



[Please note that the followings including Independent Auditor's Reports and Report of the Board of Company Auditors are English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan with certain reference information excerpted from the Company's financial report for the fiscal year ended March 31, 2016. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please be advised that certain expressions in the original document for domestic voting procedures that are not applicable to the aforesaid shareholders are omitted or modified to avoid confusion. Please also be advised that this material will not facilitate your status as a registered shareholder. In order to be authorized to physically attend the ordinary general shareholders meeting, presentation of the original Voting Form in Japanese to the receptionist at the place of the meeting is required.]

(Securities Code: 6963)
May 31, 2016

To Our Shareholders:

ROHM Co., Ltd.
21, Saiin Mizosaki-cho,
Ukyo-ku, Kyoto, Japan
Satoshi Sawamura
President

NOTICE OF THE 58TH ORDINARY GENERAL SHAREHOLDERS MEETING

Dear Shareholders,

You are cordially invited to attend the 58th Ordinary General Shareholders Meeting of ROHM CO., LTD. ("the Company"). If you are unable to attend the meeting, please kindly take the necessary procedure to exercise your voting rights in connection with the following matters to be resolved. Such matters can be reviewed in the attached "REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS" on page 3. Your vote must be received by the Company no later than Tuesday June 28, 2016, 5:15 p.m. (JST).

NOTICE OF MEETING

1. Date and Time: Wednesday, June 29, 2016, 10:00 a.m. (Start Accepting: 9:00 a.m.)

2. Place: Hyatt Regency Kyoto 1F The Ball Room
644-2 Sanjusangendo-mawari, Higashiyama-ku, Kyoto, Japan

3. Objectives of the Meeting:

Reporting:

1. Business Report, Consolidated and Nonconsolidated Financial Statements, for the 58th Fiscal Year (from April 1, 2015 to March 31, 2016)
2. Audit Reports on Consolidated Financial Statements from the Independent Auditors and the Board of Company Auditors for the 58th Fiscal Year (from April 1, 2015 to March 31, 2016)

Resolutions:

- Proposal 1: Appropriation of Dividends of Surplus for the 58th Fiscal Year
Proposal 2: Election of one (1) Director
Proposal 3: Election of five (5) Company Auditors

Note:

- * You can exercise your voting rights by designating a shareholder who has voting rights and will attend the General Shareholders Meeting as your delegate. In such a case, a Power of Attorney will need to be submitted.
- * Please note that the meeting will be conducted in Japanese only.
- * If any changes have been made to items in the Reference Materials for the Exercise of Voting Rights, Business Report, Consolidated Financial Statements, or Nonconsolidated Financial Statements, such changes will be posted on our website. (<http://www.rohm.com/web/global/investor-relations>)

How to Exercise Your Voting Rights

1. Three Methods to Exercise Your Voting Rights as follows:

- Attend the General Shareholders Meeting
Presentation of the original Voting Form in Japanese to the receptionist at the place of the meeting is required.
- By means of the Voting Rights Exercise Form
Fill out the Voting Rights Exercise Form with your voting in the affirmative or the negative for each proposal, and send the Form to the Company by mail. Voting by means of the Voting Rights Exercise Form can be accepted until 5:15 p.m. (JST), Tuesday, June 28, 2016.
- Via the Internet
If you exercise your voting rights via the Internet, please follow the instructions below. If you are going to attend the meeting, you are not required to complete procedures to exercise your voting rights by mail (by means of the Voting Rights Exercise Form) or online.

(1) Exercise Your Voting Rights via the Internet

- 1) You are able to exercise your voting rights via the Internet by accessing the designated voting website (<http://www.evotep.jp/>). (Operation is adjourned from 2:00 a.m. to 5:00 a.m. everyday). You may be unable to access the voting website depending on the internet connection conditions.
- 2) Enter your login ID and temporary password, both of which can be found on your ballot sheet. Proceed with the instructions that appear on the display and select whether you are voting in the affirmative, or the negative for each proposals.
- 3) If you exercise your voting rights both by mail and via the Internet, only those exercised via the Internet will be valid, and if you exercise your voting rights multiple times via the Internet, the last time that you exercise your voting rights shall be deemed valid.
- 4) The expenses incurred by accessing to the voting website (internet access fees, communications charges, etc.) shall be borne by shareholders.
- 5) Voting from the website can be accepted until 5:15 p.m. (JST), Tuesday, June 28, 2016. However, exercising your voting rights at an earlier date is recommended. In the event of any problems with voting from the website, please contact the Help Desk below.

(2) Handling of Password

- 1) You will be informed of your login ID and temporary password each time a shareholders meeting is called.
- 2) The password is very important to prove your legitimacy as a shareholder of the Company, so please ensure that you do not disclose them to other people.
Please note that the Company cannot answer any inquiries regarding your password by phone, etc.

For the e-voting system, please contact:
 Help Desk, Securities Business Division
Mitsubishi UFJ Trust and Banking Corporation
 Telephone: 0120-173-027
 Working hours: 9:00 a.m. to 9:00 p.m. (JST)

2. Exercising Your Voting Rights by Electronic voting platform

If nominal shareholders (including standing proxies), such as management trust banks, apply in advance for the use of the platform for electronic exercise of voting rights for institutional investors, which is operated by ICJ, Inc., they may utilize the said platform as a method for exercising voting rights via an electromagnetic method for this Shareholders Meeting of the Company.

REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS

Proposal 1: Appropriation of Dividends of Surplus for the 58th Fiscal Year

Concerning the appropriation and year-end dividends of surplus, ROHM plans to pay out as specified below, in thorough consideration of relevant factors, including the results of the year ended March 31, 2016, financial forecasts, and future fund demands for investment in business to improve our corporate value. Accordingly, the total dividend for the year is 130 yen per share, including the interim dividend of 65 yen.

(1) Type of assets distributed: Cash

(2) Distribution of dividends of surplus and total distributed amount:

Distribution of each common share of the Company 65 yen

Total amount distributed 6,875,456,705 yen

(3) Date when the distribution takes effect: June 30, 2016

Proposal 2: Election of One (1) Director

Jun Iida will be resigning from the position of Director as of the closing of this 58th Ordinary General Shareholders Meeting. Taking this into consideration, in order to maintain and reinforce the corporate management system, it is proposed that one (1) director be elected.

The candidate for the director is as follows:

(* New Candidate)

Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company	Number of ROHM Shares Held
*Kenichiro Sato (Mar. 8, 1931)	Dec. 1954 Established Toyo Electronics Industry, the antecedent of the Company Sep. 1958 Established Toyo Electronics Industry Corporation. (Currently ROHM CO., LTD.) President (Representative Director) Feb. 1991 Chairman of Rohm Music Foundation (Current position) Apr. 2010 Chairman Emeritus of the Company (Current position)	2,405,066

(Notes) Kenichiro Sato is the Chairman of Rohm Music Foundation and the Company supports the activities of the foundation.

Proposal 3: Election of five (5) Company Auditors

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

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

The candidates for the Company Auditors are as follows:

				(* New Candidate)
No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, and Important Duties outside the Company		Number of ROHM Shares Held
1	Yoshiaki Shibata (August 17, 1944)	Apr. 1968 Apr. 1997 Jun. 1998	Joined The Daiwa Bank Co., Ltd. General Manager of Inspection Div. of the bank above Company Auditor of the Company (Full Time) (Current Position)	3,200
2	Shinya Murao (January 26, 1957)	Sep. 1986 Mar. 1990 Sep. 1992 Jun. 2001	Joined Tohmatsu & Co. (Osaka Office) Registered as CPA Founded Murao Accounting Office Company Auditor of the Company (Current Position)	600
3	Haruo Kitamura (August 21, 1958)	Sep. 1983 Mar. 1987 Aug. 2002 Jun. 2004 Dec. 2005	Joined Arthur Andersen CPA Joint Office Registered as CPA Founded Kitamura Accounting Office Company Auditor of the Company (Current Position) Outside Director of Sumisho-Grainger Co., Ltd. (Currently MonotaRO Co., Ltd.) (Current Position)	0
4	*Hiroyuki Nii (August 16, 1957)	Apr. 1981 Apr. 2006 Apr. 2011	Joined The Daiwa Bank Co., Ltd. Group Leader of Real Estate Division of Resona Bank, Ltd. Senior Managing Director of The Resona Foundation for Asia and Oceania (Current Position)	0
5	*Hidero Chimori (May 24, 1954)	Apr. 1983 May. 2002	Attorney at law (Member of Osaka Bar Association) Joined Miyake & Partners Managing Partner of Miyake & Partners (Current Position)	0

- (Notes) 1. There are no special relationships of interest between the candidates and the Company
2. The candidates are for Outside Company Auditors of the Company. The candidates satisfy the Independence Standards for Outside Officers of the Company, it has been judged that they are fully independent with no risk for conflict of interest with general shareholders
3. The Company has designated Yoshiaki Shibata, Shinya Murao and Haruo Kitamura as Independent Company Auditors pursuant to the rules of the Tokyo Stock Exchange, and reported that information to the Exchange. The Company will designate Hiroyuki Nii and Hidero Chimori as such Independent Company Auditors and report that information to the Exchange if their elections are approved.
4. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into contracts with Yoshiaki Shibata, Shinya Murao and Haruo Kitamura that limit their liabilities specified in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as specified in Article 425, Paragraph 1 of the Companies Act. If their reelections are approved, the Company will continue the contracts with them.
The Company will enter into same contracts with Hiroyuki Nii and Hidero Chimori if their elections are approved.
5. Each candidate Outside Company Auditor is introduced as follows:
- (1) Yoshiaki Shibata is suitable as an Outside Company Auditor, typically because he can provide opinions regarding corporate management and other issues from a comprehensive point of view based on his expertise as a full-time Company Auditor of the Company. The Company is certain that he will carry out his duties appropriately. As of the closing of this General Meeting, his term of office as an Outside Company Auditor will reach eighteen years.

- (2) Shinya Murao is recommended as an Outside Company Auditor because the Company is certain that he will contribute to the Company in terms of management and other issues by sharing expertise and knowledge he gained as a certified public accountant through auditing. He has worked at Deloitte Touche Tohmatsu LLC (Tohmatsu & Co. at that time), which is now the Company's Independent Auditor. However, since about twenty-three years have passed since he retired from the accounting firm and he had not directly involved in auditing of the Company when he was with the accounting firm, it has been judged that he is fully independent with no risk for conflict of interest with general shareholders. As of the closing of this General Meeting, his term of office as an Outside Company Auditor will reach fifteen years.
- (3) Haruo Kitamura is recommended as an Outside Company Auditor because the Company is certain that he will contribute to the Company in terms of management and other issues by sharing expertise and knowledge he gained as a certified public accountant through auditing. As of the closing of this General Meeting, his term of office as an Outside Company Auditor will reach twelve years.
- (4) Hiroyuki Nii is suitable as an Outside Company Auditor, typically because he can provide opinions regarding corporate management and other issues based on his excellent experience and knowledge through long-time experience at a financial institution and other organizations. The Company is certain that he will carry out his duties appropriately.
- (5) Hidero Chimori is recommended as an Outside Company Auditor because he can contribute to the Company in terms of management and other issues by sharing expertise and knowledge he gained as a lawyer through auditing. The Company is certain that he will carry out his duties appropriately.

Independence Standards for Outside Officers

The Company appoints only persons who do not fall into any of the following categories of persons as its Outside Officers.

1. A major shareholder¹ of the Company or a person who executes the business of the Company²;
2. A person who executes the business of a company of which the Company is a major shareholder;
3. A major customer³ of the Group or a person who executes the business of that major customer;
4. An organization for whom the Group is a major customer⁴ or a person who executes the business of said organization;
5. A consultant, accounting expert or legal expert who, in addition to director's remuneration, receives money exceeding a certain amount or other assets⁵ from the Group (or an organization that receives the said assets or a person who belongs to the said organization);
6. A person who receives donations or grants exceeding a certain amount⁶ from the Group (or an organization that receives the said grants is, or a director of that organization or a person who executes the business of that organization);
7. A partner, member or employee of the accounting auditors of the Company;
8. A person who executes the business of a major lender of the Company⁷;
9. A person who fell into any of the categories described in 1 to 8 above in the last three years;
10. An organization to whom a director of the Group is transferred or a person who executes the business of said organization, or;
11. The spouse of an important person who executes the business of the Group⁸ or a relative of that person within the second degree of relationship.

(Enacted on November 5, 2015)

¹ A major shareholder means a shareholder holding at least 10% of the total voting rights of the Company.

² A person who executes business means a director, an executive officer, a member or an employee.

³ A major customer means a company whose payments account for over 2% of annual consolidated sales of the Company.

⁴ An organization for whom the Group is a major customer means a company with over 2% in annual sales coming from the Company.

⁵ A certain amount means ten million yen per year for an individual and over 2% of total revenue for an organization.

⁶ A certain amount means over ten million yen per year.

⁷ A major lender of the Company means a lender from which an amount exceeding 2% of total consolidated assets of the Company is borrowed.

⁸ An important person who executes business means a director (excluding outside directors) or a person in the senior management position of general manager or above.

Business Report

For the period from April 1, 2015 to March 31, 2016

1. Present Status of ROHM Group

(1) Business Progress and Results

Overall Review of Results of Operations

The world economy in the fiscal year ended March 31, 2016 lost some traction as the slowdown in China and issues elsewhere during the second half of the year dampened the recovery trajectories in the USA, Europe and Japan.

By individual regions, the US economy stayed on a recovery tack, despite signs of declining growth in exports and capital expenditures, as personal spending and housing investment remained strong and the job market continued to improve. Though feeling the effects of China's slowdown, Europe, too, continued its recovery, albeit mild, on the good showing from Germany and the UK. Asia presented a mixed picture. On one side, growth in China slowed because of falling industrial output and capital expenditures, and the Thai economy retracted slightly because of waning domestic demand, while, in India, domestic demand drove an uptick in the economy. Japan made slight gains in the wake of sluggish capital expenditures and personal spending, as business earnings remained good.

In the electronics industry, 4K TVs and high-resolution audio appliances (*1) held firm, while the slump in PCs, tablets and digital still cameras continued and smartphones slid into an adjustment phase after a good showing earlier in the year. The automotive electronics market remained steady against falling vehicle sales in Japan, thanks to increased use of in-vehicle electronics and strong vehicle sales in the USA and Europe. Overall, the electronics industry started the year out strongly but slipped into correction mode later in the year.

Working within this business environment, the ROHM Group continued to implement important strategies aimed at improving performance in the mid- to long-term. With regards to products, efforts were directed at expanding lineups of new ICs, SiC-based power devices and power module products, and sensor-related products via the synergy with LAPIS Semiconductor Co., Ltd. In current product fields, time and resources were focused on developing and increasing sales of new industry-leading products like the RAS MID ® series (*2) of ultra-miniaturized components. By market, the ROHM Group strengthened its lineups of major business line ICs and semiconductors for the automotive and industrial equipment markets, both of which are treated as strategic markets. Development moved forward on new products in anticipation of market needs, such as the industry's first communication IC compliant with CXPI (*3), the world's first trench MOSFET (*4) made from SiC, ICs for monitoring lithium ion batteries, high voltage DC/DC converters, FeRAM (*5) and highly reliable NOR flash memories (*6). For consumer markets, development focused on power ICs for tablets, wireless communications ICs and microcontroller boards for Wi-SUN (*7), and USB Type-C Power Delivery (*8) controller ICs. Moreover, the ROHM Group acquired Powervation Ltd. (now ROHM POWERVATION Ltd.), a fabless semiconductor company that develops and sells digital power control ICs, to accelerate the development of digital power ICs, and decided to spin off its lighting business as part of the push to hone and consolidate business operations.

Overseas, the ROHM Group continued efforts to strengthen customer support systems as a means for increasing both sales and market share.

On the production front, the ROHM Group continued to promote RPS (ROHM Production System) activities (*9) aimed at enhancing both the quality and efficiency of manufacturing, and took steps to add state-of-the-art analog ICs processes as well as to strengthen the production system by building new plants in Thailand and Malaysia. Furthermore, the ROHM Group acquired a part of Renesas Shiga factory (now ROHM SHIGA Co., Ltd.) from a subsidiary of Renesas Electronics Corporation, in preparation for increased demand for MEMS sensors and IGBT (*10) power devices.

Moreover, quality improvement efforts were undertaken and led to an excellent supplier award from a major automotive electronics manufacturer outside of Japan.

Under these circumstances, consolidated net sales for the fiscal year ended March 31, 2016 were 352,397 million yen (a decrease of 2.9% from the fiscal year ended March 31, 2015) and operating income was 33,635 million yen (a decrease of 13.3% from the fiscal year ended March 31, 2015).

Ordinary income was 36,625 million yen (a decrease of 38.2% from the fiscal year ended March 31, 2015) and annual net income attributable to owners of the parent was 25,686 million yen (a decrease of 43.3% from the fiscal year ended March 31, 2015).

- *1 High resolution audio
Media that holds more than 3 times the data and can play back high quality audio closer to the original sound than what was achievable with conventional music CDs.
- *2 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 ($\pm 10\mu\text{m}$).
- *3 CXPI (Clock Extension Peripheral Interface)
A next-generation in-vehicle communication standard adopted by the Society of Automotive Engineers of Japan, Inc. (JSAE). Though originated in Japan, efforts are underway to make it an international standard. The interface offers better communication response and reliability than the LINs (*11) that are used in body control applications for communication amongst ECUs (*12)
- *4 MOSFET (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.
- *5 FeRAM (Ferroelectric Random Access Memory)
A nonvolatile memory that retains stored data even when the power is off. Because a ferroelectric capacitor is used as the memory device, it features high-speed data writing, high rewriting resistance and low power consumption.
- *6 NOR flash memory
Flash memories are a kind of nonvolatile memory that retains stored data even when the power is off. They come in either NAND or NOR architecture. NAND flash memories help reduce costs and are, therefore, used with mobile phones, digital cameras, digital audio devices, etc. NOR flash memories are widely used for automotive electronics, industrial equipment and other devices that require high reliability.
- *7 Wi-SUN (Wireless Smart Utility Network)
An international wireless communication standard that uses sub-gigahertz radio frequencies of around 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.
- *8 USB Type-C Power Delivery
A USB power expansion standard for receiving/delivering up to 100W of power over USB. It allows for larger devices, such as laptops, to be powered, which is not possible using conventional USB, and speeds up charging time considerably for portables. Defined under UBS 3.1, USB Type-C is a new reversible-plug connector.
- *9 RPS (Rohm Production System) Activities
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.
- *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.
- *11 LIN (Local Interconnect Network)
An in-vehicle communication standard for multiplex communications advocated primarily by auto manufacturers in Europe as a means for reducing the costs of in-vehicle networks.
- *12 ECU (Electronic Control Unit)
The microcontroller that electrically controls in-vehicle systems for powering a vehicle. ECUs are mounted on many cars and especially on luxury vehicles.

Overview of performance in each segment

<ICs>

Consolidated net sales for the fiscal year ended March 31, 2016 were 164,080 million yen (a decrease of 3.4% from the fiscal year ended March 31, 2015) and segment income was 7,660 million yen (a decrease of 65.6% from the fiscal year ended March 31, 2015).

In the automotive electronics market, sales increased overall, despite an adjustment in power ICs for car navigation systems, as manufacturers newly adopted communication ICs, LCD timing controllers ICs (T-CON) (*13) and power ICs for ECUs, power trains, lamps and car bodies, as well as expanded use of LED driver ICs for instrument clusters overseas.

In the digital AV field, LED driver ICs and power ICs for TVs and power ICs for home appliances sold

well, while power ICs for flat panel modules went into an adjustment phase.

In the IT related market, pressure sensors and color sensors were adopted more widely with smartphones, while sales of power ICs for tablets and data storage, accelerometers and general purpose EEPROM (*14) for smartphones fell.

In the industrial equipment market, sales of ICs for factory automation and measuring instruments, HEMS and BEMS (*15), and communication infrastructure grew steadily, but sales of power ICs for POS and lighting products went into an adjustment phase.

With regard to Group company Lapis Semiconductor Co., Ltd., memory ICs for gaming devices fell on the one hand, but sales of display drivers ICs for high resolution TVs increased on the other.

*13 LCD timing controller ICs (T-CON)

ICs that generate and control the signals needed to light up the LCDs used by TVs, PC monitors, car infotainment systems, etc.

*14 EEPROM (Electrically Erasable Programmable Read-Only Memory)

A nonvolatile memory that retains stored data even when the power is off. It allows data to be erased and overwritten by electrical operations.

*15 HEMS (Home Energy Management System)/BEMS (Building Energy Management System)

A HEMS is a system for managing energy consumption in a home. A BEMS is a similar system, but for buildings. Though they serve different targets, both systems connect power meters, solar power systems, storage batteries, home appliances and other equipment over a network, visualize power consumption and economically manage equipment, using sensors and IT.

<Discrete semiconductor devices>

Consolidated net sales for the fiscal year ended March 31, 2016 were 126,436 million yen (a decrease of 2.0% from the fiscal year ended March 31, 2015) and segment income was 21,504 million yen (an increase of 35.2% from the fiscal year ended March 31, 2015).

With regard to transistors, sales of power MOSFETs for automotive electronics and home appliances grew steadily. As for diodes, sales of rectifier and Zener diodes for automotive electronics were firm. Regarding power devices, sales of SiC devices and modules for solar power systems and EV (Electric Vehicle) onboard chargers grew, while sales of customized power modules slumped. With LEDs, demand for gaming and entertainment products and wearable electronics fell. And, sales of semiconductor lasers for reading optical discs decreased.

<Modules>>

Consolidated net sales for the fiscal year ended March 31, 2016 were 36,370 million yen (an increase of 0.8% from the fiscal year ended March 31, 2015) and segment income was 4,594 million yen (an increase of 120.2% from the fiscal year ended March 31, 2015).

With regard to printheads, sales of products for faxes and laser printers decreased, but sales for mini-printers used for mobile payment terminals and other applications increased.

As for optical modules, sales of ultra-small sensor modules for smartphones and wearable electronics increased greatly especially in the early part of the year.

Sales of power modules to the automotive electronics market slumped.

<Others>

Consolidated net sales for the fiscal year ended March 31, 2016 were 25,510 million yen (a decrease of 8.0% from the fiscal year ended March 31, 2015) and segment income was 262 million yen (segment loss of 900 million yen for the fiscal year ended March 31, 2015).

Sales of resistors to the automotive electronics market increased, while sales of resistors for smartphones decreased. Sales of ultra-small tantalum capacitors for smartphones slumped.

With regard to LED lighting products, sales slumped because of competitive pricing and other factors.

The net sales mentioned above are sales to external customers.

(2) Capital Expenditures

In this period, the Group invested 56,686 million yen in total in facilities to pursue the improvement and expansion of the development and manufacturing system as well as drastic streamlining. A breakdown of investment by segment is as follows:

ICs	20,973	million yen
Discrete Semiconductor Devices	21,991	million yen
Modules	4,695	million yen
Others	1,315	million yen
Sales and Administrative Expenses Division	7,709	million yen

(3) Financing

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

(4) Priority Issues

Though there are concerns about slower growth in China and elsewhere, there are also bright spots in the world economy such as improved personal consumption and more 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 use 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, industrial equipment, 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 CSV 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.

(5) Operating Results and Financial Position of the ROHM Group

(Millions of yen otherwise noted)

Item	Mar-2013	Mar-2014	Mar-2015	(Current period) Mar-2016
Net Sales	292,410	331,087	362,772	352,397
Ordinary Income	11,786	35,915	59,218	36,625
Net Income (Loss) Attributable to Owners of the Parent	△52,464	32,091	45,296	25,686
Net Income (Loss) per Share (yen)	△486.63	297.65	420.15	241.91
Total Assets	699,014	754,407	864,380	804,134
Equity	613,647	663,387	752,433	706,251

(Notes) 1. These values are rounded down to the nearest million except for the net income (loss) per share for the period, rounded down to two decimal places.

2. Net income (loss) per share for the period is calculated based on the average number of shares during the period after deduction of the number of treasury stock.

(Reference) Operating Results and Financial Position of the Company

(Millions of yen otherwise noted)

Item	Mar-2013	Mar-2014	Mar-2015	(Current Period) Mar-2016
Net Sales	249,741	282,123	313,498	307,047
Ordinary Income	21,416	13,284	59,711	12,094
Net Income	4,200	10,765	36,700	6,450
Net Income per Share (yen)	38.95	99.85	340.43	60.75
Total Assets	463,989	485,318	548,790	496,342
Equity	403,845	419,324	459,868	425,359

(Notes) 1. These values are rounded down to the nearest million except for the net income per share for the period, rounded down to two decimal places.

2. Net income per share for the period is calculated based on the average number of shares during the period after deduction of the number of treasury stock.

(6) Main Business Segments

The Group's main operations are the manufacturing and sales of electronic components.

The main products and business segments are as follows:

Segment Name	Main products and business
ICs	Analog ICs, Logic ICs, Memory ICs, ASICs, Foundry business operations
Discrete semiconductor devices	Diodes, Transistors, Light Emitting Diodes, Laser Diodes
Modules	Printhead Products, Optical Modules, Power Modules
Others	Resistors, Tantalum Capacitors, Lighting Products

(7) Main Business Sites

	Name	Location
ROHM CO., LTD.	Head Office/Factory Kyoto Technology Center Yokohama Technology Center Kyoto Business Center Tokyo Business Center Yokohama Business Center Nagoya Business Center	Kyoto Kyoto Kanagawa Kyoto Tokyo Kanagawa Aichi
Manufacturing	ROHM HAMAMATSU CO., LTD. ROHM WAKO CO., LTD. ROHM APOLLO CO., LTD. ROHM MECHATECH CO., LTD. ROHM SHIGA CO., LTD. LAPIS SEMICONDUCTOR CO., LTD. LAPIS SEMICONDUCTOR MIYAGI CO., LTD. LAPIS SEMICONDUCTOR MIYAZAKI CO., LTD. ROHM KOREA CORPORATION ROHM ELECTRONICS PHILIPPINES, INC. ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD. ROHM SEMICONDUCTOR (CHINA) CO., LTD. ROHM ELECTRONICS DALIAN CO., LTD. ROHM WAKO ELECTRONICS (MALAYSIA) SDN., BHD. ROHM MECHATECH PHILIPPINES, INC. ROHM MECHATECH (THAILAND) CO., LTD. ROHM POWERVATION LTD. KIONIX, INC. SICRYSTAL AG	Shizuoka Okayama Fukuoka Kyoto Shiga Kanagawa Miyagi Miyazaki Korea Philippines Thailand China China Malaysia Philippines Thailand Ireland U.S.A. Germany
Sales	ROHM SEMICONDUCTOR KOREA CORPORATION ROHM SEMICONDUCTOR TRADING (DALIAN) CO., LTD. ROHM SEMICONDUCTOR (SHANGHAI) CO., LTD. ROHM SEMICONDUCTOR (SHENZHEN) CO., LTD. ROHM SEMICONDUCTOR (H.K.) CO., LTD. ROHM SEMICONDUCTOR TAIWAN CO., LTD. ROHM SEMICONDUCTOR SINGAPORE PTE. LTD. ROHM SEMICONDUCTOR PHILIPPINES CORPORATION ROHM SEMICONDUCTOR (THAILAND) CO., LTD. ROHM SEMICONDUCTOR MALAYSIA SDN. BHD. ROHM SEMICONDUCTOR INDIA PVT. LTD. ROHM SEMICONDUCTOR U.S.A., LLC ROHM SEMICONDUCTOR DO BRASIL LTDA. ROHM SEMICONDUCTOR GmbH	Korea China China China China Taiwan Singapore Philippines Thailand Malaysia India U.S.A. Brazil Germany
Logistics	ROHM LOGISTEC CO., LTD.	Okayama

(8) Employees

Segment Name	Number of Employees	Change from the Previous Fiscal Year	Average Service Years
ICs	21,171	Increase by 328 employees	10.5 years
Discrete semiconductor devices			
Modules			
Others			
Sales and administrative expenses division			

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

2. The number of employees includes, in addition to full-time employees, 498 regular workers based on fixed-term employment contracts.

(9) Summary of Important Subsidiaries

Company Name	Capital	Voting Right Ratio by ROHM	Main Business
ROHM HAMAMATSU CO., LTD.	Million yen 15,400	100.0%	Manufacture of electronic components
ROHM APOLLO CO., LTD.	Million yen 450	100.0	Manufacture of electronic components
LAPIS SEMICONDUCTOR CO., LTD.	Million yen 400	100.0	Manufacture of electronic components
ROHM ELECTRONICS PHILIPPINES, INC.	Thousand peso 1,221,563	100.0	Manufacture of electronic components
ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD.	Thousand baht 1,115,500	100.0	Manufacture of electronic components
ROHM SEMICONDUCTOR (CHINA) CO., LTD.	Million yen 16,190	100.0	Manufacture of electronic components
ROHM ELECTRONICS DALIAN CO., LTD.	Million yen 9,417	100.0	Manufacture of electronic components
ROHM SEMICONDUCTOR KOREA CORPORATION	Thousand won 1,000,000	100.0	Sales of electronic components
ROHM SEMICONDUCTOR (H.K.) CO., LTD.	Thousand HK\$ 27,000	100.0	Sales of electronic components
ROHM U.S.A., INC.	Thousand US\$ 253,642	100.0	Administrative responsibility for subsidiaries in North and South America
ROHM ELECTRONICS ASIA PTE. LTD.	Thousand S\$ 90,630	100.0	Administrative responsibility for subsidiaries in Asia and others

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

2. Voting right ratio by ROHM includes indirect holdings through subsidiaries.

2. Status of Shares

- (1) Total Number of Shares Authorized to be Issued 300,000,000
- (2) Total Number of Shares Issued 113,400,000
(Including 7,623,743 shares of treasury stock)
- (3) Total Number of Shareholders as of March 31, 2016 27,446
- (4) Major Shareholders (Top 10 Shareholders)

Name	Number of Shares Held (Thousands of shares)	Ownership
Rohm Music Foundation	8,000	7.56%
The Master Trust Bank of Japan, Ltd. (Trust account)	6,265	5.92
Japan Trustee Service Bank, Ltd. (Trust account)	4,314	4.07
Japan Trustee Service Bank, Ltd. (Trust account 9)	2,904	2.74
Bank of Kyoto, Ltd.	2,606	2.46
Kenichiro Sato	2,405	2.27
BNYML-NON TREATY ACCOUNT	2,188	2.06
MSCO CUSTOMER SECURITIES	1,675	1.58
HSBC BANK PLC A/C CLIENTS 1	1,611	1.52
STATE STREET BANK WEST CLIENT - TREATY 505234	1,480	1.39

(Notes) 1. The number of shares less than one thousand shares and the percentage of ownership less than two decimal places are rounded down to the nearest unit, respectively.

2. 7,623 thousand shares of treasury stock are excluded from the above calculation.

3. Ownership is calculated by deducting the number of treasury stock from the total number of shares issued.

3. Directors and Company Auditors of the Company

(1) Directors and Company Auditors

(As of March 31, 2016)

Position	Name	Positions at the Company and Important Duties outside the Company
* President	Satoshi Sawamura	
Director	Tadanobu Fujiwara	General Manager of Japanese Sales Headquarters
Director	Eiichi Sasayama	General Manager of Accounting & Finance Headquarters
Director	Isao Matsumoto	General Manager of LSI Production Headquarters
Director	Katsumi Azuma	General Manager of Discrete Module Production Headquarters
Director	Masahiko Yamazaki	General Manager of Administrative Headquarters
Director	Masaki Sakai	General Manager of Overseas Sales Headquarters
Director	Jun Iida	General Manager of LSI Product Development Headquarters
Director	Hachiro Kawamoto	
Director	Koichi Nishioka	
Company Auditor (Full-Time)	Yoshiaki Shibata	
Company Auditor (Full-Time)	Hideo Iwata	
Company Auditor	Yasuhito Tamaki	Attorney at Law, Outside Director of Eidai Co., Ltd.
Company Auditor	Shinya Murao	CPA
Company Auditor	Haruo Kitamura	CPA, Outside Director of MonotaRO Co., Ltd.

(Notes) 1. * Representative Director.

2. Hachiro Kawamoto and Koichi Nishioka are Outside Directors as provided in Article 2, Paragraph 15, of the Companies Act.
3. All five of the Company Auditors are Outside Company Auditors as provided in Article 2, Paragraph 16, of the Companies Act.
4. The Company has designated Directors Hachiro Kawamoto and Koichi Nishioka and all five of the Company Auditors as Independent Directors/Company Auditors pursuant to the rules of the Tokyo Stock Exchange, and reported that information to the Exchanges.
5. Company Auditors Shinya Murao and Haruo Kitamura are certified public accountants and are duly informed of finances and accounting.
6. Changes in the membership of the Board of Directors and the Board of Company Auditors during this fiscal year were as specified below.
 - (1) New appointments
 - 1) Masaki Sakai was newly elected and appointed as a Director at the 57th Ordinary General Shareholders Meeting of June 26, 2015.
 - 2) Jun Iida was newly elected and appointed as a Director at the 57th Ordinary General Shareholders Meeting of June 26, 2015.
 - (2) Retirements
 - 1) Hidemi Takasu retired from the position of Managing Director as of the closing of the 57th Ordinary General Shareholders Meeting of June 26, 2015 due to the expiry of his term of office.
 - 2) Toshiki Takano retired from the position of Director as of the closing of the 57th Ordinary General Shareholders Meeting of June 26, 2015 due to the expiry of his term of office.
 - (3) Changes in duties
 - 1) Masaki Sakai's position was changed from General Manager of Euro-American Sales Headquarters to General Manager of Overseas Sales Headquarters as of July 11, 2015.
 - 2) Masahiko Yamazaki's position was changed from General Manager of Administrative Headquarters, General Manager of CSR Headquarters to General Manager of Administrative Headquarters as of February 11, 2016.

(2) Overview of the Contents of Contracts for Limitation of Liability

Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into contracts with all Outside Directors and Outside Company Auditors that limit their liabilities specified in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as specified in Article 425, Paragraph 1 of the Companies Act.

(3) Total Remunerations for Directors and Company Auditors

Position	Number of Members	Remuneration
Directors	12	306 million yen
Company Auditors	5	63 million yen
Total	17	370 million yen

- (Notes) 1. Directors' remunerations do not include the amount paid as salary for employees to those Directors who are also employees.
2. The total amount of Directors' remuneration is limited to 600 million yen per year based on the resolution of the 48th Ordinary General Shareholders Meeting held on June 29, 2006, and the total amount of Company Auditors' remuneration is limited to 6 million yen per month based on the resolution of the 36th Ordinary General Shareholders Meeting held on June 29, 1994.
3. Directors' remunerations include the amount of 71 million yen as bonuses for the Directors with respect to the 58th fiscal year.
4. Two Directors are Outside Directors and all the Company Auditors are Outside Company Auditors. The total amount of their remunerations is 85 million yen.

(4) Main Activities of Outside Director and Outside Company Auditors

Position	Name	Main Activity
Director	Hachiro Kawamoto	Attended all 23 meetings of Board of Directors during the fiscal year ended March 31, 2016 (including participation in 8 resolutions deemed to have been made in writing). Provides opinions based on experience and knowledge as a longtime administrator of an incorporated school.
Director	Koichi Nishioka	Attended 96% of the 23 meetings of Board of Directors during the fiscal year ended March 31, 2016 (including participation in 8 resolutions deemed to have been made in writing). Provides opinions based on experience and knowledge as a longtime economic press reporter.
Company Auditor (Full-Time)	Yoshiaki Shibata	Attended all 23 meetings of Board of Directors during the fiscal year ended March 31, 2016 (including participation in 8 resolutions deemed to have been made in writing). Attended all 15 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., from a comprehensive point of view, based on his position and experience as the full-time Company Auditor.
Company Auditor (Full-Time)	Hideo Iwata	Attended all 23 meetings of Board of Directors during the fiscal year ended March 31, 2016 (including participation in 8 resolutions deemed to have been made in writing). Attended all 15 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., from a comprehensive point of view, based on his position as the full-time Company Auditor and based on experience and knowledge as a longtime administrator at a financial institution.
Company Auditor	Yasuhito Tamaki	Attended 91% of the 23 meetings of Board of Directors during the fiscal year ended March 31, 2016 (including participation in 8 resolutions deemed to have been made in writing). Attended all 15 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., principally from a professional point of view as a lawyer.
Company Auditor	Shinya Muraio	Attended 96% of the 23 meetings of Board of Directors during the fiscal year ended March 31, 2016 (including participation in 8 resolutions deemed to have been made in writing). Attended all 15 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., principally from a professional point of view as a certified public accountant (CPA).
Company Auditor	Haruo Kitamura	Attended 96% of the 23 meetings of Board of Directors during the fiscal year ended March 31, 2016 (including participation in 8 resolutions deemed to have been made in writing). Attended all 15 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., principally from a professional point of view as a CPA.

4. Independent Auditor

(1) Name of the Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Remuneration for the Independent Auditor for the 58th Fiscal Year 92 million yen

(Notes) 1. The audit engagement between the Company and its Independent Auditor, Deloitte Touche Tohmatsu LLC, does not and actually cannot distinguish between remuneration based on the Companies Act and remuneration based on the Financial Instruments and Exchange Act. For this reason, the amount above includes the aggregate sum of these amounts.

2. Based on the "Practical Guidelines for Cooperation with Independent Auditors" released by the Japan Audit & Supervisory Board Members Association, the Board of Company Auditors has verified and examined the execution of duties of accounting audit and remuneration for previous fiscal year, the contents of audit plans and the calculation basis for remuneration estimates. As a result, the Board of Company Auditors agreed to the remuneration paid to the Independent Auditor.

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

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

The Board of Company Auditors may decide the proposal regarding dismiss or not to reappoint the Independent Auditor and based on such decision the Board of Directors shall submit such proposal at the General Shareholders Meeting when it is deemed difficult for the Independent Auditors to perform audits properly due to an event that may damage their qualification or independence.

(4) Total Remuneration for the Independent Auditor to be Paid by the Company and Its Subsidiaries 138 million yen

(Note) Among ROHM Group's major subsidiaries, financial statements of the eight overseas subsidiaries are audited by certified public accountants or auditing firms (including those who have commensurate licenses in foreign countries) other than the Company's Independent Auditor.

5. Corporate System and Policies of ROHM Group

(1) Corporate System to Ensure Proper Operation (Internal Control System)

Regarding the reinforcement of the internal control system as one of the major corporate missions, ROHM Group intends to carry out its corporate social responsibilities not only by ensuring the reliability of the Group's financial reports but also by maintaining compliance of the operational processes of the entire Group. The Board of Directors of the Company has resolved the basic policies to build the internal control system and the improvement of the system, as listed below:

- 1) The system to ensure the compliance of the execution of duties of the Directors under applicable laws as well as the Articles of Incorporation
 - (a) In order to promote further progress of globalization, ROHM Group will comply not only with laws and regulations but also with the 10 principles of the United Nations Global Compact for a wide range of problems in the areas of human rights, labor, the environment, anti-corruption, etc. and promote the management focusing on CSR based on "ISO26000," the international standards for social responsibility and "Electronic Industry Citizenship Coalition (EICC) Code of Conduct", etc.
 - (b) Directors should perform their duties based on the in-house regulations such as "ROHM Group Business Conduct Guidelines" and the Basic Rules of the Board of Directors and ensure the compliance with all applicable laws and regulations as well as the Articles of Incorporation
 - (c) The Director or Directors who are highly informed in a specific field should be responsible for the duties related to such field, while all Directors should hold discussions and monitor each other on a daily basis concerning the respective individual fields.
 - (d) Should a Director be found having committed an illegal act by another Director or a Company Auditor, it should be promptly reported to the Board of Directors and the Board of Company Auditors.
 - (e) In addition to two Outside Directors, five Outside Company Auditors should regularly hold the meeting to exchange information and opinions with each other and constantly check that Directors

perform their duties in compliance with all applicable laws and regulations as well as the Articles of Incorporation.

- (f) The Compliance Hotline (the internal hotline system (including the case where the hotline system independent from the management is set up at an outside law firm) 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 to save and control information related to Directors' performance of duties

- (a) Decisions regarding Directors' performance of their duties, such as the minutes of general shareholders meetings, the minutes of the meetings of the Board of Directors, executive proposals, business plans for individual fiscal years, etc., should be saved in writing. The documents should be saved and controlled in compliance with all applicable laws and regulations as well as all in-house regulations.
- (b) The directions and notices provided to Group companies or in-house divisions concerned shall be issued via email or in writing as a rule. The directions and notices shall be saved so as to be inspected at any time by Directors and Company Auditors.
- (c) Information related to Directors' performance of duties should be kept and controlled duly by relevant sections or divisions concerned, and the leak and unjust use of such information must be prevented by giving internal notice and information security training to all employees to ensure that they are fully aware of and comply with such rule.

3) Rules and other systems to control the risk of loss

- (a) Under the CSR Committee chaired by the President himself, Committees of Quality, Corporate Safety and Health, Risk Management/BCM, Compliance, Information Disclosure, Environmental Conservation, etc. should be established as company-wide cross-sectional committees. These committees will appropriately respond to various management issues and risks in each responsible area by taking necessary measures, giving directions and solving problems.
- (b) The Risk Management/BCM Committee should be organized to identify, analyze and control major risks that may occur in the course of the performance of business operations. In order to avoid or minimize the effect of unforeseeable circumstances such as sudden natural disasters as much as possible and enable the survival of our business as a consequence, the Risk Management/BCM Committee will verify the activities of each section in charge of risk management, establish a business continuity plan and take any and all possible preliminary measures or preparations across ROHM Group.
- (c) As a corporate effort to eradicate antisocial groups, a Risk Management Office should be established in the Department of General Affairs. The Office should cooperate and exchange information with external specialist organizations such as the police department, promote specific actions and perform them thoroughly, to eradicate antisocial groups. In-house regulations should be established to eradicate antisocial groups and should be strictly observed. All ROHM Group employees should be informed by way of the "ROHM Group Business Conduct Guidelines", as distributed to all employees, or by other means, that they must take a firm stand against antisocial groups. Further, the necessity of taking a firm stand against antisocial groups should be communicated to all employees through various in-house training sessions.

4) System to ensure that Directors perform their duties efficiently

- (a) The Board of Directors should consist of a small number of Directors authorized to execute business operations to realize prompt executive decision-making.
- (b) The Board of Directors should have Directors who are highly experienced in different fields. The Board should divide duties to the Director in charge of that certain field and have him/her perform the specific duties of that field.
- (c) Issues that may have a considerable influence on corporate management should be examined, analyzed and reported by in-house project teams established separately for individual issues. Upon completion of such examination, prompt decisions should be made by way of a meeting of Board of Directors or executive proposals, as appropriate, based on the Articles of Incorporation and in-house regulations.
- (d) The in-house written standards of in-house control procedures regarding various managerial issues such as risk control and information control should be strictly observed.
- (e) To increase the competitiveness of ROHM Group and to ensure a fair amount of profits, business performance targets should be established as part of annual profit-raising projects for the entire ROHM Group and individual divisions, and progress and achievement status of such projects and

targets should be controlled.

- 5) System to ensure that employees perform their duties in compliance with all applicable laws and regulations as well as the Articles of Incorporation
 - (a) The Compliance Committee should be organized and across-the-group compliance actions should be taken by implementing the "ROHM Group Business Conduct Guidelines". A compliance system of the Group companies should be created based on the system of our company, and a leader for each division should be nominated as a leader to raise the awareness of the importance of compliance and to ensure the ongoing compliance of each division.
 - (b) To cope with proprietary laws and regulations in a proper manner, not only the CSR Committee but also the Corporate Safety and Health Committee, Compliance Committee, Information Disclosure Committee, and Environmental Conservation Committee, should be committed to such actions as checking the status of compliance for the entire Group and performing ongoing educational activities.
 - (c) Under the control of the Information Disclosure Committee, individual sections and divisions should properly control insider information and educate employees in the interest of and raising awareness of the importance of strict information handling, to prevent insider trading.
 - (d) The Compliance Hotline (the internal hotline system (including the case where the hotline system independent from the management is set up at an outside law firm) and hotline system for suppliers) should be deployed to the entire ROHM Group including overseas entities, to uncover any illegal conduct of an employee and to prevent any recurrence thereof.
- 6) System to ensure compliance of the Group's corporate operations
 - (a) ROHM Group shares the corporate mission and policy, which are the basis of the founding spirit of the Company, and carries out the business activities with the concerted efforts as the Group in order to enhance the corporate values of the entire Group.
 - (b) Each Committee under the Company's CSR Committee should supervise and control Group companies comprehensively to ensure proper execution of duties in each responsible area.
 - (c) Written standards applicable to the entire ROHM Group should be established and implemented.
 - (d) The compliant business operations of Group companies should be monitored by appointing employees of the Company or another Group company to Group companies' Board of Directors or Company Auditors.
 - (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 includes the Company and significant Group companies should be established and reinforced through a framework that ensures financial reporting compliance and through efforts to conform to the auditing system.
 - (g) The Company's internal auditing division under the direct control of the President should perform internal audits to check each Group company's situations of execution of duties, compliance with all applicable laws and regulations as well as in-house regulations, risk management, etc.
- 7) 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 should, upon Company Auditor's request, appoint staff employees with proper capabilities.
 - (b) The staff of Company Auditors should be independent of duties related to the execution of corporate business. In the employment, transfer and evaluation of performance of Company Auditors' staff, opinions from the Board of Company Auditors shall be respected.
- 8) System for Directors and employees of the Company and its subsidiaries 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) Should a Director be found to have committed an illegal conduct in the performance of Directors' duties, any neglect in the obligation of being duly conscious as good Directors, or any fact that may damage the Company considerably, etc. by another Director, it should be promptly reported to the Board of Company Auditors.

- (b) The meetings of committees, not only the CSR Committee but also the Risk Management/BCM Committee, Compliance Committee, and Information Disclosure Committee should be attended by full-time Company Auditors as observers, and individual committees should make periodical reports on their activities to the Company Auditors by submitting meeting minutes or by other appropriate means.
 - (c) A system should be retained whereby the status and results of business operations can be properly reported to Company Auditors through executive proposals and reports.
 - (d) Directors and employees of the Company and Group companies should promptly make a necessary report if they are asked by Company Auditors to make a report of their business operations.
 - (e) A section in charge of the Compliance Hotline should make periodical reports on situations and results thereof to Company Auditors.
 - (f) 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.
- 9) Other systems to ensure that the audits by Company Auditors are performed effectively
- (a) Concerning the status of the operation of the internal control system, Directors should report to the Board of Company Auditors where requested.
 - (b) The internal audit division should strengthen the collaboration with the Company Auditors and report the results of audit periodically.
 - (c) All Company Auditors should be Outside Company Auditors. The Board of Company Auditors should be a strongly independent group consisting of diversified experts, including legal specialists, accounting specialists, and those who used to work for financial institutions.
 - (d) Company Auditors should exchange opinions with Directors whenever necessary.
 - (e) The expenses that Company Auditors deem to be necessary when they perform their duties should be borne by the Company.

(2) Outline of the Status of the Operation of the Corporate System to Ensure Proper Operation

ROHM Group is striving to build the internal control system and properly operate it based on the aforementioned basic policies. The outline of the status of the operation of the internal control system during the fiscal year ended March 31, 2016 is as follows:

1) Compliance system

- ROHM Group not only makes all Directors and employees fully aware of the “ROHM Group Business Conduct Guidelines” as their codes of conduct to comply with when they practice the mission and policy such as “Company Mission” and “Management Policy” but also thoroughly ensures that they act according to such Guidelines.
- ROHM Group regularly holds the Compliance Committee in order to formulate a plan to reinforce the compliance system, implement education by rank and by role in accordance with the plan, send the message from the top concerning the compliance with the “ROHM Group Business Conduct Guidelines,” etc.
- ROHM Group operates the internal hotline system to prevent compliance violations, discover violations early, and take appropriate measures. ROHM Group also regularly reports the status of the operation to the Board of Directors and Company Auditors.

2) Risk management system

- ROHM Group holds the Risk Management/BCM Committee as needed to identify, analyze and control major risks that may occur in the course of the performance of business operations. Also, in order to avoid or minimize the effect of unforeseeable circumstances such as sudden natural disasters as much as possible and enable the survival of our business as a consequence, the Risk Management/BCM Committee verifies the activities of each section in charge of risk management, establishes a business continuity plan (BCP) and takes any and all possible preliminary measures or preparations across ROHM Group.

3) Directors' performance of duties

- The regular Board of Directors is held according to the annual plan and the extraordinary Board of

Directors is held where necessary to resolve matters stipulated in laws and regulations or Articles of Incorporation as well as matters which are important for management and to mutually supervise the performance of Directors' duties.

- Information related to Directors' performance of duties is properly kept and controlled duly according to the in-house regulations, and the leak and unjust use of such information are prevented.
- Matters to be discussed at the Board of Directors are defined in the Basic Rules of the Board of Directors and matters to be delegated to each Director are made clear in the in-house regulations to ensure Directors' efficient and agile performance of their duties.

4) Subsidiary management system

- ROHM Group manages Group companies by operating the system that requires the approval of the Company's Board of Directors and final decision on executive proposals regarding important projects in Group companies, and also by each division of the Company regularly receiving the report.
- Based on an annual plan, the Company's internal auditing division under the direct control of the President performs internal audits to check each Group company's situations of execution of duties, compliance with all applicable laws and regulations as well as in-house regulations, risk management, etc., and confirms the compliance of business. Also, the results of audits are periodically reported to Directors and Company Auditors.

5) Company Auditors' performance of duties

- Company Auditors attend not only the Board of Directors but also other important meetings such as the CSR Committee to offer opinions as needed.
- Company Auditors visit each division of the Company and Group companies for auditing and confirm the legality and compliance of business operations.
- Company Auditors regularly exchange information and opinions with Directors, accounting auditors and internal auditing divisions to improve effectiveness of auditing.

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

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

As for so-called takeover defenses, the Company believes that the best strategy is to achieve a higher stock price as well as to gain, to the fullest extent, the confidence of its shareholders by mutual communications through ongoing and comprehensive investor relations activities. And if a takeover proposal is put forward, we consider that the ultimate decision as to whether or not to accept the takeover proposal should be made by the shareholders of that time. The Company considers that, in the process of the ultimate decision making, it is not acceptable that the Board of Directors make random judgments in order to protect their own interests, for instance. Moreover, the Company has determined that it is one of the duties of the Board of Directors for securing and improving the corporate value and the common interests of the shareholders is to adopt fair and appropriate measures beforehand, so that the Company's shareholders can make an informed decision based on sufficient information and within a reasonable time period.

Consolidated Balance Sheet

As of March 31, 2016

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	473,570	Current liabilities	62,352
Cash and deposits	280,933	Notes and accounts payable-trade	10,460
Notes and accounts receivable-trade	66,432	Electronically recorded obligations	7,525
Electronically recorded monetary claims	3,903	Accounts payable-other	19,300
Securities	15,470	Income taxes payable	1,896
Merchandise and finished products	28,139	Deferred tax liabilities	35
Work in process	35,319	Provision for loss on business liquidation	442
Raw materials and supplies	24,204	Other	22,691
Deferred tax assets	8,451	Long-term liabilities	35,530
Refundable income taxes	940	Deferred tax liabilities	24,016
Other	9,962	Liability for retirement benefits	9,706
Allowance for doubtful accounts	(186)	Other	1,807
Fixed assets	330,564	Total liabilities	97,883
Tangible fixed assets	236,443	(Equity)	
Buildings and structures	75,259	Shareholders' equity	731,391
Machinery, equipment, and vehicles	67,623	Common stock	86,969
Furniture and fixtures	7,234	Capital surplus	102,403
Land	66,161	Retained earnings	609,166
Construction in progress	20,165	Treasury stock	(67,148)
Intangible fixed assets	11,691	Accumulated other comprehensive income	(25,616)
Goodwill	5,777	Unrealized gain on available-for-sale securities	16,503
Other	5,914	Foreign currency translation adjustments	(37,103)
Investments and other assets	82,428	Accumulated adjustments for retirement benefits	(5,016)
Investment securities	63,146	Noncontrolling interests	476
Asset for retirement benefits	1,297	Total equity	706,251
Deferred tax assets	2,492	Total liabilities and equity	804,134
Other	15,590		
Allowance for doubtful accounts	(98)		
Total assets	804,134		

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

Consolidated Statement of Income

From April 1, 2015 to March 31, 2016

(Millions of yen)

Accounts	Amount	
Net sales		352,397
Cost of sales		230,662
Gross profit		121,734
Selling, general and administrative expenses		88,099
Operating income		33,635
Nonoperating income		
Interest income	2,037	
Dividend income	822	
Other	619	3,480
Nonoperating expenses		
Interest expense	3	
Foreign currency exchange loss	22	
Bad debts expenses	108	
Settlement package	287	
Other	67	490
Ordinary income		36,625
Extraordinary gains		
Gain on sale of fixed assets	147	
Subsidy income	218	366
Extraordinary losses		
Loss on sale and disposal of fixed assets	728	
Loss on impairment of fixed assets	2,021	
Loss on reduction of fixed assets	218	
Loss on valuation of investment securities	4	
Loss on business liquidation	1,867	
Provision for loss on business liquidation	442	
Loss on liquidation of consolidated subsidiary	58	
Special severance benefit	113	5,454
Income before income taxes		31,537
Income taxes-current	5,318	
Income taxes-deferred	517	5,835
Net income		25,702
Net income attributable to noncontrolling interests		16
Net income attributable to owners of the parent		25,686

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

Consolidated Statement of Changes in Equity

From April 1, 2015 to March 31, 2016

(Millions of yen)

	Shareholders' Equity					Accumulated Other Comprehensive Income (Loss)			
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Accumulated Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Loss
Balance at the beginning of the year	86,969	102,403	599,518	(50,141)	738,750	24,442	(7,308)	(3,948)	13,186
Changes in the year									
Dividends			(16,038)		(16,038)				
Net income attributable to owners of the parent			25,686		25,686				
Purchase of treasury stock				(17,006)	(17,006)				
Net changes in items other than shareholders' equity						(7,939)	(29,795)	(1,068)	(38,802)
Total changes in the year	-	-	9,647	(17,006)	(7,359)	(7,939)	(29,795)	(1,068)	(38,802)
Balance at the end of the year	86,969	102,403	609,166	(67,148)	731,391	16,503	(37,103)	(5,016)	(25,616)

	Non controlling interests	Total Equity
Balance at the beginning of the year	496	752,433
Changes in the year		
Dividends		(16,038)
Net income attributable to owners of the parent		25,686
Purchase of treasury stock		(17,006)
Net changes in items other than shareholders' equity	(20)	(38,823)
Total changes in the year	(20)	(46,182)
Balance at the end of the year	476	706,251

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

Notes to Consolidated Financial Statements

Basis in Preparing Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries 46

(2) Names of major consolidated subsidiaries

ROHM HAMAMATSU CO., LTD.	ROHM APOLLO CO., LTD.
LAPIS SEMICONDUCTOR CO., LTD.	ROHM ELECTRONICS PHILIPPINES, INC.
ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD.	ROHM SEMICONDUCTOR (CHINA) CO., LTD.
ROHM ELECTRONICS DALIAN CO., LTD.	ROHM SEMICONDUCTOR KOREA CORPORATION
ROHM SEMICONDUCTOR (H.K.) CO., LTD.	ROHM U.S.A., INC.
ROHM ELECTRONICS ASIA PTE. LTD.	

Changes in the scope of consolidation for the fiscal year ended March 31, 2016, are as follows:

Increase (3 companies)

ROHM SHIGA CO., LTD. (Established on April 20, 2015)
 POWERVATION LTD. (currently ROHM POWERVATION LTD.) and POWERVATION INC.
 (Acquired the stock on July 22, 2015)

Decrease (3 companies)

KIONIX HONG KONG LTD. (Completion of liquidation on April 10, 2015)
 LAPIS SEMICONDUCTOR AYUTTHAYA CO., LTD.
 (Completion of liquidation on June 25, 2015)
 POWERVATION INC. (Completion of liquidation on March 2, 2016)

(3) Name of major unconsolidated subsidiaries

NARITAGIKEN CO., LTD.

The unconsolidated subsidiary is excluded from the scope of consolidation due to the immateriality to the consolidated financial statements in terms of total assets, net sales, net income or loss (amount corresponding to equity ownership), retained earnings (amount corresponding to equity ownership), and others, as well as the immateriality as a whole.

2. Application of Equity Method

(1) Number of unconsolidated subsidiaries accounted for by the equity method 0

(2) Number of associated companies accounted for by the equity method 0

(3) Names of major unconsolidated subsidiaries and associated companies not accounted for by the equity method

(Unconsolidated subsidiary)

NARITAGIKEN CO., LTD.

(Associated company)

LUSEM CO., LTD.

The unconsolidated subsidiaries and associated companies are excluded from the scope of application of the equity method due to immateriality in terms of net income or loss (amount corresponding to equity ownership), retained earnings (amount corresponding to equity ownership) and others, as well as the immateriality as a whole.

3. Fiscal Year of the Consolidated Subsidiaries

The fiscal year end of 7 consolidated subsidiaries is different from that of the consolidated balance sheet date, March 31. The fiscal year end of these consolidated subsidiaries is December 31.

Consolidated financial statements are prepared based on the financial statements of these subsidiaries, which are prepared as of the provisional closing date of March 31.

4. Accounting Policies

(1) Basis and method for valuation of significant assets

1) Securities

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

2) Derivatives

Derivatives are stated at fair value.

3) Inventories

Merchandise, finished products, work in process, and raw materials are stated principally at cost determined by the moving-average method (Carrying amount in the balance sheet is calculated net of any write-downs due to decreased profitability.). Supplies are stated principally at cost determined by the last purchase cost method.

(2) Depreciation of significant fixed assets

1) Tangible fixed assets excluding leased assets

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

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

2) Intangible fixed assets excluding leased assets

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

3) Leased assets

Leased assets are depreciated by the straight-line method, over the lease term, assuming no residual value.

(3) Basis for significant allowances

1) Allowance for doubtful accounts

In order to account for losses on doubtful accounts, an allowance for ordinary receivables is determined based on past actual loss ratios, and the allowance for certain identified doubtful accounts is determined based on individually estimated collectibility.

2) Provision for loss on business liquidation

Provision for loss on business liquidation is provided based on an estimate of future losses that will be incurred in the process of liquidation of subsidiaries and business transfer.

(4) Translation of foreign currencies

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the consolidated balance sheet date, and the foreign exchange gains and losses from the translation are recognized in the consolidated statement of income.

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

(5) Amortization of goodwill

Goodwill is amortized on a straight-line basis over reasonable periods (within twenty years) individually.

(6) Other significant conditions in preparing consolidated financial statements

1) Accounting for retirement benefits

Asset and liability for retirement benefits are stated based on the projected benefit obligations and plan assets at the consolidated balance sheet date.

In calculating the projected benefit obligation, a benefit formula basis is utilized to attribute expected

retirement benefit to periods up to the consolidated balance sheet date.

Actuarial gains and losses arising in the current year are amortized on a straight-line basis, commencing in the following year, over a certain period (mainly 10-13 years) within the average remaining service period of employees for each fiscal year in which actuarial gains or losses arose.

Past service cost is amortized on a straight-line basis over a certain period (10-13 years) within the average remaining service period of employees for each fiscal year in which past service cost arose.

Unrecognized actuarial gains and losses and unrecognized past service cost are recognized as accumulated adjustments for retirement benefits within accumulated other comprehensive income in equity, after adjusting for tax effects.

2) Accounting for consumption taxes

Transactions subject to consumption taxes are accounted for by the tax excluded method.

Notes to Changes in Accounting Policy

Effective April 1, 2015, the Company and its subsidiaries (together, the Group) adopted ASBJ Statement No. 21, "Accounting Standard for Business Combination", ASBJ Statement No. 22, "Accounting Standard for Consolidated Financial Statements", and ASBJ Statement No. 7, "Accounting Standard for Business Divestitures", as revised and issued on September 13, 2013.

Under the revised accounting standards, any difference due to change in a parent's ownership interest in a subsidiary is accounted for as capital surplus as long as the parent retains control over its subsidiary. In addition, acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred. For business combinations on or after April 1, 2015, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect the revision of purchase price allocation as the result of determination of provisional accounting. Moreover, presentation of net income and other related items in the consolidated statement of income is changed, and the balance previously presented as "minority interest" is changed to "noncontrolling interest" in the balance sheet.

The Group adopted the new accounting standards prospectively from the beginning of the current fiscal year in accordance with the guidance in paragraph 58-2(4) of Accounting Standard for Business Combinations, paragraph 44-5(4) of Accounting Standard for Consolidated Financial Statements, and paragraph 57-4(4) of Accounting Standard for Business Divestitures.

As the result, operating income, ordinary income, and income before income taxes each decreased by 439 million yen. Also, equity per share and net income per share decreased by 4.15 yen and 4.14 yen, respectively.

Changes in Presentation

(Consolidated Statement of Income)

"Dividend income" is independently presented in the consolidated statement of income for the year ended March 31, 2016 due to it being quantitatively material, while it was included in "Other" in Nonoperating income for the year ended March 31, 2015.

The amount of "Dividend income", which was included in "Other" for the fiscal year ended March 31, 2015 was 690 million yen.

"Settlement package" is independently presented in the consolidated statement of income for the year ended March 31, 2016 due to it quantitatively material, while it was included in "Other" in Nonoperating income for the year ended March 31, 2015.

The amount of "Settlement package", which was included in "Other" for the fiscal year ended March 31, 2015 was 3 million yen.

Notes to Consolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

626,488 million yen

2. Accumulated Reduction of Tangible Fixed Assets

The accumulated reduction from the acquisition cost of tangible fixed assets due to insurance benefits for fire or other disaster loss, and subsidies or other benefits received from the government are 429 million yen and 1,167 million yen, respectively.

The breakdown of the accumulated reduction from the acquisition cost of tangible fixed assets is as follows:

	(Millions of yen)
Buildings and structures	727
Machinery, equipment, and vehicles	484
Furniture and fixtures	7
Land	377

3. Guarantees

The Group guarantees employees' loans from banks as follows:

Employees (housing loans)	71 million yen
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4. Assets in Unconsolidated Subsidiaries and Associated Companies

Investment securities (stock)	704 million yen
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Notes to Consolidated Statement of Income

1. Loss on Impairment of Fixed Assets

The Group recognized impairment loss on the following asset groups for the fiscal year ended March 31, 2016.

Use of Asset	Location	Account	Amount (Millions of yen)
Operating assets	Japan	Construction in progress and others	471
	China	Machinery, equipment, and vehicles	35
		Intangible fixed assets (excluding goodwill)	28
		Furniture and fixtures	15
	USA	Machinery, equipment, and vehicles	754
		Buildings and structures	177
		Intangible fixed assets (excluding goodwill)	172
Furniture and fixtures		15	
Idle assets	Japan and others	Buildings and structures	223
		Machinery, equipment, and vehicles and others	87
		Construction in progress	22
		Land	17
Total			2,021

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.

(Operating assets)

As the estimated future cash flows fell below the carrying amounts of the asset groups listed above due to deterioration of the revenue environment, their carrying amounts were reduced to the recoverable amounts, and the reduced amounts were recorded as "Loss on impairment of fixed assets" in extraordinary losses.

The recoverable amounts were measured at their value in use, using a discount rate of 9.2% for computation of the present value of future cash flows, or measured at their net selling prices, which were based on the appraised value.

(Idle assets)

As the Group determined that the idle assets are unlikely to be used in the future, their carrying amounts were reduced to the recoverable amounts, and the reduced amounts were recorded as "Loss on impairment of fixed assets" in extraordinary losses.

The recoverable amounts were measured at their net selling prices, which were based on a reasonable estimation in consideration of market value.

2. Loss on liquidation of business and Provision for loss on business liquidation

In connection with the transfer of lighting business to IRIS Ohyama Inc. on May 31, 2016, the Group recorded 1,199 million yen of related loss recognized during the current year as "Loss on business liquidation", which consists of 1,195 million yen of loss on valuation of inventories and 4 million yen of loss on valuation of property, plant, and equipment. Also, the Group accrued certain future losses of 424 million yen as of March 31, 2016 and recorded "Provision for loss on business liquidation".

In addition, the Group recorded 667 million yen of loss related to the liquidation of ROHM MECHATECH (TIANJIN) CO., LTD., which represents 667 million yen of loss on valuation of property, plant, and equipment as "Loss on business liquidation". Also, the Group accrued certain future losses of 18 million yen as of March 31, 2016 and recorded "Provision for loss on business liquidation".

Loss on valuation of fixed assets described above is measured at the amount by which the balance of carrying value of "Buildings and structures" and "Intangible fixed assets" (excluding goodwill) exceeds the net realizable value, and disposal value.

Notes to Consolidated Statement of Changes in Equity

1. Number of Shares Issued as of March 31, 2016

Common stock 113,400,000 shares

2. Dividends

(1) Dividends paid

(Resolution)	Class of Stock	Total Amount of Dividends	Dividend per Share	Record Date	Effective Date
Ordinary General Shareholders Meeting held on June 26, 2015	Common stock	9,163 million yen	85.00 yen	March 31, 2015	June 29, 2015
Meeting of the Board of Directors held on November 5, 2015	Common stock	6,875 million yen	65.00 yen	September 30, 2015	December 4, 2015

(2) Dividends for the fiscal year ended March 31, 2016, to be distributed after the end of the fiscal year

(Scheduled Resolution)	Class of Stock	Total Amount of Dividends	Source of Dividends	Dividend per Share	Record Date	Effective Date
Ordinary General Shareholders Meeting held on June 29, 2016	Common stock	6,875 million yen	Retained earnings	65.00 yen	March 31, 2016	June 30, 2016

Notes to Financial Instruments

1. Matters Relating to Financial Instruments

(1) Policy for financial instruments

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

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

Receivables, such as trade notes, trade accounts, and electronically recorded monetary claims, 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 risks resulting from fluctuations in foreign currency exchange rates. Such foreign exchange risks are partially hedged by forward foreign currency contracts.

Securities and investment securities, such as stocks and bonds, are exposed to the risk of market price fluctuations. The Group continually reviews the status of possessing such securities, monitoring fair value, and the financial positions of issuers and others on a regular basis. The Group purchases only highly rated bonds pursuant to the internal policy approved by the Board of Directors, thereby minimizing its exposure to credit risks.

Payment terms of payables, such as trade notes, trade accounts, and electronically recorded obligations, 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 value of financial instruments is measured based on quoted market prices or those calculated by other rational valuation techniques in cases where a quoted price is not available. Since variable factors are incorporated to calculate this fair value, the use of different preconditions may change the value.

2. Fair Values of Financial Instruments

Carrying amount, fair value, and the difference thereof for financial instruments as of March 31, 2016, are listed in the table below except for financial instruments whose fair value is not readily determinable (see Note 2).

(Millions of yen)

	Carrying Amount	Fair Value	Difference
(1) Cash and deposits	280,933	280,933	-
(2) Notes and accounts receivable-trade	66,432		
Allowance for doubtful accounts *1	(186)		
	66,246	66,246	-
(3) Electronically recorded monetary claims	3,903	3,903	-
(4) Securities and investment securities			
Available-for-sale securities	77,305	77,305	-
(5) Refundable income taxes	940	940	-
Total assets	429,328	429,328	-
(1) Notes and accounts payable-trade	10,460	10,460	-
(2) Electronically recorded obligations	7,525	7,525	-
(3) Accounts payable-other	19,300	19,300	-
(4) Income taxes payable	1,896	1,896	-
Total liabilities	39,182	39,182	-
Derivative transactions *2	380	380	-

*1. Amount of allowance for doubtful accounts is deducted from notes and accounts receivable-trade.

*2. Assets and liabilities arising from derivative transactions are presented on a net basis, and net liabilities are presented in parentheses.

(Notes)

1. Methods for calculating fair values and matters relating to securities and derivative transactions

Assets

(1) Cash and deposits, (2) Notes and accounts receivable-trade, (3) Electronically recorded monetary claims, and (5) Refundable income taxes

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

(4) Securities and investment securities

The fair value of 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 financial institutions for certain debt instruments.

Liabilities

(1) Notes and accounts payable-trade, (2) Electronically recorded obligations, (3) Accounts payable-other, and (4) Income taxes payable

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

Derivative transactions

The fair value of derivatives is measured at the quoted price obtained from financial institutions.

2. Financial instruments whose fair values are not readily determinable

(Millions of yen)

Category	Carrying Amount
Unlisted stocks	508
Rights under limited partnership agreements for investment	98
Stocks of unconsolidated subsidiaries and associated companies	704

These financial instruments do not have quoted market prices and their fair values are not readily determinable. Therefore, these financial instruments are excluded from "Assets (4) 'Securities and investment securities'."

3. Maturity analysis for financial assets and securities with contractual maturities

(Millions of yen)

	Due in One Year	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Cash and deposits	280,933	-	-	-
Notes and accounts receivable-trade	66,432	-	-	-
Electronically recorded monetary claims	3,903	-	-	-
Securities and investment securities				
Available-for-sale securities with contractual maturities (Japanese government bonds, local government bonds, etc.)	1	1	-	-
Available-for-sale securities with contractual maturities (corporate bonds)	6,253	16,581	-	-
Available-for-sale securities with contractual maturities (other)	9,200	-	-	1,109
Refundable income taxes	940	-	-	-
Total	367,664	16,582	-	1,109

Notes to Per Share Information

Equity per share	6,672.32 yen
Net income per share	241.91 yen

Nonconsolidated Balance Sheet

As of March 31, 2016

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	191,449	Current liabilities	63,260
Cash and deposits	70,401	Accounts payable-trade	37,228
Notes receivable-trade	382	Electronically recorded obligations	8,503
Accounts receivable-trade	58,388	Accounts payable-other	8,524
Electronically recorded monetary claims	3,903	Accrued expenses	7,265
Securities	8,670	Income taxes payable	554
Merchandise and finished products	13,220	Deposits received	719
Work in process	3,147	Provision for loss on business liquidation	344
Raw materials and supplies	3,601	Other	119
Prepaid expenses	546		
Deferred tax assets	4,333	Long-term liabilities	7,722
Short-term loans receivable	2,562	Other long-term liabilities	1,209
Accounts receivable-other	20,268	Deferred tax liabilities	5,653
Other	2,530	Liability for retirement benefits	844
Allowance for doubtful accounts	(507)	Asset retirement obligations	15
		Total liabilities	70,983
Fixed assets	304,893	(Equity)	
Tangible fixed assets	70,189	Shareholders' equity	408,961
Buildings	13,828	Common stock	86,969
Structures	346	Capital surplus	97,253
Machinery and equipment	6,463	Additional paid-in capital	97,253
Vehicles	2	Retained earnings	291,886
Furniture and fixtures	942	Legal reserve	2,464
Land	41,397	Other retained earnings	289,421
Construction in progress	7,209	Reserve for research and development	1,500
Intangible fixed assets	1,788	Reserve for losses of overseas investments	12
Patents	242	Other reserve	243,500
Software	1,528	Retained earnings carried forward	44,408
Other	17	Treasury stock	(67,148)
Investments and other assets	232,914	Valuation and translation adjustments	16,398
Investment securities	62,124	Unrealized gain on available-for-sale securities	16,398
Investment in subsidiaries and associated companies	131,669		
Long-term loans receivable	38,074	Total equity	425,359
Long-term prepaid expenses	5,940	Total liabilities and equity	496,342
Prepaid pension cost	2,563		
Other	7,075		
Allowance for doubtful accounts	(14,534)		
Total assets	496,342		

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

Nonconsolidated Statement of Income

From April 1, 2015 to March 31, 2016

(Millions of yen)

Accounts	Amount	
Net sales		307,047
Cost of sales		247,955
Gross profit		59,091
Selling, general and administrative expenses		51,055
Operating income		8,035
Nonoperating income		
Interest and dividend income	2,554	
Technical advisory fees	7,565	
Management advisory fees	1,576	
Other	876	12,572
Nonoperating expenses		
Foreign currency exchange loss	2,226	
Commission fees	1,709	
Taxes and dues	1,056	
Provision for doubtful accounts	3,083	
Other	437	8,513
Ordinary income		12,094
Extraordinary gains		
Gain on sale of fixed assets	211	211
Extraordinary losses		
Loss on sale and disposal of fixed assets	158	
Loss on impairment of fixed assets	208	
Loss on valuation of investment securities	3	
Loss on business liquidation	951	
Provision for loss on business liquidation	344	1,666
Income before income taxes		10,639
Income taxes-current	2,032	
Income taxes-deferred	2,156	4,188
Net Income		6,450

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

Nonconsolidated Statement of Changes in Equity

From April 1, 2015 to March 31, 2016

(Millions of yen)

	Shareholders' Equity										
	Common Stock	Capital Surplus		Legal Reserve	Retained Earnings				Total Retained Earnings	Treasury Stock	Total Shareholders' Equity
		Additional Paid-in Capital	Total Capital Surplus		Other Retained Earnings						
					Reserve for Research and Development	Reserve for Losses of Overseas Investments	Other Reserve	Retained Earnings Carried Forward			
Balance at the beginning of the year	86,969	97,253	97,253	2,464	1,500	20	243,500	53,989	301,474	(50,141)	435,556
Changes in the year											
Provision of reserve for losses of overseas investments						0		(0)	-		-
Reversal of reserve for losses of overseas investments						(7)		7	-		-
Dividends								(16,038)	(16,038)		(16,038)
Net income								6,450	6,450		6,450
Purchase of treasury stock										(17,006)	(17,006)
Net changes in items other than shareholders' equity											
Total changes in the year	-	-	-	-	-	(7)	-	(9,580)	(9,588)	(17,006)	(26,595)
Balance at the end of the year	86,969	97,253	97,253	2,464	1,500	12	243,500	44,408	291,886	(67,148)	408,961

	Valuation and Translation Adjustments		Total Equity
	Unrealized Gain on Available-for-sale Securities	Total Valuation and Translation Adjustments	
Balance at the beginning of the year	24,312	24,312	459,868
Changes in the year			
Provision of reserve for losses of overseas investments			-
Reversal of reserve for losses of overseas investments			-
Dividends			(16,038)
Net income			6,450
Purchase of treasury stock			(17,006)
Net changes in items other than shareholders' equity	(7,913)	(7,913)	(7,913)
Total changes in the year	(7,913)	(7,913)	(34,508)
Balance at the end of the year	16,398	16,398	425,359

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

Notes to Nonconsolidated Financial Statements

Significant Accounting Policies

1. Basis and Method for Valuation of Assets

(1) Basis and Method for Valuation of Securities

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

(2) Basis and Method for Valuation of Inventories

Merchandise, finished products, work in process, and raw materials are stated at cost determined by the moving-average method (Carrying amount in the balance sheet is calculated net of any write-downs due to decreased profitability.). Supplies are stated at cost determined by the last purchase cost method.

2. Depreciation of Fixed Assets

(1) Tangible fixed assets

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

The estimated useful life of buildings is mainly 3 to 50 years and that of machinery and equipment is mainly 2 to 8 years.

(2) Intangible fixed assets

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

Software for internal use is computed using the straight-line method over the estimated useful life (mainly 5 years).

3. Basis for Significant Allowances

(1) Allowance for doubtful accounts

In order to account for losses on doubtful accounts, an allowance for ordinary receivables is determined based on past actual loss ratios, and the allowance for certain identified doubtful accounts is determined based on individually estimated collectibility.

(2) Provision for loss on business liquidation

Provision for loss on business liquidation is provided based on an estimate of future losses that will be incurred in the process of business transfer and others.

(3) Liability for retirement benefits

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

In calculating the projected benefit obligation, a benefit formula basis is utilized to attribute expected retirement benefit to periods up to the balance sheet date.

Actuarial gains and losses arising in the current year are amortized on a straight-line basis, commencing in the following year, over a certain period (10 years) within the average remaining service period of employees for each fiscal year in which actuarial gains or losses arose.

Past service cost is amortized on a straight-line basis over a certain period (10 years) within the average remaining service period of employees for each fiscal year in which past service cost arose.

4. Other Significant Conditions in Preparing Nonconsolidated Financial Statements

(1) Translation of Foreign Currencies

All monetary receivables and payables denominated in foreign currencies, unless hedged by forward exchange contracts, are translated into Japanese yen at the exchange rates at the balance sheet date, and the foreign exchange gains and losses from translation are recognized in the nonconsolidated statement of income.

(2) Hedge Accounting

1) Hedge accounting

Accounts receivable denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations are translated at the contracted rate.

2) Hedging instruments and hedged items

Hedging instruments and hedged items are as follows:

(Hedging instruments)	(Hedged items)
Foreign exchange forward contracts	Accounts receivable in foreign currencies

3) Hedging policy

The Company uses derivative financial instruments only as a means to hedge foreign currency exchange risks.

4) Evaluation of hedge effectiveness

The Company evaluates hedge effectiveness by assessing the conditions of the hedging transactions for the derivative financial instruments and hedged items in each transaction.

(3) Accounting for retirement benefits

Accounting treatments for unrecognized actuarial gains and losses and unrecognized past service costs in the nonconsolidated financial statements are different from those in the consolidated financial statements.

(4) Accounting for consumption taxes

Transactions subject to consumption taxes are accounted for by the tax excluded method.

Changes in Presentation

(Nonconsolidated Statement of Income)

“Management advisory fees” is independently presented in the statement of income for the year ended March 31, 2016 due to it being quantitatively material, while it was included in “Other” in Nonoperating income for the year ended March 31, 2015.

The amount of “Management advisory fees”, which was included in “Other” for the fiscal year ended March 31, 2015 was 1,739 million yen.

Notes to Nonconsolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

98,974 million yen

2. Accumulated Reduction of Tangible Fixed Assets

The accumulated reduction from the acquisition cost of tangible fixed assets due to insurance benefits for fire or other disaster loss, and subsidies or other benefits received from the government is 163 million yen and 390 million yen, respectively.

The breakdown of the accumulated reduction from the acquisition cost of tangible fixed assets is as follows:

	(Millions of yen)
Buildings	180
Furniture and fixtures	7
Land	365

3. Guarantees

The Company guarantees subsidiaries' liabilities as follows:

	(Millions of yen)
ROHM HAMAMATSU CO., LTD.	399
KIONIX, INC.	169
SICRYSTAL AG	197

4. Receivables from and Payables to Subsidiaries and Associated Companies

	(Millions of yen)
Short-term receivables from subsidiaries and associated companies	54,870
Long-term receivables from subsidiaries and associated companies	38,070
Short-term payables to subsidiaries and associated companies	37,649

Notes to Nonconsolidated Statement of Income

1. Transactions with Subsidiaries and Associated Companies

		(Millions of yen)
Operating transactions	Net sales	221,217
	Purchase and subcontract processing	212,113
	Other operating expenses	7,834
Nonoperating transactions	Nonoperating income	10,268
	Nonoperating expenses	1,694
	Sale of assets	16,314
	Purchase of assets	1,115

2. Loss on Impairment of Fixed Assets

The Company recognized impairment loss on the following asset groups for the fiscal year ended March 31, 2016.

Use of Asset	Location	Account	Amount (Millions of yen)
Idle assets	Kyoto	Buildings	132
		Structures	75
Total			208

In recognizing impairment loss on fixed assets, for operating assets, the Company 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 the Company determined that the idle assets are unlikely to be used in the future, their carrying amounts were reduced to the recoverable amounts, and the reduced amounts were recorded as "Loss on impairment of fixed assets" in extraordinary losses.

The recoverable amounts were measured at their net selling prices, which were based on a reasonable estimation in consideration of market value.

3. Loss on liquidation of business and Provision for loss on business liquidation

In connection with the transfer of lighting business to IRIS Ohyama Inc. on May 31, 2016, the Group recorded 951 million yen of related loss recognized during the current year as "Loss on business liquidation", which consists of 929 million yen of loss on valuation of inventories and 21 million yen of loss on valuation of property, plant, and equipment. Also, the Group accrued certain future losses of 344 million yen as of March 31, 2016 and recorded "Provision for loss on business liquidation".

Loss on valuation of fixed assets described above is measured at the amount by which the balance of carrying value of "Software" and "Furniture and fixture" exceeds the net realizable value, and disposal value.

Notes to Nonconsolidated Statement of Changes in Equity

Type and number of treasury stock as of March 31, 2016

Common stock 7,623,743 shares

Notes to Tax Effect Accounting

The breakdown of deferred tax assets and liabilities by major temporary differences is as follows:

Deferred tax assets	(Millions of yen)
Securities	25,263
Inventories	2,116
Depreciation	732
Accrued enterprise tax	44
Accrued expenses	1,986
Liability for retirement benefits	257
Allowance for doubtful accounts	4,588
Loss on impairment of fixed assets	1,736
Other	621
Subtotal	37,346
Valuation allowance	(31,368)
Total	5,977
Deferred tax liabilities	
Prepaid pension cost	(781)
Unrealized gain on available-for-sale securities	(6,480)
Other	(34)
Total	(7,296)
Net deferred tax liabilities	(1,319)

Notes to Related Party Transactions

Type	Company Name	Voting Right Ratio by ROHM	Relationship	Transaction	Amount of Transaction (Millions of yen)	Account	Year-End Balance (Millions of yen)
Subsidiaries	ROHM TSUKUBA CO., LTD.	100%	-	Lending of funds *1	-	Long-term loans receivable *5	10,700
	ROHM SHIGA CO., LTD.	100%	Processing subcontractor for ROHM	Lending of funds *1	7,500	Long-term loans receivable	7,500
	LAPIS SEMICONDUCTOR CO., LTD.	100%	Products supplier for ROHM	Purchase of products and others *2	40,804	Accounts receivable-other Accounts payable-trade Accounts payable-other	780 3,572 154
	ROHM ELECTRONICS PHILIPPINES, INC.	100%	Processing subcontractor for ROHM	Product processing by contract *3 Receipt of technical advisory fees *7	35,400 2,509	Accounts receivable-other Accounts payable-trade Accounts payable-other	4,928 9,349 11
	ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD.	100%	Processing subcontractor for ROHM	Product processing by contract *3 Receipt of technical advisory fees *7	31,930 2,438	Accounts receivable-other Accounts payable-trade Accounts payable-other	5,401 7,133 24
	ROHM SEMICONDUCTOR (CHINA) CO., LTD.	100%	Processing subcontractor for ROHM	Lending of funds *1	-	Short-term loans receivable Long-term loans receivable	1,212 8,950
	KIONIX, INC.	100%	Products supplier for ROHM	Lending of funds *1	1,240	Short-term loans receivable Long-term loans receivable *6	619 5,634
	ROHM SEMICONDUCTOR KOREA CORPORATION	100%	Wholesaler of ROHM products	Product sales *4	32,976	Accounts receivable-trade	4,644
	ROHM SEMICONDUCTOR (H.K.) CO., LTD.	100%	Wholesaler of ROHM products	Product sales *4	65,949	Accounts receivable-trade	9,529

Terms and conditions of transactions and decision policies for them

(Notes) * The subsidiaries listed above do not have voting rights to the Company.

- *1. Interest rates applied to loan receivables are determined based on market interest rates, which are considered economically reasonable.
- *2. Purchase prices are determined in consideration of the market prices of products.
- *3. Purchase prices are determined in consideration of the market prices of products and subsidiaries' process costs.
- *4. Terms and conditions for product sales are determined based on those generally used for transactions with third parties.
- *5. The Company recorded 9,889 million yen of allowance for doubtful accounts for the long-term loans receivable to ROHM TSUKUBA CO., LTD. as of March 31, 2016, which is increased by 137 million yen during the fiscal year ended March 31, 2016.
- *6. The Company recorded 2,576 million yen of allowance for doubtful accounts for the long-term loans receivable to KIONIX, INC. as of March 31, 2016, which is increased by 2,576 million yen during the fiscal year ended March 31, 2016.
- *7. The technical advisory fees are determined based on the amount of net sales of each subsidiary.

Notes to Per Share Information

Equity per share	4,021.31 yen
Net income per share	60.75 yen

Independent Auditor's Report on Consolidated Financial Statements (TRANSLATION)**INDEPENDENT AUDITOR'S REPORT**

May 6, 2016

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

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Yasuhiro Onishi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Seiichiro Nakashima

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2016 of ROHM CO., LTD. (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in equity for the fiscal year from April 1, 2015 to March 31, 2016, and the related notes.

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.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2016, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

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

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

Independent Auditor's Report on Nonconsolidated Financial Statements (TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 6, 2016

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

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Yasuhiro Onishi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Seiichiro Nakashima

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the nonconsolidated balance sheet as of March 31, 2016 of ROHM CO., LTD. (the "Company"), and the related statements of income and changes in equity for the 58th fiscal year from April 1, 2015 to March 31, 2016, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, 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 financial statements and the accompanying supplemental schedules 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 financial statements and the accompanying supplemental schedules.

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

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2016, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

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

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

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

Report of the Board of Company Auditors

The Board of Company Auditors, based on the audit reports prepared by and the discussions held with each of the Company Auditors regarding the execution of their duties as Directors of the Company for the 58th fiscal year from April 1, 2015 to March 31, 2016, has prepared this audit report and hereby reports as follows;

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

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

(2) Each Company Auditor has complied with the auditing standards for Company Auditors established by the Board of Company Auditors, followed the auditing policies, allocation of duties and other relevant matters, communicated with the Directors, the internal auditing division of the Company and other officers, made efforts to establish the environment for collecting information and auditing, and performed audit as follows;

- 1) attended meetings of the Board of Directors and other important meetings, received reports from the Directors and other officers regarding the execution of their duties as Directors and officers of the Company, requested necessary explanations, examined important internal documents with appropriate approvals, made reviews of operations and conditions of assets of the head office and major business offices. The Company Auditors have also communicated and exchanged information with the directors and the company auditors of the Company's subsidiaries, received the business reports regarding their operations and conditions of assets.
- 2) audited the resolution of the Board of Directors in the Business Report regarding the systems established to ensure that the execution of duties of the Directors shall be in compliance with laws and regulations and the Articles of Incorporation, and the systems established to ensure that the operations of the Company and its subsidiaries shall be conducted appropriately, and the status of development and operation of these systems based on the resolutions (Internal Control System).
- 3) reviewed the discussions of the Board of Directors and examined the contents of the Basic Policies related to the Company's Ownership Control in the Business Report.
- 4) audited whether the independent auditors of the Company have maintained their independence and carried out their audits in an appropriate manner, and received reports regarding the execution of their duties from and requested necessary explanations of the independent auditors of the Company. The Company Auditors have also received notification from the independent auditors of the Company that they have taken steps to improve the "System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Company Accounting Regulations) in compliance with the "Quality Management Standards Regarding Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and have requested necessary explanations.

Based on the above methods, the Company Auditors have examined the Business Report and the accompanying supplemental schedules, the nonconsolidated financial statements (nonconsolidated balance sheet, nonconsolidated statement of income, nonconsolidated statement of changes in equity, and notes to nonconsolidated financial statements) and the accompanying supplemental schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for this fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report

- 1) The Business Report and the supplemental schedules are recognized as being in accordance with laws and regulations and the Articles of Incorporation and as properly indicating the conditions of the Company.
- 2) With respect to the execution of the duties of the Directors, no misconduct or material facts that violate laws and regulations or the Articles of Incorporation are recognized.
- 3) The content of the resolution by the Board of Directors regarding Internal Control Systems is appropriate, and, in this connection, there are no matters that ought to be pointed out with respect to the content of the Business Report and the execution of duties of the Directors.
- 4) With respect to the Basic Policies related to the Company's Ownership Control in the Business Report, there are no matters that ought to be pointed out.

(2) Results of Audit of Nonconsolidated Financial Statements and the Accompanying Supplemental Schedules

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

(3) Results of Audit of Consolidated Financial Statements

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

May 10, 2016

Board of Company Auditors

ROHM CO., LTD.

Company Auditor (Full-time)

Company Auditor (Full-time)

Company Auditor

Company Auditor

Company Auditor

Yoshiaki Shibata (Seal)

Hideo Iwata (Seal)

Yasuhito Tamaki (Seal)

Shinya Murao (Seal)

Haruo Kitamura (Seal)

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

For further information, please visit: <http://www.rohm.com/web/global/investor-relations>

— End —