ROHM Co., Ltd.
Corporate Governance

Updated on: June 27, 2014
ROHM Co., Ltd.
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The following information explains the status of ROHM's corporate governance.

I Basic Policy on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Policy

In line with the social trend that mandates effective corporate governance, ROHM acknowledges that it is an entity supported by all its stakeholders including customers, business partners, shareholders, local communities and employees. Based on this acknowledgment, ROHM believes that its business operations and activities must be founded on corporate fairness, soundness and transparency and positions establishment of the corporate governance as an extremely important issue. Under this acknowledgment, ROHM has been carrying out various activities to prioritize the enhancement of corporate values in consideration of its stakeholders.

2. Capital Structure

Shareholding ratio of overseas investors	Over 30%

[Major shareholders and their shareholding ratio]

Corporate/Individual Shareholders	Number of Shares Held (shares)	Ratio (%)
Rohm Music Foundation	8,000,000	7.42%
Japan Trustee Service Bank, Ltd. (Trust account)	7,238,429	6.71%
The Master Trust Bank of Japan, Ltd. (Trust account)	6,968,700	6.46%
Bank of Kyoto, Ltd.	2,606,824	2.41%
Ken Sato	2,405,066	2.23%
SAJAP	1,945,300	1.80%
JP MORGAN CHASE BANK 385632	1,712,916	1.58%
THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	1,678,796	1.55%
Japan Trustee Service Bank, Ltd. (Trust account 9)	1,652,700	1.53%
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	1,468,700	1.36%

Existence or non-existence of a majority shareholder (excluding a parent company)	None
Existence or non-existence of a parent company	None

Supplemental remarks on Capital Structure

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Supplement

*Treasury stock (5,594thousands) is excluded from the above list.

*The shares owned by Japan Trustee Service Bank, Ltd. (Trust Account), The Master Trust Bank of Japan, Ltd. (Trust Account) and Japan Trustee Service Bank, Ltd. (Trust Account 9) are held in an investment trust by each bank.

*On Oct. 4, 2013, Harris Associates LP announced changes to their major shareholdings report to authorities. Even though we received a report of their owning our shares of 4,161thousands as of Sep. 30, 2013, because the share owned by them as of Mar. 31, 2014 could not be confirmed, that information is excluded from the above list.

Name and address：Harris Associates LP, 2 North LaSalle Street, Suite 500, Chicago, Il, USA, 60602

Number of shares：4,161thousands　Ratio to outstanding shares：3.67%

*On Mar. 5, 2014, GLG Partners LP announced changes to their major shareholdings report to authorities. Even though we received a report of their owning our shares of 4,363thousands as of Feb. 28, 2014, because the share owned by them as of Mar. 31, 2014 could not be confirmed, that information is excluded from the above list.

Name and address：GLG Partners LP, One Curzon Street, London W1J 5HB , United Kingdom

Number of shares：4,363thousands　Ratio to outstanding shares：3.85%

*On Mar. 6, 2014, Sumitomo Mitsui Trust Bank, Limited, and two co-orners of shares announced their major shareholdings report to authorities. Even though we received a report of their owing our shares as follows as of Feb. 28, 2014, because the shares owned by them as of Mar.31, 2014 could not be confirmed, that information is excluded from the above list.

Name and address：Sumitomo Mitsui Trust Bank, Limited, 1-4-1, Marunouchi, Chiyoda-ku, Tokyo

Number of shares：5,580 thousands　Ratio to outstanding shares：4.92%

Name and address：Sumitomo Mitsui Trust Asset Management Co., Ltd., 3-33-1 Shiba, Minato-ku, Tokyo

Number of shares：191 thousands　Ratio to outstanding shares：0.17%

Name and address：Nikko Asset Management Co., Ltd., 9-7-1 Akasaka, Minato-ku, Tokyo

Number of shares：468 thousands　Ratio to outstanding shares：0.41%

*On Mar. 24, 2014, BlackRock Japan Co., Ltd., and eight co-orners of shares announced changes to their major shareholdings report to authorities. Even though we received a report of their owing our shares as follows as of Mar. 14, 2014, because the shares owned by them as of Mar.31, 2014 could not be confirmed, that information is excluded from the above list.

Name and address：BlackRock Japan Co., Ltd., 1-8-3, Marunouchi, Chiyoda-ku, Tokyo

Number of shares：1,242 thousands　Ratio to outstanding shares：1.10%

Name and address：BlackRock Advisers, LLC., 100 Bellevue Parkway Wilmington, Delaware, USA

Number of shares：1,665 thousands　Ratio to outstanding shares：1.47%

Name and address：BlackRock Investment Management LLC., 800 scudders mill road, Plainsboro, New Jersey, USA

Number of shares：208 thousands　Ratio to outstanding shares：0.18%

Name and address：BlackRock (Luxembourg) S.A., 6D Route de Trèves L-2633, Senningerberg, Grand Duchy of Luxembourg

Number of shares：649 thousands　Ratio to outstanding shares：0.57%

Name and address：BlackRock Life Limited., 12 Throgmorton Avenue, London, UK

Number of shares：290 thousands　Ratio to outstanding shares：0.26%

Name and address：BlackRock Asset Management Ireland Limited., JP Morgan House, International Financial Service Center, Dublin, Republic of Ireland

Number of shares：429 thousands　Ratio to outstanding shares：0.38%

Name and address：BlackRock Advisors (UK) Limited., 12 Throgmorton Avenue, London, UK

Number of shares：162 thousands　Ratio to outstanding shares：0.14%

Name and address：BlackRock Fund Advisors., 400 Howard Street, San Francisco, California, USA

Number of shares：1,071 thousands　Ratio to outstanding shares：0.94%

Name and address：BlackRock Institutional Trust Company, N.A., 400 Howard Street, San Francisco, California, USA

Number of shares：1,371 thousands　Ratio to outstanding shares：1.21%

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3. Corporate Attribute

Securities Exchange & Market Section Listed	First Section , Tokyo Stock Exchange
Account End	March
Industry Sector	Electrical Appliances
Number of Employees (Consolidated) as of the end of the most recent business year	More than 1,000
Net Sales (Consolidated) as of the end of the most recent business year	More than 100 billion but below 1 trillion yen
Number of Consolidated Subsidiaries as of the end of the most recent business year	More than 10 but below 50

4. Policy regarding protection of minority shareholders at the time of transactions with majority shareholders.

5. Other Special Conditions That May Exert Strong Influences on Corporate Governance

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II. Organizational Structure for Executive Decision-Making, Implementation and Supervision and Other Corporate Governance Systems

1. Particulars of Organizational Structure and Operations

Organizational Form	Company with corporate auditors

[Particulars of Director System]

Number of board members stipulated in the articles of incorporation	10
Term of board members stipulated in the articles of incorporation	2 years
Chairman of the Board	President
Number of Members of the Board	10
Presence/Absence of External Board Members	Present
Number of External Board Members	2
Number of outside directors designated as independent directors	2

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*1)								
		a	b	c	d	e	f	g	h	i
Hachiro Kawamoto	Former employee of another company									
Koichi Nishioka	Academian									

*1 Description of Code
a. comes from the parent company
b. comes from another affiliate
c. is a major shareholder of the company concerned
d. concurrently serves as an external board member or outside corporate auditor of another company
e. is an executive director or executive officer of another company
f. is or is equivalent to a spouse or a blood relative within a third degree of kinship of the executive director or executive officer of the company concerned or of the specified related companies
g. receives payments or any other property benefit as a director from the parent company of the company concerned or the subsidiary of the parent company concerned
h. has concluded a limited liability contract with the company concerned
i. other

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Relationship with the Company (2)

Name	Independent Director	Supplemental remarks on relationship	Reason for Designation as External Board Member (If designated an independent director, that reason is included.)
Hachiro Kawamoto	○	Independent Director of ROHM. Director Emeritus, The Ritsumeikan Trust.	His designation is based on his vast knowledge and long involvement in management of an academic institution and how this knowledge and experience could help in reinforcing the management system of the Company. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.
Koichi Nishioka	○	Independent Director of ROHM. Professor of Senshu University. Former Visiting Columnist of Nikkei, Inc.	His designation is based on his vast knowledge and experience as a longstanding economic and financial journalist and columnist and contribution of his expertise to reinforce the management system of the Company. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.

[Particulars of Corporate Auditing System]

Presence/Absence of Board of Corporate Auditors	Present
Number of Corporate Auditors stipulated in the articles of incorporation	Not determined
Number of Corporate Auditors	5

Corporate Auditors, Accounting Auditors and Internal Audit Department cooperation status

In regards to cooperation between Corporate Auditors and Accounting Auditors, they hold meetings about ten times a year, in which they make reports on audit programs, audit status and results and other related topics and exchange their opinions.
In addition, to enhance cooperation between Corporate Auditors and the Internal Audit Department, the status of activities conducted by the Internal Audit Department is reported to the Corporate Auditors through monthly reports. Also, individual audit results (indications and reports on improvements) are reported whenever implemented.

Presence/Absence of Outside Corporate Auditors	Present

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Number of Outside Corporate Auditors	5
Number of Outside Auditors designated as Independent Directors	5

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*1)								
		a	b	c	d	e	f	g	h	i
Yoshiaki Shibata	Former employee of another company									
Hideo Iwata	Former employee of another company									
Yasuhito Tamaki	Attorney				○					
Shinya Murao	Certified public accountant									
Haruo Kitamura	Certified public accountant				○					

*1 Description of Code
a. comes from the parent company
b. comes from another affiliate
c. is a major shareholder of the company concerned
d. concurrently serves as an external board member or outside corporate auditor of another company
e. is an executive director or executive officer of another company
f. is or is equivalent to a spouse or a blood relative within a third degree of kinship of the executive director or executive officer of the company concerned or of the specified related companies
g. receives payments or any other property benefit as a director from the parent company of the company concerned or the subsidiary of the parent company concerned
h. has concluded a limited liability contract with the company concerned
i. other

Relationship with the Company (2)

Name	Independent Director	Supplemental Remarks on Relationship	Reason for Designation as Outside Corporate Auditors (If designated an independent director, that reason is included.)
Yoshiaki Shibata	○	Independent Auditor. Ex-General Manager of Inspection Div. The Daiwa Bank, Ltd. (current Resona Bank, Ltd.). Full-time employment. Mr. Shibata hails from one of our bankers (Resona Bank, Ltd.[former The Daiwa Bank, Ltd.]). As of the date to complete this report, we have no debt with Resona Bank. And even though Resona Bank is one of our bankers, we still have accounts with other bankers as well. Since it does not have any impact on the neutrality issue, a summary is omitted.	Yoshiaki Shibata has been designated as Outside Corporate Auditor because the Company was certain that he has been carrying out his duties appropriately by providing opinions regarding corporate management and other affairs from a comprehensive point of view based on his expertise as the full-time Corporate Auditor of the Company. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.
Hideo Iwata	○	Independent Auditor. Ex-Manager of The Daiwa Bank, Ltd.,	Hideo Iwata has been designated as Outside Corporate Auditor because

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		Tondabayashi Branch (current Resona Bank, Ltd.). Ex-Vice President for Administration and Business, Kume Electric Corporation. Full-time employment. Mr. Iwata hails from one of our bankers (Resona Bank, Ltd. [former The Daiwa Bank, Ltd.] like Mr. Shibata. As stated above, since it does not have any impact on the neutrality issue, a summary is omitted.	the Company was certain that he would contribute to the Company in terms of management and other affairs by sharing expertise and knowledge based on his excellent experience and knowledge as a long-time administrator at a financial institution and other organizations through auditing. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.
Yasuhito Tamaki	○	Independent Auditor. Partner of Midosuji Law Office. Outside Director, Eidaisangyou Corporation. Part-time employment. We have had business contacts with Mr. Tamaki's office, but the number is extremely low.	Yasuhito Tamaki has been designated as Outside Corporate Auditor because the Company was certain that he would contribute to the Company in terms of management and other affairs by sharing expertise and knowledge he gained as a lawyer through auditing. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.
Shinya Murao	○	Independent Auditor. Managing Director, Murao Accounting Office. Part-time employment.	Shinya Murao has been designated as Outside Corporate Auditor because the Company was certain that he would contribute to the Company in terms of management and other affairs by sharing expertise and knowledge he gained as a certified public accountant through auditing. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed him as an independent director.
Haruo Kitamura	○	Independent Auditor. Managing Director, Kitamura Accounting Office. Outside Director, Yamaha Corporation. Part-time employment.	Haruo Kitamura has been designated as Outside Corporate Auditor because the Company was certain that he would contribute to the Company in terms of management and other issues by sharing expertise and knowledge he gained as a public certified accountant through auditing. Also, as he is independent from the Company and there is no risk of conflicts of interest with general shareholders, we have appointed

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			him as an independent director.

[Particulars of Independent Director]

Number of Independent Director	7

Other Particulars of Major Activities by Outside Corporate Auditors

We only appoint outside directors that are qualified to serve as independent directors.

[Incentive System]

Implementation Status of Provision of Incentives to Directors	Introduction of pay-per-performance system

Supplemental Remarks on Incentives

To determine remuneration and bonuses for the Directors, ROHM has adopted a performance pay system, in which remuneration and bonuses for the Directors are decided using the consolidated ordinary profit of the relevant fiscal year as the performance indicator, to clarify the management responsibilities of the Directors.

Those who eligible for receiving stock option	

Supplemental Remarks on Incentives

[Remuneration for Directors]

Style of Disclosure (of remuneration of individual directors)	Individual remuneration has not been disclosed.

Supplemental Remarks on Remuneration for Directors

ROHM discloses amount of remuneration paid to Directors by their Director's classification in Annual securities report.
Amount of remuneration paid to Directors (excluding Outside Directors) in the fiscal year ended in March 2014: 221 million yen.
Amount of remuneration paid to Outside Directors and Outside Auditors in the fiscal year ended in March 2014: 78 million yen.

(Note) 1. The amount of remuneration paid to Directors does not include the amount of employee salaries paid to employee Directors.
2. The 48th general shareholders' meeting on June 29, 2006 resolved that the maximum amount of annual remuneration for Directors should be within ¥600 million.

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Existence or non-existence of policy on determining the amount of remuneration or related calculation methods	Yes

The remuneration for each director is deliberated and determined by the members of Director's Remuneration Committee according to the Committee rule.
The remuneration of directors consists of performance-based remuneration that changes according to performance attainment level, which uses the ROHM Group's consolidated ordinary income as an index, and fixed remuneration that is a fixed amount intended to clarify management responsibilities. However, the remuneration of outside directors is limited to fixed remuneration because the company differentiates neutral auditing functions from corporate operations.

[System to Support External Board Members (Outside Corporate Auditors)]

* ROHM has a system in which the materials related to the Directors' decision-making (minutes of the Board of Directors, circulars sent around for managerial decisions, etc.) are reviewed on a regular basis, and that major divisions of ROHM make reports of their operations and other information via the monthly report.
* The Internal Audit Department, consisting of seven staff members including the Department Chief, audits individual divisions and affiliates of ROHM by interviewing executives and employees, and inspecting documents and accounts, and communicates the audit results to the Corporate Auditors whenever implemented.
* Various findings from day-to-day audit activities are also communicated from full-time Corporate Auditors to part-time Corporate Auditors at the Board of Corporate Auditors and on other occasions as required.

2. Matters related to functions such as performance of business operation, audits, supervision, designation of certified public accountants and decision on remuneration (Overview of current status of corporate governance system)

ROHM believes that an agile and effective management system with emphasis on competitive enhancements in the semiconductor industry, where the business environment is undergoing accelerated change, can be established so Directors familiar with ROHM's businesses and technologies have executive power and supervise each other. The Articles of Incorporation limit the number of directors on the Board of Directors to ten in order to encourage sufficient discussion while allowing adequate and swift decision making. Additionally, two outside Directors have been designated to enhance mutual supervision among the Directors. As part of the executive supervision, ROHM maintains the existing auditing system, which is implemented only by outside Corporate Auditors, based on the idea that internal supervision over the executive branch will function sufficiently by improving and enhancing the system.

With five Corporate Auditors, ROHM reinforces auditing functions by overseeing all implementations. The Auditors are committed to building a fair management supervision system through legally stipulated audits.

The Corporate Auditors attend important meetings such as the Board of Directors' meetings, and audit the individual divisions of ROHM and its affiliates at home and abroad along with the Internal Audit Department by holding meetings with those in managerial positions, inspecting documents and reports, and others. Through these audits, ROHM checks whether or not the Directors are performing their duties in compliance with existing laws, whether or not ROHM's internal control is well maintained and operated, whether or not in-house rules are well observed, and whether or not ROHM's assets are secured.

Corporate Auditors, the Internal Audit Department, and Accounting Auditors regularly hold report meeting, consistently maintain close cooperation and coordination, and proactively exchange information and opinions. Sharing information obtained through individual audits enhances the accuracy of the audits and allows for constant improvement of the operation process.
ROHM is under contract with Deloitte Touche Tohmatsu LLC for its accounting audits and internal control audits related to financial reporting and abides by both the Japanese Corporation Law and the Financial Instruments and Exchange Law. ROHM has an established environment where the auditing organization can perform audits from a fair, unbiased position as an independent third party. The following are the names of certified public accountants (CPAs) who audited ROHM's accounts for the fiscal year ended March 31, 2014, the number of consecutive years they have been engaged in auditing ROHM and information on the assistants involved in the

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audits.
CPAs who audited ROHM (Number of consecutive years they have been engaged in auditing ROHM)
Designated limited liability partners (in charge of performing the audits) of Deloitte Touche Tohmatsu:
Hiroyasu Kawai (4 years), Yasuhiro Onishi (1 year), Tomoyuki Suzuki (6 years),
Major assistants in the audits
13 CPAs and 11 others

3. Reason for selecting current corporate governance system

In the semiconductor industry, the most effective way of making prompt accurate decisions is to retain a small number of directors who are versed in operations and technologies, and have extensive experience in executive authorities and supervision. Therefore, first and foremost, to maintain such a policy and be audited by outside auditors who represent the frank opinions of outsiders or shareholders, executing policies will be suspended in some cases. For this reason, ROHM has strictly maintained a system in which all corporate auditors are outside auditors. Consequently, individual systems have mutually interacted in a good manner, and internal control has functioned very effectively. In addition, because of recent changes in the business environment and frequent misconduct within other companies, ROHM started to welcome outside directors in June 2008. Currently, the board directors' meeting is attended by two outside directors. Ever since, discussions within board directors have been active and much more considerate of business status. Thus, ROHM would like to strengthen these policies in the future as well.

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III. Updates on the Implementation of Actions Intended for Shareholders and Other Stakeholders

1. Efforts to Energize General Shareholders' Meetings and Facilitate the Process of Exercising Voting Rights

	Supplemental Explanation
Expediting Dispatch of Notices of General Shareholders' Meetings	ROHM sends out notices of general shareholders meetings four weeks prior to each meeting.
Electronically Exercising Voting Rights	ROHM has enabled its shareholders to exercise their voting rights via the Internet from PCs, smartphones and mobile phones.
Participation in Electronic Voting Rights Exercise Platform and efforts to improve institutional investors' environment for exercising voting rights	ROHM has participated in an Electronic Voting Rights Exercise Platform, and conducted IR and promotion activities on voting rights exercise via a shareholder identification survey. In addition, Rohm posts relevant information on the website
Providing shareholder meeting notifications (summarizations) in English	ROHM is providing shareholder meeting notifications in English.

2. Investor Relations Activities

	Supplemental Explanation	Briefing Held/Not Held by Director Representing ROHM
Compilation and publication of disclosure policy	Our disclosure policy has been compiled and posted on our website.	
Periodical Briefings Held for Indivisual Investors	Through a securities company, briefings for individual investors are held appropriately.	Not held
Periodical Briefings Held for Analysts and Corporate Investors	Financial results briefings given by the president and each responsible Director are held twice a year to provide domestic securities analysts and corporate investors with information on business results, forecasts and strategies.	Held

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Periodical Briefings Held for Overseas Investors	Regular briefings on business trends and strategies are held twice a year in the US, Europe and other areas.	Not held
Posting Information on Investor Relations on ROHM's Website	ROHM has an investor relations section on its website that provides a wealth of information including legally stipulated disclosure documents such as financial reports, voluntary information including annual reports, materials for financial results briefings, performance trend charts and long-term financial data, an IR calendar and information on paperwork for shareholders. Japanese: http://www.rohm.co.jp/web/japan/investor-relations English: http://www.rohm.com/web/global/investor-relations	
Setting Up or Designating the Department or Officer for IR Activities	ROHM has a Public Relations and Investor Relations Div. (Manager: Kohei Nozato) that is responsible for IR activities.	
Other	ROHM proactively discloses information to satisfy the needs of investors by accepting interviews by securities analysts and corporate investors and so on.	

3. Efforts to Ensure Respect for Stakeholders

	Supplemental Explanation
Defining a Policy on Respect for Stakeholders in In-house Rules, etc.	Please refer to the 'ROHM Group Business Conduct Guidelines'. http://www.rohm.co.jp/web/japan/rohm-group-business-conduct-guidelines
Implementation of Environmental Conservation Activities, CSR Activities and Other Activities	Please refer to the ROHM website for the details. CSR page: http://www.rohm.co.jp/web/japan/csr1 Environmental Activities page: http://micro.rohm.com/jp/environment/
Formulation of a Policy, etc. on Provision of Information to Stakeholders	ROHM's policies on information disclosure to stakeholders are outlined in in-house rules on information disclosure including the requirements for fairness and legal compliance.
Other	Globally, ROHM actively accepts employees from diverse backgrounds, exceeding boundaries of academic history or gender. The female workforce at ROHM is gradually expanding, with the employment rate of new female graduates rising every year and women comprising half of the sales force. And ROHM is creating programs to enable continuous employment through life events such as marriage, pregnancy, childbirth, child-rearing, and nursing care. Since 2010, ROHM has implemented a reduced work hours program for parents of children up to the 3rd grade, as well as a program that makes a portion of childcare leave paid holidays.

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IV. Items relevant to Internal Control System

1. Basic Policy on and Current Status of Internal Control System

Enhancement of the internal control system is one of the most important management issues, and the ROHM Group is not only committed to maintaining proper business processes across the whole Group, but also to ensuring reliable financial reporting, thereby fulfilling corporate social responsibility. The Board of Directors of the Company resolved the basic policies to build the internal control system as listed below:

(1) System for ensuring that the Directors perform their duties in compliance with established laws, regulations, and Articles of Incorporation

a. In order to promote further globalization, the ROHM Group shall comply not only with laws and regulations but also with the 10 principles of the United Nations Global Compact for a wide range of problems in the areas of human rights, labor, environment, anti-corruption, etc., and promote management that focuses on CSR based on "ISO26000," the international standards for social responsibility and the "EICC Code of Conduct" a code of conduct of the electronics industry.

b. Directors shall be kept from violating laws, regulations and the Articles of Incorporation when they perform their duties by 「the ROHM Group Business Conduct Guidelines」, Basic Rules of the Board of Directors, etc.

c. The Director or Directors who are highly knowledgeable of a specific field shall be responsible for the duties related to such field, while all Directors shall hold discussions and monitor each other on a daily basis concerning the respective individual fields.

d. Should a Director be found having committed an illegal act by another Director or a Company Auditor, it shall be promptly reported to the Board of Directors and the Board of Company Auditors.

e. The Compliance Hotline (internal hotline system and hotline system for suppliers) shall be created to discover any illegal conduct of a Director and to prevent recurrence thereof.

f. In addition to two Outside Directors, five Outside Company Auditors shall constantly check that Directors perform their duties in compliance with all applicable laws and regulations as well as the Articles of Incorporation.

(2) System regarding storage and management of information on the execution of Directors' duties

a. The minutes of general shareholders meetings, the minutes of the meetings of the Board of Directors, executive proposals, and the fiscal year business plan and other determined matters that may affect the Directors' performance of their duties, shall be saved in writing. The documents shall be saved and managed in compliance with all applicable laws and regulations as well as all in-house regulations.

b. The instructions and notices provided to group companies or in-house divisions concerned shall be issued via e-mail or in writing as a rule. The instructions and notices shall be retained so as to be presented at any time when requested by Directors, Company Auditors or other authorized parties.

c. Information related to the Directors' performance of duties shall be kept and managed duly by relevant sections or divisions concerned, and leaks and inappropriate use of such information must be prevented through internal educational activities to all of employees such as internal notification and workshop of information security.

(3) Rules and system regarding the management of risk of loss

a. Under the CSR Promotion Committee chaired by the President himself, Committees overseeing Risk Management/BCM, Compliance, Information Disclosure, Corporate Safety and Health, Environmental Conservation, etc. shall be established as company-wide cross-sectional committees. These committees shall appropriately respond to various management issues and risks in each responsible area by taking necessary measures, giving directions and solving problems.

b. A Risk Management/BCM Committee shall be organized to identify, analyze and control major risks that may occur in the course of performing business operations. In order to avoid or minimize the effect of unforeseeable circumstances such as sudden natural disasters as much as possible and enable the survival of our business as a consequence, the Risk Management/BCM Committee shall verify the activities of each section in charge of risk management and formulate BCP, take possible preliminary measures or preparations across the group.

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c. As a corporate effort to eradicate antisocial groups, a Risk Management Office shall be established in the Department of General Affairs. The Office shall cooperate and exchange information with external specialist organizations such as the police department, and shall promote specific actions and perform them thoroughly, to eradicate antisocial groups. In-house regulations shall be established to eradicate antisocial groups and shall be strictly observed. All employees of ROHM Group shall be informed by way of 「the ROHM Group Conduct Guidelines」, as distributed to all employees, or by other means, that they must take a firm stand against antisocial groups. Furthermore, the necessity of taking a firm stand against antisocial groups shall be communicated to all employees through various in-house training sessions.

(4) System to ensure efficient execution of Directors' duties

a. The Board of Directors shall consist of a small number of Directors for making prompt decision on business execution.

b. The Board of Directors shall have Directors who are highly experienced in different fields. The Board shall assign duties to the Director in charge of that certain field and have him/her perform the specific duties of that field.

c. Issues that may have a considerable influence on corporate management shall be examined and analyzed and reported by in-house project teams established separately for individual issues. Upon completion of such examination, prompt decisions shall be made by way of a meeting of the Board of Directors or executive proposals, as appropriate, based on the Articles of Incorporation and internal regulations.

d. In-house written standards of in-house control procedures regarding various managerial issues such as risk management and information management shall be strictly observed.

e. To increase the competitiveness of the group and to ensure a fair amount of profits, business performance targets shall be established as part of annual profit plan for the entire company and individual divisions, and check the progress and achievement of these business performance.

(5) System to ensure that employees perform their duties in compliance with established laws, regulations, and Articles of Incorporation

a. A Compliance Committee shall be organized and across-the-group compliance actions shall be taken by monitoring and enforcing the ROHM Group Business Conduct Guidelines. A compliance system of group companies shall be created based on the system of our company, and a leader for each division shall be appointed as a compliance leader to raise the awareness of the importance of compliance and to ensure the ongoing compliance of each division.

b. To comply with particular laws and ordinances in an appropriate manner, not only the CSR Promotion Committee but also the Central Safety and Hygiene Committee, the Compliance Committee, the Information Disclosure Committee, and the Environmental Conservation Committee, shall be committed to such actions as checking the status of compliance in the entire group and performing ongoing educational activities.

c. Under the control of the Information Disclosure Committee, individual sections and divisions shall properly manage confidential and privileged information and educate employees in the interest of and raising awareness of the importance of strict information handling, to prevent insider trading.

d. A Compliance Hotline (internal hotline system and hotline system for suppliers) shall be deployed throughout the entire ROHM Group including overseas entities, to uncover any illegal employee conduct and to prevent any recurrence of illegal conduct.

(6) System to ensure sound and appropriate business operations within the corporate group

a. Company mission and policies as a spirit of company foundation shall be shared by all the group employees to improve a corporate value of the ROHM group through business activities by the entire group companies.

b. Each Committee under the Company's CSR Promotion Committee shall supervise and control group companies comprehensively to ensure proper execution of duties in each responsible area.

c. Written standards applicable to the entire ROHM Group shall be established and implemented.

d. The compliance of business operations of Group companies shall be monitored by appointing employees of the Company or another Group company to serve on the Board of Directors or as Company Auditors of the group companies.

e. A system shall be created and managed to require Board of Director resolutions or executive decisions of the

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Company to settle critical issues on the group company level, thus enabling the Company's relevant divisions to fully manage group companies.

f. An internal control system that includes the Company and significant group companies shall be established and reinforced through a framework that ensures financial reporting compliance and through efforts to conform to the auditing system.

g. The Company's auditing division under the direct control of the President shall perform internal audits to check each group company's situation in regard to the execution of duties, compliance with all applicable laws and regulations as well as in-house regulations, risk management, etc.

(7) Employees Hired upon the Request of a Company Auditor to Assist the Auditor's Duties and Independence of the Employees from Directors

a. The Company shall, upon the Company Auditor's request, appoint staff employees of proper capabilities.

b. The staff of Company Auditors shall not be concurrently involved in operations related to executing the operations of the Company. In the hiring, transfer and evaluation of performance of Company Auditors' staff, opinions from the Board of Company Auditors shall be respected.

(8) System for Directors and employees to make reports to Corporate Auditors and other system reports to Corporate Auditors

a. Each Director shall report immediately to the Company Auditors Comittee, whenever necessary, regarding whether or not there is any illegal conduct in the performance of their duties, any neglect in their obligation to be duly conscious of their standing as good Directors, or any facts that may damage the Company considerably, etc.

b. The meetings of committees, not only the CSR Promotion Committee but also Risk Management/BCM Committee, Compliance Committee, and Information Disclosure Committee, shall be attended by full-time Company Auditors as observers, and individual committees shall make periodic reports on their activities to the Company Auditors by submitting meeting minutes or by other appropriate means.

c. A system shall be created and managed whereby the status and results of business operations can be properly reported to the Company Auditors through executive proposals and reports.

(9) Other systems to ensure effective audits by Corporate Auditors

a. Concerning the status of operations of the internal control system, Directors shall report to the Board of Company Auditors where requested.

b. The internal audit division shall strengthen collaboration with the Company Auditors and report the results of audits periodically.

c. All Company Auditors shall be Outside Company Auditors. The Board of Corporate Auditors shall be a strongly independent group consisting of diversified experts, including legal specialists, accounting specialists, and persons who used to work for financial institutions.

d. Corporate Auditors exchange their opinions with Directors at all times.

2. Basic policy against antisocial forces and current status of its implementation

As one of the most important policies, ROHM strictly prohibits its association with antisocial forces such as organized crimes, corporate extortionists, antisocial political groups, gang-related companies, and antisocial activist groups and individuals.
ROHM has set up a Crisis Management Department in the General Administration Division as an internal system for eliminating antisocial forces in order to promote cooperation and information exchange with external specialized agencies such as the police, thereby upholding and implementing their elimination.
ROHM has included provisions on how to respond to such forces in in-house rules and requested company employees to observe them. The 'ROHM Group Business Conduct Guidelines', which is distributed to all employees, states that employees take a firm stand against antisocial forces. In addition to the above, ROHM strives to enlighten its employees on the elimination of antisocial forces via various in-house education and training programs.

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V. Other

1. Existence or non-existence of anti-takeover plan

Existence or non-existence of anti-takeover plan	None

Supplemental remarks on existence or non-existence of anti-takeover plan

The ROHM Group believes the best defense against takeover attempts is to build a relationship of trust with shareholders by delivering higher stock prices via enhanced corporate value, accountability via proactive IR activities, and regular dialog with shareholders. If a proposal for acquisition is made to our company, we believe that the final decision of whether to accept or reject the offer should be left to the current shareholders at the time, and that the Board of Directors should not make selfish decisions intended to protect their own personal interests. In addition, in the event of an acquisition proposal, we believe that it is indispensable for ensuring and increasing ROHM's corporate value and the common interests of shareholders that shareholders can make an "informed judgment," meaning they would be able to make the best decision based on ample information and a sufficient amount of time.

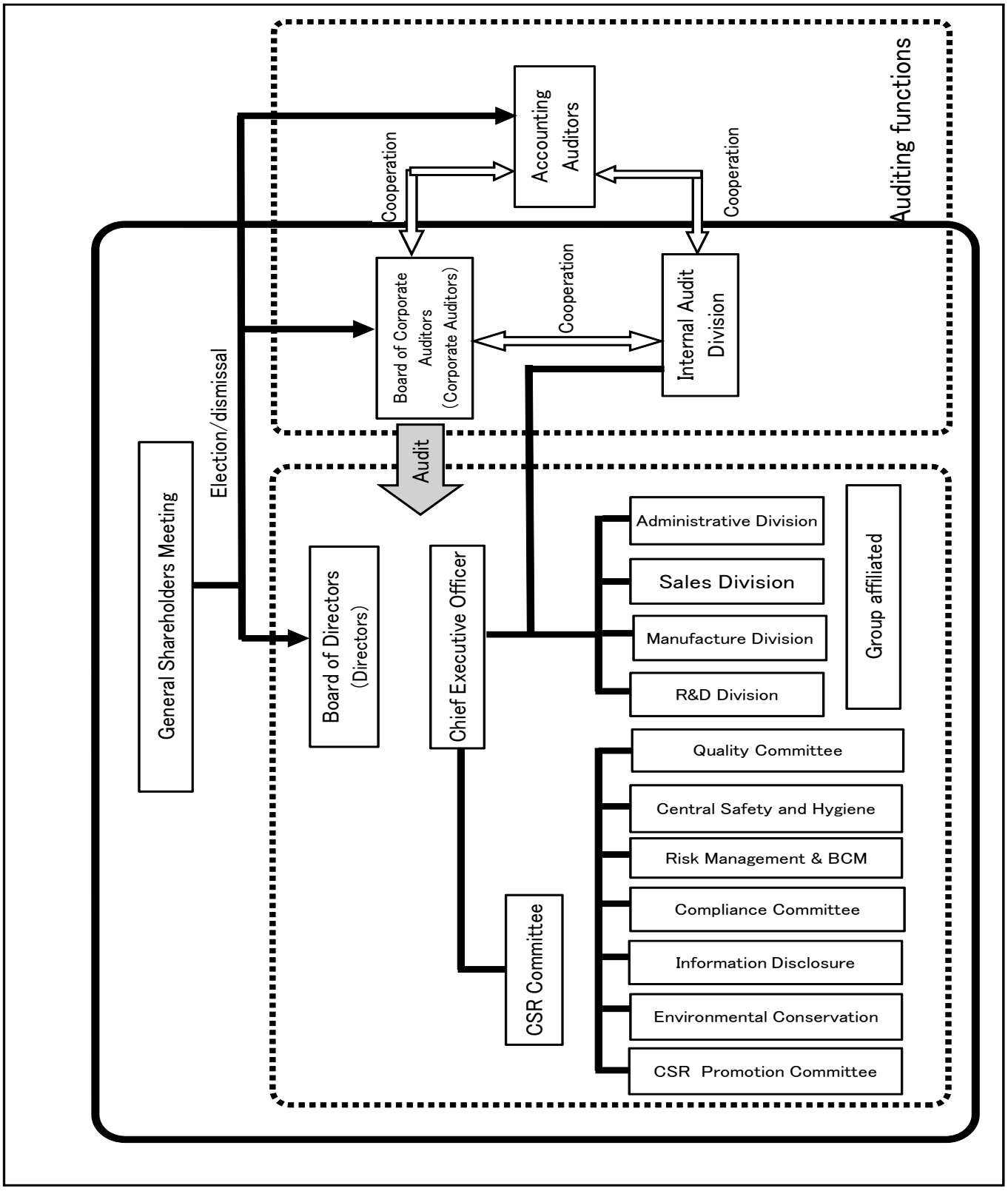
2. Other Matters regarding Corporate Governance System

(1) The corporate governance system of ROHM is shown as "Corporate Governance Figures" in Attachment No.1.

(2) The current state of ROHM's internal system on the timely disclosure of corporate information is shown as "Summary of internal system for timely disclosure (Attachment to written oath pertaining to timely disclosure)" in Attachment No.2.

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Attachment No.1 : Corporate Governance Figures



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ROHM Co., Ltd.
Corporate Governance

Attachment No.2 :

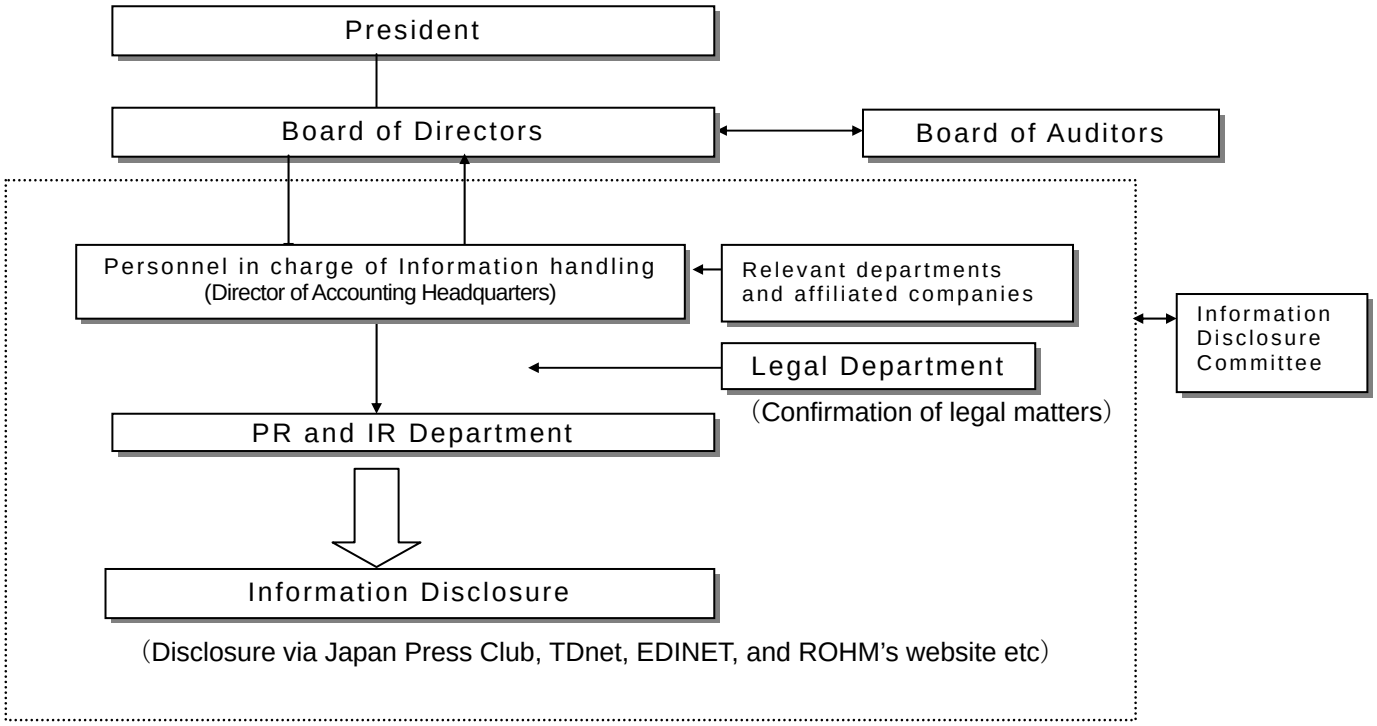
Summary of internal system for timely disclosure
（Attachment to written oath pertaining to timely disclosure）

Company name: ROHM Co, Ltd.
(Security Code : 6963 ,First Section, Tokyo Stock Exchange)

The current state of ROHM Co., Ltd.'s internal system on the timely disclosure of corporate information is as follows.

ROHM Co., Ltd. appropriately manages and discloses information in a timely manner by instructing internal departments and affiliated companies to ensure thorough information management, and by making efforts to educate and enlighten employees through the dissemination of employee conduct standards and the implementation of in-house training based on company regulations (including rules concerning the prevention of insider trading, rules on information disclosure procedures, and rules on the control of classified information, etc.), .

Information in regards to significant decisions and important emerging facts is judged by personnel in charge of information handling (Director of Accounting & Finance Headquarters) as to whether the said information is relevant to items stipulated in the rules on timely disclosure or not. And if it is such, the director promptly takes the necessary steps to ensure the timely disclosure through the Public Relation and Investor Relations Division, and posts disclosed information on ROHM's website, bearing in mind to make the utmost efforts to publicize information as best we can.



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