

[Please note that the followings including Independent Auditor's Reports and Report of Audit and Supervisory Committee 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, 2023. 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 29, 2023

To Our Shareholders:

ROHM Co., Ltd.

21, Saiin Mizosaki-cho,

Ukyo-ku, Kyoto, Japan

Isao Matsumoto, President

NOTICE OF THE 65TH ORDINARY GENERAL SHAREHOLDERS MEETING

Dear Shareholders,

We will inform you of the 65th 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 4 through page 19. Your vote must be received by the Company no later than Monday June 26, 2023, 5:15 p.m. (JST).

In convening the 65th Ordinary General Shareholders Meeting, the Company has taken measures for providing information that constitutes the content of Reference Materials for the Ordinary General Shareholders Meeting in electronic format; you are accordingly asked to access the Company's website at the URL below for review.

The Company's website URL: <https://www.rohm.com/investor-relations/shareholders-meeting>

NOTICE OF MEETING

1. Date and Time: Tuesday, June 27, 2023, 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 Auditor and the Audit and Supervisory Committee for the 65th Fiscal Year (from April 1, 2022 to March 31, 2023)
2. Nonconsolidated Financial Statements for the 65th Fiscal Year (from April 1, 2022 to March 31, 2023)

Resolutions:

〈Company Proposal; Proposal 1~Proposal 3〉

Proposal 1: Appropriation of Dividends of Surplus for the 65th Fiscal Year

Proposal 2: Election of Nine (9) Directors who are not Audit and Supervisory Committee Members

Proposal 3: Election of Four (4) Directors who are Audit and Supervisory Committee Members

〈Shareholder Proposal; Proposal 4〉

Proposal 4: Approval of compensation amount related to restricted stock compensation system

The outline of the agenda is as described in the REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS.

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>

Company Mission:

Quality is our top priority at all times. Our objective is to contribute to the advancement and progress of culture through a consistent supply, under all circumstances, of high quality products in large volumes to the global market.

Our Statement:

Electronics for the Future

ROHM will continue to support the development of society and the enrichment of people's lives into the future by solving a variety of social issues with our electronics technology.

Management Vision:

We focus on power and analog solutions and solve social problems by contributing to our customers' needs for "energy savings" and "miniaturization" of their products.

To Our Shareholders (Message from the President)

On behalf of ROHM Co., Ltd., I would like to thank you for your continued support. On the occasion of sending you a notice of invitation to the 65th Ordinary General Shareholders Meeting, I would like to say a few words.

The recent global economic outlook remains uncertain due to the unstable international situation, inflation, etc.; however, business opportunities in the electronics industry are growing because of the increasing electrification of vehicles as well as the advancement of digital transformation (DX) and green transformation (GX). In particular, power and analog semiconductors, a field we are focusing on, are increasing their importance as key devices to help achieve decarbonization. Amid increasingly higher expectations from society and customers, we at ROHM deem it our mission to solve social issues with our products and technologies, and we have been accelerating efforts to develop new products and technologies and to ensure the stable supply of our products and environmentally friendly "Monozukuri (manufacturing)".

The core is the Medium-Term Management Plan we are currently working on. ROHM has set forth "major global player", which has three significant meanings, as the ideal image of the company in 2030. Firstly, society and our customers will trust in and feel secure with all ROHM products. Then, we must have brand power that is chosen by people throughout the world. Finally, and most importantly, ROHM must be recognized as a company that is necessary to society. Quantitatively, our aim is to become one of the world's top 10 companies in the field of power and analog semiconductors, and to achieve sales of 1 trillion yen.

Although social conditions are becoming more opaque, our growth strategy will not change. We will build a robust management foundation, which is independent of the external environment, and accelerate the Group's unified management and thus achieve true growth and enhance corporate value as ONE ROHM.

We appreciate your continued support.

Isao Matsumoto
President, CEO

How to Exercise Your Voting Rights

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

- 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.
- 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), Monday, June 26, 2023.
If no approval or disapproval is expressed for the respective proposals, it will be treated as an approval vote for the Company's Proposals and a disapproval vote for the shareholder's proposal.
- Attend the General Shareholders Meeting
Presentation of the original Voting Form in Japanese to the receptionist at the place of the meeting is required.

(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.mufg.jp>). 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 proposal.
- 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), Monday, June 26, 2023. 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

〈Company Proposal; Proposal 1~Proposal 3〉

Proposal 1: Appropriation of Dividends of Surplus for the 65th 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, 2023, financial forecasts, and future fund demands for investment in business to improve our corporate value. Accordingly, the total dividend for the year is 200 yen per share, including the interim dividend of 100 yen.

(1) Type of assets distributed: Cash

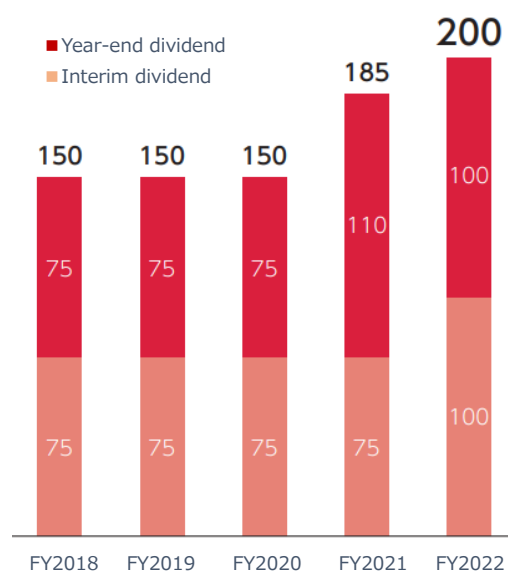
(2) Distribution of dividends of surplus and total distributed amount:

Distribution of each common share of the Company 100 yen

Total amount distributed 9,814,760,600 yen

(3) Date when the distribution takes effect: June 28, 2023

Dividend per share (Unit:yen)



Proposal 2: Election of Nine (9) Directors who are not Audit and Supervisory Committee Members

The terms of office for all eight (8) 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 the number of the Directors who are not Audit and Supervisory Committee Members be increased to nine (9) by adding one (1) Independent Outside Director, to ensure further diversity within the Board of Directors while further enhancing human capital management, which is the ROHM Group's primary focus, and further strengthening the Board of Directors' oversight function over the Company's business execution from global perspectives.




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 10 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:


No.	NAME		Positions and Duties at the Company	Attendance of the Board of Directors for the 65th Fiscal Year
1	Isao Matsumoto	Reappointment	President (Representative Director), CEO	100% (15/15)
2	Katsumi Azuma	Reappointment	Member of the Board, Senior Managing Executive Officer, COO	100% (15/15)
3	Kazuhide Ino	Reappointment	Member of the Board, Managing Executive Officer, CFO	100% (15/15)
4	Tetsuo Tateishi	Reappointment	Member of the Board, Senior Corporate Officer, CTO	100% (15/15)
5	Koji Yamamoto	Reappointment	Member of the Board, Senior Corporate Officer, CSO	100% (15/15)
6	Tadanobu Nagumo	Reappointment Outside Independent	Member of the Board	100% (15/15)
7	Peter Kenevan	Reappointment Outside Independent	Member of the Board	100% (12/12) *
8	Kuniko Muramatsu	Reappointment Outside Independent	Member of the Board	100% (12/12) *
9	Fukuko Inoue	New appointment Outside Independent	-	-

*Because Peter Kenevan and Kuniko Muramatsu were appointed as Members of the Board of Directors at the 64th ordinary general shareholders meeting held on June 24, 2022, the number of Board of Directors meetings available for their attendance differs from the other Members.

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company	
1	Isao Matsumoto (M) (Jan. 25, 1961) [Reappointment] 	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)
Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 10 years Number of ROHM Shares Held: 6,248 shares			
[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) [Reappointment] 	Apr. 1989 Jun. 2013 Jul. 2017 Sep. 2019 Jun. 2020 Jan. 2021 Jun. 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 Sales Member of the Board, Senior Managing Executive Officer, COO, Senior Director of Production · Quality · Sales Member of the Board, Senior Managing Executive Officer, COO (Current Position)
Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 10 years Number of ROHM Shares Held: 4,359 shares			
[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.			
3	Kazuhide Ino (M) (Mar. 31, 1970) [Reappointment] 	Apr. 1999 Sep. 2019 Jun. 2020 Jan. 2021 Jun. 2021 Apr. 2023	Joined the Company Corporate Officer, Director of Power Device Production Headquarters Member of the Board, CSO (Chief Strategy Officer) and Senior Director of Power Device Business Member of the Board, Senior Corporate Officer, CSO Member of the Board, Managing Executive Officer, CSO and Director of Accounting & Finance Headquarters Member of the Board, Managing Executive Officer, CFO (Chief Financial Officer) (Current Position)
Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 3 years Number of ROHM Shares Held: 2,403			
[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 financial experience in corporate management. In addition, from the perspective of both axes in conjunction with business operations, he has superior ability to promote business of ROHM Group. The Company requests continued election for a Director.			

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company
4	<p>Tetsuo Tateishi (M) (Feb. 24, 1963) [Reappointment]</p> 	<p>Jul. 2014 Joined the Company Jun. 2019 Member of the Board, Director of LSI Development Headquarters Sep. 2019 Member of the Board, Senior Corporate Officer, Director of LSI Development Headquarters Jun. 2020 Member of the Board, CTO and Senior Director of LSI Business Jan. 2021 Member of the Board, Senior Corporate Officer, CTO (Current Position)</p>
<p>Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 4 years Number of ROHM Shares Held: 2,024 shares</p>		
<p>[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.</p>		
5	<p>Koji Yamamoto (M) (Feb. 28, 1963) [Reappointment]</p> 	<p>Apr. 1985 Joined the Company Sep. 2019 Corporate Officer, Director of LSI Production Headquarters and in charge of Development of ATP Rationalization Jun. 2020 Corporate Officer, Director of Supply Chain Management Headquarters Jun. 2021 Member of the Board, Senior Corporate Officer, Director of Supply Chain Management Headquarters, Director of Administrative Headquarters and in charge of Sustainability Jun. 2022 Member of the Board, Senior Corporate Officer, CAO (Chief Administrative Officer) and in charge of Sustainability Apr. 2023 Member of the Board, Senior Corporate Officer, CSO (Chief Sustainability Officer) (Current Position)</p>
<p>Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 2 years Number of ROHM Shares Held: 2,731 shares</p>		
<p>[Reasons for nomination as a candidate for a Director] Koji Yamamoto has superior ability in carrying out about Sustainability, Supply Chain Management (SCM) and Risk Management based on an abundant knowledge and experience through the duties in development and production sections. The Company requests continued election for a Director.</p>		
6	<p>Tadanobu Nagumo (M) (Feb. 12, 1947) [Reappointment] [Outside] [Independent]</p> 	<p>Apr. 1969 Joined Yokohama Rubber Co., Ltd. Jun. 1999 Director of Yokohama Rubber Co., Ltd. Jun. 2004 President and Representative Director of Yokohama Rubber Co., Ltd. Jun. 2011 Chairman and CEO and Representative Director of Yokohama Rubber Co., Ltd. Outside Company Auditor of Zeon Corporation Jun. 2015 Outside Director of Zeon Corporation (Current Position) Mar. 2016 Chairman and Representative Director of Yokohama Rubber Co., Ltd. Mar. 2019 Senior Advisor of Yokohama Rubber Co., Ltd. (Current Position) Jun. 2021 Member of the Board (Current Position)</p> <p>(Significant Concurrent Positions) Senior Advisor of Yokohama Rubber Co., Ltd. Outside Director of Zeon Corporation</p>
<p>Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 2 years Number of ROHM Shares Held: 500 shares</p>		
<p>[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 continued election for an Outside Director.</p>		

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company
7	<p>Peter Kenevan (M) (Jun. 28, 1964) [Reappointment] [Outside] [Independent]</p> 	<p>Jun. 1995 Admitted to California Bar Sep. 1995 Joined McKinsey & Company, Inc. Jun. 2000 Partner of McKinsey & Company, Inc. (Tokyo office) Jun. 2012 Senior Partner of McKinsey & Company, Inc. (Tokyo office) Apr. 2021 VP, Head of Japan of PayPal Pte. Ltd. (Tokyo branch) (Current Position) Jun. 2022 Member of the Board (Current Position)</p> <p>(Significant Concurrent Positions) VP, Head of Japan of PayPal Pte. Ltd. (Tokyo branch)</p>
<p>Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 1 year Number of ROHM Shares Held: -</p>		
<p>[Reasons for nomination as a candidate for a Director and Overview of an expected role as an Outside Director] Peter Kenevan has extensive knowledge and abundant experience in corporate finance, mergers and acquisitions (M&As), among other fields, nurtured over the years through working for a consulting firm. He also has a proven track record serving as the Japan Country Manager of a company that operates globally. 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 continued election for an Outside Director.</p>		
8	<p>Kuniko Muramatsu (F) (Sep. 1, 1958) [Reappointment] [Outside] [Independent]</p> 	<p>Oct. 1983 Joined Texas Instruments Japan Limited Nov. 2003 Head of Corporate Ethics Office and Officer in charge of Diversity Promotion of Texas Instruments Japan Limited Oct. 2009 Chief Researcher of Business Ethics Research Center Jan. 2010 Representative Director of Wellness Systems Institute (Current Position) Apr. 2016 Representative Director of GEWEL Jun. 2016 Outside Director of YOKOWO Co., Ltd. (Current Position) Apr. 2018 Senior Researcher of Business Ethics Research Center Jun. 2019 Outside Director of NEC Networks & System Integration Corporation (Current Position, scheduled to resign in Jun. 2023) Jun. 2020 Outside Director of Kyusyu Railway Company (Current Position) Jun. 2022 Member of the Board (Current Position)</p> <p>(Significant Concurrent Positions) Representative Director of Wellness Systems Institute Outside Director of YOKOWO Co., Ltd. Outside Director of Kyusyu Railway Company</p>
<p>Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 1 year Number of ROHM Shares Held: 100 shares</p>		
<p>[Reasons for nomination as a candidate for a Director and Overview of an expected role as an Outside Director] Kuniko Matsumura has real-world work experience at a foreign semiconductor company. In addition, she has a wide range of knowledge and insight, nurtured through establishing and managing her own company aiming to build a foundation for a sustainable society, as well as through an extensive track record and background as an advisor in enhancing corporate ethics and promoting sustainability and diversity. She 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 sustainability-focused management, which is the ROHM Group's primary focus. The Company requests continued election for an Outside Director.</p>		

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company
9	<p>Fukuko Inoue (F) (Oct. 18, 1963) [New appointment] [Outside] [Independent]</p> 	<p>Apr. 1987 Joined UCC UESHIMA COFFEE CO., LTD. Sep. 1996 Human Resources Officer, Training Officer at Budget Personnel Bureau of Human Resources Department of Asian Development Bank May 2004 Human Resources Development Manager at General Affairs and Human Resources Headquarters of Vodafone Japan Co., Ltd. Jun. 2006 Human Resources Manager of Tiffany & Co. Sep. 2011 Executive Officer of Human Resources, General Manager of Human Resources Headquarters of SAP Japan Co., Ltd. Jan. 2013 Section Chief, Human Resources Planning Division at Human Resources department of International Atomic Energy Agency Jul. 2017 Senior Human Resources Officer at Management Bureau of International Atomic Energy Agency Apr. 2018 Professor, Doshisha Business School at Doshisha University (Current Position) Jun. 2022 Outside Director of EXEDY Corporation (Current Position)</p> <p>(Significant Concurrent Positions) Professor, Doshisha Business School at Doshisha University Outside Director of EXEDY Corporation</p>
Number of ROHM Shares Held: -		
<p>[Reasons for nomination as a candidate for a Director and Overview of an expected role as an Outside Director] Fukuko Inoue has real-world work experiences of strategic human resources at global companies and an international organization. In addition, she is a university professor who has a wide range of knowledge and insight, nurtured as an academic expert in organizational development and human resource management. She 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 human capital management, which is the ROHM Group's primary focus. The Company requests election for an Outside Director. Though she has never previously engaged in company management in any way other than serving as an outside officer, the Company is certain that she will carry out her duties as an Outside Director properly for these reasons.</p>		

(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 from June 2020 to June 2021 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 19, it has been judged that he is fully independent with no risk for conflict of interest with general shareholders. There are no business relationships between the Company and Yokohama Rubber Co., Ltd. that he serves as Senior Advisor. The Company has designated Tadanobu Nagumo as an Independent Director/Company Auditor pursuant to the rules of the Tokyo Stock Exchange, and reported the designation to the Exchange.
2. Peter Kenevan is a candidate for the position of Outside Director of the Company. Although the Company has outsourced consulting services to McKinsey & Company, Inc. that he served as Senior Partner of Tokyo office until March 2021, the business amounts to less than 0.1% of consolidated sales of McKinsey & Company, Inc. and the Company in each fiscal year. He satisfies the “Independence Standards for Outside Officers” of the Company on page 19, it has been judged that he is fully independent with no risk for conflict of interest with general shareholders. There are no business relationships between the Company and PayPal Pte. Ltd. that he serves as VP, Head of Japan of Tokyo branch. The Company has designated Peter Kenevan as an Independent Director/Company Auditor pursuant to the rules of the Tokyo Stock Exchange, and reported the designation to the Exchange.
3. Kuniko Muramatsu is a candidate for the position of Outside Director of the Company. She satisfies the “Independence Standards for Outside Officers” of the Company on page 19, it has been judged that she is fully independent with no risk for conflict of interest with general shareholders. There are no business relationships between the Company and Wellness Systems Institute that she serves as Representative Director. The Company has designated Kuniko Muramatsu as an Independent Director/Company Auditor pursuant to the rules of the Tokyo Stock Exchange, and reported the designation to the Exchange.
4. Fukuko Inoue is a candidate for the position of Outside Director of the Company. She satisfies the “Independence Standards for Outside Officers” of the Company on page 19, it has been judged that she is fully independent with no risk for conflict of interest with general shareholders. She meets the requirements for an Independent Directors/Company Auditors pursuant to the rules of the Tokyo Stock Exchange, if she is elected, the Company will designate as an Independent Directors/Company Auditor and report the designation to the exchange.
5. There are no special relationships of interest between the other candidates and the Company.
6. 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 Tadanobu Nagumo, Peter Kenevan and Kuniko Muramatsu that limit 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 reelections are approved, the Company will continue the contract with them.
7. If Fukuko Inoue 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 a contract with her that limits her 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.
8. 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.

Proposal 3: Election of Four (4) Directors who are Audit and Supervisory Committee Members

The terms of office for all five (5) 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 the number of the Directors who are Audit and Supervisory Committee Members be decreased to four (4) by reducing one (1), to be judged that the effectiveness of audits will continue to be ensured in light of the current status of the Company's audit system, including cooperation with Internal Audit Department.


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		Positions and Duties at the Company	Attendance of the Board of Directors for the 65th Fiscal Year
1	Masahiko Yamazaki	Reappointment	Member of the Board, Audit and Supervisory Committee Member of the Company (Full Time)	100% (15/15)
2	Hidero Chimori	Reappointment Outside Independent	Member of the Board, Audit and Supervisory Committee Member of the Company	100% (15/15)
3	Keita Nakagawa	New appointment Outside Independent	-	-
4	Tomoyuki Ono	New appointment Outside Independent	-	-

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company
1	Masahiko Yamazaki (M) (Jul. 27, 1959) [Reappointment] 	Mar. 1982 Joined the Company Jun. 2010 Member of the Board, Director of Administrative Headquarters Sep. 2019 Member of the Board, Senior Corporate Officer, Director of Administrative Headquarters and CSR Headquarters Apr. 2020 Member of the Board, Senior Corporate Officer, Director of Administrative Headquarters and in charge of CSR Jun. 2021 Member of the Board, Audit and Supervisory Committee Member of the Company (Full Time) (Current Position)
		Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 13 years Number of ROHM Shares Held: 6,401 shares
		[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. He will be expected to be able to utilize his proven track record of overall management of ROHM Group's Administration sections for many years and abundant experience as the full-time Audit and Supervisory Committee Member to cooperate with the Internal Audit Department and to strengthen audit and supervisory functions of management. The Company requests continued election for a 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
2	<p>Hidero Chimori (M) (May. 24, 1954) [Reappointment] [Outside] [Independent]</p> 	<p>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) Jun. 2021 Outside Corporate Auditor of Oji Holdings Corporation (Current Position)</p> <p>(Significant Concurrent Positions) Partner of Miyake & Partners Outside Corporate Auditor of Oji Holdings Corporation.</p>
<p>Period in office as Member of the Board of Directors (at the conclusion of this general shareholders meeting: 4 year Number of ROHM Shares Held: 400 shares</p>		
<p>[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 ensure 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. The Company requests continued election for an Outside Director who is an Audit and Supervisory Committee Member. Though he has never previously engaged in company management in any way other than serving as an outside officer, the Company is certain that he will carry out his duties as an Independent Outside Director properly for these reasons.</p>		
3	<p>Keita Nakagawa (M) (Jan. 10, 1966) [New appointment] [Outside] [Independent]</p> 	<p>Apr. 1988 Joined Daiwa Bank Co., Ltd. Aug. 1997 Singapore Branch of Daiwa Bank Co., Ltd. Mar. 2003 Employees' Union of Resona Bank, Ltd. (Until Jul. 2004) Oct. 2015 Senior Auditor at Internal Audit Department of Resona Bank, Ltd. Apr. 2017 Manager at Internal Audit Department of Resona Holdings, Inc. Apr. 2019 Corporate Officer in charge of Compliance Supervisory of Kansai Mirai Bank, Limited Apr. 2022 Managing Director of Resona Card Co.,Ltd. Apr. 2023 Advisor of Resona Card Co.,Ltd. (Current Position, scheduled to resign in Jun. 2023)</p>
<p>Number of ROHM Shares Held: -</p>		
<p>[Reasons for nomination as a candidate for a Director and Overview of an expected role as an Outside Director] Keita Nakagawa 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 responsible for an internal audit division and the Director in charge of Compliance to coordinate with the Internal Audit Department and to strengthen audit and supervisory functions of management from an independent perspective. The Company requests election for an Outside Director who is an Audit and Supervisory Committee Member.</p>		

No.	Name (Date of Birth)	Profile, Experienced Positions and Duties, at the Company, and Important Duties outside the Company
4	<p style="text-align: center;">Tomoyuki Ono (M) (Feb. 17, 1960) [New appointment] [Outside] [Independent]</p> 	<p>Apr. 1982 Joined Sumitomo Chemical Industry Co., Ltd. (Currently Sumitomo Chemical Co., Ltd.) Oct. 1989 Eiwa Audit Corporation (Currently KPMG AZSA LLC) Mar. 1993 Registered as CPA Mar. 1994 Joined Ono Property Appraisal Office Aug. 1998 Joined Asahi Audit Corporation (Currently KPMG AZSA LLC) Jun. 2007 Partner of KPMG AZSA LLC May 2021 Chairman of the Board of Partners of KPMG AZSA LLC Jul. 2022 Founded Ono Accounting Office. Chief of the Office (Current Position)</p> <p style="text-align: center;">(Significant Concurrent Positions) Chief of Ono Accounting Office</p>
Number of ROHM Shares Held: -		
<p>[Reasons for nomination as a candidate for a Director and Overview of an expected role as an Outside Director] Tomoyuki Ono will be expected to be able to utilize professional knowledge and experience, wide insight as a certified public accountant and practical experience at business companies, etc. to ensure transparency and integrity for decision-making of the Board of Directors and to strengthen audit and supervisory functions of management from an independent perspective. The Company requests election for an Outside Director who is an Audit and Supervisory Committee Member. Though never having previously engaged in company management in any way other than serving as an outside officer, the Company is certain that he will carry out his duties as an Outside Director properly for these reasons.</p>		

(Notes)

1. There are no special relationships of interest between the candidates and the Company
2. Hidero Chimori, Keita Nakagawa and Tomoyuki Ono are for the position of Outside Directors of the Company. They satisfy the “Independence Standards for Outside Officers” of the Company on page 19, and it has been judged that they are fully independent with no risk for conflict of interest with general shareholders.
3. The Company has designated Hidero Chimori as an Independent Directors/Company Auditor pursuant to the rules of the Tokyo Stock Exchange, and reported that information to the Exchange. If he is elected, the Company will continue to designate him as an Independent Directors/Company Auditor and report the designation to the exchange.
Keita Nakagawa and Tomoyuki Ono meet the requirements for Independent Directors/Company Auditors pursuant to the rules of the Tokyo Stock Exchange, if they are elected, the Company will designate them as Independent Directors/Company Auditors and report the designation to the exchange.
4. 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. was convicted of 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.
5. 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 Masahiko Yamazaki and Hidero Chimori that limit 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 reelections are approved, the Company will continue the contract with them.
6. If Keita Nakagawa and Tomoyuki Ono are 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 them that limit 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.
7. 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.

〈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 seven (7) Outside Directors (of whom two (2) will be female) and the share of Independent Outside Directors in the Board of Directors is majority.

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 Directors and defined.

Name		Highly expected Skill Sets							
		Corporate Management	ESG/Sustainability	Global	Innovation/Technology	HR Development	Legal/Compliance	Finance/Accounting	Industry Expertise
Isao Matsumoto		○	○	○	○	○	○		○
Katsumi Azuma		○	○	○		○	○		○
Kazuhide Ino		○		○	○			○	○
Tetsuo Tateishi				○	○		○		○
Koji Yamamoto			○	○		○	○		○
Tadanobu Nagumo	Outside Independent	○	○	○		○			
Peter Kenevan	Outside Independent	○		○				○	○
Kuniko Muramatsu	Outside Independent		○			○			
Fukuko Inoue	Outside Independent			○		○			
Masahiko Yamazaki	Audit		○				○		
Hidero Chimori	Audit Outside Independent		○				○		
Keita Nakagawa	Audit Outside Independent		○				○	○	
Tomoyuki Ono	Audit Outside Independent		○					○	

Audit : Audit and Supervisory Committee Member

Highly expected Skill Sets	Definition
Corporate Management	Strive to further enhance corporate value by foreseeing changes in the environment surrounding the Company's business, developing strategies from mid-to long-term perspectives and making decisions and running an organization effectively.
ESG / Sustainability	Contribute to the sustainable development and prosperity of the world, society and companies through conducting business activities with integrity, fairness and transparency, working towards the achievement of the United Nations' Sustainable Development Goals (SDGs) and establishing and maintaining a good relationship with stakeholders.
Global	Given the rapidly changing international situation, gain increased confidence from international markets by developing strategies and conducting business from global perspectives.
Innovation / Technology	Promote the creation, establishment and expansion of businesses by capturing the needs of society and customers and focusing time and resources on the development of new technologies and products that are essential for the sustainable growth of the Company.
HR Development	Discover human resources who can be the next generation of managers, and conduct human resources development and human resources investment of medium and long term that are linked to the Company's management strategy.
Legal / Compliance	Perform appropriate risk management by understanding all applicable laws and regulations related to the Company's business and by recognizing and understanding risks that may materially affect the Company's business management, always from the standpoint of ensuring legal and other compliances.
Finance / Accounting	Appropriately identify the Company's business management issues based on the full understanding of accounting, taxation and finance, and develop and monitor the progress of financial strategies and measures that are linked to the Company's management strategy.
Industry Expertise	Possess insight on semiconductors and a wide network of personal connections in the semiconductor industry, and look to optimize the Company's business portfolio by appropriately monitoring competitive and market trends.

〈Shareholder Proposal; Proposal 4〉

Proposal 4: Approval of compensation amount related to restricted stock compensation system

Proposal 4 is proposed by one shareholder (the Shareholder Proposal).

The Outline of the Proposal and Reason for the Proposal of the submitted the Shareholder Proposal are set forth in the original text.

1. Outline of the Proposal

At the 61st Ordinary General Shareholders Meeting, held on June 27, 2019, it was approved that the annual remuneration of directors who are not members of the Audit and Supervisory Committee of the Company be set at no more than 900 million yen (including no more than 100 million yen annually for outside directors) and annual remuneration for directors who are members of the Audit and Supervisory Committee be set at no more than 100 million yen. In addition, it was resolved at the 62nd Ordinary General Shareholders Meeting, held on June 26, 2020, to provide annual restricted stock compensation of no more than 100 million yen (excluding directors who are members of the Audit and Supervisory Committee and outside directors). Then, at the 64th Ordinary General Shareholders Meeting, held on June 24, 2022, it was resolved to provide performance-linked restricted stock compensation of no more than the amount obtained by multiplying 50,000 shares by the share price at the time of delivery for each Performance Cycle (excluding directors who are members of the Audit and Supervisory Committee and outside directors). Now, with the aim of providing an incentive to the directors of the Company to continuously increase the Company's corporate value and to further promote value sharing between the Company's directors and its shareholders, as a separate allowance to the above compensation allowances, it is proposed that the Company newly grant monetary remuneration receivables for the granting of restricted stock of no more than 900 million yen annually and no more than 85,800 shares to directors other than outside directors and newly grant monetary remuneration receivables for the granting of restricted stock of no more than 100 million yen annually and no more than 9,600 shares to directors who are outside directors. The transfer restriction period is to be three years from granting. Specific payment timing and allocation are to be decided by the Board of Directors; however, the proposal shall be designed as a performance-linked incentive system and shall be designed to grant restricted stock corresponding to three-times the basic remuneration in aggregate over the next three years when performance standards are met.

2. Reason for the Proposal

The Company has introduced restricted stock compensation as non-monetary remuneration. However, the ratio of fixed remuneration is excessively large compared to performance-linked stock compensation, so that value sharing between directors and shareholders does not seem to be sufficiently achieved. Therefore, this proposal is to introduce a new restricted stock compensation system as an addition to the current performance-linked stock compensation system. Moreover, the proposal is to grant restricted stock corresponding to three-times the fixed remuneration in aggregate over the next three years to directors. As is noted in "Guidebook for Introducing Incentive Plans for Sustainable Corporate Growth as Board Members' Remuneration to Promote Proactive Business Management," which was published by the Ministry of Economy, Trade and Industry in April 2014 and continuously updated, to promote management from a shareholder perspective and provide incentives to increase earnings over the medium to long term, it is considered preferable to grant appropriate and effective stock-based compensation to the management executives. Furthermore, in Europe and the United States, almost all major listed companies have adopted share retention guidelines that mandate the continued holding of shares (selling is also prohibited) for a certain volume of shares for certain period considered necessary for value sharing with shareholders. Separately from the proposal for approval of the compensation amount related to the restricted stock compensation system, it seems desirable to introduce and disclose shareholding guidelines for continuously holding shares worth three to five times the fixed remuneration for certain period in the securities report.

3. The Board Opinion on the Proposal

The Board Opinion regarding the Proposal has been decided by the Board of Directors in accordance with the report of the Director Remuneration Council, which has been established as an advisory body of the Board of Directors composed with a majority of independent outside directors.

(1) The Board Opinion

The Board of Directors is opposed to the Shareholder Proposal.

(2) Background of the Board Opinion

The Company's remuneration system for directors shall be designed so that the management responsibilities of directors will be clarified and that the remuneration, etc. of directors will fully function as a sound incentive for sustainable corporate growth and enhancement of corporate value over the medium to long term, in order to ensure appropriate value sharing with shareholders. In principle, the remuneration, etc. of each director shall be determined at a level appropriate for his/her responsibilities.

Specifically, the remuneration, etc. of an executive director shall consist of fixed remuneration and performance-based remuneration (both monetary remuneration), as well as of non-monetary remuneration in the form of stock-based remuneration. By contrast, the remuneration, etc. of an independent outside director and a non-executive director shall consist only of fixed remuneration as they perform an oversight function independently from the execution of the Company's operations.

In addition, in order to increase independence, objectivity and transparency in determining the remuneration, etc. of directors, the Company shall establish the Director Remuneration Council—the majority of whose members are independent outside directors—as an advisory body to the Board of Directors, where the remuneration system for directors and the remuneration, etc. of each director based thereon shall be deliberated on.

From the perspective of “value sharing with shareholders,” to promote this, at the Ordinary General Shareholders Meeting held in June 2020, we received approval for the introduction of “restricted stock compensation,” and at the Ordinary General Shareholders Meeting held in June 2022, we received approval for the introduction of “performance-linked restricted stock compensation.”

When introducing these, we referenced executive remuneration survey data of external research organizations (benchmark remuneration levels of companies of a similar business scale to the Company and of related industries or business models) and examined their rationality and appropriateness, including the ratio of each type of remuneration and its calculation method. The Director Remuneration Council also leads continuous work to examine the necessity of further revisions to the compensation system.

Thus, the Company's current compensation system has been decided by giving multifaceted consideration to various indicators, and we consider it to be an appropriate system capable of providing an incentive to sustainably increase corporate value while sufficiently realizing value sharing with shareholders. We also consider it to be of an appropriate level. Considering the Company's scale, level of operating income, benchmark remuneration levels of companies of a similar business scale to the Company and of related industries or business models, and so forth, we consider the introduction of a restricted stock compensation plan with a further annual amount of no more than 900 million yen for directors excluding outside directors and a new annual amount of no more than 100 million yen for outside directors in addition to the current stock compensation system to be an unbalanced and excessive compensation allowance at this point in time.

Furthermore, the Shareholder Proposal is to introduce restricted stock compensation including for outside directors and directors who are members of the Audit and Supervisory Committee; however, since outside directors are expected to provide advice to the Company's management and to appropriately supervise business execution by executive management, and directors who are members of the Audit and Supervisory Committee are expected to strengthen supervision of management by the Board of Directors through audits of directors business execution, the Company's policy is not to include them as eligible for restricted stock compensation in order to ensure their high level of independence.

Accordingly, the Board of Directors is opposed to the shareholder proposal; however, it will seriously consider the content of the proposal and continue to promote comprehensive discussion not only of issues such as the balance and level of remuneration composition, but also the approach to ratio and period of shareholding of the Company's shares by directors. We will pursue the optimal status for the compensation system to promote the sustainable increase of corporate value with a view to becoming a major global player through measures including invigorating deliberation in the Board of Directors and leveraging the Director Remuneration Council, etc.

Independence Standards for Outside Officers

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

1. A major shareholder¹ of the Company or a person who executes the business² 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 customer³ of the Group or a person who executes the business of that major customer;
4. An organization for whom the Group is a major customer⁴ or a person who executes the business of said organization;
5. A consultant, accounting expert or legal expert who, in addition to director's remuneration, receives money or other assets exceeding a certain amount⁵ 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 amount⁶ 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 Company⁷;
9. A person who fell into any of the categories described in 1 to 8 above in the last three years;
10. An organization 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 business⁸ of the Group or a relative of that person within the second degree of relationship.

(Enacted on November 5, 2015)

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

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

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

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

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

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

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

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

Business Report

For the period from April 1, 2022 to March 31, 2023

1. Present Status of ROHM Group

(1) Business Progress and Results

Overall Review of Results of Operations

During the consolidated fiscal year ended March 31, 2023, the global economy was expected to be on track to recovery due to the end of China's zero-COVID policy. However, due to the impact of the prolonged Russia/Ukraine conflict, financial uncertainty due to interest rate rises throughout the world, etc., the outlook became more uncertain.

In the electronics industry, the lockdown in Shanghai and the supply chain disruptions caused by China's zero-COVID policy affected markets in the first and second half of the fiscal year, respectively. In the automotive electronics market, automobile production adjustments still continue due to the shortage of some semiconductors. However, the market largely performed well due to the increase in the need for automotive semiconductors driven by the promotion of the electrification of vehicles and the electronic components in vehicles to help realize a decarbonized society. In addition, the industrial equipment market grew steadily, supported primarily by advancing decarbonization of manufacturing plants in each country and increasing capital investments for production capability enhancement, factory automation and digitization. On the other hand, as for the consumer product market, the telecommunication device market and the computer and storage market, special demand is diminishing, and growth started to slow. Working within this business environment, we have proceeded with the development of new products and technologies for power and analog devices, in which the ROHM Group excels, for the automotive electronics market and the industrial equipment market, where medium- to long-term growth is expected. Through such efforts, we have promoted our proposals for total solutions that can extensively contribute to meeting customers' needs for energy saving and downsizing.

In terms of production, we continued overall optimization, and we have promoted the installation of labor-saving and automated production lines through "monozukuri (manufacturing) innovation". We also have made every effort to ensure the stable supply of our products to customers by increasing our production capacity and improving productivity to cope with increasing demand.

Under these circumstances, consolidated net sales for the fiscal year ended March 31, 2023 were 507,882 million yen (an increase of 12.3% from last year) helped by a revenue increase due to the ongoing depreciation of the Japanese yen on foreign exchange markets; thus, we achieved our all-time sales record. Operating income was 92,316 million yen (an increase of 29.2% from last year) and operating income ratio increased from 15.8% in the preceding consolidated fiscal year to 18.2%.

Ordinary income was 109,530 million yen (an increase of 32.7% from last year) according to increases of operating income and foreign currency exchange gain.

Net income attributable to owners of parent was 80,375 million yen (an increase of 20.3% from the last year).

And regarding to an important business performance indicator in ROHM Group, EBITDA (*) for the consolidated fiscal year ended March 31, 2023 was 148,456 million yen (an increase of 30.8% from last year).

* 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 common in comparing earnings capacities of global companies. ROHM Group calculate it by simply taking Operating income and adding Depreciation and Amortization.

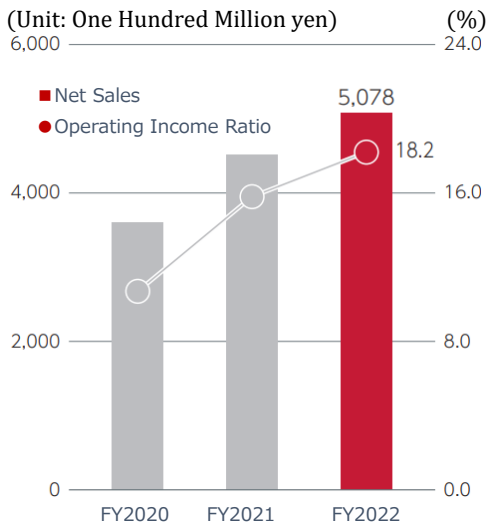
Consolidated Net Sales : 5,078 One Hundred Million yen (+12.3%)

Operating income : 923 One Hundred Million yen (+29.2%)

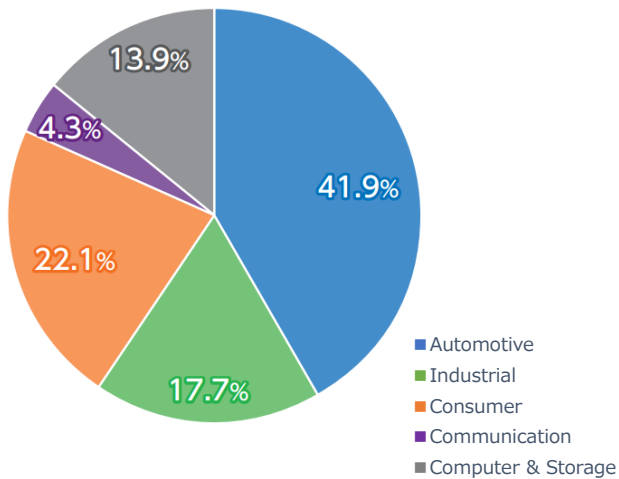
Ordinary income : 1,095 One Hundred Million yen (+32.7%)

Net income : 803 One Hundred Million yen (+20.3%)

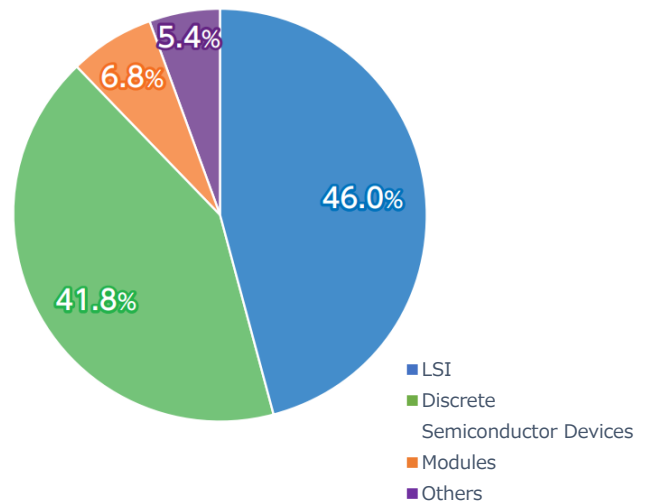
Performance Trend



Net Sales Composition Ratio by Applications



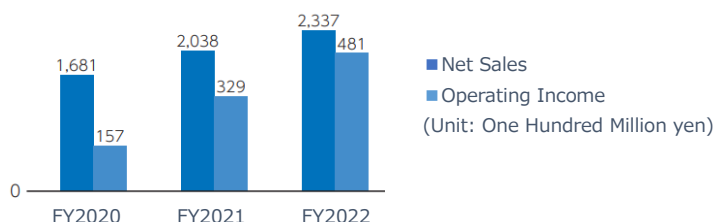
Net Sales Composition Ratio by Segments



Overview of performance in each segment

<LSI> Analog devices, Logic, Memory

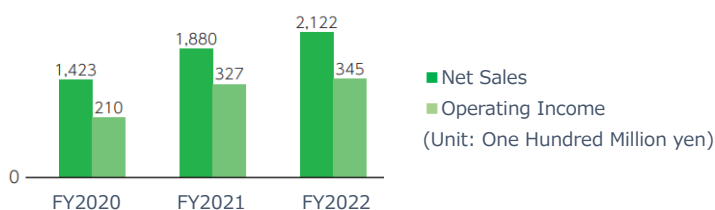
In the automotive electronics market, the use of high-value-added ICs, such as isolated gate driver ICs for power trains with their increasing use in electric vehicles, increased, and sales of power ICs for advanced driver assistance systems (ADAS), infotainment and electronic vehicles (xEVs) were also robust. In the industrial equipment market, sales saw steady growth driven by energy applications. The computer and storage market saw increased sales due to the increased share of power ICs for SSD.



<Discrete semiconductor devices>

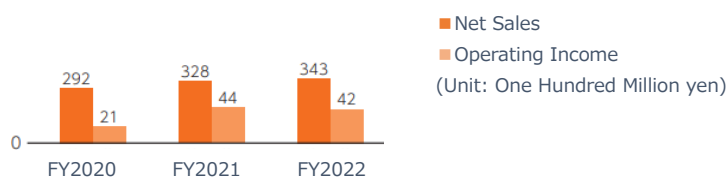
Transistors, Diodes, Power devices, Light-emitting diodes, laser diodes

Sales of transistors, diodes and power devices were generally good, backed by strong sales primarily for xEV in the automotive electronics market. In the industrial equipment market, sales for solar power applications saw steady growth. Sales of Light-emitting diodes increased mainly for the amusement-related consumer product market. However, sales of laser diodes declined in the consumer product market.



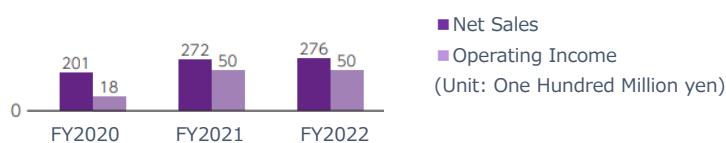
<Modules> Print heads, Optical modules

Sales of print heads increased primarily for office equipment including printers. As for optical modules, sales of sensor modules for telecommunication device applications declined.



<Others> Resistors

Sales of resistors steadily increased, especially highly reliable products such as high-power resistors and shunt resistors for the automotive electronics market.

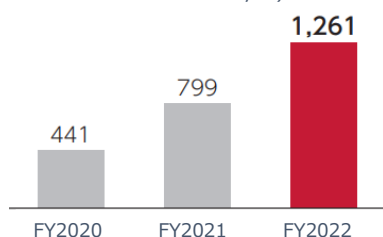


(2) Capital Expenditures

In the fiscal year ended March 31, 2023, the Group invested 126,116 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	57,673	million yen
Discrete Semiconductor Devices	57,061	million yen
Modules	2,054	million yen
Others	3,077	million yen
Sales and Administrative Expenses Division	6,249	million yen

(Unit: One Hundred Million yen)



(3) Financing

The capital expenditures and others during the fiscal year ended March 31, 2023 were funded through internal funding. No financing through stock issuance, bond issuance and borrowing was carried out.

(4) Priority Issues

The global economic outlook started showing signs of a slowdown mainly because of uncertainty due to geopolitical risks, interest rate increases due to global inflation and unstable exchange rates. The electronics market will likely continue to perform well, primarily on the back of the further acceleration of energy savings to promote climate change measures and decarbonization of society, changes in lifestyle, and increasing capital investments for factory automation and digitization worldwide. The consumer product market and the computer and storage market are likely to gradually see a recovery from the second half. However, during the first half, there will be a significant influence from the slowdown of the markets, and for the entire fiscal year, growth compared to the previous period is forecast to be low. Despite these circumstances, in the automotive electronics market, automobile production is expected to grow due to decreased concern about the parts supply shortage, and the promotion of the electrification of vehicles and electronic components in vehicles is likely to progress further. As a result, steady growth is expected mainly due to the expansion of the use of power and analog semiconductors, a field we are focusing on.

Given these circumstances, we at the ROHM Group will continue to develop high value-added products that pre-empt future market needs and launch them timely in the market.

In terms of production, we will continue to push forward with the Monozukuri (manufacturing) innovation primarily through the establishment of a state-of-the-art quality control system and the promotion of labor-saving efforts and automation. As for raw materials and facilities, excluding certain ones, delivery delay risks started declining. We will work on concluding long-term contracts with customers for stable procurement and limit the possibility of problems affecting our business by maintaining a reliable supply chain.

In addition, we will seek to improve medium- to long-term financial results and thus enhance our corporate value by executing the Medium-Term Management Plan.

〈For Your Reference〉

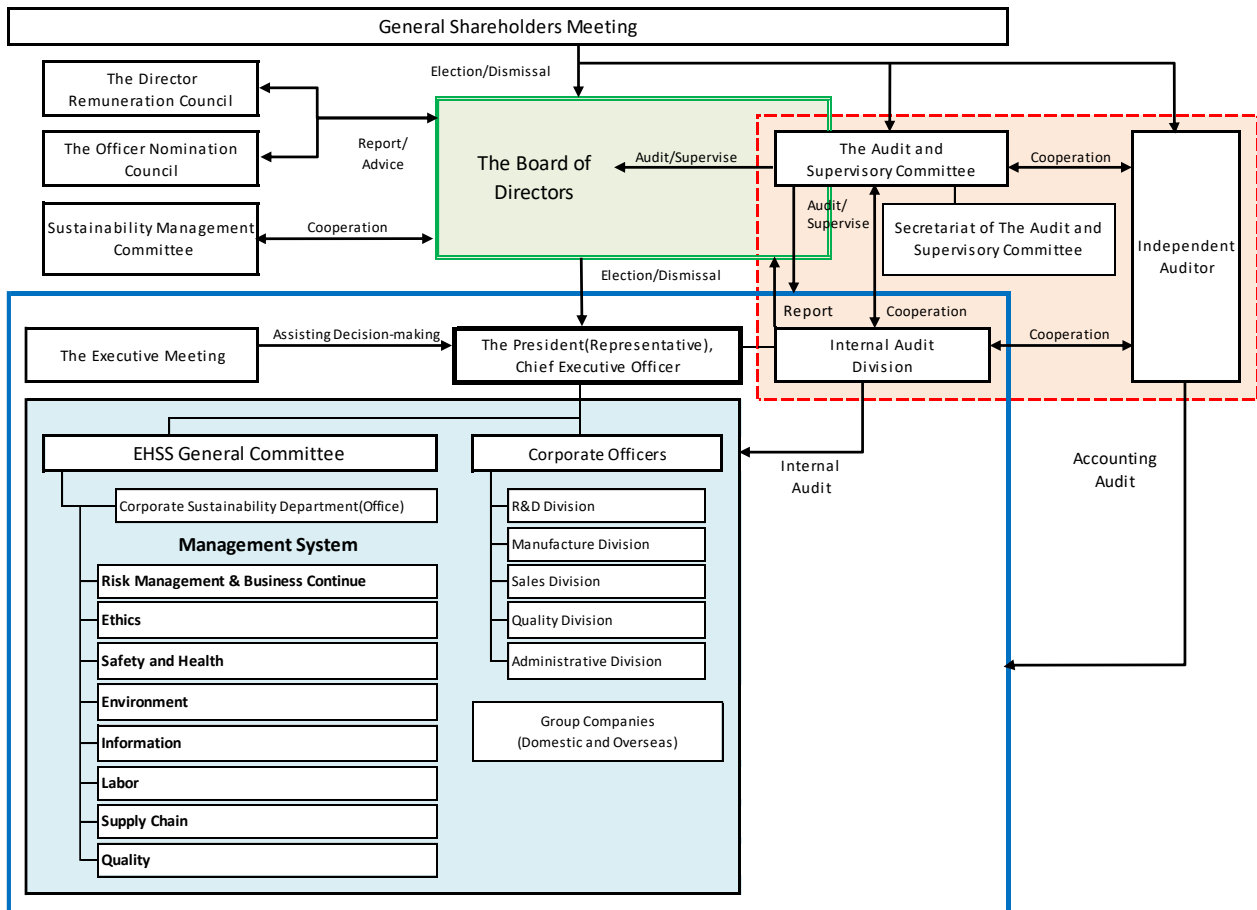
The Medium-Term Management Plan “Moving Forward to 2025”

ROHM Group formulated Medium-Term Management Plan: “MOVING FORWARD to 2025” in May 2021 and is working to strengthen our management foundation to achieve our management targets ending in the fiscal year ending March 31, 2026.

Strengthening Our Management Base: Reforming the Sustainability Promotion Structure

To further promote Sustainability Management, New Management Structure was launched in April 2022. The Sustainability Management Committee was established on the Management side and the EHSS General Committee was established on the Execution side to clearly separate the roles of Management and Execution, thereby speeding up decision-making and strengthening Supervisory functions.

We are going to incorporate priority issues discussed at the Sustainability Management Committee into the EHSS General Committee and each Management system to achieve our goals.

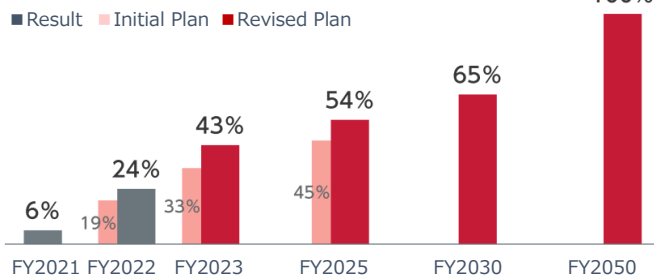


Steady Progress on Annual Goals to archive “Environmental Vision 2050”

To realize a decarbonized society, we are steadily implementing the targets set for each fiscal year to achieve the "Environmental Vision 2050" amid the growing corporate responsibility.

Especially, at our production sites, we are striving to reduce our environmental impact by implementing renewable energy ahead of schedule.

ROHM Group’s Ratio of Renewable Energy



NEW



Philippines plant to be installed in FY2023

Human Resource Development and Governance Reform for Sustainable Growth

To achieve sustainable growth as a Company, it is important to secure and develop the human resources that will be the driving force behind that growth. We strive to provide a variety of growth opportunities so that our diverse employees, who have honed their rich humanity and intelligence, can maintain high engagement and continuously create innovation.

Furthermore, to meet the challenge of global competition, we are working to increase the diversity of our organization so that we can respond quickly and flexibly to changing needs, and we are also working on effective governance reforms.

Major Initiatives	FY2022 Major Results
Promote Diversity <ul style="list-style-type: none"> Promote career development for women Promote women and foreign nationals to management position 	<ul style="list-style-type: none"> Ratio of global female managers 10% → 13% Ratio of female and foreign board members at head office 9% → 23%
Improve Employee Engagement <ul style="list-style-type: none"> Conduct engagement surveys Promote reform of organizational culture and work style 	<ul style="list-style-type: none"> Engagement Survey Implemented in entire group and archived above industry average.
Governance Reform <ul style="list-style-type: none"> Further increase the ratio of independent outside directors Introduce compensation system linked to the Medium-Term Management Plan 	<ul style="list-style-type: none"> Ratio of independent outside directors 45% → 54% Implemented performance-linked restricted stock compensation

(5) Operating Results and Financial Position of the ROHM Group (Millions of yen otherwise noted)

Item	Mar-2020	Mar-2021	Mar-2022	(Current period) Mar-2023
Net Sales	362,885	359,888	452,124	507,882
Ordinary Income	35,774	40,672	82,551	109,530
Net Income Attributable to Owners of the Parent	25,632	37,002	66,827	80,375
Net Income per Share (yen)	247.65	376.24	680.62	818.65
Total Assets	848,873	926,240	1,029,132	1,123,283
Equity	715,479	769,490	840,353	915,465

(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-2020	Mar-2021	Mar-2022	(Current Period) Mar-2023
Net Sales	309,598	303,222	384,181	434,951
Ordinary Income	24,501	40,325	62,429	72,721
Net Income	21,606	41,885	53,236	53,019
Net Income per Share (yen)	209.04	426.28	542.46	540.24
Total Assets	518,473	574,882	637,391	673,676
Equity	413,884	457,134	488,233	515,374

(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, 2023)

Segment Name	Main products and business
LSI	Analog ICs, Logic ICs, Memory ICs
Discrete semiconductor devices	Transistors, Diodes, Power devices, Light Emitting Diodes, Laser Diodes
Modules	Printhead Products, Optical Modules
Others	Resistors

(7) Main Business Sites

(As of March 31, 2023)

	Name	Location
ROHM CO., LTD.	Head Office/Factory Shiga Factory 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. LAPIS TECHNOLOGY CO., LTD. ROHM KOREA CORPORATION ROHM ELECTRONICS PHILIPPINES, INC. ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD. ROHM SEMICONDUCTOR (CHINA) CO., LTD. ROHM ELECTRONICS DALIAN CO., LTD. ROHM WAKO ELECTRONICS (MALAYSIA) SDN., BHD. ROHM MECHATECH PHILIPPINES, INC. ROHM MECHATECH (THAILAND) CO., LTD. SICRYSTAL GmbH	Shizuoka Okayama Fukuoka Kyoto Kanagawa And others Kanagawa Korea Philippines Thailand China China Malaysia Philippines Thailand Germany
Sales	ROHM SEMICONDUCTOR KOREA CORPORATION ROHM SEMICONDUCTOR (BEIJING) CO., LTD. ROHM SEMICONDUCTOR (SHANGHAI) CO., LTD. ROHM SEMICONDUCTOR (SHENZHEN) CO., LTD. ROHM SEMICONDUCTOR (H.K.) CO., LTD. ROHM SEMICONDUCTOR TAIWAN CO., LTD. ROHM SEMICONDUCTOR SINGAPORE PTE. LTD. ROHM SEMICONDUCTOR PHILIPPINES CORPORATION ROHM SEMICONDUCTOR (THAILAND) CO., LTD. ROHM SEMICONDUCTOR MALAYSIA SDN. BHD. ROHM SEMICONDUCTOR INDIA PVT. LTD. ROHM SEMICONDUCTOR U.S.A., LLC ROHM SEMICONDUCTOR GmbH	Korea China China China China Taiwan Singapore Philippines Thailand Malaysia India U.S.A. Germany
Logistics	ROHM LOGISTEC CO., LTD.	Okayama

(8) Employees

(As of March 31, 2023)

Segment Name	Number of Employees	Change from the Previous Fiscal Year	Average Service Years
LSI	23,754	Increase by 353 employees	12.4 years
Discrete semiconductor devices			
Modules			
Others			
Sales and administrative expenses division			

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

(9) Summary of Important Subsidiaries

(As of March 31, 2023)

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 and Sales of electronic components
LAPIS TECHNOLOGY CO., LTD.	Million yen 100	100.0	Manufacture and Development 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
SICRYSTAL GmbH	Thousand EUR 771	100.0	Manufacture, Development and Sales of raw materials for electronic components

(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 4,852,394 shares of treasury stock)
(3) Total Number of Shareholders as of March 31, 2023	30,920

(4) Major Shareholders (Top 10 Shareholders)

(As of March 31, 2023)

Name	Number of Shares Held (Thousands of shares)	Ownership
The Master Trust Bank of Japan, Ltd. (Trust account)	15,532	15.82%
Rohm Music Foundation	10,385	10.58-
Custody Bank of Japan, Ltd. (Trust account)	7,228	7.36-
The Bank of Kyoto, Ltd.	2,606	2.65-
The Bank of New York 134088	1,517	1.54-
STATE STREET BANK WEST CLIENT - TREATY 505234	1,471	1.49-
JP MORGAN CHASE BANK 385781	1,205	1.22-
STATE STREET BANK AND TRUST COMPANY 505103	1,052	1.07-
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A / C UK LONDON BRANCH CLIENTS - UNITED KINGDOM	932	0.94-
BBH FOR FINANCIAL INVESTORS TRUST-SEAFARER OVERSEAS GROWTH AND INC FD	930	0.94-

- (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. 4,852 thousand shares of treasury stock are excluded from the above calculation. Number of treasury stock does not include 4 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, 2023.

	Class and amount of stock	Number of Members
Member of the Board (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	Common stock of the Company 3,638	5

3. Directors and Company Auditors of the Company

(1) Directors and Company Auditors

(As of March 31, 2023)

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
Member of the Board, Managing Executive Officer	Kazuhide Ino	CSO and Director of Accounting & Finance Headquarters
Member of the Board, Senior Corporate Officer	Tetsuo Tateishi	CTO
Member of the Board, Senior Corporate Officer	Koji Yamamoto	CAO and in charge of Sustainability
Member of the Board	Tadanobu Nagumo	Senior Advisor of Yokohama Rubber Co., Ltd. Outside Director of Zeon Corporation
Member of the Board	Peter Kenevan	VP, Head of Japan of PayPal Pte. Ltd. (Tokyo branch)
Member of the Board	Kuniko Muramatsu	Representative Director of Wellness Systems Institute Outside Director of YOKOWO Co., Ltd. Outside Director of NEC Networks & System Integration Corporation Outside Director of Kyusyu Railway Company
Member of the Board, Audit and Supervisory Committee Member (Full-Time)	Masahiko Yamazaki	
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) Outside Auditor of Oji Holdings Corporation
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. Tadanobu Nagumo, Peter Kenevan, Kuniko Muramatsu, 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 Tadanobu Nagumo, Peter Kenevan, Kuniko Muramatsu, 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.
4. Toshiro Miyabayashi and Kumiko Tanaka are certified public accountants and are duly informed of finances and accounting.
5. Masahiko Yamazaki and Hiroyuki Nii are the full-time Audit and Supervisory Committee Members. The Company has designated the full-time Audit and Supervisory Committee Members 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. Although there are business relationships regarding payment for construction work between the Company and NEC Networks & System Integration Corporation that Kuniko Muramatsu serves concurrently as an Outside Director, there are no special relationships that require disclosure. In addition, Kuniko Muramatsu is scheduled to resign an Outside Director of NEC Networks & System Integration Corporation at its 91st Ordinary General Meeting of Shareholders scheduled in June 2023.
7. There are no special relationships between the Company and the entities where Outside Directors hold concurrent positions.
8. Changes in the Member of the Board during this fiscal year were as specified below.
 - (1) New appointments
Peter Kenevan and Kuniko Muramatsu were newly elected and appointed as Members of the Board at the 64th Ordinary General Shareholders Meeting of June 24, 2022.
 - (2) Changes in duties
Koji Yamamoto's position was changed from Director of Supply Chain Management Headquarters, Director of Administrative Headquarters and in charge of Sustainability to CAO and in charge of Sustainability as of June 24, 2022.

(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 Directors excluding those are Executive Directors that limit 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.

(3) Overview of the Contents of Indemnity Agreements

There is no applicable information.

(4) Overview of the Contents of Directors and Officers Liability Insurance

The Company has concluded an executive liability insurance policy with an insurer as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan. This policy covers liability related to the performance of duties of directors and others, as the named insured, or compensation for damages arising from claims in pursuit of such liability. The named insured under this insurance policy are the Directors, company auditors, executive officers, and similar parties of the Company and its subsidiaries. The Company pays all premiums on this insurance policy. Measures are taken to ensure that this insurance is not detrimental to the proper execution of duties of directors and others through exempting from coverage damages and other costs incurred by an insured who has engaged in criminal acts or intentional unlawful acts.

(5) 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 June 24, 2022 to adopt the policy on determining the Remuneration of each Director.

(b) Overview of the policy

1. The basic policy

The Company's remuneration system for Directors shall be designed so that the management responsibilities of Directors will be clarified and that the remuneration, etc. of Directors will fully function as a sound incentive for sustainable corporate growth and enhancement of corporate value over the medium to long term, in order to ensure appropriate value sharing with shareholders. In principle, the remuneration, etc. of each Director shall be determined at a level appropriate for his/her responsibilities.

Specifically, the remuneration, etc. of an Executive Director shall consist of fixed remuneration and performance-based remuneration (both monetary remuneration), as well as of non-monetary remuneration in the form of stock-based remuneration.

Meanwhile, the remuneration, etc. of an Independent Outside Director and a Non-executive Director shall consist only of fixed remuneration as they perform an oversight function independently from the execution of the Company's operations.

In addition, in order to increase independence, objectivity, and transparency in determining the remuneration, etc. of Directors, the Company shall establish the Director Remuneration Council—the majority of whose members are Independent Outside Directors—as an advisory body to the Board of Directors, wherein the remuneration system for Directors and the remuneration, etc. of each Director based thereon shall be deliberated on.

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 their positions and responsibilities 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, amount, etc. of performance-linked remuneration (including the timing for payment of Remunerations)

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

4. Policy for determining of the content, amount, etc. of non-monetary remuneration (including the timing for payment of Remunerations)

Non-monetary remuneration, which shall be positioned as an incentive over a medium- to long-term, shall be provided in the form of restricted stock-based remuneration to further promote value sharing with shareholders. Restricted stock-based remuneration shall consist of a fixed, prearranged delivery type (delivery based on a vesting period) restricted stock-based compensation (hereinafter called "Restricted Stock" or "RS" options) and a performance-based, ex-post delivery type restricted stock-based remuneration (hereinafter called "Performance Share Restricted Stock Unit" or "PSRSU" options).

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 for restricted stock-based remuneration and shall, in return, receive the number of shares of the Company's common stock that will be issued or disposed of by the Company. RS options shall be granted at a certain time each fiscal year, while the number of PSRSU options shall be calculated according to the level of achievement of the Company's performance objectives linked to the Medium-term Management Plan and then they shall be granted at a certain time after the end of the Medium-term Management Plan period.

5. 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 and those in related industries and business categories, the Director Remuneration Council shall consider the ratio of remuneration, etc. by type for Executive Directors.

If the Company's short-term financial performance indicators and performance objectives linked to the Medium-term Management Plan are achieved 100%, as a guideline, the ratio of remuneration, etc. by type for Executive Directors (per year) is roughly as follows*:

■ For Representative Director and President

Monetary Remuneration	7	Fixed	2
		Performance-based	1
Non-monetary Remuneration	3	Fixed (RS)	1
		Performance-based (PSRSU)	3

■ For Other Executive Directors

Monetary Remuneration	4	Fixed	2
		Performance-based	1
Non-monetary Remuneration	1	Fixed (RS)	1
		Performance-based (PSRSU)	1

* Of the non-monetary remuneration, although PSRSU options are granted in lump sum at a certain time after the end of the Medium-term Management Plan period, as a guideline, the ratio between monetary remuneration and non-monetary remuneration shall be calculated based on the assumption that the PSRSU options are equally divided for each fiscal year during the Medium-term Management Plan period.

6. 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 yen (for outside directors within 100 million yen) and the maximum amount of annual remuneration for the Company Directors who are Audit and Supervisory Committee Members should be within 100 million yen. 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 yen. 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.

The 64th General Shareholders Meeting on June 24, 2022 resolved that the maximum amount of performance-linked restricted stock remuneration shall be 50,000 shares multiplied by the share price at the time of delivery for each Performance Cycle (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors). The number of Directors who are not Audit and Supervisory Committee Member (excluding Outside Directors) is five 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)	454	229	191	33	8
(Outside Directors)	(32)	(32)	(-)	(-)	(3)
Directors (Audit and Supervisory Committee Members)	96	96	-	-	5
(Outside Directors)	(66)	(66)	(-)	(-)	(4)
Total	550	325	191	33	13
(Outside Directors)	(98)	(98)	(-)	(-)	(7)

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

④ Performance-linked Remuneration

(a) Performance-linked Monetary 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 (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors). Performance-linked remuneration is calculated according to the level of achievement of the Company's consolidated net sales and consolidated 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.

Regarding target value of performance indicators in Performance-linked Monetary Remuneration, consolidated net sales are 400~450 billion yen, and consolidated operating income is 40~60 billion yen. And consolidated net sales for this fiscal year were 507,882 million yen, and consolidated operating income for this fiscal year was 92,316 million yen.

(b) Performance-linked Non-Monetary Remuneration

In order to provide an incentive for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) to continuously improve the Company's corporate value through improvement of performance in the medium to long term and to align their interests more closely with those of shareholders, we have adopted performance-linked restricted stock remuneration for Directors. Performance-linked restricted stock remuneration is calculated according to the level of achievement of the Company's performance objectives linked to the Medium-term Management Plan and then they shall be granted at a certain time after the end of the Medium-term Management Plan period.

The Company has initially set the Performance Cycle and Performance Indicators as follows. The reason for selecting these indicators is because we have judged that these indicators are consistent with performance indicators in the Company's Mid-term Management Plan and create an appropriate incentive for their achievement.

Performance Cycle	4 years from FY 2023/03 to FY 2026/03	
Performance Indicators	Financial	ROE
	Non-financial	Volume of greenhouse gas emissions
		Diversity & inclusion (Increase share of women in management globally)
		ROHM Group employee engagement

⑤ The Contents of Non-Monetary Remuneration

The Contents of Non-Monetary Remuneration are as described in ①(b)4. "Policy for determining of the content, amount, etc. of non-monetary remuneration (including the timing for payment of Remunerations)" And 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".

(6) 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
Tadanobu Nagumo Member of the Board	The Board of Directors :15/15 The Officer Nomination Council :3/3 The Director Remuneration Council :3/3	He will be expected to be able to utilize abundant knowledge and experience acquired as a top executive 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.
Peter Kenevan Member of the Board	The Board of Directors :12/12	He will be expected to be able to utilize abundant knowledge and experience acquired in work at a consulting firm and a company that operates globally to strengthen supervisory functions of management. He has lived up to the Company's expectations, after appointment in June 2022, 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.
Kuniko Muramatsu Member of the Board	The Board of Directors :12/12	She will be expected to be able to utilize abundant knowledge and experience acquired as an advisor in enhancing corporate ethics and promoting sustainability and diversity to strengthen supervisory functions of management. She has lived up to the Company's expectations, after appointment in June 2022, aggressively expressing her opinions at the Board of Director and making advice and recommendations about the Company's management and business execution from an independent standpoint.
Hiroyuki Nii Member of the Board, Audit and Supervisory Committee Member (Full-Time)	The Board of Directors :15/15 The Audit and Supervisory Committee :13/13	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.

Name Position	Attendance	Status of expressing opinions and Performance of duties about expected role to play
<p>Hidero Chimori</p> <p>Member of the Board, Audit and Supervisory Committee Member</p>	<p>The Board of Directors :15/15</p> <p>The Audit and Supervisory Committee :13/13</p> <p>The Officer Nomination Council :3/3</p> <p>The Director Remuneration Council :3/3</p>	<p>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.</p> <p>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.</p> <p>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.</p>
<p>Toshiro Miyabayashi</p> <p>Member of the Board, Audit and Supervisory Committee Member</p>	<p>The Board of Directors :15/15</p> <p>The Audit and Supervisory Committee :13/13</p>	<p>He will be expected to be able to utilize professional knowledge and experience, wide insight as a certified public accountant (CPA) to ensure 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.</p> <p>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.</p>
<p>Kumiko Tanaka</p> <p>Member of the Board, Audit and Supervisory Committee Member</p>	<p>The Board of Directors :15/15</p> <p>The Audit and Supervisory Committee :13/13</p>	<p>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 ensure 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.</p> <p>She has lived up to the Company's expectations, aggressively expressing her 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.</p>

4. Independent Auditor

(1) Name of the Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Remuneration

	Remuneration
Remuneration for the Independent Auditor for the 65th Fiscal Year	127 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 Auditor 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 sustainable growth and 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:

Furthermore, with the addition of the newly established policy, partial revisions of this policies were made at the Board of Directors held on April 17, 2023.

- 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 Sustainability by raising "ROHM Group Sustainability Policy" and 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) Based on the ROHM Corporate Governance Policy, an appropriate governance structure shall be put in place to allow the Board of Directors to exercise oversight over the Directors to ensure the integrity and transparency of the Company's business management.
 - (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 and the reporting line in which the independent internal audit division can directly report to the Board of Directors in the event of a Director's misconduct.
- 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 (including electronic data) 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 in writing (including electronic data) as a rule. The directions and notices shall be saved so as to be inspected at any time by Directors.
 - (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) The EHSS General Committee shall oversee the operations of management systems related to the environment(E), health and hygiene(H), safety(S) and sustainability(S). It shall report to and consult with the Board of Directors, as appropriate, and shall be supervised by, and receive instructions from, the Board of Directors. Under the EHSS General Committee, a framework for promoting management systems in the areas of safety and health, risk management and business continuity management

- (BCM), the environment, supply chains, ethics, labor, information security and quality shall be set up to 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. With established "Risk Management and Business Continuity Policies" and 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, the 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, the Medium-Term Management Plan shall be established and key sustainability issues (materiality) that may negatively affect the achievement of the Plan's objectives shall be identified and the progress of addressing such issues shall be monitored and managed.
- 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, each management system under the EHSS General 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 internal system for timely disclosure, 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 management system under the EHSS General 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.
 - (h) 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 Directors and Auditors in Group companies and to prevent any recurrence thereof.
- 7) Directors and employees to assist the Audit and Supervisory Committee’s duties, independence of the Directors and employees from Directors (except the Directors who are Audit and Supervisory Committee Members) 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 the EHSS General Committee and each management system under the EHSS General Committee should be attended by full-time Audit and Supervisory Committee Members as observers as necessary, 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 Company 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) To address a situation where any of the Company’s Directors or the Legal Affairs Division is the subject of a whistleblower complaint for the Compliance Hotline, a reporting channel where a whistleblower complaint is directly reported to full-time Audit and Supervisory Committee Members shall be put in place to ensure independence in receiving whistleblower reports.

- (h) 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 diverse in composition, including Inside Directors who are well-versed in affairs at the ROHM Group and Outside Directors who specialize in law, accounting, finance, etc., to ensure a competent organization with independence and effectiveness.
- (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, 2023 is as follows:

1) Compliance system

- ROHM Group not only makes all Directors, Auditors 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 the Audit and Supervisory Committee.
- 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.
- Against Novel Coronavirus Disease(COVID-19) ROHM Group has ensured safety of all employees of ROHM Group and their family, thoroughly prevented spread of the infection and pursued business continuity globally.
- In the circumstances of increasingly sophisticated and elaborate cyber attacks and the increasing frequency, security measures are implemented on a continuous basis, for example, by providing education and training on information security to all employees, established manuals about using Wi-fi to prevent information leaks and introducing software that instantaneously detects the occurrence of an incident.
- To ensure appropriate confidential information management, ROHM Group has created and operated a framework for confidential information management by establishing the ROHM Group Confidential Information Management Policy and creating a division in charge of managing and supervising the

management of confidential information on a company-wide basis.

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 deliberates 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 EHSS General 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 domestic market as well as 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 Financial Statements

Consolidated Balance Sheet

As of March 31, 2023

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	653,979	Current liabilities	131,907
Cash and deposits	291,154	Notes and accounts payable—trade	16,157
Notes and accounts receivable—trade	100,472	Electronically recorded obligations	4,112
Electronically recorded monetary claims	9,277	Accounts payable—other	54,086
Securities	38,093	Income taxes payable	21,353
Merchandise and finished products	53,779	Other	36,196
Work in process	79,646		
Raw materials and supplies	62,059	Long-term liabilities	75,910
Income taxes receivable	1,884	Bonds	40,336
Other	17,669	Deferred tax liabilities	22,539
Allowance for doubtful accounts	(56)	Liability for retirement benefits	10,819
		Other	2,215
Fixed assets	469,303	Total liabilities	207,817
Tangible fixed assets	363,771	(Equity)	
Buildings and structures	110,273	Shareholders' equity	870,656
Machinery, equipment, and vehicles	112,744	Common stock	86,969
Furniture and fixtures	8,155	Capital surplus	102,416
Land	68,285	Retained earnings	721,151
Construction in progress	59,279	Treasury stock	(39,880)
Other	5,032		
Intangible fixed assets	5,722	Accumulated other comprehensive income	44,256
Goodwill	497	Unrealized gain on available-for-sale securities	34,007
Other	5,225	Foreign currency translation adjustments	12,149
Investments and other assets	99,810	Accumulated adjustments for retirement benefits	(1,901)
Investment securities	76,976		
Asset for retirement benefits	1,875	Noncontrolling interests	552
Deferred tax assets	7,663		
Other	13,788	Total equity	915,465
Allowance for doubtful accounts	(494)	Total liabilities and equity	1,123,283
Total assets	1,123,283		

(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, 2022 to March 31, 2023

(Millions of yen)

Accounts	Amount	
Net sales		507,882
Cost of sales		314,220
Gross profit		193,661
Selling, general and administrative expenses		101,344
Operating income		92,316
Non-operating income		
Interest income	3,509	
Dividend income	950	
Foreign currency exchange gain	11,387	
Other	1,546	17,394
Non-operating expenses		
Interest expense	133	
Settlement package	15	
Other	32	180
Ordinary income		109,530
Extraordinary gains		
Gain on sale of fixed assets	1,335	1,335
Extraordinary losses		
Loss on sale and disposal of fixed assets	434	
Loss on impairment of fixed assets	301	
Loss on impairment of investment securities	622	1,358
Income before income taxes		109,507
Income taxes—current	28,981	
Income taxes—deferred	122	29,104
Net income		80,403
Net income attributable to noncontrolling interests		27
Net income attributable to owners of the parent		80,375

(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, 2022 to March 31, 2023

(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	102,411	661,386	(39,915)	810,851	39,314	(8,294)	(2,054)	28,965
Changes in the year									
Dividends			(20,610)		(20,610)				
Net income attributable to owners of the parent			80,375		80,375				
Purchase of treasury stock				(6)	(6)				
Disposal of treasury stock		5		41	46				
Net changes in items other than shareholders' equity						(5,306)	20,444	152	15,290
Total changes in the year	-	5	59,765	34	59,805	(5,306)	20,444	152	15,290
Balance at the end of the year	86,969	102,416	721,151	(39,880)	870,656	34,007	12,149	(1,901)	44,256

	Non controlling Interests	Total Equity
Balance at the beginning of the year	536	840,353
Changes in the year		
Dividends		(20,610)
Net income attributable to owners of the parent		80,375
Purchase of treasury stock		(6)
Disposal of treasury stock		46
Net changes in items other than shareholders' equity	16	15,306
Total changes in the year	16	75,111
Balance at the end of the year	552	915,465

(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	39
(2) Names of major consolidated subsidiaries	
ROHM HAMAMATSU CO., LTD.	ROHM APOLLO CO., LTD.
LAPIS SEMICONDUCTOR CO., LTD.	LAPIS TECHNOLOGY 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 EUROPE LTD.	ROHM ELECTRONICS ASIA PTE. LTD.
SICRYSTAL GmbH	

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.	
HAIMOSIC (SHANGHAI) CO., LTD.	

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

3. Fiscal Year of the Consolidated Subsidiaries

The fiscal year end of 5 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 stocks and other securities classified as available-for-sale securities are stated at fair value, 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. Unmarketable stocks and other 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 ROHM Co., Ltd (the "Company") and its domestic subsidiaries on or after April 1, 1998.

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

2) Intangible fixed assets excluding right-of-use asset

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

3) Right-of-use asset

Right-of-use assets are amortized 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) Basis for significant revenues and expenses

The details of major performance obligations and the ordinary point in time of satisfaction of these performance obligations (ordinary point of time of revenue recognition) in major businesses related to revenues arising from contracts with customers of the Group are as described below.

In accordance with the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), the ROHM Co., Ltd and its subsidiaries (the "Group") recognizes revenues from contracts with customers except transactions related to financial instruments within the scope of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10) and lease transactions within the scope of the Accounting Standard for Lease Transactions (ASBJ Statement No. 13) by applying the following steps:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligations in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

The Group sells large-scale integrated circuits (analog devices, logic, memory), semiconductor devices (transistors, diodes, light-emitting diodes, semiconductor lasers), modules (print heads, optical modules), and other electronic components (resistors, tantalum capacitors). The Group recognizes revenue when a performance obligation is satisfied by transferring an electronic component to a customer since the customer obtains control of the component at the time of delivery.

(5) 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.

(6) Amortization of goodwill

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

(7) Other significant conditions in preparing consolidated financial statements**Accounting for retirement benefits**

Asset and liability for retirement benefits are stated based on the projected benefit obligations and plan assets at the fiscal year ended March 31, 2023.

In calculating the projected benefit obligation, a benefit formula basis is utilized to attribute expected retirement benefits to periods up to the fiscal year ended March 31, 2023.

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.

Significant Accounting Estimates**Valuation of tangible fixed assets (Impairment of fixed assets)****(1) Carrying amount on Consolidated Financial Statements of the Fiscal Year ended March 31, 2023**

Tangible fixed assets 363,771 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 production plan and orders from customers and the sustained expansion of the Group's production capacity.
- 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.

Notes to Consolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

887,501 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 1,239 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	828
Machinery, equipment, and vehicles	507
Furniture and fixtures	7
Land	377

3. Guarantees

The Group guarantee employees' loans from banks as follows:

Employees (housing loans) 9 million yen

4. Assets for Unconsolidated Subsidiaries and Associated Companies

Investment securities (stock) 1,762 million yen

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, 2023.

Use of Asset	Location	Account	Amount (Millions of yen)
Idle assets	Japan and others	Machinery, equipment, and vehicles	179
		Furniture and fixtures	52
		Buildings and structures and others	37
		Construction in progress	31
Total			301

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.

Notes to Consolidated Statement of Changes in Equity

1. Number of Shares Issued as of March 31, 2023

Common shares 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 24, 2022	Common shares	10,795 million yen	110.00 yen	March 31, 2022	June 27, 2022
Meeting of the Board of Directors held on November 1, 2022	Common shares	9,814 million yen	100.00 yen	September 30, 2022	December 2, 2022

(2) Dividends for the fiscal year ended March 31, 2023, 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 27, 2023	Common shares	9,814 million yen	Retained earnings	100.00 yen	March 31, 2023	June 28, 2023

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 notes and accounts receivable-trade 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 and accounts payable-trade, electronically recorded obligations and accounts payable-other, 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.

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

Since variable factors are incorporated to calculate the fair value of the financial instruments, 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, 2023, are listed in the table below. The shares without a market price, etc. (including investment in unions, etc., in which the equivalent amount to equity is recorded as the net amount) are not included in the table below. (Please refer to Note 1.)

In addition, the fair value of cash is not disclosed, and the fair values of deposits, notes and accounts receivable-trade, electronically recorded monetary claims, negotiable certificates of deposit in securities, Income taxes receivable, notes and accounts payable-trade, electronically recorded obligations, and accounts payable-other are not disclosed because their maturities are short and the carrying values approximate fair value.

(Millions of yen)

	Carrying Amount	Fair Value	Difference
Securities and investment securities			
Available-for-sale securities	78,473	78,473	-
Stock of associated company	652	5,518	4,865
Bonds	40,336	41,949	1,613
Derivative transactions *	(29)	(29)	-

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

(Notes)

1. Unmarketable Stocks and other Securities

(Millions of yen)

Category	Carrying Amount
Unlisted stocks	1,203
Rights under limited partnership agreements for investment	930
Stocks of unconsolidated subsidiaries and associated companies	1,109

These financial instruments are excluded from "Securities and investment securities."

2. 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	291,154	-	-	-
Notes and accounts receivable-trade	100,472	-	-	-
Electronically recorded monetary claims	9,277	-	-	-
Securities and investment securities				
Available-for-sale securities with contractual maturities (corporate bonds)	5,418	7,878	-	-
Available-for-sale securities with contractual maturities (other)	32,700	-	-	-
Income taxes receivable	1,884	-	-	-

3. 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	-	-	-	-

3. Financial Instruments Categorized by Fair Value Hierarchy

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is classified at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(1) The financial assets and liabilities measured at the fair values in the consolidated balance sheet

(Millions of yen)

Category	Fair Value			
	Level1	Level2	Level3	Total
Securities and investment securities				
Available-for-sale securities				
Stocks	59,437	-	-	59,437
Bonds	-	12,622	-	12,622
Others	1,452	4,961	-	6,413
Derivative transactions	-	(29)	-	(29)

(2) The financial assets and liabilities not measured at the fair values in the consolidated balance sheet

(Millions of yen)

Category	Fair Value			
	Level1	Level2	Level3	Total
Securities and investment securities				
Stock of associated company	5,518	-	-	5,518
Bonds	-	41,949	-	41,949

(Notes) Description of valuation methods and inputs used for the measurement of the fair value of assets and liabilities

Securities and investment securities

The fair values of listed stocks and corporate bonds are measured at the quoted market prices. Since listed stocks are traded in active markets, the fair values of listed stocks are categorized as Level 1. As the quoted market prices of corporate bonds are not considered to be in active markets due to low market transactions, the fair values of corporate bonds are classified as Level 2.

Derivative transactions

The fair values of foreign currency forward contracts are measured by using discounted present value techniques considering observable inputs such as interest rates and foreign currency exchange rate and are classified as Level 2.

Bonds

The fair values of bonds are measured at the quoted market prices. As the quoted market prices of bonds are not considered to be in active markets due to low market transactions, the fair values of bonds are classified as Level 2.

Notes to Revenue Recognition

1. Information on the Disaggregation of Revenue from Contracts with Customers

The Table below lists information on the disaggregation of revenue from contracts with customers.

(Millions of yen)

	Reportable segments				Others*	Total
	LSI	Discrete semiconductor devices	Modules	Total		
Sales						
Japan	83,883	58,241	8,714	150,838	4,339	155,178
Asia	129,515	114,572	21,199	265,287	15,091	280,379
Americas	11,518	11,728	1,559	24,807	4,906	29,713
Europe	8,787	27,698	2,852	39,338	3,272	42,610
Revenues from contracts with customers	233,704	212,241	34,326	480,271	27,610	507,882
Other revenues	-	-	-	-	-	-
Sales to external customers	233,704	212,241	34,326	480,271	27,610	507,882

* "Others" is an operational segment that is not included in reportable segments, consisting of business in resistors and tantalum capacitors.

2. Information serving as the basis for understanding revenues arising from contracts with customers

Information serving as the basis for understanding revenues arising from contracts with customers is described under "4. Accounting Policies: (4) Basis for significant revenues and expenses".

3. The relationship between satisfaction of performance obligations and cash flow based on contracts with customers, and amounts and points of time of revenues expected to be recognized in the following consolidated fiscal year or later arising from contracts with customers as of March 31, 2023

The Group records the portion of prices received from customers in sale of electronic components based mainly on individual contracts in excess of the amount already recognized as revenues as advances received until the performance obligations arising from transfer of the goods or services have been fulfilled. These are included under other current liabilities on the consolidated balance sheet. The amounts of advances received as of March 31, 2023 and the amount of revenues recognized in the consolidated fiscal year included in contract liabilities as of the start of the fiscal year are minor.

There are no balances of contract assets as of March 31, 2023.

Notes to per Share Information

Equity per share	9,321.95 yen
Net income per share	818.65 yen

Non-consolidated Balance Sheet

As of March 31, 2023

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	312,619	Current liabilities	108,360
Cash and deposits	76,279	Accounts payable—trade	53,318
Notes receivable—trade	217	Electronically recorded obligations	7,330
Accounts receivable—trade	97,735	Accounts payable—other	17,054
Electronically recorded monetary claims	8,859	Accrued expenses	10,839
Securities	35,393	Income taxes payable	18,037
Merchandise and finished products	29,227	Deposits received	1,255
Work in process	11,035	Other	525
Raw materials and supplies	14,912	Long-term liabilities	49,940
Prepaid expenses	672	Bonds	40,336
Short-term loans receivable	1,780	Deferred tax liabilities	7,448
Accounts receivable—other	33,001	Liability for retirement benefits	2,105
Other	3,508	Provision for share-based remuneration	32
Allowance for doubtful accounts	(4)	Asset retirement obligations	18
		Total liabilities	158,301
Fixed assets	361,057	(Equity)	
Tangible fixed assets	88,463	Shareholders' equity	481,357
Buildings	19,975	Common stock	86,969
Structures	372	Capital surplus	97,266
Machinery and equipment	11,837	Additional paid-in capital	97,253
Vehicles	4	Other capital surplus	12
Furniture and fixtures	1,452	Retained earnings	337,002
Land	42,251	Legal reserve	2,464
Construction in progress	12,568	Other retained earnings	334,537
Intangible fixed assets	4,153	Reserve for research and development	1,500
Goodwill	497	Other reserve	243,500
Patents	368	Retained earnings carried forward	89,537
Software	3,179	Treasury stock	(39,880)
Other	108	Valuation and translation adjustments	34,017
Investments and other assets	268,440	Unrealized gain on available-for-sale securities	34,017
Investment securities	75,132		
Investment in subsidiaries and associated companies	123,939	Total equity	515,374
Long-term loans receivable	56,472		
Long-term prepaid expenses	4,658	Total liabilities and equity	673,676
Prepaid pension cost	2,389		
Other	6,272		
Allowance for doubtful accounts	(425)		
Total assets	673,676		

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

Non-consolidated Statement of Income

From April 1, 2022 to March 31, 2023

(Millions of yen)

Accounts	Amount	
Net sales		434,951
Cost of sales		320,380
Gross profit		114,571
Selling, general and administrative expenses		60,880
Operating income		53,691
Non-operating income		
Interest and dividend income	4,910	
Foreign currency exchange gain	8,414	
Technical advisory fees	3,761	
Management advisory fees	911	
Other	1,120	19,119
Non-operating expenses		
Commission fees	9	
Loss on investments in investment partnerships	33	
Depreciation of assets for rent	24	
Settlement package	15	
Other	4	89
Ordinary income		72,721
Extraordinary gains		
Gain on sale of fixed assets	2,718	2,718
Extraordinary losses		
Loss on sale and disposal of fixed assets	365	
Loss on impairment of fixed assets	1,490	
Loss on impairment of investment securities	622	2,478
Income before income taxes		72,960
Income taxes—current	21,113	
Income taxes—deferred	(1,172)	19,941
Net Income		53,019

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

Non-consolidated Statement of Changes in Equity

From April 1, 2022 to March 31, 2023

(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	7	97,261	2,464	1,500	243,500	57,128	304,593	(39,915)	448,908
Changes in the year											
Dividends								(20,610)	(20,610)		(20,610)
Net income								53,019	53,019		53,019
Purchase of treasury stock										(6)	(6)
Disposal of treasury stock			5	5						41	46
Net changes in items other than shareholders' equity											
Total changes in the year	-	-	5	5	-	-	-	32,409	32,409	34	32,449
Balance at the end of the year	86,969	97,253	12	97,266	2,464	1,500	243,500	89,537	337,002	(39,880)	481,357

	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	39,325	39,325	488,233
Changes in the year			
Dividends			(20,610)
Net income			53,019
Purchase of treasury stock			(6)
Disposal of treasury stock			46
Net changes in items other than shareholders' equity	(5,307)	(5,307)	(5,307)
Total changes in the year	(5,307)	(5,307)	27,141
Balance at the end of the year	34,017	34,017	515,374

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

Notes to Non-consolidated 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 stocks and other securities classified as available-for-sale securities are stated at fair value, 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. Unmarketable stocks and other 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 ROHM Co., Ltd (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. Basis for significant revenues and expenses

The details of major performance obligations and the ordinary point in time of satisfaction of these performance obligations (ordinary point of time of revenue recognition) in major businesses related to revenues arising from contracts with customers of the Company are as described below.

In accordance with the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), the Company recognizes revenues from contracts with customers except transactions related to financial instruments within the scope of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10) and lease transactions within the scope of the Accounting Standard for Lease Transactions (ASBJ Statement No. 13) by applying the following steps:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligations in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

The Company sells large-scale integrated circuits (analog devices, logic, memory), semiconductor devices (transistors, diodes, light-emitting diodes, semiconductor lasers), modules (print heads, optical modules), and other electronic components (resistors, tantalum capacitors). The Company recognizes revenue when a performance obligation is satisfied by transferring an electronic component to a customer since the customer obtains control of the component at the time of delivery.

5. Other Significant Conditions in Preparing Non-consolidated 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 non-consolidated 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 non-consolidated 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.

Significant Accounting Estimate

Valuation of tangible fixed assets (Impairment of fixed assets)

(1) Carrying amount on Non-consolidated Financial Statements of Fiscal Year ended March 31, 2023

Tangible fixed assets 88,463 million yen

(2) Information on the significant accounting estimate

The Company 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 Company 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 Company estimates the growth rate by considering market forecast data provided from external market research organizations, continuous sales trends, the Company's production plan, orders from customers and the sustained expansion of the Company's production capacity.
- 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 Company will not estimate any growth after the final year covered in the business plan due to future uncertainty. The Company 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.

Notes to Non-consolidated Balance Sheet

1. Accumulated Depreciation of Tangible Fixed Assets

126,523 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 383 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	0
Land	365

3. Guarantees

The Company guarantees subsidiaries' liabilities as follows:

	(Millions of yen)
ROHM HAMAMATSU CO., LTD.	86
KIONIX, INC.	303
SICRYSTAL GMBH	2,150

4. Receivables from and Payables to Subsidiaries and Associated Companies

	(Millions of yen)
Short-term receivables from subsidiaries and associated companies	84,822
Long-term receivables from subsidiaries and associated companies	56,472
Short-term payables to subsidiaries and associated companies	47,329

Notes to Non-consolidated Statement of Income

Transactions with Subsidiaries and Associated Companies

		(Millions of yen)
Operating transactions	Net sales	291,906
	Purchase and subcontract processing	258,465
	Other operating expenses	3,940
Non-operating transactions	Non-operating income	5,416
	Non-operating expenses	31
	Sale of assets	50,941
	Purchase of assets	1,810

Notes to Non-consolidated Statement of Changes in Equity

Type and number of treasury stock as of March 31, 2023

Common shares	4,857,278 shares
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(Note) Number of treasury stock includes 4,884 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	261
Investment in subsidiaries and associated companies	25,317
Inventories	1,591
Depreciation	1,669
Accrued enterprise tax	1,084
Accrued expenses	2,698
Liability for retirement benefits	642
Allowance for doubtful accounts	131
Loss on impairment of fixed assets	1,792
Other	198
Subtotal	35,388
Valuation allowance	(27,348)
Total	8,039
Deferred tax liabilities	
Prepaid pension cost	(728)
Unrealized gain on available-for-sale securities	(14,720)
Other	(39)
Total	(15,488)
Net deferred tax liabilities	(7,448)

Notes to Related Party Transactions

Type	Company Name	Voting Right Ratio by ROHM	Relationship	Transaction	Amount of Transaction (Millions of yen)	Account	Year-End Balance (Millions of yen)
Subsidiaries	ROHM HAMAMATSU CO., LTD.	100%	Processing subcontractor for ROHM	Product processing by contract *1	23,902	Accounts receivable—other	3,637
				Sales of outsourced production facilities *2	8,370	Accounts payable—trade	2,771
				Lending of funds *3	23,000	Accounts payable—other	153
	ROHM APOLLO CO., LTD.	100%	Processing subcontractor for ROHM	Product processing by contract *1	28,352	Long-term loans receivable	23,000
				Sales of tangible fixed assets *4	8,091	Accounts payable—trade	2,097
	LAPIS TECHNOLOGY CO., LTD.	100%	Products supplier for ROHM	Purchase of products *5	38,869	Accounts payable—other	4,177
	ROHM ELECTRONICS PHILIPPINES, INC.	100%	Processing subcontractor for ROHM	Product processing by contract *1	43,583	Accounts receivable—other	72
						Accounts payable—trade	2,170
	ROHM INTEGRATED SYSTEMS (THAILAND) CO., LTD.	100%	Processing subcontractor for ROHM	Product processing by contract *1	48,100	Accounts payable—other	0
	ROHM SEMICONDUCTOR (SHANGHAI) CO., LTD.	100%	Wholesaler of ROHM products	Product sales *6	35,928	Accounts receivable—other	7,249
	ROHM SEMICONDUCTOR Hong Kong CO., LTD.	100%	Wholesaler of ROHM products	Product sales *6	89,140	Accounts payable—trade	10,315
	ROHM SEMICONDUCTOR Taiwan CO., LTD.	100%	Wholesaler of ROHM products	Product sales *6	35,612	Accounts payable—other	92
	ROHM SEMICONDUCTOR GmbH	100%	Wholesaler of ROHM products	Product sales *6	27,221	Accrued expenses	18
SICRYSTAL GMBH	100%	Raw materials supplier for ROHM	Lending of funds *3	19,719	Accounts receivable—other	8,987	

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. The sales of outsourced production facilities are determined based on certain standards that use cost as a base.
- *3. Interest rates applied to loan receivables are determined based on market interest rates, which are considered economically reasonable.
- *4. The sales of tangible fixed assets are determined based on certain standards that use cost as a base.

- *5. Product purchase prices are determined in consideration of the market prices of products.
- *6. Terms and conditions for product sales are determined based on those generally used for transactions with third parties.

Notes to Revenue Recognition

The information that provides a basis for recognizing revenue from contracts with customers is omitted since the same information is provided on “Notes to Consolidated Financial Statements - Notes to Revenue Recognition”.

Notes to per Share Information

Equity per share	5,251.28 yen
Net income per share	540.24 yen

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

INDEPENDENT AUDITOR'S REPORT

May 8, 2023

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

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:
Tomoyuki Suzuki

Designated 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, 2023, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2022 to March 31, 2023, 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, 2023, 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.

Other Information

Management is responsible for the other information. 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 other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 judgment. 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 8, 2023

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

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:
Tomoyuki Suzuki

Designated 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, 2023, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 65th fiscal year from April 1, 2022 to March 31, 2023, and the related notes and the accompanying supplemental 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, 2023, 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.

Other Information

Management is responsible for the other information. 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 other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 judgment. 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 Report (Translation)

Audit Report

The audit and supervisory committee has audited the directors' performance of their duties for the 65th business year from April 1, 2022 to March 31, 2023 and reports as follows in regard to the method and results of those audits.

1. Method and Contents of Audits

In regard to the content of resolutions of the board of directors regarding the matters stated in Article 399-13, paragraph (1), items (i)(b) and (i)(c) of the Companies Act, as well as the systems developed pursuant to those resolutions (i.e., internal control systems), the audit and supervisory committee periodically received reports from directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto, in addition to which the audit and supervisory committee conducted audits using the following methods.

- ① In accordance with the audit policies and division of duties, etc. determined by the audit and supervisory committee, and in cooperation with the internal control department of the company, the audit and supervisory committee attended important meetings, received reports from directors and employees, etc. regarding matters related to the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations by on-site and remote audit. Additionally, in regard to subsidiaries, the audit and supervisory committee communicated and exchanged information with the directors and company auditors, etc. of subsidiaries and received reports on business from subsidiaries as necessary.
- ② In regard to the Basic Policies Related to the Company's Ownership Control as stated in the business report, the audit and supervisory committee considered the contents thereof taking into account matters such as the status of deliberations at meetings of the board of directors and other deliberations.
- ③ The audit and supervisory committee oversaw and verified whether the Independent Auditor maintained an independent position and conducted an appropriate audit, received reports from the Independent Auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the audit and supervisory committee received notification from the Independent Auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, November 16, 2021), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary. In regard to Key Audit Matters, we discussed with the Independent Auditor and received reports of their audit and asked additional questions as necessary.

Using the methods above, the audit and supervisory committee examined the business report, the supplementary schedules thereto, the accounting documents (i.e., the balance sheet, statement of income, statement of changes in net assets, and explanatory notes to accounting documents), the supplementary schedules to the accounting documents, and the consolidated accounting documents (i.e., the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and explanatory notes to consolidated accounting documents) for the business year.

2. Audit Results

(1) Result of audit of business report, etc.

- ① We find that the business report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation.
- ② We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the directors' performance of their duties.
- ③ We find the content of the resolutions of the board of directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the directors' performance of their duties relating to the internal control systems.
- ④ We do not find any matters that should be commented upon in regard to the Basic Policies Related to the Company's Ownership Control stated in the business report.

(2) Results of audit of accounting documents and supplementary schedules thereto

We find the methods and results of the audit by the Independent Auditor, Deloitte Touche Tohmatsu LLC, to be reasonable.

(3) Results of audit of consolidated accounting documents

We find the methods and results of the audit by the Independent Auditor, Deloitte Touche Tohmatsu LLC, to be reasonable.

May 9, 2023

Audit and Supervisory Committee,
ROHM Co., Ltd.

Audit and Supervisory Committee member (full time)
Hiroyuki Nii

Audit and Supervisory Committee member (full time)
Masahiko Yamazaki

Audit and Supervisory Committee member
Hidero Chimori

Audit and Supervisory Committee member
Toshiro Miyabayashi

Audit and Supervisory Committee member
Kumiko Tanaka

(Note) Hiroyuki Nii, Hidero Chimori, Toshiro Miyabayashi and Kumiko Tanaka of the audit and supervisory committee are outside directors provided for in Article 2 (xv) and Article 331 (6) of the Companies Act.

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

— End —