

May 11, 2009

ROHM CO., LTD.

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ROHM Announces the Board Opinion on the Shareholder Proposal

ROHM CO., LTD. (“ROHM”) announced the receipt of shareholder proposal from Northern Trust Company (AVFC) Sub Account USL (“Proposal”), represented by Brandes Investment Partners, L.P., (“Brandes”) on May 1, 2009.

As a consequence of prudent consideration by the Board of Directors of ROHM (“Board”) on agenda and its reasons provided in the Proposal, the Board has concluded to express its objection to the Proposal, as described in the attached note of “The Board Opinion on the Shareholder Proposal”.

Proposed Agenda and Summary of the Proposal

<Agenda>

Share Buybacks

<Summary of the Proposal>

In accordance with Article 156, Paragraph 1 of the Company Act, ROHM will acquire, within 1 year from the date of the 51st Ordinary General Shareholders Meeting, up to 2.5 million of its own shares for the maximum of ¥15 billion or the “Distributable Amount”(as defined under Articles 461 of the Company Act), whichever is the least.

The Board Opinion on Shareholders Proposal

At all times, the Board of Directors of ROHM (“Board”) believes that the enhancement of corporate value by proactively making strategic investments for its long-term growth and steadily returning profits to shareholders are the most crucial managerial tasks. The Board as a team responsible for ROHM’s management recognizes that maximizing shareholder value from both viewpoints described above is its primary responsibility and therefore has been implementing various measures in order to solve the challenges existing. Shareholders’ thorough understanding and continuous support on the Board’s policy of management and shareholder return is greatly appreciated.

Track Record of Shareholder Return

ROHM has been putting consistent effort to enhance its corporate value through strategic investments and continuous cost reduction. At the same time, it has been proactively returning profits to shareholders. In April 2007, ROHM forged ahead with its conventional policy to establish a new Enhanced Shareholder Return Policy (“Policy”), which is to return to shareholders not less than 100% of its consolidated free cash flow in each of the three years until the fiscal year ending March 2010, through dividends and buybacks. Consolidated payout ratio for stable dividends is targeted at 30%. ROHM has been making the firm approach based on the Policy.

The dividend has been gradually raised from 22 Yen per share in the fiscal year ending March 2003 to 230 Yen per share (including 100 Yen per share for 50th anniversary of ROHM’s foundation) in the fiscal year ending March 2008. As for the share buybacks, which firstly taken place in March 2005 of 19.9 billion Yen, approximately 91.5 billion Yen in total has been returned to shareholders. Annual dividend in fiscal year ending March 2009 is expected to be 130 Yen per share upon the approval at the Annual Shareholders Meeting to be held in June 2009, making its consolidated payout ratio of 144.8% and total return ratio of 213.3% as a result.

	03/3	04/3	05/3	06/3	07/3	08/3	09/3(E)	Total
Dividend (Yen/Share)	22.0	55.0	85.0	90.0	100.0	230.0	130.0	—
Payout Ratio (%)	4.9	10.3	22.4	21.6	24.2	80.8	144.8	—
Total Dividend (a) (Million Yen)	2,600	6,500	10,000	10,400	11,400	25,300	14,200	80,600
Share Buyback (b) (Million Yen)	0	0	19,900	15,000	16,900	39,500	0	91,500
Total Return (a+b) (Million Yen)	2,600	6,500	29,900	25,500	28,400	64,900	14,200	172,100
Total Return Ratio (%)	4.1	11.4	423.3	103.1	60.2	134.5	213.3	—

(Note) Dividend in March 2008 includes 50th anniversary special dividend of 100 Yen per share. Interim dividend of 65 Yen per share or 7,122 million Yen in total was distributed in December 2008. Year-end dividend of 65 Yen per share will be distributed upon the approval at the Annual Shareholders Meeting to be held in June 2009. Total return ratio shows the percentage of the total amount of dividends and share buybacks in the consolidated free cash flow.

As shown above, the actual performance of our new Policy has exceeded its original plan for the last two (2) years. The Board is committed to continue its Policy for the year ending March 2010 as the third and final year of the plan.

While the Board, as it recognizes that shareholders are important stakeholders of the company, plans to continuously repurchase its own shares in lines with the Policy, which leads the treasury stock to be increased as a result. The Board considers that it is of great importance to fulfill its accountability to shareholders by setting and disclosing the basic policy for holding and utilizing the treasury stock.

The Board meeting held on May 11, 2009 set a new basic policy, providing that in principle, the company will retain its treasury stock of approximately five (5) % of outstanding shares at maximum. At the same time, the excess portion of the treasury stock at the present will be cancelled immediately, which is scheduled in the end of May 2009. And as a general rule, those that will be acquired through future buybacks will all be cancelled in each fiscal year end. Treasury stock will be retained for future M&A opportunities.

How We See the Current Situation and Future Shareholder Return Policy

The global financial uncertainty, which has arisen from the U.S. sub-prime loan crisis, has had an extremely adverse effect on employment and consumption in various regions of the world. In addition, the prospect on the business remains unclear despite the large-scaled economic measures taken in major countries.

ROHM acknowledges that there is voice saying that the situation will not worsen in semiconductor and electronic components industry. However, it cannot but continuously anticipates that business environment in the near future will be as severe due to the sluggish customers' demand and uncertain world economy.

Semiconductor companies in the world, including the ROHM group, are now in the middle of reorganization where only the strongest will survive. On a daily basis, many companies are having their management engaged in the restructuring of their companies in order to ensure their very survival. However, the companies without financial strength due to the lack of the necessary funds are forced to delay their restructuring initiatives. As a result, a number of companies are forced to give up their corporate independence or continuity of their existing businesses. Under such circumstances, it is anticipated that along with the acceleration of restructuring within the semiconductor industry, M&A opportunities will also increase. The management of ROHM believes that dysfunctional global financial markets means that only companies that are financially healthy will be able to carry out aggressive changes in the way their companies are managed, and to implement structural renovations and M&A in a quick and appropriate manner. Because now is the time the management with profound knowledge and experience in the industry is truly required, the quickness at which the companies can implement the structural renovations determines their mid-long term competitiveness.

In the semiconductor and electronic components industry where the environment changes drastically, ROHM considers that, from the management point of view, it is vital to maintain the strong financial platform in order to make appropriate and prompt strategic investments, which provide the future growth and competitiveness of the company. ROHM group retains financial assets of approximately 300 billion Yen as of the end of March 2009. However, given the necessity of the daily expenditures of over 150 billion Yen per year to be used to smoothly run the ROHM group's global business, the funds to be able to implement timely capital investment, the special expenditures for the structural renovations at the group level as well as the funds to be necessary for the contingencies and the potential M&A opportunities, the Board considers that, under the unclear business circumstances, securing the liquidity available is crucial for the business continuity as well as management stability.

On the other hand, as described above, the Board will continue to return profits to the shareholders steadily in line with the Policy. As for fiscal year ending March 2010, dividend will be maintained at 130 Yen per share. Share buybacks will be carried out flexibly by the Board discretion in a consistent manner with the circumstances including consolidated free cash flow generation. As stated in the Articles of Association of ROHM, the Board is fully authorized to whether and when to buyback its shares. Therefore, it is possible to, and as the Board has always been, implement share buybacks flexibly at times when appropriate by the

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decision of the Board, which means setting a maximum buyback amount by the shareholders' resolution as proposed in the Shareholders Proposal is not necessary.

We, as a team responsible for ROHM's management, never swerved from the belief that the Board is committed to maximize the shareholders value through both the enhancement of corporate value as well as returning profits to the shareholders steadily.

Thorough understanding and continuous support by all shareholders of ROHM on our shareholder return policy is greatly appreciated.

The Board Opinion on Shareholders Proposal

As a consequence of prudent consideration, the Board expresses its objection to the Shareholder Proposal.

[Reference Information] Measures for the Enhancement of Corporate Value

ROHM's mission has been to contribute to the advancement and progress of our culture through a consistent supply, under all circumstances, of high quality products in large volumes to the global market. We have strongly believed that fulfilling this mission would serve all of our stakeholders including our shareholders.

Under this strong belief, the Board has been extending its utmost effort to become a "Global Integrated Manufacturer with long-term competitiveness". The Board has been carrying out measures for the sustainable growth of the company such as the development of high-value-added products and inimitable production technologies, and strengthening sales and customer support network, while it continues to proceed with an overall cost reduction through renovation plans including optimizing headcount structure corresponding to the business trend, and rationalization of production systems.

Measures for Sustainable Growth

ROHM group has been making capital investment of over 173 billion Yen for the last five (5) years, which is equivalent to over 30% of accumulative EBITDA (*) for the last five (5) years, on research and new product development to strengthen worldwide competitiveness.

Specifically, ROHM has been focusing on development of ICs including SiC (Silicon Carbide) devices, which enable high-current and high-voltage, driver LSIs and power management LSIs for markets such as automotives, telecommunication, and digital AV equipments where further growth is expected. Also, ROHM exerts itself to develop and strengthen the product lineup of ECO-Devices such as inverter modules, LED driver ICs with ambient light control function, temperature sensor ICs, world's smallest and thinnest chip LEDs, which aim to improve global environment. In addition, to contribute to the realization of safer and more comfortable community, ROHM turns its attention to the application of semiconductor technology to medical and healthcare fields, and promote devices such as biosensor chips. Furthermore, ROHM is actively involved in a wide range of joint projects for next-generation R&D including joint research programs with Tsinghua University in China, or comprehensive industrial-academic collaboration alliances with Kyoto University. Through extending its efforts to produce materials such as wafers, photo masks and lead frames in-house, ROHM develops products that exceed competitors' products in terms of quality and reliability.

Having invested approximately 90 billion Yen for the acquisition of OKI Semiconductor Co., Ltd. in October 2008, ROHM rapidly extended its width of new product development capability through the fusion of core technologies of ROHM and OKI Semiconductors. FeRAM device as an instance is the combination of OKI Semiconductor's high capacity DRAM technology and ROHM's dielectric technology. Integrated Circuit for safety and security market is another example of the combination of picture processing and supersensitive image sensor technology, showing the synergy effect and the fruit of the acquisition.

In the production area, ROHM group has been making capital investment of over 316 billion Yen for the last five (5) years, which is equivalent to over 55% of accumulative EBITDA (*) for the last five (5) years to establish world-class production technology with competitiveness in cost.

Specifically, in Japan, ROHM has reinforced the production system of 300mm wafer process at Rohm Hamamatsu Co., Ltd.. In overseas, ROHM extended its efforts to expand its production capacity for the future demand by building new factories at its Asian sites including Thailand, Philippines and Tianjin. Also, cases such as the full-transfer of module production lines to Dalian, ROHM continues to supply high-quality products with cost competitiveness to the world by way of horizontally developing production technology, which has been established at domestic sites and extended to overseas.

In sales and promotion field, while maintaining the strength of customer-centered sales system in Japan, ROHM has been focusing on strengthening the worldwide sales and technical support networks in order to expand shares in oversea markets.

Specifically, in Japan, ROHM has expanded its product development bases such as Nagoya Design Center. In Europe, U.S.A. and Asia, ROHM continues to put its efforts to increase sales in each region, and opened new sales and product design centers. As for the quality assurance, ROHM opened QA centers near Detroit and in Thailand in order to strengthen the customer support capability.

* Earnings Before Interest, Taxes, Depreciation and Amortization. An index obtained by adding interest expenses and depreciation to income before income taxes and minority interest.

Business Restructuring

The business conditions in the semiconductor and electronic components industry change drastically in very short term due to the production trend of the customers and global competition in prices and technology development with rival companies. ROHM therefore, considers that the capability of carrying out continuous cost reduction and improvement of management efficiency through reviews on its supply chain and business restructuring plans are crucially important in order to enhance its corporate value. Because of the recent global economic recession, especially in electronics market, prompt sweeping reforms are the utmost importance for the very survival.

Under these circumstances, ROHM group has forged ahead with measures such as efficiency on capital investment, rationalization of production systems, thorough reduction of cost and inventory and reviews on existing business.

Specifically, ROHM has actively engaged itself with rationalization of production systems by shutting down domestic production sites and transferring overseas, including the full-transfer of module production lines to Dalian, China. In order to secure the optimum number of employees corresponding to the business trend, the consolidated headcount is downsized by approximately 20% from October 2008 to March 2009. At the same time, ROHM has been focusing on personnel reduction in production lines by introducing auto delivery system. Furthermore, to make full use of its management resources, ROHM withdrew from MLCC business (January 2007) and LCD module business (March 2008) which we considered did not deserve further capital investment.

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In addition, management improvement of OKI Semiconductor Co., Ltd., which we acquired in October 2008, has been ROHM's priority at all group level. In product development division, the duplicate functions have been dissolved by consolidating subsidiaries, and in the production division, its production lines have been optimized through merging and transferring to the ROHM group's sites. In sales division, the channels have been re-streamed and its operations united with ROHM.

Thorough understanding and continuous support by all shareholders of ROHM on our business policy for the mid-long term enhancement of its corporate value is greatly appreciated.

- End-

- Attachment -

**The Board Opinion on the Shareholder Proposal
and
Rohm's Shareholder Return Policy**

May 11, 2009

Summary of our Board Opinion

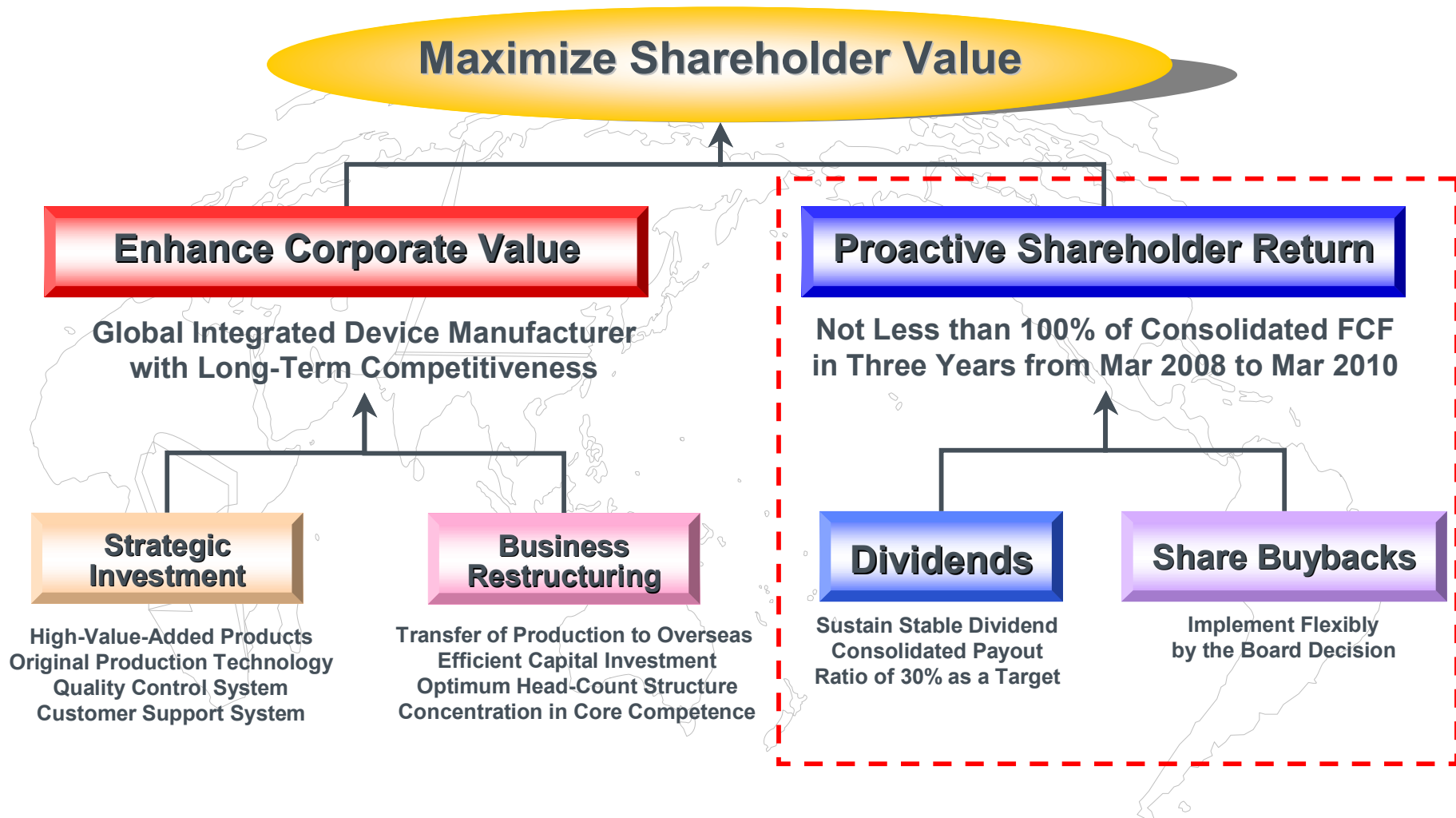
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The Board expresses its OBJECTION to the Shareholder Proposal, as it goes against our existing Three (3) Year Enhanced Shareholder Return Policy.

- **ROHM to expand shares in the fast growing markets by proactively making strategic investments in such area as;**
 - The next generation lighting market with use of LED and OEL by focusing on replacing conventional light sources such as fluorescent lamps and bulbs,
 - The “Lighting Solutions” by offering ICs including inverter, power management, ambient light sensors and power devices that may be integrated into lighting systems and module technologies, and
 - Automotives (Hybrid cars / Electric cars), Home Appliances (Inverter-type Air Conditioners, Electrical Appliances and All-Electric Homes) and Industrial Equipment Markets by prompting “SiC (Silicon Carbide)” devices which enable high-current and high-voltage, power MOSFETs and power Diodes.
- **The actual performance of our “New Enhanced Shareholder Return Policy” installed in April 2007 has exceeded its original plan for the last two (2) years despite the recent recession in the global economy.**

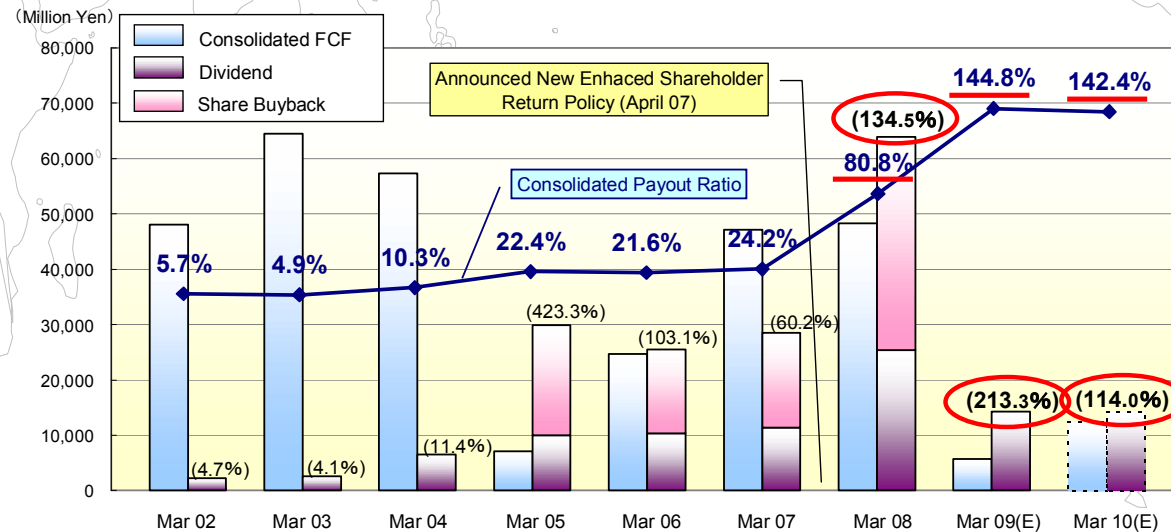
[1st year (Mar 08)]	Dividend : 230 Yen/Share (Payout Ratio : 80.8%), Share Buyback : 39.5 Billion Yen, Total Shareholder Return Ratio : 134.5%
[2nd year (Mar 09)]	Dividend : 130 Yen/Share * (Payout Ratio : 144.8%), Share Buyback : 0 Billion Yen, Total Shareholder Return Ratio : 213.3%

* To be voted for approval at the Annual Shareholders Meeting in June 2009
- **The Board is committed to continue its return policy to shareholders for the year of March 2010 as the 3rd and final year of the plan.**



Shareholder Returns - Track Record and Further Plans -

- ✓ **“New Enhanced Shareholder Return Policy” (Announced in April 2007)**
 - Return to Shareholders not less than 100% of consolidated FCF through dividends and share buybacks in each of the 3 fiscal years ending March 2008, 2009 and 2010.
 - Sustain stable dividends, at consolidated payout ratio of 30% as a target.
- ✓ **The actual performance of our Policy has exceeded its original plan for the last 2 years despite the recent recession in the global economy.**
- ✓ **Basic Policy for Holding and Utilizing the Treasury Stock (Announced in May 2009)**
 - Retain 5% of outstanding shares at maximum for future M&A opportunities.
 - Excess portion (including future buybacks) will be cancelled by each fiscal year end.



Note; Percentages in () show the total shareholder return ratio, total amount of dividend and share buyback divided by consolidated free cash flow.

Proposal to Our Shareholders

- ✓ **The Board continues to make every effort to enhance shareholder value of ROHM, through both from corporate value creation and stable shareholder returns.**
 - Stable returns based on the new “Enhanced Shareholder Return Policy (returning not less than 100% of consolidated FCF for 3 years from 2008)” which was announced in April 2007.
 - Dividends: Sustain stable dividends, at consolidated payout ratio of 30% as a target.
 - Share Buybacks: Implement flexibly at the discretion of the Board.
Setting a maximum amount by the shareholders’ resolution is not necessary.
 - Strategic investment for sustainable growth, and thorough business renovations.
 - Capital investment for new product development, production technology to strengthen global competitiveness.
 - Rationalization of production systems, and thorough reduction of cost and inventory.
 - Concentration in core competence to fully utilize management resources.
- ✓ **Keeping a strong financial platform in the current unpredictable status of the world economy is very vital from the viewpoint of enhancement of shareholder value in mid-long term as well as securing business continuity and management stability.**
- ✓ **Thorough understanding and continuous support by all shareholders of ROHM on our business policy for the mid-long term enhancement of its corporate value is greatly appreciated.**