

ROHM Group Integrated Report

2018



Company Mission・ Management Policy

The ROHM Group has communicated the Company Mission to its employees since its establishment in order to become a company that can be trusted and relied upon by society

■ Company Mission

Quality is our top priority at all times.

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

■ Management Policy

Policies to achieve the Company Mission are laid out and serve as guidelines for all business activities. Although the environment surrounding the company has changed with the emergence of an information-based society and increased diversification of values, these policies remain unchanged and serve as the driving force and foundation of all business activities.

【BASIC MANAGEMENT POLICY】

Secure reasonable profit through a concerted company-wide effort for a comprehensive quality assurance program. Develop globally leading products by improving upon technologies held by each department for continued advancement of the company. Maintain healthy and vigorous lifestyles and refine intellect and humanitarianism, hence contributing to society.

Search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity.

【BASIC GOALS FOR EDUCATION AND TRAINING】

1. Develop personnel at all levels to constantly strive to obtain new knowledge and to acquire empirical reasoning ability from a broad perspective.
2. Train staff to be dedicated as leaders in their field by utilizing their knowledge and experience.
3. Develop personnel who can overcome any adversity and strive towards achieving targets.
4. Train staff to place the highest value on teamwork, resulting from the combined efforts of all individuals.

【BASIC QUALITY ASSURANCE POLICY】

1. Promote internal standardization for the whole company and establish structures for QC management by data.
2. Conduct comprehensive and continuous research for the development of new technologies and products.
3. Proactively utilize methods of statistical control for all areas of company activities.
4. Establish quality assurance structures for all manufacturing processes.
5. Exert effort for cost reductions of each product by continual modernization of manufacturing systems.
6. Secure quality assurance programs of raw materials and components with our suppliers through contracts.

【BASIC POLICY FOR EDUCATION AND TRAINING】

1. All employees will use every available opportunity to enhance self-development.
2. Those in leadership positions will exemplify model behavior at all times.
3. The emphasis of education is on-the-job training led by the supervisors through daily operations. Supplementary training off the job is also provided.
4. Each head of all management levels will appraise staff fairly and conduct effective training programs periodically and consistently.
5. Appraisals for each head of all management levels is based, as a general rule, on the success of staff education and training.

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Editorial Policy

The purpose of publishing this report

The ROHM Group actively strives towards achieving a sustainable society through innovations in product and management quality. This year, we start publishing “Integrated Report” to present our progress of incorporating SDGs and ESG into our business activities to our stakeholders and increase comprehensive understanding

of both financial and non-financial information of the ROHM Group. This report integrates our public disclosed information and aims to report in a way for stakeholders to better understand the value ROHM has given to the society.

Reporting Organizations

ROHM Co., Ltd. and all companies of the ROHM Group
(affiliated companies in Japan and abroad)

Reporting Period

Fiscal year 2017 (April 1st, 2017 to March 31th, 2018)
Reports on events and initiatives before and after this period are also discussed in section.

Data published

December 2018 (Next issue: September 2019)

Guidelines used for reference

- GRI Standards “GRI Sustainability Reporting Standards”
- ISO 26000: 2012 Guidance on Social Responsibility
- Ministry of the Environment’s Environmental Reporting Guidelines 2012 Version
- RBA Code of Conduct Ver. 6.0
- UNGC 10 principles

Relationship with other reports

Integrated Report (PDF)	
Financial information	Non-financial information
<ul style="list-style-type: none">• Financial Report• Financial Statements English Version• Quarterly Report• Investor Relations Home Page	<ul style="list-style-type: none">• ROHM Group Corporate Profile• Corporate governance Report• Environmental Data Book• CSR Home Page

Websites (URL) for reference:

Company Information	http://www.rohm.co.jp/company
CSR Initiatives	http://csr.rohm.com/jp/
Investor Relations	http://www.rohm.co.jp/investor-relations

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Top Commitment

— ROHM's Management Strategy — Achieving a Sustainable Society



Tadanobu Fujiwara,
President

This year marks the 60th anniversary of ROHM, which was founded in 1958 as a resistor manufacturer.

On behalf of everyone at ROHM I would like to give thanks and express how grateful we are to all of our stakeholders.

For 60 years, in the midst of a business environment that has undergone significant changes and endured numerous difficulties, we remain steadfast in our resolve to contribute to the advancement of culture and society by providing innovative, high-quality products based on our Company Mission established since ROHM was founded.

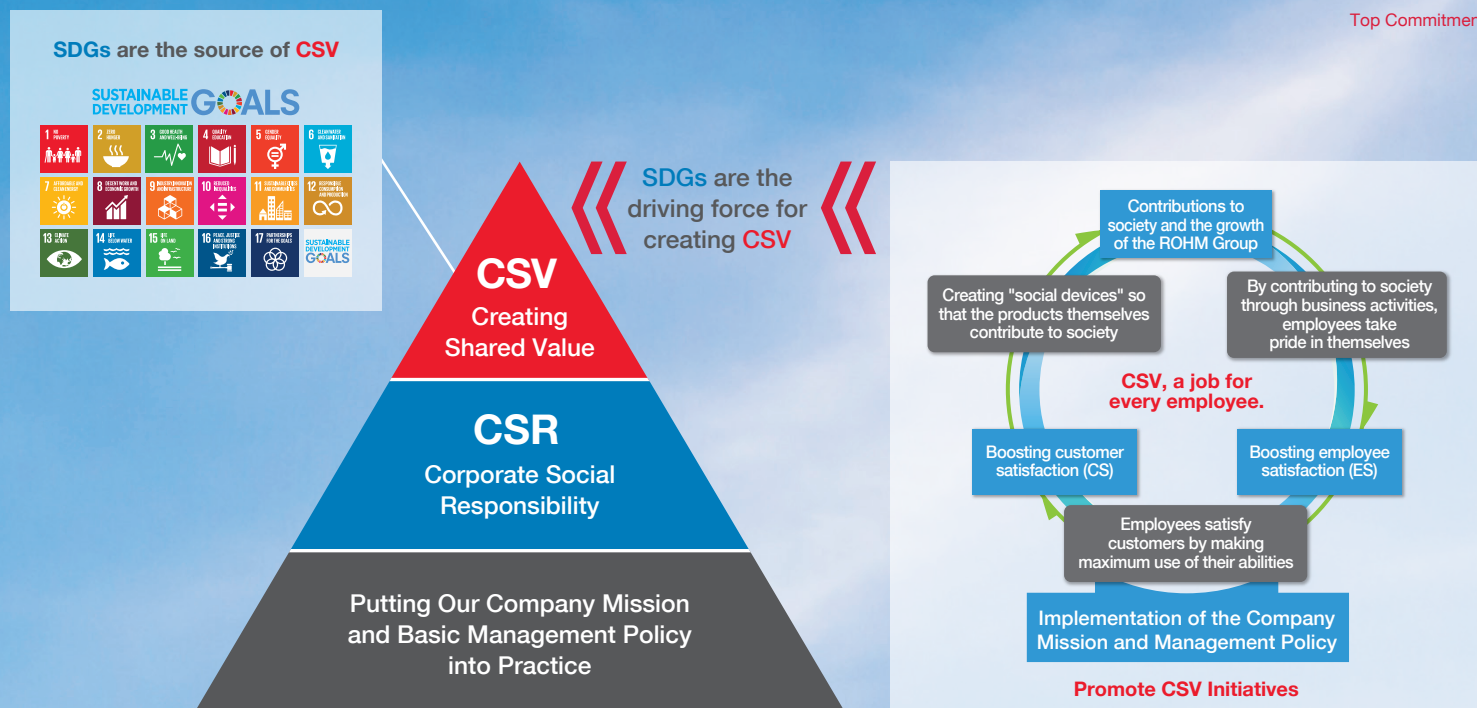
At the same time, we will continue to promote CSV (Creating Shared Value) activities and work to resolve social issues (SDGs - Sustainable Development Goals).

Under our new organization, each employee will carry out our Company Mission and Basic Management Policy to achieve further growth while continuing to pursue new methods to improve quality.

'Quality First' - Unwavering since our founding~Enhancing the Quality of Products and Management through the Implementation of the Company Mission~

ROHM offers a number of products that have become key devices in a wide range of fields, particularly in the industrial equipment market where energy conservation and IoT conversion are required, as well as in the automobile industry which is experiencing increased innovation. Supporting our product development is a vertically integrated production system in which all steps, from development to production, are implemented within the Group. "Quality is our top priority at all times" has become our mindset from the very beginning and one which we continue to maintain and protect. Infusing a high level of quality into every process ensures reliable traceability and an optimized supply chain, allowing us to

contribute not only through our products but an in-house manufacturing system as well that guarantees stable delivery. Aside from enhancing the quality of products, ROHM finds value in improving the quality of management, which determines the dignity of the company. We reduce all kinds of waste and wasteful practices to achieve efficient manufacturing and to reduce our environmental impact to the lowest possible level. By working to minimize waste and wasteful practices on the shop floor, we seek to reduce greenhouse gas emissions and save natural resources and energy in our production processes.



ROHM's Founding Philosophy of CSV in Relation to the SDGs

Achieving the UN's Sustainable Development Goals (SDGs) has become a shared objective for the international community, highlighting the need for worldwide efforts in this direction. Underlying this objective is a global awareness of the importance of sustainability-oriented solutions, including measures to cope with food and water shortages as well as to mitigate natural disasters and global warming associated with climate change. This is particularly important as the global population will reach as many as 8.5 billion people by 2030, according to empirical predictions. The ROHM Group recognizes the need to take the initiative toward the achievement of the SDGs.

As part of its business activities, the ROHM Group has been working toward resolving energy problems and other social issues under the concept of "Creating Shared Value (CSV)," which expresses our goal of resolving social issues while enhancing corporate values. The idea of CSV is nothing new to ROHM. It has been at the core of our business since the company's founding, as stated in our Company Mission: "Our objective is to contribute to the advancement and progress of our culture through a consistent supply of high quality products in large volumes to

the global market." Although the size of the company and our business environment have changed substantially over more than 60 years since ROHM was established, the spirit of CSV has been passed down over generations and become woven into our corporate DNA as an underlying principle.

The SDGs are now a driving force of CSV. We believe that we can better satisfy our stakeholders and widely contribute to society when every one of our employees acts in accordance with the Company Mission and the Basic Management Policy and pursues CSV by developing innovative products that help resolve social issues and by producing high quality products. Over the long term, this will enhance our employees' confidence and pride and motivate them to take on new challenges, thus driving both the company and society to grow.

The ROHM Group builds its CSV activities around this virtuous cycle. We seek to become a company that can meet our stakeholders' expectations by gathering diverse human assets from around the world and helping them perform to the fullest of their abilities, while delivering trust and integrity in business operations.

Maintain healthy and vigorous lifestyles and refine intellect and humanitarianism, hence contributing to society

More than anything, it is the 'people' that make the greatest contribution in all corporate activities, and in fact this word can be found in our Basic Management Policy. In an increasingly diversified society, we carry out workplace reforms and accelerate corporate activities by creating a thriving environment that allows every ROHM Group employee to express their individuality and abilities to the fullest, with the goal of meeting the expectations of our stakeholders. We also believe that ROHM employees should have a strong sense of in humanity, including morality, aspiration and modesty, in addition to a desire to pursue knowledge and expertise.

The ROHM Group is resolved to develop balanced human resources endowed with spirit, technique, and physical strength and pass ROHM's DNA on to them. This will ensure fair and sophisticated practices in all domains of business.

The ROHM Group continues to strive to help our employees act in accordance with the Company Mission, to contribute to society through innovative product development and high quality manufacturing, and to become a corporation that will meet the expectations of our stakeholders.

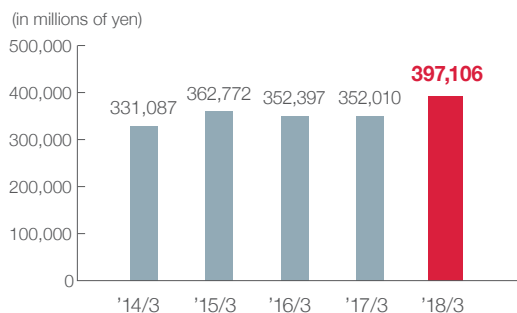
Key Financial Highlights

Results as of
March 31, 2018

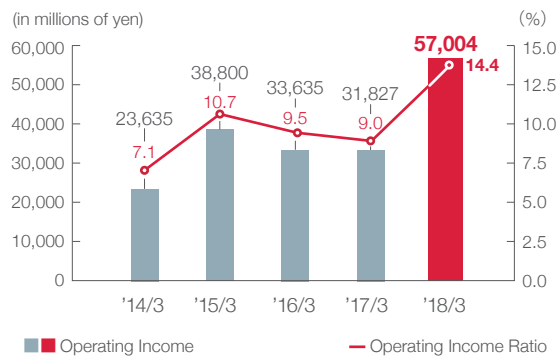
Net Sales	397,106 million yen	
Operating Income	57,004 million yen	(14.4%)
Ordinary Income	54,213 million yen	(13.7%)
Profit Attributable to Owners of Parent	37,249 million yen	(9.4%)

Figures in parentheses indicate percentage of sales

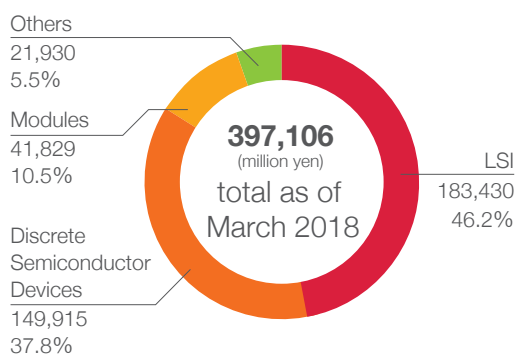
Sales



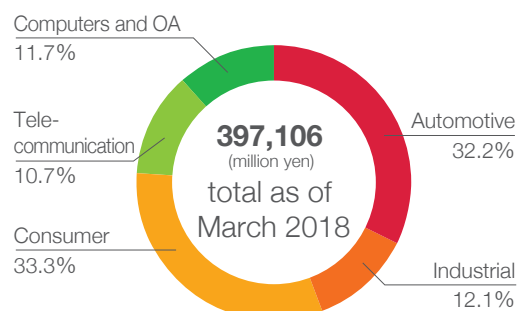
Operating Income/Operating Income Ratio



Sales by Segment



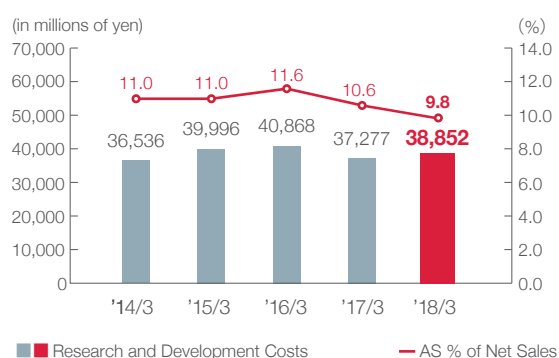
Sales by Application



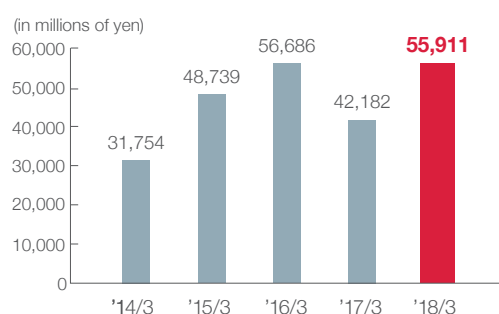
Note: Some figures are estimates.



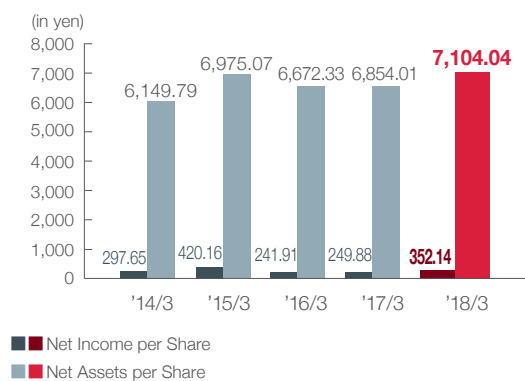
Research and Development Costs



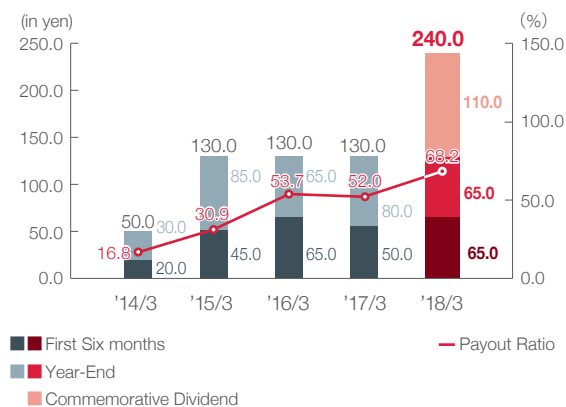
Capital Expenditures



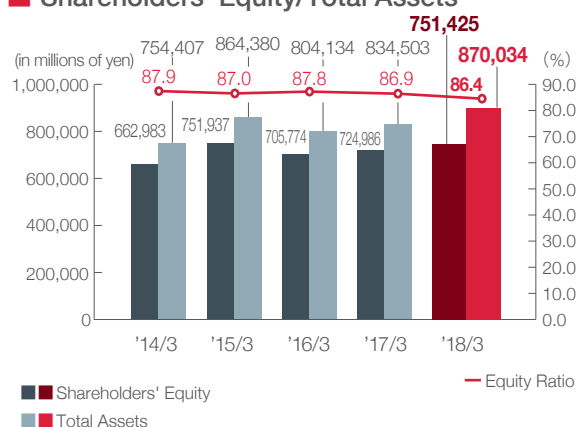
Net Income per Share/Net Assets per Share



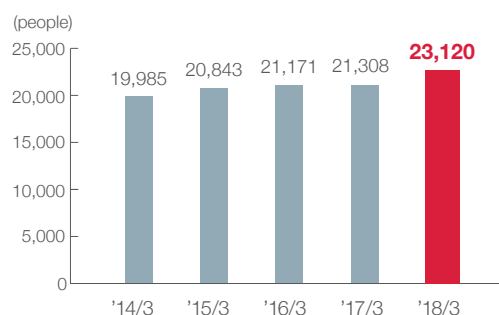
Dividends/Payout Ratio



Shareholders' Equity/Total Assets

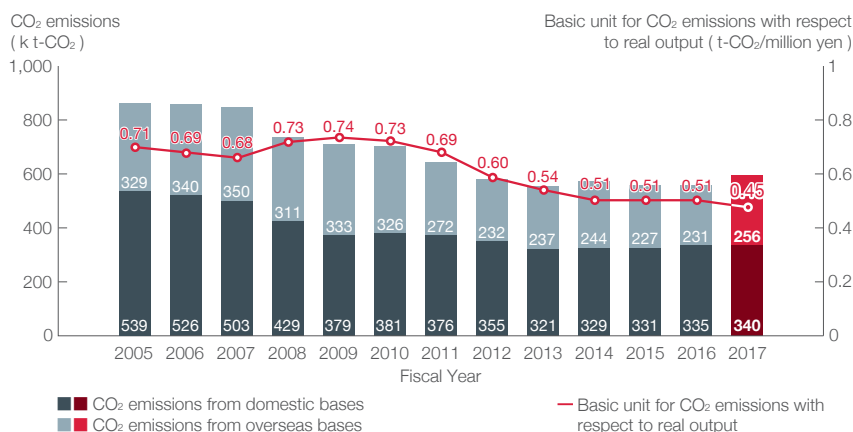


Number of Employees

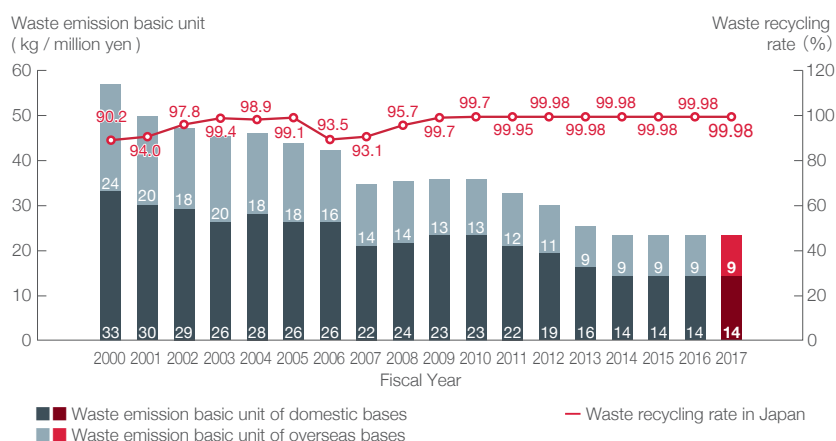


Key Non-Financial Highlights

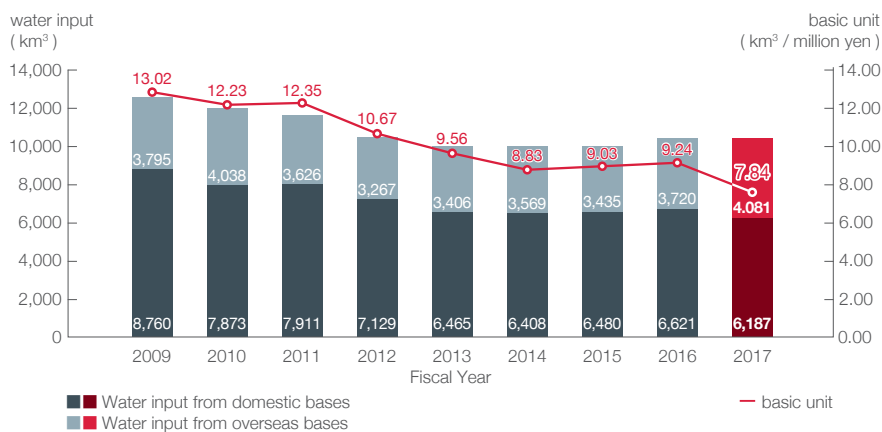
Reducing CO₂ Emission



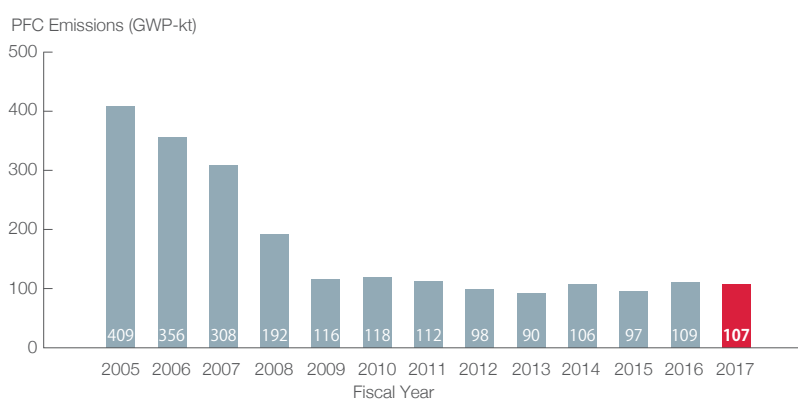
Reducing Waste



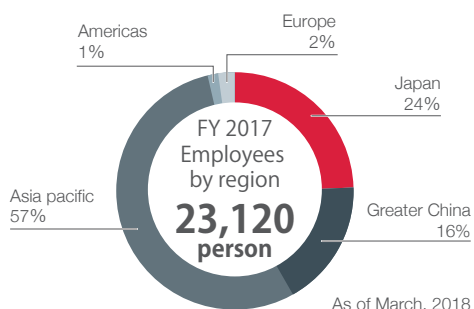
Reducing Water Consumption



Reducing PFC Gas Emission



Employees by Region



*Each categories includes as follows

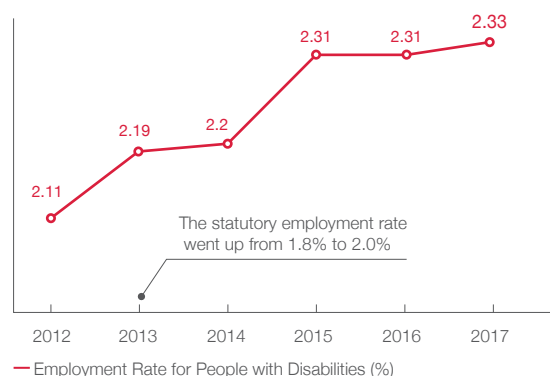
Americas : Including North America, Central America and South America

Europe: Including Europe, Russia, Africa and The Middle East

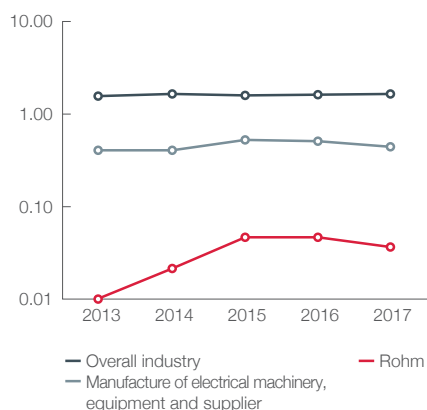
Greater China: Including China, Taiwan and Hong Kong

Southeast Asia: Including Southeast Asia, Korea, India and Oceania

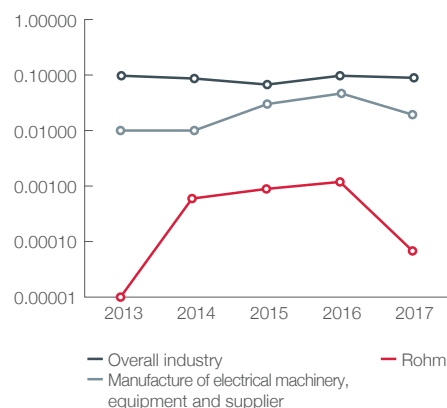
Disability Employment Rate



Occupational Incidence Rate



Occupational Incidence Severity



Participation in Global Initiatives

Participate in UN Global Compact

The United Nations Global Compact (UNGC) is an international initiative that enables businesses and other organizations to exercise responsible and creative leadership in order to achieve sustainable growth. Companies supporting UNGC must maintain 10 principles in the 4 areas of human rights,

labor, environment and anticorruption. The ROHM Group joined the membership of UNGC in May 2011 and continuing to support the 10 principles.



External (Third-party) Evaluation

ROHM is selected as one of the "FTSE 4 Good Index" components by British Index Company - FTSE Russell for 14 consecutive years. ROHM is also selected as the component of "FTSE Blossom Japan Index," which is the new ESG investor index established by Government Pension Investment Fund (GPIF).

ROHM was also selected as the component of "Morningstar Socially Responsible Investment Index" (MS-SRI) by the Japanese Morningstar Company and "ECPI Indices" by ECPI, which is an investment operational advisory that has launched bases in Luxemburg and Milan.



Basic Approach to Quality

“Quality is our top priority at all times. Our objective is to contribute to the advancement and progress of our culture through a consistent supply, under all circumstances, of high quality products in large volumes to the global market.” This is the basics of ROHM’s production. The entire management in ROHM is understood from the viewpoint of quality. We believe that the activities which improve the quality of products improve the quality of management, and as a result, further improve the quality of products. We think of this “product quality → management quality →

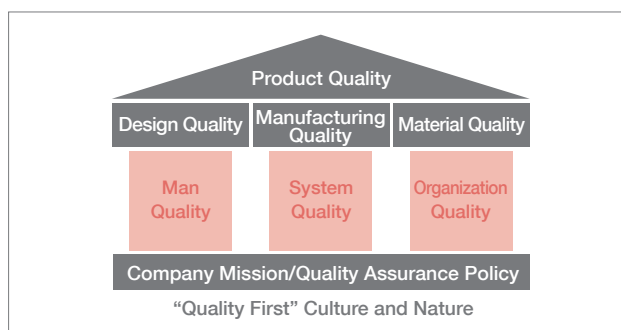
product quality” cycle as Quality Management. Profits are generated from the improved quality of the company, and these profits are in turn returned to the employees/customers/society along with investments for the future such as technology development and further equipment development, creating a spiral that improves product quality and management quality through high competitiveness. We believe that, the quality of the company is improved by improving the quality of the product, thus guiding its employees to happiness.

Quality Assurance Policy

1. Promote internal standardization for the whole company and establish structures for QC management by data.
2. Conduct comprehensive and continuous research for the development of new technologies and products.
3. Proactively utilize methods of statistical control for all areas of company activities.
4. Establish quality assurance structures for all manufacturing processes.
5. Exert effort for cost reductions of each product by continual modernization of manufacturing systems.
6. Secure quality assurance programs of raw materials and components with our suppliers through contracts.

【Quality Structure】

Product quality is composed of “design quality,” “manufacturing quality” and “material quality,” which are supported by “man quality,” “system quality” and “organization quality,” with Company Mission and Quality Assurance Policy as the foundation. Since these supporting 3 pillars are very important, continual improvement is done aimed at making them better and more stable.



Design	We develop and produce a wide range of products from chip resistors, tantalum capacitors, transistors, diodes, laser diodes, LED, power semiconductors, various kinds of sensors and LSI. This technological capability that produces so many	products contributes to the improvement of quality. ROHM place the importance not only the factories as the production sites but also the site of “customers”, to build the system to pick up the voices directly.
Machine/ Materials	Ever since ROHM’s foundation, we have manufactured equipment internally. Furthermore, we conduct TPM (Total Productive Maintenance) activities that are extremely strong structure for equipment. We manufacture our own equipment by ourselves, and can make the equipment run 24 hours without stopping through our “self-maintenance” system. In	other words, this means we are able to manufacture the same product in large quantities in an extremely stable environment with no differences among machines. Managing the structure of the machine, the critical factor for manufacturing process, realize us the highest level of Monodzukuri (manufacturing) that any competitor can not catch up.
Manufacturing	ROHM is able to eliminate waste at our production sites thoroughly by implementing RPS (ROHM Production System). Visualization of product flow and information flow without delays are necessary to realize it. We also handle sales activities on our	own, which is one of the biggest merits that we are able to receive any information directly from our customers without delay and ultimately contribute to the efficiency at production sites.
Continual Improvement	At ROHM, management is thought of as circulating the cycle of PDCA (Plan Do Check Act). The 55.7% of all employees have taken the Quality Management and Quality Control	Examination Grade 3 or higher. All divisions including Sales and Administration conduct present condition analysis through data for continual improvement.

【Quality Assurance Systems】

In order to provide in a timely manner the products that meet customers’ needs with production that ensures reliability and coexists with the global environment, we have established and are implementing quality systems that conform with the international quality system standards such as ISO9000 and IATF16949 as well as industry and customer requirements at all stages, from product planning to shipping/services. We are also implementing environmental management systems based on ISO14001.

【ROHM’s Manufacturing】

ROHM has used “anything that is different from the usual is an abnormality” as its most basic quality slogan. Basically, we believe that manufacturing “the best product [1 unit]” can lead us to manufacturing “the same products [in a large quantities].” Even if we add the overseas factories, we eliminate discrepancies among the factories and aim to supply products that customers can use with confidence.

Worldwide QA/Analysis Centers

QA centers have been established at major locations around the world, which provides geographical benefits, allowing ROHM's QA engineers to work closely with customers and quickly respond to quality demands.



KYOTO HQ Analysis Center

Development, and evaluation are carried out every day utilizing the latest analysis equipment and technologies to ensure the highest levels of quality and reliability.



ISO/IEC17025 certification was obtained for both X-ray fluorescence (XRF) and high-frequency plasma emission spectrometry (ICP-AES)

Main Awards from Customers～

1990	"Q1 Award" from Ford and "QLP Award" from AT&T for chip resistors (Both are awarded to makers whose QCDS are particularly excellent).
2005	"Quality Contribution Award" from Sony. "2003/2004 Supplier Award" from Bosch.
2009	"Quality Excellence Award" from Toyota Hirose Factory for the 2nd consecutive year. "Quality Excellence Award" from Denso during its inaugural quality recognition event.
2011	"World Excellence Award" from Ford.
2014	"Quality Supplier" from Delphi for the 3rd consecutive year.
2015	"Quality Excellence Award" from Continental for the 4th consecutive year.
2016	"Excellent Supplier" from GM for the 5th consecutive year. "Quality Excellence Award" from Toyota Hirose Factory for the 6th consecutive year. Recognized for excellence by Denso for the 5th consecutive year.
2017	"Supplier of the Year 2016" from Continental.

Vertically Integrated Production System

ROHM strives for “Quality First” as our Company Mission. Quality is incorporated into every process of our vertically integrated production system, from ingot pulling to finished products, embodying our quality-first pursuit.

We are further strengthening our activities to achieve the best production facilities in the world, for example through our proprietary ROHM Production System (RPS) that provides unparalleled quality by thoroughly removing all waste generated during operation, transportation, and delays.

High Quality

In pursuit of ‘Quality First’, we are engaged in activities to enhance quality in all processes, from development and production to marketing and services, throughout the entire Group.

Stable Supply

We deliver long-term, stable supply to ensure worry-free use of our products utilizing an integrated production system that is less susceptible to external factors.

Raw Materials

Wafer production from silicon ingot pulling



Raw silicon

Production Site: ROHM Apollo Co., Ltd. (Japan)

In-House Photo Mask

Pursuing high quality through integrated quality control, from IC chip design layout to photo mask production

Si
Silicon



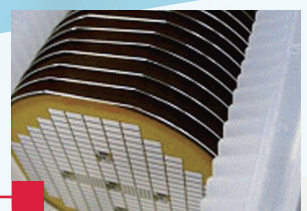
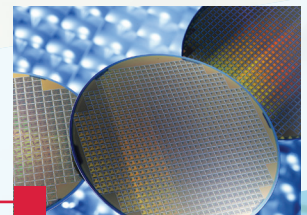
Silicon Ingot



CAD



Photo Mask



Wafer Process



Wafer

SiC
Silicon Carbide



SiCrystal

SiC Single-Crystal Wafer Manufacturer

SiCrystal, a German SiC single-crystal wafer manufacturer, became a member of the ROHM Group in 2009

Production Site: SiCrystal GmbH (Germany)

Wafer Process

Developing innovative devices from the wafer process, centered on our production facilities in Japan



ROHM Hamamatsu Co., Ltd.

Production Sites:

(Japan) ROHM Co., Ltd.

ROHM Hamamatsu Co., Ltd.

ROHM Wako Co., Ltd.

ROHM Apollo Co., Ltd.

LAPIS Semiconductor Co., Ltd.

LAPIS Semiconductor Miyagi Co., Ltd.

LAPIS Semiconductor Miyazaki Co., Ltd.

ROHM Shiga Co., Ltd.

(U.S.) Kionix, Inc.

In-house Dies and Lead Frames

To ensure the highest levels of quality, all dies for lead frames, lead frame punching, and molding are developed and produced in-house

Production Sites:

(Japan) ROHM Mechatech Co., Ltd.

(Philippines) ROHM Mechatech Philippines, Inc.

(Thailand) ROHM Mechatech (Thailand) Co., Ltd.



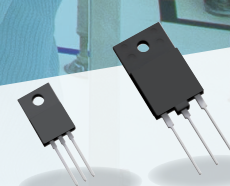
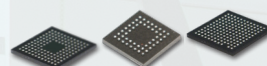
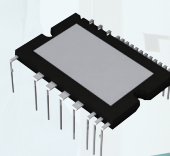
Frame



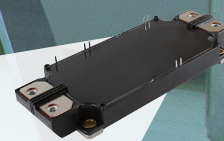
Die / Mold



Assembly Line



Packaging



Module

In-House Production System

We developed our own production system to precisely meet the needs of our customers.



▲ All production equipment developed in-house

State-of-the-Art Packages

Our overseas production facilities leverage the latest assembly technologies, including SiP, CSP, QFN and BGA.



ROHM Integrated Systems (Thailand) Co., Ltd.

Production Sites:

(Korea)

ROHM Korea Corporation

(Philippines)

ROHM Electronics Philippines, Inc.

(Thailand)

ROHM Integrated Systems (Thailand) Co., Ltd.

(China)

ROHM Semiconductor (China) Co., Ltd.

ROHM Electronics Dalian Co., Ltd.

(Malaysia)

ROHM-Wako Electronics (Malaysia) Sdn. Bhd.

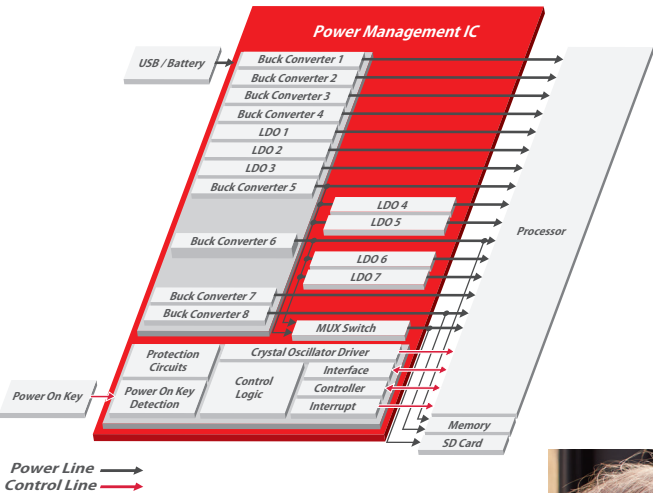
Analog

ROHM contributes to the enhancement of systems by leveraging unmatched analog technologies made possible through our vertically integrated production system



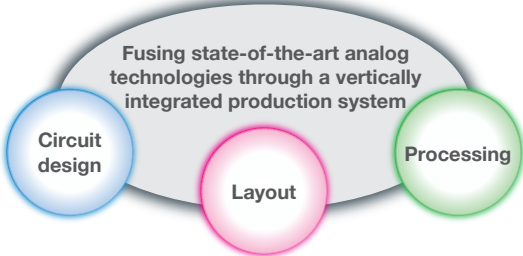
Power supply solutions for high-performance processors

ROHM continues to collaborate with top processor manufacturers to develop power management ICs that maximize processor performance in a wide range of fields including IT devices, automobiles and industrial equipment. We utilize processor power supply technologies cultivated over many years to provide the multiple power supplies and protection functions necessary for operation in an integrated package, contributing to system optimization and shorter development times.



Power supply solutions for 48V systems

Our Nano Pulse Control technology for ultra-high-speed pulse control was created through the fusion of analog technologies covering circuit design, layout and processes. We minimized the control pulse width of our power supply ICs down to the nanosecond to realize a breakthrough step-down ratio. This technology will allow us to make significant contributions towards smaller, simpler 48V systems, such as those used in mild hybrid vehicles and industrial robots.



We continue to develop products featuring industry-leading analog technologies



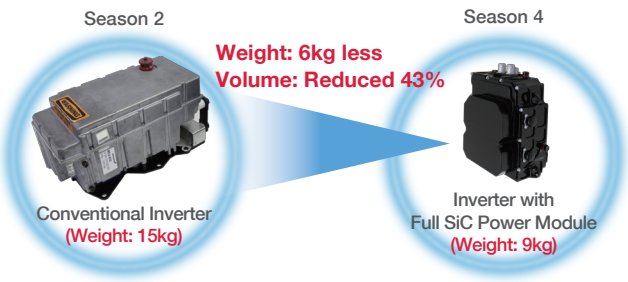
Power

Offering solutions for high-power applications with our industry-leading SiC devices at the core



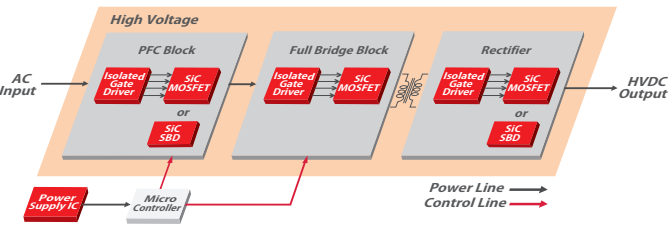
Inverters for Formula E

As a stage for showcasing electric vehicle innovation, Formula E continues to attract motorsports fans around the world. And as an official technology partner of Formula E team Venturi, ROHM contributes to the evolution of power electronics systems used in the premier racing class for electric vehicles through the supply of high-performance SiC devices.



SiC power solutions for onboard vehicle chargers

Electric vehicles require high-performance charging applications that can handle large amounts of power. ROHM offers power devices with superior characteristics centered on SiC devices as well as gate drivers that maximize performance to achieve greater miniaturization, higher output, and faster charging in battery-equipped applications.



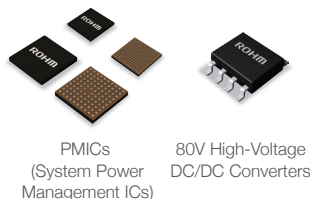
Product Line-Up

The ROHM Group offers a broad variety of products that contribute to solving social issues related to energy conservation, safety, and security, ranging from passive and discrete devices to ICs and modules.

Power Management/Power Supply ICs

ROHM contributes to the evolution of battery life and equipment systems by efficiently providing optimized power to the MCU and CPU, which serve as the brains of the device.

We provide solutions that combine both power supply ICs and control ICs customized to each application to ensure greater reliability and efficiency.



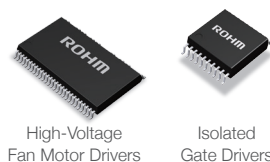
PMICs
(System Power
Management ICs)

80V High-Voltage
DC/DC Converters

Motor Driver ICs (Motor Controllers ICs)

Nearly half of the electric power consumed worldwide is said to be due to motors, and this power demand is only expected to rise as the number of motor-equipped products such as air conditioners and robots continues to increase.

ROHM develops high-precision motor driver ICs that ensure efficient motor drive, contributing to reduced power consumption worldwide.



High-Voltage
Fan Motor Drivers

Isolated
Gate Drivers

General-Purpose ICs

ROHM's broad lineup includes memory, op-amps/comparators, reset ICs, power supply ICs, data converters, and other products featuring systemized characteristics and packages that contribute to improved functionality in a range of devices.



Broad Package Lineup

Microcontrollers (Low-Power MCUs)



Our microcontrollers utilize proprietary low-power technology to deliver class-leading low energy consumption.

We offer a lineup of microcontrollers that stand up to harsh noise and high temperature environments, resulting in improved reliability and energy savings in home electronic appliances and industrial equipment.



16-bit Low-Power
Microcontrollers

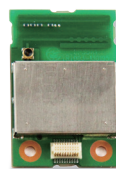
Wireless Communication Devices



We respond to the expanding needs of the IoT market with wireless communication devices that support a range of protocols, including Wi-SUN and Sigfox® that enable communication over long distances with minimal energy, as well as EnOcean®'s battery-free standard.



LPWA
Communication ICs
for Sigfox®



Wi-SUN
Modules

- Sigfox® is a registered trademark of SIGFOX S.A.
- EnOcean® is a registered trademark of EnOcean GmbH.

Transistors

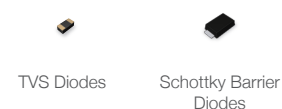
We are moving forward with expanding and enhancing our portfolio of high-power devices based on our industry-leading SiC MOSFETs while pursuing technologies in the compact, low-power sector.

This will allow us to contribute to greater power savings and miniaturization in industries ranging from automotive and industrial equipment to smartphones.



Diodes

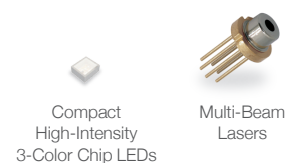
ROHM offers a wide lineup that provides low loss and high reliability in a variety of applications, including Schottky barrier diodes for rectifying the secondary side of power supply circuits, TVS (Transient Voltage Suppression) diodes widely used for circuit protection, and Zener diodes.



LEDs/Laser Diodes

We make compact, high-power devices a reality by combining proprietary device and precision processing technologies.

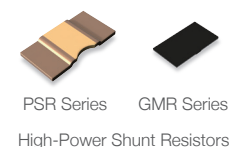
Recently, we have expanded our development into new fields such as motion and position sensors.



Resistors

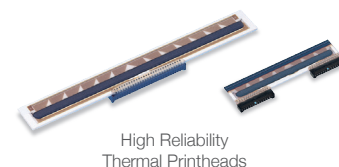
As a resistor pioneer, ROHM developed the world's first rectangular chip resistors in 1976 and continues to lead the industry.

We have further strengthened our product lineup with high reliability, high-power products that support the automotive and industrial equipment fields.



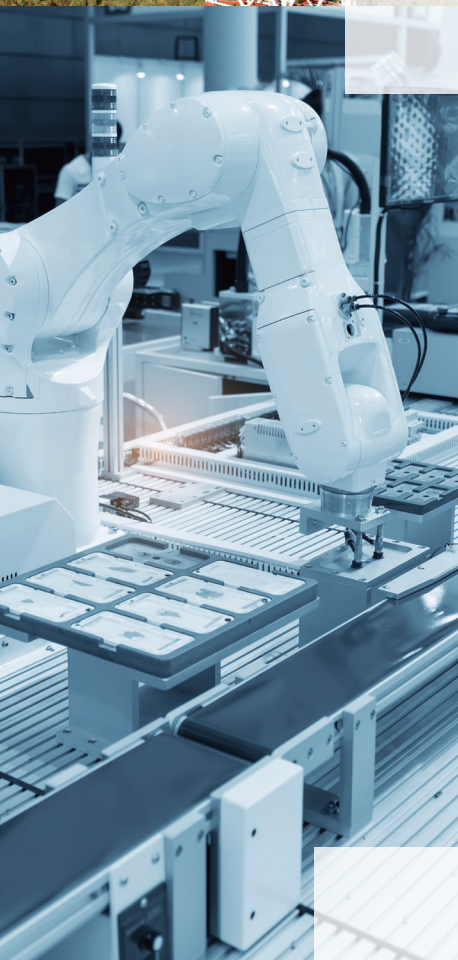
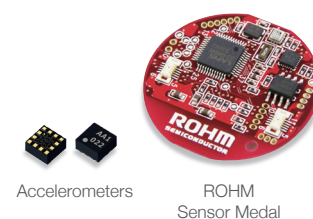
Thermal Printheads

Our thermal printheads command the top share in markets such as receipt and logistics barcode printers through the utilization of high reliability thin-film and deposition technologies.



Sensing Devices

ROHM creates a wide range of sensing devices by combining a variety of sensor elements that leverage MEMS (Micro-Electro Mechanical System) and photonics technologies with ASICs (Application-Specific Integrated Circuits) optimized for using these elements.



CSR/CSV Management Strategy

CSR and CSV Compromise the Core of Our Business Activities

The “Company Mission” and “Basic Management Policy” stated by the ROHM Group since its establishment serve as a root for establishing the “CSR Policy”. This “CSR Policy” will continue to evolve in response to our dialogue with our stakeholders and the shifts in international norms. By approaching CSR in this way, we will further develop our actualization of CSV to solve the issues of society.

We believe that the result of this will be that we will earn the trust of society and that it will lead to the sustainable growth of the company.

In addition, with the aim of contributing to the achievement of the SDGs(Sustainable Development Goals) adopted by the United Nation, the ROHM Group has committed itself to CSV activities to create values that help resolve social issues.



ROHM Group’s CSR Policy

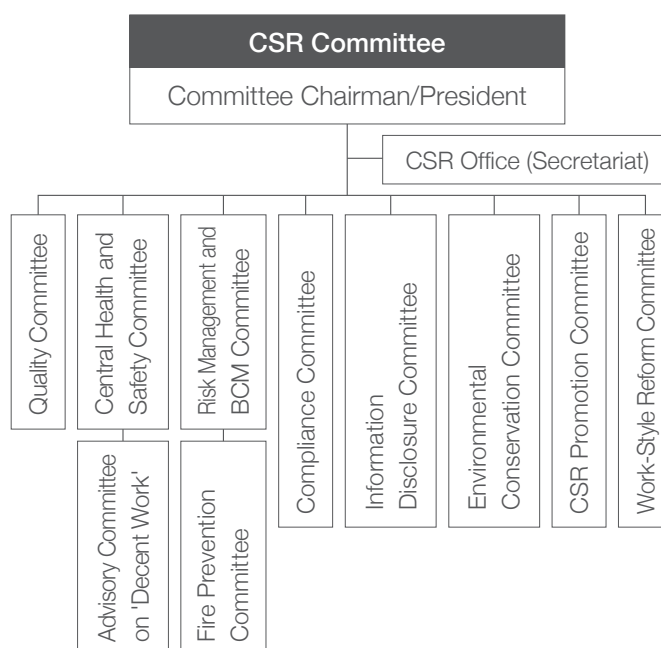
Customers	ROHM seeks to obtain customer satisfaction and confidence by continuing to supply of high quality products and services in a timely and appropriate manner. ROHM is also open to customer feedback and suggestions, and will evaluate them internally. ROHM places the highest priority on the safety of its products and strives to disclose relevant information as necessary.
Business Partners	ROHM selects its business partners according to equitable and rational criteria. ROHM values the relationship with its business partners and conducts equal and fair transactions for mutual prosperity.
Employees	ROHM strives to ensure a safe and pleasant working environment, respect human values and individuality, and create a fair and appropriate workplace where each employee may demonstrate individual initiative.
Shareholders and Investors	ROHM seeks to continuously improve corporate value and secure appropriate profits in order to provide a steady return to both shareholders and investors. ROHM offers financial information in order to keep shareholders and investors actively informed.
Local Societies and Communities	ROHM works to deepen its relationship with each country and local community, respect their culture and custom, and implement and support social, cultural, and art activities. ROHM also endeavors to preserve the global environment throughout its daily business activities.

■ CSR Management System

In the ROHM Group, the CSR Committee, comprised of all the directors and division heads with their respective rights, fulfills responsibilities for CSR themes that spans the entire Group, such as the environment, society, and governance, with ROHM's President as the Committee Chairman. The CSR Committee includes eight subcommittees that make decisions based on discussions about objectives, plans, and performance in each area. Resolutions determined by the CSR Committee are conveyed

to ROHM's internal divisions and group affiliates through the eight subcommittees then executed accordingly. Each member of the eight subcommittees is appointed by the respective committee chairperson at the same time the annual implementation plan is established, after which they begin fulfilling their duties. The CSR Office acts as both an office for managing the CSR Committee and a liaison with outside auditing organizations for CSR-related topics.

【Promotional Organization at ROHM Headquarters】



■ Management System Acquisition and Operational Status

In ROHM Group, we obtained management system assurance based on implementing PDCA (Plan→Do→Check→Action) according to CSR Management System structure with the cooperation from each specialized committee, division and group companies. Since 2013, the ROHM Group has voluntarily undergone audits through the RBA Validated Audit Process (VAP). Six of our overseas production plants have finished their audits as of 2017. Through these audits, we confirm that the entire ROHM Group is complying with the RBA code of conduct of CSR management and we are working to strengthen management quality. Therefore, we are aiming to get selected and recognized by stakeholders through improving company's management quality.

	Themes	Management System Certification/ Customer Demands
Product Quality	Quality	ISO9001
	Quality/Functional Safety for the Industrial /Automotive Industry	ISO/TS16949 IATF16949 ISO 26262
Management Quality (Quality of Business Activities)	Environment	ISO14001
	Occupational Health and Safety	OHSAS18001
	Information security	ISO/IEC27001
	Labor, Health and Safety, Environmental, Ethics Management Systems	RBA*1, VAP Audit*2

*1: RBA stands for 'Responsible Business Alliance'

Organizations (and their norms) comprised of electronic equipment manufacturers and the automotive, toy, aviation and IoT technology companies to which their products are provided.

*2: VAP stands for 'Validated Audit Process.'


This is a third-party audit of the RBA code of conduct.



Priority CSR issues

Any engagement in a business activity will exert an impact on society in numerous ways. That impact is not necessarily always positive; there are many ways in which business activity can place a burden on society. In the pursuit of its CSR activities throughout its value chain, the Rohm Group has actively spoken to its stakeholders within and outside the company and examined the opinions, requests, interests and concerns they expressed in line with the core themes of ISO26000. We have identified the impact the Rohm Group has on society and established

six “Priority CSR issues.” These six priority issues include “Creating Shared Value (CSV), that is Resolving Social Issues through Business Activities,” in which, by playing a part in solving social issues, our business activities themselves will also lead to Rohm’s own growth. They also include “Business Activities that Could Bring Positive Social Impact to the Society,” in which we will meet the expectations of our stakeholders by mitigating the impact that our business activities have on those around us. We are pursuing initiatives tailored to each of these challenges.

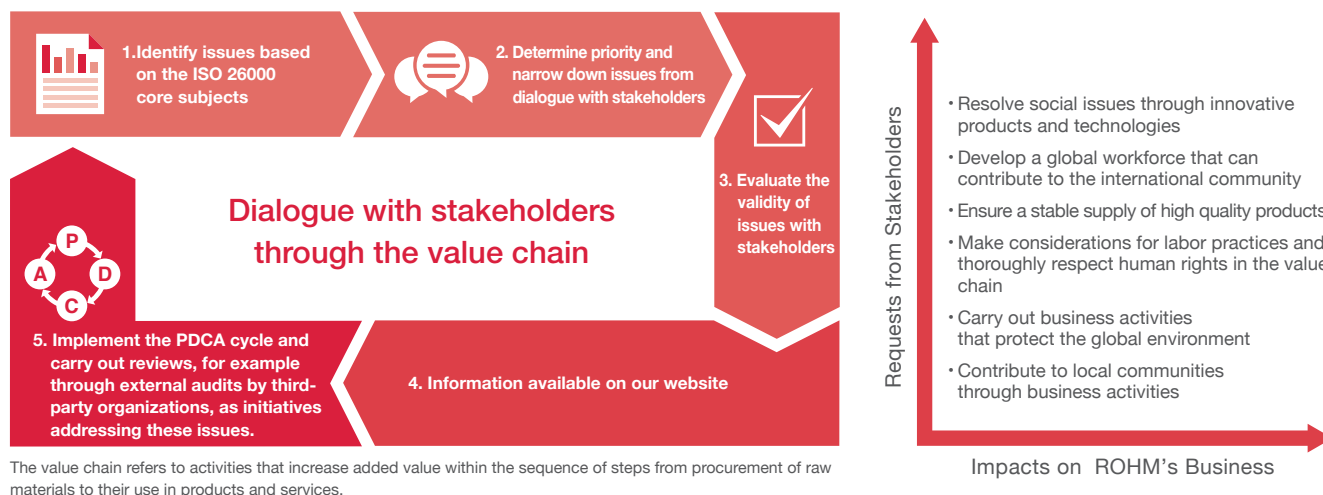
CSR Activities throughout the Value Chain	CSR Priority Issues	Reasons for Selection	Contributions to SDGs Achievement
Resolve Social Issues through Business Activities (Opportunity)	Resolve social issues through innovative products	There are societal demands for the resolution or alleviation of environmental issues on a global scale, such as limited resources and climate change due to CO ₂ emissions, as well as for increased energy conservation. The ROHM Group is developing innovative new products and technologies with the goal of resolving a variety of social issues.	   
	Develop a global workforce that can contribute to the international community	As economies becomes increasingly global, the ROHM Group is establishing production facilities and sales and distribution sites around the world and cultivating a diverse workforce that accepts different backgrounds and values from each local region and works together to create new value.	  
Business Activities that Could Bring Positive Social Impact to the Society (Risk)	Ensure a stable supply of high quality products	ROHM Group products are embedded and used in a variety of devices, including customers' finished products, and as such any reduction in quality or delays in supply could have significant adverse effects on customers and consumers. In response, ROHM is strengthening its organizational framework and carrying out business continuity planning (BCP) training in order to minimize risks and maintain a system that enables stable, speedy supply of high quality products.	  
	Make considerations for labor practices and thoroughly respect human rights in the value chain	As the value chain grows, there will be a need to consider human rights in developing countries, improve working environments, and promote anti-corruption activities. The ROHM Group carries out business activities while taking these issues into account, based on international norms such as the UN Global Compact, ISO 26000, and the RBA Code of Conduct. ROHM also strives to comply with the RBA Code of Conduct not only at its own sites, but throughout the entire value chain.	   
	Carry out business activities that protect the global environment	Societal demands exist for the resolution or alleviation of environmental issues on a global scale, such as limited resources and climate change due to CO ₂ emissions, as well as for increased energy conservation. The ROHM Group strives to achieve a sustainable society by not only developing innovative products that resolve environmental issues, but also by reducing the environmental load from manufacturing at all production companies.	  
	Contribute to local communities through business activities	The development and revitalization of local regions through dialogue with the community in the course of implementing business activities are considered extremely important. In response, as an organization that pursues global expansion, the ROHM Group regularly carries out initiatives to resolve social issues in areas where business is conducted.	  

■ Process of Identifying CSR Materiality

The validity of the CSR Priority Issues are evaluated from the perspective of stakeholders in a variety of positions, including external experts and specialists.

To ensure objectivity regarding the progress of initiatives (Do)

aimed at achieving objectives and plans (Plan), ROHM receives external audits from third party organizations (Check) and decides on the next objectives and plans (Act) while periodically carrying out reviews based on PDCA.



■ Communication with Stakeholders

The main stakeholders of the ROHM Group are customers whom our products and services are provided to; and all those individuals from the society such as shareholders, investors,

employees, and suppliers who have direct stake in the functioning and performance of a company.

Dialogue with Customers

Exhibition etc.



Dialogue with Shareholders and Investors

Financial Results Briefing etc.



Dialogue with Employees

Work Style Reform Committee etc.



Dialogue with Business Partners

Partners Meeting etc.



Dialogue with Local Societies and Community

Receive company and factory visit requests from schools, etc.



Dialogue with Local Societies and Community

Business trips for education activities, etc.



ROHM's development and technology strategies for attaining SDGs

— Contribution to the world by utilizing technologies —

The ROHM Group has been proactively implementing activities that can create “CSV”, which leads to the solution of social issues, to help attain the global common goals of “SDGs.”

We provide innovative products by focusing on lower energy consumption, safety, comfort, and smaller size as the four main key words and contribute to society through the supply of our products. In recent years, we have been

providing various key devices in a wide range of areas, including the automobile market, where technological innovation has been progressing; the industrial equipment market, where the “Internet of Things (IoT)” has been accelerating; and the IT equipment market, where higher performance has been required. Therefore, we have been making products that can lead to the solution of social issues, based on the following four CSV strategies.



【CSV Strategy 1】 Pursuing lower energy consumption

Realization of large-scale power saving through development of devices

~ Development of devices with the lowest energy consumption in the world and introduction of such devices onto the market ~

Social Issue: Increased energy consumption stemming from the rise in population that has exceeded the Earth's bio-capacity

It is generally said that managerial resources of companies are “human, material, financial, and information”; while the foundation of managerial resources is the earth environment as the natural capital. Stability of natural capital is indispensable for creating sustainable value. However, the environment has been deteriorating due to economic activities of human beings, and consequently threatening the stabilization of economic activities. The world population is expected to surge drastically. If the increased population consumes at the same energy level as today's developed countries, the Earth must be theoretically three to five

times of its current size to maintain its energy-handling capacity. Considering this, reducing CO₂ generated from activities of human beings and lightening the Earth's environmental burdens should be our approaches to solve social issues, in order to build a sustainable society and become a sustainable company. The ROHM Group believes in 1) replacing energy we currently use with renewable energy to reduce CO₂ and, 2) as a semiconductor company, promoting technological development focused on further power saving through products that will be introduced onto the market to contribute to solving energy issues.

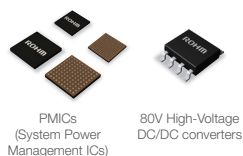


ROHM's Approach: Development of analog power devices that can contribute to reducing energy consumption

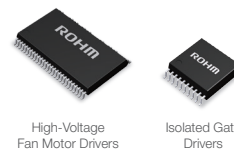
Half of the total world power consumption of 20 trillion kWh are used for “motors.” Therefore, if efficiency of all motors is improved by 10%, a third of the total world nuclear power generation could be reduced. Furthermore, improving “power supply” can play a key role in reducing the remainder of power consumption. For various electronic devices, a loss of 5-20% would occur little by little at the time of frequent voltage conversion, and the efficiency

improvement of this energy loss should also be considered as a major issue. The so-called power devices or power-supply ICs play an important role as semiconductor devices for improving the efficiency of the “motors” and “power supplies.” ROHM intends to contribute to solving global energy problems by offering the world's most advanced analog power devices, including silicon carbide (SiC).

〈Power Management/Power Supply ICs〉

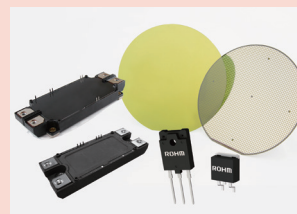


〈Motor Driver ICs〉
(Motor Controller ICs)



SiC power devices that can lead to substantial power saving

The loss of SiC is lower than that of conventional Si, and SiC has an outstanding capacity for high-speed motion and high-temperature characteristics. Therefore, SiC is expected to contribute to major energy saving and a reduction in the size and weight of products. ROHM started the world's first mass production of SiC MOSFET in 2010 and full SiC power module products in 2012, promoting the development of industry-leading products. Currently, these SiC power device products are being used for industrial equipment, automobiles, and consumer equipment, demonstrating their effectiveness and contributing to lower energy consumption and smaller size of products.





【CSV strategy 2】 Pursuing smaller size of products

Reduction in the use of raw materials through development of devices

~ Development of the smallest devices in the world and introduction of such devices onto the market ~

Social Issue: Limited "underground resources"

Electrical appliances and machines equipped with electronic components have been used for technologies and infrastructures needed for maintaining the current living conditions and further development. At this stage, such equipment, machines and infrastructures are made from natural underground resources, and the fact that these underground resources have the limited number of

recoverable years should be a major concern for future people's lives. Under such circumstances, companies are required to effectively utilize limited resources. In addition to recycling and reuse of wastes, we believe that ROHM as a semiconductor company should develop technologies that help reduce raw materials used for products and wastes per-se, which leads to the solution of social issues.

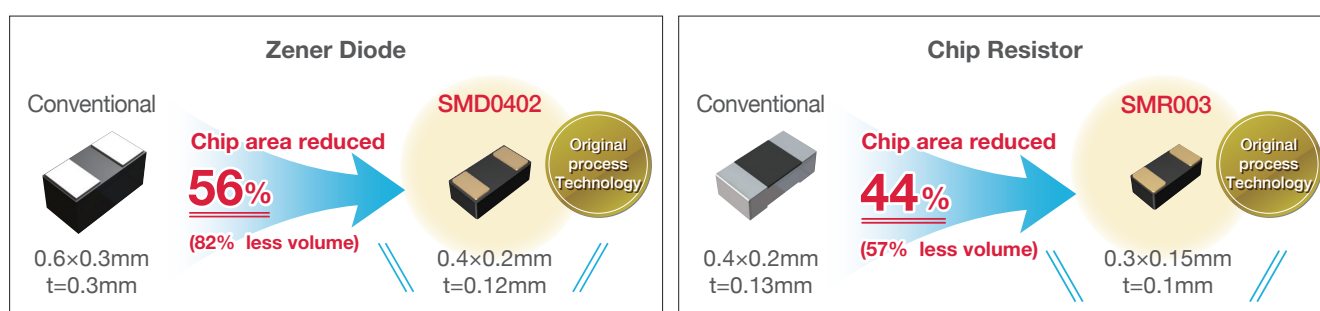
ROHM's Approach: Reduction in the usage of raw materials through developing the smallest devices in the world and introduce such devices into the market

The progress of mobile devices, such as smartphones and wearable equipment for which more functions have been added, has been supported by ultra-compact, thin electronic components. Since its foundation, ROHM has been progressing technological innovation in terms of smaller size of components by utilizing its own miniaturization technology, and has been providing

the smallest devices in the world in a wide range of products from passive devices, discrete devices, ICs to modules, including RASMID® series and PICOLED® series. Going forward, we will try to minimize burdens of the Earth environment by reducing materials and wastes through smaller and lighter devices.

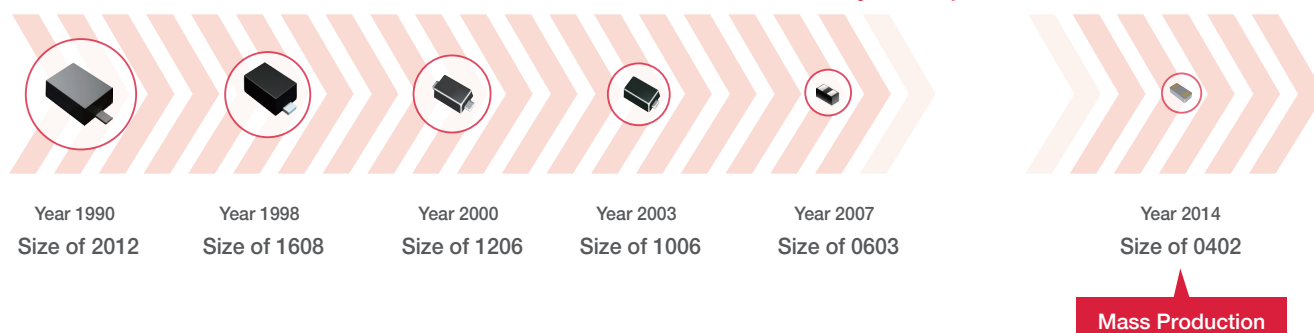
Development of the "RASMID series," the world's smallest component, backed by innovative technology

The "RASMID series", world's smallest component of astonishing dimensional precision was created using an unconventional method that utilized our miniaturization technology. Although the size of 0402 (0.4 x 0.2 mm) had been regarded as the limit of miniaturization for electronic components for a long period of time, ROHM successfully developed the world's smallest chip resistor with a size of 03015 (0.3 mm x 0.15 mm) in 2011. In 2012, it developed Zener diode with a size of 0402, the world's smallest semiconductor, and started to mass-produce and deliver these products in 2014. Going forward, in addition to pursuing smaller size of devices, the Group will also develop mounters and mount technologies such as taping and printed board, contributing to smaller size of various appliances.



Extensive history of diode miniaturization

Successfully developed even smaller size!





【CSV strategy 3】 Pursuing Security and Safety

Contribution to create a society without traffic accidents caused by products

~ Development of products focused on functional safety and introduction of such products onto the market ~

Social Issue: Increase in traffic accidents due to the growing aging society globally



The number of people who die in traffic accidents amounts to approximately 1.25 million annually on a global basis (according to the survey conducted by WHO in 2013). In Japan, the number of traffic accidents particularly involving elderly people, is increasing. This is because the number of elderly drivers is increasing due to aging population in Japan. Such aging populations are accelerating globally, and even in so-called “developing countries” the number of people aged 60 years and older is expected to account for one-fifth of the total population in 2050. Although the number of elderly drivers is expected to increase continually in the future, we believe automobiles that even elderly people can drive securely and safely should be provided to society, instead of keeping the elderly from driving cars in their daily lives to prevent traffic accidents and ensure safety. In light of these circumstances, we believe it is necessary to promote technological development to produce a model of car that does not cause traffic accidents, thus providing a solution for this social issue.

ROHM's Approach: Contribution to technological innovation for automobiles by steadily supplying “quality first” products

Since its foundation, ROHM has adopted the “vertically-integrated production” system, under which all of the processes from development of products to manufacturing are conducted within the Group, to achieve the Group's Mission of “quality first.” Under this system, high-quality work is conducted in each process, which enable ROHM to contribute to the automobile market by securing traceability and optimizing the supply chain. In recent years, technological innovation as typified by ADAS (automatic driving) has been accelerating, and thus it is required to attain the safety goal when semiconductors used for automobile components are applied, in order to secure the safety of automobiles. Under such condition, ROHM obtained ISO 26262 development process certification, the automotive functional safety standard, as a semiconductor company ahead of other companies in 2018. As the role of electronic components in automobiles has become more important, ROHM will make efforts to build and provide safer products and further contribute to creating a safe, secure, and eco-friendly automobile society.



Proposing an LCD panel chip set that contributes to a secure and safe society without traffic accidents



Of course, in the bid to produce a high-definition LCD, the specifications and reliability of ICs must be enhanced, and it is also important to take measures to deal with unexpected failure even at the semiconductor level. On that point, regarding ROHM's automobile-used chip set for LCD panels, the Group has succeeded in addressing the functional safety of a device used in LCD panels for the first time in the world by sharing the information for each IC, including the driver IC for a high-definition LCD panel, timing controller, and power source IC that runs these components optimally. The chip set has a function to indicate an abnormality at the time of breakdown, providing the high quality required for automobiles and introducing LCD panels for the speedometer and side view mirror, in order to prevent any defective points that may lead to a major accident.



【CSV strategy 4】 Thoroughly pursuing high quality and high efficiency

Reduction in environmental burdens through production innovation

~ Production innovation aimed at becoming the best factory in the world ~

Social Issue: Global Warming due to CO₂ Emissions

The sea level of the earth had risen by 19 centimeters in the past 100 years, because of acceleration of global warming due to human-induced factors such as greenhouse gases. It is estimated that if global warming advances, there could be further climate change, a collapse of the ecosystem, food shortages, and the spread of epidemic. This means that the foundation of society could be shaken and the base of economic activities could be deteriorated. Under such circumstances, companies are required to solve and alleviate worldwide environmental problems, including climate change resulting from CO₂ emissions and resource/energy issues, and reduce energy consumption. ROHM intends to contribute to solving social issues by constructing new system and technology that could help reduce environmental burdens through production innovation.

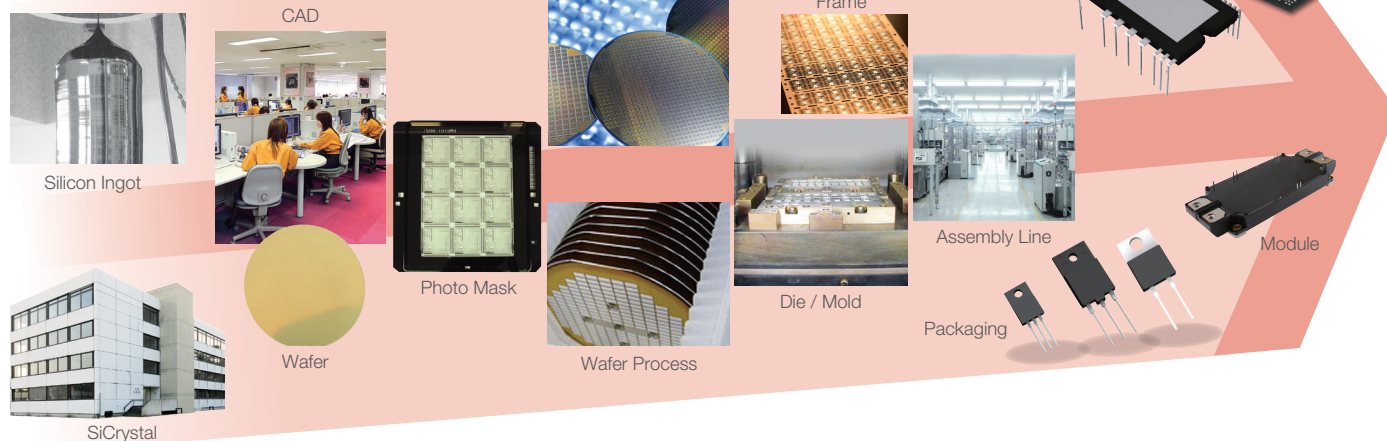


ROHM's Approach: Production Innovation aimed at Becoming the Best Factory in the World

The ROHM Group is developing new and innovative technologies to solve various social issues. The ISO14001 environmental management system has been used in the production system at factory level, in order to minimize global environmental burdens, such as chemical substances and wastes. Furthermore, in pursuit of recycling-oriented management, vertically integrated production system is implemented to avoid the waste of limited resources and energy from procurement of materials to development, production,

and sales, to reduce and recycle waste during the entire production process. In addition, ROHM builds its own production facilities, and thus has established a production system under which it does not make defective products, by conducting RPS (ROHM Production System) activity to eliminate any unnecessary production processes and construct a labor-saving smart factory that helps reducing resource usage and energy consumption.

Si silicon



SiC Silicon Carbide

Environmental Initiatives

Basic Approach

We believe that corporate activity that contributes to the environment means making environmentally-friendly products, while at the same time, reducing the environmental footprint of

their production. To achieve this approach, we have established an Environmental Policy and are pursuing a range of environmental protection activities.

Environmental Policy

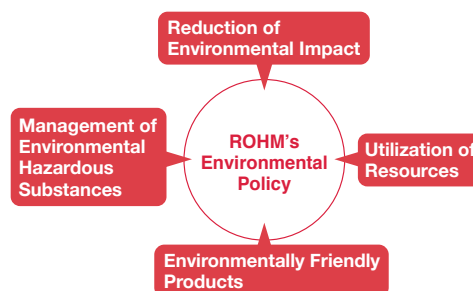
ROHM's everlasting conscientiousness to preserve the global environment contributes to the healthy existence of humanity and to the continued prosperity of the company.

1. Conserve energy by initiating innovative methods in all corporate activities.
2. Develop environmentally-conscious products that minimize the environmental burden by employing responsible processes throughout the life cycle of each product.
3. Give priority to the procurement of materials and products that have the least levels of adverse impact on the environment.
4. Promote effective utilization of resources and strive for the prevention of pollution and conservation of biodiversity toward the realization of a sustainable society.
5. Comply with international and national environmental laws and regional agreements and other customer requirements to which we have agreed.
6. Endeavor to train employees and encourage our constituents to actively care for their surroundings and the global environment.
7. Develop positive relationships with the community through contributions to the local environment and the proper disclosure of environmental data.
8. Continuously improve subjects by creating and carrying out the environmental objectives, and their action plans to enhance environmental performance.

ROHM has been working on a variety of environmental conservation activities centering around the Environmental Policy.

We believe that corporate activities contributing to the environment are to manufacture environmentally friendly products and yet to reduce our environmental impact in manufacturing process. Particularly for the global warming prevention, we are proactively working to reduce CO₂ emissions from our business activities and other greenhouse gases emitted from supply chain.

In addition, we will define long-term environmental targets and policy from the perspective of biodiversity, and have approaches to achieve a sustainable society.

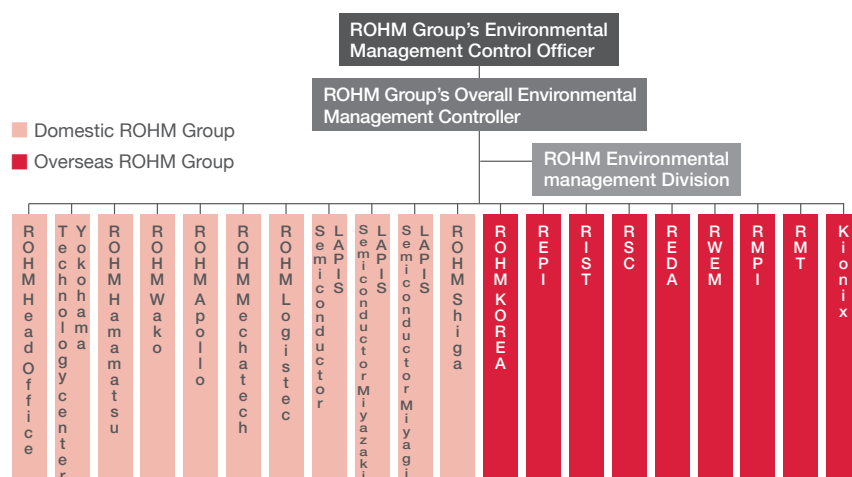


Promotion Framework

ROHM has deployed across the ROHM Group an environmental management system designed to be shared among the Group on the basis of the International Environmental Standard ISO 14001 and all employees have been working on continual environment improvements. Furthermore, ROHM has been implementing constant environmental activities from a global perspective on a consolidated basis. Rohm Headquarters was the first to obtain ISO14001 certification in May 1998, and each of our Group companies has since completed individual certification. However, we consider action on environmental issues not as a matter for the individual companies of the Rohm Group, but as something that

the Group should engage in as a whole. To clarify individual companies' actions and Group-wide actions and to standardize effective environmental activities and information, the Japanese Group companies and ROHM KOREA also achieved to obtain integrated ISO14001 certification in November 2000.

Our overseas production sites have also developed environmental management systems, based on the self-declaration of ISO14001 standards. To maintain these management systems at a level that is on a par with Japan, the environment manager at Rohm Headquarters strictly evaluates and certifies the validity and effectiveness of those self-declarations.



Under this framework, all environmental related actions are conducted by the environment general manager of the Rohm Group. By expanding the outcomes of those actions horizontally to other Group companies, the Group-wide unified environmental protection action is being achieved.

【Integrated Internal Environmental Audit】

To confirm the effectiveness of Group companies' environmental management systems and the status of their compliance with relevant legislation, an audit team from Rohm Headquarters

conducts an Integrated Internal Environmental Audit once a year. Other objectives of this audit are the continuous improvement of the systems and the elevation of environmental performance.



Opening Meeting



Audit process



【Environmental Liaison Conference】

In the Rohm Group, the environmental management responsible officers and environmental managers from each site come together once every two years to hold an environmental liaison conference, where they share their annual targets and implementation plans. At the Conference, the attendees confirm the state of progress at each site and discuss environmental issues for the Group as a whole. At the FY2017 Conference, discussions concentrated on issues concerning the achievement of the 2020 environmental objectives (Mid-Term Targets). The decision was made to strengthen the initiatives being taken to reduce the entire Group's environmental footprint (elevate environmental performance), and the action is being taken towards that end.



ROHM Group Environmental Liaison Conference 2017

■ Environmental Activities

【Environmental Education】

Rank-based environmental education

To train employees in considering their living environment and the global environment, we have implemented education based on the rank of employees to teach how their respective work is related to the environment and how important the environmental management system is, through training for new employees and rank-based training.



Rank-based environmental education

Environmental Education for Employees at Overseas Sales Locations

So our customers may use our products with peace of mind, the Rohm Group continues to engage in the management of substances of environmental concern (SOC).

At our sales locations, which act as the contact point with our overseas customers, with the objective of increasing staff's environmental knowledge, we educate employees on the mechanisms of SOC management and the importance of collaboration with suppliers.



Education in Taiwan

【Awareness Activities】

Environmental Poster Contest

As part of our Environment Month events, every year, we hold an Environmental Poster Contest. One Grand Prize and two Excellence Awards are selected from the posters that have won the preliminary contests at each Group company, and the winners are commended.



Grand Prize 2018

Environmental Goals and Challenges

ROHM Group specified what will be done to achieve the environmental objectives and targets based on the Environmental Policy and Environmental Objectives. We have made the implementation plan once a year and proactively promoted the activities.

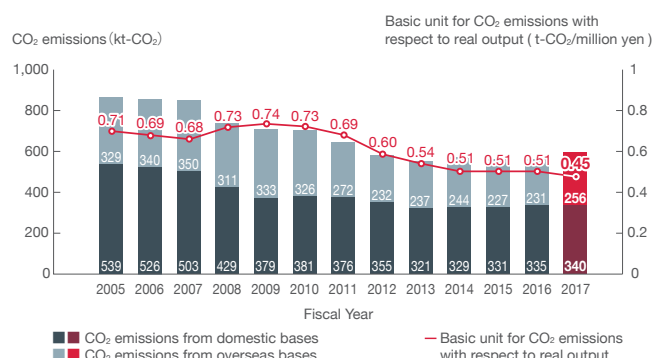
	Policy	2020 Vision	Targets in Fiscal Year 2017	Results in Fiscal Year 2017
1.CO ₂ production countermeasures in each site	Work to help stop global warming through overall energy conservation and the reduction of global greenhouse gas emission.	①Reduce CO ₂ emission by 25%from the actual results of FY2005.	Reduce FY2017 CO ₂ emission by 1% from currently predicted value according to the quantity of Reduce FY2017 CO ₂ emission by 1% from currently predicted value according to the quantity of production of production of FY 2017.	CO ₂ emission was reduced by 3.9% from currently predicted value according to the quantity of production of FY2017.
		②Reduce CO ₂ emission per production unit by 50% from the actual results of FY1990.	Reduce CO ₂ emission (per production unit) by 1% in FY2017 from the actual results of FY2016.	CO ₂ emission (per production unit) was reduced by 10.0% from the actual results of FY2016.
		③Reduce the greenhouse gas emission (PFC's、SF6, and etc.) by minimum 50% from the actual results of FY1995.	Reduce FY2017 global greenhouse gas emission (PFC's, SF6, and etc) by 0.5% from currently predicted value according to the quantity of production of FY2017.	FY2017 global greenhouse gas emission (PFC's, SF6, and etc) was reduced by 10.7% from currently predicted value according to the quantity of production of FY2017.
2.CO ₂ countermeasures through value chain	With the scientific techniques and various kinds of calculation tools including LCA, CO ₂ reduction activities are promoted. By developing the environmentally-conscious products in alignment with 'NEXT50', contribution to the CO ₂ reduction at the time of use is considered.	①Reduce CO ₂ emission through the value chain by 10% from the actual results of FY2010.	Establish the operation model to calculate global greenhouse gas with equivalent to Scope3 Standard, and expand the categories officially.	The operation model to calculate global greenhouse gas with equivalent to Scope3 Standard was established, and seven categories are disclosed.
		②Increase the ratio of environmentally-friendly products developments to 100%.	Increase the ratio of environmentally-friendly products developments to 85% by FY2017.	The ratio of environmentally-friendly products developments was 98%.
3.Reduction of environmental impact	Reduce the amount of materials discharged to the air and water, and strive to preserve the global environment.	①Reduce the amount of handling volume of PRTR substances per production unit by 10% from the actual results of FY2010.	Maintain the amount of handling volume of PRTR substances (per production unit) in FY2017 as the results of FY2016.	The amount of handling volume of PRTR substances (per production unit) were reduced by 8.5% from the actual results of FY2016.
		②Reduce VOC emission by 40% from the actual results of FY2000.	Reduce VOC emission by 0.5% in FY2017 from currently predicted value according to the quantity of production of FY2017.	VOC emissions was reduced by 1.0% from currently predicted value according to the quantity of production of FY2017.
4.Effective use of resources	Strive for the effective use of valuable resources and the protection of water resources that are fundamental to environmental biodiversity.	①Maintain zero emission in domestic group consolidated and reduce waste generation per production unit by 40% from the actual results of FY2000.	Maintain zero emission in domestic group consolidated in FY2017.	Zero emission in domestic group consolidated was achieved.
			Maintain waste generation (per production unit) in domestic group consolidated in FY2017 as the results of FY2016.	'Waste generation(per production unit) in FY2017 was reduced by 0.2% from the actual results of FY2016.
		②Reduce waste generation per production unit in overseas group consolidated by 60% from the actual results of FY2000.	Maintain waste generation (per production unit) in overseas group consolidated in FY2017 as the results of FY2016.	Waste generation(per production unit) in overseas group was reduced by 8.4% from the actual results of FY2016.
		③Reduce water input volume by 10% from the actual results of FY2009.	Reduce water input volume by 1% in FY2017 from the predicted value according to the quantity of production of FY2017.	Water input volume was reduced by 2.9% from the predicted value according to the quantity of production of FY2017.

【CO₂ Production Countermeasures in Each Site】

We are active in a range of the reduction of CO₂ and other greenhouse gases emitted from our business activities.

【Reduction of CO₂ emission】

COP21 was held in 2015. In response to measures required to combat global warming and climate change on a global scale, ROHM is increasing its transparency of equipment power usage and office energy consumption to reduce excess energy use.



Energy Conservation Projects

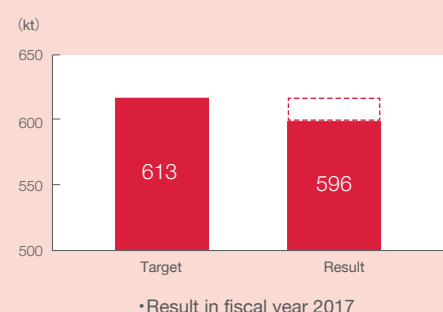
The ROHM Group's energy consumption activities produce approximate 600 thousand tons of CO₂ emission yearly. Therefore, we are working to carry out various energy conservation projects, aiming to reduce group-wide CO₂ emission.

Air conditioner thermal
energy conversion

LED
conversion
at factory

Replacement
of refrigerating
machine

Replacement
of energy-saving
pump



【CO₂ Countermeasures through Value Chain】

To reduce the level of CO₂ emissions from all business activities, ROHM expanded the range of its estimates to cover Scope 1 and 2 as well as Scope 3, calculating CO₂ emissions for the

entire value chain. With a goal of resolving social issues through innovative products, we strive to develop environmentally-friendly products.

CO₂ emissions from the ROHM Group's business activities in FY 2017

Category of Scope Protocol				CO ₂ Emissions (t-CO ₂)	Outline of calculation
SCOPE1(Direct emissions)				36,002	Direct emissions from facilities in our Company's own business locations
SCOPE2(Indirect emissions from energy sources)				559,484	Emissions associated with the production of energy purchased by our Company's business locations
SCOPE3 (Emissions from any sources other than Scope1 and Scope2, such as company's supply chains)	Classification		Category		Outline of calculation
	Upstream	1	Purchased product / service	450,016	Emissions associated with the manufacture of purchased products(materials / parts)
	Upstream	2	Capital goods	157,110	Emissions from capital goods (equipment) invested by our Company
	Upstream	3	Fuel- and energy-related activities not included Scope1 and Scope2	52,396	Emissions associated with the procurement of fuel and energy used in our Company's business locations
	Upstream	4	Transportation and Delivery(Upstream)	41,581	Emissions associated with the distribution of sold product from the Plant → Logistics base → Consumer
	Upstream	5	Waste emitted from business operations	381	Emissions associated with the transportation and treatment of waste generated in our Company's business locations
	Upstream	6	Business trip	1,947	Emissions associated with the business trips of employees
	Upstream	7	Employers' commute to work	698	Emissions associated with the movement of employees when they commute to our Company to work
	Upstream	8	Lease assets (Upstream)	114	Emissions associated with the operation of leasing cars lent by our Company
	Downstream	9	Transportation and Delivery(Downstream)		
	Downstream	10	Processing of product sold		
	Downstream	11	Use of products sold		
	Downstream	12	Disposal of product sold		
	Downstream	13	Lease assets (Downstream)	-	Not covered
	Downstream	14	Franchising	-	Not covered
	Downstream	15	Investment		

【Reduction of Environmental Impact】

Reduction of chemical substances subject to the PRTR

Although many chemicals are used in the manufacturing process of semiconductors, Subcommittee on Environmentally Controlled Substances promotes activities to reduce in particular the use of

substances subject to the PRTR (Class I Designated Chemical Substances) by setting specific numerical targets.

Reduction of VOCs (Volatile Organic Compounds)

Organic solvents required for semiconductor manufacturing processes are classified as volatile organic compounds (VOC). VOCs released into the atmosphere may generate photochemical smog. Subcommittee on Environmental Impact

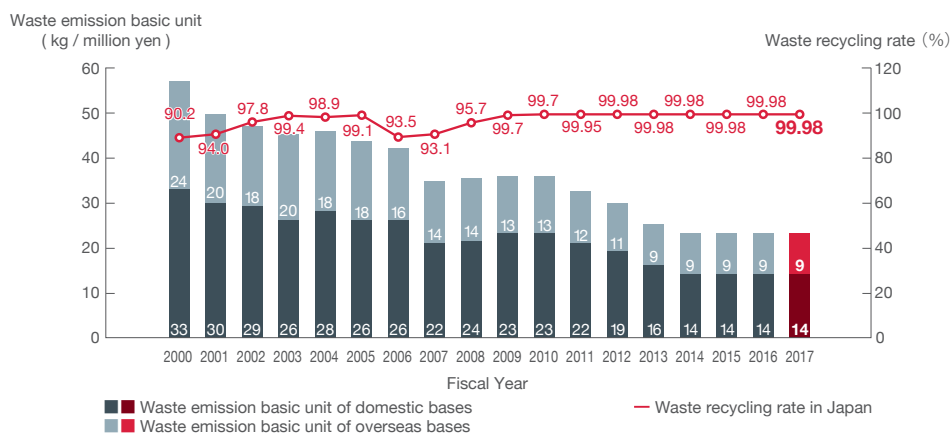
Reduction promotes to cut VOC usage through modifications and improvements in processing as well as through activities such as installing VOC removal systems.

【Effective Use of Resources】

Reducing waste

Throughout the flow of its business activities, from procurement of materials to development, production and sales, Rohm Group strives to eliminate the wasteful use of finite resources and energy, reduce waste, and promote recycling. Toward this end,

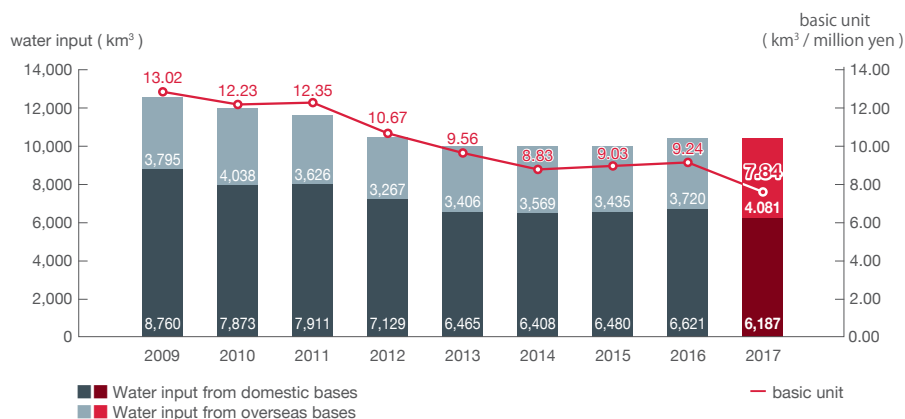
led by the Resources Use Expert Sub-Committee, it sets targets and formulates implementation plans for each year, and pursues related activities. We are also continuing to achieve zero emissions.



Water consumption

ROHM group expands the semiconductor wafer manufacturing consumes a large amount of water in domestic and overseas. The raw water input for semiconductor manufacturing is high cost resources used after processing hyper pure water, so it is necessary to not disposable but recycle or reuse for water-saving

efforts. We consider it is obvious that reducing input of limited water is friendly to environment, and reducing risk of business continuity can be possible if water-saving measure works even if water shortage is happen by climate change.



Midterm and Long-term Goal Setting

The Paris Agreement, which aims to keep the global temperature rise below two degrees Celsius above pre-industrial levels became effective, and activities to achieve a post-carbon society have been accelerating globally.

ROHM also regards the establishment of medium- and long-term

Science-Based Targets (SBTs) for 2030 and 2050 to be an important task in the bid to reduce greenhouse gases for the entire supply chain. Consequently, ROHM launched the Subcommittee on Climate Change Committee in fiscal year 2018, and began to survey current conditions and investigate goals for the establishment of SBTs.

Approaches to Achieve SDGs



【Renewable Energy】

ROHM Hamamatsu introduced a solar power system in fiscal year 2017 and set up solar panels on the south side of the factory for a total length of 270 meters, and this power system can generate approximately 363 MWh of electricity annually. ROHM will consider the introduction of renewable energy, in order to reduce emissions of global warming gases and avoid exhausting limited resources.



Solar panels in ROHM Hamamatsu



【Water Risk Correspondence】

The semiconductors manufacturing process requires the use of large volumes of ultra-pure water. The vast majority of those resources are used in the upstream process. For this reason, securing a long-term, stable supply of water in Japan, where the upstream process is concentrated, is an essential prerequisite for the continuity of operations.

Further, in , the two production sites in Thailand are located in catchments with a high risk of flood and other water damage. From the bitter past experience of having operations disrupted by actual damage from a flood disaster, we conduct risk management from the dual aspects of water shortages and flood risk.



【Biodiversity Conservation】

We have had a substantial impact on the environment through our business activities. We believe it is essential for us to try to conserve biodiversity in the utilization of resources used for production or emissions resulting from production, and thus we have been conducting cleanup and tree planting activities in each region to protect the ecosystem.



ROHM Hamamatsu
Welcome Clean Project
(coastal cleanup activities)



ROHM Wako (Okayama)
Cleaning activity "Refresh Setouchi"

Independent Verification on Environmental Data

ROHM received an independent verification of its environmental impact data by Bureau Veritas Japan Co., Ltd., in order to disclose information to society with higher transparency and reliability.

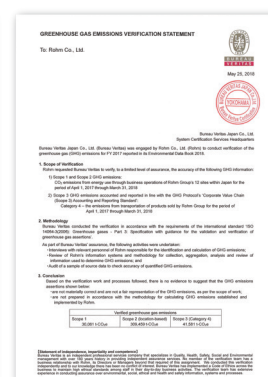
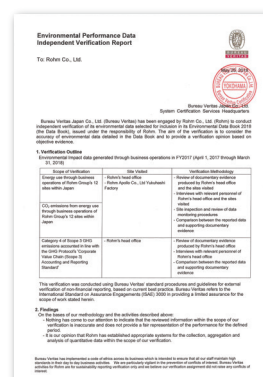
【Scope of Verification】

Scope 1 and 2

12 domestic sites

Scope 3: Category 4- Upstream Transportation and Distribution

Product transportation between 8 domestic manufacturing sites, 1 domestic logistics center, 6 overseas production sites and 9 overseas sales offices and domestic and overseas customers.



Basic Approach ~The ROHM Group's Approach to CSR Procurement Promotion~

In its CSR procurement activities, the ROHM Group strives to promote and distribute the ROHM Group CSR Procurement Guidelines with an attitude of humility and flexibility while fully

understanding the position of each supplier to meet with its approval. We value the relationship of trust and cooperation with our business partners and aim for mutual prosperity (win-win).

ROHM Group Procurement Policy

ROHM shall conduct procurement activities based on the following five policies in order to acquire customers' satisfaction for Rohm products

1. Mutual Reliability and Prosperity

ROHM will recognize Suppliers as important partners of the enterprise activities, and importantly have a reliable and cooperative relationship, so that ROHM is able to mutually aim at building up win-win relationship.

2. Fair and Equal Footing Trade

ROHM shall conduct procurement activities for Suppliers in fairness, equal footing and modesty during purchasing material, semi-products and equipment etc. and getting any type of service. ROHM shall never enforce to do unfair trading with a superior position.

3. Fair Selection

ROHM shall globally & broadly open a trade chance so that equally realize a business opportunity.

During processing of suppliers' selection, ROHM shall consider a lot of aspects which are quality, technology, delivery and price. Additionally, ROHM shall also take enthusiasm, management, ethics, human rights, risk management, environment protect, health and safety, removal of anti-social forces etc. into consideration.

4. Proper evaluation and distribution for added value of product and service

ROHM shall conduct new products' development and cost reduction activities on the basis of strong partnership with Supplier. Also, ROHM shall promote proper evaluation and price for provided product and service through these activities.

5. CSR procurement

ROHM shall make an effort to penetrate CSR procurement with deeply mutual understanding between Supplier and ROHM in order to promote CSR procurement based on CSR procurement guideline with ROHM group. ROHM also promote environment-friendly procurement based on Green Procurement Guideline.

Compliance Hotline for Our Business Partners (Suppliers)

ROHM has set up a 'Compliance Hotline for Suppliers', which allows our Business Partners to consult or report on compliance issues related to business transactions. Please notify us in the event of any behavior or action that may violate laws or potentially

pose ethical problems when dealing with ROHM or ROHM Group companies. In the case of legitimate reporting, disadvantageous treatment shall not be given to reporting persons on the basis of reporting.

Promoting ROHM Group's Green Procurement

The ROHM Group has always shown consideration for the global environment and promoted efforts for the healthy continuation of humankind as the most important issue declared in its environmental policy.

In order to achieve sustainable economic development without destroying the global environment, we need to manufacture recyclable products of lower environmental load. So, the ROHM Group has promoted the manufacture of environmental-friendly products by enforcing compliance efforts throughout the entire supply chain.

Laws and regulations regarding chemical substances are becoming

more stringent lately. Therefore, ROHM has been working to promote green procurement by improving the accuracy of investigation on the use of chemical substances in the supplied parts and materials. The Green Procurement Guidelines asks suppliers to check their conformity to the guidelines, in order to ensure their products to be free from any prohibited substances and chemicals, which could also be controlled thoroughly under management system.

The ROHM Group will continue to manufacture environmental-friendly products by further strengthening our management system and deepening mutual understanding between us and our suppliers.

Respect for Human Rights

Basic Approach for Human Rights of All

Human rights is the fundamental right, freedom, and standard for treatment that individuals around the world possess. The respect for fundamental human rights is not only reflected in our company policy, but also applied to all ROHM's business activities carried out around the world. The ROHM Group respects and upholds the Ten Principles of the United Nations Global Compact (UNGC), the ILO Declaration on Fundamental Principles and Rights at Work issued by the International Labor Organization, as well as the RBA (Responsible Business Alliance) Code of Conduct while expanding our business activities globally. We settled our Labor Policy based on these

principles and will comply with international standards of conduct and related laws and regulations of each country and region, which is also reflected in our policy. The ROHM Group will, in accordance with applicable law, respect freedom of association and the right to collective bargaining, make the recruiting process discrimination-free, and otherwise eliminate unlawful or inappropriate discrimination in the workplace. We also will never be involved in forced, compulsory, or child labor and will encourage and ensure an open and comfortable office environment that respects cultural diversity, different customs, and other values.

Promotion Framework

At ROHM headquarters, a Central Safety & Hygiene Committee has been established under the CSR Promotion Committee. Under this core organization, a Decent Work Specialty Committee has been set

up, drafting yearly target plan, evaluating performance effectiveness at the end of fiscal year to continue the management system, in order to build solid basis that protects fundamental human rights.

Human Rights Training

The ROHM Group respects and embraces a variety of cultural backgrounds, religions, customs, and system from each country and each region. We conduct rank-specific human rights training programs

for new employees, mid-career recruits, new senior managers, and directors and executive officers. The e-learning related to labor and ethics topics is also conducted for group training session.

Prevention of Child Labor and Forced Labor

ROHM Group states its prohibition of forced labor and child labor in any form. For its supply chains as well, ROHM Group CSR Procurement Guidelines clearly specify that forced labor and child labor are strictly prohibited, and all its suppliers are responsible to

follow these human rights guidelines. In fiscal year of 2017, ROHM issued "ROHM Group Statement Regarding UK Modern Slavery Act", clearly stating its determination to further strengthen its commitment to preventing child labor and forced labor.

Prevention of Harassment

ROHM has set up a consultation center with advisors who are able to listen to employees' troubles and provide counseling services. Counseling services via telephone, email, or face-to-face consultation are also available in response to issues regarding "power/sexual harassment" or "interpersonal relationships at

workplace". By making female advisors available, and ensuring all counselors hold license in employment counseling, ROHM works to create an environment in which employees can consult with advisors and receive reliable and professional advices.

Respect for Human Rights in Supply Chain

ROHM complies with RBA (Responsible Business Alliance) Code of Conduct while promoting improvement of employee awareness regarding human rights. ROHM therefore includes provisions for human rights, such as the prohibition of inhumane and discriminatory treatment as well as forced or child labor, in its basic purchase agreement and requests that business partners respect human rights

by concluding this agreement. ROHM also implements a variety of educational activities to raise awareness for human rights throughout the entire supply chain, such as holding a briefing for promoting CSR procurement, distributing the ROHM Group CSR Procurement Guidelines, and undergoing CSR procurement audits. And going forward ROHM will continue to collaborate with business partners to carry out activities worldwide.



Briefing for Promoting CSR Procurement



Partners Meeting

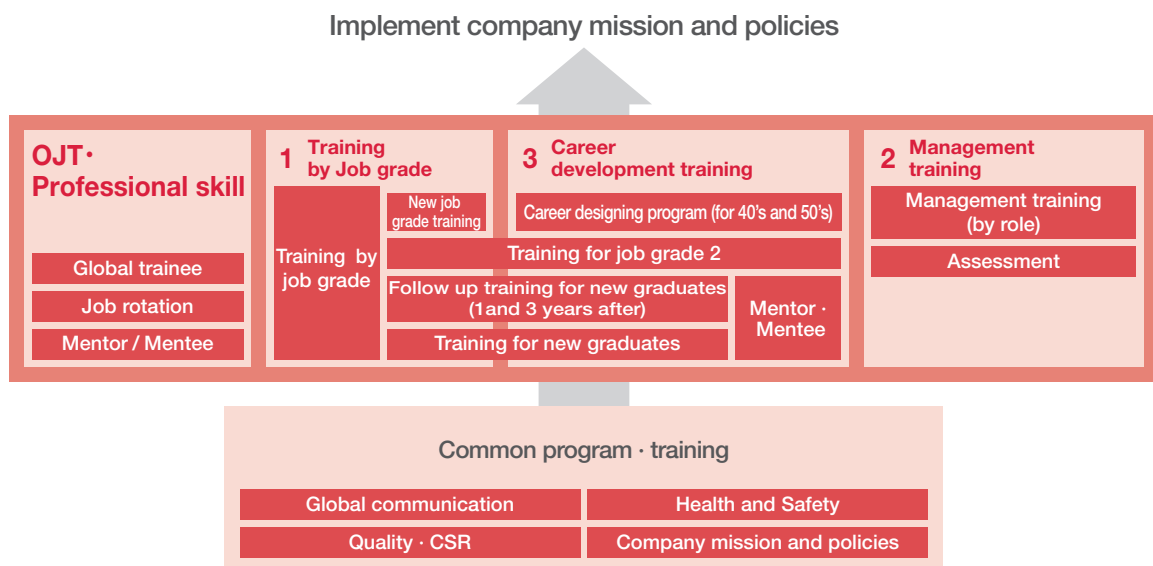
	FY 2017
Number of companies targeted for CSR self-assessment	1390
Percentage of high rating within the above companies targeted for self-assessment.	95%
Number of companies visited for CSR procurement audit	95 (in total starting from 2013)

Basic Approach

We consider the development of human resources as a foundation for permanent prosperity of our company. Any person in the position of leadership will serve as a model of good behavior and positive attitude. Leaders will make every effort to encourage colleagues, not only toward professional growth as employees, but also positive growth as individuals. Accordingly, we continue to seek capable human resources and look for means to foster their sense of humanity, intelligence, broader knowledge, deeper insight, specialty and global awareness.

To achieve its corporate objectives and policies, Rohm's education and training programs are consisted of (1) grade-by-grade

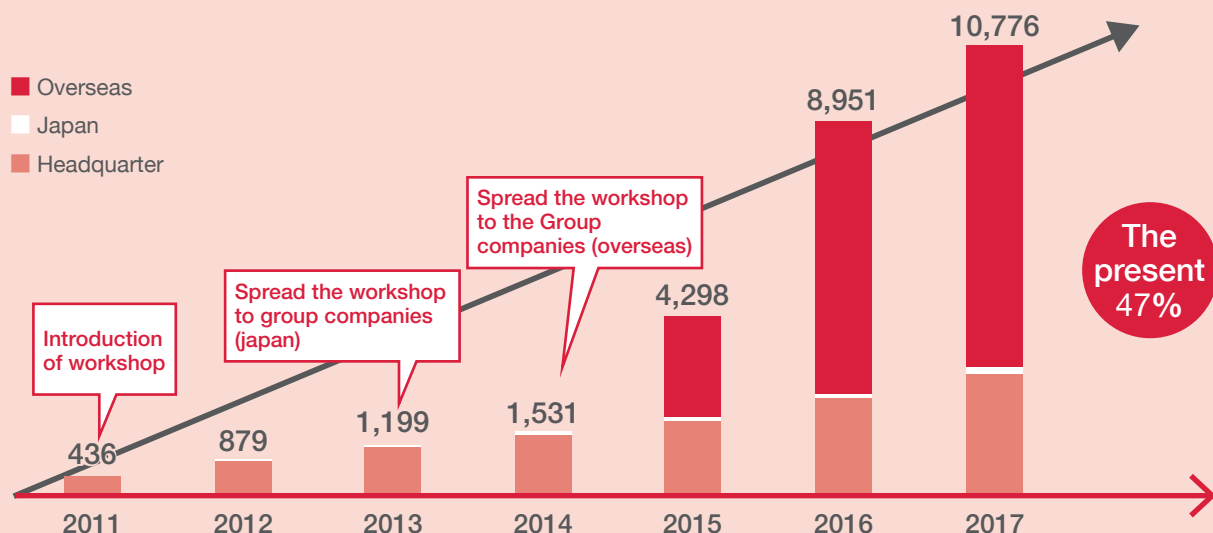
education (a place for employees to acquire the knowledge, skills, and mindset needed for each grade, and for employees of similar ages and roles to interact and communicate across divisional boundaries); (2) organizational leadership education (acquisition of knowledge and skills needed to fulfil the role of organizational leader); and (3) career education (focus on the individual's career, regardless of grade or role, think about one's own career independently, and develop the ability to take action on one's own initiative to achieve self-actualization). There are also OJT and specialist education programs (education through actual duties in individual workplace). Specific training programs are as follows.



Training to Instill Corporate Objectives and Basic Management Policies

So that all Rohm employees can understand the corporate objectives and policies as the "common language" and work toward the same goals as employees of the Rohm Group, no matter what country in the world they are in, we conduct an educational course to

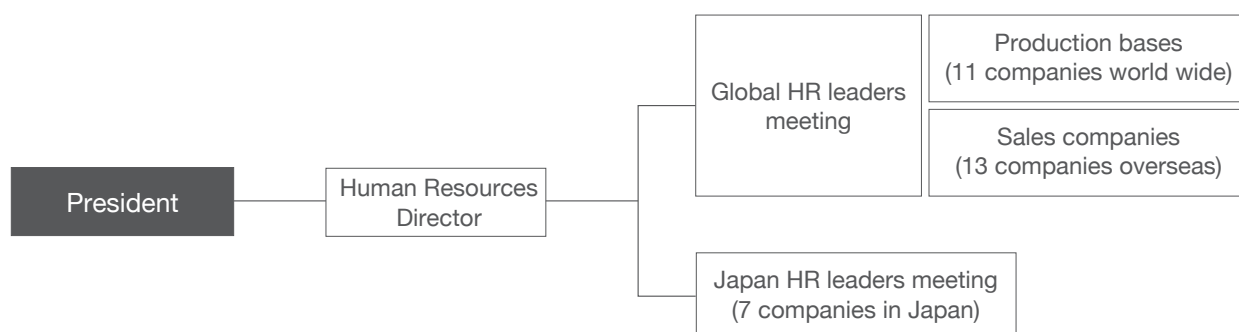
instill the company's philosophy into Rohm employees around the world. The number of employees taking this course is increasing every year, with 1,825 employees increased in FY2017. Currently, 47% of all ROHM employees are receiving the training.



Promotion Framework

ROHM aspires to be an organization in which all of its diverse, unique employees can exert their abilities to the maximum extent and participate actively to achieve the objectives and policies of the company. For the past eight years, ROHM has held a Japan HR leaders meeting and Global HR leaders meeting on an annual basis,

bringing all of its HR officers from across the Group together to share their individual companies' challenges and goals. This framework allows us to identify and share issues from a Group-wide perspective, speed up responses to similar problems, prevent them from happening again, and roll out best practice across the Group.



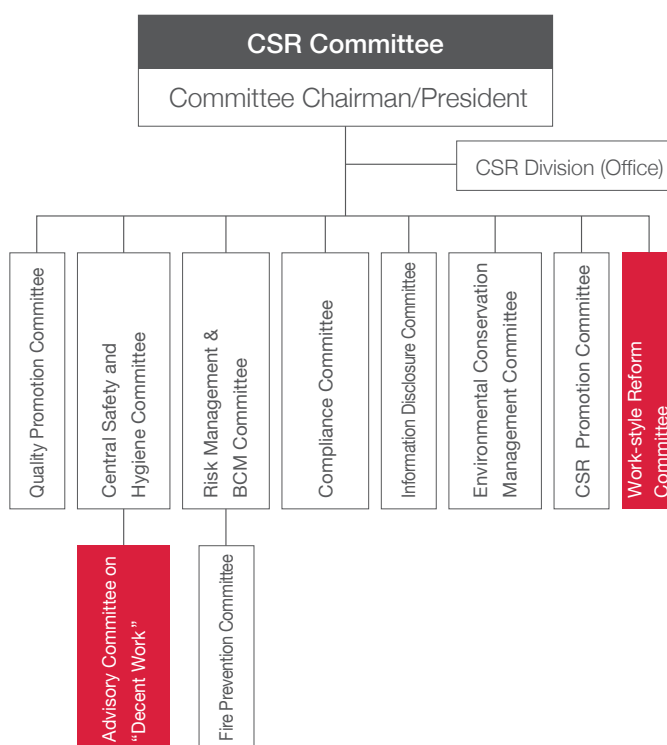
The Work-Style Reform Committee formed as a sub-organization of the CSR Committee and the Advisory Committee on 'Decent Work', an expert sub-committee of the Central Safety and Hygiene Committee, comprise the Group' s management system concerning labor.

【Work-style reform committee】

Considers work style reform policy proposals on the four reform areas of (1) Awareness Reform, (2) Program Reform, (3) Operational Process Reform, and (4) Innovation Reform. Forms sub-committees according to occupation types in the company in a framework that is able to incorporate on-the-ground opinions in a timely manner.

【Advisory Committee on “Decent Work”】

To foster a company' s culture of appropriate labor management, ascertains the actual state of working hours, encourages improvements to prevent long working hours, and conducts awareness raising activities, including employee education and training. It also helps to spread information throughout the company by reporting the details of its initiatives to the Central Safety and Hygiene Committee.



Presidential Award / Improvement Proposal System

A ROHM Presidential Award ceremony is held every year at ROHM to present awards to employees who have made positive contribution to the company based on our corporate goals and philosophy.

The awards are presented for employees' annual contribution to developing new technologies and new products, as well as for their contribution to local and regional communities and our society in general. The awards help to improve the motivation of employees. Employees from group companies are also awarded the same prizes, and this has been a major event for the entire ROHM Group.



Diversity & Inclusion Initiative

The ROHM company mission states, “Maintain healthy and vigorous lifestyles and refine intellect and humanitarianism in order to make meaningful contributions to society” and “Search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity.” In our basic management policy, it is our human assets that support contributions to society and the prosperity of the group. As globalization continues to expand today, the importance of diverse human resources with various values and thoughts being able to demonstrate their individuality and skills is increasing day by day. For this reason, we feel that it is our responsibility to provide an environment to accommodate such conditions. ROHM will continue to contribute to the improvement of cultural

advancement by providing high quality, innovative products based on company mission that have been promoted since the establishment of the company to achieve the CSV that accomplishes corporate activities and solves social issues. The advancement of this mission will require an environment where the work-style can lead to the increase of productivity and diverse human resources can succeed and not be shackled to past experiences gained from previous work experiences. Based on this thinking, ROHM has established a work reform committee as its internal, cross-organizational structure. We aim to develop an environment where cyclical growth of the group and employees can be achieved by creating such environment across all group companies.

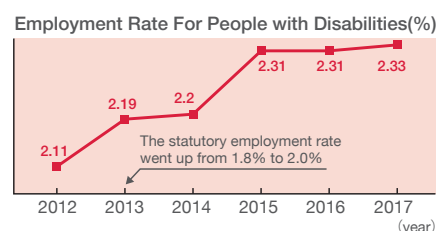
Work Style Reform/Work-Life Balance

Rohm introduced the following programs in April 2018, as part of its efforts to create an environment, where diverse people can actively participate.

Program Name	Details
Flexible Work (Staggered Hours) Program	Employees can vary their start and finish times depending on the circumstances of their work. 17 patterns of working hours will be available. Start times can be changed in 15-minute increments between 6:15 and 10:15 (mandatory working hours: 8 hours).
Work Interval Program	Rest time is ensured by creating an interval of at least 10 hours between finish time and start time the following day, to prevent health problems in employees.
Telecommuting (Work from Home) Program	People for whom it has been deemed difficult to commute to work every day will be able to work from home for a certain set maximum period.
Leave of Absence Program	A leave of absence of up to two years may be taken in the event of a life event that makes a person impossible to work.
U-Turn & I-Turn Programs	(1) U-Turn (Re-employment) Program: An employee who has resigned due to a life event may return to the company if the employee wishes so. (2) I-Turn (Work Location Change) Program: If a life event makes it difficult to keeping working at one location and there is a Rohm location where the employee is re-locating to, a transfer will be possible.
Shorter Hours for Child-Raising Program	• Daily mandatory working hours may be shortened in 15-minute increments by up to 2 hours. (Previously, it was 1 hour after start time and 1 hour before finish time, in 15-minute increments.) • May be taken until the child finishes elementary school. Application may be made from two weeks.
Early/Late Start/Finish Times	In line with the Flexible Work (Staggered Hours) Program, start and finish times may be brought forward or pushed back in 18 patterns.

Disability Employment

Domestic companies in the ROHM Group seek to create an environment that enables people with disabilities make full use of their abilities, and make efforts to employ people with disabilities. Before the statutory employment rate went up from 1.8% to 2.0% in 2013, we maintained an employment rate of more than 2%. In FY 2017, the employment rate of the entire domestic group has been 2.33%.



Global Talent Management

【Recruitment Areas】

In anticipation of the further expansion of our global business, Rohm is pursuing activities that will allow the recruitment of people who possess the skills and expert knowledge that we need, regardless of their nationality, in all areas of the company, including research, technology, sales, and administration.

【Talent Management】

In FY2017, a new Talent Management System was introduced for all headquarters employees. This system will be progressively rolled out in the Group's overseas companies as well from FY2018. It will be used to make the talent in the Rohm Group as a whole more visible and to cultivate that talent, and also to speed up the discovery and appointment of outstanding talent.

【Personal Interaction Among Talent】

In 2010, we set up a program for accepting talent from the Group's overseas companies and we have accelerated our initiatives in human resources development in Group companies. Since then, we have taken in more than 100 employees, mainly from China and the ASEAN region. The aim of this program is for participating employees to gain the sense of and learn about Rohm's culture and work styles and to blend that with the culture of their own country on their return, in the hope that they will serve as local leaders who will spread their learnings to those around them. Receiving these employees from overseas also serves to bring new culture into the Japanese workplace, fostering a culture that accepts diversity. Going forward, we will expand the target regions and duration of the program, to pursue the development of an organization that is even richer in diversity. The ROHM Group will respect the humanity and personality of each employee, and ensure sound and stable lives of the Group's employees. In addition, the ROHM Group established “Labor Policy”, in order to not only comply with international standards of conduct and related laws and regulations of each country and region, but also encourage an open and comfortable office environment that respects cultural diversity, different customs, and other values.

Occupational Health and Safety

Human Resources Management
Occupational Health and Safety

Basic Approach

ROHM has established the Occupational Health and Safety Policies for the Group to promote Health and Safety activities. ROHM also proactively

encourages the acquirement of the international standard OHSAS 18001 certification for occupational health and safety management system.

Occupational Health and Safety Policy

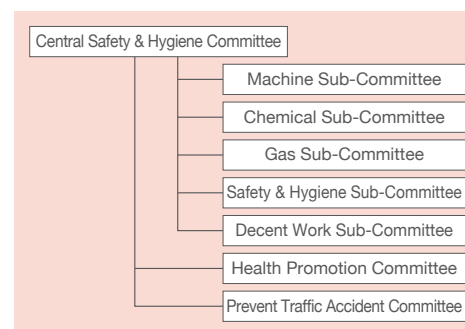
In conformity with the spirit of CSR, we recognize the vital significance of health and safety in all our business activities. Accordingly we exert ourselves on building up safe and comfortable workplace environment while preserving and promoting our physical and mental health.

1. We comply with health and safety laws and their related regulations, other requirements, and our company's rules.
2. We prevent occupational accidents by implementing managerial measures based on the identification of hazard sources in our workplace and their severity via risk assessment.
3. We pursue highly-ranked awareness by systematic education, training, and other things concerning health and safety. Additionally we strive to prevent injuries, physical and mental illnesses by promoting the creation of a comfortable workplace through energized, voluntary activities.
4. We continuously resolve problems by creating and carrying out the health and safety objectives, and their action plans. We strive for higher levels of excellence through regular performance reviews.

Promotion Framework

To ensure the safety of all employees, enhance and maintain their health, and promote comfortable working environments, various activities based on ROHM's health and safety policies are being implemented by 2 committees and 5 sub-committees under the Central Safety and Hygiene Committee. (Please refer to the graph on the right) The Committee is led by the Safety and Hygiene executive manager, who is assigned by the director.

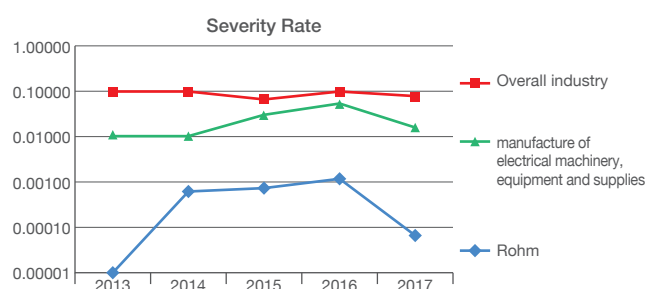
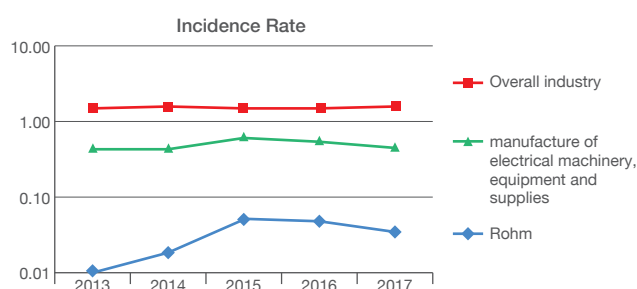
ROHM has production sites in various locations around the world and has acquired the international standard OHSAS 18001 certification to secure the safe operation of factories and the safety of employees. Based on this system, ROHM conducts risk assessments to reduce and manage health and safety risks and the continuing management of compliance with laws and regulations.



Occupational Incidence Rate and Severity

In 2017, the reported occupational incidence rate and severity rate of ROHM has substantially reduced from the average rate among all industries and within the industry of manufacturing of electrical

machinery, equipment and supplies. From now on, ROHM is continuing to work on reducing occupational incidences and aiming to create a safer and more comfortable workplace for employees.



Approach to Health

ROHM is implementing various measures to ensure that all of the employees can maintain and improve their physical and mental health. As a measure to control infections, ROHM pays for influenza vaccinations within the company for all those who request it and around 90% of all the employees receive the vaccination.

ROHM has also established a clinic inside the company which has a permanently stationed doctor and public health nurse. The employees can use the clinic whenever they wish and a system has been prepared to provide consultation and interviews on mental health. In addition, efforts are also made for prevention through lectures on mental health, relaxation seminars and the implementation of stress checks. In February 2018, ROHM was certified in the "Health & Productivity Outstanding Entities Recognition Program 2018 (Large Enterprise Category)" that is run by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



Basic Approach

We strive to pursue the best possible corporate governance in order to achieve our mission and policy as described in the Company Mission and the Basic Management Policy.

We recognize that a company is supported by all of its stakeholders including its customers, business partners, employees, shareholders, investors, and local

communities. We believe that the management and conduct of a company must be based on fairness, integrity, and transparency. Our basic view on corporate governance is to achieve sustainable corporate growth and maximize corporate value over the mid- to long-term from the stakeholders' perspective. We strive to improve corporate governance in accordance with the following guidelines.

Basic Policy

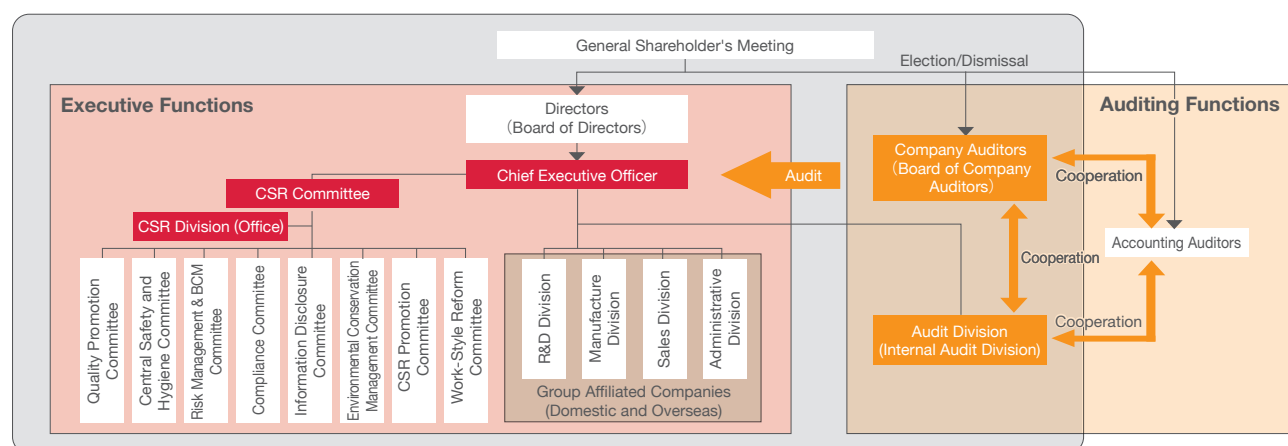
1. Cooperating with all stakeholders including shareholders and addressing and dealing with ESG (environmental, social, and governance) issues in an appropriate manner.
2. Respecting the rights of shareholders, securing equal treatment, and engaging in constructive dialog with shareholders who have mid- to long-term perspectives.
3. Disclosing corporate information in a timely and appropriate manner to ensure transparency.
4. Defining the roles and responsibilities of the Board of Directors, holding meetings of the Board of Directors in a timely and appropriate manner to facilitate the decision-making process, and ensuring that outside officers proactively express their views from an independent and objective standpoint and that the Board of Directors monitors and oversees the execution of business.

Based on these views, the ROHM Corporate Governance Policy and the ROHM Corporate Governance Report are established and published.

Corporate Governance Framework

In the semiconductor and electronic component industry, the most effective way of making prompt and accurate decisions is such that a small number of highly experienced directors who are versed in operations and technologies have the authority to execute business and mutually monitor their conduct. On the other hand, ROHM also recognizes the effectiveness of audits performed by outside company auditors in order to listen to frank opinions of external entities or its shareholders. In some cases, the suspension of proposed business projects might be inevitable. ROHM has

therefore ensures that all of its company auditors are outside auditors. Consequently, individual systems have mutually interacted in a good manner, and internal control has functioned very effectively. The business environment has recently changed and corporate misconduct has frequently occurred. With the appointment of outside directors, ROHM's Board of Directors is beginning to have more active discussions that focus more on its business conditions. Thus, ROHM is seeking to strengthen these policies in the future as well.



Board of Directors (Directors)

ROHM believes that an agile and effective way of managing and supervising its operations is for directors who are versed in its operations and technologies to have the authority to execute business and mutually monitor their conduct. In order to ensure the accurate and prompt decision-making process, the number of directors is limited to ten or fewer, at least two of whom must be independent outside directors. This is to ensure effective and objective oversight of the management and enhance mutual supervision among the directors.

Board of Company Auditors (Company Auditors)

In order to ensure transparency and objectivity in ROHM's business management, the five auditors that make up the Board of Auditors are all independent external auditors. The company auditors audit the execution of duties by the directors through attendance at board meetings and/or other important meetings and investigations of work performed by the directors. The company auditors also work with the accounting auditor and the Internal Audit Division to improve the accuracy of the audits.

■ Balance, Diversity and Size of the Board of Directors, and Policies and Procedures for the Appointment of Directors

1. We take into consideration the diversity of the members of the Board of Directors and the Board of Company Auditors in establishing selection criteria for directors and company auditors.
2. Director candidates are nominated by the Board of Directors in accordance with the preceding Paragraph based on recommendations of the Director Nomination Committee, a majority of whose members are independent outside directors.
3. Company auditor candidates are nominated by the Board of Directors in accordance with Paragraph 1, subject to the consent of the Board of Company Auditors, based on recommendation of the Director Nomination Committee, a majority of whose members are independent outside directors.

■ Analysis and Evaluation of the Effectiveness of the Board of Directors

[Evaluation procedure]

At ROHM, each director and company auditor takes part in a questionnaire survey to evaluate the effectiveness of the Board of Directors. The Board of Directors discusses the survey results to analyze and evaluate its effectiveness.

[Overview of evaluation results and future actions]

The overall effectiveness of the Board of Directors is good in the following areas. Board meetings are held according to appropriate schedule and at

appropriate intervals and a plenty of time is set aside for discussion; the Board of Directors makes important business decisions and other decisions in an appropriate manner; and outside directors and outside company auditors exchange information and opinions and the Board of Directors takes steps to ensure accurate information can be obtained. It is recognized, however, that there is room for improvement to the time at which reference materials are distributed and the manner in which deliberations are carried out. The Board of Directors will take steps to improve its effectiveness based on the results of this evaluation.

■ Directors and Company Auditors Training Policy

In accordance with ROHM's Basic Training Policy, directors and company auditors always and actively collect information on, and endeavor to familiarize themselves with, the Company's financial

condition, legal compliance, corporate governance, and any other issues, in order to perform their respective roles.

■ Framework to Support Outside Directors and/or Company Auditors

Outside officers hold meetings on a regular basis to exchange information and views and ideas on business operations and corporate governance. Outside Directors and company auditors may, at any time when they deem it necessary or appropriate, request directors and employees to

provide explanations or reports or to submit internal documents, and may also, if they deem it necessary, consult with external specialists at the expense of the Company. The ROHM Group has established and published the Outside Directors Independence Standards.

■ Remuneration

The maximum amount of remuneration for all directors and company auditors is specified by a resolution of a shareholders' meeting. Remuneration for each director is determined by the Board of Directors based on recommendations of the Directors Remuneration Committee, and the amount of remuneration for each company auditor is determined through deliberations by the Company Auditors Remuneration Committee. To clearly define the directors' business management responsibility, remuneration for the directors consists of performance-based remuneration, which varies according to the

performance level determined using the ROHM Group's consolidated ordinary income as a performance indicator and fixed remuneration, which is a fixed amount. However, outside directors are only provided with fixed remuneration because of the importance of their monitoring functions, which are independent of business execution functions. Company auditors are also provided with fixed remuneration only and do not receive performance-based remuneration because of the nature of audit functions. ROHM does not provide stock options to directors and has abolished the executive retirement benefits system.

Director and Company Auditor Category	Total Remuneration (¥ in millions)	Total Remuneration by Type (¥ in millions)		Number of Eligible Directors and Company Auditors
		Basic Remuneration	Bonus	
Directors (Excluding Outside Directors)	354	257	97	9
Outside Directors and Outside Company Auditors	82	82	—	7

*1: The remuneration paid to a director does not include the employee portion of the remuneration paid to an employee/director.

*2: The 48th annual general meeting held on June 29, 2006 resolved that directors' remuneration be no more than 600 million yen per year and the 36th annual general meeting held on June 29, 1994 resolved that company auditors' remuneration be no more than six million yen per month.

Directors

[Name/Career]

Board of Directors

As of Jun,2018

Name	Position & Title	Date of birth	Career
Tadanobu Fujiwara	President (Representative Director)	Oct. 1, 1953	Sep.1983 Joined ROHM. Jun. 2009 Appointed as Director and General Manager of Eastern Japan Sales Headquarters. Apr. 2010 Appointed as Director and General Manager of Eastern and Western Japan Sales Headquarters. Feb. 2013 Appointed as Director and General Manager of Japanese Sales Headquarters. Jan. 2017 Appointed as Managing Director in charge of Japanese Sales. Apr. 2017 Appointed as Managing Director in charge of Sales. Nov. 2017 Appointed as Senior Managing Director in charge of Sales. Jun. 2018 Appointed as President (Representative Director) (~ Present).
Katsumi Azuma	Senior Managing Director in charge of production	Nov. 10, 1964	Apr. 1989 Joined ROHM. Jun. 2013 Appointed as Director and General Manager of Discrete Production Headquarters. Feb. 2014 Appointed as Director and General Manager of Discrete and Module Production Headquarters. Jan. 2017 Appointed as Managing Director and General Manager of Discrete Production Headquarters in charge of Module Production Headquarters. Mar. 2017 Appointed as Managing Director and General Manager of Discrete Production Headquarters in charge of Optical Module Production Headquarters. Jul. 2017 Appointed as Senior Managing Director in charge of Discrete, Optical Module Production (~ Present).
Isao Matsumoto	Director in charge of Wafer Process	Jan. 25, 1961	Apr. 1985 Joined ROHM. Jun. 2013 Appointed as Director and General Manager of LSI Production Headquarters. Jun. 2016 Appointed as Director and General Manager of LSI Production Headquarters and LSI Product Development Headquarters. Sep. 2017 Appointed as Director in charge of LSI Production (~ Present).
Masahiko Yamazaki	Director in charge of Administrative & CSR	Jul. 27, 1959	Mar. 1982 Joined ROHM. Jun. 2010 Appointed as Director and General Manager of Administrative Headquarters. Aug. 2016 Appointed as Director and General Manager of Administrative Headquarters, and General Manager of CSR Headquarters. Jul. 2017 Appointed as Director, General Manager of Administrative Headquarters, General Manager of Accounting & Finance Headquarters, and General Manager of CSR Headquarters. Jun. 2018 Appointed as Director in charge of Administrative, Environment, and CSR (~ Present).
Yoshiaki Suenaga	Director in charge of Corporate Marketing Strategy	Jan. 1, 1959	Apr. 1985 Joined ROHM. Jun. 2017 Appointed as Group General Manager of Corporate Marketing Strategy (~ Present).
Kunio Uehara	Director in charge of Accounting & Finance	May. 8, 1960	Mar. 1983 Joined ROHM. Jun. 2018 Appointed as Director and Group General Manager of Accounting & Finance Headquarters (~ Present).
Shinichi Yoshimi	Director in charge of Human Resources	Aug. 27, 1966	Apr. 1990 Joined ROHM. Jun. 2018 Appointed as Director and Group General Manager of Human Resources Headquarters (~ Present).
Kenichiro Sato	Director	Mar. 8, 1931	Dec. 1954 Established Toyo Electronics Industry, the predecessor of the Company Sep. 1958 Established Toyo Electronics Industry Corporation (currently known as ROHM Co., Ltd.). Appointed as President (Representative Director). Feb. 1991 Appointed as Chairman of the Rohm Music Foundation (~ Present). Apr. 2010 Appointed as Chairman Emeritus of ROHM. Jun. 2016 Appointed as Director of ROHM (~ Present).

Outside Directors

Name	Position & Title	Date of birth	Career
Hachiro Kawamoto	Director	Oct. 18, 1934	Apr. 1958 Joined the Ritsumeikan Trust. Apr. 1984 Appointed to the Board of Trustees of the Ritsumeikan Trust. Nov. 1995 Appointed as Chairman of the Board of Trustees of the Ritsumeikan Trust. Jun. 2008 Appointed as Director of ROHM (~ Present). Jul. 2008 Appointed as Senior Adviser and Trustee of the Ritsumeikan Trust. Apr. 2013 Appointed as Honorary Executive of the Ritsumeikan Trust (~ Present). May 2013 Appointed as Honorary Advisor of the Ritsumeikan Trust (~ Present).
Koichi Nishioka	Director	May. 11, 1946	Apr. 1971 Joined Nikkei, Inc. as an editorial reporter. Mar. 1991 Appointed to the Editorial Committee of Nikkei, Inc. Apr. 2008 Appointed as Professor of Senshu University (~ Present). Appointed as Guest Columnist of Nikkei, Inc. Jun. 2011 Appointed as Director of ROHM (~ Present).

* The above two outside directors have been appointed as independent officers as ROHM is satisfied that they meet the requirements for independent officers established by the Tokyo Stock Exchange and ROHM's Outside Officers Independence Standards and are unlikely to cause a conflict of interest with its shareholders.

Company Auditors

Name	Position & Title	Date of birth	Career
Hiroyuki Nii	Company Auditor (Full-Time)	Aug. 16, 1957	Apr. 1981 Joined the Daiwa Bank Co., Ltd. Apr. 2006 Appointed as Group Leader of Real Estate Division of Resona Bank, Ltd. Apr. 2011 Appointed as Senior Managing Director of the Resona Foundation for Asia and Oceania. Jun. 2016 Appointed as full-time Company Auditor of ROHM (~ Present).
Yoshiaki Shibata	Company Auditor (Full-Time)	Aug. 17, 1944	Apr. 1968 Joined the Daiwa Bank Co., Ltd. Apr. 1997 Appointed as General Manager of the Inspection Div. of the Daiwa Bank Co., Ltd. Jun. 1998 Appointed as full-time Company Auditor of ROHM (~ Present).
Hidero Chimori	Company Auditor	May. 24, 1954	Apr. 1983 Qualified and registered as an attorney at law and admitted to the Osaka Bar Association. Joined Miyake & Partners. May 2002 Appointed as Managing Partner of Miyake & Partners (~ Present). Jun. 2016 Appointed as Company Auditor of ROHM (~ Present). Appointed as Outside Director of Kobe Steel, Ltd.
Shinya Murao	Company Auditor	Jan. 26, 1957	Sep. 1986 Joined Tohmatsu & Co. (Osaka Office). Mar. 1990 Qualified and registered as a CPA. Sep. 1992 Established Murao Accounting Office. Jun. 2001 Appointed as Company Auditor of ROHM (~ Present).
Haruo Kitamura	Company Auditor	Aug. 21, 1958	Sep. 1983 Joined Arthur Anderson CPA Joint Office. Mar. 1987 Qualified and registered as a CPA. Aug. 2002 Established Kitamura Accounting Office. Jun. 2004 Appointed as Company Auditor of ROHM (~ Present). Dec. 2005 Appointed as Outside Director of Sumisho-Grainger Co., Ltd. (currently known as MonotaRO Co., Ltd.) (~ Present).

* All company auditors have been appointed as independent officers as ROHM is satisfied that they meet the requirements for independent officers established by the Tokyo Stock Exchange and ROHM's Outside Officers Independence Standards and are unlikely to cause a conflict of interest with its shareholders.

Communication with Shareholders and Investors

ROHM has established a Public Relations & Investor Relations (IR) Div. as a division in charge of IR activities. ROHM actively communicates with shareholders and investors around the world through IR activities such as the timely provision of performance trends and other corporate information. Specifically, ROHM's president and directors hold a results briefing twice a year and also visit overseas investors twice a year. ROHM engages in active dialog with its shareholders and investors through a year. This includes the participation in conferences and technical seminars for institutional investors sponsored by securities companies and briefings for private investors held at security companies' branches and other events organized for private investors. In addition, ROHM has established a disclosure policy and strives to provide fair and accurate information in a timely manner.



Distributing Profits to Shareholders

In distributing profits to shareholders, ROHM aims for the consolidated payout ratio of at least 30 percent. In addition, ROHM makes every possible effort not to reduce the dividend rate from the standard annual rate of 130 yen and seeks to improve its long-term business performance and raise the dividend rate accordingly. The rate of dividends payable at the end of March 2019 is expected to be raised to 150 yen.

	'16/3	'17/3	'18/3
Ordinary dividend (yen)	130	130	130
Commemorative dividend (yen)	—	—	110
Net income per share (yen)	241.91	249.88	352.14

Vitalizing shareholders' meetings and facilitating the exercise of voting rights

The measures taken to facilitate the exercise of voting rights include giving at least four weeks' notice of an annual general meeting, posting an English translation of notices on the Company's website, and

accepting the exercise of voting rights by proxy on the Internet. ROHM also carries out IR activities based on investigations of the identity of foreign investors and promotes the exercise of voting rights.

Basic Approach & Promotion Framework

ROHM considers all phenomena that may hinder the work and business performance if they occur to be “risks.” In addition to working to minimize such occurrences, we also implement measures to ensure that it will be possible to either continue or restore the business smoothly even if disasters or similar events do occur.

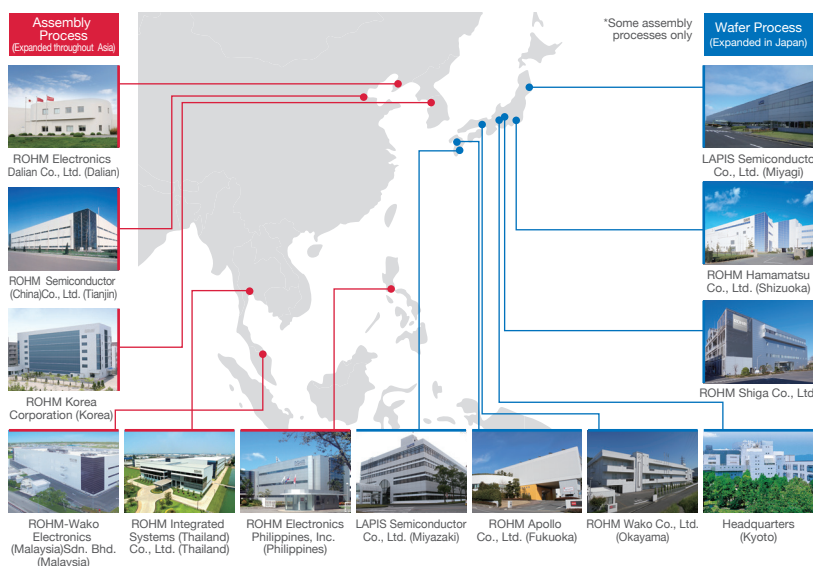
In specific terms, a “Risk Management and BCM Committee” has been formed under the “CSR Committee” that is chaired by the President. This committee identifies, analyzes and supervises the major risks that may occur in the execution of the duties of the ROHM Group. Furthermore, in addition to evaluating the activities of the departments

responsible for each risk, it also promotes the formulation of a Business Continuity Plan (BCP) and works for its thorough implementation throughout the company so that efforts are made to implement all possible preparations and countermeasures in advance.

A Risk Management Office has been established in the Department of General Affairs as an internal organization for the elimination of antisocial forces. It coordinates and exchanges information with external specialist organizations such as the police department and expands and implements specific activities to eliminate antisocial forces.

Business Continuity Management

We have stated that part of our company mission 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 both the domestic and global markets.” As ROHM is conducting development, manufacturing and sales activities in various locations around the world, we believe that one key issue for the management of the company is the construction of Business Continuity Management (BCM). We have therefore established the ROHM Group fire and disaster prevention policy for the implementation of activities. One part of this is the implementation of various measures to prepare for emergencies at our bases in Japan and overseas that have production functions. For example, we identify the risks such as disasters and form countermeasure committees for them. We also propose Business Continuity Plans (BCP) and conduct training based on them.



Information Security

Basic Approach

ROHM has defined its policy on information security and works to implement thorough management. This management covers the confidential information on ROHM that is obtained during

business activities, third-party confidential information obtained from trading partners or customers, information affecting the privacy of related parties and personal information.

ROHM Group Information Security Policy

1. It takes on effective data protection measures to the Divulging of information.
2. The System and Network where the business continuance is enable under all situations are secured.
3. All employees should try to prevent the security accident of the Divulging of information etc.

Promotion Framework

Through the Strategic Information Systems Division at the Headquarters, ROHM has established a management system for information security throughout the Group and is continuing its efforts to aim to improve the security level further. The Strategic Information Systems Division acquired “ISO/IEC 27001”

certification for information security management systems in 2013. The systems are operated to promote the appropriate management of information, including with the prevention of leaks of confidential information such as critical business data and the elimination of the improper use of that information.

Education and Training

For the appropriate protection of information such as the confidential information obtained from customers based on contracts, we are working based on various policies such as the information security policy to construct mechanisms to prevent security accidents and to raise the awareness of employees. As information security training, in addition to training for new

employees and for different employee levels, there is also online information security training implemented continually for all employees. The situation of course participation and the level of understanding are made visible to provide appropriate feedback to the course participants and to effectively raise the awareness of information security among all the employees.

Basic Approach

It is, and always has been, the aim of ROHM to be a company that is worth of public trust by operating our business in full compliance with all applicable laws and regulations and in accordance with our COMPANY MISSION and BASIC MANAGEMENT POLICY. In line with this objective, we have established this Business Conduct Guidelines (“BCG”) as our standard of compliance. Moreover, we recognize the growing importance

of Corporate Social Responsibility (“CSR”). In order to respond to societal requests, and to be a company selected by stakeholders worldwide, we have increased our efforts to implement CSR. With such efforts, we not only acknowledge, but also attest, that Compliance, specifically as it relates to legal and ethical responsibility, is the basic requirement for CSR and a fundamental element of building trust from society.

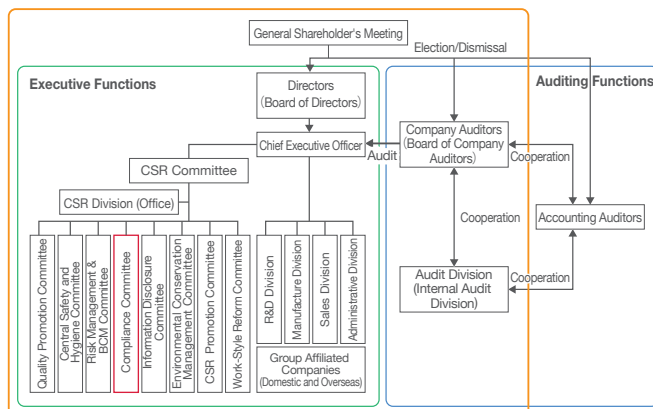
ROHM Group Ethics Policy/Business Conduct Guideline

ROHM will conduct its business activities complying with the laws, business ethics, and in-house rules in order to continue to gain the trust from various stakeholders. ROHM also establishes its “Ethics Policy,” in line with the globalization of business activities and respect international standards of conduct. In addition, ROHM

translates its Business Conduct Guidelines, which clarify basic ethical rules that must be observed in daily business activities, into seven languages and promotes their use at all group companies.



Promotion Framework



A Compliance Committee has been formed under the CSR Committee to promote compliance throughout the ROHM Group. The Committee is chaired by a director and the committee members are the heads of related departments. A full-time auditor and head of the Audit Division also attend the committee meetings as observers. The Legal Affairs Office acts as the secretariat for the Committee and checks once a year for the revision and abolition of the laws and regulations applicable to each company in the ROHM Group and of the situation of compliance with them. It also works through measures such as ethics risk assessments to maintain and reinforce the attitude on compliance throughout the ROHM Group.

Education and Training

In addition to grade-based compliance seminars for employees, ROHM continuously holds internal compliance education activities, including workshops as well as provide legal e-learning and other classes for employees,

in order to raise employees' awareness of compliance. At bases both in Japan and overseas, the Legal Affairs department visits local areas to implement training suitable for the characteristics of the base or region concerned.

Education or training theme	Base, country or region where implemented	Target recipients
Workshop of Guidelines on contact with rival companies	Each Group company in Japan and overseas	Each department manager, each sales employee, etc.
Legal Guide Book	Japan Group Companies	All employees
Compliance Training Program	Overseas Group Companies	All employees

Whistleblowing System

As a whistleblowing system, ROHM has established a compliance hotline that has an external legal office as a contact point. Reports and consultation about compliance violations in the Group in Japan are accepted from all employees, including non-regular employees, to work for the early discovery of

violations and the implementation of appropriate responses. Compliance hotlines have also been established at affiliated companies overseas. There is also a compliance hotline for business partners established by ROHM and the major production companies in the ROHM Group.

Basic Approach

ROHM is conducting various activities that are rooted in local communities in many parts of the world in which we operate. In order to become a company that is essential to society, we have conducted various activities centered around our pillars of education, environment & community contribution, culture & exchange. Through

various initiatives, we strive to build solid, trustworthy relationship with community members to help develop local communities and resolve social issues at the global level.

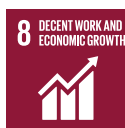
ROHM believes that contributing in the 3 focus areas would be of part in achievement SDGs and for the greater good.

3 Main Areas and Relevant SDGs



Education

Utilizing ROHM technology to foster the next generation with rich intellect and humanitarianism.



Environment & Community Contribution

As a corporate citizen, strive to protect the environment and carry out active and autonomous activities.



Culture & Exchange

Revitalizing local communities and ROHM by actively implementing cultural exchanges within and outside the company.



Activities Around the World



Education



【Disasters Prevention Event and Safety & Environmental Studies for Children(Thailand)】

ROHM Integrated Systems (Thailand) Co., Ltd. (or so called RIST) has been holding the "Red Bear Survival Camp," which is to share survival tips and skills with the children while having fun activities for the past 3 consecutive years. In Thailand, we experienced flood disaster frequently every year, therefore we believe that it's necessary to raise awareness and gain knowledge on disaster mitigation. During workshop, we led 60 fifth-graders from elementary school to experience refuge life by teaching them some basic survival skills using any item that is available around them to protect themselves during the disaster scene. These skills for example include: turning empty plastic bottles into life vest, making boots from garbage bags, the correct way of using smoke mask, warning whistle, and first-aid box, and etc. In addition, at RIST, we also provided environmental protection and safety studies within the company to deepen their knowledge in environment and safety fields. Participated children have commented that, they felt thankful that they have learned so much through the workshop. The teachers also commented that such event not only benefits the children, but also to the local community. From now on, the ROHM Group is aiming to implement more community-based events like this and expand to more sites around the world.



【Workshop for Junior High School Students (Okayama)】

Two junior high school students who live in Kasaoka city came our office as short term trainees from 14-Nov-2017 to 17-Nov-2017. We invite some students every year for one of our social activities.

Students experienced our job at Administration division (Human resource, Account, General affairs, Purchasing). They seemed to have found some of our activities. We will continue this activity and contribute to local people.





Environment & Community Contribution



【Company Surrounding Cleaning Activity Collaboration with Supplier and Contractors(Malaysia)】

CSR Promotion Sub Committee had conducted Company Surrounding Cleaning activity collaboration with suppliers and contractors. The purpose of this activity is to create awareness of keeping company clean as well as to create 'no littering' culture among employees and contractors.

This activity had been conducted periodically involving all shift. Each time, there were 30 employees and 10 person of contractors will be participated in this activity and the contractors which had joined are Hayaki, HSL, Secom, Chudenko, Mega Aircond and many more.

This activity had received a very good feedback from employees and also amongs the contractors as it will make them aware of the company surrounding's environmental. This program will be continuously conducted throughout this year.



【Welcome Cleanup Activity (Shizuoka)】

Rohm Hamamatsu is a production base of Rohm group in Shizuoka prefecture. The members of Rohm Hamamatsu have been participating in the Hamamatsu city organized coastal cleanup activities "Welcome cleanup activities" once a year since 2009. This activity is held every May in order to secure a beach where loggerhead turtles can lay eggs safely. The turtle is a protected species of Hamamatsu City. Eight employees volunteered for this activity on May 14, 2017. Participants said that they were able to contribute to local environmental conservation and spend a meaningful time. We will continue to actively participate in such activities in the future and contribute to the preservation of the landscape and the environment, which are important for local people.



【Forestation Activity (China)】

In REDA, we have proactively partnered with other companies to participate in forestation activities every year since 2009. This activity aims to reduce CO₂ and create a more environmentally-friendly living. As a corporate citizen at the same time, we consider this activity as a great tool to communicate with local community and as a purpose to promote social contribution initiatives that could be rooted locally.

On April 13th, 2017, approximate 30 companies including REDA, US Consulate General Shenyang, and other neighboring companies participated in the Forestation activity held by Intel Circular Economy Center in Jingzhou New District. There were 600 volunteers participated and planted more than 6000 cherry blossom trees on that day. We have received positive comment from employee participant saying that, they believed in this kind of activity to serve as a great opportunity for all participants to consider carefully about measures to prevent Global Warming and protect our environment.



【Cleanup Activity along Lake Biwa (Shiga)】

ROHM Shiga is located nearby Lake Biwa- the biggest lake in Japan, and some of its water resources come from Lake Biwa as well. We hold annual cleanup activity in July for citizens from Biwa area to clean the lake surroundings and keep the area as clean and beautiful as possible, in order to show our appreciation since the company founded in 2016. The water used in the factory from Lake Biwa will be returned back to the lake in an even-cleaner condition after processed. Therefore, one of ROHM Shiga's business activities is to help purify water in Lake Biwa.





Culture & Exchange

【Cultural Support Activities】

Implementing activities that contribute to the dissemination and development of music culture



Performance of Opera Project XVI, "Gianni Schicchi" by the Seiji Ozawa Music Academy in the Main Hall of ROHM Theatre Kyoto Photo: Michiharu Okubo

Rohm Music Foundation (a Public Interest Foundation)

Number of visitors that attended concerts supported and hosted by ROHM and the Rohm Music Foundation in 2017

Over **116,000** total

The Rohm Music Foundation was established in 1991, with the goal of contributing to the popularization and development of music culture in Japan. As of 2018, the foundation has granted 464 scholarships and continues to host Scholarship Concerts performed by current scholars. The Foundation organizes the Kyoto International Music Students Festival to promote international exchange among young musicians and music seminars to foster professional musicians. The Foundation also offers financial support for music-related performances, research and more.

 Rohm Music Foundation website:
<https://www.rohm.com/rmf>

ROHM Theatre Kyoto: A Cultural Institution

As an active supporter of the music arts for many years, ROHM acquired the naming rights of ROHM Theatre Kyoto, which reopened on January 10, 2016, for the next 50 years. The theatre is located in the heart of one of the city's most prominent cultural areas, home to numerous historic shrines and art museums. We hope that this theatre will be cherished as an institution representing the cultural arts of Japan.

 ROHM Theatre Kyoto home page (part of ROHM's website):
<https://www.rohm.com/theatre>

Performance of Opera Project XVI, "L'enfant et les sortilèges" by the Seiji Ozawa Music Academy
Photo: Masatoshi Uenaka



ROHM Music Festival held at the South Hall of ROHM Theatre Kyoto
Photo: Tatsuo Sasaki





Kyoto International Music Students Festival Photo: Tatsuo Sasaki



Activities by ROHM and the Rohm Music Foundation that express the splendor of music

Seiji Ozawa Music Academy - An Educational Project Produced at ROHM Theatre Kyoto

Number of elementary school students invited
to perform in the 'Opera for Children' at
ROHM Theatre Kyoto

Over **8,700**

(as of November 2018)

We continue to support the "Seiji Ozawa Music Academy," a development project for young musicians conducted by world-renowned conductor Seiji Ozawa. This is an unprecedented program in which young musicians in Asia are selected by audition to perform alongside top-class vocalists, led by professional musicians active on the global music scene as well as by Seiji Ozawa himself. This academy has hosted performance in ROHM Theatre Kyoto as the production base since it was opened in 2016. The academy has also hosted performances of "Opera for Children" since 2015, inviting elementary school children in Kyoto to enjoy this extravagant event.

International Exchange Through Music: Kyoto International Music Students Festival

Number of music students who participated

2,525

Includes 545 students from overseas

(as of November 2018)

The Kyoto International Music Students Festival, which has been held every year since 1993, invites students from leading music schools around the world as well as in Japan. This premier music festival promotes international exchange through music and provides a nurturing environment for young artists. Public performances are held over five days in a variety of genres using piano, stringed and wind instruments, vocals and orchestra. More than 2,000 visitors come each year to hear the lively performances of students that bring color to the start of the Kyoto summer season.

ROHM Music Festival: A Music-Filled Event

Number of 'Rohm Music Friends' - Musicians
supported by ROHM and the Rohm Music
Foundation:

4,400

(as of November 2018)

Since 2016, the ROHM Music Festival has been held at the entire ROHM Theatre Kyoto for two days per year. This festival features performances by the "Rohm Music Friends," a collective of musicians who have been supported by ROHM and the Rohm Music Foundation and are actively working as professional musicians, and by junior and senior high school students in the Kansai area. During this time the area comes alive with music, with good times enjoyed by all.



ROHM Music Festival held at ROHM Square in ROHM Theatre Kyoto
Photo: Tadashi Osawa

Eleven-Year Summary

	'08/3	'09/3	'10/3
For the Year:			
Net sales	373,405	317,140	335,640
Cost of sales	230,839	217,282	229,831
Selling, general and administrative expenses	75,204	89,318	86,999
Operating profit (loss)	67,361	10,540	18,809
Profit (loss) before income taxes	57,966	-25,520	10,836
Income taxes	26,006	-33,774	4,001
Profit (loss) attributable to owners of parent	31,931	9,837	7,134
Capital expenditures	38,721	51,490	30,216
Depreciation and amortization	55,604	48,951	48,446
Per Share Information (in yen):			
Net income (loss) per share	284.66	89.76	65.10
Dividend per share	230.0	130.0	130.0
As of the end of Year:			
Current assets	535,897	464,187	462,434
Current liabilities	62,775	68,325	68,849
Equity	755,872	709,840	707,718
Total assets	870,972	809,185	807,339
Number of employees	20,539	22,034	21,005

Notes: 1. Certain reclassifications of previously reported amounts have been made to conform with the classifications in the 2018 financial statements.

2. Diluted net income per share for 2018, 2017, 2016, 2015, 2014, 2011, 2010, 2009 and 2008 is not disclosed because there were no outstanding potentially dilutive securities and ROHM CO., LTD., was in a net loss position for the years ended March 31, 2013 and 2012.

3. Effective April 1, 2008, ROHM CO., LTD., and its consolidated subsidiaries applied new accounting standards as follows:

(1) Applied a new accounting standard for measurement of inventories. The effect of this change was to decrease "Operating profit" by ¥3,184 million and to increase "Loss before income taxes" by ¥3,184 million for the year ended March 31, 2009.

(2) Applied a revised accounting standard for lease transactions. The effect of this change to the consolidated financial statements was immaterial for the year ended March 31, 2009.

(3) Applied a new accounting standard for unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements. The effect of this change to the consolidated financial statements was immaterial for the year ended March 31, 2009.

4. Effective April 1, 2010, ROHM CO., LTD., and its consolidated subsidiaries applied a new accounting standard for asset retirement obligations. The effect of this change was to decrease "Operating profit" by ¥73 million and "Profit before income taxes" by ¥784 million for the year ended March 31, 2011.

Millions of Yen							
'11/3	'12/3	'13/3	'14/3	'15/3	'16/3	'17/3	'18/3
341,885	304,652	292,410	331,087	362,772	352,397	352,010	397,106
219,149	209,046	213,275	227,014	235,042	230,662	234,967	252,591
89,999	89,253	80,056	80,437	88,929	88,099	85,215	87,510
32,736	6,352	-921	23,635	38,800	33,635	31,827	57,004
19,400	-2,696	-52,414	40,179	55,239	31,537	32,377	46,512
9,524	13,374	9	8,056	9,897	5,835	5,927	9,247
9,632	-16,106	-52,464	32,091	45,296	25,686	26,432	37,249
40,042	51,117	42,817	31,754	48,739	56,686	42,182	55,911
39,019	34,924	38,856	25,559	34,467	38,338	40,801	43,407
88.07	-149.41	-486.63	297.65	420.16	241.91	249.88	352.14
130.0	60.0	30.0	50.0	130.0	130.0	130.0	240.0
436,247	434,457	423,064	461,745	523,376	473,570	495,958	513,539
64,333	74,337	55,750	52,954	69,660	62,352	69,050	78,085
668,778	634,280	613,647	663,387	752,433	706,251	725,452	751,877
759,988	737,326	699,014	754,407	864,380	804,134	834,503	870,034
21,560	21,295	20,203	19,985	20,843	21,171	21,308	23,120

■ Consolidated Balance Sheet

【ASSETS】	Millions of Yen	
	'17/3	'18/3
Cash and deposits	264,916	264,600
Notes and accounts receivable - trade	76,700	85,292
Electronically recorded monetary claims - operating	5,132	5,409
Securities	42,582	41,221
Merchandise and finished goods	23,197	27,563
Work in process	38,699	41,643
Raw materials and supplies	24,800	29,082
Deferred tax assets	9,047	9,356
Income taxes receivable	1,137	205
Other	10,285	9,620
Allowance for doubtful accounts	-541	-457
Total current assets	<u>495,958</u>	<u>513,539</u>
Buildings and structures	230,987	233,592
Accumulated depreciation	-154,375	-160,293
Buildings and structures, net	76,611	73,298
Machinery, equipment and vehicles	516,448	544,650
Accumulated depreciation	-450,496	-471,897
Machinery, equipment and vehicles, net	65,952	72,752
Tools, furniture and fixtures	47,668	49,661
Accumulated depreciation	-40,600	-41,987
Tools, furniture and fixtures, net	7,068	7,673
Land	66,961	66,809
Construction in progress	14,676	19,691
Total property, plant and equipment	<u>231,270</u>	<u>240,227</u>
Goodwill	5,355	-
Other	5,157	5,410
Total intangible assets	<u>10,513</u>	<u>5,410</u>
Investment securities	81,084	94,615
Net defined benefit asset	1,435	2,073
Deferred tax assets	2,685	2,580
Other	11,961	12,199
Allowance for doubtful accounts	-406	-612
Total investments and other assets	<u>96,760</u>	<u>110,857</u>
Total non-current assets	<u>338,545</u>	<u>356,495</u>
Total assets	<u>834,503</u>	<u>870,034</u>

【LIABILITIES AND EQUITY】	Millions of Yen	
	'17/3	'18/3
Notes and accounts payable - trade	12,193	13,788
Electronically recorded obligations - operating	8,657	4,903
Accounts payable - other	22,382	25,936
Income taxes payable	3,790	10,423
Deferred tax liabilities	2	30
Provision for loss on business liquidation	224	215
Other	21,798	22,788
Total current liabilities	69,050	78,085
Deferred tax liabilities	28,195	27,667
Net defined benefit liability	10,693	10,136
Other	1,111	2,266
Total non-current liabilities	40,001	40,071
Total liabilities	109,051	118,156
【Net assets】		
Capital stock	86,969	86,969
Capital surplus	102,403	102,403
Retained earnings	604,057	620,151
Treasury shares	-47,777	-47,788
Total shareholders' equity	745,653	761,736
Valuation difference on available-for-sale securities	25,438	33,931
Foreign currency translation adjustment	-40,942	-40,666
Remeasurements of defined benefit plans	-5,163	-3,576
Total accumulated other comprehensive income	-20,667	-10,311
Non-controlling interests	466	452
Total net assets	725,452	751,877
Total liabilities and net assets	834,503	870,034

■ Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

	Millions of Yen	
	'17/3	'18/3
Net Sales	352,010	397,106
Cost of sales	234,967	252,591
Gross profit	117,042	144,515
Selling, general and administrative expenses	85,215	87,510
Operating profit	31,827	57,004
Interest income	2,319	2,748
Dividend income	1,733	1,112
Other	700	1,060
Non-operating income	4,753	4,920
Foreign exchange losses	766	7,248
Settlement package	148	212
Other	86	251
Non-operating expenses	1,001	7,712
Ordinary profit	35,579	54,213
Extraordinary income	428	501
Extraordinary losses	3,630	8,201
Profit (loss) before income taxes	32,377	46,512
Income taxes - current	4,866	13,572
Income taxes for prior periods	1,741	-
Income taxes - deferred	-680	-4,325
Total income taxes	5,927	9,247
Profit (loss)	26,450	37,265
Profit (loss) attributable to non-controlling interests	17	16
Profit (loss) attributable to owners of parent	26,432	37,249
Profit (loss)	26,450	37,265
Other Comprehensive Income (Loss):		
Valuation difference on available-for-sale securities	8,934	8,493
Foreign currency translation adjustment	-3,866	247
Remeasurements of defined benefit plans, net of tax	-146	1,586
Total other comprehensive income	4,921	10,327
Comprehensive income (Loss)	31,371	47,593
Total Comprehensive Income (Loss) Attributable to:		
Owners of the parent	31,381	47,605
Noncontrolling interests	-10	-11

■ Consolidated Statement of Cash Flows

【Operating Activities:】	Millions of Yen	
	'17/3	'18/3
Profit before income taxes	32,377	46,512
Depreciation	40,801	43,407
Impairment loss	2,455	7,046
Amortization of goodwill	385	391
Increase (decrease) in allowance for doubtful accounts	651	147
Increase (decrease) in net defined benefit liability	664	496
Decrease (increase) in net defined benefit asset	232	150
Interest and dividend income	-4,052	-3,860
Foreign exchange losses (gains)	1,707	1,581
Loss (gain) on valuation of short-term and long-term investment securities	57	81
Loss (gain) on sales of non-current assets	-177	-424
Decrease (increase) in notes and accounts receivable - trade	-11,935	-9,433
Decrease (increase) in inventories	-251	-11,737
Increase (decrease) in notes and accounts payable - trade	2,400	-1,429
Increase (decrease) in accounts payable - other	571	512
Other, net	3,418	2,745
Subtotal	69,307	76,190
Payments for business restructuring	-305	-8
Interest and dividend income received	4,052	4,714
Interest expenses paid	-1	-16
Income taxes (paid) refund	-5,654	-6,152
Net cash provided by (used in) operating activities	67,397	74,727
【Investing Activities:】		
	'17/3	'18/3
Decrease (increase) in time deposits	3,855	10,469
Purchase of short-term and long-term investment securities	-10,990	-19,362
Proceeds from sales and redemption of short-term and long-term investment securities	8,486	5,218
Purchase of property, plant and equipment	-39,602	-49,862
Proceeds from sales of property, plant and equipment	563	1,006
Proceeds from transfer of business	429	-
Other, net	-1,483	-1,986
Net cash provided by (used in) investing activities	-38,742	-54,517
【Financing Activities:】		
	'17/3	'18/3
Purchase of treasury shares	-6	-10
Cash dividends paid	-12,164	-21,154
Other, net	-2	-21
Net cash provided by (used in) financing activities	-12,173	-21,186
Effect of exchange rate change on cash and cash equivalents	-2,268	-1,063
Net increase (decrease) in cash and cash equivalents	14,212	-2,041
Cash and cash equivalents at beginning of period	231,802	246,015
Cash and cash equivalents at end of period	246,015	243,973



[Global]

Main Sales Offices	
ASIA	ROHM Semiconductor Korea Corporation ROHM Semiconductor Trading (Dalian) Co., Ltd. ROHM Semiconductor (Beijing) Co., Ltd. ROHM Semiconductor (Shanghai) Co., Ltd. ROHM Semiconductor (Shenzhen) Co., Ltd. ROHM Semiconductor Hong Kong 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.
AMERICA	ROHM Semiconductor U.S.A., LLC ROHM Semiconductor do Brasil Ltda. LAPIS Semiconductor America
EUROPE	ROHM Semiconductor GmbH

R&D Centers	
ASIA	Korea Design Center Beijing Design Center Shanghai Design Center Shenzhen Design Center Taiwan Design Center India Design Center
AMERICA	America Design Center (Santa Clara)
EUROPE	Europe Design Center ROHM POWERVATION Ltd. Finland Software Development Center

QA Centers	
ASIA	Shanghai QA Center / Shenzhen QA Center Taiwan QA Center / Korea QA Center Thailand QA Center
AMERICA	Detroit (America) QA Center
EUROPE	Europe QA Center



Company Information

Company Name:	ROHM Co., Ltd.
Headquarters:	21 Saiin Mizosaki-cho, Ukyo-ku, Kyoto 615-8585 Japan Tel: +81-75-311-2121 Fax: +81-75-315-0172
Date Established:	September 17, 1958
Capital:	86,969 million JPY (as of March 31, 2018)
Representative:	Tadanobu Fujiwara, President
Sales Volume:	Consolidated 397,106 million JPY (fiscal year ending March 2018)
Number of Employees:	Consolidated 23,120 (as of March 31, 2018)

[Japan]



[Japan]

Production Facilities

ASIA	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.
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AMERICA	Kionix, Inc.
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EUROPE	SiCrystal GmbH
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Sales Offices

Kyoto	Matsumoto
Tokyo	Mito
Yokohama	Nishi-Tokyo
Nagoya	Sendai
Fukuoka	Takasaki
Utsunomiya	

R&D Centers

Kyoto Technology Center (Head Office)
Kyoto Technology Center (Kyoto Ekimae)
Yokohama Technology Center

QA Centers

Kyoto QA Center

Production Facilities

ROHM Co., Ltd.
ROHM Hamamatsu Co., Ltd.
ROHM Wako Co., Ltd.
ROHM Apollo Co., Ltd.
ROHM Mechatech Co., Ltd.
LAPIS Semiconductor Co., Ltd.
LAPIS Semiconductor Miyagi Co., Ltd.
LAPIS Semiconductor Miyazaki Co., Ltd.
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United Nations Global Compact and
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