

To Our Shareholders,

**ROHM Co.,Ltd.**

President Kenichiro Sato

### **Supplementary Explanation on the Board Opinion on the Shareholder Proposal**

The shareholder proposal from Northern Trust Company (AVFC) Sub Account USL represented by Brandes Investment Partners, L.P. (“the Shareholder Proposal”) recognizes the necessity for ROHM CO., LTD. (“ROHM” or “the Company”) to retain sufficient cash to support global operations, fund the structural renovation costs including the integration costs related to the OKI Semiconductor Co., Ltd. acquisition, provide for capital expenditures and research and development costs and to fund possible future business or corporate acquisitions. In fact, the Company needs approximately 150 billion yen per year to run the global business. For the last five (5) years, the Company spent approximately 490 billion yen in total on capital expenditures, research and development, which is equivalent to over 85% of accumulative EBITDA for the last five (5) years. Compared to its peer companies (\*), ROHM spent almost twice as much on capital expenditures (16.2% of sales for the Company versus 8.4% of sales for its peer companies), and a similar amount on research and development (12.7% versus 14.2% of sales) for the previous year. In addition to these expenditures, the Company invested approximately 90 billion yen for the acquisition of OKI Semiconductor Co., Ltd. As above, the Company has been, and will be spending a large amount of cash to keep and strengthen its worldwide competitiveness.

At the same time, it should be pointed out that the Company has been raising the level of shareholder return gradually, having returned a total of 64.9 billion yen including dividends and share buybacks of 39.5 billion yen in fiscal year 2008. Moreover, not fully recognized in the Shareholder Proposal, is the Company’s strong desire and policy to maintain the regular annual dividend of 130 yen per share upon the approval at Shareholders’ Meeting this month, not knowing how long the worldwide economy will be depressed. As a result, payout ratio in fiscal year 2009 is expected to be approximately 145%. Relative to its peer companies, ROHM has a nearly double payout ratio for the previous three (3) years.

Given the weak and uncertain worldwide economy and the difficulty of borrowing in the capital markets, the Board of Directors of ROHM (“the Board”) believes that, it is vital to keep the strong financial platform for both the sustainable growth and steady shareholder return. And at least at the present, it is prudent to delay the decision of share buybacks.

For these reasons, the Board recommends a vote AGAINST the Shareholder Proposal.

With prudent consideration of the circumstances, such as the degree of market recovery, the capital market environment, future need of cash and consolidated free cash flow generation, the Board is planning to announce its view on the shareholder return program including share buybacks for fiscal year 2010 in the second quarter financial announcement to be made in November 2009. As for further shareholder return programs after fiscal year 2011, the Board is planning to announce its new policy in the year-end financial announcement to be made in May 2010, carefully considering the circumstances including business performance, future need of cash, shareholders’ equity and its financial assets.

\* Kyocera Corporation, Murata Manufacturing Co., Ltd., TDK Corporation, Advantest Corporation, Tokyo Electron Ltd., Analog Devices Inc., Intel Corporation, Texas Instruments Incorporated., Applied Materials Inc.