Actual effective tax rate	49.1%	36.9%

For the year ended March 31, 2012, the reconciliation is not presented because there was a net loss before income taxes and minority interests.

On December 2, 2011, new tax reform laws were enacted in Japan, which changed the normal effective statutory tax rate from approximately 40.6% to 37.9% effective for the fiscal years beginning on or after April 1, 2012 through March 31, 2015, and to 35.5% afterwards. Additionally the use of tax loss carryforwards is limited to 80% of taxable income from the beginning of the annual period beginning on April 1, 2012. The effects of these changes were immaterial for the year ended March 31, 2012.

18. Financial Instruments and Related Disclosures

(1) Policy for financial instruments

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

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

Receivables such as trade notes and trade accounts 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 debts risk due to financial deterioration. Foreign currency trade receivables are exposed to market risk resulting from fluctuations in foreign currency exchange rates. Such foreign exchange 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 just incurring minimal credit risks.

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

The Group enters into derivative transactions pursuant to the internal policy approved by the Board of Directors and reports the status of the derivative transactions once or more every half year to the Board of Directors. Furthermore, in order to reduce credit risks, the Group only conducts derivative transactions with highly rated financial institutions.

(3) Supplemental to fair value of financial instruments

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

(4) Fair values of financial instruments

Carrying amounts of financial instruments in the consolidated balance sheet, their fair values, and differences as of March 31, 2012 and 2011 are shown in the table below (a). Any financial instruments whose fair values cannot be reliably determined are not included (see the table below (b)).

(a) Fair value of financial instruments

	Millions of Yen		
	2012		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**¥ 208,745**	**¥ 208,745**	
Marketable securities	**618**	**618**	
Short-term investments	**17,454**	**17,454**	
Notes and accounts receivable - trade	**67,394**	**67,394**	
Investment securities	**37,226**	**37,226**	
Refundable income taxes	**2,888**	**2,888**	
Total	**¥ 334,325**	**¥ 334,325**	
Notes and accounts payable - trade	**¥ 23,979**	**¥ 23,979**	
Notes and accounts payable - construction and other	**29,204**	**29,204**	
Accrued income taxes	**1,552**	**1,552**	
Total	**¥ 54,735**	**¥ 54,735**	

	Millions of Yen		
	2011		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	¥ 230,721	¥ 230,721	
Marketable securities	4,095	4,095	
Short-term investments	23,565	23,565	
Notes and accounts receivable - trade	73,297	73,297	
Investment securities	33,723	33,723	
Refundable income taxes	397	397	
Total	¥ 365,798	¥ 365,798	
Notes and accounts payable - trade	¥ 21,905	¥ 21,905	
Notes and accounts payable - construction and other	22,494	22,494	
Accrued income taxes	3,180	3,180	
Total	¥ 47,579	¥ 47,579	

	Thousands of U.S. Dollars		
	2012		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**$ 2,545,671**	**$ 2,545,671**	
Marketable securities	**7,537**	**7,537**	
Short-term investments	**212,854**	**212,854**	
Notes and accounts receivable - trade	**821,878**	**821,878**	
Investment securities	**453,975**	**453,975**	
Refundable income taxes	**35,219**	**35,219**	
Total	**$ 4,077,134**	**$ 4,077,134**	
Notes and accounts payable - trade	**$ 292,427**	**$ 292,427**	
Notes and accounts payable - construction and other	**356,146**	**356,146**	
Accrued income taxes	**18,927**	**18,927**	
Total	**$ 667,500**	**$ 667,500**	

Cash and cash equivalents, Short-term investments, Notes and accounts receivable-trade, Refundable income taxes

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

Marketable securities, Investment securities

The fair values of marketable securities and investment securities are measured at the quoted market price of the stock exchange for equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. The fair value information for the marketable and investment securities by classification is included in Note 5.

Notes and accounts payable-trade, Notes and accounts payable-construction and other, Accrued income taxes

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

(b) Carrying amount of financial instruments whose fair values cannot be reliably determined

	Carrying amount		
	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Unlisted stock	**¥ 509**	¥ 970	**$ 6,208**
Rights under limited partnership agreement for investment	**86**	91	**1,049**
Stocks of unconsolidated subsidiaries and associated companies, etc.	**2,065**	2,376	**25,183**

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

	Millions of Yen			
	2012			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	**¥208,745**			
Marketable securities:				
Corporate bonds	**618**			
Short-term investments	**17,454**			
Notes and accounts receivable-trade	**67,394**			
Investment securities:				
Government and local government bonds		**¥ 1**	**¥ 1**	
Corporate bonds		**11,720**	**890**	
Other		**625**	**402**	**¥ 1,264**
Refundable income taxes	**2,888**			
Total	**¥297,099**	**¥ 12,346**	**¥ 1,293**	**¥ 1,264**

	Millions of Yen			
	2011			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	¥230,721			
Marketable securities:				
Government and local government bonds	1			
Corporate bonds	3,700			
Other	393			
Short-term investments	23,565			
Notes and accounts receivable-trade	73,297			
Investment securities:				
Government and local government bonds			¥ 2	
Corporate bonds		¥ 3,867	2,000	
Other		614	428	¥ 1,257
Refundable income taxes	397			
Total	¥332,074	¥ 4,481	¥ 2,430	¥ 1,257

	Thousands of U.S. Dollars			
	2012			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	**$ 2,545,671**			
Marketable securities:				
Corporate bonds	**7,537**			
Short-term investments	**212,854**			
Notes and accounts receivable-trade	**821,878**			
Investment securities:				
Government and local government bonds		**$ 12**	**$ 12**	
Corporate bonds		**142,927**	**10,854**	
Other		**7,621**	**4,902**	**$ 15,415**
Refundable income taxes	**35,219**			
Total	**$ 3,623,159**	**$ 150,560**	**$ 15,768**	**$ 15,415**

19. Derivatives

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

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

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

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

Derivative transactions to which hedge accounting is applied

	Millions of Yen			
	2012			
	Hedged item	Contract amount	Contract amount due after one year	Fair Value
Foreign currency forward contracts:				
Selling U.S.$	**Accounts receivable**	**¥ 5,300**		**(Note)**

	Millions of Yen			
	2011			
	Hedged item	Contract amount	Contract amount due after one year	Fair Value
Foreign currency forward contracts:				
Selling U.S.$	Accounts receivable	¥ 7,165		(Note)

	Thousands of U.S. Dollars			
	2012			
	Hedged item	Contract amount	Contract amount due after one year	Fair Value
Foreign currency forward contracts:				
Selling U.S.$	**Accounts receivable**	**$ 64,634**		**(Note)**

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

20. Leases

The Company and certain consolidated subsidiaries lease certain machinery, computer equipment and other assets. Total lease payments under finance leases were ¥1,740 million ($21,220 thousand), ¥2,364 million and ¥3,813 million for the years ended March 31, 2012, 2011 and 2010, respectively.

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

	Millions of Yen				Thousands of U.S. Dollars	
	2012		2011		**2012**	
	Finance leases	Operating leases	Finance leases	Operating leases	Finance leases	Operating leases
Due within one year	**¥ 773**	**¥ 661**	¥ 1,678	¥ 529	**$ 9,426**	**$ 8,061**
Due after one year	**97**	**1,321**	860	1,156	**1,183**	**16,110**
Total	**¥ 870**	**¥ 1,982**	¥ 2,538	¥ 1,685	**$ 10,609**	**$ 24,171**

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

ASBJ Statement No.13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. However, ASBJ Statement No.13 permits leases without ownership transfer of the leased property to the lessee and whose lease inception was before March 31, 2008 to continue to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements. The Company and certain consolidated subsidiaries applied ASBJ Statement No.13 effective April 1, 2008 and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 on an "as if capitalized" basis was as follows:

	Millions of Yen	
	2012	
	Machinery, equipment and vehicles	Furniture and fixtures
Acquisition cost	**¥ 4,817**	**¥ 63**
Accumulated depreciation	**4,232**	**57**
Net leased property	**¥ 585**	**¥ 6**

	Millions of Yen	
	2011	
	Machinery, equipment and vehicles	Furniture and fixtures
Acquisition cost	¥ 13,196	¥161
Accumulated depreciation	11,129	142
Net leased property	¥ 2,067	¥ 19

	Thousands of U.S. Dollars	
	2012	
	Machinery, equipment and vehicles	Furniture and fixtures
Acquisition cost	**$ 58,744**	**$ 768**
Accumulated depreciation	**51,610**	**695**
Net leased property	**$ 7,134**	**$ 73**

	Millions of Yen		Thousands of U.S. Dollars
Obligations under finance leases:	**2012**	2011	**2012**
Due within one year	**¥ 581**	¥ 1,492	**$ 7,085**
Due after one year	**10**	594	**122**
Total	**¥ 591**	¥ 2,086	**$ 7,207**

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

Depreciation expense and other information under finance leases:

	Millions of Yen			Thousands of U.S. Dollars
	2012	2011	2010	**2012**
Depreciation expense	**¥ 1,495**	¥ 2,188	¥ 3,642	**$ 18,232**
Lease payments	**1,495**	2,188	3,642	**18,232**

Depreciation expense, which is not reflected in the accompanying consolidated statement of operations, is computed by the straight-line method.

21. Contingent Liabilities

The Group was contingently liable for guarantees of housing loans of employees amounting to ¥151 million ($1,841 thousand) at March 31, 2012.

22. Comprehensive Income

For the year ended March 31, 2012

The components of other comprehensive income for the year ended March 31, 2012 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2012	**2012**
Net unrealized gain (loss) on available-for-sale securities:		
Gains (losses) arising during the year	**¥ (3,390)**	**$ (41,341)**
Reclassification adjustments to profit or loss	**2**	**24**
Amount before income tax effect	**(3,388)**	**(41,317)**
Income tax effect	**1,308**	**15,951**
Total	**¥ (2,080)**	**$ (25,366)**
Foreign currency translation adjustments:		
Adjustments arising during the year	**¥ (4,435)**	**$ (54,085)**
Total other comprehensive income	**¥ (6,515)**	**$ (79,451)**

The corresponding information for the years ended March 31, 2011 and 2010 was not required under the accounting standard for presentation of comprehensive income as an exemption for the first year of adopting that standard and not disclosed herein.

23. Subsequent Events

Appropriation of retained earnings

The following appropriation of retained earnings at March 31, 2012 was approved at the Company's general shareholders meeting held on June 28, 2012.

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥30.00 ($0.37) per share	**¥ 3,234**	**$ 39,439**

24. Segment Information

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

(a) Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's board of directors is being performed in order to decide how resources are allocated among the Group.

The Group is a comprehensive manufacturer of electronic components, and sets up operational divisions by individual product categories at its headquarters. Each operational division draws up comprehensive production plans and business strategies for both domestic and overseas operations, and develops global production activities. Therefore, from a management standpoint, the Group places great importance on monitoring of profits and losses by operating segments organized as operational divisions of individual product categories. For this reason, the Group aggregates operating segments in consideration of characteristics of the products that each operational division is manufacturing and similarities of production process, and sets up two reportable segments as "ICs" and "Discrete semiconductor devices." In the "ICs" segment, products such as analog ICs, logic ICs, memory ICs and ASICs are manufactured and foundry business operations are conducted.

Products manufactured in the "Discrete semiconductor devices" segment include diodes, transistors, light-emitting diodes, and laser diodes.

(b) Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

The accounting policies of each reportable segment are basically consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

Operating income is applied in "Segment profit." "Intersegment sales or transfers" are calculated based on market price.

Although assets of common divisions, such as sales and administrative divisions, are included in "Reconciliations," depreciation and amortization expense of these assets are allocated to each operating segment according to in-house criteria to calculate each segment profit.

(c) Information about sales, profit (loss), assets and other items is as follows:

	Millions of Yen						
	2012						
	Reportable segments						
	ICs	Discrete semiconductor devices	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	**¥ 149,135**	**¥ 103,861**	**¥ 252,996**	**¥ 51,657**	**¥ 304,653**		**¥ 304,653**
Intersegment sales or transfers	**1,795**	**1,010**	**2,805**		**2,805**	**¥ (2,805)**	
Total	**150,930**	**104,871**	**255,801**	**51,657**	**307,458**	**(2,805)**	**304,653**
Segment profit (loss)	**(6,666)**	**11,617**	**4,951**	**(482)**	**4,469**	**1,884**	**6,353**
Segment assets	**128,798**	**83,363**	**212,161**	**35,447**	**247,608**	**489,718**	**737,326**
Other :							
Depreciation and amortization	**18,446**	**13,278**	**31,724**	**5,115**	**36,839**	**(1,914)**	**34,925**
Amortization of goodwill	**4,954**	**174**	**5,128**	**123**	**5,251**		**5,251**
Increase in property, plant and equipment and intangible assets	**30,132**	**13,484**	**43,616**	**7,604**	**51,220**	**2,794**	**54,014**

	Millions of Yen						
	2011						
	Reportable segments						
	ICs	Discrete semiconductor devices	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥ 176,673	¥ 113,544	¥ 290,217	¥ 51,669	¥ 341,886		¥ 341,886
Intersegment sales or transfers	2,068	1,191	3,259	6	3,265	¥ (3,265)	
Total	178,741	114,735	293,476	51,675	345,151	(3,265)	341,886
Segment profit (loss)	6,599	19,037	25,636	4,633	30,269	2,468	32,737
Segment assets	130,262	81,656	211,918	38,040	249,958	510,031	759,989
Other :							
Depreciation and amortization	19,873	14,789	34,662	5,523	40,185	(1,244)	38,941
Amortization of goodwill	6,817	193	7,010	49	7,059		7,059
Increase in property, plant and equipment and intangible assets	15,575	17,140	32,715	6,317	39,032	3,341	42,373

	Millions of Yen						
	2010						
	Reportable segments						
	ICs	Discrete semiconductor devices	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥ 182,153	¥ 108,315	¥ 290,468	¥ 45,173	¥ 335,641		¥ 335,641
Intersegment sales or transfers	1,666	1,313	2,979	6	2,985	¥ (2,985)	
Total	183,819	109,628	293,447	45,179	338,626	(2,985)	335,641
Segment profit (loss)	1,916	17,159	19,075	(48)	19,027	(217)	18,810
Segment assets	151,090	79,266	230,356	35,803	266,159	541,181	807,340
Other :							
Depreciation and amortization	29,389	14,695	44,084	5,353	49,437	(2,024)	47,413
Amortization of goodwill	5,212	70	5,282		5,282		5,282
Increase in property, plant and equipment and intangible assets	24,426	10,444	34,870	3,769	38,639	11,308	49,947

	Thousands of U.S. Dollars						
	2012						
	Reportable segments						
	ICs	Discrete semiconductor devices	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	**$ 1,818,720**	**$ 1,266,598**	**$ 3,085,318**	**$ 629,963**	**$ 3,715,281**		**$ 3,715,281**
Intersegment sales or transfers	**21,890**	**12,317**	**34,207**		**34,207**	**$ (34,207)**	
Total	**1,840,610**	**1,278,915**	**3,119,525**	**629,963**	**3,749,488**	**(34,207)**	**3,715,281**
Segment profit (loss)	**(81,293)**	**141,671**	**60,378**	**(5,878)**	**54,500**	**22,976**	**77,476**
Segment assets	**1,570,707**	**1,016,622**	**2,587,329**	**432,280**	**3,019,609**	**5,972,171**	**8,991,780**
Other :							
Depreciation and amortization	**224,951**	**161,927**	**386,878**	**62,378**	**449,256**	**(23,341)**	**425,915**
Amortization of goodwill	**60,415**	**2,122**	**62,537**	**1,500**	**64,037**		**64,037**
Increase in property, plant and equipment and intangible assets	**367,463**	**164,439**	**531,902**	**92,732**	**624,634**	**34,073**	**658,707**

"Other" includes operating segments that are not included in reportable segments, consisting of business in resistors, printheads, optical modules, tantalum capacitors, power modules, and lightings.

"Reconciliations" were as follows.

(1) The adjusted amount of the segment profit for the year ended March 31, 2012, ¥1,884 million ($22,976 thousand), mainly includes general administrative expenses of ¥623 million ($7,597 thousand) not attributable to the operating segments, and the settlement adjustment of ¥2,507 million ($30,573 thousand) not allocated to the operating segments (such as periodic pension cost).

The adjusted amount of the segment profit for the year ended March 31, 2011, ¥2,468 million, mainly includes general administrative expenses of ¥1,100 million not attributable to the operating segments, and the settlement adjustment of ¥3,568 million not allocated to the operating segments (such as periodic pension cost).

The adjusted amount of the segment profit for the year ended March 31, 2010, ¥(217) million, mainly includes general administrative expenses of ¥962 million not attributable to the operating segments, and the settlement adjustment of ¥745 million not allocated to the operating segments (such as periodic pension cost).

(2) The adjusted amount of the segment assets for the year ended March 31, 2012, ¥489,718 million ($5,972,171 thousand), mainly includes corporate assets of ¥494,432 million ($6,029,659 thousand) not allocated to the operating segments, and the adjustments of fixed asset of ¥(4,714) million ($(57,488) thousand). Corporate assets not attributable to the operating segments consist of cash and time deposits of ¥211,199 million ($2,575,598 thousand), land of ¥79,792 million ($973,073 thousand), and notes and accounts receivable-trade of ¥67,394 million ($821,878 thousand).

The adjusted amount of the segment assets for the year ended March 31, 2011, ¥510,031 million, mainly includes corporate assets of ¥514,862 million not allocated to the operating segments, and the adjustments of fixed asset of ¥(4,831) million. Corporate assets not attributable to the operating segments consist of cash and time deposits of ¥230,287 million, land of ¥85,904 million, and notes and accounts receivable-trade of ¥73,297 million.

The adjusted amount of the segment assets for the year ended March 31, 2010, ¥541,181 million, mainly includes corporate assets of ¥545,647 million not allocated to the operating segments, and the adjustments of fixed asset of ¥(4,466) million. Corporate assets not attributable to the operating segments consist of cash and time deposits of ¥271,224 million, land of ¥85,501 million, and notes and accounts receivable-trade of ¥78,259 million.

(3) The adjusted amount of increase in property, plant and equipment and intangible fixed assets relates to common divisions such as sales and administrative divisions.

(d) Relevant information

Under ASBJ Statement No. 17 and ASBJ Guidance No. 20, an entity is required to disclose relevant information about its reportable segments from the fiscal years beginning on or after April 1, 2010.

Accordingly, relevant information for the years ended March 31, 2012 and 2011 was disclosed below.

For the years ended March 31, 2012 and 2011

(1) Information about products and services

As the classification of products and services is identical to segment classification, it has been omitted.

(2) Information about geographical areas

(i) Sales

Millions of Yen			
2012			
Japan	China	Other	Total
¥ 117,619	**¥ 82,457**	**¥ 104,577**	**¥ 304,653**

Millions of Yen			
2011			
Japan	China	Other	Total
¥ 122,632	¥ 99,033	¥ 120,221	¥ 341,886

Thousands of U.S. Dollars			
2012			
Japan	China	Other	Total
$1,434,378	**$1,005,573**	**$1,275,330**	**$3,715,281**

Sales are classified in countries or regions based on location of customers.

(ii) Property, plant and equipment

Millions of Yen			
2012			
Japan	China	Other	Total
¥ 159,333	**¥ 30,814**	**¥ 55,239**	**¥ 245,386**

Millions of Yen			
2011			
Japan	China	Other	Total
¥ 170,133	¥ 29,392	¥ 52,691	¥ 252,216

Thousands of U.S. Dollars			
2012			
Japan	China	Other	Total
$1,943,085	**$ 375,781**	**$ 673,646**	**$2,992,512**

(3) Information about major customers

Since there are no customers who accounted for more than 10 % of sales to external customers in the consolidated statement of operations, the information has been omitted.

(e) Information regarding loss on impairment of long-lived assets of reportable segments

	Millions of Yen					
	2012					
	Reportable segment			Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Total			
Loss on impairment of long-lived assets	**¥ 14,609**	**¥ 922**	**¥ 15,531**	**¥ 2,429**	**¥ 6,221**	**¥ 24,181**

	Millions of Yen					
	2011					
	Reportable segment			Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Total			
Loss on impairment of long-lived assets	¥ 1,794	¥ 213	¥ 2,007	¥ 234	¥ 275	¥ 2,516

	Thousands of U.S. Dollars					
	2012					
	Reportable segment			Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Total			
Loss on impairment of long-lived assets	**$ 178,158**	**$ 11,244**	**$ 189,402**	**$ 29,622**	**$ 75,866**	**$ 294,890**

The amount under "Other" for the years ended March 31, 2012 and 2011, is for tantalum capacitors.

(f) Information regarding amortization of goodwill and carrying amount of reportable segments

	Millions of Yen					
	2012					
	Reportable segment			Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Total			
Goodwill at March 31, 2012	**¥ 5,562**		**¥ 5,562**			**¥ 5,562**

	Millions of Yen					
	2011					
	Reportable segment			Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Total			
Goodwill at March 31, 2011	¥ 19,102	¥ 708	¥ 19,810	¥ 537		¥ 20,347

	Thousands of U.S. Dollars					
	2012					
	Reportable segment			Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Total			
Goodwill at March 31, 2012	**$ 67,829**		**$ 67,829**			**$ 67,829**

The amount under "Other" for the year ended March 31, 2011, is for the lightings.

Amortization of goodwill has been omitted, as similar information is disclosed in "(c) Information about sales, profit (loss), assets and other items."

(g) Information regarding profits of negative goodwill of reportable segments

There is no relevant information for the years ended March 31, 2012 and 2011.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheet of ROHM CO., LTD. and consolidated subsidiaries as of March 31, 2012, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity 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 misstatements, 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 conformity 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ROHM CO., LTD. and consolidated subsidiaries as of March 31, 2012, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

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

Deloitte Touche Tohmatsu LLC

June 28, 2012

Member of
Deloitte Touche Tohmatsu Limited

Board of Directors

President

Satoshi Sawamura

Managing Directors

Hidemi Takasu

Takahisa Yamaha

Directors ★Outside Directors

Tadanobu Fujiwara

Eiichi Sasayama

Toshiki Takano

Masahiko Yamazaki

Hachiro Kawamoto ★

Koichi Nishioka ★

Company Auditors ★Outside Company Auditors

Yoshiaki Shibata ★

Hideo Iwata ★

Yasuhito Tamaki ★

Shinya Murao ★

Haruo Kitamura ★

(As of June 28, 2012)

Corporate Data

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Kyoto 615-8585 Japan
TEL: +81-75-311-2121
FAX: +81-75-315-0172

Date of Establishment
September 17, 1958

Common Stock
Authorized: 300,000,000
Issued: 113,400,000

Number of Employees
21,295

Listing Stock Markets
Tokyo Stock Exchange
Osaka Securities Exchange

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

(As of March 31, 2012)

Technology Centers / Design Centers

<Domestic>

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

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

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

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

<Overseas>

America Design Center (San Diego)
6815 Flanders Drive, Suite 150, San Diego, CA 92121 U.S.A.

America Design Center (Sunnyvale)
785N. Mary Avenue, Suite 120, Sunnyvale, CA 94085 U.S.A.

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

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

Shenzhen Design Center
Room 02B-03 5/F Tower Two, Kerry Plaza,
1 Zhongxinsi Road, Futian, Shenzhen 518034 China

Taiwan Design Center
10F No.6 Sec.3 Min Chuan E. Road, Taipei, Taiwan

Korea Design Center
371-11 Gasan-Dong, Geumcheon-gu, Seoul 153-803 Korea

(As of June 28, 2012)

2012

Annual Financial Report

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We constantly provide and update a wide range of information such as financial results, IR calendar and more for investors. Please visit our website for additional information.

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