

[Please note that the followings including Independent Auditors' Reports and Report of the Board of Corporate Auditors are English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan with certain reference information except from the Company's financial report for the fiscal year ended March 31, 2008. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please be advised that certain expressions in the original document for domestic voting procedures that are not applicable to the aforesaid shareholders are omitted or modified to avoid confusion. Please also be advised that this material will not facilitate your status as a registered shareholder. In order to be authorized to physically attend the ordinary general shareholders meeting, it is required to present the original Voting Form in Japanese to the receptionist at the place of the meeting.]

May 29, 2008

To Our Shareholders:

ROHM CO., LTD.

(Securities Code: 6963)
21, Saiin Mizosaki-cho,
Ukyo-ku, Kyoto, Japan
Ken Sato
President

NOTICE OF THE 50TH ORDINARY GENERAL SHAREHOLDERS MEETING

Dear Shareholders,

You are cordially invited to attend the 50th Ordinary General Shareholders Meeting of ROHM CO., LTD. ("the Company"). If you are unable to attend the meeting, please kindly take the necessary procedure to exercise your voting rights regarding the following matters to be resolved that can be reviewed in the attached "REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS" on page 34-36. Your vote must be received by the Company by June 26, 2008, 5:15 p.m.

NOTICE OF MEETING

1. Date and Time: Friday, June 27, 2008, 10:00 a.m.

2. Place: Kyoto-Kogyo-Kaikan 4F Hall
2, Nishikyogoku Mameda-cho, Ukyo-ku, Kyoto, Japan

3. Objectives of the Meeting:

Reporting:

1. Business Report and Consolidated and Non-consolidated Financial Statements, for the 50th Fiscal Year (from April 1, 2007 to March 31, 2008)
2. Audit Reports on Consolidated Financial Statements from the Independent Auditors and the Board of Corporate Auditors for the 50th Fiscal Year (from April 1, 2007 to March 31, 2008)

Resolutions:

- Proposal 1: Appropriation of Retained Earnings for the 50th Fiscal Year
- Proposal 2: Partial Amendments to the Articles of Incorporation
- Proposal 3: Election of One (1) Director
- Proposal 4: Election of Five (5) Corporate Auditors

How to Exercise Your Voting Rights

1. How to Exercise Your Voting Rights via the Internet

If you exercise your voting rights via the Internet, please follow the instructions below:

(1) Designated Voting Website

1) You are able to exercise your voting rights via the Internet by accessing the designated voting website (<http://www.evotep.jp/>) on your personal computer or portable phone (i-mode, EZweb, or Yahoo! Keitai)*. (Operation is adjourned from 2:00 a.m. to 5:00 a.m. everyday)

* The i-mode is a registered trademark of NTT DoCoMo, Inc.; EZweb, KDDI Corporation; and Yahoo!, Yahoo! Inc., United States.

2) You may be unable to access the voting website from your personal computer because of your Internet connection conditions, such as when a firewall program or other security programs are installed for Internet security, when antivirus software is installed, or when a proxy server is used.

3) To exercise your voting rights by means of a portable phone, use either i-mode, EZweb, or Yahoo! Keitai service. To ensure security, only those portable phones that are compatible with encrypted (SSL) communication or portable-phone data communication can be used to access the website.

4) Voting from the website can be accepted until 5:15 p.m., Thursday, June 26 2008. However, exercising your voting rights at an earlier date is recommended. In case of any problems, please contact the Help Desk below.

(2) How to Exercise Your Voting Rights via the Internet

1) On the voting website (<http://www.evotep.jp/>), enter your login ID and temporary password, both of which are found on your ballot sheet. Proceed with the instructions that appear on the display and enter that you are either positive or negative about the proposals.

2) To prevent non-shareholders from having unauthorized access to the voting website and casting false votes, shareholders may be requested to change their temporary passwords on the voting website.

3) You will be informed of your login ID and temporary password each time a shareholders meeting is called.

(3) Expenses Incurred When Accessing the Voting Website

The expenses incurred to enable access to the voting website (dial-up connection fees, phone-line charges, etc.) shall be borne by shareholders. When voting rights are exercised via a portable phone, packet fees and other fees incurred shall be borne by shareholders.

2. Treatment of Multiple Exercises of Voting Rights via the Internet

If you exercise your voting rights multiple times via the Internet, only your final votes will be valid. If voting rights are exercised both via your personal computer and via your portable phone, the latest votes will be valid.

3. Treatment of Multiple Exercises of Voting Rights by Writing and via the Internet

If you exercise your voting rights both by writing and via the Internet, only those exercised via the Internet will be valid.

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

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

<p>For the e-voting system, please contact: Help Desk, Securities Business Division Mitsubishi UFJ Trust and Banking Corporation Telephone: 0120-173-027 (toll free) Working hours: 9:00 to 21:00</p>
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Business Report

For the period from April 1, 2007 to March 31, 2008

1. Present Status of ROHM Group

(1) Business Progress and Results

Overall Review of Results of Operations

This fiscal year, the global economy, supported by increased capital investment in Asia and Europe, consumption in Asia and exports to emerging countries such as BRICs, despite surging prices of crude oil and raw materials in the first half performed considerably well. However in the second half, the disarray of the financial market stemmed from the emergence of subprime loan problems in the US spreading to real economic activities, stagnated overall performance mainly due to the higher unemployment rate and slowdown in personal consumption. The Japanese economy remained firm, supported by strong corporate performance and aggressive capital investment in the first half. In the second half, however, corporate performance deteriorated due to the abrupt appreciation of the yen, as well as the underperformance of personal consumption and decrease in housing starts, with a sluggish sign of slowdown in the overall economy.

In the electronics industries, the market for automobile components performed well in line with the increase in digital AV equipment, with markets such as LCD TVs expanding favorably in the first half. However in the second half, in addition to seasonal factors and the impact of the global economic slowdown, these markets abruptly entered an adjustment phase. The mobile phone market enjoyed increased production, but with its focus on low-price terminals for countries with emerging economies, in terms of the demand for parts, growth remained slow. The personal computer market, with its focus on laptop computers saw signs of recovery after the summer, but re-entered an adjustment phase after the New Year.

Regarding the status of each individual region, in Japan, the markets for LCD TVs, digital still cameras, and automobile components remained steady, but mobile phone market experienced sluggish sales volumes; afflicted by market saturation. In Asian regions, in addition to the progression of a production shift from western regions, the production of economical mobile phone units for emerging countries remained solid. However, in the second half, affected by the global economic slowdown, it lost streams drastically. In the western regions, despite the increased demand for flat-screen TVs in the European market, the market remained weak due to a continuous production shift to the Asian regions and the sluggish US automobile components market.

Under these circumstances, ROHM group continued to fulfill lineups of new products for the markets of flat-screen TVs, mobile phones, and automobile components as well as focusing on high-value added products in the existing product categories. ROHM group strove to utilize automation tools in LSI product development, restructured organizations in order to reinforce the development management system and improved development efficiency. In addition, ROHM group has promoted streamlining of its production process and production capacities. ROHM group also strengthened the customer support system by enhancing the functions of the domestic and overseas design centers and quality assurance centers, increasing the number of personnel at the Nagoya Design Center, which opened two years ago while opening a QA center in Thailand.

The net sales in the fiscal year ended March 31, 2008 recorded 373,405 million yen, a 5.5 percent decrease on a year-on-year basis, but the ratio of gross profit to sales improved 1.8 points from the previous fiscal year due to changes in product configuration.

Operating income amounted to 67,361 million yen, a 3.1 percent decrease on a year-on-year basis, due to increase of selling, general and administrative expenses of 1,136 million yen from the previous fiscal year.

Non-operating income (Net value) changed to a negative 4,565 million yen in the fiscal year ended March 31, 2008 from a positive 8,081 million yen in the previous fiscal year. The main factor was that while interest income increased 1,336 million yen, foreign currency exchange losses increased 14,212 million yen.

Consequently, ordinary income marked 62,796 million yen (down 19.1 percent from the previous fiscal year).

Extraordinary gains and losses (Net value) changed from a positive 295 million yen in the previous fiscal year to a negative 4,829 million yen in the fiscal year ended March 31, 2008. This was attributable to the fact that impairment loss of 1,592 million yen and loss on the revaluation of investment securities of 2,997 million yen were posted, and this fact became the decrease factor of income before income taxes and minority interests.

As a result, net income of the fiscal year ended March 31, 2008 recorded 31,931 million yen, down 32.7 percent from the previous fiscal year.

Divisional Review of Results of Operations

<Integrated Circuits>

Sales of integrated circuits in the fiscal year ended March 31, 2008 recorded 162,940 million yen. (down 6.1 percent on a year-on-year basis)

In the digital AV equipment market, assortments of ICs for flat-screen TVs and game consoles, Lens Control Driver ICs (*1), and system power sources LSI for digital cameras reported robust sales. However, they were affected by tough competition and seasonal adjustments after autumn. As for the mobile phone market, analog front end LSIs (*2) and LED Drivers remained favorable, but were also adversely affected by production adjustment of the domestic mobile phone market and fierce price competition of Power Management LSI (*3) and LCD Driver LSIs. The personal computer equipment market increased sales of driver LSIs for fan motors and system power source LSIs in the first half, but slowed down in the second half. Driver LSIs and power source LSIs for automobiles and car AV equipment remained firm. As for General Purpose LSIs, regulators, DC/DC converters (*4) recorded healthy sales, while EEPROM faced an adjustment phase after the autumn.

ROHM group also worked on production system efficiency and introduced leading-edge processes, including mass-production of the 300 mm wafer process with copper wiring, which facilitates movement at a higher speed than existing aluminum wiring. The in-house production of parts for measurement processes and parts such as lead frame/metal mold and full-scale operation of the automatic wafer conveyer system were additional elements of this enhanced production system efficiency.

Sales of module products were sluggish, affected by the tough price competition of IrDA (*5) for mobile phones.

- * 1. Lens controller driver LSI
LSI devices that focus the camera lens and control functions such as zooming and correction of images blurred by hand movement.
- * 2. Analog front end LSI
LSI devices that convert radio waves (analog signals) received by a mobile phone into processable digital signal data.
- * 3. Power management LSI
LSI devices that distribute and control the electricity sent to each circuit block of electronic equipment.
- * 4. DC/DC converter
Circuit to convert the voltage values of DC into different voltage values.
- * 5. IrDA
Infra-red Data Association; standards for transmitting and receiving data using infrared rays. Widely used for laptop computers and mobile phones.

<Discrete Semiconductor Devices>

Sales in the fiscal year ended March 31, 2008 recorded 155,469 million yen. (down 0.7 percent on a year-on-year basis)

In the categories of transistors and diodes, MOSFETs of the small signal type for portable equipment and super-small diodes of the 0603 size (*6), as well as power diodes for automobiles and flat-screen TVs saw steadily increased sales, although some markets, such as that for power MOSFET, were affected by tough price competition and seasonal adjustment in the second half.

Sales of LEDs were affected by fierce price competition centered on blue and white LEDs, but orders increased for our newly developed LED "PICOLED™" which is the smallest and thinnest in the world.

Semiconductor lasers faced tough conditions due to aggravated price competition on both dual- and single-wavelength lasers.

Regarding production systems and as a move related to the front-end process, ROHM group continued efforts in order to increase the production capacity of MOSFETs at ROHM Tsukuba Co., Ltd. For the post-end process, ROHM group continuously strengthened production at new factories in Thailand and Tianjin, China, to enhance its cost competitiveness by improving production efficiency.

- * 6. 0603 size
Super-small package with an overall size of 0.6 mm x 0.3 mm

<Passive Components>

Sales of passive components in the fiscal year ended March 31, 2008 recorded 23,446 million yen. (down 5.2 percent on a year-on-year basis)

Concerning resistors, although ROHM group tried to expand sales of high-value added resistors, such as super-low ohmic resistors and super-small size products, circumstances remained tough due to the price competition and the high cost of raw materials.

The sales of tantalum capacitors experienced a favorable increase in the bottom surface electrodes for mobile phones and digital portable music players. There was a decrease in sales of multi-layer ceramic capacitors, of which ROHM group transferred business operations in January last year.

As for production systems, ROHM group has strengthened its production system for tantalum capacitors in the Thai plant and is focused on enhancing cost competitiveness.

<Displays>

The sales of displays in the fiscal year ended March 31, 2008 recorded 31,549 million yen. (down 21.8 percent on a year-on-year basis)

In the Printheads category, although the demand for thermal printheads for miniaturized-printers, including POS systems, remained solid, that for image sensor heads for high-function multifunction printers diminished considerably (*7).

In LED displays, sales of numeric displays with eight-characters were sluggish.

The sales of LCD modules decreased drastically due to severe price competition.

* 7. Multifunction printers

Printers with multiple functions of copying, faxing and scanning.

(2) Capital Expenditures

In this period, the Group invested 38,721 million yen in total in facilities to pursue the improvement and expansion of the development and manufacturing system as well as drastic streamlining. The breakdown of the investment is as follows:

Facilities for Integrated Circuits Division	12,816	million yen
Facilities for Discrete Semiconductor Devices Division	16,970	million yen
Facilities for Passive Components Division	2,033	million yen
Facilities for Displays Division	1,468	million yen
Others (including buildings and other assets shared by divisions)	5,432	million yen

(3) Financing

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

(4) Priority Issues

The electronics industry is expected to grow in the mid to long term due to the increasing demand for digital home information equipment and more sophisticated automotive electronic control systems. However, increased material costs, technological competition and price wars are also expected to intensify continuously on a global scale, making it increasingly necessary to constantly supply internationally competitive products, through sustained efforts toward innovative, high-quality products and technologies as well as comprehensive cost-reduction efforts.

Under these circumstances, ROHM group does its best with across-the-board efforts to improve business performance through the development of new, high-value-added products and technologies in anticipation of future customer needs. Further enhancements in quality and reliability as well as reinforcement of production and sales organization through improvements in manufacturing technologies, and streamlining corporate operations and cost cutting endeavors are other requirements of such an optimal business performance.

The entire ROHM group will administer thorough streamlining and cost-reduction efforts with a view to this enhanced business model.

(5) Operating Results and Financial Position

(Millions of yen otherwise noted)

Item	Mar-2005	Mar-2006	Mar-2007	(Current period) Mar-2008
Net Sales	369,023	387,790	395,081	373,405
Ordinary Income	79,320	78,437	77,578	62,796
Net Income	45,135	48,304	47,446	31,931
Net Income per Share (yen)	380.21	416.39	413.56	284.66
Total Assets	867,322	951,441	962,602	870,972
Net Assets	739,329	787,214	817,818	755,872

- (Notes) 1. These values are rounded down to the nearest million except for the net income per share for the period, rounded down to two decimal places.
2. Net income per share for the period is calculated based on the average number of shares during the period after deduction of the number of treasury stock.
3. Effective from the fiscal year ended March 31, 2007, the Company and subsidiaries adopted "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ, December 9, 2005, ASBJ Statement No.5) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ, December 9, 2005, ASBJ Guidance No.8).

(Reference) Operating Results and Financial Position of the Company

(Millions of yen otherwise noted)

Item	Mar-2005	Mar-2006	Mar-2007	(Current Period) Mar-2008
Net Sales	342,450	360,870	359,802	333,279
Ordinary Income	51,257	38,035	42,392	33,244
Net Income	39,872	27,238	30,284	18,077
Net Income per Share (yen)	336.24	234.90	263.98	161.16
Total Assets	610,135	630,721	602,024	543,393
Net Assets	507,455	513,433	513,235	476,241

- (Notes) 1. These values are rounded down to the nearest million except for the net income per share for the period, rounded down to two decimal places.
2. Net income per share for the period is calculated based on the average number of shares during the period after deduction of the number of treasury stock.
3. Effective from the fiscal year ended March 31, 2007, the Company adopted "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ, December 9, 2005, ASBJ Statement No.5) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ, December 9, 2005, ASBJ Guidance No.8).

(6) Main Business

The Group's main operations are the manufacturing and sales of electronic components.
Its major product lines are as follows;

Product Category		Major Products
Electronic Components	Integrated circuits	Monolithic ICs, Power Modules, Photo Link Modules
	Discrete semiconductor devices	Transistors, Diodes, Light Emitting Diodes, Laser Diodes
	Passive components	Resistors, Capacitors
	Displays	Liquid Crystal Displays, Thermal Heads, Image Sensor Heads, LED Displays, Others

(7) Main Business Sites

Name		Location
ROHM CO., LTD.	Head Office/Factory	Kyoto
	LSI Development Center	Kyoto
	Yokohama Technology Center	Kanagawa
	Nagoya Design Center	Aichi
	Yokohama Business Center	Kanagawa
	Tokyo Business Center	Tokyo
	Shinagawa Business Center	Tokyo
	Nishi-Tokyo Business Center	Tokyo
	Omiya Business Center	Saitama
	Kyoto Business Center	Kyoto
	Shin-Osaka Business Center	Osaka
	Kobe Business Center	Hyogo
	Nagoya Business Center	Aichi

Manufacturing	ROHM HAMAMATSU CO., LTD. ROHM WAKO DEVICE CO., LTD. ROHM APOLLO DEVICE CO., LTD. ROHM TSUKUBA CO., LTD. ROHM WAKO CO., LTD. ROHM APOLLO CO., LTD. ROHM FUKUOKA CO., LTD. ROHM AMAGI CO., LTD. ROHM MECHATECH CO., LTD. ROHM KOREA CORPORATION ROHM ELECTRONICS PHILIPPINES, INC. ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD. ROHM SEMICONDUCTOR (CHINA) CO., LTD. ROHM ELECTRONICS DALIAN CO., LTD. ROHM WAKO ELECTRONICS (MALAYSIA) SDN., BHD. ROHM MECHATECH PHILIPPINES, INC. ROHM MECHATECH THAILAND CO., LTD.	Shizuoka Okayama Fukuoka Ibaraki Okayama Fukuoka Fukuoka Fukuoka Kyoto Korea Philippines Thailand China China Malaysia Philippines Thailand
Sales	ROHM ELECTRONICS KOREA CORPORATION ROHM ELECTRONICS TRADING DALIAN CO., LTD. ROHM ELECTRONICS (SHANGHAI) CO., LTD. ROHM ELECTRONICS (SHENZHEN) CO., LTD. ROHM ELECTRONICS (H.K.) CO., LTD. ROHM ELECTRONICS TAIWAN CO., LTD. ROHM ELECTRONICS ASIA PTE. LTD. ROHM ELECTRONICS (PHILIPPINES) SALES CORPORATION ROHM ELECTRONICS (THAILAND) CO., LTD. ROHM ELECTRONICS (MALAYSIA) SDN. BHD. ROHM ELECTRONICS GmbH ROHM ELECTRONICS U.S.A., LLC	Korea China China China China Taiwan Singapore Philippines Thailand Malaysia Germany U.S.A.
Logistics	ROHM LOGISTEC CO., LTD.	Okayama

(8) Employees

Number of Employees	(Change from the Previous Fiscal Year)	Average Service Years
20,539	(Increase by 117 employees)	7.5 years

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

2. The number of employees includes, in addition to full-time employees, 609 regular workers based on fixed-term employment contracts, who are excluded from the calculation of the average service years.

(9) Summary of Important Subsidiaries

Company Name	Capital	Voting Right Ratio by ROHM	Main Business
ROHM HAMAMATSU CO., LTD.	Million yen 400	100.00%	Manufacture of electronic components for ROHM
ROHM FUKUOKA CO., LTD.	Million yen 385	100.00	Manufacture of electronic components for ROHM
ROHM ELECTRONICS PHILIPPINES, INC.	Thousand peso 1,221,563	100.00	Manufacture of electronic components for ROHM
ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD.	Thousand baht 1,115,500	100.00	Manufacture of electronic components for ROHM
ROHM SEMICONDUCTOR (CHINA) CO., LTD.	Million yen 10,290	100.00	Manufacture of electronic components for ROHM
ROHM ELECTRONICS (H.K.) CO., LTD.	Thousand HK\$ 27,000	100.00	Sales of electronic components of ROHM
ROHM ELECTRONICS ASIA PTE. LTD.	Thousand S\$ 90,630	100.00	Administrative responsibility for subsidiaries in Asia and sales of electronic components of ROHM
ROHM U.S.A., INC.	Thousand US\$ 133,642	100.00	Administrative responsibility for subsidiaries in North and South America

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

2. Voting Right Ratio by ROHM includes indirect holdings through subsidiaries.

2. Status of Shares

(1) Total Number of Shares Authorized to be Issued	300,000,000
(2) Total Number of Shares Issued	118,801,388
(3) Total Number of Shareholders as of March 31, 2008	25,067
(4) Major Shareholders (Top 10 Shareholders)	(Thousands of shares)

Name	Number of Shares Held
State Street Bank and Trust Company	9,268
Rohm Music Foundation	8,000
The Master Trust Bank of Japan, Ltd.	7,076
Japan Trustee Service Bank Ltd.	5,835
JP Morgan Chase Bank	4,029
State Street Bank and Trust Company 505103	2,958
Bank of Kyoto Ltd.	2,606
Ken Sato	2,405
Mellon Bank, N.A. as Agent for Its Client Mellon Omnibus US Pension	2,077
Northern Trust Co. (AVFC) Sub A/C American Clients	2,072

(Notes) 1. The number of shares held is rounded down to the nearest thousand.

2. In addition to the above, the Company holds 9,226 thousand shares of treasury stock.

3. Directors and Corporate Auditors of the Company

(1) Directors and Corporate Auditors

Position	Name	Areas of Responsibility, Primary Positions, and Representation of Other Companies and Organizations
※President	Ken Sato	Chairman of Rohm Music Foundation
Managing Director	Naotoshi Watanabe	General Manager of Discrete Devices / Modules Production Headquarters
Managing Director	Satoshi Sawamura	General Manager of Global Sales Headquarters
Director	Toru Okada	General Manager of Quality Assurance & Environmental Headquarters
Director	Nobuo Hatta	General Manager of Administrative Headquarters
Director	Hidemi Takasu	General Manager of LSI General Headquarters
Director	Osamu Hattori	General Manager of Asia Sales Headquarters
Director	Eiichi Sasayama	General Manager of Accounting & Finance Headquarters
Corporate Auditor (Full-Time)	Yoshiaki Shibata	
Corporate Auditor (Full-Time)	Yoshiaki Nakano	
Corporate Auditor	Yasuhito Tamaki	Attorney at Law
Corporate Auditor	Shinya Murao	CPA
Corporate Auditor	Haruo Kitamura	CPA

(Notes) 1. ※ Representative Director

2. All of the five Corporate Auditors are the outside Corporate Auditors as provided in Article 2, Paragraph 16, of the Corporate Law.

3. Corporate Auditors Shinya Murao and Haruo Kitamura are certified public accountants and are duly informed of finances and accounting.

4. Changes in the membership of the Board of Directors and the Board of Corporate Auditors during this fiscal year were as specified below.

(1) New appointments

1) Eiichi Sasayama was newly elected and appointed as a Director at the 49th Ordinary General Shareholders Meeting of June 28, 2007.

2) Yoshiaki Nakano was newly elected and appointed as a Corporate Auditor at the 49th Ordinary General Shareholders Meeting of June 28, 2007.

(2) Retirements

- 1) Akitaka Idei retired from the position of Director as of the closing of the 49th Ordinary General Shareholders Meeting of June 28, 2007 due to the expiry of his term of office.
- 2) Junichi Hikita resigned and retired from the position of Managing Director as of December 31, 2007.

(3) Changes in positions

Naotoshi Watanabe and Satoshi Sawamura were appointed as Managing Directors as of June 29, 2007.

(4) Changes in duties

- 1) Satoshi Sawamura's position was changed from General Manager of Global Sales Headquarters and Western Japan Sales Headquarters to General Manager of Global Sales Headquarters as of June 29, 2007.
- 2) Osamu Hattori's position was changed from General Manager of Asia Sales Headquarters and Euro-American Sales Headquarters to General Manager of Asia Sales Headquarters as of June 29, 2007.
- 3) Toru Okada's position was changed from Director in charge of Quality Assurance & Environmental Affairs to Director and General Manager of Quality Assurance & Environmental Affairs as of December 25, 2007.
- 4) Hidemi Takasu's position was changed from General Manager of Research and Development Headquarters to General Manager of LSI General Headquarters as of February 1, 2008.

(2) Total Remuneration for Directors and Corporate Auditors

Position	Number of Members	Remuneration
Directors	9	337 million yen
Corporate Auditors	5	61 million yen
Total	14	398 million yen

(Notes) 1. Directors' remuneration does not include the amount paid as salary for employees to those Directors who are also employees.

2. Total amount of Directors' remuneration is limited to 600 million yen per year based on the resolution of the 48th Ordinary General Shareholders Meeting held on June 29, 2006, and total amount of Corporate Auditors' remuneration is limited to 6 million yen per month based on the resolution of the 36th Ordinary General Shareholders Meeting held on June 29, 1994.

3. Directors' remuneration includes the amount of 12 million yen as bonuses for the Directors and the amount of 16 million yen transferred to allowance for Directors' retirement benefits in the 50th fiscal year.

4. The retirement benefits paid to the two Directors who retired during this fiscal year amounted to 308 million yen in total. The Company abolished the retirement benefits program for Directors as of the closing of the 49th Ordinary General Shareholders Meeting of June 28, 2007. The balance of the allowance for retirement benefits due to be paid to the seven Directors is 1,326 million yen in total as of March 31, 2008.

The Company abolished the retirement benefits program for Corporate Auditors as of June 29, 2004. The balance of the allowance for the retirement benefits due to be paid to the three Corporate Auditors is 23 million yen in total as of March 31, 2008.

5. All the Corporate Auditors are Outside Corporate Auditors. No Directors are Outside Directors.

(3) Main Activities of Outside Corporate Auditors

Position	Name	Main Activity
Corporate Auditor (Full-Time)	Yoshiaki Shibata	Attends almost all the meetings of Board of Directors, including special meetings, and all the meetings of the Board of Corporate Auditors. Provides opinions regarding corporate management, etc., from a comprehensive point of view, based on his position as the full-time Corporate Auditor and based on experience.
Corporate Auditor (Full-Time)	Yoshiaki Nakano	Attends almost all the meetings of Board of Directors, including special meetings, and all the meetings of the Board of Corporate Auditors since his appointment in June 2007. Provides opinions regarding corporate management, etc., from a comprehensive point of view, based on his position as the full-time Corporate Auditor and longtime experience in governmental affairs at the municipal office of Kyoto City.
Corporate Auditor	Yasuhito Tamaki	Attends almost all regular meetings of the Board of Directors and the Board of Corporate Auditors and provides opinions regarding corporate management, etc., principally from a professional point of view as a lawyer.
Corporate Auditor	Shinya Murao	Attends all regular meetings of the Board of Directors and the Board of Corporate Auditors and provides opinions regarding corporate management, etc., principally from a professional point of view as a CPA.
Corporate Auditor	Haruo Kitamura	Attends all regular meetings of the Board of Directors and Corporate Auditors and provides opinions regarding corporate management, etc., principally from a professional point of view as a CPA.

4. Independent Auditor

(1) Name of the Independent Auditor

Deloitte Touche Tohmatsu

(2) Remuneration for the Independent Auditor for the 50th Fiscal Year 76 million yen

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

(3) Content of Non-audit Service Provided by the Independent Auditor with Counter Value

The Company remunerates its independent auditor for advice and guidance concerning internal control over financial reporting and for due diligence research concerning company takeovers, which are not statutory auditing duties stipulated in the first clause of Article 2 of the Certified Public Accountants Law.

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

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

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

(5) Total Remuneration for the Independent Auditors to be Paid by the Company and Its Subsidiaries

150 million yen

(Note) Among ROHM group's major subsidiaries, financial statements of the six overseas subsidiaries are audited (in compliance with the foreign laws or regulations that correspond to the Corporate Law) by certified public accountants or auditing firms (including those who have commensurate licenses in foreign countries) other than the Company's Independent Auditor.

5. Corporate System and Policies of ROHM Group

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

Regarding the reinforcement of the internal supervision system as one of the major corporate missions, ROHM group intends to carry out its corporate social responsibilities not only by ensuring the reliability of the Group's financial reports but also by maintaining compliance of the operational processes of the entire Group. Concerning the basic policies to build the internal supervision system and the improvement of the system ROHM group places emphasis on the below-listed points specifically.

- 1) The system to ensure the compliance of the execution of duties of the Directors under the laws, and the Articles of Incorporation
 - (a) Directors' violation of applicable laws, regulations, or the Articles of Incorporation should be prevented when they perform their duties, based on the ROHM Group Business Conduct Guidelines and the Basic Rules of the Board of Directors.
 - (b) The Director or Directors who are highly informed in a specific field should be responsible for the duties related to the field, while all Directors should hold discussions and monitor each other on a daily basis concerning the individual fields.
 - (c) Should a Director be found having committed an illegal act by another Director or a Corporate Auditor, it should be promptly reported to the Board of Directors or the Board of Corporate Auditors.
 - (d) The Compliance Hotline (the internal hotline system) should be created to discover any illegal conduct of Director and to prevent recurrence.
 - (e) All Corporate Auditors should be Outside Auditors and should constantly check that Directors perform their duties in compliance with laws, regulations, and the Articles of Incorporation.
- 2) System to save and control information related to Directors' performance of duties
 - (a) The minutes of general shareholders meetings and documents related thereto, the minutes of the meetings of the Board of Directors and documents related thereto, executive proposals, and the agreements and other events that may affect Directors' performance of their duties, such as documents used to plan projects for individual fiscal years, should be saved in writing. The documents should be saved and controlled in compliance with laws, regulations, and in-house rules.

- (b) The directions and notices provided to Group companies or in-house divisions concerned shall be issued in writing as a rule. The directions and notices shall be saved so as to be presented at any time when requested by Directors, Corporate Auditors or other authorized parties.
 - (c) Information related to Directors' performance of duties should be kept and controlled duly by relevant sections or divisions concerned, and insider information should be disclosed properly at the right time through the Company's public relations operations under the control of the Information Disclosure Committee.
- 3) Rules and other systems to control the risk of loss
- (a) To comprehensively control and supervise risks, a Risk Control Committee should be organized and risk control policies should be created based on the risk control rules established by this committee. The Risk Control Committee should identify and analyze all the risks that may occur in the course of performing business operations, establish measures against such risks, and control and verify the activities of the sections and divisions that are primarily responsible for controlling respective risks.
 - (b) In-house committees and specialized work groups, such as the Corporate Safety and Health Committee, Fire Prevention Committee and Environmental Conservation Committee, should perform daily activities so as to preclude safety risks and environmental risks and should implement proper actions if any risk actually eventuates.
- 4) System to ensure that Directors perform their duties efficiently
- (a) The Board of Directors should consist of a small number of Directors authorized to execute business operations to realize prompt executive decision-making.
 - (b) The Board of Directors should consist of Directors who are highly experienced in different fields. The Board should share the duties concerning the fields and the Directors in charge of a certain field should perform the specific duties of that field.
 - (c) Concerning the issues that may have a considerable influence on corporate management, prompt decision should be made by the meeting of the Board of Directors or executive proposals as appropriate based on the internal rule.
 - (d) The in-house standards that document the in-house control procedures regarding various managerial issues such as risk control and information control should be strictly observed.
 - (e) To increase the competitiveness of the Group and to ensure a fair amount of profits, business performance targets should be established as part of annual profit-raising projects for the entire company and individual divisions, and business performance should be controlled based on the projects and targets.
- 5) System to ensure that employees perform their duties in compliance with laws, regulations, and the Articles of Incorporation
- (a) The Compliance Committee should be organized and across-the-group compliance actions should be taken by implementing the ROHM Group Business Conduct Guidelines. The leader of each division in each Group company should be nominated as a compliance leader to raise the awareness of importance of compliance and ensure compliance in each division.
 - (b) To cope with proprietary laws and regulations in an efficient manner, not only the Compliance Committee but also various other committees, such as the Information Disclosure Committee, Corporate Safety and Health Committee, and Environmental Conservation Committee, should be committed to such actions as checking the status of the entire Group and performing educational activities.
 - (c) Under the control of the Information Disclosure Committee, individual sections and divisions should properly control insider information and educate employees and raise their awareness of the importance of strict information handling, to prevent insider trading.
 - (d) The internal supervision system should be established and reinforced to ensure proper financial reporting ensured through adherence to the evaluation and audit systems concerning the internal supervision of financial reporting.
 - (e) The Compliance Hotline (the internal hotline system) should be created to discover the illegal conduct of employees and to prevent any recurrence of illegal conduct.
 - (f) Internal audits should be performed to check the status of business operations, to ensure compliance with laws, regulations, and the Articles of Incorporation, and to make improvements to streamline corporate operations.
- 6) System to ensure compliance of the Group's corporate operations
- (a) Written standards applicable to the entire ROHM group should be established and implemented.

- (b) The compliant business operations of group companies should be monitored by appointing persons of the Company or its subsidiaries as Directors or Corporate Auditors of Group companies.
 - (c) A compliance system should be created in each subsidiary, modeled after the system of the Company, thus expanding corporate compliance activities and reinforcing combined efforts between the Company and subsidiaries.
 - (d) A system should be operated that requires an executive decision at the Company to settle critical issues at subsidiaries, thus enabling the Company's relevant divisions to control Group companies comprehensively.
 - (e) An internal supervision system that includes the Company and major subsidiaries should be established and reinforced through a framework that ensures compliant financial reporting and through efforts to conform to the auditing system.
 - (f) The Company's auditing division should perform internal audits.
- 7) Issues related to the employees hired upon the request of a Corporate Auditor to assist the Auditor's duties
When requested by a Corporate Auditor, staffs that have proper capabilities should be placed.
- 8) Independence of the above employees from Directors
The staff of Corporate Auditors should be independent of duties related to the execution of corporate business. The employment and transfer of Corporate Auditors' staff should need approval in advance from the Board of Corporate Auditors. In the evaluation of their work performance, opinions from the Board of Corporate Auditors shall be respected.
- 9) System for Directors and employees to report to Corporate Auditors, and other systems for reporting to Corporate Auditors
- (a) Each Director should report to Corporate Auditors, whenever necessary, regarding whether or not there is any illegal conduct in the performance of duties as Directors, any neglect in the obligation of being duly conscious as good Directors, any fact that may damage the Company considerably, etc.
 - (b) The committees, such as the Compliance Committee, Risk Control Committee, and Information Disclosure Committee, should report to the Corporate Auditors periodically by submitting proceedings or by other appropriate means.
 - (c) A system should be retained where the status and results of business operations can be properly reported to Corporate Auditors through executive proposals and reports.
- 10) Other systems to ensure that the audits by Corporate Auditors are performed effectively
- (a) Concerning the status of the operation of the internal supervision system, Directors should report to the Board of Corporate Auditors where requested.
 - (b) The internal audit division should be enhanced substantially and the cooperation with Corporate Auditors should be reinforced.
 - (c) All Corporate Auditors should be Outside Auditors. The Board of Corporate Auditors should be a strongly independent group consisting of diversified experts, including legal specialists, accounting specialists, and those who used to work for governments or financial institutions.

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

1) Basic Policies

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

On the other hand, if a person intends to change the control of this company, or more concretely, if a takeover proposal is put forward, we consider that the ultimate decision as to whether or not to accept the takeover proposal should be made by the shareholders of that time. Moreover, the Company has determined that it is one of the duties of the Board for securing and improving the corporate value and the common interests of the shareholders to adopt fair and appropriate measures beforehand, so that the Company's shareholders can make an informed judgment based on sufficient information and within a reasonable time period.

2) Specific Measures

As for so-called takeover defenses, the Company believes that the best strategy is to achieve a higher stock price as well as to gain, to the fullest extent, the confidence of its shareholders by mutual

communications through ongoing and comprehensive investor relations activities.

However, the Company realizes that in recent years, the Japanese capital market has become increasingly vulnerable to abrupt large-scale stock acquisitions without shareholders or other related parties being provided sufficient information or an equal opportunity to participate, which may result in harm to the corporate value of the target and the common interests of its shareholders. A bidder could time such an acquisition to take place at the time the Company stock is under performing due to a temporary factor such as a semiconductor market cycle.

Therefore, the Company adopted the "Fair Rules for the Acquisition of Substantial Shareholdings" (hereinafter referred to as the 'Plan') at the meeting of the Board of Directors held on May 11, 2006, based on the above-mentioned basic policies. This Plan was made, in the case of a takeover proposal being offered to the Company, (1) to secure sufficient information and a reasonable time period for the Board to consider the proposal and pursue alternatives, and (2) to secure the Company's shareholders, who would make the ultimate decision as to whether or not to accept the bidder's takeover proposal, chances to compare the bidder's proposal with the Board's alternatives or other proposals and to fully understand the corporate value and the common interests of shareholders realized by respective proposals, (3) to facilitate the shareholders to make decisions in accordance with a fair and highly transparent procedure of 'shareholders' vote', and (4) to regulate the procedures where a bidder who makes a takeover proposal (a person who tries to acquire 15% or more of the Company's shares, etc.) should follow prior to commencing with a takeover. Simultaneously, (5) this Plan was designed objectively and specifically to be a highly transparent system so that the Board members could not make arbitrary judgment such as to try to protect their own interests in a situation when shareholders judge whether they should accept a takeover proposal or not.

Persons who make takeover proposals are required by the Board to comply with the appropriate procedures set forth by the Plan. If a person who makes a takeover proposal fails to comply with them, we will take the measures prescribed in the Plan.

The following are the major points of this Plan. For more details, please refer to the Company's official website (<http://www.rohm.co.jp>).

(a) Required Information

In order for any takeover proposal by a bidder to be considered by the shareholders at a shareholders vote, the bidder is required to provide the Company with certain required information, which is specifically and objectively selected and announced so that the bidder can fully prepare in advance. The required information is deemed sufficient unless it is deficient on its face, and accordingly, the Board may not make any arbitrary decision as to whether it has received the required information and thereby unreasonably delay the procedure.

(b) Review Period

A time period that enables the Board to examine takeover proposals and the Company's shareholders to make an informed judgment will be determined as specified in the Plan, depending on the terms of a takeover proposal (12 weeks or 18 weeks in principle).

(c) Shareholder Vote

If a takeover proposal satisfies all the requirements set forth in the Plan, after a prescribed review period a shareholder vote will be conducted in order to ascertain the shareholders' will with respect to the issuance of the stock acquisition rights. Such vote will occur by a written ballot or at a meeting similar to a general shareholders meeting (a shareholders' will confirmation meeting). If the Board determines the proposal is in the Company's and its shareholders' best interests, however, there will be no need of a shareholders vote.

(d) Issuance of Stock Acquisition Rights

When the shareholders approve the issuance of the stock acquisition rights at a shareholder vote, or a tender offer which would result in the acquisition of 15% or more of the Company's voting shares is commenced or 15% or more of the Company's voting shares are acquired, without complying with the procedures required by the Plan, the stock acquisition rights will be issued upon the resolution of the Board.

(e) Influence of the Plan on Shareholders

At the time of introducing the Plan, no stock acquisition rights will be issued, and therefore, there will be no direct or significant influence on shareholders' rights or interests.

Furthermore, in the case of '(d) Issuance of Stock Acquisition Rights', if the shareholders fail to take the required procedures concerning the exercise of the stock acquisition rights (except in the case that the Company is allowed to obtain the stock acquisition rights in exchange for the Company's stocks or others, and the Company grants its stocks or other assets to the shareholders as consideration of the obtained stock acquisition rights) within the time period

designated for exercising the stock acquisition rights, including the payment of the prescribed amount of exercising fee (one (1) Japanese yen per ordinary share of the Company to be issued), the ordinary shares of the Company owned by them will be diluted due to the stock acquisition rights exercised by other shareholders.

(f) Review of the Plan

The Board of Directors in the Company reviews and examines the Plan within 3 years from the day of its enforcement, taking into consideration various factors including changes or advancement of laws, judicial judgments or governmental regulations.

Consolidated Balance Sheet

As of March 31, 2008

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	535,897	Current liabilities	62,775
Cash and time deposits	323,216	Notes and accounts payable-trade	17,677
Notes and accounts receivable-trade	79,655	Other accounts payable	25,596
Securities	38,141	Accrued income taxes	6,154
Inventories	75,416	Deferred tax liabilities	780
Prepaid pension cost	4,439	Other	12,566
Deferred tax assets	9,963	Long-term liabilities	52,324
Refundable income taxes	394	Deferred tax liabilities	49,827
Other	5,144	Liability for employees' retirement	
Allowance for doubtful notes and accounts	△ 474	benefits	838
Fixed assets	335,074	Other	1,658
Tangible fixed assets	245,009	Total liabilities	115,099
Buildings and structures	90,187		
Machinery, equipment and vehicles	68,950	(Net assets)	
Tools and furniture	6,572	Shareholders' equity	792,537
Land	62,350	Common stock	86,969
Construction in progress	16,947	Capital surplus	102,403
Intangible fixed assets	3,423	Retained earnings	695,117
Investments and other assets	86,641	Treasury stock	△ 91,953
Investment securities	76,216	Valuation and translation adjustments	△ 36,991
Deferred tax assets	3,596	Net unrealized gain on available-for-sale securities	1,901
Other	7,190	Foreign currency translation adjustments	△ 38,893
Allowance for doubtful accounts	△ 362	Minority interests	326
		Total net assets	755,872
Total assets	870,972	Total liabilities and net assets	870,972

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

Consolidated Statement of Income

From April 1, 2007 to March 31, 2008

(Millions of yen)

Accounts	Amount	
Net sales		373,405
Cost of sales		230,839
Gross profit		142,566
Selling, general and administrative expenses		75,204
Operating income		67,361
Non-operating income		
Interest income	11,666	
Other	872	12,538
Non-operating expenses		
Foreign currency exchange loss	15,159	
Other	1,945	17,104
Ordinary income		62,796
Extraordinary gains		
Gain on sale of fixed assets	123	
Gain on sale of investment securities	1,674	1,798
Extraordinary losses		
Loss on sale/disposal of fixed assets	2,037	
Impairment loss on fixed assets	1,592	
Loss on write-down of investment securities	2,997	6,627
Income before income taxes and minority interests		57,966
Income taxes - current	18,406	
Income taxes - deferred	7,600	26,006
Minority interests		28
Net income		31,931

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

Consolidated Statement of Changes in Net Assets

From April 1, 2007 to March 31, 2008

(Millions of yen)

	Shareholders' equity					Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance as of March 31, 2007	86,969	102,403	676,749	△ 52,400	813,722	3,614	131	3,746	349	817,818
Changes in the year										
Dividends			△ 13,563		△ 13,563					△ 13,563
Net income			31,931		31,931					31,931
Purchase of treasury stock				△ 39,552	△ 39,552					△ 39,552
Net changes in items other than shareholders' equity						△ 1,713	△ 39,024	△ 40,737	△ 22	△ 40,760
Total changes in the year	-	-	18,368	△ 39,552	△ 21,184	△ 1,713	△ 39,024	△ 40,737	△ 22	△ 61,945
Balance as of March 31, 2008	86,969	102,403	695,117	△ 91,953	792,537	1,901	△ 38,893	△ 36,991	326	755,872

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

Notes to Consolidated Financial Statements

Notes to Basis in Preparing Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of subsidiaries	40
(2) Names of significant subsidiaries	
ROHM HAMAMATSU CO., LTD.	ROHM FUKUOKA CO., LTD.
ROHM ELECTRONICS PHILIPPINES, INC.	ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD.
ROHM SEMICONDUCTOR (CHINA) CO., LTD.	ROHM ELECTRONICS (H.K.) CO., LTD.
ROHM ELECTRONICS ASIA PTE. LTD.	ROHM U.S.A., INC.

One subsidiary was added into and one subsidiary was removed from the scope of consolidation for the fiscal year ended March 31, 2008.

Increase (one company)

ROHM MECHATECH (TIANJIN) CO., LTD. (new establishment)

Decrease (one company)

WAKO SERVICE CO., LTD. (liquidated)

2. Application of Equity Method

(1) Number of unconsolidated subsidiaries accounted for by the equity method	0
(2) Number of associated companies accounted for by the equity method	5
(3) Names of major associated companies accounted for by the equity method	NORSTEL AB

3. Fiscal Year of Subsidiaries

The fiscal year end date of seven consolidated subsidiaries, including ROHM SEMICONDUCTOR (CHINA) CO., LTD., is December 31 and is different from that of the consolidated balance sheet date, March 31.

The financial statements of these subsidiaries as of the provisional closing date of March 31 were used for consolidation purposes.

4. Accounting Policies

(1) Valuation basis and method for major assets

1) Securities

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

2) Inventories

Inventories are stated principally at cost determined by the moving average method.

(2) Depreciation of major fixed assets

Tangible fixed assets

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

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

(3) Accounting for significant allowances

1) Allowance for doubtful notes and accounts

In order to provide for bad debt, allowance for ordinary receivable is provided based on past actual bad debt ratio, and allowance for bad debt is provided based on collectibility.

2) Liability for employees' retirement benefits

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

(4) Translation of foreign currencies

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the income statement to the extent that they are not hedged by forward exchange contracts.

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

(5) Accounting for major leases

Finance leases other than those that deem to transfer ownership of the leased property to the lessee are accounted for as operating leases.

(6) Hedge accounting

1) Hedge accounting

Accounts 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.

2) Hedging instruments and hedged assets/liabilities

Hedging instruments and hedged assets/liabilities are as follows:

(Hedging instruments)	(Hedged assets/liabilities)
Foreign exchange forward contracts	Accounts receivables in foreign currencies

3) Hedging policy

ROHM group uses derivative financial instruments only as a means to hedge foreign currency exchange and interest rate risks.

4) Assessment of hedge effectiveness

Hedging instruments are confirmed to meet the criteria for the hedge accounting described in "1) Hedge accounting."

(7) Other significant conditions in preparing consolidated financial statements

Consumption taxes

All transactions are recorded excluding consumption taxes.

5. Evaluation of Assets and Liabilities of Subsidiaries on the Day of Acquiring Control Thereof

Fair market value method is used to evaluate all assets and liabilities of acquired subsidiaries.

6. Amortization of Goodwill and Negative Goodwill

Both goodwill and negative goodwill are amortized over a period of five years, unless deemed immaterial.

Additional Information

Until the fiscal year ended March 31, 2007, the Company and certain domestic consolidated subsidiaries recorded an allowance for Directors' retirement benefits at the amount which would be required if all Directors retired at the balance sheet date based on the internal regulations. As of the closing of the 49th Ordinary General Shareholders Meeting of June 28, 2007, however, this Retirement Benefits Plan for Directors was abolished. From the fiscal year ended March 31, 2008, the amount reserved for payment as retirement benefits to the Directors according to their respective periods of service before the date of the Ordinary General Shareholders Meeting was presented as "Other" in long-term liabilities.

Changes in Presentation

(Consolidated Balance Sheet)

Effective from the fiscal year ended March 31, 2008, ROHM group adopted "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan Statement No.10, revised by the Accounting Standards Board of Japan, June 15, 2007) as well as "Practical Guideline for Accounting for Financial Instruments." (Accounting Committee Report No.14, issued by the Japanese Institute of Certified Public Accountants, July 4, 2007) As a result, certificates of deposit issued by Japanese corporations were presented in "Securities" as of March 31, 2008, while it was included in "Cash and time deposits" as of March 31, 2007. The amount of certificates of deposit issued by Japanese corporations included in "Cash and time deposits" as of March 31, 2007 was 6,300 million yen.

(Consolidated Statement of Income)

1. "Expenses for quality control", which was independently presented until the fiscal year ended March 31, 2007 was included in "Other" in non-operating expenses for the fiscal year ended March 31, 2008. The amount of "Expenses for quality control", which was included in "Other" in non-operating expenses for the fiscal year ended March 31, 2008 was 1,245 million yen.
2. "Loss on write-down of investment securities", which was previously included in "Other" in non-operating expenses until the fiscal year ended March 31, 2007 was independently presented in extraordinary losses for the fiscal year ended March 31, 2008 due to its quantitative materiality. The amount of "Loss on write-down of investment securities", which was included in "Other" in non-operating expenses for the fiscal year ended March 31, 2007 was 32 million yen.

Notes to Consolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

514,097 million yen

2. Accumulated Condensed Booking of Tangible Fixed Assets

The accumulated condensed booking deducted from the acquisition cost of tangible fixed assets consists of 674 million yen received as fire insurance benefits and other, and 351 million yen received as governmental subsidies and other.

The breakdown of the accumulated condensed booking deducted from the acquisition cost of tangible fixed assets is as follows:

Buildings and structures	237 million yen
Machinery, equipment and vehicles	510
Tools and furniture	0
Land	277

3. Assets to Associated Companies

Investment securities (stock)	1,760 million yen
Investment securities (bond)	225 million yen

Notes to Consolidated Statement of Changes in Net Assets

1. Number of Outstanding Shares as of March 31, 2008

Common stock	118,801,388 shares
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2. Dividends

(1) Dividends paid

(Resolution)	Class of Stocks	Total Amount of Dividends	Dividend per Share	Record Date	Effective Date
Ordinary General Shareholders Meeting held on June 28, 2007	Common stock	6,259 million yen	55.00 yen	March 31, 2007	June 29, 2007
Meeting of the Board of Directors held on November 7, 2007	Common stock	7,304 million yen	65.00 yen	September 30, 2007	December 7, 2007

(2) Dividends for the fiscal year ended March 31, 2008, to be distributed after the end of the year

(Scheduled Resolution)	Class of Stocks	Total Amount of Dividends	Source of Dividends	Dividend per Share	Record Date	Effective Date
Ordinary General Shareholders Meeting held on June 27, 2008	Common stocks	18,079 million yen	Retained earnings	165.00 yen	March 31, 2008	June 30, 2008

Notes to Per Share Information

Net assets per share	6,895.25 yen
Net income per share	284.66 yen

Notes to Retirement Plans

1. Summary of Retirement Plans

The Company and certain domestic subsidiaries have defined benefit pension plans, namely, non-contributory funded defined benefit pension plan and lump-sum payment plans, as well as defined contribution pension plans.

Certain overseas subsidiaries have defined contribution pension plans in addition to defined benefit pension plans.

The Company implemented the non-contributory funded defined benefit pension plan to replace lump-sum payment plans in September 1967, and its domestic subsidiaries have been following this move.

The Company and certain domestic subsidiaries implemented a defined contribution pension plan in March 2005 by which the former corporate portion of the contributory funded defined benefit pension plan was terminated.

2. Net Liability for Retirement Benefits (As of March 31, 2008)

(1) Projected benefit obligation	△ 18,289 million yen
(2) Fair value of plan assets	20,863
(3) Overfunded amount of plan assets [(1) + (2)]	<u>2,573</u>
(4) Unrecognized actuarial gain	<u>1,027</u>
(5) Net asset [(3) + (4)]	3,601
(6) Prepaid pension cost	4,439
(7) Liability for retirement benefits [(5) - (6)]	<u>△ 838</u>

3. Net Periodic Pension Costs (For the fiscal year ended March 31, 2008)

(1) Service cost	1,718 million yen
(2) Interest cost	419
(3) Expected return on plan assets	△ 519
(4) Recognized actuarial gain	△ 130
(5) Other	376
(6) Net periodic pension costs [(1) + (2) + (3) + (4) + (5)]	<u>1,864</u>

(Note) The amount of "(5) Other" consists mainly of payments to the defined contribution pension plans.

4. Assumptions for Calculating Projected Benefit Obligations and Other

(1) Allocation method of the retirement benefits expected to be paid at the retirement date	Straight-line method
(2) Discount rate	2.0%
(3) Expected rate of return on plan assets	2.0%
(4) Amortization period of prior service credit (Straight-line method from the year when the credit accrued)	10 years
(5) Recognition period of actuarial gain/loss (Straight-line method from the year following the year when the differences accrued)	10 years

Notes to Impairment Loss on Fixed Assets

ROHM group recognized an impairment loss for the following asset group for the fiscal year ended March 31, 2008.

Use of Asset	Location	Account	Impairment Loss (millions of yen)
Laser diode production equipment	Kyoto	Machinery, equipment and vehicles	369
		Tools and furniture	78
	China	Machinery, equipment and vehicles	963
		Tools and furniture	181
Total			1,592

ROHM group has grouped assets based on the classification for management accounting. With respect to the above asset group, the business performance is not expected to recover in a short period of time based on the current business plans; therefore ROHM group reduced the book value to the recoverable amount and recorded "Impairment loss of fixed assets" in extraordinary losses.

The recoverable amount of the above asset group was measured at its value in use, and the discount rate used for computation of present value of future cash flows was 10%.

Independent Auditors' Report on Consolidated Financial Statements

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 1, 2008

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

Deloitte Touche Tohmatsu

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Yoshifumi Tsutsumi

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Yasuhiro Onishi

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Hiroyuki Asaga

Pursuant to the fourth clause of Article 444 of the Corporate Law, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2008 of ROHM CO., LTD. (the "Company") and consolidated subsidiaries, and the related statements of income and changes in net assets, and the related notes for the fiscal year from April 1, 2007 to March 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and consolidated subsidiaries as of March 31, 2008, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

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

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

Non-consolidated Balance Sheet

As of March 31, 2008

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	268,431	Current liabilities	65,802
Cash and time deposits	107,128	Accounts payable-trade	44,320
Notes receivable-trade	1,152	Other accounts payable	11,747
Accounts receivable-trade	74,551	Accrued expenses	5,856
Securities	19,726	Accrued income taxes	3,097
Finished products	8,000	Deposits received	669
Semi-finished products	6,280	Other	110
Raw materials	3,659		
Work in process	3,317	Long-term liabilities	1,350
Supplies	1,547	Other long-term liabilities	1,350
Prepaid expenses	344		
Prepaid pension cost	1,011		
Deferred tax assets	6,632		
Accounts receivable-other	20,264		
Short-term loan receivable	13,357		
Other	1,478		
Allowance for doubtful notes and accounts	△ 22		
Fixed assets	274,962	Total liabilities	67,152
Tangible fixed assets	69,205	(Net assets)	
Buildings	18,194	Shareholders' equity	474,439
Structures	718	Common stock	86,969
Machinery and equipment	4,587	Capital surplus	97,253
Vehicles	3	Additional paid-in capital	97,253
Tools and furniture	993	Retained earnings	382,169
Land	40,470	Legal reserve	2,464
Construction in progress	4,236	Other retained earnings	379,704
Intangible fixed assets	2,555	Reserve for research and development	1,500
Patent rights and other	2,555	Reserve for losses of overseas investments	48
Investments and other assets	203,201	Other reserve	353,500
Investment securities	68,993	Retained earnings carried forward	24,656
Investments in subsidiaries and associated companies	60,863	Treasury stock	△ 91,953
Bonds of subsidiaries and associated companies	225		
Long-term loan receivable	63,399	Valuation and translation adjustments	1,802
Long-term prepaid expenses	108	Net unrealized gain on available-for-sale securities	1,802
Deferred tax assets	7,748		
Other	5,617		
Allowance for doubtful accounts	△ 3,754		
		Total net assets	476,241
Total assets	543,393	Total liabilities and net assets	543,393

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

Non-consolidated Statement of Income

From April 1, 2007 to March 31, 2008

(Millions of yen)

Accounts	Amount	
Net sales		333,279
Cost of sales		242,524
Gross profit		90,754
Selling, general and administrative expenses		54,362
Operating income		36,391
Non-operating income		
Interest and dividends income	8,468	
Other	1,822	10,290
Non-operating expenses		
Foreign currency exchange loss	11,956	
Other	1,481	13,437
Ordinary income		33,244
Extraordinary gains		
Gain on sale of fixed assets	274	
Gain on reversal of allowance for doubtful accounts	16	
Gain on sale of investment securities	1,463	1,755
Extraordinary losses		
Loss on sale/disposal of fixed assets	885	
Impairment loss on fixed assets	448	
Loss on write-down of investment securities	2,982	
Provision for doubtful accounts of subsidiaries and associated companies	3,686	8,002
Income before income taxes		26,997
Income taxes - current	8,765	
Income taxes - deferred	154	8,920
Net income		18,077

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

Non-consolidated Statement of Changes in Net Assets

From April 1, 2007 to March 31, 2008

(Millions of yen)

	Shareholders' Equity										
	Common Stock	Capital surplus		Legal Reserve	Retained Earnings				Total Retained Earnings	Treasury Stock	Total Shareholders' Equity
		Additional Paid-in Capital	Total Capital Surplus		Other Retained Earnings			Retained Earnings Carried Forward			
					Reserve for Research and Development	Reserve for Losses of Overseas Investments	Other Reserve				
Balance as of March 31, 2007	86,969	97,253	97,253	2,464	1,500	39	338,500	35,151	377,655	△ 52,400	509,478
Changes in the year											
Reserve for losses of overseas investments						10		△ 10	-		-
Reversal of reserve for losses of overseas investments					△ 1			1	-		-
Other reserve							15,000	△ 15,000	-		-
Dividends								△ 13,563	△ 13,563		△ 13,563
Net income								18,077	18,077		18,077
Purchase of treasury stock										△ 39,552	△ 39,552
Net changes in items other than shareholders' equity											
Total changes in the year	-	-	-	-	-	9	15,000	△ 10,495	4,513	△ 39,552	△ 35,038
Balance as of March 31, 2008	86,969	97,253	97,253	2,464	1,500	48	353,500	24,656	382,169	△ 91,953	474,439

	Valuation and Translation adjustments		Total Net Assets
	Net Unrealized Gain on Available-for-Sale Securities	Total Valuation and Translation Adjustments	
Balance as of March 31, 2007	3,757	3,757	513,235
Changes in the year			
Reserve for losses of overseas investments			-
Reversal of reserve for losses of overseas investments			-
Other reserve			-
Dividends			△ 13,563
Net income			18,077
Purchase of treasury stock			△ 39,552
Net changes in items other than shareholders' equity	△ 1,955	△ 1,955	△ 1,955
Total changes in the year	△ 1,955	△ 1,955	△ 36,994
Balance as of March 31, 2008	1,802	1,802	476,241

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

Notes to Non-consolidated Financial Statements

Notes to Significant Accounting Policies

1. Valuation Basis and Method for Securities

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

2. Valuation Basis and Method for Inventories

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

3. Depreciation of Fixed Assets

(1) Tangible Fixed Assets

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

The estimated useful life of buildings is 3 to 50 years, and that of machinery and equipment is 2 to 9 years.

(2) Intangible Fixed Assets

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

4. Translation of Foreign Currencies

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the income statement to the extent that they are not hedged by forward exchange contracts.

5. Accounting for Significant Allowances

(1) Allowance for doubtful notes and accounts

In order to provide for bad debt, allowance for ordinary receivable is provided based on past actual bad debt ratio, and allowance for bad debt is provided based on collectibility.

(2) Liability for employees' retirement benefits

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

However, because the fair value of the plan assets exceeded the projected benefit obligations as of the balance sheet date, the excess is presented as "Prepaid pension cost", resulting in the balance of "Liability for employees' retirement benefits" being zero.

6. Accounting for Leases

Finance leases other than those that deem to transfer ownership of the leased property to the lessee are accounted for as operating leases.

7. Hedge Accounting

(1) Hedge accounting

Accounts 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.

(2) Hedging instruments and hedged assets / liabilities

Hedging instruments and hedged assets / liabilities are as follows:

(Hedging instruments)	(Hedged assets / liabilities)
Foreign exchange forward contracts	Accounts receivables in foreign currencies

(3) Hedging policy

ROHM CO., LTD. (the "Company") uses derivative financial instruments only as a means to hedge foreign currency exchange and interest rate risks.

(4) Assessment of hedge effectiveness

Hedging instruments are confirmed to meet the criteria for the hedge accounting described in "(1) Hedge accounting."

8. Other Significant Conditions in Preparing Financial Statements

Consumption taxes

All transactions are recorded excluding consumption taxes.

Additional Information

Until the fiscal year ended March 31, 2007, the Company recorded an allowance for Directors' retirement benefits at the amount, which would be required if all Directors retired at the balance sheet date based on the internal regulations. As of the closing of the 49th Ordinary General Shareholders Meeting of June 28, 2007, however, this Retirement Benefits Plan for Directors was abolished. From the fiscal year ended March 31, 2008, the amount reserved for payments as retirement benefits to the Directors according to their respective periods of service before the date of the Ordinary General Shareholders Meeting was presented as "Other long-term liabilities" in long-term liabilities.

Changes in Presentation

(Non-consolidated Balance Sheet)

The reserve for payments of 23 million yen as retirement benefits to the Corporate Auditors, which was included in "Other" in long-term liabilities until the fiscal year ended March 31, 2007 as a result of the abolition of the retirement benefits plan for Corporate Auditors was presented as "Other long-term liabilities" in long-term liabilities in the fiscal year ended March 31, 2008, according to the "Audit Treatment for Reserves of Special Taxation Measures Law, Allowances or Reserves of Special Law and Allowances for Retirement Benefits to Officers." (The Audit and Assurance Implementation Committee Report No. 42, April 13, 2007)

(Non-consolidated Statement of Income)

1. "Expenses for quality control", which was independently presented until the fiscal year ended March 31, 2007 was included in "Other" in non-operating expenses for the fiscal year ended March 31, 2008. The amount of "Expenses for quality control", which was included in "Other" in non-operating expenses for the fiscal year ended March 31, 2008 was 1,139 million yen.
2. "Loss on write-down of investment securities", which was previously included in "Other" in non-operating expenses until the fiscal year ended March 31, 2007 was independently presented in extraordinary losses for the fiscal year ended March 31, 2008 due to its quantitative materiality. The amount of "Loss on write-down of investment securities", which was included in "Other" in non-operating expenses for the fiscal year ended March 31, 2007 was 4 million yen.

Notes to Non-consolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

114,947 million yen

2. Accumulated Condensed Booking of Tangible Fixed Assets

The accumulated condensed booking deducted from the acquisition cost of tangible fixed assets consists of 437 million yen received as fire insurance benefits and other, and 283 million yen received as governmental subsidies and other.

The breakdown of the accumulated condensed booking deducted from the acquisition cost of tangible fixed assets is as follows:

Buildings	180 million yen
Machinery and equipment	273
Tools and furniture	0
Land	265

3. Receivables from and Payables to Subsidiaries and Associated Companies

Short-term receivables from subsidiaries and associated companies	62,740 million yen
Long-term receivables from subsidiaries and associated companies	63,394
Short-term payables to subsidiaries and associated companies	34,574

Notes to Non-consolidated Statement of Income

Transactions with subsidiaries and associated companies

Operating transactions	Net sales	195,772 million yen
	Purchase and subcontract processing	186,278
	Other operating expenses	6,722
Non-operating transactions	Interest income	1,066
	Other non-operating income	1,663
	Non-operating expenses	4
	Sale of assets	7,352
	Purchase of assets	1,780

Notes to Non-consolidated Statement of Changes in Net Assets

Number of treasury stocks as of March 31, 2008

Common stock	9,226,835 shares
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Notes to Tax Effect Accounting

Breakdown of the tax effects of significant temporary differences that resulted in deferred tax assets and liabilities

Deferred tax assets

Securities	1,561 million yen
Inventories	5,377
Depreciation	5,132
Accrued enterprise taxes	425
Accrued expenses	1,185
Allowance for doubtful accounts	1,511
Other	858
Total	16,051

Deferred tax liabilities		
Prepaid pension cost	△	410
Net unrealized gain on available-for-sale securities	△	1,231
Other	△	27
Total	△	1,669
<hr/>		
Net deferred tax assets		14,381

Notes to Leased Fixed Assets

Finance leases other than those that deem to transfer ownership of the leased property to the lessee

1. Acquisition Cost Equivalent, Accumulated Depreciation Equivalent and Book Value Equivalent of Leased Fixed Assets

	Acquisition Cost Equivalent	Accumulated Depreciation Equivalent	Year End Book Value Equivalent
Vehicles	22 million yen	9 million yen	12 million yen
Total	22 million yen	9 million yen	12 million yen

The acquisition cost equivalent includes interest expense since the balance of future lease payments account for only a small percentage of tangible fixed assets as of the balance sheet date.

2. Year-end Future Lease Payments Equivalents

Due within 1 year	6 million yen
Due after 1 year	6
Total	12

The year-end future lease payments equivalent includes interest expense since the balance of future lease payments account for only a small percentage of tangible fixed assets as of the balance sheet date.

3. Lease Expenses Paid and Accumulated Depreciation Equivalent

Lease expenses paid	10 million yen
Accumulated depreciation equivalent	10

4. Accumulated Depreciation Equivalent Calculation Method

Assumed depreciation charges are computed using the straight-line method over lease terms assuming no residual value.

Notes to Related Party Transactions

Subsidiaries

Attribute	Company Name	Voting Right Ratio by ROHM	Relationship	Transaction	Amount of Transaction (millions of yen)	Account	Year-End Balance (millions of yen)
Subsidiaries	ROHM HAMAMATSU CO., LTD.	100%	Processing subcontractor for ROHM	Capital loan ※1	-	Short-term loan receivable	8,400
						Long-term loan receivable	46,710
				Product processing by ※2 contract	30,412	Accounts receivable -other	478
						Accounts payable -trade	1,960
						Other accounts payable	15

ROHM TSUKUBA CO., LTD.	100%	Processing subcontractor for ROHM	Capital loan ※1	900	Short-term loan receivable Long-term loan receivable	1,100 7,200
ROHM SEMICONDUCTOR (CHINA) CO., LTD.	100%	Processing subcontractor for ROHM	Capital loan ※1	1,800	Short-term loan receivable Long-term loan receivable	1,240 6,330
ROHM ELECTRONICS PHILIPPINES, INC.	100%	Processing subcontractor for ROHM	Product processing by contract ※2	32,190	Accounts receivable -other Accounts payable -trade Other accounts payable	5,012 8,977 46
ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD.	100%	Processing subcontractor for ROHM	Product processing by contract ※2	30,921	Accounts receivable -other Accounts payable -trade Other accounts payable	4,594 8,076 10
ROHM ELECTRONICS (H.K.) CO., LTD.	100%	Wholesaler of ROHM products	Product sales ※3	56,502	Accounts receivable -trade	7,241
ROHM ELECTRONICS TAIWAN CO., LTD.	100%	Wholesaler of ROHM products	Product sales ※3	33,820	Accounts receivable -trade	4,972

Terms and conditions of transactions and decision policies for them

(Notes) ※1. Economically reasonable interest rates based on market interest rates are used for the loans.

※2. Purchase prices are determined in consideration of market price of products and process cost of the subsidiaries.

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

Directors and Major Shareholders

Attribute	Name	Voting Right Ratio	Relationship	Transaction	Amount of Transaction (millions of yen)	Account	Year-End Balance (millions of yen)
Directors and their close relatives	Ken Sato	2.2%	<ul style="list-style-type: none"> President of the Company Chairman of ROHM MUSIC FOUNDATION 	Contribution to ROHM MUSIC FOUNDATION	50	—	—

Notes to Per Share Information

Net assets per share 4,346.27 yen

Net income per share 161.16 yen

Notes to Impairment Loss on Fixed Assets

The Company recognized an impairment loss for the following asset group for the fiscal year ended March 31, 2008.

Use of Asset	Location	Account	Impairment loss (millions of yen)
Laser diode production equipment	Kyoto	Machinery, equipment and vehicles	369
		Tools and furniture	78
Total			448

The Company has grouped assets based on the classification for management accounting. With respect to the above asset group, the business performance is not expected to recover in a short period of time based on the current business plans; therefore the Company reduced the book value to the recoverable amount and recorded "Impairment loss of fixed assets" in extraordinary losses.

The recoverable amount of the above asset group was measured at its value in use and the discount rate used for computation of present value of future cash flows was 10%.

Independent Auditors' Report on Non-consolidated Financial Statements

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 1, 2008

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

Deloitte Touche Tohmatsu

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Yoshifumi Tsutsumi

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Yasuhiro Onishi

Designated Partner,
Engagement Partner,
Certified Public Accountant:

Hiroyuki Asaga

Pursuant to the first item, second clause of Article 436 of the Corporate Law, we have audited the financial statements, namely, the non-consolidated balance sheet as of March 31, 2008 of ROHM CO., LTD. (the "Company"), and the related statements of income and changes in net assets, and the related notes for the 50th fiscal year from April 1, 2007 to March 31, 2008, and the accompanying supplemental schedules. These financial statements and the accompanying supplemental schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the accompanying supplemental schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and the accompanying supplemental schedules presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

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

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

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

Report of the Board of Corporate Auditors

The Board of Corporate Auditors, based on the audit reports prepared by and the discussions held with each of the Corporate Auditors regarding the execution of their duties as Directors of the Company for the 50th fiscal year from April 1, 2007 to March 31, 2008, has prepared this audit report and hereby reports as follows;

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

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

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

In addition, the Corporate Auditors have audited whether the independent auditors of the Company have maintained their independence and carried out their audits in an appropriate manner, and received reports regarding the execution of their duties from and requested necessary explanations of the independent auditors of the Company. The Corporate Auditors have also received notification from the independent auditors of the Company that they have taken steps to improve the "System for ensuring that duties are performed properly" (matters set forth in each item of Article 159 of the Company Accounting Regulations) in compliance with the "Quality Management Standards Regarding Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and have requested necessary explanations. Based on the above methods, the Corporate Auditors have examined the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and the accompanying supplemental schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for this fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report

- 1) The Business Report and the supplemental schedules are recognized as being in accordance with laws and regulations and the Articles of Incorporation and as properly indicating the conditions of the Company.
- 2) With respect to the execution of the duties of the Directors, no misconduct or material facts that violate laws and regulations or the Articles of Incorporation are recognized.
- 3) The content of the resolution by the Board of Directors regarding Internal Control Systems is appropriate, and, in this connection, there are no matters that ought to be pointed out with respect to the execution of duties of the Directors.
- 4) With respect to the Basic Policies related to the Company's Ownership Control in the Business Report, there are no matters that ought to be pointed out. Also the Specific Measures in the same report are complied under the basic policy and have not infringed the interest of the stockholders of the Company nor intended to keep the position of the Company's Directors.

(2) Results of Audit of Non-consolidated Financial Statements and the Accompanying Supplemental Schedules

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

(3) Results of Audit of Consolidated Financial Statements

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

May 7, 2008

Board of Corporate Auditors
ROHM CO., LTD.

Corporate Auditor(Full-time)	Yoshiaki Shibata (Seal)
Corporate Auditor(Full-time)	Yoshiaki Nakano (Seal)
Corporate Auditor	Yasuhito Tamaki (Seal)
Corporate Auditor	Shinya Murao (Seal)
Corporate Auditor	Haruo Kitamura (Seal)

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

REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS

Proposal 1: Appropriation of Retained Earnings for the 50th Fiscal Year

On September 17th, 2008, the Company will celebrate the 50th anniversary of its founding. The Company is fully aware that this success is due in great part to the support of its shareholders as well as other stakeholders.

As an expression of gratitude to the shareholders, the Company is proposing a special dividend of 100 yen per share in commemoration of the Company's 50th anniversary, in addition to the ordinary year-end dividend of 65 yen per share in thorough consideration of relevant factors, including the results of the year ended March 31, 2008, financial forecasts, and future fund demands for investment in business to improve our corporate value.

Accordingly, the total dividend for the year is 230 yen per share, including the interim dividend of 65 yen.

- (1) Type of assets distributed: Cash
 (2) Distribution of profits and total distributed amount
 Profit of each common share of the Company 165 yen
 Total amount distributed 18,079,801,245 yen
 (3) Date when the distribution takes effect: June 30, 2008

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons of Amendments:

Based on the provisions of Article 427, Paragraph 1, of the Corporate Law, in order that the Company can reach a liability limitation agreement with a prospective Outside Director or Outside Corporate Auditor to facilitate their invitation into the Company in the future, the Company proposes an amendment to the Articles of Incorporation, which is to newly add Article 27 (Liability Limitation Agreement with Outside Directors) and Article 32 (Liability Limitation Agreement with Outside Corporate Auditors).

The presentation of proposing the addition of Article 27 to the Annual General Meeting of Shareholders has prior consent of all Corporate Auditors.

2. Details of Amendments:

Details of amendments are as follows:

(Underlined are the amended points)

Current Articles of Incorporation	Proposed Articles of Incorporation
<p>Chapter 4: Directors and the Board of Directors</p> <p style="text-align: center;">(New additions)</p> <p>Chapter 5: Corporate Auditors and the Board of Corporate Auditors</p> <p>[Number and Election Method of Members] Article <u>27</u> (Text omitted)</p> <p style="text-align: center;">~</p> <p>[Remuneration] Article <u>30</u> (Text omitted)</p>	<p>Chapter 4: Directors and the Board of Directors</p> <p><u>[Liability Limitation Agreement with Outside Directors]</u> Article 27 The Company and Outside Directors may reach an agreement that the liabilities specified in Article 423, Paragraph 1 of the Corporate Law should be limited to the minimum liability amount as specified in the provisions of Article 427, Paragraph 1, of the Corporate Law.</p> <p>Chapter 5: Corporate Auditors and the Board of Corporate Auditors</p> <p>[Number and Election Method of Members] Article <u>28</u> (Unchanged)</p> <p style="text-align: center;">~</p> <p>[Remuneration] Article <u>31</u> (Unchanged)</p>

(New additions)	<u>[Liability Limitation Agreement with Outside Corporate Auditors]</u> <u>Article 32 The Company and Outside Corporate Auditors may reach an agreement that the liabilities specified in Article 423, Paragraph 1 of the Corporate Law should be limited to the minimum liability amount as specified in the provisions of Article 427, Paragraph 1, of the Corporate Law.</u>
Chapter 6: Calculation	Chapter 6: Calculation
[Business year] Article <u>31</u> (Text omitted) ~ [Statute of Limitation for Dividends] Article <u>34</u> (Text omitted)	[Business year] Article <u>33</u> (Unchanged) ~ [Statute of Limitation of Dividends] Article <u>36</u> (Unchanged)

Proposal 3: Election of One (1) Director

In order to further improve the efficiency of the management team, the Company wishes to appoint the following candidate as a new board member.

The candidate for the Director is as follows:

Name (Date of Birth)	Profile, Experienced Positions and Duties, and Relationship with Other Organizations	Number of ROHM Shares Held
Hachiro Kawamoto (October 18, 1934)	Apr. 1984 Executive Trustee, The Ritsumeikan Trust Nov. 1995 Chairman of the Board of Trustees, The Ritsumeikan Trust Apr. 2007 Senior Advisor and Trustee, The Ritsumeikan Trust (to present)	0

(Notes) 1. There is no special relationship of interest between the candidate and the Company.

2. The candidate is a candidate for the position of Outside Director of the Company.

3. The Company has named the candidate to be elected as Outside Director, since he is certain to help reinforce the management system of the Company based on plentiful knowledge and experience earned from long-time involvement in the management of an educational institution.

4. Liability limitation agreement with Outside Director

When the designation of the candidate is approved, provided that Proposal 2 that requests part of the Articles of Incorporation to be changed is accepted, he and the Company will reach an agreement that the liabilities specified in Article 423, Paragraph 1, of the Corporate Law should be limited to the minimum liability amount as specified in the provisions of Article 427, Paragraph 1, of the Corporate Law.

Proposal 4: Election of Five (5) Corporate Auditors

The terms of office for all current Corporate Auditors expire at the closing of this Annual General Meeting of Shareholders. It is proposed that five (5) Corporate Auditors be elected.

The presentation of this proposal to the Annual General Meeting of Shareholders has prior consent of the Board of Corporate Auditors.

The candidates for the Corporate Auditors are as follows:

(※ New Candidate)

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, and Relationship with Other Organizations	Number of ROHM Shares Held
1	Yoshiaki Shibata (August 17, 1944)	Apr. 1968 Joined The Daiwa Bank Co., Ltd. Apr. 1997 General Manager of Inspection Div. of the bank above May 1998 Advisor of the Company (Retired from the bank above) Jun. 1998 Corporate Auditor of the Company (to present)	2,000

2	Yasuhito Tamaki (October 4, 1938)	Apr. 1964 Attorney at law (Belonging to Osaka Bar Association) Partner of Midosuji Law Office (to present) Jun. 2001 Corporate Auditor of the Company (to present)	0
3	Shinya Murao (January 26, 1957)	Sep. 1986 Joined Tohmatsu & Co. (Osaka Office) Mar. 1990 Registered as CPA Sep. 1992 Founded Murao Accounting Office (to present) Jun. 2001 Corporate Auditor of the Company (to present)	0
4	Haruo Kitamura (August 21, 1958)	Sep. 1983 Joined Arthur Andersen CPA Joint Office Mar. 1987 Registered as CPA Aug. 2002 Founded Kitamura Accounting Office (to present) Jun. 2004 Corporate Auditor of the Company (to present)	0
5	※ Hideo Iwata (July 16, 1954)	Jun. 1977 Joined The Daiwa Bank Co., Ltd. Oct. 2001 Manager of Tondabayashi branch of the bank above Sep. 2004 Retired from the bank above Oct. 2004 Joined Kume Electric Corporation May. 2008 Retired from the company above (to present)	0

(Notes) 1. There are no special relationships of interest between the candidates and the Company

2. The candidates are for Outside Corporate Auditors of the Company.

3. Each candidate Outside Corporate Auditor is introduced as follows:

- (1) Yoshiaki Shibata is suitable as an Outside Corporate Auditor, typically because he can provide opinions regarding corporate management and other issues from a comprehensive point of view based on his expertise as a full-time Corporate Auditor of the Company. The Company is certain that Shibata will carry out his duties appropriately. As of the closing of this General Meeting, his term of office as an Outside Corporate Auditor will reach ten years.
- (2) Yasuhito Tamaki is recommended as Outside Corporate Auditor because the Company is certain that he will contribute to the Company in terms of management and other issues by sharing expertise and knowledge he gained as a lawyer through auditing. As of the closing of this General Meeting, his term of office as an Outside Corporate Auditor will reach seven years.
- (3) Shinya Murao is recommended as Outside Corporate Auditor because the Company is certain that he will contribute to the Company in terms of management and other issues by sharing expertise and knowledge he gained as a certified public accountant through auditing. As of the closing of this General Meeting, his term of office as an Outside Corporate Auditor will reach seven years.
- (4) Haruo Kitamura is recommended as Outside Corporate Auditor because the Company is certain that he will contribute to the Company in terms of management and other issues by sharing expertise and knowledge he gained as a certified public accountant through auditing. As of the closing of this General Meeting, his term of office as an Outside Corporate Auditor will reach four years.
- (5) The Company selected Hideo Iwata as a candidate for an Outside Corporate Auditor in that he has excellent experience and knowledge through long-time experience at a financial institution and other organizations and that he will carry out his duties perfectly.

4. Liability Limitation Agreement with Outside Corporate Auditors

When the designation of the candidates is approved, provided that Proposal 2 that requests part of the Articles of Incorporation to be changed is accepted, the Corporate Auditors and the Company will reach an agreement that the liabilities specified in Article 423, Paragraph 1, of the Corporate Law should be limited to the minimum liability amount as specified in the provisions of Article 427, Paragraph 1, of the Corporate Law.

End