



[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, 2021. 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 27, 2021

To Our Shareholders:

**ROHM Co., Ltd.**  
21, Saiin Mizosaki-cho,  
Ukyo-ku, Kyoto, Japan  
Isao Matsumoto  
President

## NOTICE OF THE 63RD ORDINARY GENERAL SHAREHOLDERS MEETING

Dear Shareholders,

We will inform you of the 63rd Ordinary General Shareholders Meeting of ROHM CO., LTD. ("the Company"). 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 through page 9. Your vote must be received by the Company no later than Thursday June 24, 2021, 5:15 p.m. (JST).

### NOTICE OF MEETING

**1. Date and Time:** Friday, June 25, 2021, 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 Financial Statements and Audit Reports on Consolidated Financial Statements from the Independent Auditors and the Audit and Supervisory Committee for the 63rd Fiscal Year (from April 1, 2020 to March 31, 2021)
2. Nonconsolidated Financial Statements for the 63rd Fiscal Year (from April 1, 2020 to March 31, 2021)

#### Resolutions:

- Proposal 1: Appropriation of Dividends of Surplus for the 63rd Fiscal Year  
Proposal 2: Election of Six (6) Directors who are not Audit and Supervisory Committee Members  
Proposal 3: Election of Five (5) Directors who are Audit and Supervisory Committee Members

#### 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. (<https://www.rohm.com/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), Thursday, June 24, 2021.
- 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), Thursday, June 24, 2021. 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 63rd Fiscal Year

Concerning the appropriation and year-end dividends of surplus, ROHM plans to pay out as specified below, in thorough consideration of relevant factors, including the results of the year ended March 31, 2021, financial forecasts, and future fund demands for investment in business to improve our corporate value. Accordingly, the total dividend for the year is 150 yen per share, including the interim dividend of 75 yen.

(1) Type of assets distributed: Cash

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

Distribution of each common share of the Company 75 yen

Total amount distributed 7,360,564,950 yen

(3) Date when the distribution takes effect: June 28, 2021

### Proposal 2: Election of Six (6) Directors who are not Audit and Supervisory Committee Members

The terms of office for all seven (7) current Directors who are not Audit and Supervisory Committee Members will expire at the closing of this Ordinary General Shareholders Meeting.

Accordingly, it is proposed that six (6) directors who are not Audit and Supervisory Committee Members be elected.

This proposal has been determined by the Board of Directors on the basis of reports from the Officer Nomination Council, an advisory body to the Board of Directors the majority of whose members are Independent Outside Directors. And see page 7 for the opinion of the Audit and Supervisory Committee regarding this proposal.

The candidates for the directors who are not Audit and Supervisory Committee Members 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	Isao Matsumoto (M) (Jan. 25, 1961)	Apr. 1985 Jun. 2013 Sep. 2019 May. 2020 Jun. 2020	Joined the Company Member of the Board, Director of General Manager of LSI Production Headquarters Member of the Board, Managing Executive Officer, in charge of Quality, Safety and Production President (Representative Director), Chief Executive Officer President (Representative Director), CEO (Current Position)	3,802
		[Reasons for nomination as a candidate for a Director] Isao Matsumoto has attained an abundant knowledge and experience through the duties in Business Unit, as well as the global perspective through the experience overseas, contributes to improve corporate value of the whole group by strong leadership as the President. The Company requests continued election for a Director.		
2	Katsumi Azuma (M) (Nov. 10, 1964)	Apr. 1989 Jun. 2013 Jul. 2017 Sep. 2019 Jan. 2021	Joined the Company Member of the Board, Director of Discrete Production Headquarters Member of the Board, Senior Managing Director, in charge of Discrete and Optical module Member of the Board, Senior Managing Executive Officer, in charge of Business and Strategy Member of the Board, Senior Managing Executive Officer, COO, Senior Director of Production • Quality • Sales (Current Position)	2,722
		[Reasons for nomination as a candidate for a Director] Katsumi Azuma has attained an abundant knowledge and experience in quality improvement and production engineering primarily through the duties in production sections of semiconductors and electronic components, and he has superior ability in managing and promoting business strategically. The Company requests election for a Director.		

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company	Number of ROHM Shares Held	
3	Tetsuo Tateishi (M) (Feb. 24, 1963)	Jul. 2014 Jun. 2019 Sep. 2019 Jan. 2021	Joined the Company Member of the Board, Director of LSI Development Headquarters Member of the Board, Senior Corporate Officer, Director of LSI Development Headquarters Member of the Board, Senior Corporate Officer, CTO (Current Position)	1,001
		[Reasons for nomination as a candidate for a Director] Tetsuo Tateishi has attained highly specialized expertise and abundant experience as a developer, and he is familiar with a broad range of LSI technologies and he has superior ability in carrying out ROHM Group's business strategically as CTO (Chief Technology Officer). The Company requests continued election for a Director.		
	Kazuhide Ino (M) (Mar. 31, 1970)	Apr. 1999 Sep. 2019 Jun. 2020 Jan. 2021	Joined the Company Corporate Officer, Director of Power Device Production Headquarters Member of the Board, CSO and Senior Director of Power Device Business Member of the Board, Senior Corporate Officer, CSO (Current Position)	1,176
		[Reasons for nomination as a candidate for a Director] Kazuhide Ino has attained an abundant knowledge and experience through the duties in technology development sections of Power device and electronic components and he has superior ability in carrying out ROHM Group's business strategically as CSO (Chief Strategy Officer). The Company requests continued election for a Director.		
5	* Koji Yamamoto (M) (Feb. 28, 1963)	Apr. 1985 Sep. 2019 Jun. 2020	Joined the Company Corporate Officer, Director of LSI Production Headquarters and in charge of Development of ATP Rationalization Corporate Officer, Director of Supply Chain Management Headquarters (Current Position)	1,624
		[Reasons for nomination as a candidate for a Director] Koji Yamamoto has superior ability in carrying out about Supply Chain Management (SCM), Risk Management and Environmental Conservation based on an abundant knowledge and experience through the duties in development and production sections. The Company requests election for a Director.		
6	Tadanobu Nagumo (M) (Feb. 12, 1947)	Apr. 1969 Jun. 1999 Jun. 2004 Jun. 2011 Jun. 2015 Mar. 2016 Mar. 2019	Joined The Yokohama Rubber Co., Ltd. Director of The Yokohama Rubber Co., Ltd. President and Representative Director of The Yokohama Rubber Co., Ltd. Chairman and CEO and Representative Director of The Yokohama Rubber Co., Ltd. Outside Company Auditor of The Zeon Corporation Outside Director of The Zeon Corporation (Current Position) Chairman and Representative Director of The Yokohama Rubber Co., Ltd. Senior Advisor of The Yokohama Rubber Co., Ltd. (Current Position)	0
		[Reasons for nomination as a candidate for a Director and Overview of an expected role as an Outside Director] Tadanobu Nagumo has attained an abundant knowledge and experience acquired as a top executive of a listed company that operates globally and he has a proven track record of aggressively promoting global strategies. Additionally, as an engineer he has a high level of insight in the field of manufacturing. He is expected to contribute to further strengthening oversight of the ROHM's execution of business from an independent standpoint, and to provide advice on the management of the ROHM's business on a wide range of issues from an international and practical perspective. The Company requests election for an Outside Director.		

## (Notes)

1. Tadanobu Nagumo is a candidate for the position of Outside Director of the Company. He has concluded an advisory agreement with the Company since June 2020 to receive advice on the management of its business, and his annual advisory fee is less than 10 million yen. He satisfies the "Independence Standards for Outside Officers" of the Company on page 9, it has been judged

that they are fully independent with no risk for conflict of interest with general shareholders. There are no business relationships between the Company and The Yokohama Rubber Co., Ltd. that he serves as Senior Advisor. He meets the requirements for an Independent Directors/Company Auditors pursuant to the rules of the Tokyo Stock Exchange, if he is elected, the Company will designate as Independent Directors/Company Auditors and report the designation to the exchange.

2. There are no special relationships of interest between the candidates and the Company.
3. If Tadanobu Nagumo is elected, pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company will enter into contracts with him as Directors excluding those are Executive Directors, etc. that limit his 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.
4. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company to indemnify the Directors of the Company who are the insured parties of such contract, against personal liability for any loss or claim they may incur arising out of the execution of the Company's business. If the appointments of the candidates to be Directors are approved, they will become the insured parties of such contract and the Company plans to renew such contract with the same provisions during their terms of office.

### Proposal 3: Election of Five (5) Directors who are Audit and Supervisory Committee

The terms of office for all four (4) current Directors who are Audit and Supervisory Committee Members will expire at the closing of this Ordinary General Shareholders Meeting.

Accordingly, it is proposed that Five (5) directors who are Audit and Supervisory Committee Members be elected to further strengthen audit and supervisory functions of management.

This proposal has been determined by the Board of Directors after agreement by the Audit and Supervisory Committee on the basis of reports from the Officer Nomination Council, an advisory body to the Board of Directors the majority of whose members are Independent Outside Directors.

The candidates for the directors who are Audit and Supervisory Committee Members are as follows:

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	Masahiko Yamazaki (M) (Jul. 27, 1959)	Mar. 1982 Jun. 2010 Sep. 2019 Apr. 2020	Joined the Company Member of the Board, Director of Administrative Headquarters Member of the Board, Senior Corporate Officer, Director of Administrative Headquarters and CSR Headquarters Member of the Board, Senior Corporate Officer, Director of Administrative Headquarters and in charge of CSR (Current Position)	6,401
		[Reasons for nomination as a candidate for a Director] Masahiko Yamazaki has attained an abundant knowledge and experience through the duties in the administration sections such as general affairs, human resources and legal affairs and he has a proven track record of overall management of ROHM Group's Administration sections for many years. The Company requests election for a Director who is an Audit and Supervisory Committee Member to strengthen audit and supervisory functions of management.		
2	* Hiroyuki Nii (M) (Aug. 16, 1957)	Apr. 1981 Apr. 2006 Apr. 2011 Jun. 2016 Jun. 2019	Joined the Daiwa Bank Co., Ltd. Group Leader of Real Estate Division of Resona Bank, Ltd. Senior Managing Director of the Resona Foundation for Asia and Oceania Company Auditor of the Company (Full Time) Member of the Board, Audit and Supervisory Committee Member of the Company (Full Time) (Current Position)	1,700
		[Reasons for nomination as a candidate for a Director and Overview of an expected role as an Outside Director] Hiroyuki Nii will be expected to be able to utilize knowledge and insight through long-time experience at a financial institution as well as a global perspective nurtured through overseas assignments and abundant experience as the full-time Company Auditor and the full-time Audit and Supervisory Committee Member of the Company to coordination with the Internal Audit Department and to strengthen audit and supervisory functions of management from an independent perspective. Though never having previously engaged in company management in any way other than serving as outside officer, the Company is certain that he will carry out his duties as an Independent Outside Director properly for these reasons. The Company requests continued election for an Outside Director who is an Audit and Supervisory Committee Member.		

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company	Number of ROHM Shares Held
3	Hidero Chimori (M) (May. 24, 1954)	Apr. 1983 Attorney at law (Member of Osaka Bar Association) Joined Miyake & Partners May. 2002 Managing Partner of Miyake & Partners Jun. 2016 Outside Director of Kobe Steel, Ltd. Company Auditor of the Company May. 2019 Partner of Miyake & Partners (Current Position) Jun. 2019 Member of the Board, Audit and Supervisory Committee Member of the Company (Current Position)	300
[Reasons for nomination as a candidate for a Director and Overview of an expected role as an Outside Director] Hidero Chimori will be expected to be able to utilize professional knowledge and experience, wide insight as an attorney-at-law to ensuring the transparency and integrity for decision-making of the Board of Directors and to strengthen audit and supervisory functions of management from an independent perspective. Though never having previously engaged in company management in any way other than serving as outside officer, the Company is certain that he will carry out his duties as an Independent Outside Director properly for these reasons. The Company requests continued election for an Outside Director who is an Audit and Supervisory Committee Member.			
4	Toshiro Miyabayashi (M) (Sep. 4, 1958)	Jul. 1985 Joined Eiwa Audit Corporation (Currently KPMG AZSA LLC) Sep. 1990 Registered as CPA Jun. 2007 Partner of KPMG AZSA LLC Aug. 2016 Founded Miyabayashi Accounting Office Jun. 2019 Member of the Board, Audit and Supervisory Committee Member of the Company (Current Position)	0
[Reasons for nomination as a candidate for a Director and Overview of an expected role as an Outside Director] Toshiro Miyabayashi will be expected to be able to utilize professional knowledge and experience, wide insight as a certified public accountant to strengthen decision-making functions of the Board of Directors and audit and supervisory functions of management from an independent perspective. Though never having previously engaged in company management in any way, the Company is certain that he will carry out his duties as an Independent Outside Director properly for these reasons. The Company requests continued election for an Outside Director who is an Audit and Supervisory Committee Member.			
5	Kumiko Tanaka (F) (Jul. 23, 1968)	Jan. 1994 Joined KPMG Century Audit Corporation (Currently KPMG AZSA LLC) Apr. 1997 Registered as CPA May. 2008 Partner of KPMG AZSA LLC Sep. 2017 Joined Midosuji Audit Corporation Feb. 2018 Partner of Midosuji Audit Corporation Jun. 2019 Member of the Board, Audit and Supervisory Committee Member of the Company (Current Position) Managing Partner of Midosuji Audit Corporation (Current Position)	0
[Reasons for nomination as a candidate for a Director] Kumiko Tanaka will be expected to be able to utilize professional knowledge and experience as a certified public accountant as well as a global perspective nurtured through overseas assignments to strengthen decision-making functions of the Board of Directors and audit and supervisory functions of management from an independent perspective. Though never having previously engaged in company management in any way, the Company is certain that she will carry out her duties as an Independent Outside Director properly for these reasons. The Company requests continued election for an Outside Director who is an Audit and Supervisory Committee Member.			

## (Notes)

1. Although Masahiko Yamazaki is currently a “Member of the Board, Directors who is not an Audit and Supervisory Committee Member of the Company”, the Company nominates him as a candidate for “Member of the Board, Directors who is an Audit and Supervisory Committee Member”.
2. There are no special relationships of interest between the candidates and the Company.
3. Kumiko Tanaka’s official name in the family register is Kumiko Miyabayashi. Among the candidates, there is a person who shares the same family name. They are totally unrelated and have no kinship with each other, and they have also total externality each other.

4. Hiroyuki Nii, Hidero Chimori, Toshiro Miyabayashi and Kumiko Tanaka are for the position of Outside Director of the Company. They satisfy the “Independence Standards for Outside Officers” of the Company on page 9, and it has been judged that they are fully independent with no risk for conflict of interest with general shareholders.
5. The Company has designated Hiroyuki Nii, Hidero Chimori, Toshiro Miyabayashi and Kumiko Tanaka as Independent Directors/Company Auditors pursuant to the rules of the Tokyo Stock Exchange, and reported that information to the Exchange. If they are elected, the Company will continue to designate as Independent Directors/Company Auditors and report the designation to the exchange.
6. Hiroyuki Nii, Hidero Chimori, Toshiro Miyabayashi and Kumiko Tanaka are Outside Directors who are Audit and Supervisory Committee Members and their term of office as Outside Directors who are Audit and Supervisory Committee Members will be two (2) years at the conclusion of this Ordinary General Shareholders Meeting.
7. Hidero Chimori is a candidate for an Outside Auditor of Oji Holdings Corporation at its 97th Ordinary General Meeting of Shareholders scheduled in June 2021.
8. In October 2017, Kobe Steel, Ltd. at which Hidero Chimori served as an Outside Director (who is its Audit and Supervisory Committee Member) from June 2016 until June 2020, announced the fact that misconducts had been taking place in Kobe Steel, Ltd. group concerning the products and services delivered by this group, including the act of falsifying or fabricating inspection data for products falling short of public standards or customer specifications, and shipping or delivering those products to customers as if they conformed to the public standards or customer specifications. And in March 2019, regarding a part of such act Kobe Steel, Ltd. has been crimes in violation of the Unfair Competition Prevention Act.  
 He was unaware of the fact until it came to light. Since his appointment as Kobe Steel, Ltd.’s Outside Director, he has actively provided advice and suggestions at Kobe Steel, Ltd.’s meetings of the Board of Directors and other meetings to strengthen the group’s compliance activities. After the falsification or fabrication of the inspection results came to light, he has actively provided opinions, advice and suggestions about the adequacy and appropriateness of investigation methods, identification of root causes and safety verification at meetings of the Board of Directors and other meetings, and also as a member of the Quality Governance Restructuring Deliberation Committee, about a review of the quality misconduct, how to strengthen quality governance, and corporate governance reforms, among other things. We believe that he has fully fulfilled his responsibility as Kobe Steel, Ltd.’s Outside Director to ensure that the recurrence of similar violations is prevented at Kobe Steel, Ltd.
9. If Masahiko Yamazaki is elected, pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company will enter into contracts with him as Directors excluding those are Executive Directors, etc. that limit his 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.
10. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into a contract with Hiroyuki Nii, Hidero Chimori, Toshiro Miyabayashi and Kumiko Tanaka that limits their liability specified in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as specified in Article 425, Paragraph 1 of the Companies Act. If their reelection is approved, the Company will continue the contract with them.
11. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company to indemnify the Directors of the Company who are the insured parties of such contract, against personal liability for any loss or claim they may incur arising out of the execution of the Company’s business. If the appointments of the candidates to be Directors are approved, they will become the insured parties of such contract and the Company plans to renew such contract with the same provisions during their terms of office.

### **Opinion of the Audit and Supervisory Committee**

The Audit and Supervisory Committee deliberated the discussions about the election of the Company’s Members of the Board of Directors (excluding Members of the Board of Directors who are Audit and Supervisory Committee Members, the same shall apply hereinafter) in the Officer Nomination Advisory Council and about their remuneration in the Director Remuneration Council. Regarding the nomination of candidates for Director, the Audit and Supervisory Committee judged that the procedures for deciding candidates are appropriate, and that each candidate is suitably qualified to be a Member of the Board of Directors based on the evaluation of the status of business execution and business performance of the respective candidate for the fiscal year under review, the candidate’s comments in the Board of Directors meetings, and the candidate’s career history, etc. up until present. The Audit and Supervisory Committee also judged that the procedures for deciding remuneration for Members of the Board of Directors are appropriate and the details of the remuneration, etc. are suitable based on the verification made on such matters as the remuneration system and the specific computation method for the amount of remuneration.

### 〈For Your Reference〉 Board Composition after being appointed and Skill Matrix

If Proposal 2 and Proposal 3 are approved, the Board of Directors of the Company will consist of six (6) Internal Directors and five (5) Outside Directors (of whom one (1) will be female) and the share of Outside Directors in the Board of Directors is 45.5%.

Based on ROHM's Company Mission, which we have embraced since its foundation, we have identified the skill sets (such as knowledge, experience, and ability) that the Board of Directors needs to achieve sustainable growth of the ROHM Group and enhance the Group's corporate value over the medium to long term.

The following skill sets are especially expected of the candidates for the Directors:

Name		Highly expected Skill Sets								
		Corporate Management	Governance/ Risk Management	Global	Finance/ Accounting	M&A	Innovation/ Technology	Legal/ Compliance	Industry Expertise	HR Development
Isao Matsumoto		○	○	○	○	○	○	○	○	○
Katsumi Azuma		○	○	○	○	○	○	○	○	○
Tetsuo Tateishi		○		○		○	○	○	○	○
Kazuhide Ino		○		○	○	○	○		○	
Koji Yamamoto		○	○	○				○	○	○
Tadanobu Nagumo	Outside	○	○	○	○	○				○
Masahiko Yamazaki	Audit		○					○		
Hiroyuki Nii	Audit Outside		○	○	○					
Hidero Chimori	Audit Outside		○					○		
Toshiro Miyabayashi	Audit Outside		○		○					
Kumiko Tanaka	Audit Outside		○	○	○					

Audit : Audit and Supervisory Committee Member

Outside : Outside Director



## **Independence Standards for Outside Officers**

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

1. A major shareholder<sup>1</sup> of the Company or a person who executes the business<sup>2</sup> of the said shareholder;
2. A person who executes the business of a company of which the Company is a major shareholder;
3. A major customer<sup>3</sup> of the Group or a person who executes the business of that major customer;
4. An organization for whom the Group is a major customer<sup>4</sup> or a person who executes the business of said organization;
5. A consultant, accounting expert or legal expert who, in addition to director's remuneration, receives money or other assets exceeding a certain amount<sup>5</sup> from the Group (and, if such consultant, accounting expert or legal expert is an organization, a person who belongs to the said organization);
6. A person who receives donations or grants exceeding a certain amount<sup>6</sup> from the Group (or a director or a person who executes the business of the organization or the association which receives donations or grants exceeding the same amount from the Group);
7. A partner, member or employee of the Independent Auditor of the Company;
8. A person who executes the business of a major lender of the Company<sup>7</sup>;
9. A person who fell into any of the categories described in 1 to 8 above in the last three years;
10. An organization a director of whom comes from the Group or a person who executes the business of the said organization, or;
11. The spouse of an important person who executes the business<sup>8</sup> of the Group or a relative of that person within the second degree of relationship.

(Enacted on November 5, 2015)

---

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

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

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

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

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

<sup>6</sup> A certain amount means over ten million yen per year.

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

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

## **Business Report**

For the period from April 1, 2020 to March 31, 2021

### **1. Present Status of ROHM Group**

#### **(1) Business Progress and Results**

##### **Overall Review of Results of Operations**

During the fiscal year ending March 31, 2021, the global economy was in a synchronized slowdown in the first half of the period as the global outbreak of the new coronavirus (COVID-19) took a heavy toll on production and consumer spending around the world. In the second half of the period, however, the global economy was back on track to recovery, partially supported by fiscal stimulus packages by major economies, as China's industrial production has been recovering since summer 2020 and the U.S. economic growth has turned positive since fall 2020. That said, the COVID-19 pandemic has resurged with a vengeance, throwing the global economic recovery into question.

The electronic industry declined substantially due to the COVID-19 pandemic, and the only bright spot was the increasing demand in the consumer product market primarily due to lifestyle changes required to cope with the COVID-19 pandemic, such as staying at home and remote working and learning. Global automobile production and the industrial equipment market have bounced back since fall 2020, which, together with the resilient consumer product market, has led to a shortage of some of the products.

Working within this business environment, we have strengthened product lineups for the industrial equipment market, where mid- to long-term growth is expected, as well as for the automotive electronics market, where the shift to electric vehicles is expected to further accelerate, and we also have accelerated the shift to a value proposition-based sales model to take customer needs in advance. In addition, we have directed time and resources to developing new products and technologies, focusing on technological fields where the ROHM Group excels, such as power, analog and general-purpose device.

In terms of production, we have adopted a matrix-type organizational structure to achieve an overall optimization of quality and supply chain management. We also continue to push ahead with "monozukuri (manufacturing) innovation", including promoting labor-saving and automation efforts, and we have made every effort to ensure the stable supply of our products to customers by thoroughly implementing COVID-19 infection prevention and control measures. Moreover, we have increased our production capacity to cope with fast-growing demand in the second half of the period. In addition, in order to increase the production capacity of SiC power devices, we have completed the construction of a new production at the Chikugo plant of ROHM Apollo CO., LTD.

Under these circumstances, consolidated net sales for the fiscal year ended on March 31, 2021 were 359,888 million yen (a decrease of 0.8% from last year), operating income was 38,488 million yen (an increase of 30.5% from last year), and operating income ratio increased from 8.1% to 10.7%.

Ordinary income was 40,672 million yen (an increase of 13.7% from last year) according to increase of operating income, decrease of interest income and incurrence of foreign currency exchange loss.

Net income attributable to owners of parent was 37,002 million yen (an increase of 44.4% from last year) according to decrease in gain on sales of investment securities, partially offset by decrease in the valuation reserve of the whole group's deferred tax assets for tax loss carryforward due to improved performances of the consolidated subsidiary and absorption-type merger as of April 1, 2020 with wholly-owned subsidiary ROHM Shiga Co., Ltd..

And regarding to an important business performance indicator in ROHM Group, EBITDA (\*3) was 78,656 million yen (an increase of 6.6% from last year).

\*1 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

EBITDA is a measure calculated by taking Earnings Before Taxes and adding Interest, Depreciation and Amortization, and it is global common in comparing company's earnings capacities. ROHM Group calculate it by simply taking Operation Profit and adding Depreciation and Amortization.

## Overview of performance in each segment

### <LSI>

The IC market declined substantially during the first half of the period due to the COVID-19 pandemic, but it has been back on track to recovery since fall 2020. By business segment, in the automotive electronics market, while sales of power ICs for automotive infotainment (\*2) and a variety of driver ICs declined due to market downturn, sales of isolated gate driver ICs primarily for xEV (\*3) powertrain applications increased steadily. The industrial equipment market showed signs of bottoming out as sales for factory automation (FA) applications increased. In the consumer product market, sales of ICs for entertainment applications were strong, but sales for smartphones and audio-visual products remained sluggish due to market downturn.

As a result, consolidated net sales for the year ended March 31, 2021 were 168,103 million yen (a decrease of 1.4% from last year) and segment income was 15,752 million yen (an increase of 25.2% from last year).

\*2. Infotainment

A collective term, mainly for automotive use, for systems that provide a combination of entertainment and information.

\*3. 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).

### <Discrete semiconductor devices>

The discrete semiconductor device market as a whole slumped in the first half of the period, adversely impacted by the COVID-19 pandemic, but it was back on track to recovery in the second half. By business segment, as for transistors and diodes, while sales for the telecommunication market declined, sales for the factory automation (FA) market and the consumer product market increased. As for power devices, sales for the industrial equipment market declined, but sales for the automotive electronics market showed signs of improvement. In addition, light-emitting diode (LED) sales recovered in the industrial equipment market but declined in the consumer electronics market. Meanwhile, laser diode sales increased, primarily in the consumer electronics market.

As a result, consolidated net sales for the year ended March 31, 2021 were 142,389 million yen (an increase of 2.4% from last year) and segment income was 21,053 million yen (an increase of 102.3% from last year).

### <Modules>

By business segment, overall sales of printheads declined, with printheads for printers and scanners showing the largest drops. As for optical modules, sales of sensor modules for smartphones and other applications declined.

As a result, consolidated net sales for the year ended March 31, 2021 were 29,213 million yen (a decrease of 12.2% from last year) and segment income was 2,145 million yen (a decrease of 38.6% from last year).

### <Others>

Other markets remained sluggish in the first half of the period due to the COVID-19 pandemic, but they were back on track to recovery in fall 2020 and onwards. By business segment, sales of resistors declined in the first half of the period, with resistors for the automotive electronics market showing the largest drop, but the sales were back on a recovery track in the second half. In the meantime, sales of tantalum capacitors remained strong throughout the period, primarily in the personal computer (PC) market.

As a result, consolidated net sales for the year ended March 31, 2021 were 20,181 million yen (an increase of 0.2% from last year) and segment income was 1,846 million yen (a decrease of 5.2% from last year).

The net sales mentioned above are sales to external customers.

## (2) Capital Expenditures

In this period, the Group invested 44,114 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	16,568	million yen
Discrete Semiconductor Devices	20,460	million yen
Modules	2,893	million yen
Others	1,079	million yen
Sales and Administrative Expenses Division	3,111	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

Looking at the global economy, while the COVID-19 pandemic is still raging around the world, economic activities are gradually picking up in many parts of the world thanks to the ongoing vaccination efforts.

The electronic industry is faring well currently as markets that can deal with the new normal, such as the PC market and a part of the consumer product market, remain robust, driven by stay-at-home demand, and production has recovered in the automotive electronics and industrial equipment markets, among other things. That said, the outlook for the electronic industry still looks challenging, what with a shortage of products in the semiconductor market and other uncertain factors.

On the other hand, in the longer term, sales are expected to grow in the automotive electronics and industrial equipment markets due to the increasing needs for electrification and electronics as the world moves toward decarbonization. We also believe that sales will grow in the consumer product market, supported by the ongoing energy efficiency and downsizing trends

Given these circumstances, we at the ROHM Group will continue to develop high value-added products by taking market needs in advance and to release them in the market at the most opportune time.

Moreover, in terms of production, we will continue to push ahead with “monozukuri (manufacturing) innovation”, including establishing a state-of-the-art quality management system and promoting labor-saving and automation efforts, thus striving to further increase sales and reinforce profitability.

Additionally, to further enhance corporate value, we will develop the new Mid-term Management Plan, aiming to improve mid- to long-term financial results.

〈For Your Reference〉

## Overview of Management Policy in the Medium-Term Management Plan



## Positioning and Goals of the Medium-Term Management Plan

### Medium-Term Management Plan

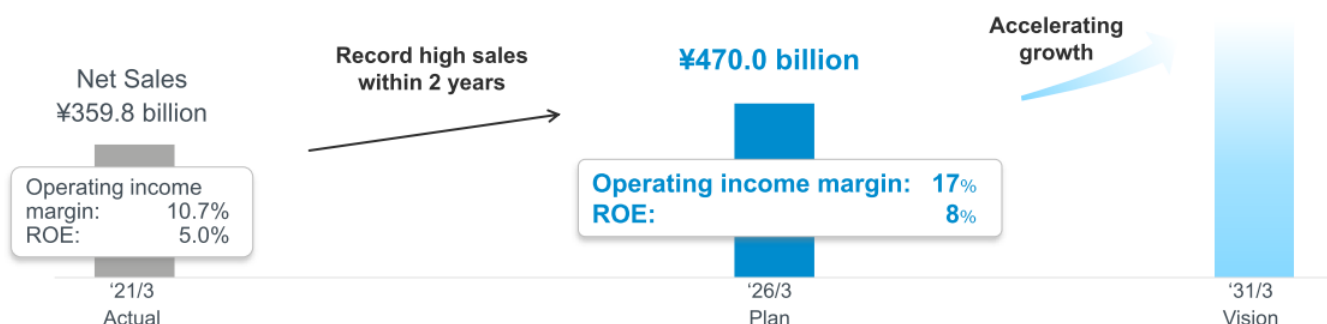
FY2021 - FY2025

FY2030

Achieve growth in “automotive segments” and “market outside of Japan” and build a foundation for further growth

Becoming a major global player

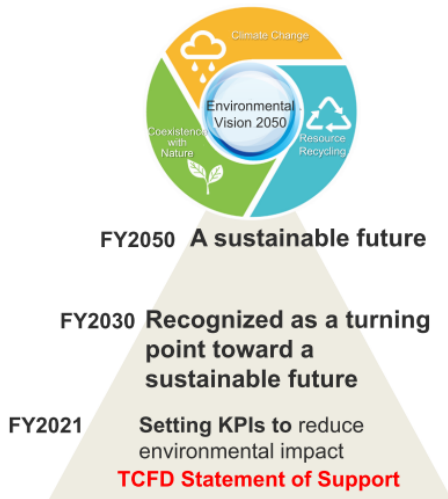
- 5 years to growth pass
- Establish global top share products in the electric vehicle market (e.g. SiCs, isolated gate drivers)
- Achieve outside of Japan sales ratio of 45% or more
- Strengthen profit structure (increase unit prices and further improve production efficiency through high value-added products)
- Establish sales/development structures that can compete in global market



Initiatives to Address Environmental Issues : Our Environmental Vision 2050 and the SDGs

Contributing to society through electronics. This is our mission for the Earth, and for our growth

Priority Issues in Sustainability Management, Goals for the ROHM Group



Important SDG Issues (Materiality)	Category	Targets for FY2030
 Climate Change Net Zero CO <sub>2</sub> Emissions	<b>GHG reductions</b>  <b>Promoting introduction of renewable energy</b>	Reducing emissions amount by 30% vs. FY2018 levels Reducing emissions basic unit by 45% vs. FY2018 levels  Promoting the shift to renewable energy with the goal of 100% implemented in FY2050
 Resource Recycling Zero Emissions	<b>Resource reduction</b>  <b>Waste reduction</b>	Increasing water recovery/reuse rate by 5.5% vs. FY2019 levels  Zero waste emissions
 Coexistence with Nature Harmonizing Business Activities with Natural Cycles	<b>Promotion of greening</b>  <b>Rigorous chemical substance management</b>	Promoting factory greening at all locations Improving conservation of organisms inhabiting each region  Rigorous compliance with and management of various national policies and regulations on chemical substances, reduction of usage of chemical substances

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

(Millions of yen otherwise noted)

Item	Mar-2018	Mar-2019	Mar-2020	(Current period) Mar-2021
Net Sales	397,106	398,989	362,885	359,888
Ordinary Income	54,213	64,689	35,774	40,672
Net Income Attributable to Owners of the Parent	37,249	45,441	25,632	37,002
Net Income per Share (yen)	352.14	431.29	247.65	376.24
Total Assets	864,072	874,427	848,873	926,240
Equity	751,877	766,754	715,479	769,490

(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-2018	Mar-2019	Mar-2020	(Current Period) Mar-2021
Net Sales	348,737	342,360	309,598	303,222
Ordinary Income	42,935	44,034	24,501	40,325
Net Income	26,784	35,372	21,606	41,885
Net Income per Share (yen)	253.21	335.87	209.04	426.28
Total Assets	540,135	528,371	518,473	574,882
Equity	456,341	456,060	413,884	457,134

(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:

(As of March 31, 2021)

Segment Name	Main products and business
LSI	Analog ICs, Logic ICs, Memory ICs
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**

(As of March 31, 2021)

	<b>Name</b>	<b>Location</b>
ROHM CO., LTD.	Head Office/Factory Shiga Factory (*1) Kyoto Technology Center Yokohama Technology Center Kyoto Business Center Tokyo Business Center Yokohama Business Center Nagoya Business Center	Kyoto Shiga Kyoto Kanagawa Kyoto Tokyo Kanagawa Aichi
Manufacturing	ROHM HAMAMATSU CO., LTD. ROHM WAKO CO., LTD. ROHM APOLLO CO., LTD. ROHM MECHATECH CO., LTD.  LAPIS SEMICONDUCTOR CO., LTD. (*2)  LAPIS TECHNOLOGY CO., LTD. (*2) 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. KIONIX, INC. SICRYSTAL GmbH	Shizuoka Okayama Fukuoka Kyoto Kanagawa And others Kanagawa Korea Philippines Thailand China China Malaysia Philippines Thailand U.S.A. Germany
Sales	ROHM SEMICONDUCTOR KOREA CORPORATION ROHM SEMICONDUCTOR (SHANGHAI) CO., LTD. ROHM SEMICONDUCTOR (BEIJING) 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 GmbH	Korea China China China China Taiwan Singapore Philippines Thailand Malaysia India U.S.A. Germany
Logistics	ROHM LOGISTEC CO., LTD.	Okayama

\*1 On Apr. 1st 2020, ROHM Shiga CO., LTD. was merged into the Company, and it became Shiga plant of the Company

\*2 On Oct. 1st 2020, LAPIS Semiconductor Co., Ltd. absorbed LAPIS Semiconductor Miyazaki Co., Ltd and LAPIS Semiconductor Miyagi Co., Ltd., and its LSI business unit was separated and newly established as LAPIS Technology Co., Ltd at the same time.

**(8) Employees**

(As of March 31, 2021)

<b>Segment Name</b>	<b>Number of Employees</b>	<b>Change from the Previous Fiscal Year</b>	<b>Average Service Years</b>
LSI	22,370	Increase by 179 employees	12.2 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, 158 regular workers based on fixed-term employment contracts.



**(9) Summary of Important Subsidiaries**

(As of March 31, 2021)

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 300	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\$ 317,142	100.0	Administrative responsibility for subsidiaries in North and South America
ROHM ELECTRONICS EUROPE LTD.	Thousand UK£ 101,037	100.0	Administrative responsibility for subsidiaries in Europe
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 103,000,000  
(Including 4,859,134 shares of treasury stock)

\* As a result of the write-off of treasury stock conducted effective June 24, 2020, holdings of treasury stock decreased by 7,000,000 shares from the end of the previous period.

(3) Total Number of Shareholders as of March 31, 2021 26,781

### (4) Major Shareholders (Top 10 Shareholders)

(As of March 31, 2021)

Name	Number of Shares Held (Thousands of shares)	Ownership
Rohm Music Foundation	10,385	10.58%
The Master Trust Bank of Japan, Ltd. (Trust account)	8,996	9.16-
Custody Bank of Japan, Ltd. (Trust account)	5,224	5.32-
The Bank of Kyoto, Ltd.	2,606	2.65-
GIC PRIVATE LIMITED - C	1,738	1.77-
STATE STREET BANK WEST CLIENT - TREATY 505234	1,404	1.43-
Custody Bank of Japan, Ltd. (Trust account 5)	1,274	1.29-
GOVERNMENT OF NORWAY	1,238	1.26-
THE BANK OF NEW YORK 134088	1,132	1.15-
Custody Bank of Japan, Ltd. (Trust account 6)	1,130	1.15-

(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. 4,859 thousand shares of treasury stock are excluded from the above calculation. Number of treasury stock does not include 5 thousand shares hold by Employee Stock Ownership Plan (ESOP).

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

### (5) Status of Share issued to the Directors as compensation for the execution of their duties in the fiscal year ended on March 31, 2021.

	Class and amount of stock	Number of Members
Member of the Board (excluding Outside Director)	Common stock of the Company 5,328	6

### 3. Directors and Company Auditors of the Company

#### (1) Directors and Company Auditors

(As of March 31, 2021)

Position	Name	Positions at the Company and Important Duties outside the Company
* President, Chief Executive Officer	Isao Matsumoto	CEO
Member of the Board, Senior Managing Executive Officer	Katsumi Azuma	COO Senior Director of Production · Quality · Sales
Member of the Board, Senior Corporate Officer	Masahiko Yamazaki	Director of Administrative Headquarters and in charge of CSR
Member of the Board, Senior Corporate Officer	Kunio Uehara	Director of Accounting & Finance Headquarters
Member of the Board, Senior Corporate Officer	Tetsuo Tateishi	CTO (Chief Technology Officer)
Member of the Board, Senior Corporate Officer	Kazuhide Ino	CSO (Chief Strategy Officer)
Member of the Board	Koichi Nishioka	
Member of the Board, Audit and Supervisory Committee Member (Full-Time)	Hiroyuki Nii	
Member of the Board, Audit and Supervisory Committee Member	Hidero Chimori	Partner of Miyake & Partners (Attorney at Law),
Member of the Board, Audit and Supervisory Committee Member	Toshiro Miyabayashi	Miyabayashi Accounting Office (CPA)
Member of the Board, Audit and Supervisory Committee Member	Kumiko Tanaka	Managing Partner of Midousuji Audit Corporation (CPA)

(Notes) 1. \* Representative Director.

2. Koichi Nishioka, Hiroyuki Nii, Hidero Chimori, Toshiro Miyabayashi and Kumiko Tanaka are Outside Directors as provided in Article 2, Item 15, of the Companies Act.
3. The Company has designated Koichi Nishioka, Hiroyuki Nii, Hidero Chimori, Toshiro Miyabayashi and Kumiko Tanaka as Independent Directors pursuant to the rules of the Tokyo Stock Exchange, and reported that information to the Exchange.
4. Toshiro Miyabayashi and Kumiko Tanaka are certified public accountants and are duly informed of finances and accounting.
5. Hiroyuki Nii is a full-time Audit and Supervisory Committee Member. The Company has designated a full-time Audit and Supervisory Committee Member in order to strengthen audit and supervisory function of the Audit and Supervisory Committee through designing an environment for audits, collecting internal information, auditing daily status of designing the internal control system, and cooperating with the Internal Audit Division.
6. There are no special relationships between the Company and the entities where Outside Directors hold concurrent positions.
7. Changes in the Member of the Board during this fiscal year were as specified below.
  - (1) New appointments
    - Kazuhide Ino was newly elected and appointed as a Member of the Board at the 62nd Ordinary General Shareholders Meeting of June 26, 2020.
  - (2) Retirements
    - 1) Tadanobu Fujiwara resigned from the position of President (Representative) and Chief Executive Officer President as of May 11, 2020, and retired the Member of the Board as of the closing of the 62nd Ordinary General Shareholders Meeting of June 26, 2020.
    - 2) Yoshiaki Suenaga retired the Member of the Board as of the closing of the 62nd Ordinary General Shareholders Meeting of June 26, 2020.
  - (3) Changes in positions
    - 1) Isao Matsumoto was appointed as President (Representative), Chief Executive Officer as of May 11, 2020.
    - 2) Kazuhide Ino was appointed as Member of the Board, Senior Corporate Officer as of June 26, 2020.

## (4) Changes in duties

- 1) Isao Matsumoto's position was changed from President (Representative), Chief Executive Officer to President (Representative), CEO as of June 26, 2020.
- 2) Katsumi Azuma's position was changed from LSI Business Management to COO and Senior Director of Sales as of June 26, 2020, and from COO and Senior Director of Sales to COO, Senior Director of Production · Quality · Sales as of January 25, 2021.
- 3) Tetsuo Tateishi's position was changed from Director of LSI Business Unit to CTO and Senior Director of LSI Business as of June 26, 2020, and from CTO and Senior Director of LSI Business to CTO as of January 25, 2021.
- 4) Kazuhide Ino's position was changed from Director of Power Device Business Unit to CSO and Senior Director of Power Device Business as of June 26, 2020, and from CSO and Senior Director of Power Device Business to CSO as of January 25, 2021.

## (5) Changes in important duties outside the Company

Hidero Chimori retired the Outside Director of Kobe Steel, Ltd. as of June 24, 2020.

**(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 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) Remunerations for Directors**

① Policy on Determining the Remuneration of each Director(excluding Directors who are Audit and Supervisory Committee Members)

## (a) Determination Method of Policy on Determining the Remuneration of each Director

Based on the reports from the Director Remuneration Council, the Company resolved at the Board of Directors held on March 12, 2021 to adopt the policy on determining the Remuneration of each Director.

## (b) Overview of the policy

## 1. The basic policy

The remuneration and bonuses (hereinafter referred to as the "Remunerations") of Directors shall be linked to the profits of shareholders in order to clarify management responsibilities and to fully operate as a sound incentives for sustainable corporate growth and increase corporate value over the mid- to long-term. In determining the Remunerations of each Directors, the basic policy shall be to set an appropriate level based on the responsibilities of each position.

To be specific, the Remunerations of an Executive Director consist of fixed remuneration, performance-linked remuneration and non-monetary remuneration (stock options), while the Remunerations of an Independent Outside Director, who performs an oversight function independently from the execution of the Company's operations, consist only of fixed remuneration.

We establish the Director Remuneration Council, a majority of the member shall be independent Outside Directors, as an advisory body to the Board of Directors, and discusses a system of Director remuneration and each Director's Remunerations based on this system in order to raise independency and objectivity and transparency of the Remunerations of Directors.

## 2. Policy for determining the amount of fixed remuneration (including the timing for payment of Remunerations)

The amount of fixed remuneration for the Company's Directors shall be determined according to the positions and responsibilities of the Directors by comprehensively taking into consideration all relevant factors, including the remuneration levels of peer companies. The fixed remuneration shall be paid in cash monthly.

3. Policy for determining the content and amounts of performance-linked remuneration and non-monetary remuneration (including the timing for payment of Remunerations)

Performance-linked remuneration, which is a monetary remuneration that reflects the Company's achievement of performance indicators, is designed to serve as an incentive for Directors to further increase awareness about their contribution to improvements in the Company's business performance for each fiscal year. The amount of performance-linked remuneration shall be calculated according to the level of achievement of the Company's consolidated net sales and operating income targets for the immediately preceding fiscal year and shall be paid in cash at a certain time each fiscal year.

Non-monetary remuneration shall be provided in the form of restricted stock options to further promote value sharing with shareholders. Based on the resolution of the Company's Board of Directors, Executive Directors shall make in-kind contribution of all monetary remuneration receivables that are to be granted under the Restricted Stock Option Plan, and shall, in return, receive shares of the Company's common stock that will be issued or disposed of by the Company. Restricted stock options shall be granted to Executive Directors at a certain time each fiscal year.

4. Policy for determining the remuneration ratio by type of Remunerations for each Director

Based on the levels of remuneration identified by benchmarking peer companies of comparable business size to the Company in related industries and business categories, the Director Remuneration Council shall consider the remuneration ratio by type of Remunerations.

If the target financial performance indicator is achieved 100%, the approximate ratio by type of Remunerations shall be fixed remuneration: performance-linked remuneration: non-monetary remuneration = 6:3:1.

5. Policy for determining the content of Remunerations for each Director

With regard to the Remunerations of the Directors, based on the Director Remuneration Council's recommendations, the Company's Board of Directors shall adopt, by resolution, the Director Remuneration Rules which specify the director remuneration system, remuneration ratio by type and calculation methods, among other things.

The Board of Directors shall respect the Director Remuneration Council's reports and shall determine the Remunerations of each Director in accordance with the Director Remuneration Rules.

(c) Reasons for the Board of Directors to have judged that the proposed content of the Remunerations of each Director for this fiscal year is in compliance with the Policy

In determining the Remunerations of each Director, the Board of Directors has judged that the proposed content is in compliance with the Policy by basically respecting the reports made by the Director Remuneration Council through their deliberation on the proposal from various angles, including its compliance with the Policy.

② The resolution of the General Shareholders' Meeting on the Remunerations of Directors

The 61st General Shareholders Meeting on June 27, 2019 resolved that the maximum amount of annual remuneration for the Company Directors who are not Audit and Supervisory Committee Members should be within ¥900 million (for outside directors within ¥100 million) and the maximum amount of annual remuneration for the Company Directors who are Audit and Supervisory Committee Members should be within ¥100 million. The number of Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) is eight, Outside Directors who are not Audit and Supervisory Committee Member is one and Directors who are Audit and Supervisory Committee Member is four as of the conclusion of this Ordinary General Meeting of Shareholders.

The 62nd General Shareholders Meeting on June 26, 2020 resolved that the maximum amount of annual shares remuneration for the Company Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) should be within ¥100 million. The number of Directors who are not Audit and Supervisory Committee Member (excluding Outside Directors) is six as of the conclusion of this Ordinary General Meeting of Shareholders.

## ③ Total Remunerations for Directors

Position	Total Amount (million yen)	Total Amount by type (million yen)			Number of Members
		fixed remuneration	performance-linked remuneration	non-monetary remuneration	
Directors (excluding Audit and Supervisory Committee Members) (Outside Directors)	300 (12)	184 (12)	87 (-)	28 (-)	9 (1)
Directors (Audit and Supervisory Committee Members) (Outside Directors)	56 (56)	56 (56)	- (-)	- (-)	4 (4)
Total (Outside Directors)	357 (68)	240 (68)	87 (-)	28 (-)	13 (5)

(Notes) 1. The table above includes two Directors who resigned as of the closing of the 62nd Ordinary General Shareholders Meeting of June 26, 2020.

Note that the Company made a transition from a Company with Board of Company Auditors to a Company with an Audit and Supervisory Committee as of June 27, 2019.

2. Directors' remunerations do not include the amount paid as salary for employees to those Directors who are also employees.

## ④ Performance-linked Remuneration

To ensure the Company's sustainable growth and enhance corporate value by providing an incentive for Directors to further increase awareness about their contribution to the Company's business performance, we have adopted performance-linked remuneration for Directors. Performance-linked remuneration is calculated according to the level of achievement of the Company's consolidated net sales and operating income targets for the immediately preceding fiscal year and is paid in cash at a certain time each fiscal year.

The reason for selecting consolidated net sales and consolidated operating income as performance indicators is because we have judged that these performance indicators create an appropriate incentive for Directors as they are the most straightforward in terms of enhancing financial results and corporate value, give a clear picture of the Company's business achievements, and are consistent with key performance indicators in the Company's mid-term management plan.

Consolidated net sales for this fiscal year were 359,888 million yen, and consolidated operating income for this fiscal year was 38,488 million yen.

## ⑤ Non-Monetary Remuneration

Stock-based remuneration is provided to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) with the aim of creating an incentive for them to sustainably enhance corporate value through the ownership of the Company's shares and of further promoting value sharing with the shareholders.

The stock-based remuneration comes in the form of restricted stock. The status of restricted stock issued is as described in 2. Status of Shares.

**(4) Main Activities of Outside Directors for this fiscal year**

Name Position	Attendance	Status of expressing opinions and Performance of duties about expected role to play
Koichi Nishioka Member of the Board	The Board of Directors :15/15  The Officer Nomination Council :8/8  The Director Remuneration Council :8/8	He will be expected to be able to utilize broad insight and rich experience as a longtime economic press reporter to strengthen supervisory functions of management.  He has lived up to the Company's expectations, aggressively expressing his opinions at the Board of Director and making advice and recommendations about the Company's management and business execution from an independent standpoint.  Furthermore, as a member of both the Officer Nomination Council and the Director Remuneration Council, he has contributed to the establishment of a highly transparent governance system, among other things, by utilizing his broad insight from an objective and fair standpoint during the processes of nominating Directors and determining the Remunerations of Directors.
Hiroyuki Nii Member of the Board, Audit and Supervisory Committee Member (Full-Time)	The Board of Directors :15/15  The Audit and Supervisory Committee :14/14  The Officer Nomination Council :8/8  The Director Remuneration Council :8/8	He will be expected to be able to utilize knowledge and insight through long-time experience at a financial institution and abundant experience as the full-time Company Auditor and the full-time Audit and Supervisory Committee Member of the Company to strengthen audit and supervisory functions of management.  He has lived up to the Company's expectations, aggressively expressing his opinions at the Board of Director and making advice and recommendations about the Company's management and business execution from an independent standpoint. In addition, he serves as Chairperson of the Audit and Supervisory Committee and is also engaged in auditing the business execution of Directors in collaboration with the Internal Audit Division.  Furthermore, as a member of both the Officer Nomination Council and the Director Remuneration Council, he has contributed to the establishment of a highly transparent governance system, among other things, by utilizing his broad insight from an objective and fair standpoint during the processes of nominating Directors and determining the Remunerations of Directors.
Hidero Chimori Member of the Board, Audit and Supervisory Committee Member	The Board of Directors :15/15  The Audit and Supervisory Committee :14/14  The Officer Nomination Council :8/8  The Director Remuneration Council :8/8	He will be expected to be able to utilize professional knowledge and experience, wide insight as an attorney-at-law to ensuring the transparency and integrity for decision-making of the Board of Directors and to strengthen audit and supervisory functions of management.  He has lived up to the Company's expectations, aggressively expressing his opinions at the Board of Director and making advice and recommendations about the Company's management to strengthen corporate governance from an independent standpoint.  Furthermore, as a member of both the Officer Nomination Council and the Director Remuneration Council, he has contributed to the establishment of a highly transparent governance system, among other things, by utilizing his broad insight from an objective and fair standpoint during the processes of nominating Directors and determining the Remunerations of Directors.

Name Position	Attendance	Status of expressing opinions and Performance of duties about expected role to play
Toshiro Miyabayashi  Member of the Board, Audit and Supervisory Committee Member	The Board of Directors :14/15	He will be expected to be able to utilize professional knowledge and experience, wide insight as a certified public accountant (CPA) to strengthen decision-making functions of the Board of Directors and audit and supervisory functions of management from an independent perspective.
	The Audit and Supervisory Committee :14/14	He has lived up to the Company's expectations, aggressively expressing his opinions at the Board of Director and making advice and recommendations about the Company's management through audit of the director's execution based on the knowledge of Finance and Accounting.
Kumiko Tanaka  Member of the Board, Audit and Supervisory Committee Member	The Board of Directors :15/15	She will be expected to be able to utilize professional knowledge and experience, wide insight as a certified public accountant (CPA) as well as a global perspective nurtured through overseas assignments to strengthen decision-making functions of the Board of Directors and audit and supervisory functions of management from an independent perspective.
	The Audit and Supervisory Committee :14/14	She has lived up to the Company's expectations, aggressively expressing his opinions at the Board of Director and making advice and recommendations about the Company's management through audit of the director's execution based on the knowledge of Finance and Accounting.

#### 4. Independent Auditor

##### (1) Name of the Independent Auditor

Deloitte Touche Tohmatsu LLC

##### (2) Remuneration

	Remuneration
Remuneration for the Independent Auditor for the 63rd Fiscal Year	122 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. The Audit and Supervisory Committee 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 Audit and Supervisory Committee agreed to the remuneration paid to the Independent Auditor.

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

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

The Audit and Supervisory Committee may dismiss the Independent Auditor based on a unanimous decision when the Audit and Supervisory Committee has decided that the Independent Auditor has violated or infringed Article 340, Paragraph 1 of the Companies Act and that such dismissal is appropriate.

The Audit and Supervisory Committee 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:

ROHM made a transition to a company with an Audit and Supervisory Committee on the Ordinary General Shareholders Meeting on June 27, 2019 and the detail mentioned below is the system after the transition, but even before the transition, we operated the same system about Company Auditors.

- 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 contribute to solve these social challenges (Sustainable Development Goals) through ROHM's products, technology, and services. And the Company will promote the management focusing on CSR by complying with "ISO26000" the international standards for social responsibility, as well as 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, it should be promptly reported to the Board of Directors and the Audit and Supervisory Committee.
  - (e) Independent Outside Directors 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.
  - (g) The Company establish the independent internal audit division and monitor and evaluate the effectiveness of the internal control system.
- 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 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) By narrowing down the number of Directors and introducing Corporate Officer System, the Company perform the specific duties based on the segregation of duties and to realize prompt executive decision-making.
  - (b) To assist the President’s decision-making, the Company establish the Executive Meeting consists of Corporate Officers.
  - (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 appropriately comply 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) As a parent company, the Company appropriately associate with nominations of Directors of the group companies by establishing “The Group Company Officer Nomination Council” in the Company. Furthermore, the Company monitor appropriateness of their business executions by properly appointing Directors and Auditors in Group companies.
  - (e) As for important matters of Group companies, approvals of the Board of Directors of the Company or through executive proposals are required as well as reports are regularly made to each section of the Company, thereby the Company controls the 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) Directors and employees to assist the Audit and Supervisory Committee’s duties, independence of the Directors and employees from Directors (except the Company Director who are Audit and Supervisory Committee) and to ensure effectiveness of the instruction to such Directors and employees
- (a) The Company can appoint staff employees with necessary practical capabilities.
  - (b) The staff employees should not do duties related to the business execution. In the employment, transfer and evaluation of performance of those staffs, opinions from the Audit and Supervisory Committee shall be respected.
- 8) System of report to the Audit and Supervisory Committee, 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 Audit and Supervisory Committee.
  - (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 Audit and Supervisory Committee Member as observers, and individual committees should make periodical reports on their activities to the Audit and Supervisory Committee 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 the Audit and Supervisory Committee 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 the Audit and Supervisory Committee 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 the Audit and Supervisory Committee.
  - (f) If each Director or Auditor of the group company find violation of laws or the Articles of Incorporation or other in-house regulations or any fact that may damage the ROHM Group considerably regarding the execution of business, it should be promptly reported to the Audit and Supervisory Committee by those or a person who received a report from those.
  - (g) Employees that have reported to the Audit and Supervisory Committee 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 the Audit and Supervisory Committee are performed effectively
- (a) Concerning the status of the operation of the internal control system, Directors should report to the Audit and Supervisory Committee where requested.
  - (b) The internal audit division should strengthen the collaboration with the Audit and Supervisory Committee and report the results of audit periodically.
  - (c) The Audit and Supervisory Committee should be all Outside Directors. The Audit and Supervisory Committee 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) The Audit and Supervisory Committee should exchange opinions with Directors who are not Audit and Supervisory Committee Members whenever necessary.

- (e) The expenses that the Audit and Supervisory Committee 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, 2021 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.
- The Company establishes the internal audit division which is independent from business execution division and the division monitor/evaluate the effectiveness of the internal control system, and that improves transparency and effectiveness of the work.

### 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.
- In particular, conferences for countermeasure against Novel Coronavirus Disease(COVID-19) have been hold since its early stages in order to ensure safety of all employees of ROHM Group and their family and to thoroughly prevent spread of the infection and to pursuit business continuity globally. In addition, the activities of the conferences are reported on the Board of the Directors.

### 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 the Audit and Supervisory Committee.

### 4) Directors’ performance of duties

- The regular meetings of Board of Directors are held according to the annual plan and extraordinary meetings of Board of Directors are 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 and introducing Corporate Officer System to ensure Directors’ efficient and agile performance of their duties.
- In the Executive Meeting, the Company deliberate primary management policies, plans, and business operations in order to assist the President’s decision-making.
- 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) Performance of duties of the Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee

- Such selected members attend not only the meetings of Board of Directors but also other important meetings such as those of the CSR Committee to offer opinions as needed.
- Such selected members carry out visiting audit and/or audit remotely at each division of the Company and Group companies and remote auditing, confirm the legality and compliance of business operations.
- Such selected members regularly exchange information and opinions with Directors, Independent Auditor and the internal auditing division 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 arbitrary judgments in order to protect their own interests, for instance. Moreover, the Company has determined that, when a takeover is proposed, it is necessary to have our shareholders be able to make an appropriate decision based on sufficient information and within a reasonable time period for the purpose of securing and improving the corporate value and the common interests of the shareholders.

## Consolidated Balance Sheet

As of March 31, 2021

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
<b>Current assets</b>	<b>555,823</b>	<b>Current liabilities</b>	<b>73,379</b>
Cash and deposits	261,292	Notes and accounts payable—trade	14,078
Notes and accounts receivable—trade	86,287	Electronically recorded obligations	3,834
Electronically recorded monetary claims	6,043	Accounts payable—other	23,778
Securities	58,138	Income taxes payable	3,671
Merchandise and finished products	33,426	Other	28,016
Work in process	52,811		
Raw materials and supplies	42,522	<b>Long-term liabilities</b>	<b>83,370</b>
Income taxes receivable	4,013	Bonds	40,735
Other	11,402	Deferred tax liabilities	28,149
Allowance for doubtful accounts	(115)	Liability for retirement benefits	11,198
		Other	3,286
<b>Fixed assets</b>	<b>370,417</b>		
<b>Tangible fixed assets</b>	<b>247,367</b>	<b>Total liabilities</b>	<b>156,750</b>
Buildings and structures	86,178	(Equity)	
Machinery, equipment, and vehicles	62,102	<b>Shareholders' equity</b>	<b>758,706</b>
Furniture and fixtures	6,475	Common stock	86,969
Land	66,601	Capital surplus	102,403
Construction in progress	21,691	Retained earnings	609,280
Other	4,318	Treasury stock	(39,947)
<b>Intangible fixed assets</b>	<b>6,645</b>	<b>Accumulated other comprehensive income</b>	<b>10,266</b>
Goodwill	1,093	Unrealized gain on available-for-sale securities	47,001
Other	5,552	Foreign currency translation adjustments	(33,878)
<b>Investments and other assets</b>	<b>116,404</b>	Accumulated adjustments for retirement benefits	(2,856)
Investment securities	95,749		
Asset for retirement benefits	3,010	<b>Noncontrolling interests</b>	<b>518</b>
Deferred tax assets	8,156		
Other	9,571	<b>Total equity</b>	<b>769,490</b>
Allowance for doubtful accounts	(83)	<b>Total liabilities and equity</b>	<b>926,240</b>
<b>Total assets</b>	<b>926,240</b>		

(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, 2020 to March 31, 2021

(Millions of yen)

Accounts	Amount	
Net sales		359,888
Cost of sales		242,252
<b>Gross profit</b>		<b>117,635</b>
Selling, general and administrative expenses		79,146
<b>Operating income</b>		<b>38,488</b>
Non-operating income		
Interest income	1,653	
Dividend income	746	
Other	1,030	3,430
Non-operating expenses		
Interest expense	95	
Foreign currency exchange loss	1,062	
Other	88	1,246
<b>Ordinary income</b>		<b>40,672</b>
Extraordinary gains		
Gain on sale of fixed assets	136	
Gain on sale of investment securities	1,392	1,528
Extraordinary losses		
Loss on sale and disposal of fixed assets	539	
Loss on impairment of fixed assets	807	
Loss on natural disasters	340	1,687
<b>Income before income taxes</b>		<b>40,512</b>
Income taxes—current	7,343	
Income taxes—deferred	(3,864)	3,478
<b>Net income</b>		<b>37,033</b>
Net income attributable to noncontrolling interests		31
<b>Net income attributable to owners of the parent</b>		<b>37,002</b>

(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, 2020 to March 31, 2021

(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	644,563	(88,726)	745,210	22,015	(47,517)	(4,716)	(30,219)
Changes in the year									
Dividends			(14,822)		(14,822)				
Net income attributable to owners of the parent			37,002		37,002				
Purchase of treasury stock				(8,774)	(8,774)				
Disposal of treasury stock		(0)		91	90				
Retirement of treasury stock		(57,462)		57,462	-				
Transfer from retained earnings to capital surplus		57,462	(57,462)		-				
Net changes in items other than shareholders' equity						24,986	13,639	1,860	40,485
Total changes in the year	-	-	(35,282)	48,778	13,495	24,986	13,639	1,860	40,485
Balance at the end of the year	86,969	102,403	609,280	(39,947)	758,706	47,001	(33,878)	(2,856)	10,266

	Non controlling Interests	Total Equity
Balance at the beginning of the year	488	715,479
Changes in the year		
Dividends		(14,822)
Net income attributable to owners of the parent		37,002
Purchase of treasury stock		(8,774)
Disposal of treasury stock		90
Retirement of treasury stock		-
Transfer from retained earnings to capital surplus		-
Net changes in items other than shareholders' equity	29	40,515
Total changes in the year	29	54,011
Balance at the end of the year	518	769,490

(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** 41

**(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.
ROHM ELECTRONICS EUROPE LTD.	

The subsidiaries changed in the scope of consolidation for the fiscal year ended March 31, 2021, are as follows:

[Increase]

LAPIS TECHNOLOGY CO., LTD.  
(Established by an incorporation-type split from LAPIS SEMICONDUCTOR CO., LTD. on October 1, 2020.)

[Decrease]

ROHM SHIGA CO., LTD.  
(Merged into by ROHM CO., LTD. (the "Company") on April 1, 2020.)

LAPIS SEMICONDUCTOR MIYAGI CO., LTD.  
(Merged to LAPIS SEMICONDUCTOR CO., LTD. on October 1, 2020.)

LAPIS SEMICONDUCTOR MIYAZAKI CO., LTD.  
(Merged to LAPIS SEMICONDUCTOR CO., LTD. on October 1, 2020.)

#### **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)

LB 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 6 consolidated subsidiaries is December 31, which is different from the fiscal year end of the group consolidated financial statement (March 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 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 right-of-use asset

Depreciation of tangible fixed assets is computed principally by the declining-balance method, while the straight-line method is applied to buildings (excluding building improvements) acquired by 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 right-of-use asset

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

#### 3) Right-of-use asset

Right-of-use asset 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 loss on doubtful accounts, an allowance for ordinary receivables is determined based on past actual loss ratios, and an allowance for certain identified doubtful accounts is determined based on individually estimated recoverable amounts.

### (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 currency 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 certain periods (mainly 10 to 13 years) within the average remaining service periods 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 certain periods (10 to 13 years) within the average remaining service periods of employees for each fiscal year in which the past service cost arose.

Unrecognized actuarial gains and losses and unrecognized past service costs 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.

## Change in Presentation

### (Application of “Accounting Standard for Disclosure of Accounting Estimates”)

The Company and its subsidiaries (the Group) have applied “Accounting Standard for Disclosure of Accounting Estimates” (Accounting Standards Board of Japan Statement No. 31, 2020/3/31) to Consolidated Financial Statements from Fiscal Year ended March 31, 2021 and the Notes on Significant Accounting Estimates have been included in the Consolidated Financial Statements.

## Significant Accounting Estimates

### 1. Valuation of tangible fixed assets (Impairment of fixed assets)

#### (1) Carrying amount on Consolidated Financial Statements of Fiscal Year ended March 31, 2021

Tangible fixed assets 247,367 million yen

#### (2) Information on the significant accounting estimate

The Group reviews its assets held for use to identify impairment loss with the units of management accounting for which revenue and expenditures are managed on a continuous basis. Whenever there is any indication of impairment for asset groups, the Group calculates the undiscounted future cash flow generated by the asset group based on certain assumptions. If the recoverable amount is less than the carrying amount, an impairment loss measured as the amount by which the carrying amount exceed its recoverable amount is recognized. The recoverable amount is calculated by the value in use based on the discounted future cash flow.

The undiscounted future cash flows used in the determination is estimated on the basis of a business plan developed by management (mainly 5 years), and it is estimated by the following assumptions.

- Regarding net sales, the Group estimates the growth rate by considering market forecast data provided from external market research organizations, continuous sales trends, the Group’s production plan and orders from customers.
- The estimation period of future cash flows is calculated on a basis of the remaining useful lives of major assets. If it exceeds the period of the business plan, the Group will not estimate any growth after the final year covered in the business plan due to future uncertainty. The Group assumes that cash flow for the final year of the business plan continues for the rest of the estimation period.

These assumptions are determined by the best estimates of management, but they might be affected by further uncertain economic fluctuation and may need to be reconsidered. If assumptions will be revised, there is a possibility of impairment loss being recognized in the future.

### 2. Valuation of deferred tax assets

#### (1) Carrying amount on Consolidated Financial Statements of Fiscal Year ended March 31, 2021

Deferred tax assets 8,156 million yen

Deferred tax liabilities 28,149 million yen

#### (2) Information on the significant accounting estimate

In recording deferred tax assets, the recoverability of such deferred tax assets is determined based on the schedule of reversal of taxable temporary differences for each tax entity, future taxable income and future tax planning.

Future taxable income is estimated based on the business plan made by management, and deferred tax assets the Group evaluates likely to be recoverable is recognized.

As the result, the Group offsets deferred tax assets and deferred tax liabilities for each tax entity and records the net amount in the consolidated balance sheet.

Future taxable income might be affected by further uncertain economic fluctuation. In case actual taxable income is different from the estimates, it can cause a significant impact on the amount identified as deferred tax assets on consolidated financial statements in the future consolidated fiscal year.

## Additional Information

### (Accounting Estimates under the outbreak of COVID-19)

Regarding the outlook for the global economy and market environment, while there is significant uncertainty on when COVID-19 situation will subside, business operations in of each of countries where the Group operates, is slightly trending towards recovery. Currently, sales continue to be robust in the automotive electronics and industrial equipment markets.

Given such circumstances, we developed accounting estimates for valuation of tangible fixed assets and deferred tax assets based on assumption that the impact of the COVID-19 to the Group will be limited.

## Notes to Consolidated Balance Sheet

### 1. Accumulated Depreciation of Tangible Fixed Assets

773,168 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 481 million yen and 1,150 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	515
Furniture and fixtures	9
Land	377

### 3. Guarantees

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

Employees (housing loans)	15 million yen
---------------------------	----------------

### 4. Assets for Unconsolidated Subsidiaries and Associated Companies

Investment securities (stock)	680 million yen
-------------------------------	-----------------

### 5. Loan commitment line agreement

The Company and one consolidated subsidiary maintain loan commitment line contracts with six financial institutions in order to allow the efficient procurement of working capital.

The balance of unused loans under the agreements is as follows:

	(Millions of yen)
Total amount of Maximum limit of overdraft and Commitment line	63,280
Balance of actual loans	-
Variance	63,280

## 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, 2021.

Use of Asset	Location	Account	Amount (Millions of yen)
Idle assets	Japan and others	Machinery, equipment, and vehicles	288
		Construction in progress	62
		Buildings and structures	16
		Furniture and fixtures	11
Assets held for sale	Japan	Land	397
		Buildings and structures and others	31
Total			807

In recognizing impairment loss on fixed assets, for assets held for use, 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.

#### (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.

#### (Assets held for sale)

Once it is decided that the assets will be sold, the carrying amounts of such assets are reduced to the recoverable amounts, and the reduction is recorded as "Loss on impairment of fixed assets" under 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, 2021

Common stock 103,000,000 shares

### 2. Dividends

#### (1) Dividends paid

(Resolution)	Class of Stock	Total Amount of Dividends	Dividend per Share	Record Date	Effective Date
Ordinary General Shareholders' Meeting held on June 26, 2020	Common stock	7,462 million yen	75.00 yen	March 31, 2020	June 29, 2020
Meeting of the Board of Directors held on October 29, 2020	Common stock	7,360 million yen	75.00 yen	September 30, 2020	December 4, 2020

#### (2) Dividends for the fiscal year ended March 31, 2021, 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 to be held on June 25, 2021	Common stock	7,360 million yen	Retained earnings	75.00 yen	March 31, 2021	June 28, 2021

## 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 arising 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 bonds (the "Bonds") were issued by the Company in order to fund to repurchase treasury stock.

The Group enters into derivative transactions pursuant to the internal policy approved by the Board of Directors, and 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 assumptions 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, 2021, 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	261,292	261,292	-
(2) Notes and accounts receivable—trade	86,287		
Allowance for doubtful accounts *1	(115)		
	86,172	86,172	-
(3) Electronically recorded monetary claims	6,043	6,043	-
(4) Securities and investment securities			
Available-for-sale securities	152,615	152,615	-
(5) Income taxes receivable	4,013	4,013	-
<b>Total assets</b>	<b>510,137</b>	<b>510,137</b>	<b>-</b>
(1) Notes and accounts payable—trade	14,078	14,078	-
(2) Electronically recorded obligations	3,834	3,834	-
(3) Accounts payable—other	23,778	23,778	-
(4) Income taxes payable	3,671	3,671	-
(5) Bonds	40,735	46,235	(5,499)
<b>Total liabilities</b>	<b>86,099</b>	<b>91,598</b>	<b>(5,499)</b>
Derivative transactions *2	(362)	(362)	-

\*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 is 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.

(5) Bonds

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

#### 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	530
Rights under limited partnership agreements for investment	61
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 “(4) Securities and investment securities.”



## 3. Maturity analysis for monetary receivables 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	261,292	-	-	-
Notes and accounts receivable—trade	86,287	-	-	-
Electronically recorded monetary claims	6,043	-	-	-
Securities and investment securities				
Available-for-sale securities with contractual maturities (Japanese government bonds, local government bonds, etc.)	430	209	-	-
Available-for-sale securities with contractual maturities (corporate bonds)	11,716	12,085	-	-
Available-for-sale securities with contractual maturities (other)	9,127	-	-	-
Refundable income taxes	4,013	-	-	-
Total	378,911	12,294	-	-

## 4. Maturity analysis for bonds

(Millions of yen)

	Due in One Year	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Bonds	-	-	-	40,000	-	-

**Notes to per Share Information**

Equity per share	7,835.49 yen
Net income per share	376.24 yen

## Nonconsolidated Balance Sheet

As of March 31, 2021

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
<b>Current assets</b>	<b>256,966</b>	<b>Current liabilities</b>	<b>65,077</b>
Cash and deposits	54,406	Accounts payable—trade	42,027
Notes receivable—trade	175	Electronically recorded obligations	3,963
Accounts receivable—trade	79,872	Accounts payable—other	9,740
Electronically recorded monetary claims	6,001	Accrued expenses	7,852
Securities	52,485	Income taxes payable	560
Merchandise and finished products	15,415	Deposits received	788
Work in process	6,408	Other	145
Raw materials and supplies	10,258	<b>Long-term liabilities</b>	<b>52,670</b>
Prepaid expenses	784	Bonds	40,735
Short-term loans receivable	1,730	Long-term accounts payable-other	844
Accounts receivable—other	23,310	Deferred tax liabilities	9,370
Other	6,116	Liability for retirement benefits	1,688
		Provision for share-based remuneration	3
		Asset retirement obligations	17
		Other	9
		<b>Total liabilities</b>	<b>117,747</b>
<b>Fixed assets</b>	<b>317,916</b>	(Equity)	
<b>Tangible fixed assets</b>	<b>74,362</b>	<b>Shareholders' equity</b>	<b>410,353</b>
Buildings	15,601	Common stock	86,969
Structures	356	Capital surplus	97,253
Machinery and equipment	6,343	Additional paid-in capital	97,253
Vehicles	1	Retained earnings	266,078
Furniture and fixtures	982	Legal reserve	2,464
Land	43,146	Other retained earnings	263,613
Construction in progress	7,930	Reserve for research and development	1,500
<b>Intangible fixed assets</b>	<b>4,372</b>	Other reserve	243,500
Goodwill	1,093	Retained earnings carried forward	18,613
Patents	135	Treasury stock	(39,947)
Software	3,015		
Other	128	<b>Valuation and translation adjustments</b>	<b>46,780</b>
<b>Investments and other assets</b>	<b>239,181</b>	Unrealized gain on available-for-sale securities	46,780
Investment securities	94,379		
Investment in subsidiaries and associated companies	122,885	<b>Total equity</b>	<b>457,134</b>
Long-term loans receivable	12,177		
Long-term prepaid expenses	4,915	<b>Total liabilities and equity</b>	<b>574,882</b>
Prepaid pension cost	2,323		
Other	2,513		
Allowance for doubtful accounts	(12)		
<b>Total assets</b>	<b>574,882</b>		

(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, 2020 to March 31, 2021

(Millions of yen)

Accounts	Amount	
Net sales		303,222
Cost of sales		258,600
<b>Gross profit</b>		<b>44,621</b>
Selling, general and administrative expenses		45,343
<b>Operating loss</b>		<b>(722)</b>
Non-operating income		
Interest and dividend income	33,187	
Foreign currency exchange gain	1,898	
Technical advisory fees	7,933	
Management advisory fees	816	
Other	753	44,588
Non-operating expenses		
Commission fees	2,384	
Taxes and dues	1,052	
Bad debt expense	52	
Other	50	3,540
<b>Ordinary income</b>		<b>40,325</b>
Extraordinary gains		
Gain on sale of fixed assets	225	
Gain on sale of investment securities	1,392	1,617
Extraordinary losses		
Loss on sale and disposal of fixed assets	101	
Loss on impairment of fixed assets	832	934
<b>Income before income taxes</b>		<b>41,009</b>
Income taxes—current	1,742	
Income taxes—deferred	(2,618)	(876)
<b>Net Income</b>		<b>41,885</b>

(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, 2020 to March 31, 2021

(Millions of yen)

	Shareholders' Equity										
	Common Stock	Capital Surplus			Legal Reserve	Retained Earnings				Treasury Stock	Total Shareholders' Equity
		Additional Paid-in Capital	Other Capital Surplus	Total Capital Surplus		Other Retained Earnings			Total Retained Earnings		
						Reserve for Research and Development	Other Reserve	Retained Earnings Carried Forward			
Balance at the beginning of the year	86,969	97,253	-	97,253	2,464	1,500	243,500	49,012	296,477	(88,726)	391,974
Changes in the year											
Dividends								(14,822)	(14,822)		(14,882)
Net income								41,885	41,885		41,885
Purchase of treasury stock										(8,774)	(8,774)
Disposal of treasury stock			(0)	(0)						91	90
Retirement of treasury stock			(57,462)	(57,462)						57,462	-
Transfer from retained earnings to capital surplus			57,462	57,462				(57,462)	(57,462)		-
Net changes in items other than shareholders' equity											
Total changes in the year	-	-	-	-	-	-	-	(30,399)	(30,399)	48,778	18,379
Balance at the end of the year	86,969	97,253	-	97,253	2,464	1,500	243,500	18,613	266,078	(39,947)	410,353

	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	21,910	21,910	413,884
Changes in the year			
Dividends			(14,822)
Net income			41,885
Purchase of treasury stock			(8,774)
Disposal of treasury stock			90
Retirement of treasury stock			-
Transfer from retained earnings to capital surplus			-
Net changes in items other than shareholders' equity	24,870	24,870	24,870
Total changes in the year	24,870	24,870	43,249
Balance at the end of the year	46,780	46,780	457,134

(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 cost determined by the moving-average method. 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 building improvements) acquired on and after April 1, 1998.

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

##### **(2) Intangible fixed assets**

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

The estimated useful life of software for internal use is mainly 3 to 5 years and that of goodwill is mainly 5 years.

#### **3. Basis for Significant Allowances**

##### **(1) Allowance for doubtful accounts**

In order to account for loss 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 collectability.

##### **(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.

##### **(3) Allowances for share-based remuneration**

In order to prepare for the delivery of the Company's shares by Employee Stock Ownership Plan (ESOP), the estimated cost of the shares that would be delivered to the corporate officers in accordance with trust-type stock delivery regulation is recorded as allowances for share-based remuneration.

#### 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 deferred assets

Bond issuance cost is recognized as an expense when incurred.

##### (5) Accounting for consumption tax

Accounting treatments for national and regional consumption taxes shall be based on the tax exclusion method, and national and regional consumption taxes that are not tax-deductible are accounted as expense in the fiscal year ended March 31, 2021.

#### Change in Presentation

##### (Application of “Accounting Standard for Disclosure of Accounting Estimates”)

We have applied “Accounting Standard for Disclosure of Accounting Estimates” (Accounting Standards Board of Japan Statement No. 31, 2020/3/31) to Nonconsolidated Financial Statements from Fiscal Year ended March 31, 2021 and described the Notes on Significant Accounting Estimate have been included in the Nonconsolidated Financial Statements.

## **Significant Accounting Estimate** **Valuation of deferred tax assets**

### **(1) Carrying amount on Financial Statements of Fiscal Year ended March 31, 2021**

Deferred tax liabilities 9,370 million yen

As described in Notes to Tax Effect Accounting, deferred tax assets of 11,563 million yen is offset by deferred tax liabilities of 20,934 Million of yen. As the result, net deferred tax liabilities of 9,370 million yen is recorded.

### **(2) Information on the significant accounting estimate**

In recording deferred tax assets, the recoverability of such deferred tax assets is determined based on the schedule of reversal of taxable temporary differences for each tax entity, future taxable income and future tax planning.

Future taxable income is estimated based on the business plan developed by management, and deferred tax assets the Company evaluates likely to be recoverable is recognized.

Future taxable income might be affected by further uncertain economic fluctuation. In case actual amount generated is different from the estimates, it causes significant impact on the amount identified as deferred tax assets on consolidated financial statements in the further consolidated fiscal year.

## **Additional Information**

### **(Accounting Estimates under the outbreak of COVID-19)**

Regarding the outlook for the global economy and market environment, while there is significant uncertainty on when COVID-19 situation will subside, business operations in each of countries where the Group operates, is slightly trending towards recovery. Currently, sales continue to be robust in the automotive electronics and industrial equipment markets.

Given such circumstances, we developed accounting estimates for valuation of tangible fixed assets and deferred tax assets based on assumption that the impact of the COVID-19 to the Group will be limited.

## Notes to Nonconsolidated Balance Sheet

### 1. Accumulated Depreciation of Tangible Fixed Assets

116,786 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 385 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	6
Land	365

### 3. Guarantees

The Company guarantees subsidiaries' liabilities as follows:

	(Millions of yen)
ROHM HAMAMATSU CO., LTD.	58
KIONIX, INC.	317
SICRYSTAL GMBH	535

### 4. Receivables from and Payables to Subsidiaries and Associated Companies

	(Millions of yen)
Short-term receivables from subsidiaries and associated companies	63,913
Long-term receivables from subsidiaries and associated companies	12,177
Short-term payables to subsidiaries and associated companies	39,579

## Notes to Nonconsolidated Statement of Income

### 1. Transactions with Subsidiaries and Associated Companies

		(Millions of yen)
Operating transactions	Net sales	187,708
	Purchase and subcontract processing	202,681
	Other operating expenses	6,027
Non-operating transactions	Non-operating income	9,392
	Non-operating expenses	2,373
	Sale of assets	8,811
	Purchase of assets	913



## 2. Loss on Impairment of Fixed Assets

The Company recognized impairment loss on the following asset groups for the fiscal year ended March 31, 2021.

Use of Asset	Location	Account	Amount (Millions of yen)
Assets held for use	Kyoto and others	Machinery and equipment	282
		Furniture and fixtures and others	52
Idle assets	Kyoto and others	Machinery and equipment	46
		Buildings and others	22
Assets held for sale	Shiga	Land	397
		Buildings and others	31
Total			832

In recognizing impairment loss on fixed assets, for assets held for use, 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 and assets held for sale, each property is deemed an asset group.

### (Assets held for use)

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

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

### (Idle assets)

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

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

### (Assets held for sale)

Once it is decided that the assets will be sold, the carrying amounts of such assets were reduced to the recoverable amounts, and the reduction was recorded as "Loss on impairment of fixed assets" under 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 Nonconsolidated Statement of Changes in Equity

Type and number of treasury stock as of March 31, 2021

Common stock	4,864,628 shares
--------------	------------------

(Note) Number of treasury stock includes 5,494 shares held by ESOP trustee.

## 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	111
Investment in subsidiaries and associated companies	28,701
Inventories	1,530
Depreciation	1,000
Accrued enterprise tax	243
Accrued expenses	1,728
Liability for retirement benefits	515
Allowance for doubtful accounts	3
Tax loss carryforwards	1,248
Loss on impairment of fixed assets	1,689
Other	1,699
<u>Subtotal</u>	<u>38,471</u>
<u>Valuation allowance</u>	<u>(26,908)</u>
Total	11,563
Deferred tax liabilities	
Prepaid pension cost	(708)
Unrealized gain on available-for-sale securities	(20,128)
Other	(97)
<u>Total</u>	<u>(20,934)</u>
<u>Net deferred tax liabilities</u>	<u>(9,370)</u>

### 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)
	ROHM ELECTRONICS PHILIPPINES, INC.	100%	Processing subcontractor for ROHM	Product processing by contract *1	30,457	Accounts receivable—other	7,167
				Receipt of technical advisory fees *2	2,267	Accounts payable—trade	10,837
						Accounts payable—other	82
						Accrued expenses	13
	ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD.	100%	Processing subcontractor for ROHM	Product processing by contract *1	33,839	Accounts receivable—other	5,880
				Receipt of technical advisory fees *2	3,598	Accounts payable—trade	9,284
				Accounts payable—other	22		
	ROHM SEMICONDUCTOR Hong Kong CO., LTD.	100%	Wholesaler of ROHM products	Product sales *3	62,792	Accounts receivable—trade	12,207
	ROHM SEMICONDUCTOR Taiwan CO., LTD.	100%	Wholesaler of ROHM products	Product sales *3	25,653	Accounts receivable—trade	6,483
	SICRYSTAL GMBH	100%	Raw materials supplier for ROHM	Lending of funds *4	-	Long-term loans receivable	8,437

Terms and conditions of transactions and decision policies thereof:

(Notes) \* The subsidiaries listed above do not hold the Company's voting rights.

- \*1. Product processing prices are determined in consideration of the market prices of products and subsidiaries' process costs.
- \*2. Technical advisory fees are determined based on the amount of net sales of each subsidiary.
- \*3. Terms and conditions for product sales are determined based on those generally used for transactions with third parties.
- \*4. Interest rates applied to loan receivables are determined based on market interest rates, which are considered economically reasonable.

### Notes to per Share Information

Equity per share	4,658.20 yen
Net income per share	426.28 yen

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

May 7, 2021

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

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:  
Tomoyuki Suzuki

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

**Opinion**

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of ROHM CO., LTD. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2021, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2020 to March 31, 2021, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

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

### INDEPENDENT AUDITOR'S REPORT

May 7, 2021

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

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:  
Tomoyuki Suzuki

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

#### Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of ROHM CO., LTD. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2021, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 62nd fiscal year from April 1, 2020 to March 31, 2021, and the related notes and the accompanying supplementary schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and the Audit and Supervisory Committee for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated 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 nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

## Certified Copy of the Audit and Supervisory Committee Report (Translation)

### Report of Audit and Supervisory Committee

We, Audit and Supervisory Committee Members, prepare this report of audit with regard to the execution of Directors' duties during the 63rd term from April 1, 2020 to March 31, 2021 and report our procedures and results as follows;

#### 1. Our audit procedures

We, Audit and Supervisory Committee Members obtained reports regularly, asked additional questions as necessary and proposed our opinions with regard to the resolution of the board of directors and related internal control systems in accordance with Article 399-13 (1) (i) "b" and "c" of the Companies Act and conducted our audit as follows;

- ① We prepared our audit plan and assignment in line with the regulation for the Audit and Supervisory Audit Committee. Cooperating with the internal control section, we attended the important meetings, obtained reports from directors and employees with regard to their duties, asked additional explanation as necessary and reviewed documents of material decision, and researched business conditions and financial positions of the headquarters and material business units.  
We also communicated with the directors and statutory auditors of the material subsidiaries and obtained report on their business as necessary.
- ② We discussed and considered the basic policies related to the Company's Ownership Control stated in the business report considering the deliberation of the board meetings and related other meetings.
- ③ We monitored and verified whether our independent auditor maintains its independence and implemented appropriate audits, and obtained report on its performance of duties and asked additional questions as necessary. We also obtained the notice that the audit firm established its control system to ensure the quality of audit required by Article 131 of the Companies Act in line with the Product Quality Management Standards Regarding Audit (issued by the Business Accounting Deliberation Council on October 28, 2005) and asked additional questions as necessary.

Based on the above procedures, we examined the business report and its supplementary schedules, financial statements (balance sheet, statement of income, statement of changes in equity and notes to financial statements) and the supplementary schedules and consolidated financial statements (consolidated balance sheet, consolidated statements of income, consolidated statement of changes in equity and notes to consolidated financial statements).

#### 2. Result of our audit

##### (1) Result of audit on business report and other relevant documents

- ① In our opinion, the business report and the supplementary schedules are prepared in accordance with the related laws and regulations and the article of incorporation and fairly present the Company's position.
- ② We have not found any material evidence of Directors' fraud nor violation of related laws and regulations, nor the articles of incorporation.
- ③ In our opinion, the decision of the board of directors regarding the internal controls are reasonable. We have not found any material issues on the report of the internal control system stated in the business report nor the Directors' performance of duties.
- ④ We have not found any matters to be reported in relation to the basic policies related to the Company's Ownership Control stated in the business report

##### (2) Result of audit of financial statements and the supplementary schedules

In our opinion, the audit method and results of Deloitte Touche Tomatsu as an independent auditor are reasonable.

##### (3) Result of audit of consolidated financial statements and the supplementary schedules

In our opinion, the audit method and results of Deloitte Touche Tomatsu as an independent auditor are reasonable.

May 10, 2021

Audit and Supervisory Committee,  
ROHM Co., Ltd.  
Audit and Supervisory Committee member (full time)  
Hiroyuki Nii  
Audit and Supervisory Committee member  
Hidero Chimori  
Audit and Supervisory Committee member  
Toshiro Miyabayashi  
Audit and Supervisory Committee member  
Kumiko Tanaka

(Note) All 4 members of the audit and supervisory committee are outside directors in line with article 2 (xv) and 331 (6) of the Companies Act.



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

— End —