



[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, 2018. 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 30, 2018

To Our Shareholders:

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

NOTICE OF THE 60TH ORDINARY GENERAL SHAREHOLDERS MEETING

Dear Shareholders,

You are cordially invited to attend the 60th 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 Wednesday June 27, 2018, 5:15 p.m. (JST).

NOTICE OF MEETING

1. Date and Time: Thursday, June 28, 2018, 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 60th Fiscal Year (from April 1, 2017 to March 31, 2018)
2. Audit Reports on Consolidated Financial Statements from the Independent Auditors and the Board of Company Auditors for the 60th Fiscal Year (from April 1, 2017 to March 31, 2018)

Resolutions:

- Proposal 1: Appropriation of Dividends of Surplus for the 60th Fiscal Year
Proposal 2: Election of two (2) Directors

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), Wednesday, June 27, 2018.
- 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 (<https://evote.tr.mufig.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. Enter your current password, new password and the same again for confirmation, and then click a send button. 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), Wednesday, June 27, 2018. 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 60th Fiscal Year

Concerning the appropriation and year-end dividends of surplus, ROHM plans to pay out a year-end dividend of 120 yen per share, which includes a commemorative dividend of 55 yen per share in celebration of the Company's 60th anniversary, in addition to the ordinary year-end dividend of 65 yen per share in thorough consideration of relevant factors, including the results of the year ended March 31, 2018, financial forecasts, and future fund demands for investment in business to improve our corporate value. Accordingly, the total dividend for the year is 240 yen per share, including the interim dividend of 120 yen (ordinary dividend of 65 yen per share and commemorative dividend of 55 yen per share).

(1) Type of assets distributed: Cash

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

Distribution of each common share of the Company	120 yen
Total amount distributed	12,692,899,560 yen

(3) Date when the distribution takes effect: June 29, 2018

Proposal 2: Election of two (2) Directors

In order to maintain and reinforce the corporate management system, it is proposed that two (2) directors be elected.

The director candidates, Kunio Uehara and Shinichi Yoshimi are to be elected to replace Satoshi Sawamura, who will retire from the position of the President (Representative Director) with effect from the closing of this Ordinary General Shareholders Meeting and Masaki Sakai, who retired from the position of the director with effect from October 10, 2017. The terms of office of the director candidates will expire when the term of office of the director whom they will each replace would have expired as provided in the articles of incorporation of the company.

The candidates for the directors are as follows:

(* New Candidate)

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company	Number of ROHM Shares Held
1	*Kunio Uehara (May. 8, 1960)	Mar. 1983 Joined the Company May. 2017 Group General Manager of Accounting & Finance Headquarters (Current Position)	1,592
	[Reasons for nomination as a candidate for a Director] Kunio Uehara has attained highly specialized expertise and abundant experience through the duties of the accounting and financial, and he has superior ability in carrying out the strategic financial operations of the ROHM Group. The Company requests election for a Director.		
2	*Shinichi Yoshimi (Aug. 27, 1966)	Apr. 1990 Joined the Company Apr. 2018 General Manager of Human Resources Headquarters (Current Position)	335
	[Reasons for nomination as a candidate for a Director] Shinichi Yoshimi has attained highly specialized expertise and abundant experience through the human resources and others, and he has superior ability in strategically developing and managing human resources on the global stage. The Company requests election for a Director.		

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

Business Report

For the period from April 1, 2017 to March 31, 2018

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 in March 2018 was solid, as the US economy was bullish, the European and Japanese economies kept their recoveries going and the Chinese economy continued to grow stably.

In the electronics industry, the automotive electronics market was steady, despite a slowdown in the USA during the second half of the year, thanks to the rise in new vehicle sales in China and across Asia, as well as the increasing use of in-vehicle electronics that growing demand for “safety” and “environmental performance” is fueling. As for industrial equipment markets, the FA (*1) equipment market grew considerably owing to wider-spread factory automation and increased use of IoT (*2). With regards to consumer products markets, adjustments continued in both the AV and PC markets, and high-end smartphones lost some traction in the latter half of the year, but the game console market was strong and, thanks to energy-saving air conditioners and other products, the home appliance market was bullish.

Working within this business environment, the ROHM Group continued to implement important strategies aimed at strengthening product lineups for the automotive and industrial equipment markets, which are expected to grow in the mid- to long-term, and boosting sales especially in these two markets. Accordingly, time and resources were directed at developing new products and technologies into [1] analog solutions, [2] power solutions, [3] sensor solutions and [4] mobile solutions, and improving proposals that combine them. The ROHM Group also pushed ahead with “production innovation” by continuing its RPS activities (*3) and, with the goal of achieving “zero defects”, by building a state-of-the-art quality management system and converting its production sites into smart factories (*4). Furthermore, the ROHM Group constructively invested in equipment that will increase the group’s production capacity of power devices and other fields that are expected to grow in the future. Moreover, amidst an upswing in the semiconductor material (wafer) and equipment markets caused by vigorous demand stemming from expansion in the semiconductor market, the ROHM Group undertook efforts to build up its procurement activities, by, for example, strengthening relations with suppliers.

Under these circumstances, consolidated net sales for the fiscal year ended on March 31, 2018 were 397,106 million yen (an increase of 12.8% from last year) and operating income was 57,004 million yen (an increase of 79.1% from last year).

Ordinary income was 54,213 million yen (an increase of 52.4% from last year) and profit attributable to owners of parent was 37,249 million yen (an increase of 40.9% from last year).

*1. FA (Factory Automation)

Systems that automate the various processes of a factory.

*2. IoT (Internet of Things)

A technological scenario in which all sorts of equipment and appliances connect to the internet and control each other by exchanging information.

*3 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.

*4 Smart factory

A factory that improves product quality and production efficiency by interconnecting production systems over a network.

Overview of performance in each segment

<LSI>

Consolidated net sales for the year ended March 31, 2018 were 183,430 million yen (an increase of 13.8% from last year) and segment income was 20,181 million yen (an increase of 122.7% from last year).

Sales to the automotive electronics market were strong overall, despite power ICs and other IC products for car audio going through an adjustment phase, as sales of isolated gate driver ICs (*5) for xEV (*6) grew and driver ICs were widely adopted for instrument panels and power ICs for car bodies. In the industrial equipment market, sales of power ICs, motor driver ICs and other products for FA and measuring equipment grew steadily.

In the consumer electronics segment, while sales of LCD drivers and power ICs for TVs went through an adjustment phase on the one hand, sales of power ICs for home appliances and customized ICs and memory ICs for game consoles increased, and sales of motor driver ICs for office equipment and other products trended towards recovery on the other.

*5. Isolated gate driver IC

A gate driver IC drives power semiconductors like IGBT (*7), but by incorporating an isolated element in a gate driver, external isolating components that are critical to protecting people and systems have become unnecessary.

*6. xEV

A collective acronym for vehicles that use an electric power drive such as electric vehicles (EV), hybrid vehicles (HV) and plug-in hybrid vehicles (PHV).

*7. IGBT (Insulated Gate Bipolar Transistor)

A bipolar transistor (*8) that lessens the operating resistance by incorporating a MOSFET (*9) for the gate. Suited for high current switching, IGBTs are often used for power control applications.

*8. Bipolar transistor

A 3-terminal semiconductor that structures N-type and P-type semiconductors into either P-N-P or N-P-N junctions. Bipolar transistors are widely used in electronic devices for current amplification/switching and other signal processing tasks.

*9. MOSFET (Metal Oxide Semiconductor Field Effect Transistor)

A type of field-effect-transistor that enables faster switching with less power consumption than bipolar transistors, and is widely used in a variety of electronic products.

<Discrete semiconductor devices>

Consolidated net sales for the year ended March 31, 2018 were 149,915 million yen (an increase of 15.3% from last year) and segment income was 32,193 million yen (an increase of 53.9% from last year).

With regard to transistors, sales of power MOSFETs for various types of power sources for the automotive and game console markets grew steadily, and sales of small signal transistors to the industrial equipment and consumer products markets were firm. As for diodes, sales of power diodes to the automotive electronics markets were strong. With regard to power devices, sales of SiC devices to the solar power and automotive markets in China grew considerably. Sales were bullish also with optical devices.

<Modules>

Consolidated net sales for the year ended March 31, 2018 were 41,829 million yen (an increase of 5.6% from last year) and segment income was 3,793 million yen (an increase of 111.6% from last year).

With regard to printheads, sales of printheads for mobile payment terminals and other applications were strong. As for optical modules, sensor modules continued to be adopted for smartphones and wearable electronics.

<Others>

Consolidated net sales for the year ended March 31, 2018 were 21,930 million yen (an increase of 3.6% from last year) and segment income was 2,968 million yen (an increase of 98.2% from last year).

Sales of resistors were driven by the automotive electronics market but were otherwise impacted by adjustments in the smartphone market. We withdrew from the LED lighting business last year.

The net sales mentioned above are sales to external customers.

(2) Capital Expenditures

In this period, the Group invested 55,911 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:

LSI	25,077	million yen
Discrete Semiconductor Devices	23,148	million yen
Modules	1,185	million yen
Others	4,407	million yen
Sales and Administrative Expenses Division	2,091	million yen

(3) Financing

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

(4) Priority Issues

The world electronics market 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 continue to 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-2015	Mar-2016	Mar-2017	(Current period) Mar-2018
Net Sales	362,772	352,397	352,010	397,106
Ordinary Income	59,218	36,625	35,579	54,213
Net Income Attributable to Owners of the Parent	45,296	25,686	26,432	37,249
Net Income per Share (yen)	420.15	241.91	249.87	352.14
Total Assets	864,380	804,134	834,503	870,034
Equity	752,433	706,251	725,452	751,877

(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.

(Reference) Operating Results and Financial Position of the Company

(Millions of yen otherwise noted)

Item	Mar-2015	Mar-2016	Mar-2017	(Current Period) Mar-2018
Net Sales	313,498	307,047	303,279	348,737
Ordinary Income	59,711	12,094	21,060	42,935
Net Income	36,700	6,450	20,187	26,784
Net Income per Share (yen)	340.43	60.75	190.85	253.21
Total Assets	548,790	496,342	521,498	544,297
Equity	459,868	425,359	442,278	456,341

(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
LSI	Analog ICs, Logic ICs, Memory ICs, MEMS
Discrete semiconductor devices	Diodes, Transistors, Light Emitting Diodes, Laser Diodes
Modules	Printhead Products, Optical Modules, Power Modules
Others	Resistors, Tantalum Capacitors,

(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 GmbH	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
LSI	23,120	Increase by 1,812employees	10.3 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, 501 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 10,000	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 (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 111,200,000

(Including 5,425,837 shares of treasury stock)

(3) Total Number of Shareholders as of March 31, 2018 25,178

(4) Major Shareholders (Top 10 Shareholders)

Name	Number of Shares Held (Thousands of shares)	Ownership
Japan Trustee Service Bank, Ltd. (Trust account)	8,479	8.01%
Rohm Music Foundation	8,000	7.56
The Master Trust Bank of Japan, Ltd. (Trust account)	7,501	7.09
The Bank of Kyoto, Ltd.	2,606	2.46
Kenichiro Sato	2,405	2.27
STATE STREET BANK AND TRUST COMPANY	1,853	1.75
Japan Trustee Service Bank, Ltd. (Trust account 5)	1,715	1.62
STATE STREET BANK WEST CLIENT - TREATY 505234	1,706	1.61
BBH FOR MATTHEWS ASIA DIVIDEND FUND	1,663	1.57
Japan Trustee Service Bank, Ltd. (Trust account 9)	1,400	1.32

(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. 5,425 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, 2018)

Position	Name	Positions at the Company and Important Duties outside the Company
* President	Satoshi Sawamura	
Senior Managing Director	Katsumi Azuma	Discrete / Optical Module
Senior Managing Director	Tadanobu Fujiwara	Sales
Director	Isao Matsumoto	LSI
Director	Masahiko Yamazaki	General Manager of Administrative Headquarters, General Manager of Accounting & Finance Headquarters, General Manager of CSR Headquarters
Director	Yoshiaki Suenaga	Corporate Marketing Strategy
Director	Kenichiro Sato	Chairman of Rohm Music Foundation
Director	Hachiro Kawamoto	
Director	Koichi Nishioka	
Company Auditor (Full-Time)	Yoshiaki Shibata	
Company Auditor (Full-Time)	Hiroyuki Nii	
Company Auditor	Hidero Chimori	Attorney at Law, Outside Director of Kobe Steel, 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, Item 15, of the Companies Act.
3. All five of the Company Auditors are Outside Company Auditors as provided in Article 2, Item 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 Exchange.
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) Yoshiaki Suenaga was newly elected and appointed as a Director at the 59th Ordinary General Shareholders Meeting of June 29, 2017.
 - (2) Retirements
 - 1) Eiichi Sasayama retired from the position of Director as of the closing of the 59th Ordinary General Shareholders Meeting of June 29, 2017.
 - 2) Masaki Sakai resigned from the position of Director in charge of Euro-American Sales as of October 10, 2017.
 - (3) Changes in positions
 - 1) Katsumi Azuma was appointed as Senior Managing Director as of July 1, 2017.
 - 2) Tadanobu Fujiwara was appointed as Senior Managing Director as of November 11, 2017.
 - (4) Changes in duties
 - 1) Katsumi Azuma's position was changed from General Manager of Discrete Production Headquarters and in charge of Optical Module Production Headquarters to in charge of Discrete and Optical Module as of July 1, 2017.
 - 2) Masahiko Yamazaki's position was changed from General Manager of Administrative Headquarters, General Manager of CSR Headquarters to General Manager of Administrative Headquarters, General Manager of Accounting & Finance Headquarters and General Manager of CSR Headquarters as of July 1, 2017.
 - 3) Masaki Sakai's position was changed from General Manager of Overseas Sales Headquarters to in charge of Euro-American Sales as of July 11, 2017.
 - 4) Isao Matsumoto's position was changed from General Manager of LSI Production Headquarters and LSI Product Development Headquarters to in charge of LSI as of September 25, 2017.

(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	11	377 million yen
Company Auditors	5	60 million yen
Total	16	437 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 97 million yen as bonuses for the Directors with respect to the 60th fiscal year.
4. Two Directors are Outside Directors and all the Company Auditors are Outside Company Auditors. The total amount of their remunerations is 82 million yen.

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

Position	Name	Main Activity
Director	Hachiro Kawamoto	Attended all 14 meetings of Board of Directors during the fiscal year ended March 31, 2018 (including participation in 1 resolution 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 all 14 meetings of Board of Directors during the fiscal year ended March 31, 2018 (including participation in 1 resolution 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 93% of the all 14 meetings of Board of Directors during the fiscal year ended March 31, 2018 (including participation in 1 resolution deemed to have been made in writing). Attended all 14 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)	Hiroyuki Nii	Attended all 14 meetings of Board of Directors during the fiscal year ended March 31, 2018 (including participation in 1 resolution deemed to have been made in writing). Attended all 14 meetings of the Board of Company Auditors. Provides opinions regarding corporate management, etc., from a comprehensive point of view, based on experience and knowledge as a longtime administrator at a financial institution.
Company Auditor	Hidero Chimori	Attended 93% of the 14 meetings of Board of Directors during the fiscal year ended March 31, 2018 (including participation in 1 resolution deemed to have been made in writing). Attended 93% of the 14 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 Murao	Attended all 14 meetings of Board of Directors during the fiscal year ended March 31, 2018 (including participation in 1 resolution deemed to have been made in writing). Attended all 14 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 all 14 meetings of Board of Directors during the fiscal year ended March 31, 2018 (including participation in 1 resolution deemed to have been made in writing). Attended all 14 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

	Remuneration
Remuneration for the Independent Auditor for the 60th Fiscal Year	96 million yen
Total Remuneration for the Independent Auditor to be Paid by the Company and Its Subsidiaries	137 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. Among ROHM Group’s major subsidiaries, financial statements of the seven 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.

(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.

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 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 not only comply with laws and regulations but also support 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 to contributing to solve these social challenges (Sustainable Development Goals) through ROHM’s products, technology, and services. And ROHM will promote the management focusing on CSR confirmed “ISO26000” the international standards for social responsibility and complied with the Code of Conduct of the Responsible Business Alliance (RBA).
 - (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 having committed an illegal conduct in the performance of Directors’ duties or neglected the obligation of being duly conscious as good Directors, or any fact be found

- having a threat to 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, 2018 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) 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 with respect to the status of its operation.
- 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.

4) 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.
- Matters to be delegated to each Director are made clear in the Basic Rules of the Board of Directors and in the in-house regulations to ensure Directors' efficient and agile performance of their 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.

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, 2018

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	513,539	Current liabilities	78,085
Cash and deposits	264,600	Notes and accounts payable—trade	13,788
Notes and accounts receivable—trade	85,292	Electronically recorded obligations	4,903
Electronically recorded monetary		Accounts payable—other	25,936
Claims	5,409	Income taxes payable	10,423
Securities	41,221	Deferred tax liabilities	30
Merchandise and finished products	27,563	Other	23,004
Work in process	41,643		
Raw materials and supplies	29,082	Long-term liabilities	40,071
Deferred tax assets	9,356	Deferred tax liabilities	27,667
Refundable income taxes	205	Liability for retirement benefits	10,136
Other	9,620	Other	2,266
Allowance for doubtful accounts	(457)		
Fixed assets	356,495	Total liabilities	118,156
Tangible fixed assets	240,227	(Equity)	
Buildings and structures	73,298	Shareholders' equity	761,736
Machinery, equipment, and vehicles	72,752	Common stock	86,969
Furniture and fixtures	7,673	Capital surplus	102,403
Land	66,809	Retained earnings	620,151
Construction in progress	19,691	Treasury stock	(47,788)
Intangible fixed assets	5,410	Accumulated other comprehensive income	(10,311)
Other	5,410	Unrealized gain on available-for-sale securities	33,931
Investments and other assets	110,857	Foreign currency translation Adjustments	(40,666)
Investment securities	94,615	Accumulated adjustments for retirement benefits	(3,576)
Asset for retirement benefits	2,073		
Deferred tax assets	2,580	Noncontrolling interests	452
Other	12,199		
Allowance for doubtful accounts	(612)	Total equity	751,877
Total assets	870,034	Total liabilities and equity	870,034

(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, 2017 to March 31, 2018

(Millions of yen)

Accounts	Amount	
Net sales		397,106
Cost of sales		252,591
Gross profit		144,515
Selling, general and administrative expenses		87,510
Operating income		57,004
Non-operating income		
Interest income	2,748	
Dividend income	1,112	
Other	1,060	4,920
Non-operating expenses		
Interest expense	16	
Foreign currency exchange loss	7,248	
Settlement package	212	
Other	235	7,712
Ordinary income		54,213
Extraordinary gains		
Gain on sale of fixed assets	501	501
Extraordinary losses		
Loss on sale and disposal of fixed assets	741	
Loss on impairment of fixed assets	7,046	
Loss on valuation of investment securities	81	
Special severance benefit	331	8,201
Income before income taxes		46,512
Income taxes—current	13,572	
Income taxes—deferred	(4,325)	9,247
Net income		37,265
Net income attributable to noncontrolling interests		16
Net income attributable to owners of the parent		37,249

(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, 2017 to March 31, 2018

(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 Income (Loss)
Balance at the beginning of the year	86,969	102,403	604,057	(47,777)	745,653	25,438	(40,942)	(5,163)	(20,667)
Changes in the year									
Dividends			(21,154)		(21,154)				
Net income attributable to owners of the parent			37,249		37,249				
Purchase of treasury stock				(10)	(10)				
Net changes in items other than shareholders' equity						8,493	275	1,586	10,355
Total changes in the year	-	-	16,094	(10)	16,083	8,493	275	1,586	10,355
Balance at the end of the year	86,969	102,403	620,151	(47,788)	761,736	33,931	(40,666)	(3,576)	(10,311)

	Non-controlling Interests	Total Equity
Balance at the beginning of the year	466	725,452
Changes in the year		
Dividends		(21,154)
Net income attributable to owners of the parent		37,249
Purchase of treasury stock		(10)
Net changes in items other than shareholders' equity	(14)	10,341
Total changes in the year	(14)	26,425
Balance at the end of the year	452	751,877

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

Notes to Consolidated Financial Statements

Basis of Preparing Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries 45

(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 Hong Kong CO., LTD.
ROHM U.S.A., INC.	ROHM ELECTRONICS ASIA PTE. LTD.

Increase in the scope of consolidation for the fiscal year ended March 31, 2018, is as follows:
ROHM SEMICONDUCTOR (BEIJING) CO., LTD. (Establishment on March 23, 2018)

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

(Associated company)

LUSEM CO., LTD.

This associated company is 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 8 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. Non-marketable 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 the lower of cost, determined by the moving-average method, or net selling value. 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") and its domestic subsidiaries on or 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

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.

(4) Translation of foreign currencies

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen using 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 using the current exchange rate as of the balance sheet date, except for shareholders' equity, which is translated using the historical rate. Revenue and expense accounts of foreign subsidiaries are translated into Japanese yen using 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 benefits 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 to 13 years), within the average remaining service period of employees, for each fiscal year in which the actuarial gains or losses arose.

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

Notes to Consolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

674,177 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 474 million yen and 1,168 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	729
Machinery, equipment, and vehicles	529
Furniture and fixtures	7
Land	377

3. Guarantees

The Company and its subsidiaries (the "Group") guarantee employees' loans from banks as follows:

Employees (housing loans)	47 million yen
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4. Assets in Unconsolidated Subsidiaries and Associated Companies

Investment securities (stock)	680 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, 2018.

Use of Asset	Location	Account	Amount (Millions of yen)
Operating assets	Ireland	Intangible fixed assets (excluding goodwill)	1,757
		Machinery, equipment, and vehicles, and others	40
		Others	Goodwill
Idle assets	Japan and others	Machinery, equipment, and vehicles, and others	327
		Construction in progress	22
Total			7,046

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 expenditures are managed on a continuous basis, and for idle assets, each property is deemed an asset group.

(Operating assets and others)

As the Group estimated less profit generation than expected at the time of the business acquisition, 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 third-party valuation.

(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.

Notes to Consolidated Statement of Changes in Equity

1. Number of Shares Issued as of March 31, 2018

Common stock 111,200,000 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 29, 2017	Common stock	8,462 million yen	80.00 yen	March 31, 2017	June 30, 2017
Meeting of the Board of Directors held on November 1, 2017	Common stock	12,692 million yen	120.00 yen	September 30, 2017	December 1, 2017

(2) Dividends for the fiscal year ended March 31, 2018, 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 28, 2018	Common stock	12,692 million yen	Retained earnings	120.00 yen	March 31, 2018	June 29, 2018

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 notes payable—trade, accounts payable—trade, 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 Value of Financial Instruments

Carrying amount, fair value, and the difference thereof for financial instruments as of March 31, 2018, are listed in the table below, except for financial instruments whose fair values are not readily determinable (see Note 2).

(Millions of yen)

	Carrying Amount	Fair Value	Difference
(1) Cash and deposits	264,600	264,600	-
(2) Notes and accounts receivable—trade	85,292		
Allowance for doubtful accounts *1	(414)		
	84,877	84,877	-
(3) Electronically recorded monetary claims	5,409	5,409	-
(4) Securities and investment securities			
Available-for-sale securities	134,747	134,747	-
(5) Refundable income taxes	205	205	-
Total assets	489,841	489,841	-
(1) Notes and accounts payable—trade	13,788	13,788	-
(2) Electronically recorded obligations	4,903	4,903	-
(3) Accounts payable—other	25,936	25,936	-
(4) Income taxes payable	10,423	10,423	-
Total liabilities	55,051	55,051	-
Derivative transactions *2	68	68	-

*1. 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	301
Rights under limited partnership agreements for investment	107
Stocks of unconsolidated subsidiaries and associated companies	680

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	264,600	-	-	-
Notes and accounts receivable—trade	85,292	-	-	-
Electronically recorded monetary claims	5,409	-	-	-
Securities and investment securities				
Available-for-sale securities with contractual maturities (Japanese government bonds, local government bonds, etc.)	156	10	-	-
Available-for-sale securities with contractual maturities (corporate bonds)	15,894	20,326	1,965	-
Available-for-sale securities with contractual maturities (other)	25,285	-	-	-
Refundable income taxes	205	-	-	-
Total	396,844	20,337	1,965	-

Notes to per Share Information

Equity per share	7,104.04 yen
Net income per share	352.14 yen

Nonconsolidated Balance Sheet

As of March 31, 2018

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	226,794	Current liabilities	76,231
Cash and deposits	58,896	Accounts payable—trade	46,008
Notes receivable—trade	365	Electronically recorded obligations	4,975
Accounts receivable—trade	77,175	Accounts payable—other	8,735
Electronically recorded monetary		Accrued expenses	7,315
Claims	5,404	Income taxes payable	7,708
Securities	31,197	Deposits received	991
Merchandise and finished products	13,073	Other	495
Work in process	3,337		
Raw materials and supplies	4,246	Long-term liabilities	11,725
Prepaid expenses	630	Other long-term liabilities	1,221
Deferred tax assets	4,162	Deferred tax liabilities	9,301
Short-term loans receivable	1,696	Liability for retirement benefits	1,185
Accounts receivable—other	24,100	Asset retirement obligations	16
Other	2,507		
		Total liabilities	87,956
Fixed assets	317,503	(Equity)	
Tangible fixed assets	67,744	Shareholders' equity	422,596
Buildings	13,296	Common stock	86,969
Structures	286	Capital surplus	97,253
Machinery and equipment	5,298	Additional paid-in capital	97,253
Vehicles	3	Retained earnings	286,161
Furniture and fixtures	1,541	Legal reserve	2,464
Land	43,401	Other retained earnings	283,696
Construction in progress	3,917	Reserve for research and	
Intangible fixed assets	2,824	development	1,500
Patents	40	Reserve for losses of overseas	
Software	2,523	investments	2
Other	260	Other reserve	243,500
Investments and other assets	246,934	Retained earnings carried forward	38,694
Investment securities	93,492	Treasury stock	(47,788)
Investment in subsidiaries and			
associated companies	114,251	Valuation and translation adjustments	33,744
Long-term loans receivable	38,752	Unrealized gain on available-for-	
Long-term prepaid expenses	5,474	sale securities	33,744
Prepaid pension cost	2,148		
Other	3,582	Total equity	456,341
Allowance for doubtful accounts	(10,768)	Total liabilities and equity	544,297
Total assets	544,297		

(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, 2017 to March 31, 2018

(Millions of yen)

Accounts	Amount	
Net sales		348,737
Cost of sales		272,072
Gross profit		76,665
Selling, general and administrative expenses		49,390
Operating income		27,274
Non-operating income		
Interest and dividend income	13,382	
Technical advisory fees	8,339	
Management advisory fees	1,691	
Other	915	24,328
Non-operating expenses		
Foreign currency exchange loss	2,336	
Commission fees	1,859	
Taxes and dues	1,113	
Provision for doubtful accounts	3,084	
Bad debts expense	13	
Other	260	8,667
Ordinary income		42,935
Extraordinary gains		
Gain on sale of fixed assets	420	420
Extraordinary losses		
Loss on sale and disposal of fixed assets	269	
Loss on impairment of fixed assets	167	
Loss on valuation of investment securities	81	
Loss on valuation of investment in subsidiaries and associated companies	11,094	11,613
Income before income taxes		31,742
Income taxes—current	8,218	
Income taxes—deferred	(3,260)	4,958
Net Income		26,784

(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, 2017 to March 31, 2018

(Millions of yen)

	Shareholders' Equity										Total Shareholders' Equity
	Common Stock	Capital Surplus		Legal Reserve	Retained Earnings				Total Retained Earnings	Treasury Stock	
		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	6	243,500	33,060	280,532	(47,777)	416,978
Changes in the year											
Reversal of reserve for losses of overseas investments						(4)		4	-		-
Dividends								(21,154)	(21,154)		(21,154)
Net income								26,784	26,784		26,784
Purchase of treasury stock										(10)	(10)
Net changes in items other than shareholders' equity											
Total changes in the year	-	-	-	-	-	(4)	-	5,633	5,629	(10)	5,618
Balance at the end of the year	86,969	97,253	97,253	2,464	1,500	2	243,500	38,694	286,161	(47,788)	422,596

	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	25,300	25,300	442,278
Changes in the year			
Reversal of reserve for losses of overseas investments			-
Dividends			(21,154)
Net income			26,784
Purchase of treasury stock			(10)
Net changes in items other than shareholders' equity	8,444	8,444	8,444
Total changes in the year	8,444	8,444	14,062
Balance at the end of the year	33,744	33,744	456,341

(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. Non-marketable 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 the lower of cost, determined by the moving-average method, and net selling value. Supplies are stated at cost determined by the last purchase cost method (Carrying amount in the balance sheet is calculated net of any write-downs due to decreased profitability.).

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 5 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 3 to 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) 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 benefits 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 the 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 the 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 exchange rate 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.

Notes to Nonconsolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

102,968 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 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.	63
ROHM SHIGA CO., LTD.	18
KIONIX, INC.	543
SICRYSTAL GMBH	293

4. Receivables from and Payables to Subsidiaries and Associated Companies

	(Millions of yen)
Short-term receivables from subsidiaries and associated companies	65,834
Long-term receivables from subsidiaries and associated companies	38,750
Short-term payables to subsidiaries and associated companies	44,284

Notes to Nonconsolidated Statement of Income

1. Transactions with Subsidiaries and Associated Companies

		(Millions of yen)
Operating transactions	Net sales	236,695
	Purchase and subcontract processing	230,988
	Other operating expenses	7,780
Non-operating transactions	Non-operating income	10,863
	Non-operating expenses	1,853
	Sale of assets	19,199
	Purchase of assets	977

2. Loss on Impairment of Fixed Assets

The Company recognized impairment loss on the following asset groups for the fiscal year ended March 31, 2018.

Use of Asset	Location	Account	Amount (Millions of yen)
Idle assets	Kyoto	Machinery, equipment, and vehicles	163
		Furniture and fixtures	4
Total			167

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.

In regard to the above asset groups, as the Company determined that 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 Valuation of Investment in Subsidiaries and Associated Companies

Loss on valuation of investment in subsidiaries and associated companies was due to revaluation loss on investment in our consolidated subsidiary, ROHM POWERVATION LTD.

Notes to Nonconsolidated Statement of Changes in Equity

Type and number of treasury stock as of March 31, 2018

Common stock 5,425,837 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 and investments	27,024
Inventories	1,872
Depreciation	901
Accrued enterprise tax	633
Accrued expenses	1,761
Liability for retirement benefits	361
Allowance for doubtful accounts	3,284
Loss on impairment of fixed assets	1,416
Other	397
Subtotal	37,653
Valuation allowance	(28,263)
Total	9,389
 Deferred tax liabilities	
Prepaid pension cost	(655)
Unrealized gain on available-for-sale securities	(13,834)
Other	(39)
Total	(14,529)
Net deferred tax liabilities	(5,139)

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 SHIGA CO., LTD.	100%	Processing subcontractor for ROHM	Lending of funds *1	6,500	Long-term loans receivable *6	14,000
	LAPIS SEMICONDUCTOR CO., LTD.	100%	Product supplier for ROHM	Purchase of products and others *2	47,029	Accounts receivable—other Accounts payable—trade Accounts payable—other	319 4,128 50
	ROHM ELECTRONICS PHILIPPINES, INC.	100%	Processing subcontractor for ROHM	Product processing by contract *3 Receipt of technical advisory fees *5	34,100 2,810	Accounts receivable—other Accounts payable—trade Accounts payable—other	7,226 11,525 98
	ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD.	100%	Processing subcontractor for ROHM	Product processing by contract *3 Receipt of technical advisory fees *5	33,362 2,960	Accounts receivable—other Accounts payable—trade Accounts payable—other	5,030 8,968 40
	ROHM SEMICONDUCTOR (CHINA) CO., LTD.	100%	Processing subcontractor for ROHM	Lending of funds *1	-	Short-term loans receivable Long-term loans receivable	1,200 6,550
	KIONIX, INC.	100%	Product supplier for ROHM	Lending of funds *1	392	Long-term loans receivable *7	6,002
	SICRYSTAL GMBH	100%	Raw materials supplier for ROHM	Lending of funds *1	7,557	Long-term loans receivable	8,875
	ROHM SEMICONDUCTOR Hong Kong CO., LTD.	100%	Wholesaler of ROHM products	Product sales *4	68,692	Accounts receivable—trade	10,842
	ROHM SEMICONDUCTOR TAIWAN CO., LTD.	100%	Wholesaler of ROHM products	Product sales *4	31,560	Accounts receivable—trade	6,669

Terms and conditions of transactions and decision policies thereof:

(Notes) * The subsidiaries listed above do not hold Company voting rights.

- *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. Technical advisory fees are determined based on the amount of net sales of each subsidiary.
- *6. The Company recorded 5,719 million yen of allowance for doubtful accounts for the long-term loans receivable to ROHM SHIGA CO., LTD. as of March 31, 2018, which was increased by 2,154 million yen during the fiscal year ended March 31, 2018.
- *7. The Company recorded 4,186 million yen of allowance for doubtful accounts for the long-term loans receivable to KIONIX, INC. as of March 31, 2018, which was increased by 76 million yen during the fiscal year ended March 31, 2018.

Notes to per Share Information

Equity per share	4,314.29 yen
Net income per share	253.21 yen

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

INDEPENDENT AUDITOR'S REPORT

May 10, 2018

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:
Tomoyuki Suzuki

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Hiromi Ueda

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, 2018 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, 2017 to March 31, 2018, 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, 2018, 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 10, 2018

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:
Tomoyuki Suzuki

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Hiromi Ueda

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements, namely, the nonconsolidated balance sheet as of March 31, 2018 of ROHM CO., LTD. (the "Company"), and the related nonconsolidated statements of income and changes in equity for the 60th fiscal year from April 1, 2017 to March 31, 2018, 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 nonconsolidated 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 nonconsolidated 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 nonconsolidated 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 nonconsolidated 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 nonconsolidated 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 nonconsolidated 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 nonconsolidated 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 nonconsolidated 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 nonconsolidated 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, 2018, 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 60th fiscal year from April 1, 2017 to March 31, 2018, 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) confirmed 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 15, 2018

Board of Company Auditors
ROHM CO., LTD.

Company Auditor (Full-time)

Company Auditor (Full-time)

Company Auditor

Company Auditor

Company Auditor

Hiroyuki Nii (Seal)

Yoshiaki Shibata (Seal)

Hidero Chimori (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 —