2016/3 1H Presentation

Note:This document is a translation of the 2016/3 1H Presentation written in Japanese. In the event of any discrepancies in words, accounts, figures, or the like between this report and the original, the original Japanese version shall govern.

AGENDA

Financial Results of 2016/3 1H

Financial Results of 2016/3 1H
Factors for Sales Change in the 1H
YOY Comparison of OP in the 1H

Plan of 2016/3

Revised Plan of 2016/3
Factors for Sales Change in 2016/3
Expectations for 2016/3
YOY Comparison of OP in 2016/3

ROHM's Strategy

CAPEX Plan

Return to Shareholders

ICs Business Strategy

Discrete Semiconductor Devices ・Modules Business Strategy

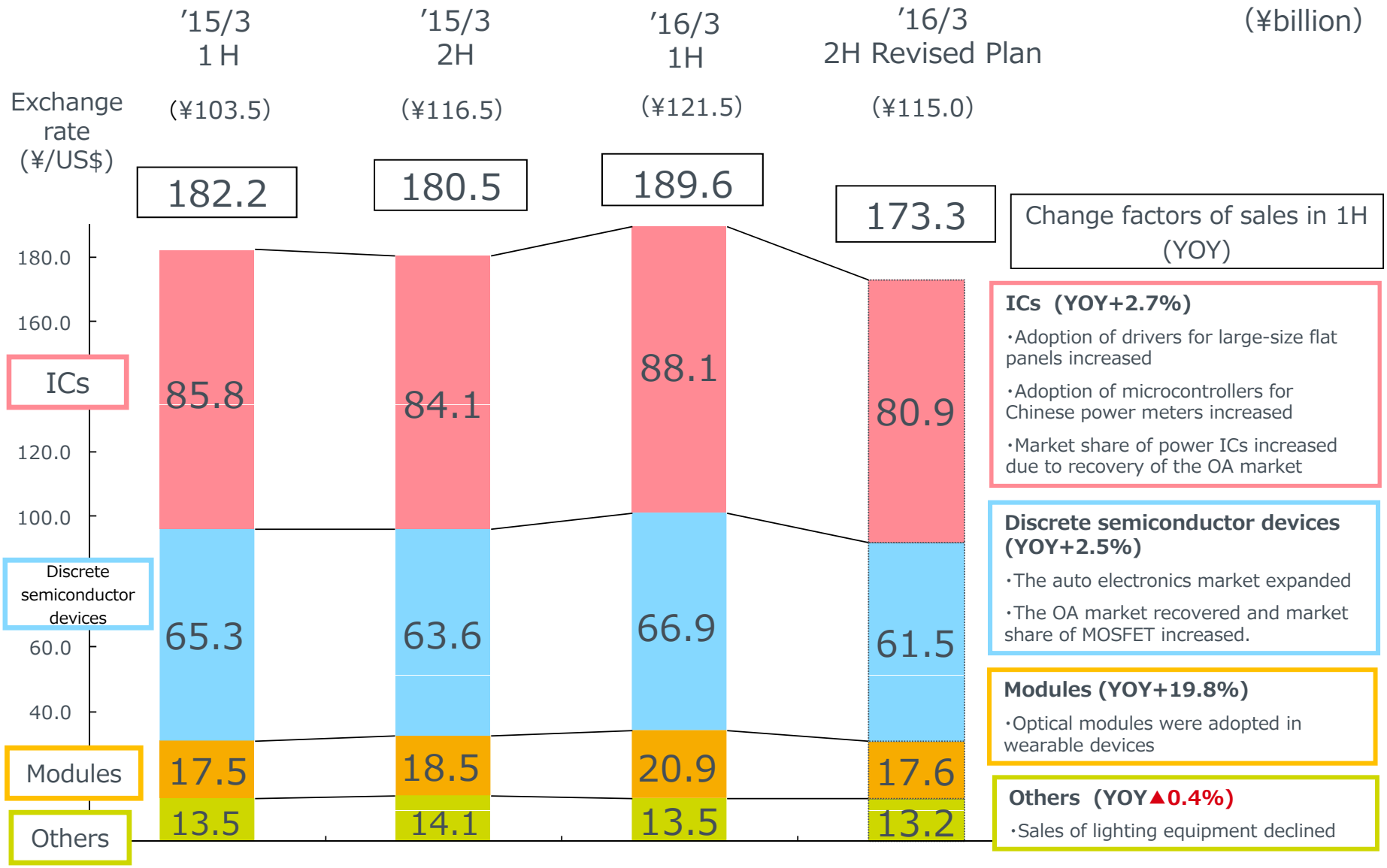
Financial Results of 2016/3 1H (YOY)

(¥ billion)

	'16/3 1H	'15/3 1H	Change from the previous year	
			Amount	Percentage
Net Sales	189.6	182.2	+7.4	+4.0%
Operating income	23.4	21.2	+2.2	+10.3%
(Ratio)	(12.4%)	(11.7%)	–	–
Ordinary income	32.6	28.4	+4.1	+14.7%
(Ratio)	(17.2%)	(15.6%)	–	–
Net income(※)	26.1	21.5	+4.6	+21.7%
(Ratio)	(13.8%)	(11.8%)	–	–
EBITDA	41.5	36.0	+5.5	+15.5%
(Ratio)	(21.9%)	(19.8%)	–	–
Average rate (¥/US$)	(121.5)	(103.5)		

※Profit attributable to owners of parent is defined as “Net income” in this presentation

Sales by Segments (HOH)



Change factors of sales in 1H (YOY)

ICs (YOY+2.7%)

- Adoption of drivers for large-size flat panels increased
- Adoption of microcontrollers for Chinese power meters increased
- Market share of power ICs increased due to recovery of the OA market

Discrete semiconductor devices (YOY+2.5%)

- The auto electronics market expanded
- The OA market recovered and market share of MOSFET increased.

Modules (YOY+19.8%)

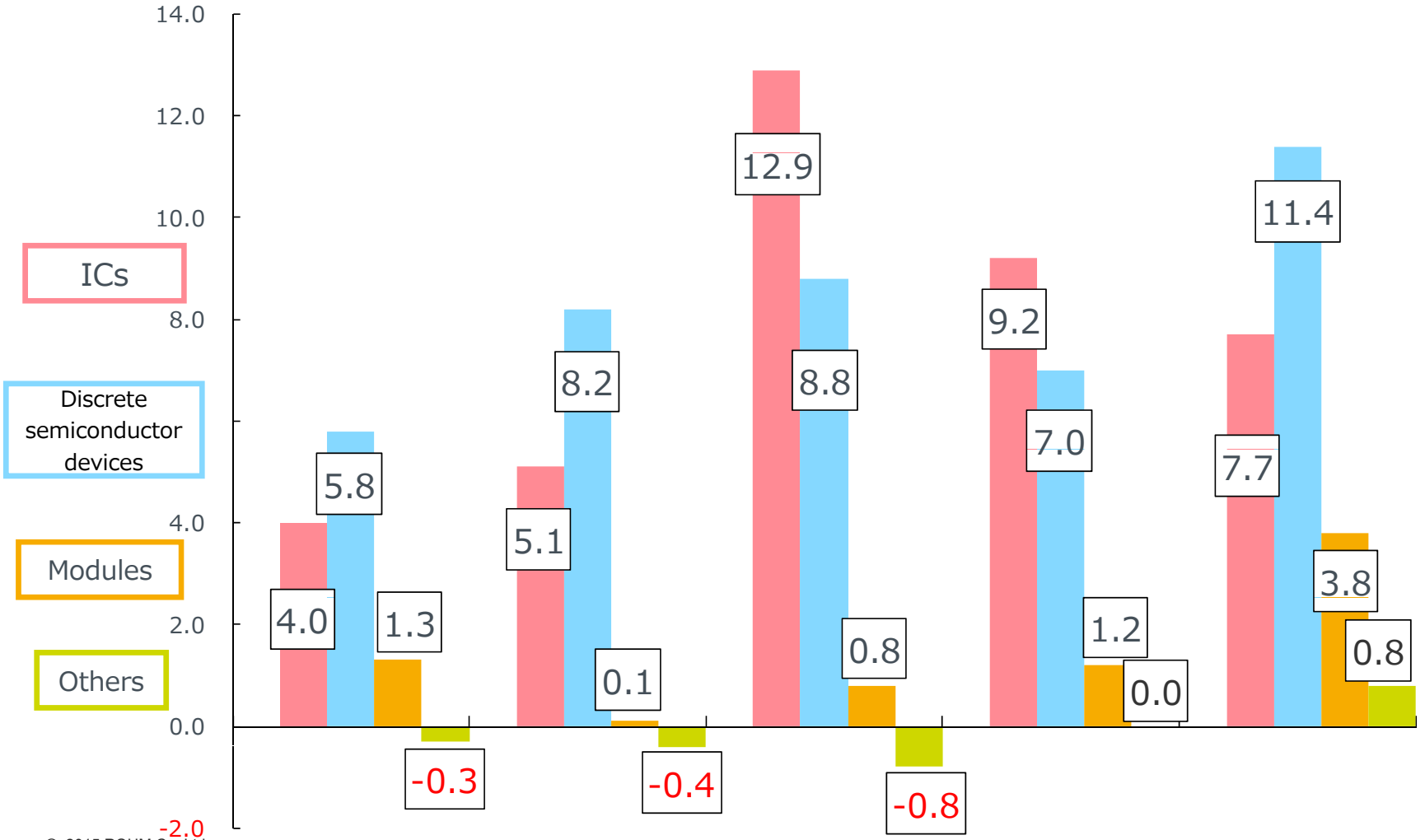
- Optical modules were adopted in wearable devices

Others (YOY▲0.4%)

- Sales of lighting equipment declined

Trend of Profits by Segments

(¥billion)	'14/3 1H	'14/3 2H	'15/3 1H	'15/3 2H	'16/3 1H
	10.3	13.2	21.2	17.5	23.4



Revised Plan of 2016/3 (YOY)

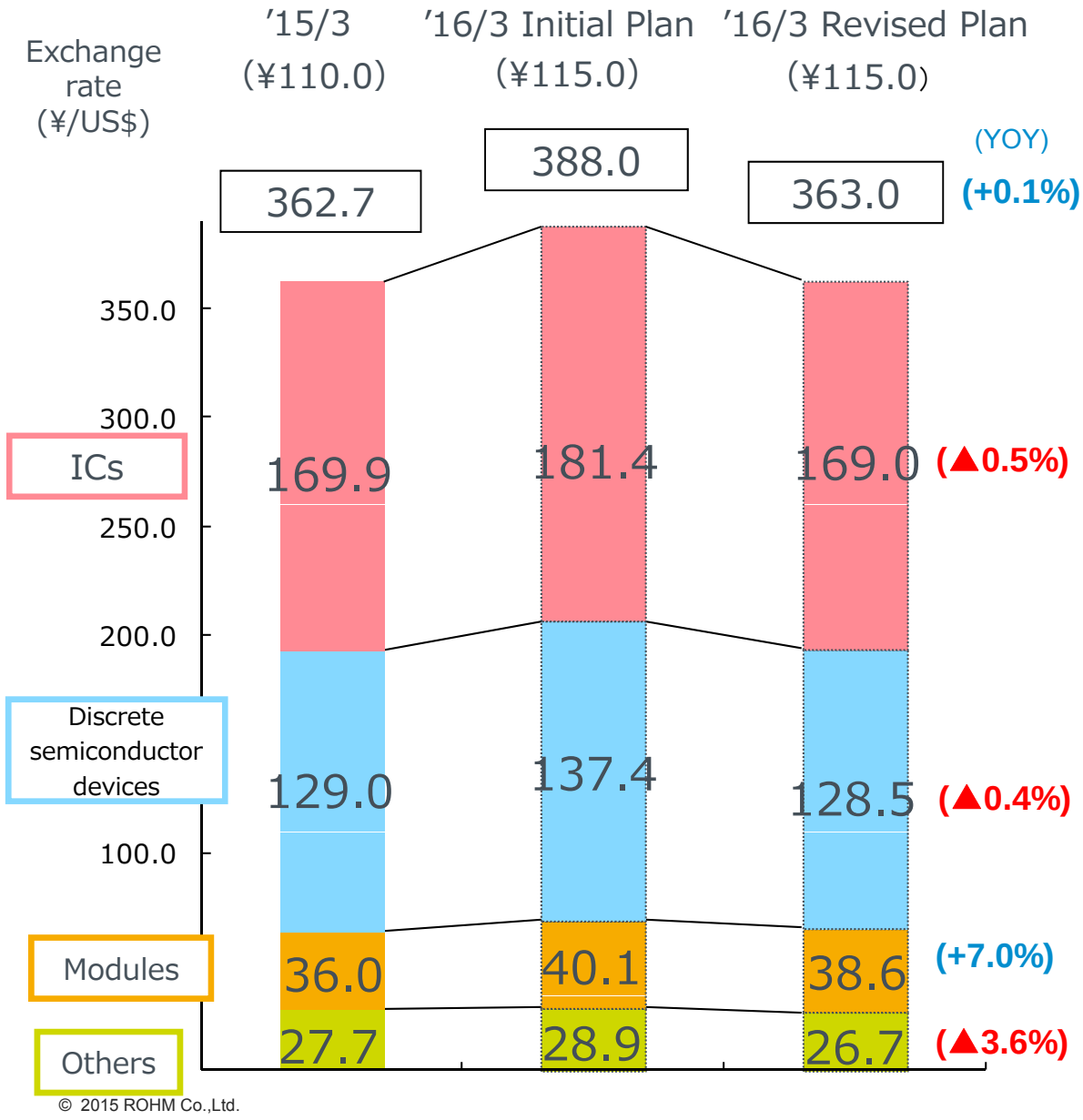
(¥ billion)

	'16/3 Revised plan	'15/3	Change from the previous year	
			Amount	Percentage
Net Sales	363.0	362.7	+0.2	+0.1%
Operating income	34.0	38.8	▲4.8	▲12.4%
(Ratio)	(9.4%)	(10.7%)	–	–
Ordinary income	40.0	59.2	▲19.2	▲32.5%
(Ratio)	(11.0%)	(16.3%)	–	–
Net income(※)	31.0	45.2	▲14.2	▲31.6%
(Ratio)	(8.5%)	(12.5%)	–	–
EBITDA	74.8	73.2	+1.5	+2.1%
(Ratio)	(20.6%)	(20.2%)	–	–

Average rate (¥/US$) 2H: 115.0 (110.0)

※Profit attributable to owners of parent is defined as “Net income” in this presentation

Plan of Sales by Segments



Change factors of revised plan (YOY)

ICs

・The PC market was weak

・Sales of LCD drivers increased

Discrete semiconductor devices

・Orders decreased due to weak sales of EVs

・Sales for other auto related applications, as well as industrial and OAs expanded

Modules

・Sales of OPM for wearable devices increased greatly

Others

・Orders of passive components for smartphones declined

ROHM's Strategy

1. Market Reform

- Focusing on the auto market
- Cultivating the industrial market
- Increasing sales ratio of overseas customers

2. Product Reform

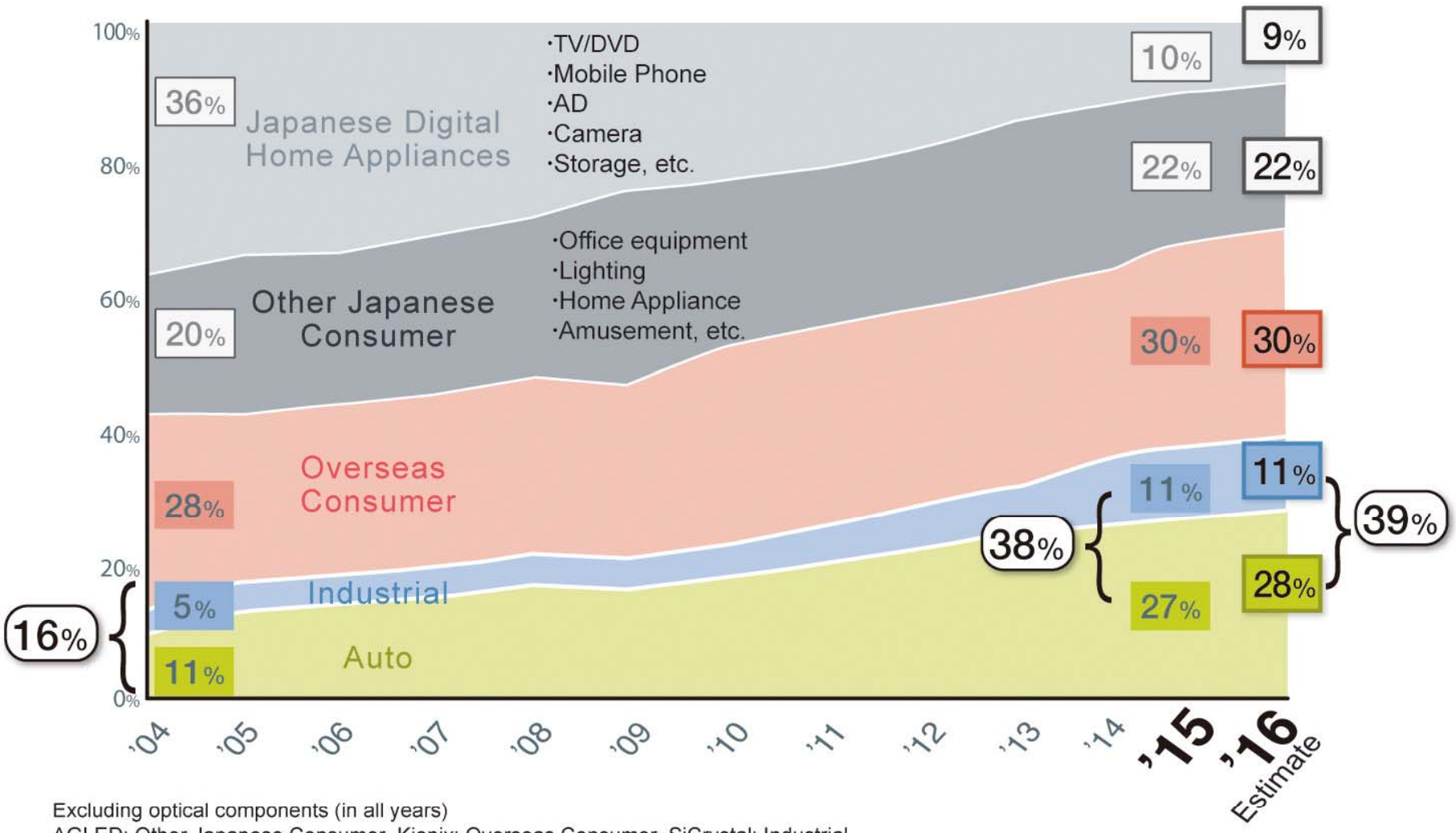
- Aiming to be the world's No.1 in analog power
- Focusing on the 4 growth engines
- Becoming a significant player in the IT field by microminiature devices

3. Production Reform

- Aiming for World's No.1 Manufacturing Plant
  - ■ Thoroughly enhancing RPS(Rohm Production System)
  - ■ Investing to strengthen our mass production system for a larger supply

ROHM's Strategy

Trend of Sales Ratio by Market (2016/3 Estimate)



Excluding optical components (in all years)
AGLED: Other Japanese Consumer Kionix: Overseas Consumer SiCrystal: Industrial

ROHM's Strategy
Focusing on the Auto Market

1. Steady progress of development and adoption to applications for the near future

Informatics
Connected car

Environment
HEV/EV

Safety
ADAS automatic operation

Power Device
IGBT | MOS | SiC

Analog Power IC
Multiple driver IC | PMIC

Communication technology
LIN | CXPI

ROHM's Strategy
Cultivating the Industrial Market

1. Enhancing product lineup and establishing distribution channels

Enhancing lineup for the FA market

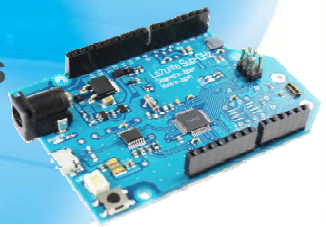
Design-wins in industrial equipments are increasing

Establishing distribution channels

Strengthening our online support and relationship with technology distributors

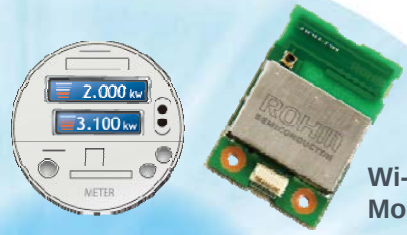
Support to manufacturers

General purpose microcontroller board Lazulite series



Focusing on IoT

Deploying sensors and wireless technology



Wi-Sun Module

IoT

Sensor + Communication

Joining to establish global standards

CPS IIC Industry 4.0

ROHM's Strategy
Cultivating the Industrial Market

2. Adding new key technology (Digital power technology)

ROHM POWERVATION Ltd.
(Acquired in Jul. 22th, 2015)

Fabless semiconductor company headquartered in Coak, Ireland, with facility in San Jose, U.S.A. (37 employees)

Technology of Powervation
Digital Power

Capable to monitor power operations on a real-time basis by software, and consistently maintain precise power outflow.

Target

Data centers
Base stations
▶ Will expand in the industrial market

Expected Synergies with ROHM's Capability

- Continuous advancement of analog technology
- Utilization of the high-voltage BCDMOS process
- Establishing worldwide sales and technology support network
- Securing high quality and stable supply

Providing optimal solution for our customers in the auto and industrial markets

ROHM's Strategy
Increasing Overseas Customers

2. Ensuring larger supply with our newest cutting-edge plants

ROHM Shiga
(Acquired Renesas Shiga plant)

Total floor area **15,886m²**

Wafer plant

Starting operation from
Feb., 2016

Power semiconductor
IGBT/MOSFET

Piezoelectric MEMS

RIST(Thailand)

Total floor area **28,800m²**

Assembly plant

Starting operation from
Mar., 2016

ICs × 1.4 times

RWEM(Malaysia)

Total floor area **38,250m²**

Assembly plant

Starting operation from
Autumn, 2016

Diodes × 2 times

CAPEX Plan

Continuing to invest in new products and technology

(Partly postponed capacity increase of current manufacturing lines)

Wafer process

<Launch of ROHM Shiga>

- To become a major fab of IGBT
- To start production of piezoelectric MEMS

Assembly process

- Building new plants in Thailand (ICs) and Malaysia (discrete semiconductor devices) and expanding capacity
- Renewing old equipment

■ '16/3 CAPEX Plan

(¥billion)

	Total	Capacity increase	Land・building	New products	Quality	Others
Initial plan	**75.0**	33.3	16.0	11.4	7.9	6.4
Ratio	**100%**	44%	21%	15%	11%	9%
Revised plan	**65.0**	27.0	14.5	10.6	7.0	5.9
Ratio	**100%**	42%	22%	16%	11%	9%

Japan/ Overseas ratio	'15/3	'16/3 Initial plan	'16/3 Revised plan
Japan	25.4(52%)	43.5(58%)	37.0(57%)
Overseas	23.3(48%)	31.5(42%)	28.0(43%)
Total	**48.7(100%)**	**75.0(100%)**	**65.0(100%)**

CAPEX

Initial Plan

(¥billion)

ICs

Wafer process : Intensify 8 inch in ROHM HQ, improve productivity in Hamamatsu

Assembly process: Expand RIST (new building) & REPI

Discrete semiconductor devices

Wafer process: Intensify IGBT, LAPIS PD

Assembly process : New building in Malaysia, improve productivity in RIST/REPI, etc.

Modules

PH: Intensify front-end process

OPM : Launch of manufacturing lines for new smart phone models

Others

R : Intensify new products, etc.

Sales and administrative division

ROHM HQ: Build a new building for discrete semiconductor devices

Changes to Plan

ICs

Wafer process: Partly postponed improvement of Hamamatsu's 8 inch efficiency

Assembly Process: Partly postponed expansion of RIST

Discrete semiconductor devices

TR: Partly postponed reinforcement of REPI

PD: Postponed reinforcement of IGBT

LED: Reexamining investment for ancillary facilities in Malaysia

Modules

PH: Partly postponed reinforcement of wafer process

OPM: Partly postponed capacity increase of Malaysia

Others

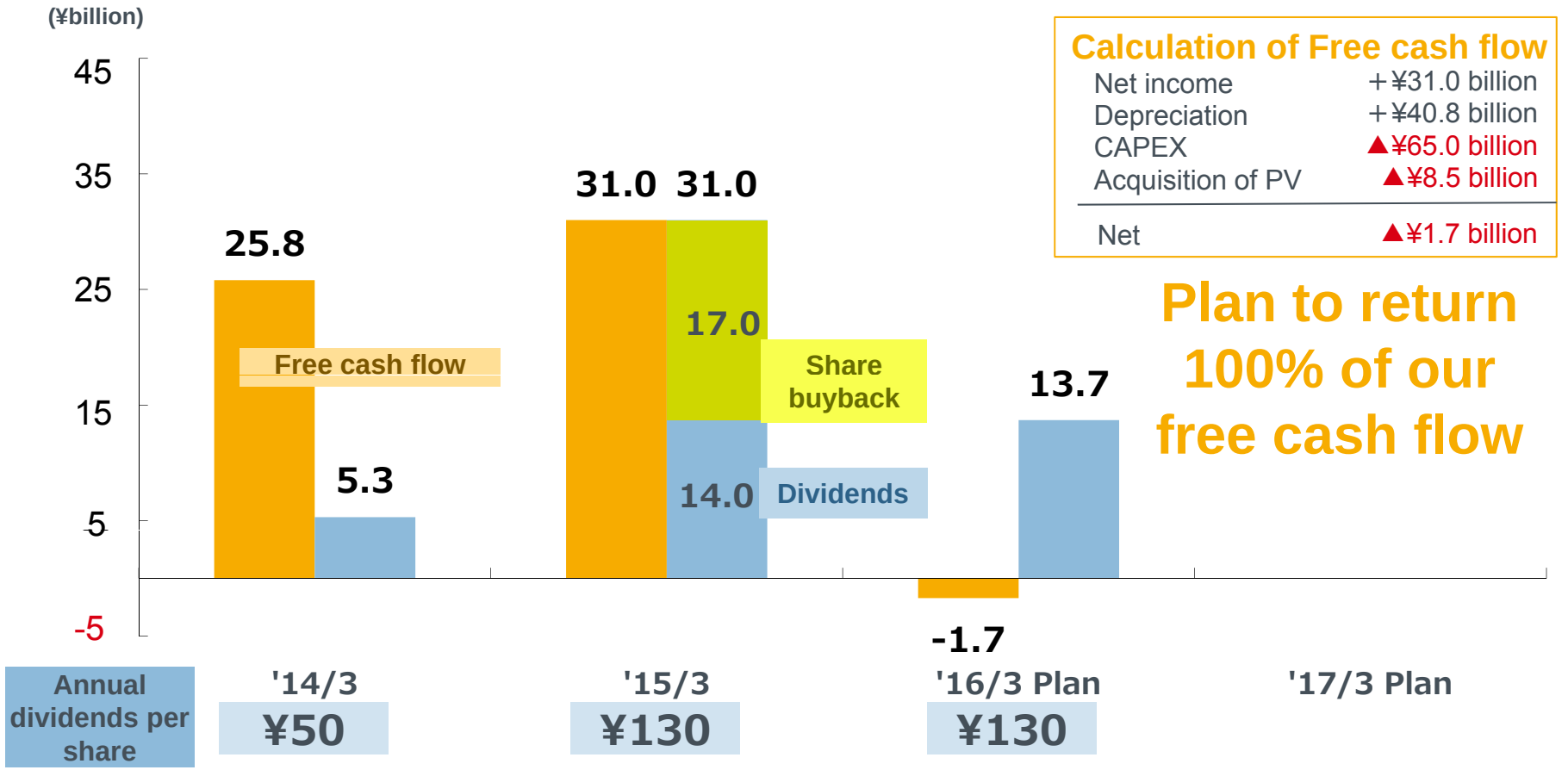
R: Renewal of facilities in REPI, others

Return to Shareholders

① Share buy-back (¥17 billion) completed. (Jul., 2015)

② 2016/3 annual dividend of ¥130/share planned.

③ We will strive to put an emphasis on shareholder returns by continuing to improve our performance.
Thus, we will return 100% of our free cash flow and maintain payout ratio of 30% or more.



Calculation of Free cash flow

Net income	+¥31.0 billion
Depreciation	+¥40.8 billion
CAPEX	▲¥65.0 billion
Acquisition of PV	▲¥8.5 billion
Net	▲¥1.7 billion

Plan to return 100% of our free cash flow

(Midterm dividend ¥65, Year-end dividend ¥65)

ICs Business Strategy

①Our major R&D themes

Auto	Expanding our product lineup and supplying to power train and safety device by gaining customer's trust in the global market.
Reference business	Enhancing product lineup and entering the auto and industrial market.
Home appliance	Expanding market share of high-voltage motor drivers and power ICs in emerging countries.
IoT	Entering the market with sensors and communication devices enabled by ROHM Group's synergy.

②Started mass production of BiCDMOS process 0.13μm analog ICs and large current IPD process.

IPD: 9 customers secured.

Ensuring high quality and performance of our products enabled by vertical integration to achieve competitive edge in the auto and industrial markets.

③Aggressive investment and innovation in manufacturing lines for long term stable supply and higher quality.

＝Reestablishing RPS for cost reduction and upgrading our products to match auto quality.＝

Progress of ICs Business for Auto

Under development for mainly 2018 models

Infotainment/ Telematics

Acquired stable share in Japan and overseas

- Power supply・LED driver for clusters
- Car audio・navigation system
- In-car network (Driver power supply for LIN)
- Back monitor camera system
- Direction・state control sensor
- Beamforming directional microphone
- Communication IC for panels
- Power IC for panels
- **Capacitive touch swift**
- Resistance touch switch

Car Body

Adopted by Japanese and a few overseas manufacturers

- HVAC (Air conditioners)
- Door・window control
- Keyless entry
- LED lamp control
- LED driver for headlamp
- Multiple interface IC
- **Communication IC (LIN)**
- **Communication IC (CXPI)**
- Dot matrix driver
- Seat fan motor driver
- LED headlight cooling fan

Power Train

Begun to be adopted by Japanese manufacturers

- Engine control・control sensor
- Transmission
- Throttle control
- **Communication IC (CAN)**
- **HEV, EV, FCV**
- Secondary battery control technology
- Motor・inverter technology
- Multiple interface IC
- Isolated gate driver
- **Smart switch**
- Temperature monitor

Safety Device

Under mass production for Japanese manufacturers

- Electric power steering (EPS)
- Suspension control
- Antiskid brake (Accelerometer・gyro sensor)
- ABS (Revolution control)
- Anti-slip control (Accelerometer)
- Tire pressure (Pressure sensor)
- Environment surveillance
- **Ultrasonic detecting sensor**
- Auto camera power supply

ICs Business for Industrial

FA inverter• power conditioner•AC servo

Power

Isolated gate driver

Low Side IPD

Fast response DCDC power supply

MOS embedded ACDC

Intensified isolated gate driver

SiC drive ACDC controller

Photocoupler-less isolated power supply

HIgh Side IPD

Large current DCDC module

Motor

Shutoff valve motor driver

H bridge motor driver

Communication

WiLAN module

Others

Resistance touch

Clock-less link

Overall electric power tool and equipment for battery use

Power

EDLC cell balance IC

Li-Ion battery monitor

High-voltage power supply

80V resistant DCDC power supply

MOS embedded ACDC

Photocoupler-less isolated power supply

HEMS・Power meter

Power

Depressor DCDC power supply

Communication

HD-PLC Inside

920 MHz wireless communication【LAPIS】

WiSUN module

Others

Controller microcontroller【LAPIS】

LCD segment driver

Gas flow meter IC

Infrastructure・ control system, etc.

Power

Atom E3800 PMIC

FSL i.MX-6SL PMIC

FSL i.MX 7D/L PMIC

80V resistant DCDC power supply

ROHM Powervation digital power supply

Others

Clock-less link

LCD driver

LCD timing controller

Sensor control microcontroller

Sensor control board

Medical devices

Power

AD converter

Photocoupler-less isolated power supply

Communication

BT healthcare module

Manufacturing Plant of the Next Generation Using IoT Technology

Establishing a plant that will only produce non-defective products!

Under action

Automation of abnormal detection

- Monitoring operation progress by online equipment
- Managing 4M※ and traceability by using IT tools such as tablet PCs
- Full guarantee of external appearance quality due to automatic detection equipment

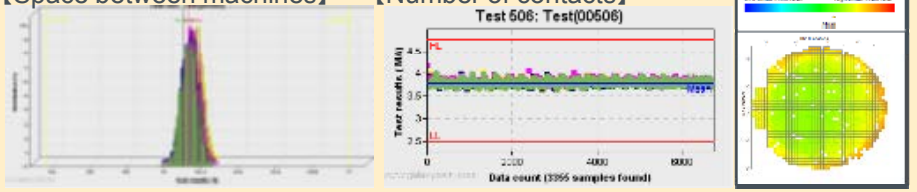
RIST new building under construction

NEXT STEP

Preventive action by change-point detection

- Eradication of human errors by using automatic sensing technology
- Change-point detection by automatic monitoring SPC (ResQ) system
- Dispersion detection by automatic analyzing system of mass production observed data
- Managing Highly-efficient production and equipment operation by installing scheduler

【Space between machines】 【Number of contacts】 【WA surface unevenness】



Installing in all manufacturing plants

※4M: Men, Machine, Material, Method

Discrete Semiconductor Devices・Modules Business Strategy

Market Reform

Product Reform

Expanding sales by providing various product lineup matching market demand and ensuring stable supply for the auto, smartphone・wearable device markets.

①Auto Industrial	Enhancing development of power device products - Cutting-edge SiC power device products - R&D of SiC applications for the future
②Smartphone Wearable	Leading the world by ultra-small and high performance devices -Enhancing product lineup of ROHM's world's smallest devices "RASMID" series -Development of world's smallest and high performance devices
③IoT	Developing and deploying "Wi-SUN" small-size communication modules

Production Reform

-Continuing to invest for stable supply and production efficiency

-Promoting RPS to thoroughly eliminate "wastes"

Development of High-Performance Micro Devices

Developed using innovative, breakthrough technologies aiming for "world's smallest and thinnest"

ROHM's ultra-small components for mobile phones and wearable devices

RASMID Series

World's smallest* chip resistors
SMR0201

0.25×0.125mm
t=0.08mm
NEW World's smallest*

TVS diodes
SMD0402

0.4×0.2mm
t=0.12mm
NEW World's smallest*

World's leading micro devices

World's smallest* transistors
VML0604

0.6×0.4mm
t=0.36mm
NEW World's smallest*

Ultra-compact low profile chip LEDs
(PICOLED Series)

1.0×0.6mm
t=0.2mm
World's thinnest*

HMD package
Multiple diode chips embedded in 1 chip
HMD8
(4 chips embedded)

1.6×0.8mm
t=0.3mm
World's smallest*

World's smallest conductive polymer tantalum capacitors
TCTO(U case)

1.0×0.5mm
t=0.65mm
NEW World's smallest*

World's smallest tantalum capacitors
TCT(U case)

1.0×0.5mm
t=0.6mm
World's smallest*

World's smallest class image stabilization hall device
RHS-0122 Series

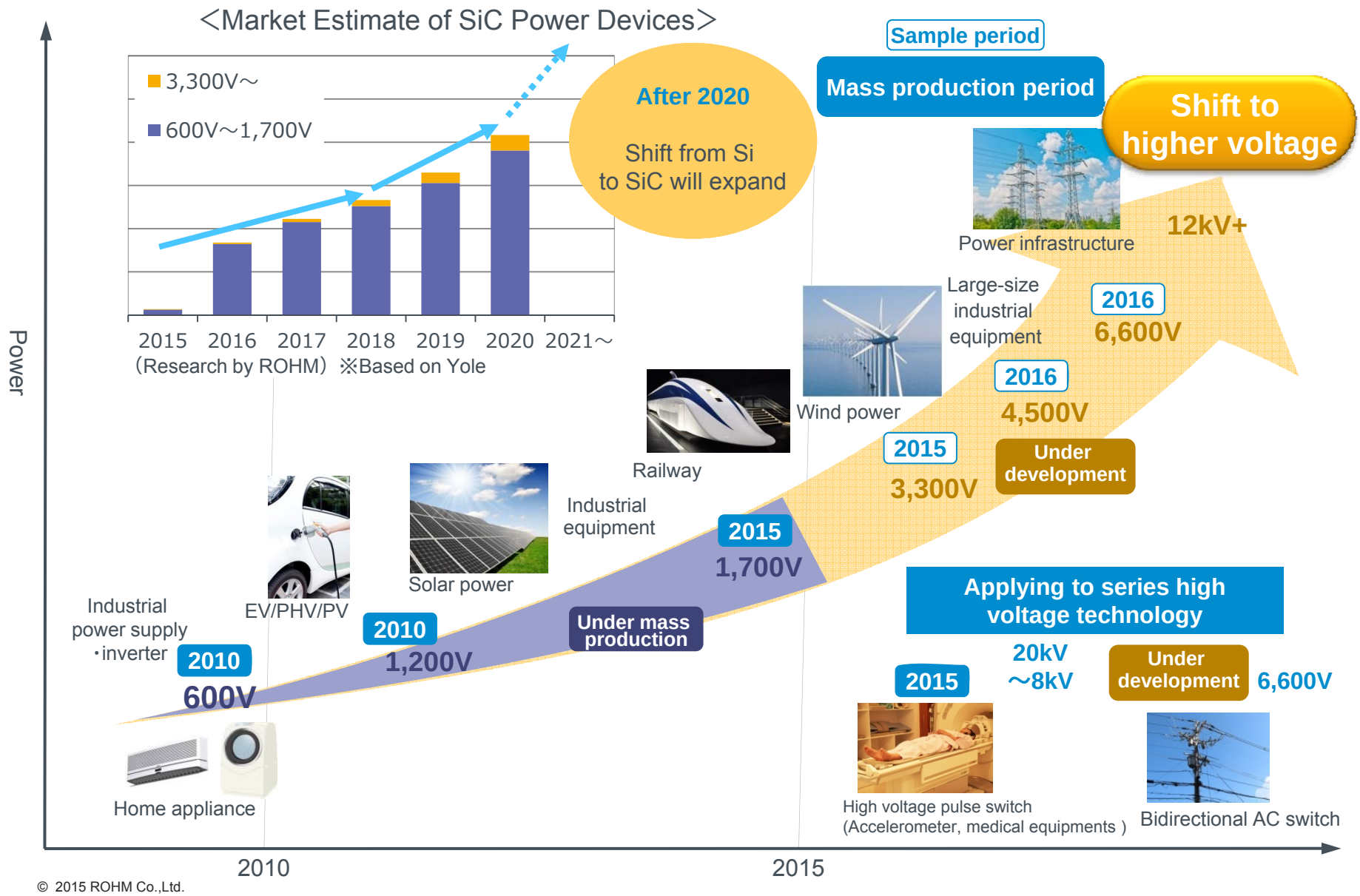
1.2×0.5mm
t=0.3mm
World's smallest*

Infrared LED embedded proximity•ambient light sensor
RPR-0521 Series

3.94×2.36mm
t=1.35mm
Low noise

* August 2015 ROHM Survey

Development of SiC Power Devices and Market



Note Regarding Future Forecasts

The forecast statements in this report are based on information currently available and deemed by ROHM Group as reasonable, and therefore, are not intended to guarantee to be achieved by ROHM Group, and actual results may differ materially by various factors.
ROHM Group does not bear responsibility to update and disclose any future forecasts in this report.
Also, since the purpose of this report is to provide an outline of business performance, many figures are shown in unit of a billion yen, therefore, totals and differences of figures may appear inaccurate. Please refer to our Financial Report for detailed figures.

ROHM Co.,Ltd.