ROHM Group Innovation Report 2015

〈Additional Volume〉 Annual Financial Report 2015

ROHM Co., Ltd.

2015 Annual Financial Report

CONTENTS

Management Policies

(1) ROHM's Basic Management Policy

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

With these perspectives, the ROHM Group has committed itself to developing market-leading products by focusing on high value-added system ICs, power devices, optical module-related products, and sensor devices for digital information appliances, mobile electronic equipment, industrial equipment and automotive components, where further market expansion is expected. As a fundamental policy, the Group pursues a stable supply of high quality, cost-competitive products in high volume through optimal utilization of its distinctive production technologies that will help to maintain a leading position in the global semiconductor and electronic components market.

(2) Mid-to Long-term Corporate Strategies

ROHM Group celebrated its 50th anniversary in 2010. In order to respond to increased market globalization, we embarked on a campaign, titled 'Next 50', that focuses on four growth strategies that we believe will lead to significant growth in the mid to long term.

<1> Four Growth Engine Strategies

① IC synergy with LAPIS Semiconductor Co., Ltd.

As IC technological requirements reach higher levels, ROHM Group continues to enhance system solutions that can more flexibly respond to a wide range of needs by combining ROHM Group's strength in analog linear technology with LAPIS Semiconductor's market-leading digital technology, including wireless communication, low power microcontrollers and memories.

② Power device products (including SiC), etc.

ROHM is proceeding with developing and strengthening product lineups of SiC devices that can deliver significantly lower loss and more stable operation under high temperature than conventional silicon semiconductors. In addition, the company has been enhancing product lineups of SiC modules that combine these features, and has been adopting these modules for use in next-generation energy equipment, such as electric vehicles and solar power generation devices. Also, regarding existing silicon devices, we are strengthening our lineups of high efficiency and dependable transistors/diodes.

③ LED products from elements to driver ICs

In the LED market, which continues to grow because of next-generation lighting and automotive applications, the ROHM Group will be expanding product lineups, including our ultra-small LEDs for mobile devices and highly reliable LEDs for vehicles. In the optical module market where continued growth is expected from applications for displays, etc., the ROHM Group will also be applying proprietary and licensed energy-saving and control technologies to strengthen lineups of our power modules for LED lighting, LED driver ICs and semiconductor lasers.

④ Sensor products

Because of increasing use of sensor-related devices and an expanding market, the ROHM Group is strengthening product lineups of sensor-related devices such as MEMS accelerated sensors, illuminance sensor devices and thin film piezo devices*1, by utilizing the Group's production and sensor control technologies. In addition, the company is promoting various combinations of different types of sensors and proposing total solutions.

*1 Thin film piezo devices
Piezo devices convert applied pressure into voltage and vice-versa. They are used for sensors and other oscillation circuits.

<2> Enhancement Strategies for the Automotive, Industrial Equipment and New Markets

The automotive market, which is seeing increased computerization, and the industrial equipment market, which continues to grow at a steady pace, require a stable supply of high quality, high reliability products – all of which ROHM Group can easily provide. In the automotive and industrial equipment markets, ROHM aims to raise sales ratio by strengthening our production system. Also, in the IoT and other markets where growth is expected, the ROHM Group aggressively cultivates markets by taking advantage of proprietary semiconductor technologies.

<3> Sales Enhancement Strategy for Overseas Customers

Amidst the increased globalization and expansion of markets not only in the US and Europe, but also in China, Taiwan, South Korea, and emerging markets, ROHM is moving ahead with cultivating overseas customers and strengthening sales activities. We are working to set up systems that fit the needs of overseas customers, from product configuration to development, sales, and technical support, with the aim of increasing sales and shares in overseas markets.

<4> Enhancement Strategy for Existing Products

In addition to strengthening our position in new business categories, the ROHM Group is striving to expand market share and ensure earnings with strong-selling existing products by identifying customer needs for higher functionality and downsizing, developing new industry-leading products and technologies, and building stable supply systems based on highly efficient and reliable production.

(3) Status of Corporate Governance

Corporate Governance System

① Status of efforts to improve the internal control system

Enhancing our internal control system is one of the most important management topics. The ROHM Group is not only committed to maintaining proper business processes throughout the entire group but also to ensuring reliable financial reporting, thereby fulfilling our corporate social responsibility requirements. We will promote our basic policies and conduct maintenance activities to build our internal control system while taking note of the following points.

1. System for ensuring that corporate Directors perform their duties in compliance with established laws, regulations, and our Articles of Incorporation
   (a) In order to promote further globalization, the ROHM Group complies not only with all relevant laws and regulations, but also with the 10 principles stipulated by the United Nations Global Compact (i.e. human rights, labor, environment, anti-corruption, etc.) and promotes management that focuses

on CSR based on ISO26000, the international standard for social responsibility, and the EICC Code of Conduct, a code of conduct for the electronics industry.
(b) Directors are kept from violating laws, regulations and the Articles of Incorporation when executing their duties by the ROHM Group Business Conduct Guidelines, the Basic Rules of the Board of Directors, etc.
(c) Directors who are highly knowledgeable in a specific field are responsible for the duties related to such field, and all Directors hold discussions and monitor one another on a daily basis with regard to their respective individual fields.
(d) Illegal acts committed by a Director or Company Auditor are promptly reported to the Board of Directors and the Board of Company Auditors.
(e) In addition to two Outside Directors, five Outside Company Auditors are appointed to check that Directors perform their duties in compliance with all applicable laws and regulations, and the Articles of Incorporation.
(f) The Compliance Hotline (the internal hotline system and hotline system for suppliers) should be deployed to the entire ROHM Group including overseas entities to discover any illegal conduct of a Director and to prevent recurrence thereof.

2. System for storing and managing information on the execution of duties by Directors
(a) The minutes of general shareholders meetings and the meetings of the Board of Directors, executive proposals, fiscal year business plans, and other determined matters that may affect the Directors in the performance of their duties are documented in writing, and the documents are stored and managed in compliance with all applicable laws and regulations, as well as all in-house regulations.
(b) Instructions and notices provided to group companies or in-house divisions are issued via e-mail or in writing as a rule, and are retained so as to be available at any time when requested by Directors, Company Auditors or other authorized parties.
(c) Information related to the Directors' performance of duties is duly kept and managed by relevant sections or divisions, and leaks and inappropriate use of such information are prevented through internal educational activities for all employees, such as internal notifications and information security workshops.

3. System for ensuring the efficient execution of duties by Directors
(a) The Board of Directors consists of a small number of Directors so as to enable prompt decision-making on business matters.
(b) The Board of Directors consists of Directors who are highly experienced in different fields. The Board assigns duties to the Director in charge of a particular field and have him/her perform specific duties related to that field.
(c) Issues that may have a considerable influence on corporate management are examined, analyzed, and reported by in-house project teams established separately for individual issues. Upon completion of such examination, prompt decisions are made by way of a meeting of the Board of Directors or executive proposals, as appropriate, based on the Articles of Incorporation and internal regulations.
(d) In-house written standards of in-house control procedures regarding various managerial issues such as risk management and information management are strictly observed.
(e) To increase the competitiveness of the ROHM Group and ensure an appropriate amount of profits, business performance targets are established as part of an annual profit plan for the entire group company, and individual divisions monitor the progress of business performance.

4. System for ensuring that employees perform their duties in compliance with established laws, regulations, and the Articles of Incorporation
(a) A Compliance Committee has been organized to implement across-the-group compliance actions by monitoring and enforcing the ROHM Group Business Conduct Guidelines. A compliance system encompassing group companies has been created based on our internal system, and a leader for each division is appointed as a compliance leader to raise awareness of the importance of compliance and ensure the ongoing compliance of each division.
(b) To comply with particular laws and ordinances in an appropriate manner, not only the CSR Committee but also the Central Safety and Hygiene Committee, the Compliance Committee, the Information Disclosure Committee, and the Environmental Conservation Committee are committed to monitoring the status of compliance within the entire group and performing ongoing educational activities.
(c) Under the control of the Information Disclosure Committee, individual sections and divisions properly manage confidential and privileged information, and educate employees in the interest of raising awareness of the importance of strict information handling and to prevent insider trading.
(d) A Compliance Hotline (hotline system for group companies and suppliers) has been set up throughout the entire ROHM Group, including overseas entities, to uncover illegal employee conduct and prevent recurrences.

5. System for ensuring sound and appropriate business operations within the corporate group
(a) In the spirit of the company's founding, the Company Mission and policies are shared by all group employees and group companies to improve the corporate value of the entire ROHM Group through our business activities.
(b) Each committee under the company's CSR Committee supervises and controls group companies comprehensively to ensure proper execution of duties in each responsible area.
(c) Written standards applicable to the entire ROHM Group are established and implemented.
(d) The compliance of business operations of group companies is monitored by appointing employees of the company or another group company to serve on the Board of Directors or as Company Auditors for the group companies.
(e) A system should be operated that requires the Board of Directors' resolution or an executive decision at the Company to settle critical issues at the Group companies level and periodical reports to the Company's relevant divisions from Group companies should be made, thus enabling to control Group companies.
(f) An internal control system that ensures financial reporting compliance and compliance with the auditing system has been established and reinforced through a framework that includes the company and significant group companies.
(g) The company's auditing division, under the direct control of the President, performs internal audits to confirm each group company's situation in regard to the execution of duties, compliance with all applicable laws and regulations, as well as

in-house regulations, risk management, etc.

6. Employees hired upon the request of a Company Auditor to assist the Company Auditor's duties, independence of the employees from Directors and to ensure effectiveness of the Company Auditor's instruction to such employees
   (a) The company appoints staff employees of sufficient capabilities, at the request of Company Auditors.
   (b) A Company Auditor's staff are not concurrently involved in operations related to executing the operations of the company. In the hiring, transfer and evaluation of the performance of the Company Auditor's staff, opinions from the Board of Company Auditors are considered.

7. System for Directors and employees to report to Company Auditors, other systems for reporting to Company Auditors and system for employees not to be treated disadvantageously by the reason of such reports
   (a) Each Director reports immediately to the Company Auditors Committee, whenever necessary, regarding whether there is any illegal conduct in the performance of their duties, any neglect in their obligation to be duly conscious of their standing as good Directors, any facts that may cause considerable damage to the Company, etc.
   (b) Committee meetings, not only of the CSR Committee but also the Risk Management /BCM Committee, Compliance Committee, and Information Disclosure Committee, are attended by full-time Company Auditors who act as observers. Individual committees periodically report their activities to the Company Auditors by submitting meeting minutes or by other appropriate means.
   (c) A system has been created whereby the status and results of business operations can be properly reported to the Company Auditors through executive proposals and reports.
   (d) A section in charge of the Compliance Hotline should make periodical reports on situations and results thereof to Company Auditors.
   (e) Employees that have reported to Company Auditors shall not disadvantageously treated by the reason of such reports according to applicable laws and regulations as well as in-house regulations

8. Other systems for ensuring effective audits by Corporate Auditors
   (a) Concerning the status of operations of the internal control system, Directors report to the Board of Company Auditors where requested.
   (b) The internal audit division collaborates with and reports the results of audits periodically to the Company Auditors.
   (c) All Company Auditors are Outside Company Auditors. The Board of Corporate Auditors is a strongly independent group consisting of diversified experts, including legal specialists, accounting specialists, and persons who used to work for financial institutions.
   (d) Corporate Auditors exchange their opinions with Directors on a regular basis.
   (e) Company Auditors may consult with lawyers, certified public accountants, consultants and other external advisers at company expense, where they deem it necessary.

② Status of efforts to improve the risk control system

We are working to improve our company's risk control system as follows.

1. Under the CSR Committee, chaired by the President, committees overseeing Risk Management/BCM, Compliance, Information Disclosure, Corporate Safety and Health, Environmental Conservation, etc. are established as company-wide, cross-sectional committees, to appropriately respond to various management issues and risks in each responsible area by taking necessary measures, giving directions and solving problems.

2. A Risk Management/BCM Committee has been organized to identify, analyze and control major risks that may occur in the course of business operations. In order to avoid or minimize the effects of unforeseeable circumstances, such as natural disasters, as much as possible and ensure the survival of our business, the Risk Management/BCM Committee verifies the activities of each section in charge of risk management, formulates a BCP and takes possible preliminary measures and preparations across the entire group.

3. As a corporate initiative to eradicate antisocial groups, a Risk Management Office has been established in the Department of General Affairs. The office cooperates and exchanges information with external specialist organizations such as the police department, and promotes and performs specific actions thoroughly in order to eradicate antisocial groups. In-house regulations have also been established to eradicate antisocial groups and are strictly enforced. All employees of the group are informed by way of the 'ROHM Group Conduct Guidelines' or by other means that they must take a firm stand against antisocial groups. Furthermore, the importance of taking a firm stand against antisocial groups is communicated to all employees through various in-house training sessions.

Status of Internal Audits and Auditor Audits

The Corporate Auditors attend important meetings, such as the Board of Directors meetings, and audit the individual divisions of ROHM and its affiliates at home and abroad along with the Internal Audit Department, by holding meetings with those in managerial positions, inspecting documents and reports, and performing other activities. Through these audits, ROHM checks that the Directors are performing their duties in compliance with existing laws, ROHM's internal control is well maintained and operated, in-house rules are well observed, and that ROHM's assets are secured. Currently, there are 7 personnel in the Audit Office.

Corporate Auditors, the Internal Audit Department, and Accounting Auditors regularly hold report meetings, consistently maintain close cooperation and coordination, and proactively exchange information and opinions. Sharing information obtained through individual audits enhances the accuracy of audits and allows for constant improvements in operating processes.

The contents of audits are reported to ROHM's Internal Audit Division as needed, and opinions are exchanged on matters that require improvements regarding internal control.

The Auditors, Shinya Murao and Haruo Kitamura, are certified public accountants (CPA) that possess considerable knowledge of finance and accounting.

Status of Accounting Audits

ROHM contracts Deloitte Touche Tohmatsu LLC to conduct accounting and internal control audits related to financial reporting, and complies with both Japan's Companies Act and the Financial

Instruments and Exchange Act. ROHM has established an environment where the auditing organization can perform audits from a fair, unbiased position as an independent third party. The following are the names of certified public accountants (CPAs) who audited ROHM's accounts for the fiscal year ended March 31, 2015, the number of consecutive years they have been engaged in auditing ROHM, and information on the assistants involved in the audits.

CPAs who have audited ROHM (Number of consecutive years they have been involved in ROHM audits)

Designated limited liability partners of Deloitte Touche Tohmatsu:

Yasuhiro Onishi (2 years), Tomoyuki Suzuki (7 years), Seiichiro Nakashima (1 year)

Major assistants in the audits

8 CPAs and 7 others

Outside Directors and Outside Auditors

① Personal relationships, capital relationships, business relationships, and other interests of Outside Directors and Outside Auditors

ROHM appoints two Outside Directors to enhance mutual supervisory functions among Directors. Also, in order to strengthen and enhance the functionality of the audit system with regards to the execution of management duties, all five Auditors are Outside Auditors. To fully accomplish these objectives, ROHM believes that both Outside Directors and Outside Auditors should be highly independent and, therefore, has verified that they do not have any personal, capital, or business relationships with ROHM that might affect their independence.

At this time, we acknowledge that the appointment of Outside Directors and Outside Auditors has fully accomplished the above objectives, and thus will maintain this appointment practice for the time being.

Special notes in the case where Outside Directors or Outside Auditors are/were officers or employees of another company are as follows.

- Auditor Yasuhito Tamaki is with a professional law corporation, the Midosuji Law Firm, to which our Company is outsourcing legal work, etc. However, since the value of business transactions with this legal office is so small, we do not consider it a risk that would affect the independence of this Auditor.
- Although Outside Directors and Outside Auditors do own shares of our Company, the number of shares is minimal.

② Criteria and policy for independence, and functions and roles of Outside Directors and Outside Auditors

We strengthen our supervisory and audit functions by asking the Outside Directors and Outside Auditors to provide advice and recommendations on company management, etc. from an independent standpoint and based on the wealth of experience and wide range of insight cultivated from their careers, and by having them attend Board Meetings and other important meetings.

Our Company's Auditors are all Outside Auditors and cooperation with these Outside Auditors in internal and accounting audits is described in the above "Status of Internal Audits and Auditor Audits." As for the relationship between the Outside Directors and audits, status reports are made in writing by the Internal Audit Division to the Outside Directors on a monthly basis or as necessary.

Regarding the collaboration between the Outside Directors, Outside Auditors, and the Internal Control Division, the status of business execution, progress of profit planning, etc. are reported in writing by the Internal Audit Division to the Outside Directors and Outside Auditors monthly or whenever necessary.

Since our company has no established standards or policies on independence when appointing Outside Directors and Outside Auditors, we determine their independence by referring to the requirements for Independent Directors stipulated in the Listing Rules of the Tokyo Stock Exchange. As a result, from the fact that the two Outside Directors and five Outside Auditors all meet the aforementioned requirements, our company has declared and reported that all of them are Independent Directors.

The relationship between Auditor Audits, Internal Audits, and Accounting Auditor Audits is described in the "Status of Internal Audits and Auditor Audits."

③Profile and reason for designation, and activity of Outside Directors and Outside Auditors

Name	Position	Profile	Reason for Designation	Main Activity	Number of Shares Held (Thousand Shares)
Hachiro Kawamoto	Director (Independent)	Apr. 1958 Joined The Ritsumeikan Trust Apr. 1984 Standing Director of The Ritsumeikan Trust Nov. 1995 Chairman of the Board of Trustees, The Ritsumeikan Trust Jun. 2008 Director of the Company (Current Position) Jul. 2008 Advisor of The Ritsumeikan Trust Apr. 2013 Honorary Executive of The Ritsumeikan Trust (Current Position) May. 2013 Honorary Advisor of The Ritsumeikan Trust (Current Position)	His designation is based on his vast knowledge and long involvement in management of an academic institution and how this knowledge and experience could help in reinforcing the management system of the Company. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.	Attended 92% of the 24 meetings of Board of Directors during the fiscal year ended March 31, 2015 (including participation in 8 resolutions deemed to have been made in writing).	1
Koichi Nishioka	Director (Independent)	Apr. 1971 Reporter working at the Editorial Office of Nikkei, Inc. Mar. 1991 Editorial Writer & Member of Nikkei, Inc. Apr. 2003 Columnist of Nikkei, Inc. Apr. 2008 Professor of Senshu University (Current Position) and Visiting Columnist of Nikkei, Inc. Jun. 2011 Director of the Company (Current Position)	His designation is based on his vast knowledge and experience as a longstanding economic and financial journalist and columnist and contribution of his expertise to reinforce the management system of the Company. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.	Attended 92% of the 24 meetings of Board of Directors during the fiscal year ended March 31, 2015 (including participation in 8 resolutions deemed to have been made in writing).	–
Yoshiaki Shibata	Company Auditor (Independent)	Ex-General Manager of Inspection Div. The Daiwa Bank, Ltd. (current Resona Bank, Ltd.) Full-time employment	Yoshiaki Shibata has been designated as Outside Corporate Auditor because the Company was certain that he has been carrying out his duties appropriately by providing opinions regarding corporate management and other affairs from a comprehensive point of view based on his expertise as the full-time Corporate Auditor of the Company. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.	Attended all 24 meetings of Board of Directors during the fiscal year ended March 31, 2015 (including participation in 8 resolutions deemed to have been made in writing). Attended all 12 meetings of the Board of Company Auditors.	3
Hideo Iwata	Company Auditor (Independent)	Ex-Manager of The Daiwa Bank, Ltd., Tondabayashi Branch (current Resona Bank, Ltd.) Ex-Vice President for Administration and Business, Kume Electric Corporation Full-time employment	Hideo Iwata has been designated as Outside Corporate Auditor because the Company was certain that he would contribute to the Company in terms of management and other affairs by sharing expertise and knowledge based on his excellent experience and knowledge as a longtime administrator at a financial institution and other organizations through auditing. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.	Attended 96% of the 24 meetings of Board of Directors during the fiscal year ended March 31, 2015 (including participation in 8 resolutions deemed to have been made in writing). Attended all 12 meetings of the Board of Company Auditors.	1
Yasuhito Tamaki	Company Auditor (Independent)	Partner of Midosuji Law Office Outside Director of Eidai Co., Ltd. Part-time employment We have had business contacts with Mr. Tamaki's office, but the number is extremely low.	Yasuhito Tamaki has been designated as Outside Corporate Auditor because the Company was certain that he would contribute to the Company in terms of management and other affairs by sharing expertise and knowledge he gained as a lawyer through auditing. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.	Attended 96% of the 24 meetings of Board of Directors during the fiscal year ended March 31, 2015 (including participation in 8 resolutions deemed to have been made in writing). Attended all 12 meetings of the Board of Company Auditors.	0
Shinya Murao	Company Auditor (Independent)	Managing Director, Murao Accounting Office Part-time employment	Shinya Murao has been designated as Outside Corporate Auditor because the Company was certain that he would contribute to the Company in terms of management and other affairs by sharing expertise and knowledge he gained as a certified public accountant through auditing. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed.	Attended 92% of the 24 meetings of Board of Directors during the fiscal year ended March 31, 2015 (including participation in 8 resolutions deemed to have been made in writing). Attended all 12 meetings of the Board of Company Auditors.	0
Haruo Kitamura	Company Auditor (Independent)	Managing Director, Kitamura Accounting Office Outside Director of MonotaRO Co., Ltd. Part-time employment	Haruo Kitamura has been designated as Outside Corporate Auditor because the Company was certain that he would contribute to the Company in terms of management and other issues by sharing expertise and knowledge he gained as a public certified accountant through auditing. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.	Attended 83% of the 24 meetings of Board of Directors during the fiscal year ended March 31, 2015 (including participation in 8 resolutions deemed to have been made in writing). Attended 92% of the 12 meetings of the Board of Company Auditors.	–

Remuneration for Directors and Auditors

① Total amount of remuneration for Directors and Auditors by category, total amount of remuneration by type, and the target number of Directors and Auditors

Director and Auditor Category	Total Remuneration	Total Remuneration by Type (¥ Million)		Number of Directors and Auditors (Target)
	(¥ Million)	Basic Remuneration	Bonus	
Director (Excluding Outside Directors)	323	184	138	8
Outside Director and Auditor	81	79	2	7

(Note) 1. The amount of remuneration paid to Directors does not include the amount of employee salaries paid to employee Directors.
2. The 48th General Shareholders Meeting held on June 29, 2006 resolved that the maximum amount of annual remuneration for Directors should be under ¥600 million, and the 36th General Shareholders Meeting held on June 29, 1994 resolved that the maximum amount of monthly remuneration for Auditors should be under ¥6 million.

② Total amount of consolidated remuneration for each Director

Not listed since no Director receives a total consolidated remuneration above ¥100 million.

③ Important wages for Directors doubling as employees

Not applicable.

④ Determination method and policy on the amount of remuneration for Directors

Regarding executive compensation, limits on total remuneration for all Directors and Auditors are established at the General Shareholders Meeting.

The amount of remuneration for individual Directors is determined after discussions by and according to the rules of the Remuneration Council of the Board of Directors.

Remuneration for Directors consists of performance-based remuneration that changes according to performance attainment level, which uses the ROHM Group's consolidated ordinary income as an index, and fixed remuneration, which is a fixed amount intended to identify management responsibilities.

Regarding remuneration for Auditors, given the nature of audit functions, each Auditor receives only fixed remuneration, with no performance-based compensation.

In addition, our company does not provide stock options to Directors, and has abolished the executive retirement benefits system.

Resolution Requirements for the Appointment of Directors

Our company has established in the Articles of Incorporation that a Director appointment is resolved by a majority of the votes at a General Shareholders Meeting attended by at least one-third of the shareholders with voting rights, and that such resolution will not be made by cumulative voting.

Acquisition of Treasury Stock

As stipulated in our Articles of Incorporation, in order to be able to carry out a flexible capital policy in response to changes in the business environment, treasury stock can be obtained through market transactions and other means by resolution of the Board of Directors, pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act.

Decision-making Body for Interim Dividends

The company, in order to flexibly return profits to shareholders, has stipulated in the Articles of Incorporation that interim dividends can be given to our shareholders by resolution of the Board of Directors, and sets September 30 every year as a dividend record date, based on the provisions in Article 454, Paragraph 5 of the Companies Act.

Special Resolution Requirements of the General Shareholders Meeting

In order to secure a quorum for special resolutions during the General Shareholders Meeting, our company has established in the Articles of Incorporation that special resolutions require two-thirds of the votes at meetings attended by at least one-third of the shareholders with voting rights, as specified in Article 309, Paragraph 2 of the Companies Act.

(4) Details of Audit Fees

① Remuneration paid to CPAs, etc.

Classification	Remuneration Based on Audit Certification Work (¥ Million)	Remuneration Based on Non-Audit Work (¥ Million)
Submitting Company	92	0
Consolidated Subsidiary	36	-
Total	129	0

② Contents of other important remuneration

The amount of remuneration for audit certification work at our company's 18 consolidated subsidiaries paid to Auditors who belong to the same network as our company's auditing CPAs is ¥ 92 million.

③ Contents of non-audit work of auditing CPAs at submitting companies

The contents of the non-audit services which our company paid a remuneration to the auditing CPAs was the advisory services for the paperwork related to environmental activities.

④ Policy on determining audit fees

In deciding audit fees, our company is presented with an annual plan by the auditing CPAs, that confirms the validity of the contents of the audit, the number of days required, etc. in the context of our company's size and operating characteristics. Our company then determines the amount of remuneration based on the number of days required after consulting with the auditing CPAs. Also, a written agreement is concluded after obtaining the consent of the Board of Auditors.

(5) R&D Activities

Through a wide range of development initiatives, the ROHM Group is working to create products that benefit society, based on the fundamental principle of "contributing to society through electronics." The Group is also engaged in sustained and well-coordinated R&D efforts to develop new and innovative technologies, focusing on materials, design technologies, manufacturing technologies, and maximizing quality.

Key R&D results in this fiscal year, classified by segment, are as follows:

① ICs product development

・Developed the general-purpose ML620500 low-power microcomputer series, which enables high-speed processing while at the same time minimizing power consumption.

・Developed the BD14000EFV-C cell balance IC, which contributes to the stability, longevity, and compact size of EDLCs (electric double-layer capacitors), components used for a variety of applications including prevention of automobile idling, energy recovery in industrial equipment, and countermeasures against instantaneous power failure.

・Developed the BU82204MWV baseband IC, the world's first IC of its type to conform to the HD-PLC Inside PLC (Power Line Communication) specifications.

・Developed 16 models of the BD4xxMx LDO (*1) series, which are optimal for power supply for auto body and power train microcomputers.

・Developed the BD7682FJ-LB, the world's first AC/DC converter control IC for SiC-MOSFET drive.

・Developed the BM1383GLV ultra-compact voltage sensor, which achieves among the industry's most outstanding advanced detection precision (±20cm) and temperature properties.

・Developed the BH1745NUC color sensor, which realizes the industry's best infrared ray removal properties and contributes to improved machine cabinet design.

*1. LDO (Low Drop Out)
A power supply IC that functions even with small input-output voltage differential, reducing power conversion loss.

②Discrete Semiconductor Devices product development

・ROHM has added the new high voltage-type UDZLV Series to our lineup of Zener diodes (*2), which are used for constant voltage applications and protective applications for various kinds of electronic circuits.

*2. Zener diodes
Diodes used to prevent electronic device failure in cases where sudden, unexpected large electric current flows into circuits, or to maintain supplied voltage at a constant level.

③Modules product development

・Developed the BP35A1 general-purpose wireless communications module, the industry's first to be compatible with the Wi-SUN (Wireless Smart Utility Network).

・ROHM and Jorjin Technologies Inc. (headquarters: Taipei) jointly developed the WSR35A1-00 USB dongle-type wireless communications module, based on the BP35A1 Wi-SUN-compatible wireless communications module.

④Others product development

・Developed the UCR006 chip resistor for current detection, which achieves among the industry's lowest resistance (100mΩ) in a 0603 size (0.6mm×0.3mm) thick film-type resistor.

⑤Future-oriented research and development

・Launched the industry's first MEMS (*3) foundry business employing thin-film piezoelectric elements.

*3. MEMS
MEMS stands for Micro Electro Mechanical Systems, which are devices that integrate mechanical elements, sensors, actuators, etc. on a single board.

・ROHM and Professor Masahiko Yoshimoto of Kobe University Graduate School of System Informatics (Information Science field) jointly developed the world's most compact ultra-low power consumption technology for next-generation wearable biosensors, as a part of the NEDO (*4) Normally Off Computing Project.

*4. NEDO (New Energy and Industrial Technology Development Organization)
NEDO, a national agency, is Japan's largest public research and development management organization. NEDO plays an important role in economic and industrial development, while carrying out the two basic missions of addressing energy and global environmental issues and enhancing industrial technology.

The R&D expenses in each product segment for the current term are as follows.

Product Segment	Amount (¥ Million)
ICs	28,352
Discrete Semiconductor Devices	7,905
Modules	2,310
Total of Reported Segments	38,567
Others	1,429
Total	39,996

(6) Priority Issues

Though there are concerns about slower growth in China and elsewhere, there are also bright signs in the world economy such as improved personal consumption and jobs in the USA.

The electronics industry is expected to see continued growth over the mid-to long-term because of expansion in the digital home appliance and IoT markets and increased used of electronics in automobiles, but this will also bring greater competition when it comes to pricing and technologies. This will likely augment the pressure to supply internationally competitive products, which means that new products and technologies will have to be developed for global markets and costs will have to be reduced across the board.

Understanding the circumstances, the ROHM Group will direct efforts at developing high value-added products that anticipate industry needs in a wide range of markets, including automotive electronics, information and communications, and mobile devices.

Moreover, in order to serve expanding overseas markets, the ROHM Group will continue to strengthen our development and sales structures around the world.

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

Also, the basic policy on the persons who govern company decisions, finance and business is as below.

Basic Policy

Our company's mission is to 'contribute to the advancement and progress of society through a consistent supply, under all circumstances, of high quality products in large volumes to the global market by making quality our top priority at all times.' We believe that achieving this objective will bring about the improvement and creation of permanent and comprehensive corporate values while at the same time delivering benefits to all stakeholders, including our shareholders. We also understand that our company's Board of Directors is charged by our shareholders with the responsibility to further improve our corporate values by fulfilling the aforementioned company mission and making tireless efforts to manage the company toward sustainable growth.

The ROHM Group believes the best defense against takeover attempts is to build a relationship of trust with shareholders by delivering higher stock prices via enhanced corporate value, accountability through proactive IR activities, and by conducting regular dialogs with shareholders. If a proposal for acquisition is made to our company, we believe that the final decision on whether to accept or reject the offer should be left to the current shareholders at the time, and that the Board of Directors should not make arbitrary decisions intended to protect their own personal interests. In addition, in the event of an acquisition proposal, we believe that it is vital that shareholders take a sufficient amount of time to make an 'informed decision' based on sufficient information in order to protect and improve ROHM's corporate value and the common interests of shareholders

(7) Basic Policy for Return to Shareholders

Our company believe that to increase dividends by increasing the profit and extending the business is the best way for shareholders from a point of view to improve return to shareholders. Therefore, our company does not carry out hospitality programs for shareholders at present. Also, our company is setting an aim that is at least 8% for return on equity (ROE), we believe it is important to achieve the aim by increasing the net income which is a molecule, rather than reducing the shareholder's equity which is a denominator by the method of acquisition of treasury stock.

① Profit Distribution

In the semiconductor and electronic component business, the ROHM Group wants to meet shareholder expectations by improving results from a long-term perspective via forward-looking investment in equipment, plants, R&D and M&A.

While continuing efforts to achieve sustainable growth on the one hand, the ROHM Group believes it necessary to improve our overall corporate value on the other by balancing our financial condition and capital demand with investor expectations when exploring ways to share profits.

Given our current situation, the ROHM Group decided, starting in March 2015, to return all free cash flow * to shareholders every year for the next three years. To do this, the ROHM Group will buy back our own shares and take other steps in each fiscal year that allow us to flexibly return profits to shareholders via stable and continuous dividends at a targeted consolidated payout ratio of 30%.

Regarding the market environment surrounding the ROHM Group, market growth in the mid-to long-term can be expected alongside continued computerization and informatization. However, global competition will intensify due to global-scale restructuring and a shakeout of the industry. In order to maintain growth and increase business performance under these circumstances, it is imperative that ROHM develop unique products and enhance cost competitiveness. Therefore, the ROHM Group will be making every effort to further improve our corporate value, which includes making the capital investments necessary to enhance our technological strengths in development and manufacturing from which we draw a competitive advantage, and proactively investing in tie-ups, M&A and other strategic businesses in which we can expect a synergistic effect with group operations and a return on investment.

* To calculate our free cash flow, the ROHM Group simply adds depreciation to net income and subtract investments in property, plant and equipment, and capital expenditures for M&A.

② Profit Distribution for the Year Ended March 31, 2015

In consideration of the financial results of the current fiscal year, the year-end dividend was 85 yen per share. As a result, the annual dividend, with 45 yen per share added as an interim dividend, was scheduled to be 130 yen per share.

③ Retirement of Treasury Stock

The ROHM Group considers a maximum 5 percent of the total outstanding shares as its treasury stock holdings, and, in principle, any amount beyond this limit is retired at the end of every fiscal year. Also, the Group always keeps no more than 5 percent of its treasury stocks on hand in order to ensure management flexibility for merger and acquisition activity and other needs as required.

For your information, treasury stock holdings on hand in the current fiscal year (5,596 thousand shares) were 4.94 percent of the total outstanding shares, falling below 5 percent.

(8) IR-related activities

① Disclosure policy

ROHM's disclosure policy is posted on the company's website.

② General Shareholders' Meeting

ROHM is committed to holding transparent General Shareholders' Meetings including screening of videos on company activities, responding to questions sent in advance, displaying of products, etc.

③ Periodic briefings for analysts and institutional investors

The president and directors present briefings on financial results twice a year.

Financial results briefings include announcements of earnings and performance, and forecasts for securities analysts and institutional investors in Japan.

④ Briefings for individual investors

Briefings for individual investors are presented, through securities companies, approximately five times a year.

⑤ Briefings for overseas investors

ROHM presents briefings on trends in company performance, business strategies, etc., through twice-yearly visits to Europe and North America and twice-yearly visits, through securities companies, to Hong Kong, Singapore, and elsewhere in Asia

⑥ IR materials posted on website

Financial results briefing materials, securities reports and other reports, earnings report schedules, and various types of information for individual investors are viewable on the ROHM website.

Business Results

(1) Analysis of Business Results

Business Results for the Year Ended March 31, 2015

General Overview of Business Performance

The world economy was bullish as a whole in the fiscal year ended March 31, 2015, despite the concerns over falling oil prices, economic stagnation in Europe and other potentially destabilizing events. Much of that owed to the continued economic expansion in the US, gradual improvement in the Japanese economy, and high growth rates maintained in China and other emerging economies.

By individual regions, the US economy stayed on a recovery path as the employment situation and personal consumption continued to improve with the support of steady industrial production and a better housing market. While in Europe, slow growth in Germany in the first half of the year added to the drawn-out recession in Southern Europe, but the German economy rallied in the second half of the year and economic recovery continued in the UK. In Asia, the regional economy was steady as a whole despite slower growth in China due to a slump in their housing market, as recovery trends were seen in both Taiwan and India. In Japan, the consumption tax hike and bad weather adversely impacted personal consumption in the first half of the year, but a gradual recovery trajectory fueled by an improved jobs situation and corporate earnings underscored the economy as a whole.

In the electronics industry, the automotive sector was solid owing to strong sales in the US and Europe and increased adoption of in-vehicle electronics, while the industrial equipment and smartphone sectors held their ground. The PC sector grew steadily in the first half of the year in and around tablet applications, but went into a corrective phase in the latter half of the year.

Amid this business climate, the ROHM Group bolstered its product lineups for the automotive and industrial equipment markets, where growth is anticipated for the mid-to long-term, and developed new products in each category with a view to increase future earnings through 4 ‘growth engines’: [1] IC synergy (with LAPIS Semiconductor Co., Ltd.), [2] SiC-based power devices and module products, [3] optical modules, and [4] sensor-related products. The ROHM Group also continued efforts from the last fiscal year to build up its sales operations in overseas markets and strengthen its lineups of existing products.

More specifically, the ROHM Group continued to expand its lineups of low power ICs for automotive microcontrollers and high voltage Zener diodes for the automotive sector. For smartphones and tablets, the ROHM Group developed and improved the RASMID® series (*1) of ultra-miniature components, which include the world’s smallest transistors, along with its lineups of compact, high-performance sensors and power ICs. The Group also worked to enhance its production system for power management ICs for Intel® Atom TM Processors, which are experiencing increased demand in tablets, and promoted development in ICs for the next generation of tablets.

For the industrial equipment market and the IoT (*2) market where future growth is expected, the ROHM Group developed a system development kit for EnOcean (*3), HD-PLC Inside (*4) compliant baseband ICs for power line communications, Wi-SUN (*5) communication modules, and wireless communication ICs compatible with Bluetooth Smart (*6).

On the management side, the ROHM Group reinforced its customer support system by opening a design center in India and a development center for sensor software in Finland. With regards to production systems, the ROHM Group took steps to strengthen operations in preparation for future market expansion, by introducing RPS (*7) activities aimed at shortening lead time and incorporating high quality into products at group factories, increasing front-end (wafer) production capacity at ROHM’s Headquarters, ROHM Hamamatsu Co., Ltd. and LAPIS Semiconductor Miyagi Co., Ltd., and going forward with plans to build new plants for back-end manufacturing operations in Thailand and Malaysia.

As a result, consolidated net sales for the fiscal year ended March 31, 2015 were 362,773 million yen (an increase of 9.6% from the year ended March 31, 2014) and operating income was 38,801 million yen (an increase of 64.2% from last year).

After foreign currency exchange gains, net income for the year was 45,297 million yen (an increase of 41.1% from last year).

*1 RASMID® (ROHM Advanced Smart Micro Device) Series
The smallest lineup of components in the world, developed utilizing breakthrough manufacturing methods for unprecedented miniaturization and ultra-high dimensional precision (±10 μm). Product examples include 03015 (0.3 mm x 0.15 mm) size chip resistors and 0402 (0.4 mm x 0.2 mm) size diodes.

*2 IoT (Internet of Things)
A scenario in which everyday and other non-IT products connect to the internet. IoT is expected to greatly fuel growth in the sensor and communication IC markets in the fields of home appliances, medical and healthcare equipment, infrastructure, industrial equipment, and more.

*3 EnOcean
A next-generation wireless communication standard that utilizes energy harvesting technology to transmit information using minimal power. In addition to wireless transmission capability, no power source or maintenance is required, making it ideal for HEMS and BEMS. The ROHM Group is a promoter and key member of the EnOcean Alliance, an organization for promoting the wireless standard, where ROHM will focus on technology development and product sales.

*4 HD-PLC Inside
A standard for building high-speed communication networks using existing power lines. It is expected to spread to home LANs, etc.

*5 Wi-SUN (Wireless Smart Utility Network)
An international wireless communication standard that uses subgigahertz radio frequencies of about 900 MHz. It enables communications over a maximum length of 500 m. It is viewed as the best standard for building smart communities where information is collected from smart meters, etc.

*6 Bluetooth Smart
Bluetooth is a near-field digital wireless telecommunication standard for exchanging information (including textual and voice data) between devices at a distance of several to tens of meters using the 2.4 GHz frequency band. It has been adopted in a number of products, such as keyboards and mice for PCs (mainly notebook PCs), mobile phones, PHSs, and smartphones. Bluetooth Smart is a brand name that indicates compatibility with Bluetooth® Low Energy, a low energy protocol of the Bluetooth standard.

*7 RPS (Rohm Production System)
A production system centered on improvement activities for integrating higher quality into products, shortening lead time and thoroughly eliminating waste in inventory and other operations at all Group plants. ROHM believes that establishing production systems of unparalleled efficiency and quality is essential for strengthening the Group’s earning structure.

Overview of Performance by Segment

<ICs>

Consolidated net sales for the year ended March 31, 2015 were 169,916 million yen (an increase of 10.2% from the year ended March 31, 2014) and segment income was 22,286 million yen (an increase of 141.8% from last year).

In the automotive sector, sales of general-purpose power ICs, LED driver ICs, LCD driver ICs, and power ICs for car audio systems grew as a result of increased adoption of in-vehicle electronics, while sales of power ICs in the industrial equipment field increased as well.

In the IT-related market, sales of power ICs for tablets grew significantly, along with sales of camera module lens driver ICs, brightness sensors and Hall sensors for smartphones.

In the digital AV equipment field, sales of power ICs for cameras were stagnant due to the continuing slump in the digital camera market, but system ICs for audio remained strong. In the TV market, sales of power ICs, timing controller ICs and other products to Korea and China increased.

In the game console market, sales of power ICs and other products held steady owing to greater demand from some customers.

Similarly, sales of general-purpose power ICs and EEPROMs (*8) increased.

LAPIS Semiconductor Co., Ltd. posted lower sales of memory ICs for a certain game console market. However, increased use of DRAM products and low power microcontrollers was seen in the automotive and industrial equipment markets, along with wireless communication ICs for smart meters.

*8 EEPROM (Electrically Erasable Programmable Read-Only Memory)
A type of non-volatile memory for storing data.

<Discrete Semiconductor Devices>

Consolidated net sales for the year ended March 31, 2015 were 129,047 million yen (an increase of 9.6% from the year ended March 31, 2014) and segment income was 15,910 million yen (an increase of 12.9% from last year).

Sales of power MOSFETs and small-signal MOSFETs (*9) for automotive, industrial equipment and smartphone applications were strong, while growth was seen with small-signal diodes for smartphones and tablets and power diodes for the automotive market.

Regarding power devices, sales of SiC devices and modules for air conditioners and solar power equipment increased, while sales in the automotive-related sector grew due to increased use by vehicle manufacturers. IGBTs (*10) that were launched just this year also saw greater adoption in the automotive industry.

As for LEDs, sales in the car audio market remained steady, but overall results were down as sales to the gaming and entertainment markets declined in the second half of the year. In the laser diode category, sales for the printer market trended upward.

*9 MOSFET
Short for Metal Oxide Semiconductor Field Effect Transistor. This type of transistor enables faster switching with less power consumption than bipolar transistors, and is widely used in a variety of electronic products.

*10 IGBT
Short for Insulated Gate Bipolar Transistor, a semiconductor that combines the best features of a MOSFET and bipolar transistor, making it ideal for power control applications.

<Modules>

Consolidated net sales for the year ended March 31, 2015 were 36,084 million yen (an increase of 14.0% from the year ended March 31, 2014) and segment income was 2,087 million yen (an increase of 44.6% from last year).

Favorable sales results of printheads were posted for image sensors to the Chinese market as well as mobile payment terminals.

In the optical module segment, sales of IrDA (*11) communication modules for gaming consoles and other devices were sluggish, but sales of miniature sensor modules for smartphones increased significantly.

Sales of power modules for the camera market were down.

*11 IrDA
Short for Infrared Data Association, the organization responsible for establishing technical standards for near-field data communications using infrared light.

<Others>

Consolidated net sales for the year ended March 31, 2015 were 27,726 million yen (an increase of 0.8% from the year ended March 31, 2014) and segment loss was 900 million yen (segment loss of 797 million yen for the year ended March 31, 2014).

Sales of resistors for smartphones and automotive applications increased, while sales of tantalum capacitors were firm and driven by ultra-small models for smartphones and tablets.

Regarding our LED lighting products, the ROHM Group continued to shift from B-to-C to B-to-B operations where we can best utilize our sensor networking technologies and other strengths as a semiconductor manufacturer.

Please note that the above sales figures were to external customers.

(2) Analysis on Status of Financial Condition and Cash Flow

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

The financial condition of the ROHM Group for the year ended on March 31, 2015 was as follows.

Total assets increased by 109,972 million yen to 864,380 million yen. The main factors that contributed to this were increases in each shor-term investments of 48,147 million yen, property, plant and equipment of 18,995 million yen, investment securities of 14,632 million yen, investments and other assets (other) of 12,901 million yen (including 12,533 million yen in long-term deposits), inventories of 9,309 million yen, notes and accounts receivable (trade) of 9,103 million yen.

Liabilities increased by 20,926 million yen from the previous fiscal year to 111,946 million yen. The main factors that contributed to this were increases in each notes and accounts payable (construction and other) of 8,782 million yen, deferred tax liabilities of 3,807 million yen, accrued expenses of 3,829 million yen, and income tax payable of 3,002 million yen.

Total equity increased by 89,046 million yen from the previous year to 752,434 million yen. The main factors that contributed to this were increases in each retained earnings of 38,517 million yen after posting net income, foreign currency translation adjustments of 38,480 million yen, and unrealized gain on available-for-sale securities of 11,095 million yen.

As a result, equity ratio decreased from the 87.9% of the previous year to 87.0%.

Cash flow for the year ended on March 31, 2015 was as follows.

Cash flow from operating activities was a positive 72,381 million yen, representing an increase of 13,246 million yen from the previous year (positive 59,135 million yen). The positive factors behind this were an increase in income before income taxes and minority interests, a reversal of the decrease in accounts payable (other) to an increase, and an increase in depreciation and amortization. The lone negative factor affecting cash flow was a reversal of the decrease in inventories to an increase.

Cash flow from investing activities was a negative 100,638 million yen, representing an increase of 79,017 million yen from the previous year (negative 21,621 million yen). The negative factors behind this were an increase in time deposits, a decrease in proceeds from the sales of property, plant and equipment, and an increase in purchases of property, plant and equipment.

Cash flow from financing activities was a negative 8,172 million yen, representing an increase of 4,218 million yen from the previous year (negative 3,954 million yen). Negatively affecting this was an increase in dividends paid.

After adding in 18,706 million yen from the effects of exchange rate changes, cash and cash equivalents decreased 17,723 million yen from the previous year to 222,668 million yen.

Risk Management

The following are risks that may have a significant impact on the financial status and operating results of the ROHM Group.

References to future events are based on judgments made by the ROHM Group at the end of this fiscal year.

(1) Risks Associated with Market Changes

The semiconductor and electronics component industries are subject to sharp and abrupt changes in market conditions in the short term, caused by factors such as the production trends of end-set manufacturers, which readily fluctuate according to the sales performance of electronic products, automotive products, and industrial equipment, as well as competition in prices and technology development with rival companies. Prices are especially susceptible to sudden drops due to the supplydemand relationship, while competition from emerging Asian manufacturers tends to cause instability with regard to maintaining and increasing sales and ensuring profits.

(2) Exchange Risks

The ROHM Group has expanded its stronghold in global development, production, and sales. Therefore, the financial statements prepared in each local currency are converted into Japanese yen in order to prepare consolidated financial statements. Accordingly, even if the values in local currencies remain the same, the profits and losses on the consolidated financial statements may be affected by the exchange rates at the time of conversion. While conducting production activities in Japan, Asian countries, the US, and European countries, the ROHM Group sells its products on the world market. This means different currencies are used between production and sales bases, and consequently exchange rate fluctuations exert a continual influence on the ROHM Group. Generally, a strong Japanese yen conversion adversely affects our business performance, while a weak yen conversion has a favorable impact.

(3) Risks of Product Defects

As stated in the Company Mission, the ROHM Group places top priority on quality, and develops products subject to stringent quality control standards. However, this does not guarantee that defective products will never be produced or that claims arising from product defects will never be sought by buyers in the future. If a buyer should make a claim for defects regarding ROHM products, company performance may be adversely affected.

(4) Legal Risks

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

(5) Natural Disasters and Geopolitical Risks

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

(6) Mergers and Acquisitions Risks

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

(7) Research and Development Risks

At present, new technologies and products are being developed and diffused in different electronics fields. ROHM Group, as a part of electronics related industry, continually faces stiff competition in technology and product development and therefore must exert ourselves day and night in the research and development of materials and products in order to produce new products and technologies. Consequently, our research and development expenditures in the year ended March 31, 2015 were approximately 11 percent of our consolidated sales. In these research and development activities, plans may be considerably delayed, and the opportunity to introduce them into the market missed, for example, due to a lack of technical capabilities or the ability to develop new products. And, there is also the possibility that the new products we develop may not receive favorable acceptance by the market as anticipated. If this occurs, it may affect our business performance.

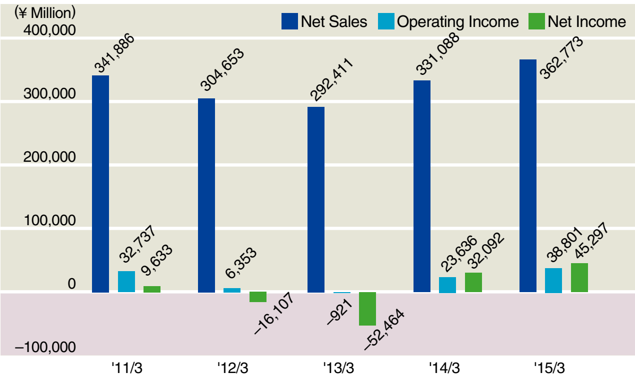
(8) Other Risks and Our Corporate Risk Management System

In addition to the above-mentioned risks, there are various other factors that may influence our financial situation and business performance, such as risks related to logistics, material and energy procurement, security leaks, and information systems. In response, the ROHM Group has been making company-wide efforts to enhance its risk management system in order to avert these risks and, in their event, minimize their impact. To identify, analyze, control, and manage significant risks that may arise in the course of executing business within the Group, ROHM organized the “Risk Management and BCM Committee” under the CSR Committee with the President serving as the chairman. Along with overseeing the activities of the main departments that control risks, the committee crafts and enforces across the company Business Continuity Plans (BCP) so that ROHM is proactive and prepared for possible risks.

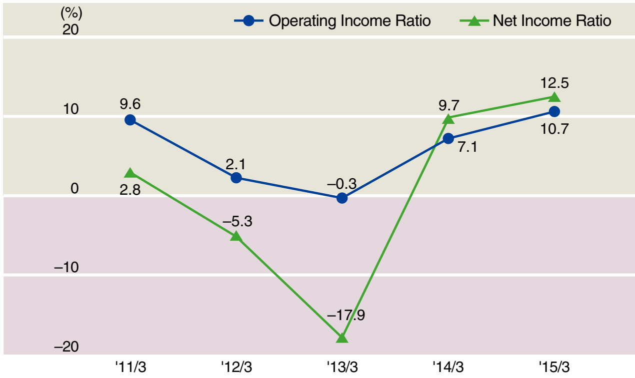
Five-Year Summary

■ Results of Operations

1. Results of Operations



2. Income Ratio



●The world economy was bullish as a whole in the fiscal year ended March 31, 2015, despite the concerns over falling oil prices, economic stagnation in Europe and other potentially destabilizing events. Much of that owed to the continued economic expansion in the US, gradual improvement in the Japanese economy, and high growth rates maintained in China and other emerging economies.

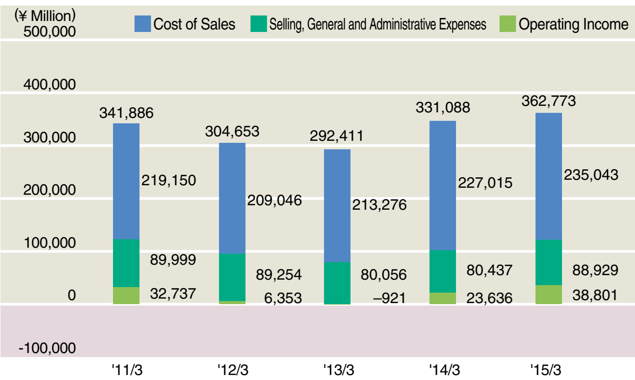
In the electronics industry, the automotive sector was solid owing to strong sales in the US and Europe and increased adoption of in-vehicle electronics, while the industrial equipment and smartphone sectors held their ground. The PC sector grew steadily in the first half of the year in and around tablet applications, but went into a corrective phase in the latter half of the year.

In the midst of such a business environment, net sales increased thanks to having been focusing on automotive and industrial markets.

In terms of profits, as a result of the increased sales, gross profits and operating income increased, also net income increased thanks to the increase in operating income, the increase in foreign currency exchange gains, etc.

Owing to such effects, both operating income ratio and net income ratio also improved from the previous term.

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

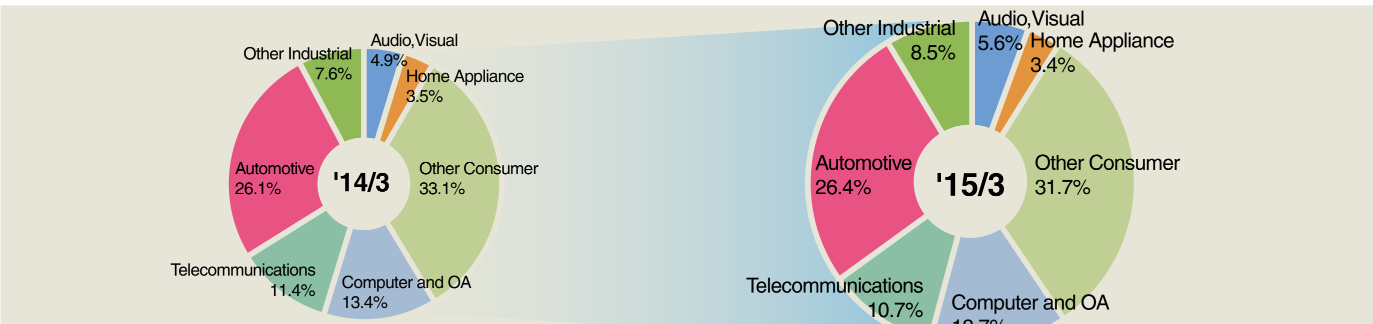


●The cost of sales increased from the previous term due to an increase in production expenses and depreciation.

Selling, general and administrative expenses increased as a whole, as research and development costs primarily increased.

Operating income increased from the previous term as the increase in net sales exceeded these increase factors of expenses.

■ Sales by Application

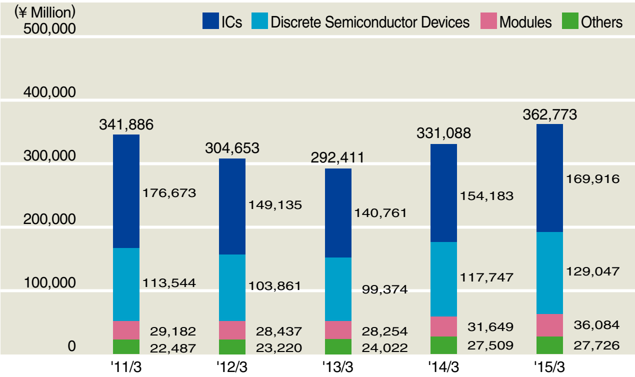


Note : Data on this page include estimates to some extent. Please use these data for your reference.

●The composition ratio of other industrial and audio, visual increased, since net sales for other industrial that we have been focusing on, and audio, visual increased significantly from the previous term. On the other hand, the composition ratio of other consumer and telecommunication decreased relatively, since net sales to the other consumer and telecommunication did not increase significantly from the previous term.

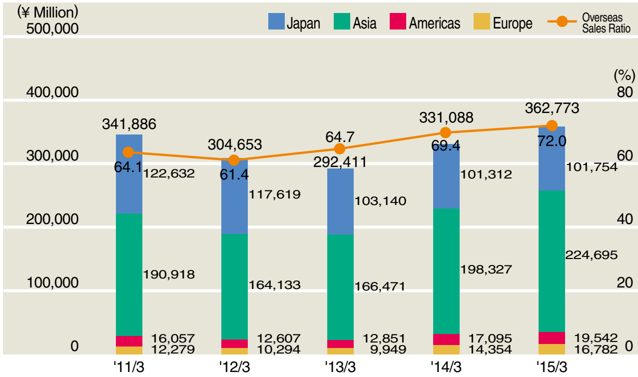
■ Sales

1. Sales by Segment



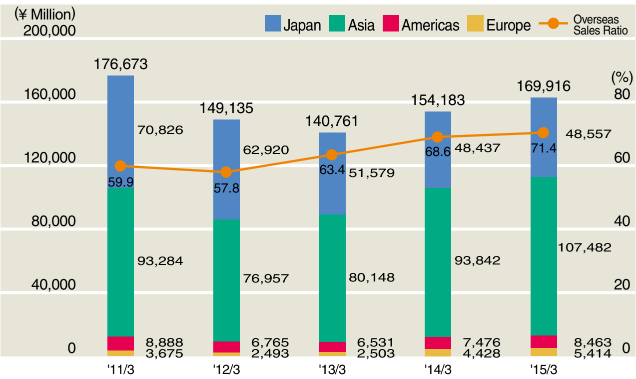
●Net sales of ICs increased because sales of power ICs and LED driver ICs for automotive equipment, and system ICs for audio equipment were on the rise.
Net sales of Discrete Semiconductor Devices increased because sales of MOSFETs and diodes for automotive market and smartphones and tablet PCs were robust, LEDs for car audio and laser diodes for printers were strong.
Net sales in the Modules increased because sales of printheads for mini-printers were strong.
Net sales in Others segment increased because sales of sensor modules and resistors for smartphones, tantalum capacitors for tablet PCs, resistors for automotive market were strong.

2. Sales by Geographical Region and Overseas Sales Ratio



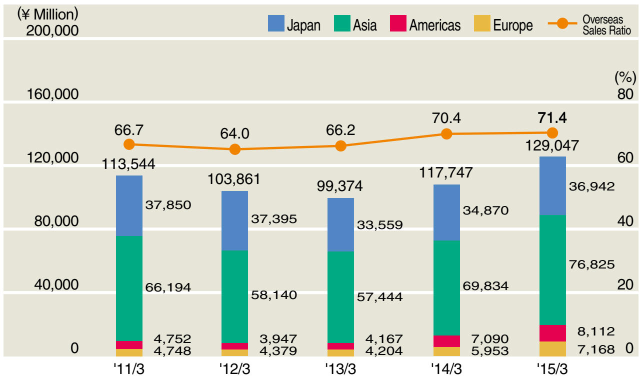
●Net sales in Japan were flat because sales for flat panel and camera markets were sluggish, although sales for automotive and industrial equipment markets were strong.
Net sales in Asia increased because sales of power ICs and ultrasmall components and sensor for the smartphone and tablet PC markets were robust.
Net sales in Americas increased because sales of ICs and discrete semiconductor devices for automotive market were on the rise.
Net sales in Europe increased because sales of ICs and discrete semiconductor devices for automotive and industrial equipment markets were on the rise.

3. ICs Sales by Geographical Region



●Net sales in Japan were flat because sales for camera market were sluggish, although sales for FA and other consumer were strong.
Net sales in Asia increased because sales for smartphones and PCs and TVs were robust.
Net sales in Americas increased because sales for automotive and TVs market were on the rise.
Net sales in Europe increased because sales for automotive and industrial equipment markets were strong.

4. Discrete Semiconductor Devices Sales by Geographical Region

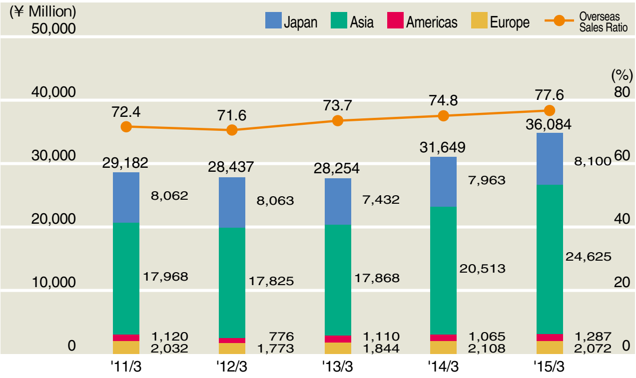


●Net sales in Japan increased because sales for automotive and FA market were strong.
Net sales in Asia increased because sales for PCs and car audio and office equipment were on the rise.
Net sales in Americas and Europe increased because sales for automotive market were strong.

Five-Year Summary

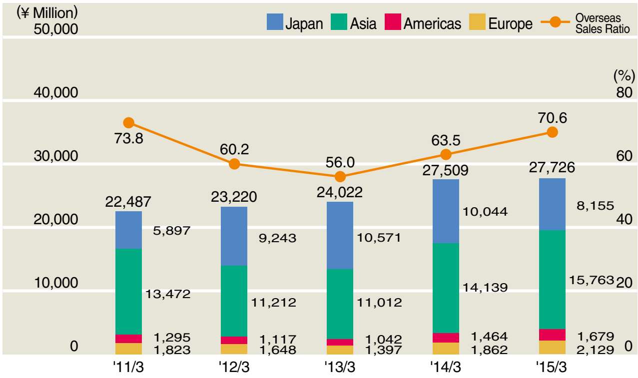
■ Sales

5. Modules Sales by Geographical Region



●Net sales in Japan increased because sales for FA and electrical measuring equipment were strong.
Net sales in Asia increased because sales for office equipment and audio were on the rise.
Net sales in Americas increased because sales for office equipment were strong.
Net sales in Europe decreased because sales for telecommunications and infrastructure were weak.

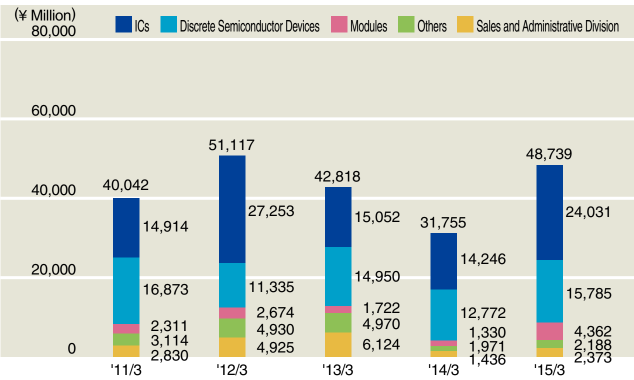
6. Others Sales by Geographical Region



●In Japan, sales for LED lightings and medical equipment decreased.
Net sales in Asia increased because sales for automotive equipment and car audio equipment were robust.
Net sales in the Americas increased because sales for automotive equipment market were strong.
Net sales in Europe increased because sales for automotive equipment were strong.

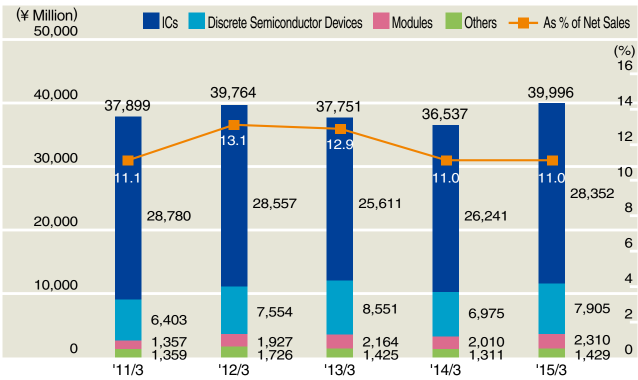
■ Capital Expenditures / Research and Development Costs

1. Capital Expenditures



●In the ICs segment, for the wafer process MEMS-related lines were added at the Head Office facility and the Hamamatsu 12-inch line was greatly enhanced, while for the assembly process a new plant was being constructed in Thailand and facilities expanded in the Philippines.
In the Discrete Semiconductor Devices segment, the 8-inch line was augmented for the wafer process, and steps taken to heighten the efficiency of Thailand and Philippines facilities for the assembly process, while IGBT was reinforced as well.
In the Modules segment, product lines were reinforced for new sensor products in optical modules, etc.
In Others segment, production systems in tantalum capacitors were reinforced for new products and factory efficiency improved.

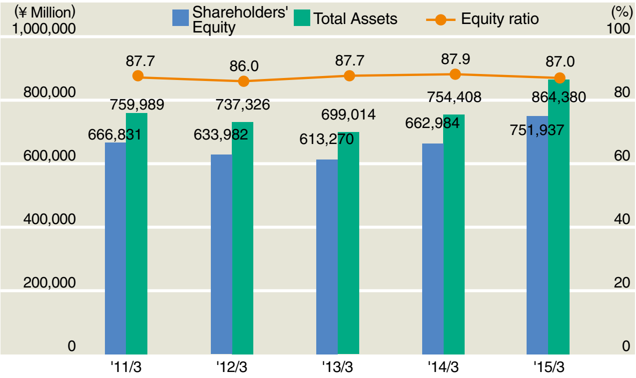
2. Research and Development Costs



●The ROHM Group has been focusing R&D on future growth, developing products in core areas and expanding our share of target markets.
We believe R&D costs should be about 10% of net sales as a rough target. We will actively strengthen product lineups centering on our four growth engines and further promote R&D to ensure future profits.
R&D costs in the year ended March 31, 2015 increased in the ICs and discrete semiconductor devices segment.

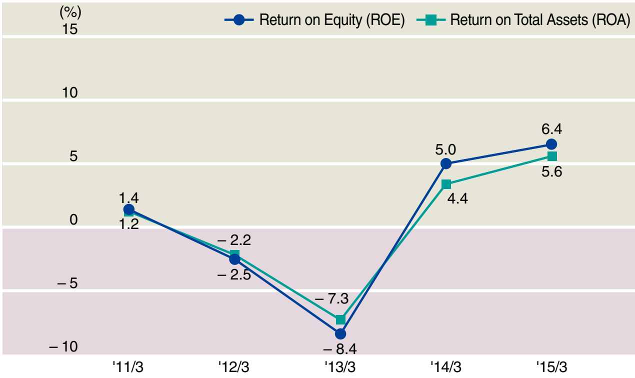
■ Financial Position

1. Shareholders' Equity / Total Assets



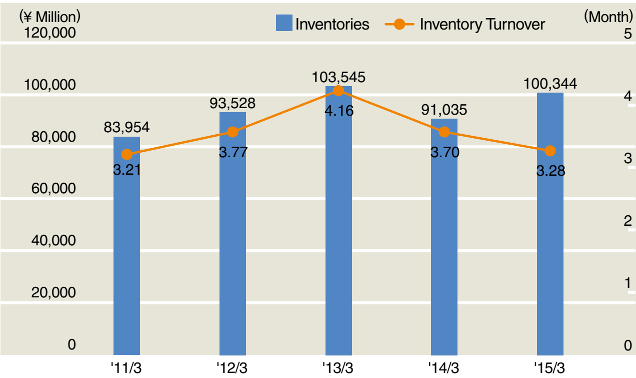
●Total assets increased from the previous term because of purchasing short-term investments and rising stock prices,purchasing property, plant and equipment, etc.
Shareholders' equity increased from the previous term owing to this term's posted profits and an increase in foreign currency translation adjustments as a result of a weaker Japanese yen than at the end of the previous term.
Owing to these effects, equity ratio decreased from the previous term.
The ROHM Group is committed to funding business operations with its own capital from the perspective of ensuring financial soundness.
For this reason, equity ratio remains high.

2. Return on Equity (ROE) / Return on Total Assets (ROA)



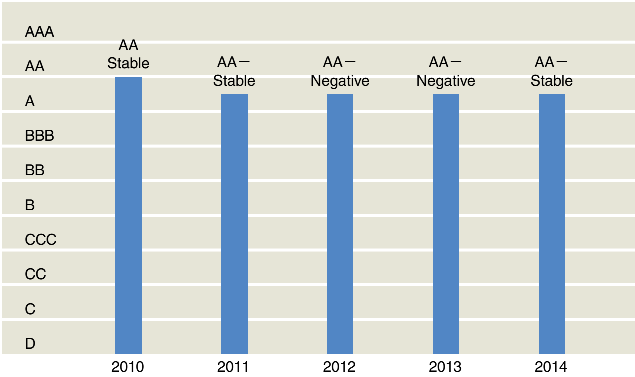
●Because net income increased from the previous term owing to posted profits derived from a increase in sales, a increase in foreign currency exchange gains, and other factors, both the return on equity (ROE) and the return on total assets (ROA) improved from the previous term.

3. Inventories / Inventory Turnover



●Inventories were accumulated in anticipation of rising demand from spring onward, and as a result, merchandise and finished goods, etc. increased compared to the preceding term.
However, as the rate of sales increase over the past three months exceeded the rise in inventories, the inventory turnover grew shorter year-on-year.
The ROHM Group has been working to provide high added-value, highly reliable products by manufacturing products from the stage of raw materials, based on a business model that relies on vertically integrated manufacturing.

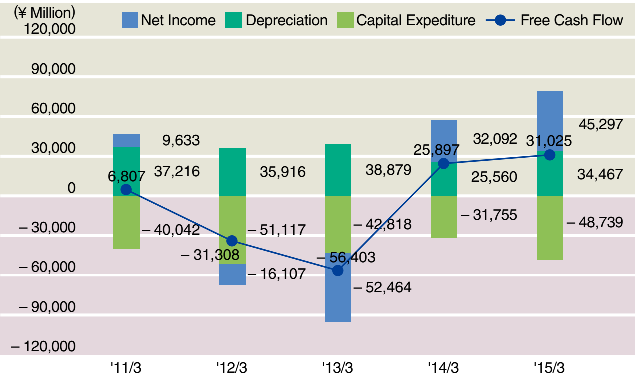
4. Credit Ratings



●ROHM has its corporate credit rated by JCR (Japan Credit Rating Agency, Ltd.).
Although there have been changes in the forecast as a result of posting negative returns, etc. in the past, ROHM's rating remains consistently AA (very high credit quality, i.e. very low credit risk.)

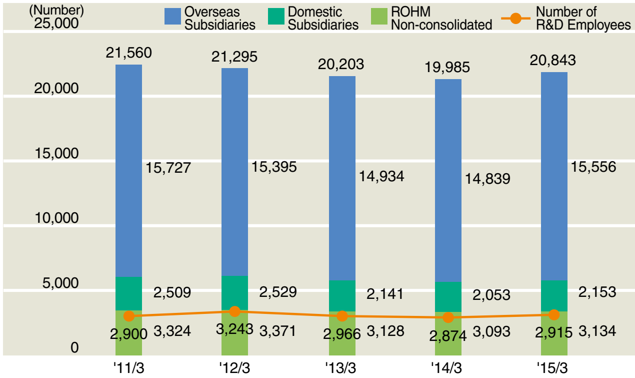
Five-Year Summary

Free Cash Flow



●Current free cash flow increased from the previous year owing to the increase in current net income, etc.

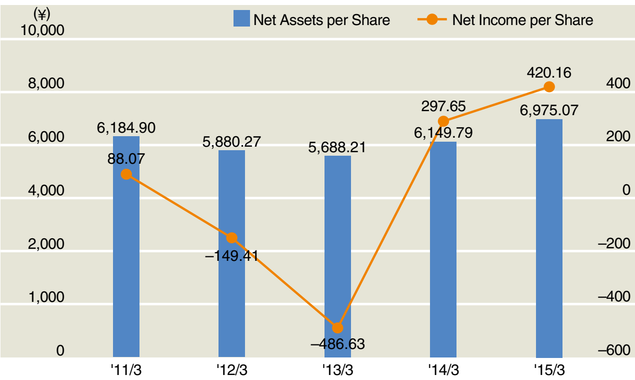
Number of Employees



●The number of employees increased from the previous term as a result of increasing of personnel mostly at overseas subsidiaries.

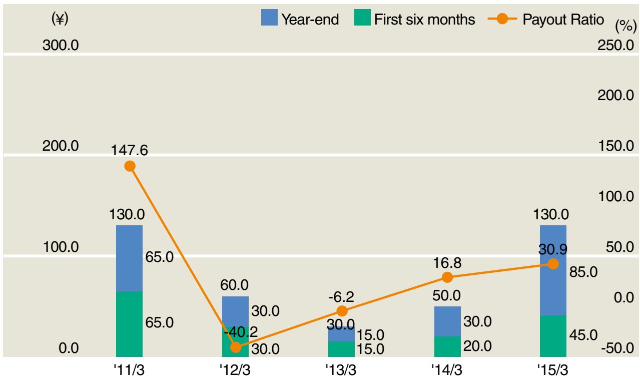
Share-related Information

1. Per Share Data



●Current net income per share increased from the previous year owing to the increase in current net income, etc.
The net assets increased owing to posted current profits, an increase in foreign currency translation adjustments, etc.
As a result, net assets per share increased from the previous term.

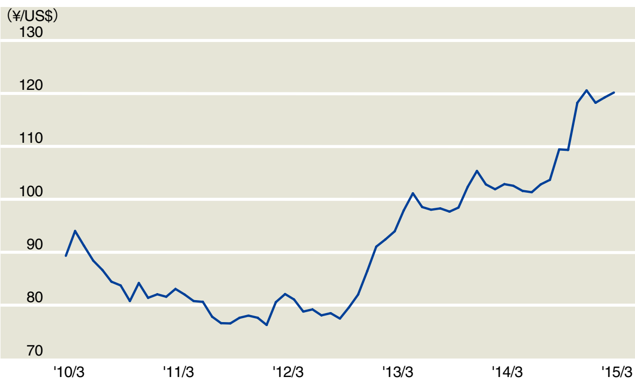
2. Cash Dividends per Share / Payout Ratio



●Although the first six months dividend was planned to be 30 JPY and the year-end dividend was planned to be 30 JPY each at the beginning of the term, we decided the first six months dividend 45 JPY and the year-end dividend 85 JPY, because our performance during this term was strong.
As a result, the annual divided was 130 JPY, which increased by 80 JPY from the previous term. In this way, consolidated payout ratio improved.
In the future, ROHM will strive to ensure a 30% consolidated payout ratio or more, and strengthen the return to our shareholders by improving our performance.

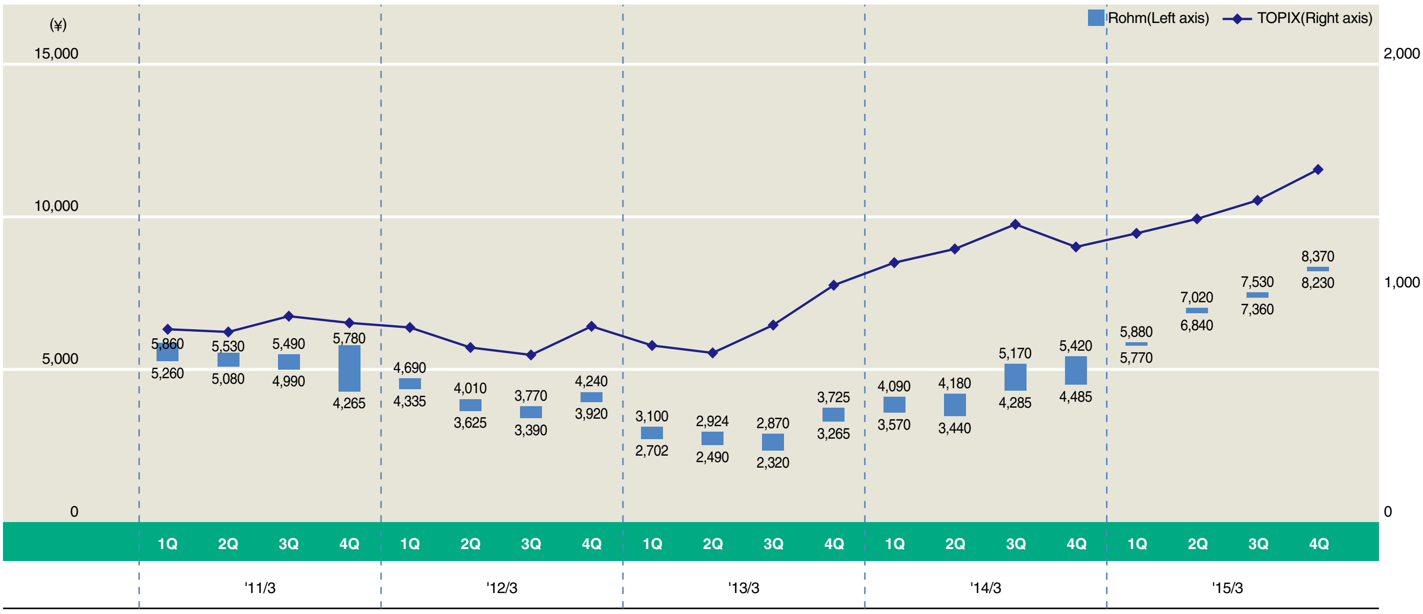
Management Environment

Currency Movement



●The dollar-yen exchange rate has been marked by major, ongoing weakening of the yen, with an average for the term of 110.03 yen to the dollar, a 5.83 yen depreciation compared to the preceding term's average of 104.20 yen to the dollar.

■ Stock Prices：Quarterly Highs and Lows in Each Year (Tokyo Securities Exchange)



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

●Efforts to enhance our corporate value

The ROHM Group is making concerted efforts to enhance share value.

To that end, it is our first priority to improve our performance. We are working to expand our product lineups for new markets such as the automotive and industrial equipment markets, strengthen the sales system for overseas customers, and develop new products and new technologies for next generation applications to note first and foremost our four growth engines.

The ROHM Group is also working to improve returns to shareholders by ensuring at least a 30% consolidated payout ratio or returning 100% of our free cash flow, etc.

■ Stock Information (as of March 31, 2015)

● Authorized Common Stock 300,000,000

● Issued Common Stock 113,400,000

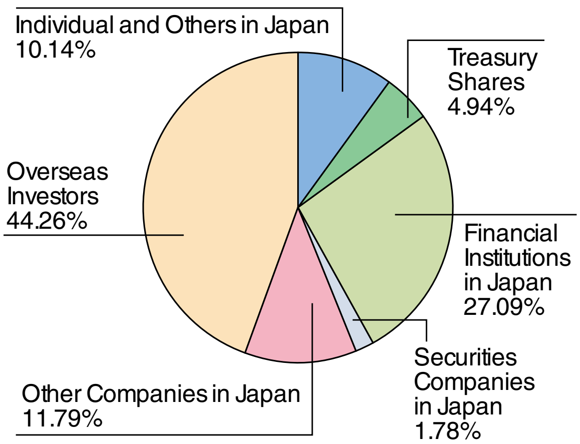
● Number of Shareholders 23,973

● Major Shareholders

Ranking	Name	Number of Shares Held	Percentage (%)
1	The Master Trust Bank of Japan, Ltd. (Trust account)	8,470,800	7.85
2	Japan Trustee Service Bank, Ltd. (Trust account)	8,134,600	7.54
3	Rohm Music Foundation	8,000,000	7.42
4	Bank of Kyoto, Ltd.	2,606,824	2.41
5	Ken Sato	2,405,066	2.23
6	SAJAP	1,945,300	1.80
7	Japan Trustee Service Bank, Ltd. (Trust account 9)	1,565,000	1.45
8	BBH BOSTON CUSTODIAN FOR BLACKROCK GLOBAL ALLOCATION FUND, INC. 620313	1,420,800	1.31
9	STATE STREET BANK WEST CLIENT - TREATY 505234	1,377,139	1.27
10	THE BANK OF NEW YORK MELLON SA/NV 10	1,375,494	1.27
Total		37,301,023	34.60

(Note) 1. Treasury stock (5,596,799) is excluded from the above list.
2. Percentage indicates ratio to issued common stock (107,803,201).
3. The percentages are rounded off the second decimal place.

● Shareholder Mix



Notes (Computation)

- **Equity ratio =** shareholder's equity / total assets
- **Return on equity (ROE) =** net income / (shareholder's equity at the beginning of the year + shareholder's equity at the end of the year) / 2
- **Return on total assets (ROA) =** net income / (total assets at the beginning of the year + total assets at the end of the year) / 2
- **Inventory turnover =** {(inventories at the beginning of the year + inventories at the end of the year) / 2 } / monthly average sales for the most recent three months
- **Net income per share =** (net income - ammount not attributable to common shareholders) / average number of shares during the period
- **Net assets per share =** (total net assets - minority interests - ammount not attributable to common shareholders) / year-end number of shares outstanding
- **Payout ratio =** cash dividends per share / net income per share

*1 Shareholder's equity = total net assets - minority interests

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

*3 The average number of shares of common stock used in the computation for the fiscal year was 107,804 thousand for 2015, 107,811 thousand for 2014, 107,814 thousand for 2013, 107,815 thousand for 2012, 109,357 thousand for 2011, respectively.

Eleven-Year Summary

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

	2005	2006	2007	2008
For the Year:				
Net sales	¥ 369,024	¥ 387,790	¥ 395,082	¥ 373,406
Cost of sales	221,133	243,516	251,516	230,839
Selling, general and administrative expenses	71,837	75,955	74,068	75,205
Operating income (loss)	76,054	68,319	69,498	67,362
Income (loss) before income taxes and minority interests	70,842	73,858	77,874	57,967
Income taxes	25,667	25,490	30,400	26,007
Net income (loss)	45,135	48,305	47,446	31,932
Capital expenditures	85,171	80,240	60,926	38,722
Depreciation and amortization	47,442	57,032	61,141	55,605
Per Share Information (in yen and U.S. dollars):				
Basic net income (loss)	¥ 380.21	¥ 416.39	¥ 413.56	¥ 284.66
Cash dividends applicable to the year	85.00	90.00	100.00	230.00
At Year-End:				
Current assets	¥ 512,990	¥ 568,112	¥ 602,705	¥ 535,898
Current liabilities	85,964	105,779	80,383	62,775
Equity	739,329	787,214	817,818	755,873
Total assets	867,323	951,442	962,603	870,972
Number of employees	19,803	20,279	20,422	20,539

Notes:
1. U.S. dollar amounts are provided solely for convenience at the rate of ¥120 to U.S.$1, the approximate exchange rate at March 31, 2015.
2. Certain reclassifications of previously reported amounts have been made to conform with the classifications in the 2015 financial statements.
3. Diluted net income per share for 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006 and 2005 is not disclosed because there were no outstanding potentially dilutive securities and ROHM CO., LTD., was in a net loss position for the years ended March 31, 2013 and 2012.
4. Effective April 1, 2008, ROHM CO., LTD., and its consolidated subsidiaries applied new accounting standards as follows:
   (1) Applied a new accounting standard for measurement of inventories. The effect of this change was to decrease “Operating Income” by ¥3,184 million and to increase “Loss before income taxes and minority interests” by ¥3,184 million for the year ended March 31, 2009.
   (2) Applied a new accounting standard for lease transactions. The effect of this change to the consolidated financial statements was immaterial for the year ended March 31, 2009.
   (3) Applied a new accounting standard for unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements. The effect of this change to he consolidated financial statements was immaterial for the year ended March 31, 2009.
5. Effective April 1, 2010, ROHM CO., LTD., and its consolidated subsidiaries applied a new accounting standard as follows:
   Applied a new accounting standard for asset retirement obligations. The effect of this change was to decrease “Operating Income” by ¥73 million and “Income before income taxes and minority interests” by ¥784 million for the year ended March 31, 2011.

	Millions of Yen							Thousands of U.S. Dollars
	2009	2010	2011	2012	2013	2014	**2015**	**2015**
	¥ 317,141	¥ 335,641	¥ 341,886	¥ 304,653	¥ 292,411	¥ 331,088	**¥ 362,773**	**$ 3,023,108**
	217,282	229,831	219,150	209,046	213,276	227,015	**235,043**	**1,958,691**
	89,319	87,000	89,999	89,254	80,056	80,437	**88,929**	**741,075**
	10,540	18,810	32,737	6,353	(921)	23,636	**38,801**	**323,342**
	(25,520)	10,836	19,400	(2,697)	(52,414)	40,179	**55,240**	**460,333**
	(33,775)	4,001	9,524	13,374	10	8,056	**9,898**	**82,483**
	9,837	7,134	9,633	(16,107)	(52,464)	32,092	**45,297**	**377,475**
	51,491	30,216	40,042	51,117	42,818	31,755	**48,739**	**406,158**
	48,951	48,446	39,019	34,925	38,857	25,560	**34,467**	**287,225**
	¥ 89.76	¥ 65.10	¥ 88.07	¥ (149.41)	¥ (486.63)	¥ 297.65	**¥ 420.16**	**$ 3.50**
	130.00	130.00	130.00	60.00	30.00	50.00	**130.00**	**1.08**
	¥ 464,187	¥ 462,435	¥ 436,247	¥ 434,457	¥ 423,064	¥ 461,746	**¥ 523,376**	**$ 4,361,467**
	68,325	68,850	64,334	74,337	55,750	52,955	**69,660**	**580,500**
	709,841	707,719	668,779	634,280	613,647	663,388	**752,434**	**6,270,284**
	809,185	807,340	759,989	737,326	699,014	754,408	**864,380**	**7,203,167**
	22,034	21,005	21,560	21,295	20,203	19,985	**20,843**	

Consolidated Balance Sheet

ROHM CO., LTD. and its Consolidated Subsidiaries
March 31, 2015

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	**2015**
Current Assets:			
Cash and cash equivalents (Note 18)	**¥ 222,668**	¥ 240,391	**$ 1,855,567**
Marketable securities (Notes 4 and 18)	**13,349**	8,282	**111,242**
Short-term investments (Notes 5 and 18)	**87,738**	39,591	**731,150**
Notes and accounts receivable (Note 18):			
Trade	**78,854**	69,751	**657,117**
Other	**3,267**	2,759	**27,225**
Allowance for doubtful accounts	**(293)**	(220)	**(2,442)**
Inventories (Note 6)	**100,344**	91,035	**836,200**
Deferred tax assets (Note 17)	**9,375**	4,171	**78,125**
Refundable income taxes (Note 18)	**547**	270	**4,558**
Prepaid expenses and other	**7,527**	5,716	**62,725**
Total current assets	**523,376**	461,746	**4,361,467**
Property, Plant and Equipment:			
Land (Note 7)	**64,039**	63,961	**533,658**
Buildings and structures (Note 7)	**221,834**	213,748	**1,848,617**
Machinery, equipment and vehicles (Notes 7 and 20)	**511,008**	465,152	**4,258,400**
Furniture and fixtures (Notes 7 and 20)	**51,459**	45,585	**428,825**
Construction in progress (Note 7)	**18,746**	15,829	**156,217**
Total	**867,086**	804,275	**7,225,717**
Accumulated depreciation	**(635,793)**	(591,977)	**(5,298,275)**
Net property, plant and equipment	**231,293**	212,298	**1,927,442**
Investments and Other Assets:			
Investment securities (Notes 4 and 18)	**72,758**	58,126	**606,317**
Investments in and advance to unconsolidated subsidiaries and associated companies (Note 18)	**705**	715	**5,875**
Asset for retirement benefits (Note 8)	**1,948**	723	**16,233**
Goodwill (Note 7)	**33**	67	**275**
Other intangible assets (Note 7)	**5,368**	2,939	**44,733**
Deferred tax assets (Note 17)	**3,836**	5,525	**31,967**
Other	**25,458**	12,557	**212,150**
Allowance for doubtful accounts	**(395)**	(288)	**(3,292)**
Total investments and other assets	**109,711**	80,364	**914,258**
Total	**¥ 864,380**	¥ 754,408	**$ 7,203,167**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	**2015**
Current Liabilities:			
Notes and accounts payable (Note 18):			
Trade	**¥ 19,791**	¥ 19,390	**$ 164,925**
Construction and other	**24,486**	15,704	**204,050**
Income tax payable (Note 18)	**6,639**	3,637	**55,325**
Deferred tax liabilities (Note 17)		46	
Accrued expenses	**15,933**	12,104	**132,775**
Other	**2,811**	2,074	**23,425**
Total current liabilities	**69,660**	52,955	**580,500**
Long-term Liabilities:			
Liability for retirement benefits (Note 8)	**9,252**	9,949	**77,100**
Deferred tax liabilities (Note 17)	**29,618**	25,765	**246,817**
Other	**3,416**	2,351	**28,466**
Total long-term liabilities	**42,286**	38,065	**352,383**
Commitments and Contingent Liabilities (Notes 19, 20 and 21)			
Equity (Notes 9 and 23):			
Common stock - authorized, 300,000,000 shares issued, 113,400,000 shares	**86,969**	86,969	**724,742**
Capital surplus	**102,404**	102,404	**853,367**
Retained earnings	**599,519**	561,002	**4,995,991**
Treasury stock - at cost 5,596,799 shares in 2015 and 5,594,438 shares in 2014	**(50,141)**	(50,125)	**(417,842)**
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities (Note 4)	**24,443**	13,348	**203,692**
Foreign currency translation adjustments	**(7,309)**	(45,789)	**(60,908)**
Accumulated adjustments for retirement benefits	**(3,948)**	(4,825)	**(32,900)**
Total	**751,937**	662,984	**6,266,142**
Minority interests	**497**	404	**4,142**
Total equity	**752,434**	663,388	**6,270,284**
Total	**¥ 864,380**	¥ 754,408	**$ 7,203,167**

Consolidated Statement of Operations

ROHM CO., LTD. and its Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2015	2014	2013	**2015**
Net Sales	**¥ 362,773**	¥ 331,088	¥ 292,411	**$ 3,023,108**
Operating Cost and Expenses:				
Cost of sales	**235,043**	227,015	213,276	**1,958,691**
Selling, general and administrative expenses (Notes 10 and 11)	**88,929**	80,437	80,056	**741,075**
Total operating cost and expenses	**323,972**	307,452	293,332	**2,699,766**
Operating Income (Loss)	**38,801**	23,636	(921)	**323,342**
Other Income (Expenses):				
Interest and dividend income	**2,395**	1,809	1,750	**19,958**
Foreign currency exchange gains - net	**17,872**	10,092	9,697	**148,933**
Gain on sale of property, plant and equipment	**310**	5,832	529	**2,583**
Loss on sale and disposal of property, plant and equipment	**(881)**	(440)	(750)	**(7,342)**
Gain on insurance settlement (Note 12)	**2,487**	896	2,988	**20,725**
Loss on impairment of long-lived assets (Note 7)	**(5,876)**	(951)	(55,047)	**(48,967)**
Loss on valuation of investment securities (Note 4)	**(8)**	(63)	(256)	**(67)**
Loss on valuation of investments in unconsolidated subsidiaries and associated companies	**(11)**		(1,135)	**(91)**
Loss on transfer of business (Notes 3 and 8)		(52)	(281)	
Loss on quality compensation (Note 15)		(850)	(3,670)	
Losses related to liquidation of subsidiaries (Note 13)			(618)	
Loss on liquidation of subsidiaries (Note 14)			(101)	
Special retirement expenses (Note 8)			(4,069)	
Loss on revision of retirement benefit plan (Notes 8 and 16)			(2,176)	
Other - net	**151**	270	1,646	**1,259**
Total other income (expenses) - net	**16,439**	16,543	(51,493)	**136,991**
Income (Loss) before Income Taxes and Minority Interests	**55,240**	40,179	(52,414)	**460,333**
Income Taxes (Note 17):				
Current	**13,383**	5,937	4,405	**111,525**
For prior periods	**385**	2,498		**3,208**
Deferred	**(3,870)**	(379)	(4,395)	**(32,250)**
Total income taxes	**9,898**	8,056	10	**82,483**
Net Income (Loss) before Minority Interests	**45,342**	32,123	(52,424)	**377,850**
Minority Interests in Net Income	**(45)**	(31)	(40)	**(375)**
Net Income (Loss)	**¥ 45,297**	¥ 32,092	¥ (52,464)	**$ 377,475**
	Yen			U.S. Dollars
Per Share Information (Note 2. (s)):				
Basic net income (loss)	**¥ 420.16**	¥ 297.65	¥ (486.63)	**$ 3.50**
Cash dividends applicable to the year	**130.00**	50.00	30.00	**1.08**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

ROHM CO., LTD. and its Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2015	2014	2013	**2015**
Net Income (Loss) before Minority Interests	**¥ 45,342**	¥ 32,123	¥ (52,424)	**$ 377,850**
Other Comprehensive Income (Note 22):				
Unrealized gain on available-for-sale securities	**11,095**	8,580	987	**92,458**
Foreign currency translation adjustments	**38,531**	17,676	35,661	**321,092**
Adjustments for retirement benefits	**278**			**2,317**
Total other comprehensive income	**49,904**	26,256	36,648	**415,867**
Comprehensive Income (Loss)	**¥ 95,246**	¥ 58,379	¥ (15,776)	**$ 793,717**
Total Comprehensive Income (Loss) Attributable to:				
Owners of the parent	**¥ 95,150**	¥ 58,350	¥ (15,858)	**$ 792,917**
Minority interests	**96**	29	82	**800**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

ROHM CO., LTD. and its Consolidated Subsidiaries
Year ended March 31, 2015

	Number of shares of common stock out standing	Millions of Yen									
						Accumulated other comprehensive income					
		Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Accumlated adjustments for retirement benefits	Total	Minority interests	Total equity
Balance at April 1, 2012	107,814,827	¥ 86,969	¥ 102,404	¥ 590,000	¥ (50,084)	¥ 3,780	¥ (99,087)		¥ 633,982	¥ 298	¥ 634,280
Net loss				(52,464)					(52,464)		(52,464)
Cash dividends, ¥45.00 per share				(4,852)					(4,852)		(4,852)
Purchase of treasury stock	(908)				(3)				(3)		(3)
Net change in the year						987	35,620		36,607	79	36,686
Balance at March 31, 2013	107,813,919	86,969	102,404	532,684	(50,087)	4,767	(63,467)		613,270	377	613,647
Net income				32,092					32,092		32,092
Cash dividends, ¥35.00 per share				(3,774)					(3,774)		(3,774)
Purchase of treasury stock	(8,357)				(38)				(38)		(38)
Net change in the year						8,581	17,678	(4,825)	21,434	27	21,461
Balance at March 31, 2014	107,805,562	86,969	102,404	561,002	(50,125)	13,348	(45,789)	(4,825)	662,984	404	663,388
Cumulative effect of changes in accounting policy(Note 2.(j))				1,305				599	1,904		1,904
Balance as restated	107,805,562	86,969	102,404	562,307	(50,125)	13,348	(45,789)	(4,226)	664,888	404	665,292
Net income				**45,297**					**45,297**		**45,297**
Cash dividends, ¥75.00 per share				**(8,085)**					**(8,085)**		**(8,085)**
Purchase of treasury stock	**(2,361)**				**(16)**				**(16)**		**(16)**
Net change in the year						**11,095**	**38,480**	**278**	**49,853**	**93**	**49,946**
Balance at March 31, 2015	**107,803,201**	**¥ 86,969**	**¥ 102,404**	**¥ 599,519**	**¥ (50,141)**	**¥ 24,443**	**¥ (7,309)**	**¥ (3,948)**	**¥ 751,937**	**¥ 497**	**¥ 752,434**

	Thousands of U.S. Dollars (Note 1)									
					Accumulated other comprehensive income					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Accumlated adjustments for retirement benefits	Total	Minority interests	Total equity
Balance at March 31, 2014	$ 724,742	$ 853,367	$ 4,675,017	$ (417,708)	$ 111,233	$ (381,575)	$ (40,208)	$ 5,524,868	$ 3,367	$ 5,528,235
Cumulative effect of changes in accounting policy(Note 2.(j))			**10,875**				**4,991**	**15,866**		**15,866**
Balance as restated	**724,742**	**853,367**	**4,685,892**	**(417,708)**	**111,233**	**(381,575)**	**(35,217)**	**5,540,734**	**3,367**	**5,544,101**
Net income			**377,475**					**377,475**		**377,475**
Cash dividends, $0.63 per share			**(67,376)**					**(67,376)**		**(67,376)**
Purchase of treasury stock				**(134)**				**(134)**		**(134)**
Net change in the year					**92,459**	**320,667**	**2,317**	**415,443**	**775**	**416,218**
Balance at March 31, 2015	**$ 724,742**	**$ 853,367**	**$ 4,995,991**	**$ (417,842)**	**$ 203,692**	**$ (60,908)**	**$ (32,900)**	**$ 6,266,142**	**$ 4,142**	**$ 6,270,284**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

ROHM CO., LTD. and its Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2015	2014	2013	**2015**
Operating Activities:				
Income (loss) before income taxes and minority interests	**¥ 55,240**	¥ 40,180	¥ (52,414)	**$ 460,333**
Adjustments for:				
Income taxes – paid	**(12,763)**	(3,150)	(5,213)	**(106,358)**
Proceeds from insurance income	**2,487**	769	36,169	**20,725**
Depreciation and amortization	**34,467**	25,560	38,857	**287,225**
Amortization of goodwill	**33**	33	2,100	**275**
Gain on sale of property, plant and equipment – net	**(298)**	(5,605)	(254)	**(2,483)**
Gain on insurance settlement	**(2,487)**	(896)	(2,988)	**(20,725)**
Foreign currency exchange gains – net	**(10,806)**	(4,644)	(6,016)	**(90,050)**
Increase(decrease) in liability for retirement benefits	**476**	(277)	(1,198)	**3,967**
Increase in long-term prepaid expenses	**(1,410)**	(545)	(5,599)	**(11,750)**
Increase in asset for retirement benefits	**(73)**	(2,140)		**(608)**
Loss on impairment of long-lived assets	**5,876**	951	55,047	**48,967**
Loss on valuation of investment securities and investments in unconsolidated subsidiaries and associated companies	**19**	63	1,391	**158**
Loss on transfer of business		52	281	
(Decrease) increase in provision for losses related to liquidation of subsidiaries		(1,512)	1,512	
Decrease in prepaid pension costs		2,092	158	
Decrease in provision for business structure improvement			(2,057)	
Decrease in provision for losses from a natural disaster			(61)	
Changes in assets and liabilities:				
(Increase) decrease in notes and accounts receivable – trade	**(3,810)**	(1,205)	6,211	**(31,750)**
(Increase) decrease in inventories	**(1,534)**	16,474	(3,855)	**(12,783)**
(Decrease) increase in notes and accounts payable – trade	**(2,939)**	(816)	(9,767)	**(24,492)**
Increase (decrease) in accounts payable – other	**5,321**	(4,632)	(1,335)	**44,342**
Other – net	**4,582**	(1,617)	(428)	**38,182**
Total adjustments	**17,141**	18,955	102,955	**142,842**
Net cash provided by operating activities	**72,381**	59,135	50,541	**603,175**
Investing Activities:				
Increase in time deposits – net	**(53,712)**	(1,538)	(19,075)	**(447,600)**
Purchases of marketable and investment securities	**(17,795)**	(23,664)	(8,541)	**(148,292)**
Proceeds from sales and redemption of marketable and investment securities	**13,034**	14,354	4,252	**108,617**
Purchases of property, plant and equipment	**(40,272)**	(27,956)	(50,936)	**(335,600)**
Proceeds from sale of property, plant and equipment	**1,843**	17,399	1,445	**15,358**
Proceeds from transfer of business			797	
Other – net	**(3,736)**	(216)	(1,081)	**(31,133)**
Net cash used in investing activities	**(100,638)**	(21,621)	(73,139)	**(838,650)**
Financing Activities:				
Purchase of treasury stock	**(16)**	(38)	(3)	**(134)**
Dividends paid	**(8,085)**	(3,774)	(4,852)	**(67,376)**
Other – net	**(71)**	(142)	(265)	**(590)**
Net cash used in financing activities	**(8,172)**	(3,954)	(5,120)	**(68,100)**
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	**18,706**	9,785	16,019	**155,883**
Net (Decrease) Increase in Cash and Cash Equivalents	**(17,723)**	43,345	(11,699)	**(147,692)**
Cash and Cash Equivalents at Beginning of Year	**240,391**	197,046	208,745	**2,003,259**
Cash and Cash Equivalents at End of Year	**¥ 222,668**	¥ 240,391	¥ 197,046	**$ 1,855,567**

See notes to consolidated financial statements.

1. Basis of Presentation of Consolidated Financial Statements

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

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

In addition, certain reclassifications have been made to the previously reported amounts to conform with current classifications. The consolidated financial statements are stated in Japanese yen, the currency of the country in which ROHM CO., LTD. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120 to $1, the approximate rate of exchange at March 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

(a) Consolidation

The consolidated financial statements as of March 31, 2015, include the accounts of the Company and its 46 significant (47 in 2014) subsidiaries (together, the "Group").

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

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

The excess of the cost of acquisition over the fair value of the net assets of an acquired subsidiary at the date of acquisition is being amortized over a period of 5 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

The fiscal year end dates of 8 (9 in 2014) consolidated subsidiaries, are different from the consolidated balance sheet date of March 31. They, including ROHM SEMICONDUCTOR CHINA CO., LTD., are dated December 31, and the financial statements of these subsidiaries as of the provisional closing date of March 31 were used for consolidation purposes.

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

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

(c) Cash equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and certificates of deposit, all of which mature or become due within three months of the date of acquisition.

(d) Marketable and investment securities

Marketable and investment securities are classified and accounted for, depending on management's intent, as available-for-sale securities, which are not classified as either trading securities or held-to-maturity debt securities, and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

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

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

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

(e) Allowance for doubtful accounts

The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the companies' past credit loss experience and an evaluation of potential losses in the receivables outstanding.

(f)Inventories

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

(g) Property, plant and equipment

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

Estimated useful lives of the assets are principally as follows:

Buildings and structures ………. 3 to 50 years

Machinery, equipment and vehicles .... 2 to 10 years

(h) Intangible assets

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

(i) Long-lived assets

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

(j) Retirement and Pension Plans

The Company and certain consolidated subsidiaries have defined benefit plans for employees, and account for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses are amortized on a straight-line basis over 10-13 years within the average remaining service period. Past service costs are amortized on a straight-line basis over 10-13 years within the average remaining service period. The Company and certain consolidated subsidiaries also have defined contribution pension plans.

In May 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the accounting standard for retirement benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and were followed by partial amendments from time to time through 2009.

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

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

(3) The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (1) and (2) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (3) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, all with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Group applied the revised accounting standard and guidance for retirement benefits for (1) and (2) above, effective March 31, 2014, and for (3) above, effective April 1, 2014.

With respect to (3) above, the Group changed the method of attributing the expected benefit to periods from a straight-line basis to a benefit formula basis, the method of determining the discount rate from using the period which approximates the expected average remaining service period to using a single weighted average discount rate reflecting the estimated timing and amount of benefit payment, and recorded the effect of (3) above as of April 1, 2014, in retained earnings. As the result, asset for retirement benefits increased by ¥589 million($4,908 thousand), liability for retirement benefits decreased by ¥1,526 million($12,717 thousand) and retained earnings increased by ¥1,305 million($10,875 thousand) at the beginning of the consolidated fiscal year ended March 31, 2015.

Furthermore, because of the decrease in liability for retirement benefits and change in valuation allowances of deferred tax assets that were included in accumulated adjustments for retirement benefits at the beginning of the consolidated fiscal year ended March 31, 2015, accumulated adjustments for retirement benefits increased by ¥599 million($4,991 thousand).

The impact of these changes on operating income and income before income taxes and minority interests for the consolidated fiscal year ended March 31, 2015 were immaterial.

(k) Asset retirement obligations

In March 2008, the ASBJ published ASBJ Statement No.18 “Accounting Standard for Asset Retirement Obligations” and ASBJ Guidance No.21 “Guidance on Accounting Standard for Asset Retirement Obligations.” Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

(l) Research and development costs

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

(m) Leases

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

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

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

All other leases are accounted for as operating leases.

(n) Bonuses to directors and audit & supervisory board members

Bonuses to directors and audit & supervisory board members are accrued at the year-end to which such bonuses are attributable.

(o) Income taxes

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

(p) Foreign currency transactions

Both short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at exchange rates in effect at the balance sheet date. However, short-term receivables covered by forward exchange contracts are translated at the contract rates. The foreign exchange gains and losses from translation are recognized in the consolidated statement of operations.

(q) Foreign currency financial statements

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

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

(r) Derivatives and hedging activities

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

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: (1) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the statement of operations and (2) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

Trade receivables denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting.

(s) Per share information

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

The average number of shares used to compute basic net income per share for the years ended March 31, 2015, 2014 and 2013 were 107,804 thousand shares, 107,811 thousand shares and 107,814 thousand shares, respectively.

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

Diluted net income per share for 2015 and 2014 is not disclosed because there are no outstanding potentially dilutive securities and ROHM CO.,LTD.was in a net loss position for the year ended March 31,2013.

(t) Accounting changes and error corrections

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

(1) Changes in Accounting Policies

When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions.

(2) Changes in Presentation

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

(3) Changes in Accounting Estimates

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

(4) Corrections of Prior-Period Errors

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

(u) New accounting pronouncements

Accounting Standards for Business Combinations and Consolidated Financial Statements—On September 13, 2013, the ASBJ issued revised ASBJ Statement No. 21, "Accounting Standard for Business Combinations," revised ASBJ Guidance No. 10, "Guidance on Accounting Standards for Business Combinations and Business Divestitures," and revised ASBJ Statement No. 22, "Accounting Standard for Consolidated Financial Statements." Major accounting changes are as follows:

(1) Transactions with noncontrolling interest
A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of minority interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Under the current accounting standard, any difference between the fair value of the consideration received or paid and the amount by which the minority interest is adjusted is accounted for as an adjustment of goodwill or as profit or loss in the consolidated statement of income. Under the revised accounting standard, such difference shall be accounted for as capital surplus as long as the parent retains control over its subsidiary.

(2) Presentation of the consolidated balance sheet
In the consolidated balance sheet, "minority interest" under the current accounting standard will be changed to "noncontrolling interest" under the revised accounting standard.

(3) Presentation of the consolidated statement of income
In the consolidated statement of income, "income before minority interest" under the current accounting standard will be changed to "net income" under the revised accounting standard, and "net income" under the current accounting standard will be changed to "net income attributable to owners of the parent" under the revised accounting standard.

(4) Provisional accounting treatments for a business combination
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. Under the current accounting standard guidance, the impact of adjustments to provisional amounts recorded in a business combination on profit or loss is recognized as profit or loss in the year in which the measurement is completed. Under the revised accounting standard guidance, during the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date.

(5) Acquisition-related costs
Acquisition-related costs are costs, such as advisory fees or professional fees, which an acquirer incurs to effect a business combination. Under the current accounting standard, the acquirer accounts for acquisition-related costs by including them in the acquisition costs of the investment. Under the revised accounting standard, acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred.

The above accounting standards and guidance for (1) transactions with noncontrolling interest, (2) presentation of the consolidated balance sheet, (3) presentation of the consolidated statement of income, and (5) acquisition-related costs are effective for the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted from the beginning of annual periods beginning on or after April 1, 2014, except for (2) presentation of the consolidated balance sheet and (3) presentation of the consolidated statement of income. In the case of earlier application, all accounting standards and guidance above, except for (2) presentation of the consolidated balance sheet and (3) presentation of the consolidated statement of income, should be applied simultaneously.

Either retrospective or prospective application of the revised accounting standards and guidance for (1) transactions with noncontrolling interest and (5) acquisition-related costs is permitted. In retrospective application of the revised standards and guidance, the accumulated effects of retrospective adjustments for all (1) transactions with noncontrolling interest and (5) acquisition-related costs which occurred in the past shall be reflected as adjustments to the beginning balance of capital surplus and retained earnings for the year of the first-time application. In prospective application, the new standards and guidance shall be applied prospectively from the beginning of the year of the first-time application.

The revised accounting standards and guidance for (2) presentation of the consolidated balance sheet and (3) presentation of the consolidated statement of income shall be applied to all periods presented in financial statements containing the first-time application of the revised standards and guidance.

The revised standards and guidance for (4) provisional accounting treatments for a business combination are effective for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2014.

The Company expects to apply the revised accounting standards and guidance for (1), (2), (3) and (5) above from April 1, 2015, and for (4) above for a business combination which will occur on or after April 1, 2015, and is uncertain about the effects of applying the revised accounting standards and guidance in future applicable periods.

3. Loss on transfer of business

On March 29, 2013, Lapis Semiconductor Co., Ltd., a wholly-owned subsidiary of the Company, transferred its optical component business to NeoPhotonics Semiconductor GK, a Japanese subsidiary of NeoPhotonics Corporation. “Loss on transfer of business” for the years ended March 31, 2014 and 2013, is loss from the business transfer.

4. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Current:			
Corporate bonds	**¥ 13,149**	¥ 5,257	**$ 109,575**
Other	**200**	3,025	**1,667**
Total	**¥ 13,349**	¥ 8,282	**$ 111,242**
Noncurrent:			
Marketable equity securities	**¥ 52,051**	¥ 38,997	**$ 433,758**
Government and corporate bonds	**18,917**	17,602	**157,642**
Other	**1,790**	1,527	**14,917**
Total	**¥ 72,758**	¥ 58,126	**$ 606,317**

The costs and aggregate fair values of marketable and investment securities at March 31, 2015 and 2014, were as follows:

	Millions of Yen			
	2015			
Securities classified as:	Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale:				
Equity securities	**¥ 21,531**	**¥ 30,522**	**¥ (2)**	**¥ 52,051**
Debt securities	**27,696**	**4,374**	**(4)**	**32,066**
Other	**1,169**	**213**	**(14)**	**1,368**
Total	**¥ 50,396**	**¥ 35,109**	**¥ (20)**	**¥ 85,485**

	Millions of Yen			
	2014			
Securities classified as:	Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale:				
Equity securities	¥ 21,222	¥ 17,838	¥ (63)	¥ 38,997
Debt securities	20,677	2,390	(210)	22,857
Other	4,013	122	(35)	4,100
Total	¥ 45,912	¥ 20,350	¥ (308)	¥ 65,954

	Thousands of U.S. Dollars			
	2015			
Securities classified as:	Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale:				
Equity securities	**$ 179,425**	**$ 254,350**	**$ (17)**	**$ 433,758**
Debt securities	**230,800**	**36,450**	**(33)**	**267,217**
Other	**9,742**	**1,775**	**(117)**	**11,400**
Total	**$ 419,967**	**$ 292,575**	**$ (167)**	**$ 712,375**

Any marketable and investment securities whose fair values cannot be reliably determined are not included.

The proceeds, realized gains and realized losses of the available-for-sale securities, which were sold during the years ended March 31, 2015 and 2013, were as follows:

	Millions of Yen		
	2015		
Available-for-sale:	Proceeds	Realized gains	Realized losses
Equity securities	¥ 5		¥ (0)
Other	1,996	¥ 2	(6)
Total	¥ 2,001	¥ 2	¥ (6)

	Millions of Yen		
	2013		
Available-for-sale:	Proceeds	Realized gains	Realized losses
Equity securities	¥ 425	¥ 146	
Other	1,215	243	
Total	¥ 1,640	¥ 389	

	Thousands of U.S. Dollars		
	2015		
Available-for-sale:	Proceeds	Realized gains	Realized losses
Equity securities	$ 42		$ (0)
Other	16,633	$ 17	(50)
Total	$ 16,675	$ 17	$ (50)

There were no proceeds from the sale of available-for-sale securities for the year ended March 31, 2014.

The impairment losses on available-for-sale securities for the years ended March 31, 2015, 2014 and 2013, were ¥8 million ($67 thousand), ¥63 million and ¥256 million, respectively.

5. Short-term Investments

Short-term investments at March 31, 2015 and 2014, consisted of time deposits.

6. Inventories

Inventories at March 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Merchandise and finished products	**¥ 31,962**	¥ 25,534	**$ 266,350**
Work in process	**38,976**	39,740	**324,800**
Raw materials and supplies	**29,406**	25,761	**245,050**
Total	**¥ 100,344**	¥ 91,035	**$ 836,200**

7. Long-lived Assets

The Group reviewed its long-lived assets for impairment during the years ended March 31, 2015, 2014 and 2013. In recognizing impairment loss on fixed assets, for operating assets, the Group identifies asset groups according to the units of management accounting for which revenue and expenditure are managed on a continuous basis, and for idle assets, each property is deemed an asset group. As a result, the Group recognized an impairment loss of ¥5,876 million ($48,967 thousand), ¥951 million and ¥55,047 million as other expense for the years ended March 31, 2015, 2014 and 2013, respectively.

The components of impairment loss for the year ended March 31, 2015 were as follows:

a) The Group recognized an impairment loss of ¥5,498 million ($45,817 thousand) for operating assets located in Japan, China and Germany as the estimated future cash flows fell below the carrying amounts of some asset groups due to deterioration of the revenue environment. The carrying amounts of the relevant operating assets were reduced to the recoverable amounts which were measured at their value in use, and the discount rate used for computation of present value of future cash flows were 7.3 - 9.3%.

b) The Group recognized an impairment loss of ¥378 million ($3,150 thousand) for idle assets located in Japan, Philippines, China and other as the Group determined that the idle assets were not likely to be used in the future. The carrying amounts of the relevant idle assets were written down to the recoverable amounts. The recoverable amounts were measured at their net selling prices, which were based on reasonable estimations in consideration of market value of other assets.

The components of impairment loss for the year ended March 31, 2014 were as follows:

a) The Group recognized an impairment loss of ¥118 million for operating assets located in Japan and China as the estimated future cash flows fell below the carrying amounts of some asset groups due to deterioration of the revenue environment. The carrying amounts of the relevant operating assets were reduced to the recoverable amounts which were measured at their value in use, and the discount rate used for computation of present value of future cash flows was 10.0%.

b) The Group recognized an impairment loss of ¥833 million for idle assets located in Japan, Philippines, Thailand and China as the Group determined that the idle assets were not likely to be used in the future. The carrying amounts of the relevant idle assets were written down to the recoverable amounts. The recoverable amounts were measured at their net selling prices, which were based on reasonable estimations in consideration of market value of other assets.

The components of impairment loss for the year ended March 31, 2013 were as follows:

a) The Group recognized an impairment loss of ¥43,815 million for operating assets located in Japan, Philippines, Thailand, China, the United States of America and others as the estimated future cash flows fell below the carrying amounts of some asset groups due to deterioration of the revenue environment. The carrying amounts of the relevant operating assets were written down to the recoverable amounts which were measured at their value in use, and the discount rates used for computation of present value of future cash flows were 7.9 - 25.0%.

b) The Group recognized an impairment loss of ¥7,804 million for idle assets located in Japan, China and others as the Group determined that the idle assets were not likely to be used in the future. The carrying amounts of the relevant idle assets were written down to the recoverable amounts. The recoverable amounts were measured at their net selling prices, which were mainly calculated based on the appraised real-estate value for land, and based on reasonable estimations in consideration of market value of other assets.

c) The Group recognized an impairment loss of ¥3,428 million for the goodwill as the earnings projected at the time of acquiring the shares are not expected to be realized. The carrying amounts of goodwill were revaluated and were written down to the recoverable amounts which were measured at their value in use, and the discount rates used for computation of present value of future cash flows were 7.9 - 17.8%. With regard to goodwill recorded in connection with the acquisition of Kionix, an impairment loss was recorded in the financial statements of the relevant subsidiary in accordance with generally accepted accounting principles in the United States of America. However, it was adjusted in accordance with Japanese GAAP in the consolidated financial statements.

8. Retirement and Pension Plans

The Company and some of its domestic consolidated subsidiaries have a defined benefit pension plan termination allowance plan and defined contribution plan for employees.

The defined benefit plan (all savings type plan) provides lump-sum and annuity payments calculated by the cumulative number of points to be given mainly based on official position, as well as rank and length of service. In addition, some domestic consolidated subsidiaries have a cash balance plan. Under the cash balance plan lump-sum and pension benefits are calculated by interest points based on points given depending on official position and rank of employee, and revaluation rate are maintained by the personal account of the pension. Under the termination allowance plan (a nonsavings type plan), lump-sum payments are calculated by the cumulative number of points given based on official position and rank.

Some of the overseas consolidated subsidiaries have a defined benefit plan (savings and nonsavings type plan) and a defined contribution plan. Under the defined benefit plan (savings and non-savings type plan), lump-sum and annuity payments are calculated by salary and length of service.

Years Ended March 31, 2015 and 2014

(1) The changes in defined benefit obligation for the years ended March 31 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Balance at beginning of year	**¥ 31,865**	¥ 29,296	**$ 265,542**
Cumulative effect of changes in accounting policy	**(2,114)**		**(17,617)**
Balance as restated	**29,751**		**247,925**
Current service cost	**2,224**	2,162	**18,533**
Interest cost	**450**	418	**3,750**
Actuarial losses	**1,346**	61	**11,217**
Benefits paid	**(818)**	(856)	**(6,817)**
Others	**480**	784	**4,000**
Balance at end of year	**¥ 33,433**	¥ 31,865	**$ 278,608**

(2) The changes in plan assets for the years ended March 31 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Balance at beginning of year	**¥ 22,639**	¥ 18,948	**$ 188,658**
Expected return on plan assets	**547**	443	**4,558**
Actuarial gains	**1,011**	392	**8,425**
Contributions from the employer	**2,304**	2,589	**19,200**
Benefits paid	**(709)**	(544)	**(5,908)**
Others	**337**	811	**2,808**
Balance at end of year	**¥ 26,129**	¥ 22,639	**$ 217,741**

(3) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Funded defined benefit obligation	**¥ 25,099**	¥ 24,810	**$ 209,158**
Plan assets	**(26,129)**	(22,639)	**(217,741)**
	(1,030)	2,171	**(8,583)**
Unfunded defined benefit obligation	**8,334**	7,055	**69,450**
Net liability arising from defined benefit obligation	**¥ 7,304**	¥ 9,226	**$ 60,867**

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Liability for retirement benefits	**¥ 9,252**	¥ 9,949	**$ 77,100**
Asset for retirement benefits	**(1,948)**	(723)	**(16,233)**
Net liability arising from defined benefit obligation	**¥ 7,304**	¥ 9,226	**$ 60,867**

(4) The components of net periodic benefit costs for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Service cost	**¥ 2,224**	¥ 2,162	**$ 18,533**
Interest cost	**450**	418	**3,750**
Expected return on plan assets	**(547)**	(443)	**(4,558)**
Recognized actuarial losses	**463**	399	**3,858**
Amortization of prior service cost	**174**	174	**1,450**
Net periodic benefit costs	**¥ 2,764**	¥ 2,710	**$ 23,033**

In addition to the above net periodic benefit costs, the costs for the defined contribution pension plan for the year ended March 31, 2015 and 2014 were ¥640 million($5,333 thousand) and ¥642 million,respectively.

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of adjustments for retirement benefits for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Prior service cost	**¥ 175**		**$ 1,458**
Actuarial gains and losses	**128**		**1,067**
Total	**¥ 303**		**$ 2,525**

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of accumulated adjustments for retirement benefits as of March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Unrecognized prior service cost	**¥ (1,352)**	¥ (1,527)	**$ (11,267)**
Unrecognized actuarial gains and losses	**(3,725)**	(3,853)	**(31,041)**
Total	**¥ (5,077)**	¥ (5,380)	**$ (42,308)**

(7) Plan assets

(a) Components of plan assets

Plan assets consisted of the following:

	2015	2014
Debt investments	**71%**	71%
Equity investments	**18%**	20%
Others	**11%**	9%
Total	**100%**	100%

(b) Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2015 and 2014 were set forth as follows:

	2015	2014
Discount rate	**0.7 - 1.1%**	0.8 – 1.2%
Expected rate of return on plan assets	**2.0 - 3.0%**	2.0 – 3.0%

The salary increase rate is not reflected in calculation of the projected benefit obligations of main retirement and pension plan.

Year Ended March 31, 2013

The net liability for employees' retirement benefits at March 31, 2013, consisted of the following:

	2013
	Millions of Yen
Projected benefit obligation	¥ 29,296
Fair value of plan assets	(18,948)
Unrecognized prior service cost	(1,702)
Unrecognized actuarial loss	(4,553)
Net liability	4,093
Prepaid pension cost	2,092
Liability for retirement benefits	¥ 6,185

The components of net periodic pension costs for the year ended March 31, 2013, were as follows:

	Millions of Yen
	2013
Service cost	¥ 1,807
Interest cost	592
Expected return on plan assets	(397)
Amortization of prior service cost	23
Recognized actuarial loss	381
Contribution to defined contribution pension plan and other	382
Net periodic benefit costs	¥ 2,788

In addition to the net periodic pension costs stated above, the Group recorded "Special retirement expenses" for the year ended March 31, 2013, in the amount of ¥4,069 million as other expense. The Group also recorded "Loss on revision of retirement benefit plan" of ¥2,176 million and personnel transference expenses in the amount of ¥151 million included in "Loss on transfer of business" for the year ended March 31, 2013.

Assumptions used for the year ended March 31, 2013, were as follows:

	2013
Discount rate	0.8-1.2%
Expected rate of return on plan assets	2.0%
Allocation method of the retirement benefits expected to be paid at the retirement date	Straight-line method based on years of service or point method
Amortization period of prior service cost	10-13 years
Recognition period of actuarial loss	10-13 years

9. Equity

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

(a) Dividends

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

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

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

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

(c) Treasury stock and treasury stock acquisition rights

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

10. Research and Development Costs

Research and development costs charged to income were ¥39,996 million ($333,300 thousand), ¥36,537 million and ¥37,751 million for the years ended March 31, 2015, 2014 and 2013, respectively.

11. Amortization of Goodwill

Amortization of goodwill was ¥33 million ($275 thousand), ¥33 million and ¥2,100 million for the years ended March 31, 2015, 2014 and 2013, respectively.

12. Gain on Insurance Settlement

"Gain on insurance settlement" of ¥2,487 million ($20,725 thousand) for the year ended March 31, 2015 and ¥896 million for the year ended March 31, 2014, were insurance benefits received for the floods in Thailand in 2011.

"Gain on insurance settlement" for the year ended March 31, 2013, represents the amounts of insurance benefits for the floods in Thailand in 2011 and the insurance benefits received for the tornado in Tsukuba after deduction of the losses.

The breakdowns were as follows:

(The floods in Thailand)

	Millions of Yen
Description:	2013
Insurance benefits received	¥ 2,955
Losses related to fixed assets	(118)
Total	¥ 2,837

(The tornado in Tsukuba)

	Millions of Yen
Description:	2013
Insurance benefits received	¥ 458
Expenses for recovery of the buildings and others	(221)
Other losses	(86)
Total	¥ 151

13. Losses Related to Liquidation of Subsidiaries

"Losses related to liquidation of subsidiaries" for the year ended March 31, 2013, are estimated amount of expenses and losses from the liquidation of ROHM Tsukuba CO., LTD., a wholly-owned subsidiary of ROHM CO., LTD.

14. Loss on Liquidation of Subsidiaries

"Loss on liquidation of subsidiaries" for the year ended March 31, 2013, is loss from liquidation of OKI Semiconductor Europe GmbH, a wholly-owned subsidiary of ROHM CO., LTD.

15. Loss on Quality Compensation

"Loss on quality compensation" for the years ended March 31, 2014 and 2013, is loss associated with market claims related to defects in certain Group products.

16. Loss on Revision of Retirement Benefit Plan

"Loss on revision of retirement benefit plan" for the year ended March 31, 2013, is loss from a change in the benefit level of the retirement benefit plan.

17. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 35.5% for the year ended March 31, 2015, and 37.9% for the year ended March 31, 2014. Foreign consolidated subsidiaries are subject to income taxes of the countries in which they operate.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Deferred tax assets:			
Marketable and investment securities	**¥ 1,641**	¥ 2,757	**$ 13,675**
Inventories	**8,274**	9,993	**68,950**
Depreciation and amortization	**3,516**	3,321	**29,300**
Tax loss carryforwards	**23,432**	29,738	**195,267**
Accrued expenses	**3,615**	2,746	**30,125**
Liability for retirement benefits	**2,617**	2,979	**21,808**
Foreign tax credit	**183**	187	**1,525**
Loss on impairment of long-lived assets	**9,322**	13,475	**77,683**
Tax credit for research and development expenses	**773**	1,294	**6,442**
Investments in subsidiaries and associated companies	**4,477**	221	**37,308**
Other	**2,439**	1,694	**20,326**
Valuation allowance	**(43,259)**	(56,620)	**(360,492)**
Total	**17,030**	11,785	**141,917**
Deferred tax liabilities:			
Undistributed earnings of foreign subsidiaries	**(20,684)**	(19,790)	**(172,367)**
Asset for retirement benefits	**(633)**	(257)	**(5,275)**
Depreciation and amortization	**(937)**	(867)	**(7,808)**
Net unrealized gain on available-for-sale securities	**(10,662)**	(6,681)	**(88,850)**
Other	**(521)**	(305)	**(4,342)**
Total	**(33,437)**	(27,900)	**(278,642)**
Net deferred tax liabilities	**¥ (16,407)**	¥ (16,115)	**$ (136,725)**

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

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Current Assets - Deferred tax assets	**¥ 9,375**	¥ 4,171	**$ 78,125**
Investments and Other Assets - Deferred tax assets	**3,836**	5,525	**31,967**
Current Liabilities - Deferred tax liabilities		(46)	
Long-term Liabilities - Deferred tax liabilities	**(29,618)**	(25,765)	**(246,817)**
Net deferred tax liabilities	**¥ (16,407)**	¥ (16,115)	**$ (136,725)**

As of March 31, 2015, the Company and certain consolidated subsidiaries had tax loss carryforwards aggregating approximately ¥72,539 million ($604,492 thousand) available for reduction of future taxable income, the majority of which will expire from 2017 to 2035.

The reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of operations for the years ended March 31, 2015 and 2014, were as follows:

	2015	2014
Normal effective statutory tax rate	**35.5%**	37.9%
Decrease in valuation allowance	**(23.4)**	(21.8)
Lower income tax rates applicable to income in certain foreign countries	**(0.8)**	(5.0)
Difference of tax rate used for tax effect accounting	**12.9**	1.0
Income taxes for prior periods	**0.7**	6.2
Book value adjustment of investments in subsidiaries	**(7.7)**	
Other – net	**0.7**	1.8
Actual effective tax rate	**17.9%**	20.1%

For the year ended March 31, 2013, the reconciliation is not presented because there was a net loss before income taxes and minority interests.

On March 31,2015, new tax reform laws were enacted in Japan, which changed the normal effective statutory tax rate from 35.5% to 32.9% effective for the fiscal years beginning on or after April 1, 2015, through March 31, 2016, and to 32.2% thereafter. The effect of these changes was to decrease deferred tax liabilities, net of deferred tax assets, by ¥938 million ($7,817 thousand) and increase accumulated other comprehensive income for unrealized gain on available-for-sale securities by ¥1,079 million ($8,992 thousand) and decrease accumulated adjustments for retirement benefits by ¥106 million ($883 thousand) in the consolidated balance sheet as of March 31, 2015, and to increase income taxes-deferred in the consolidated statement of income for the year then ended by ¥35 million ($292 thousand).

Income taxes for prior period are principally the additional tax paid according to a notice from the China Taxation Bureau related to the transfer pricing taxation for the transactions between the Company and its subsidiaries (ROHM ELECTONICS DALIAN CO.,LTD. for the year ended March 31,2015, ROHM SEMICONDUCTOR CHINA CO.,LTD. and ROHM ELECTONICS DALIAN CO.,LTD. for the year ended March 31,2014).

18. Financial Instruments and Related Disclosures

(1) Group policy for financial instruments

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

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

Receivables, such as trade notes and trade accounts, are exposed to customer credit risk. Regarding the relevant risks, the Group controls due dates and the receivable balances by customer pursuant to the internal rules of the Group, and, at the same time, promotes the early identification and reduction of bad debt risk due to financial deterioration. Foreign currency trade receivables are exposed to market risk resulting from fluctuations in foreign currency exchange rates. Such foreign exchange risks are partially hedged by forward foreign currency contracts. Securities and investment securities, such as stocks and bonds, are exposed to the risk of market price fluctuations. The Group continually reviews the status of possessing such securities and monitoring fair value and the financial positions of issuers and others on a regular basis. The Group purchases only highly rated bonds pursuant to the internal policy approved by the Board of Directors, thereby incurring only minimal credit risks.

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

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

(3) Supplemental information to fair value of financial instruments

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

(4) Fair values of financial instruments

Carrying amounts of financial instruments in the consolidated balance sheet, their fair values, and differences as of March 31, 2015 and 2014, are shown in the table in (a) below. Any financial instruments whose fair values cannot be reliably determined are not included (see the table in (b) below).

(a) Fair value of financial instruments

	Millions of Yen		
	2015		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**¥ 222,668**	**¥ 222,668**	
Marketable securities	**13,349**	**13,349**	
Short-term investments	**87,738**	**87,738**	
Notes and accounts receivable – trade	**78,854**		
Allowance for doubtful receivable	**(192)**		
Notes and accounts receivable – trade net	**78,662**	**78,662**	
Investment securities	**72,136**	**72,136**	
Refundable income taxes	**547**	**547**	
Total	**¥ 475,100**	**¥ 475,100**	
Notes and accounts payable – trade	**¥ 19,791**	**¥ 19,791**	
Notes and accounts payable – construction and other	**24,486**	**24,486**	
Income tax payable	**6,639**	**6,639**	
Total	**¥ 50,916**	**¥ 50,916**	

	Millions of Yen		
	2014		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	¥ 240,391	¥ 240,391	
Marketable securities	8,282	8,282	
Short-term investments	39,591	39,591	
Notes and accounts receivable – trade	69,751		
Allowance for doubtful receivable	(134)		
Notes and accounts receivable – trade net	69,617	69,617	
Investment securities	57,672	57,672	
Refundable income taxes	270	270	
Total	¥ 415,823	¥ 415,823	
Notes and accounts payable – trade	¥ 19,390	¥ 19,390	
Notes and accounts payable – construction and other	15,704	15,704	
Income tax payable	3,637	3,637	
Total	¥ 38,731	¥ 38,731	

	Thousands of U.S. Dollars		
	2015		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**$ 1,855,567**	**$ 1,855,567**	
Marketable securities	**111,242**	**111,242**	
Short-term investments	**731,150**	**731,150**	
Notes and accounts receivable – trade	**657,117**		
Allowance for doubtful receivable	**(1,600)**		
Notes and accounts receivable – trade net	**655,517**	**655,517**	
Investment securities	**601,133**	**601,133**	
Refundable income taxes	**4,558**	**4,558**	
Total	**$ 3,959,167**	**$ 3,959,167**	
Notes and accounts payable – trade	**$ 164,925**	**$ 164,925**	
Notes and accounts payable – construction and other	**204,050**	**204,050**	
Income tax payable	**55,325**	**55,325**	
Total	**$ 424,300**	**$ 424,300**	

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

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

Marketable securities and Investment securities

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

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

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

Derivatives

Fair value information for derivatives is included in Note 19.

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

	Carrying amount		
	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Unlisted stock	**¥ 547**	¥ 358	**$ 4,559**
Rights under limited partnership agreement for investment	**75**	96	**625**
Investments in unconsolidated subsidiaries and associated companies	**705**	715	**5,875**

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

	Millions of Yen			
	2015			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	**¥ 222,668**			
Marketable securities:				
Corporate bonds	**13,109**			
Short-term investments	**87,738**			
Notes and accounts receivable-trade	**78,854**			
Investment securities:				
Government and local government bonds		**¥ 3**		
Corporate bonds		**18,836**		
Other	**200**			**¥ 1,167**
Refundable income taxes	**547**			
Total	**¥ 403,116**	**¥ 18,839**		**¥ 1,167**

	Millions of Yen			
	2014			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	¥ 240,391			
Marketable securities:				
Corporate bonds	5,016			
Other	3,025			
Short-term investments	39,591			
Notes and accounts receivable-trade	69,751			
Investment securities:				
Government and local government bonds		¥ 2		
Corporate bonds		17,204		
Other				¥ 1,030
Refundable income taxes	270			
Total	¥ 358,044	¥ 17,206		¥ 1,030

	Thousands of U.S. Dollars			
	2015			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	**$ 1,855,567**			
Marketable securities:				
Corporate bonds	**109,242**			
Short-term investments	**731,150**			
Notes and accounts receivable – trade	**657,117**			
Investment securities:				
Government and local government bonds		**$ 25**		
Corporate bonds		**156,967**		
Other	**1,666**			**$ 9,725**
Refundable income taxes	**4,558**			
Total	**$ 3,359,300**	**$ 156,992**		**$ 9,725**

19. Derivatives

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

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

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

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

Derivative transactions to which hedge accounting is not applied

	Millions of Yen			
	2015			
	Contract amount	Contract amount due after one year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Selling U.S.$	**¥ 9,004**		**¥ (0)**	**¥ (0)**

	Millions of Yen			
	2014			
	Contract amount	Contract amount due after one year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Selling U.S.$	¥ 2,996		¥ (15)	¥ (15)

	Thousands of U.S. Dollars			
	2015			
	Contract amount	Contract amount due after one year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Selling U.S.$	**$ 75,033**		**$ (0)**	**$ (0)**

Derivative transactions to which hedge accounting is applied

	Millions of Yen			
	2014			
	Hedged item	Contract amount	Contract amount due after one year	Fair Value
Foreign currency forward contracts:				
Selling U.S.$	Accounts receivable	¥ 278		(Note)

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

20. Leases

The Company and certain consolidated subsidiaries lease certain machinery, computer equipment and other assets. Total lease payments under finance leases were ¥68 million ($567 thousand), ¥150 million and ¥846 million for the years ended March 31, 2015, 2014 and 2013, respectively.

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

	Millions of Yen				Thousands of U.S. Dollars	
	2015		2014		**2015**	
	Finance leases	Operating leases	Finance leases	Operating leases	Finance leases	Operating leases
Due within one year	**¥ 17**	**¥ 912**	¥ 12	¥ 783	**$ 142**	**$ 7,600**
Due after one year	**24**	**1,819**	18	1,357	**200**	**15,158**
Total	**¥ 41**	**¥ 2,731**	¥ 30	¥ 2,140	**$ 342**	**$ 22,758**

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

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

	Millions of Yen	
	2013	
	Machinery, equipment and vehicles	Furniture and fixtures
Acquisition cost	¥ 131	¥ 25
Accumulated depreciation	122	24
Net leased property	¥ 9	¥ 1

	Millions of Yen
Obligations under finance leases:	2013
Due within one year	¥ 10
Due after one year	
Total	¥ 10

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

Depreciation expense and other information under finance leases:

	Millions of Yen			Thousands of U.S. Dollars
	2015	2014	2013	**2015**
Depreciation expense		¥ 10	¥ 582	
Lease payments		10	582	

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

21. Contingent Liabilities

The Group was contingently liable for guarantees of housing loans of employees amounting to ¥80 million ($667 thousand) at March 31, 2015.

22. Comprehensive Income

For the years ended March 31, 2015, 2014 and 2013

The components of other comprehensive income for the years ended March 31, 2015, 2014 and 2013, were as follows:

	Millions of Yen			Thousands of U.S. Dollars
	2015	2014	2013	**2015**
Unrealized gain on available-for-sale securities:				
Gains arising during the year	**¥ 15,072**	¥ 12,794	¥ 1,776	**$ 125,600**
Reclassification adjustments to profit or loss	**5**	1	(139)	**42**
Amount before income tax effect	**15,077**	12,795	1,637	**125,642**
Income tax effect	**(3,982)**	(4,215)	(650)	**(33,184)**
Total	**¥ 11,095**	¥ 8,580	¥ 987	**$ 92,458**

	Millions of Yen			Thousands of U.S. Dollars
	2015	2014	2013	**2015**
Foreign currency translation adjustments:				
Adjustments arising during the year	**¥ 38,527**	¥ 17,667	¥ 35,593	**$ 321,058**
Reclassification adjustments to profit or loss			100	
Amount before income tax effect	**38,527**	17,667	35,693	**321,058**
Income tax effect	**4**	9	(32)	**34**
Total	**¥ 38,531**	¥ 17,676	¥ 35,661	**$ 321,092**
Adjustments for retirement benefits:				
Adjustments arising during the year	**¥ (335)**			**$ (2,792)**
Reclassification adjustments to profit or loss	**638**			**5,317**
Amount before income tax effect	**303**			**2,525**
Income tax effect	**(25)**			**(208)**
Total	**278**			**2,317**
Total other comprehensive income	**¥ 49,904**	¥ 26,256	¥ 36,648	**$ 415,867**

23. Subsequent Events

(1) Acquisition of Treasury Stock

At the Board of Directors meeting held on April 30, 2015, the Company resolved the acquisition of treasury stock pursuant to Article 156 of the Companies Act, applied in accordance with the terms of Article 165, Paragraph 3 of the Companies Act, as described below.

(a) Reason for acquisition of treasury stock

The Company acquires treasury stock to enhance the return to shareholders and increase stock value.

(b) Details of acquisition

1) Type of shares to be acquired:	Common stock
2) Total number of shares to be acquired:	Up to 2.5 million shares
3) Total amount of acquisition price:	Up to 17 billion yen
4) Period of acquisition:	From May 7, 2015, to July 31, 2015
5) Method of acquisition:	Market transaction by discretionary account

(2)Appropriation of retained earnings

The following appropriation of retained earnings at March 31, 2015, was approved at the Company's general shareholders' meeting held on June 26, 2015.

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥85.00 ($0.71) per share	**¥ 9,163**	**$ 76,358**

24. Segment Information

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

(a) Description of reportable segments

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

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

Products manufactured in the Discrete semiconductor devices segment include diodes, transistors, light-emitting diodes, and laser diodes. Products manufactured in the Modules segment include print-heads, optical modules, and power modules.

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

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

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

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

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

	Millions of Yen							
	2015							
	Reportable segments							
	ICs	Discrete semiconductor devices	Modules	Total	Other	Total	Reconciliations	Consolidated
Sales:								
Sales to external customers	**¥ 169,916**	**¥129,047**	**¥ 36,084**	**¥ 335,047**	**¥ 27,726**	**¥ 362,773**		**¥ 362,773**
Intersegment sales or transfers	**2,713**	**4,495**	**208**	**7,416**	**62**	**7,478**	**¥ (7,478)**	
Total	**172,629**	**133,542**	**36,292**	**342,463**	**27,788**	**370,251**	**(7,478)**	**362,773**
Segment profit (loss)	**22,286**	**15,910**	**2,087**	**40,283**	**(900)**	**39,383**	**(582)**	**38,801**
Segment assets	**115,788**	**95,930**	**19,992**	**231,710**	**21,652**	**253,362**	**611,018**	**864,380**
Other								
Depreciation and amortization	**14,077**	**17,113**	**1,665**	**32,855**	**2,482**	**35,337**	**(870)**	**34,467**
Amortization of goodwill	**33**			**33**		**33**		**33**
Increase in property, plant and equipment and intangible assets	**24,031**	**15,785**	**4,362**	**44,178**	**2,188**	**46,366**	**2,373**	**48,739**

	Millions of Yen							
	2014							
	Reportable segments							
	ICs	Discrete semiconductor devices	Modules	Total	Other	Total	Reconciliations	Consolidated
Sales:								
Sales to external customers	¥ 154,183	¥117,747	¥ 31,649	¥ 303,579	¥ 27,509	¥ 331,088		¥ 331,088
Intersegment sales or transfers	1,974	3,300	57	5,331	81	5,412	¥ (5,412)	
Total	156,157	121,047	31,706	308,910	27,590	336,500	(5,412)	331,088
Segment profit (loss)	9,217	14,087	1,443	24,747	(797)	23,950	(314)	23,636
Segment assets	96,149	91,043	16,386	203,578	19,231	222,809	531,599	754,408
Other								
Depreciation and amortization	8,838	14,371	1,472	24,681	1,814	26,495	(935)	25,560
Amortization of goodwill	33			33		33		33
Increase in property, plant and equipment and intangible assets	14,246	12,772	1,330	28,348	1,971	30,319	1,436	31,755

	Millions of Yen							
	2013							
	Reportable segments							
	ICs	Discrete semiconductor devices	Modules	Total	Other	Total	Reconciliations	Consolidated
Sales:								
Sales to external customers	¥ 140,761	¥ 99,374	¥ 28,254	¥ 268,389	¥ 24,022	¥ 292,411		¥ 292,411
Intersegment sales or transfers	2,101	1,931	30	4,062	67	4,129	¥ (4,129)	
Total	142,862	101,305	28,284	272,451	24,089	296,540	(4,129)	292,411
Segment profit (loss)	(7,825)	7,930	(600)	(495)	(1,834)	(2,329)	1,408	(921)
Segment assets	91,349	92,236	15,729	199,314	21,636	220,950	478,064	699,014
Other								
Depreciation and amortization	20,749	14,676	2,573	37,998	2,282	40,280	(1,423)	38,857
Amortization of goodwill	2,100			2,100		2,100		2,100
Increase in property, plant and equipment and intangible assets	15,052	14,950	1,722	31,724	4,970	36,694	6,124	42,818

	Thousands of U.S. Dollars							
	2015							
	Reportable segments							
	ICs	Discrete semiconductor devices	Modules	Total	Other	Total	Reconciliations	Consolidated
Sales:								
Sales to external customers	**$1,415,966**	**$ 1,075,392**	**$ 300,700**	**$ 2,792,058**	**$231,050**	**$ 3,023,108**		**$3,023,108**
Intersegment sales or transfers	**22,609**	**37,458**	**1,733**	**61,800**	**517**	**62,317**	**$ (62,317)**	
Total	**1,438,575**	**1,112,850**	**302,433**	**2,853,858**	**231,567**	**3,085,425**	**(62,317)**	**3,023,108**
Segment profit (loss)	**185,717**	**132,583**	**17,392**	**335,692**	**(7,500)**	**328,192**	**(4,850)**	**323,342**
Segment assets	**964,900**	**799,417**	**166,600**	**1,930,917**	**180,433**	**2,111,350**	**5,091,817**	**7,203,167**
Other								
Depreciation and amortization	**117,309**	**142,608**	**13,875**	**273,792**	**20,683**	**294,475**	**(7,250)**	**287,225**
Amortization of goodwill	**275**			**275**		**275**		**275**
Increase in property, plant and equipment and intangible assets	**200,258**	**131,542**	**36,350**	**368,150**	**18,233**	**386,383**	**19,775**	**406,158**

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

"Reconciliations" were as follows:

(1) The adjusted amount of the segment profit for the year ended March 31, 2015, ¥(582) million ($(4,850) thousand), mainly includes general and administrative expenses of ¥(1,061) million ($(8,842) thousand) not attributable to the operating segments, and the settlement adjustment of ¥479 million ($3,992 thousand) not allocated to the operating segments (such as periodic pension cost).

The adjusted amount of the segment profit for the year ended March 31, 2014, ¥(314) million, mainly includes general and administrative expenses of ¥(951) million not attributable to the operating segments, and the settlement adjustment of ¥637 million not allocated to the operating segments (such as periodic pension cost).

The adjusted amount of the segment profit for the year ended March 31, 2013, ¥1,408 million, mainly includes general and administrative expenses of ¥260 million not attributable to the operating segments, and the settlement adjustment of ¥1,668 million not allocated to the operating segments (such as periodic pension cost).

(2) The adjusted amount of the segment assets for the year ended March 31, 2015, ¥611,018 million ($5,091,817 thousand), mainly includes corporate assets of ¥613,407 million ($5,111,725 thousand) not allocated to the operating segments, and the adjustments of fixed asset of ¥(2,389) million ($(19,908) thousand). Corporate assets not attributable to the operating segments consist of cash and time deposits of ¥280,757 million ($2,339,642 thousand), land of ¥64,039 million ($533,658 thousand), and notes and accounts receivable-trade of ¥76,722 million ($639,350 thousand).

The adjusted amount of the segment assets for the year ended March 31, 2014, ¥531,599 million, mainly includes corporate assets of ¥533,698 million not allocated to the operating segments, and the adjustments of fixed asset of ¥(2,099) million. Corporate assets not attributable to the operating segments consist of cash and time deposits of ¥272,983 million, land of ¥63,961 million, and notes and accounts receivable-trade of ¥67,537 million.

The adjusted amount of the segment assets for the year ended March 31, 2013, ¥478,064 million, mainly includes corporate assets of ¥479,470 million not allocated to the operating segments, and the adjustments of fixed asset of ¥(1,406) million. Corporate assets not attributable to the operating segments consist of cash and time deposits of ¥244,158 million, land of ¥74,848 million, and notes and accounts receivable-trade of ¥65,424 million.

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

(d) Relevant information

For the years ended March 31, 2015 and 2014

(1) Information about products and services

The classification of products and services has been omitted as it is identical to the segment classification.

(2) Information about geographical areas

(i) Sales

Millions of Yen			
2015			
Japan	China	Other	Total
¥ 101,754	**¥ 121,770**	**¥ 139,249**	**¥ 362,773**

Millions of Yen			
2014			
Japan	China	Other	Total
¥ 101,312	¥ 110,043	¥ 119,733	¥ 331,088

Millions of Yen			
2013			
Japan	China	Other	Total
¥ 103,140	¥ 94,207	¥ 95,064	¥ 292,411

Thousands of U.S. Dollars			
2015			
Japan	China	Other	Total
$ 847,950	**$ 1,014,750**	**$ 1,160,408**	**$ 3,023,108**

Sales are classified by country or region based on the location of customers

(ii) Property, plant and equipment

Millions of Yen					
2015					
Japan	China	Thailand	Philippines	Other	Total
¥ 127,823	**¥ 26,649**	**¥ 33,613**	**¥ 27,319**	**¥ 15,889**	**¥ 231,293**

Millions of Yen					
2014					
Japan	China	Thailand	Philippines	Other	Total
¥ 118,485	¥ 26,315	¥ 26,750	¥ 22,233	¥ 18,515	¥ 212,298

Thousands of U.S. Dollars					
2015					
Japan	China	Thailand	Philippines	Other	Total
$ 1,065,192	**$ 222,075**	**$ 280,108**	**$ 227,658**	**$ 132,409**	**$ 1,927,442**

(3) Information about major customers

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

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

	Millions of Yen						
	2015						
	Reportable segment				Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Modules	Total			
Loss on impairment of long-lived assets	**¥ 206**	**¥ 3,732**	**¥ 1,342**	**¥ 5,280**	**¥ 394**	**¥ 202**	**¥ 5,876**

	Millions of Yen						
	2014						
	Reportable segment				Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Modules	Total			
Loss on impairment of long-lived assets	¥ 205	¥ 282	¥ 125	¥ 612	¥ 305	¥ 34	¥ 951

	Millions of Yen						
	2013						
	Reportable segment				Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Modules	Total			
Loss on impairment of long-lived assets	¥ 37,175	¥ 5,008	¥ 4,138	¥ 46,321	¥ 3,742	¥ 4,984	¥ 55,047

	Thousands of U.S. Dollars						
	2015						
	Reportable segment				Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Modules	Total			
Loss on impairment of long-lived assets	**$ 1,717**	**$ 31,100**	**$ 11,183**	**$ 44,000**	**$ 3,283**	**$ 1,684**	**$ 48,967**

The amount under "Other" for the year ended March 31, 2015, is mainly for Molding Dies. The amount under "Other" for the year ended March 31, 2014, is for lightings. The amount under "Other" for the year ended March 31, 2013, is for resistors.

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

	Millions of Yen						
	2015						
	Reportable segment				Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Modules	Total			
Goodwill at March 31, 2015	**¥ 33**			**¥ 33**			**¥ 33**

	Millions of Yen						
	2014						
	Reportable segment				Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Modules	Total			
Goodwill at March 31, 2014	¥ 33			¥ 33			¥ 33

	Thousands of U.S. Dollars						
	2015						
	Reportable segment				Other	Reconciliations	Consolidated
	ICs	Discrete semiconductor devices	Modules	Total			
Goodwill at March 31, 2015	**$ 275**			**$ 275**			**$ 275**

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

(g) Information regarding profit for negative goodwill of reportable segments

There is no relevant information for the years ended March 31, 2015 and 2014.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheet of ROHM CO., LTD. and its consolidated subsidiaries as of March 31, 2015, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ROHM CO., LTD. and its consolidated subsidiaries as of March 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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

Deloitte Touche Tohmatsu LLC

June 26, 2015

Member of
Deloitte Touche Tohmatsu Limited

2015

Annual Financial Report

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