



2017/3

Presentation

Note: This document is a translation of the 2017/3 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.

■ Financial Results Ended 2017/3

Financial Results of 2017/3
Factors for Sales Change
YOY Comparison of OP

■ Plan of Ending 2018/3

Plan of 2018/3
Factors for Sales Changes in 2018/3

■ ROHM's Strategy

■ Capital Expenditure

■ Return to Shareholders

Financial Results for the year Ended 2017/3 (YOY)



Performance, Financial Condition 2

(¥billion)

	'17/3	'16/3	Change from previous year	
			Amount	Percentage
Net Sales	352.0	352.3	- 0.3	- 0 %
Operating income	31.8	33.6	- 1.8	- 5 %
Ratio	(9.0%)	(9.5%)	-	-
Ordinary income	35.5	36.6	- 1.1	- 3 %
Ratio	(10.1%)	(10.4%)	-	-
Net income	26.4	25.6	+ 0.8	+ 3 %
Ratio	(7.5%)	(7.3%)	-	-
EBITDA	72.6	71.9	+ 0.7	+ 1 %
(Ratio)	(20.6%)	(20.4%)	-	-

Average rate (¥/US\$) **(¥109.03)** **(¥120.00)**

Financial Results for the year Ended 2017/3 (v.s Revised Plan)



Performance, Financial Condition **3**

(¥billion)

	'17/3	'17/3 Revised plan	Change from Revised plan	
			Amount	Percentage
Net Sales	352.0	334.0	+18.0	+5%
Operating income	31.8	23.5	+8.3	+35%
Ratio	(9.0%)	(7.0%)	-	-
Ordinary income	35.5	16.5	+19.0	+104%
Ratio	(10.1%)	(4.9%)	-	-
Net income	26.4	12.0	+14.4	+120%
Ratio	(7.5%)	(3.6%)	-	-
EBITDA	72.6	65.0	+7.6	+12%
(Ratio)	(20.6%)	(19.5%)	-	-

Average rate (¥/US\$) **(¥109.03)** **(¥103.46)**

Factors That Caused Changes in Sales



Performance, Financial Condition **4**

(¥ billion)

Main Factors for Sales Changes in '17/3		YOY	
Positive Factors	1	Increased sales for automotive power trains	+6.0
	2	Increased sales for smartphones	+4.3
	3	Increased sales for overseas home appliances	+3.7
	4	Increased sales for car body related	+2.5
	5	Increased sales for industrial market	+2.0
Negative Factors	1	Decreased sales of consumer LCD panel drivers	-5.8
	2	Withdrawal from lighting equipment market	-4.0
	3	Decreased sales for wearable electronics	-3.5
	4	Retracted market for conventional car audio systems	-2.8
	5	Shrinking of business equipment market	-2.1
Total		+0.3	
Total		-0.3	

Factors for Sales Change in '17/3 Result (v.s Revised Plan)



Performance, Financial Condition **5**

(¥ billion)

Main Factors for Sales Changes in '17/3		V.S Revised plan	
Positive Factors	1	Increased sales for automotive power trains	+4.9
	2	Increased sales for overseas home appliances	+4.1
	3	Increased sales for car body related	+3.3
	4	Increased sales for industrial market	+2.9
	5	Increased sales to PC market	+1.6
	6	Increased sales for automotive audio / infotainment systems	+1.6
Total		+18.4	

Total (+18.0)

YOY Comparison of OP



Performance, Financial Condition 6

(¥ billion)

'16/3	'17/3	Difference
+33.6	+31.8	-1.8

Major Factors

Sales

Decrease in marginal profits due to sales decline based on forex

-24.1



-5.8

Increased marginal profit from increased sales

+18.3

Variable & Fixed Costs

Decrease in variable & fixed costs based on forex

+15.9

Cost reductions

+7.5



+4.0

Increase in depreciation

-4.6

Increased cost of sales (labor and expenditures)

-6.6

Inventory impact

-4.2

Other

-4.0

Total

-1.8

Plan of Ending 2018/3 (YOY)



Performance, Financial Condition 7

(¥billion)

	'17/3		'18/3 Plan		
	Amount	Change from previous year	Amount	Change from '17/3 result	
		Percentage		Amount	Percentage
Net Sales	352.0	- 0 %	368.0	+16.0	+5%
Operating income	31.8	- 5 %	38.0	+ 6.2	+19%
(Ratio)	(9.0%)	-	(10.3%)	-	-
Ordinary income	35.5	- 3 %	38.5	+ 3.0	+8%
(Ratio)	(10.1%)	-	(10.5%)	-	-
Net income	26.4	+ 3 %	28.0	+ 1.6	+6%
(Ratio)	(7.5%)	-	(7.6%)	-	-
EBITDA	72.6	+ 1 %	86.0	+13.4	+18%
(Ratio)	(20.6%)	-	(23.4%)	-	-

Average rate (¥/US\$)

(¥109.03)

(¥105)

Factors for Sales Change in '18/3 Plan



Performance, Financial Condition 8

(¥ billion)

Main Factors for Sales Changes in '18/3		YOY	
Positive Factors	1	Increase in sales for automotive power trains	+3.9
	2	Increase in sales for automotive audio/infotainment systems	+3.4
	3	Increase in sales for industrial market	+3.1
	4	Increase in sales for smartphones	+3.0
	5	Increase in sales for home appliances outside of Japan	+2.7
	6	Increase in sales for car body related	+1.4
Negative Factors	1	Decrease in sales for consumer LCD panel drivers	-3.9
	Total		+13.6
Total		(+16.0)	

1. Market Reform

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

2. Product Reform

- Focusing on Four Growth Solutions
 - High performance **Analog Solutions** with digital control capabilities
 - **Power Solutions** centering on SiCs
 - **Sensor Solutions** introducing MEMS·Photonics
 - **Mobile Solutions** providing ultra small-sized devices

3. Production Reform

- Aiming for World's No.1 Manufacturing Plant
 - Accomplish next level production controls by utilizing innovative tools such as AI or IoT technology as defined in RPS activities.
 - Accomplishing "Zero Defect" and improving power of work sites in manufacturing plants

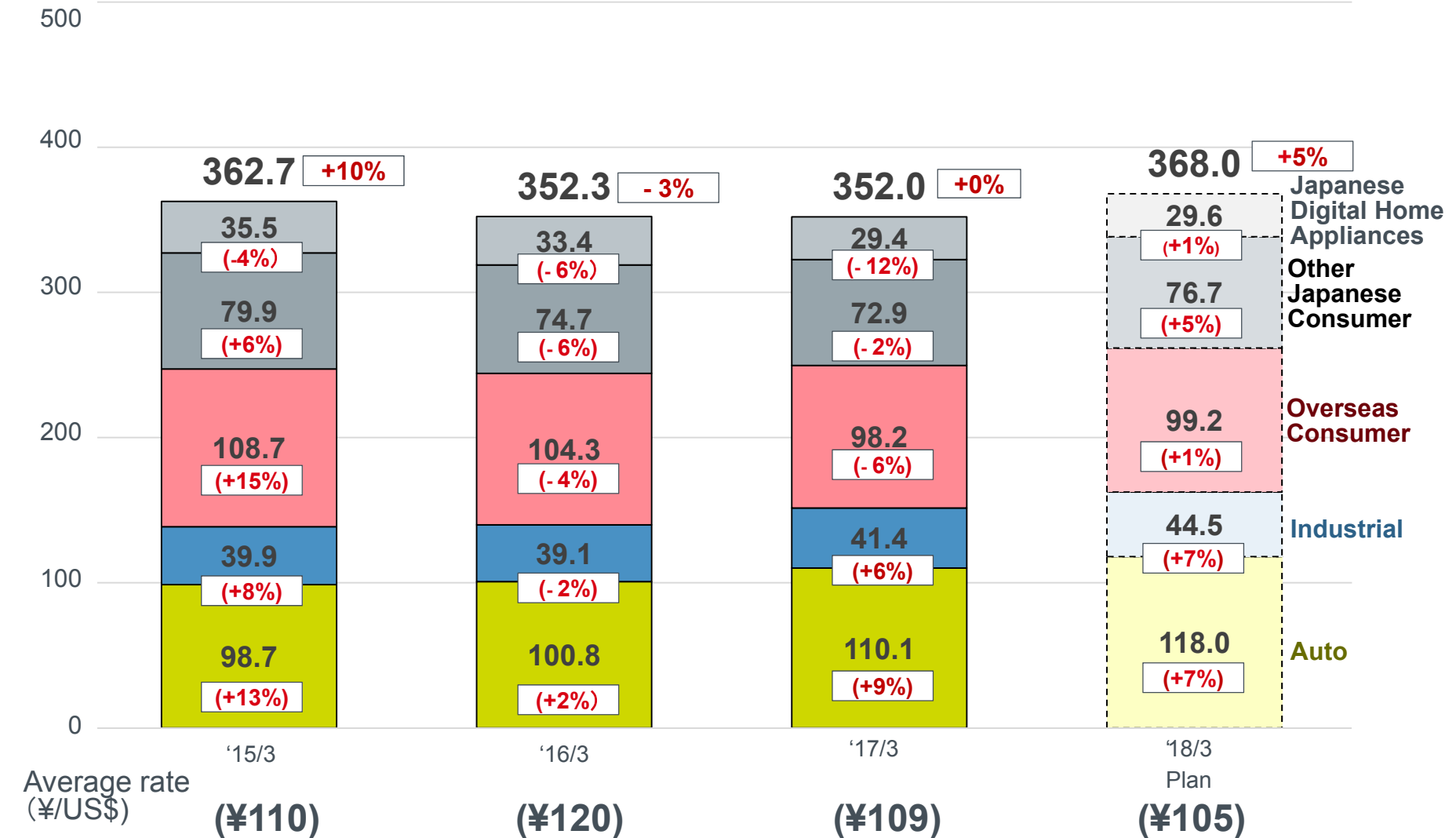


ROHM's Strategy 4 Year Trend of Sales by Market (YOY)

Performance, Financial Condition **10**

(YOY)

(¥ Billion)



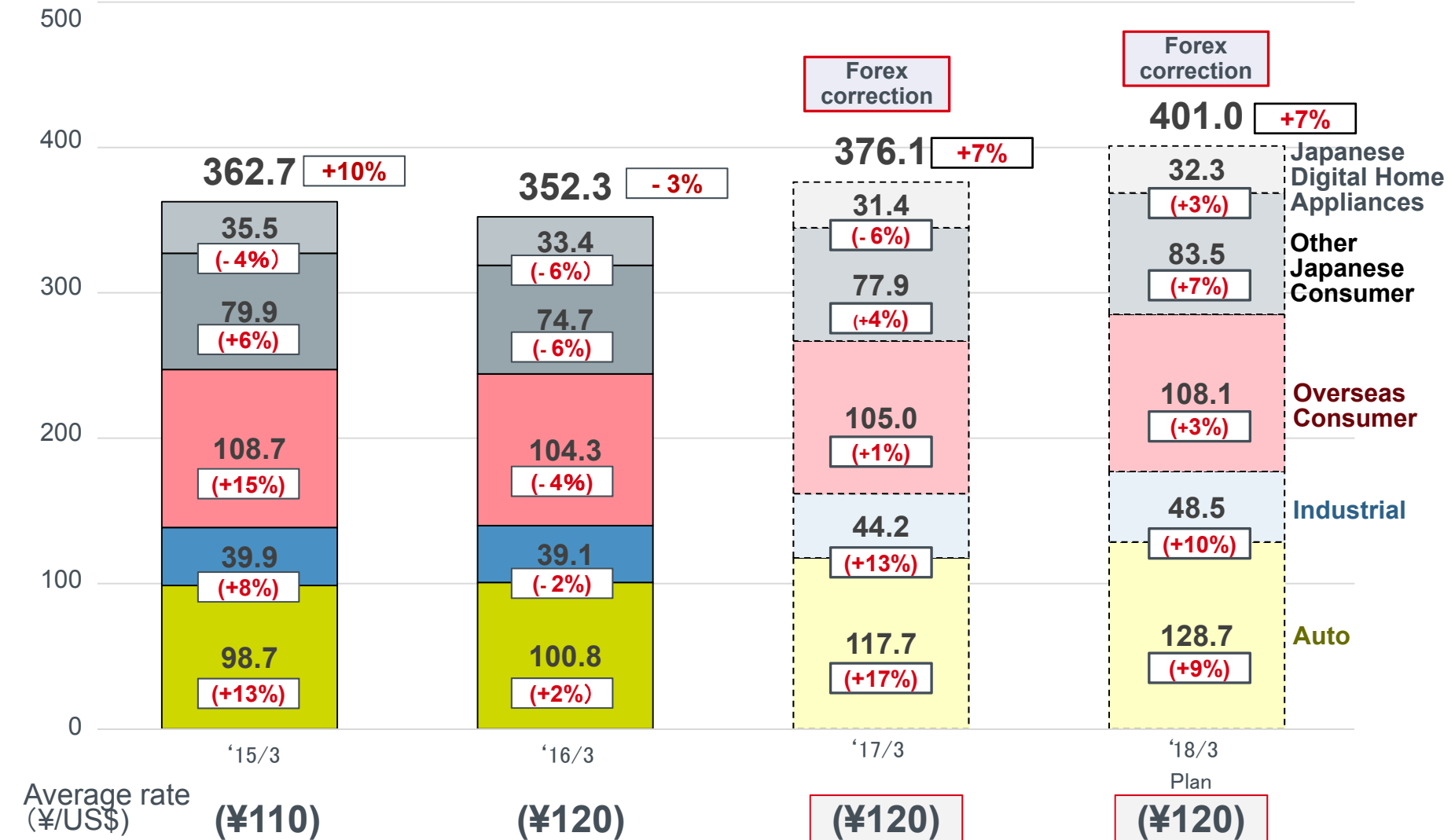


ROHM's Strategy 4 Year Trend of Sales by Market (YOY)

Performance, Financial Condition 11

(YOY)

(¥ Billion)



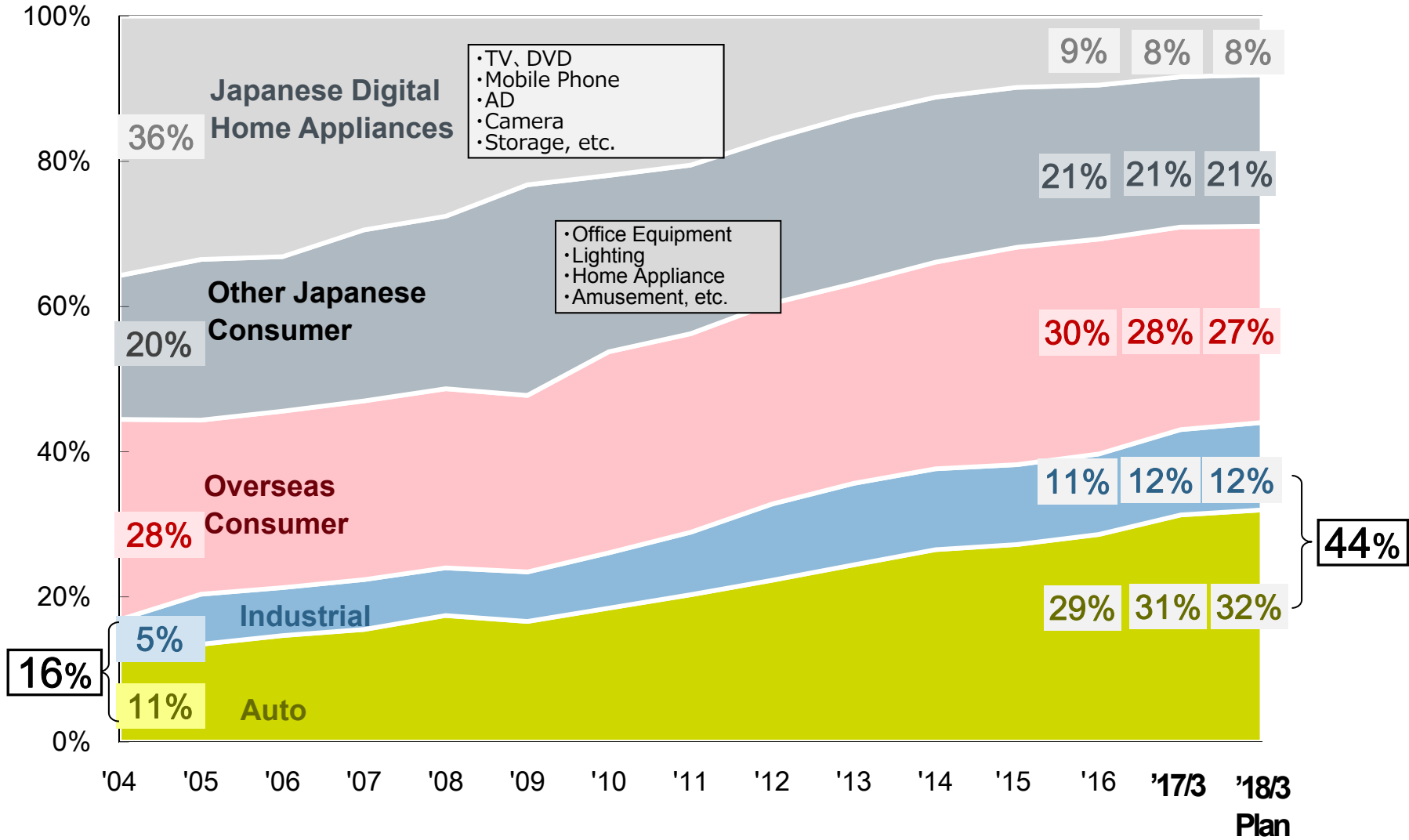
Average rate (¥/US\$)

© 2017 ROHM Co.,Ltd.

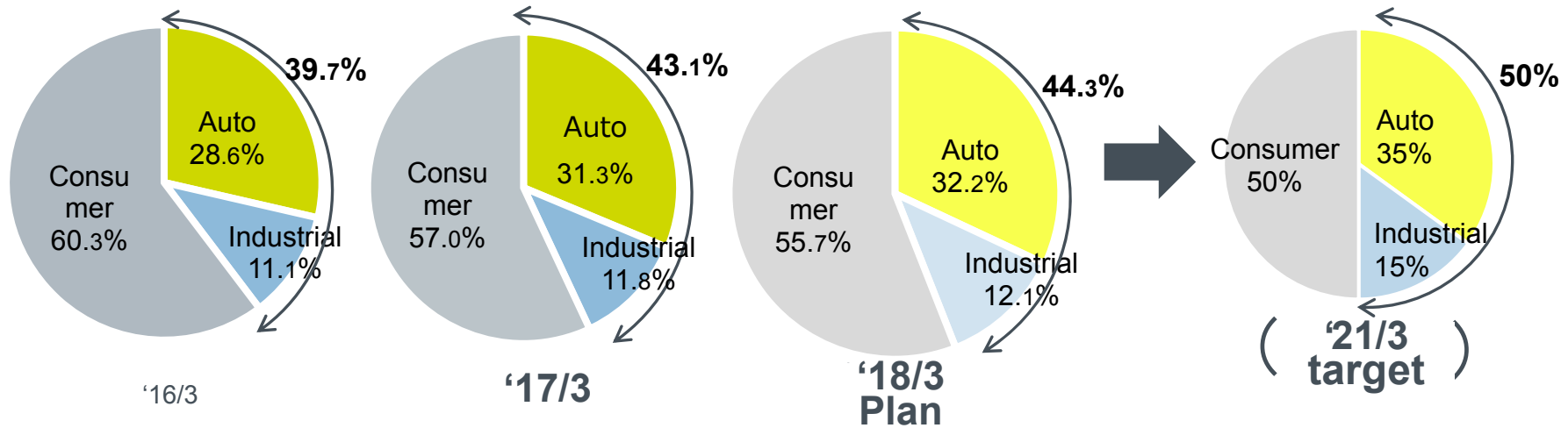
ROHM's Strategy Trend of Sales Composition Ratio by Market (2018/3 Plan)



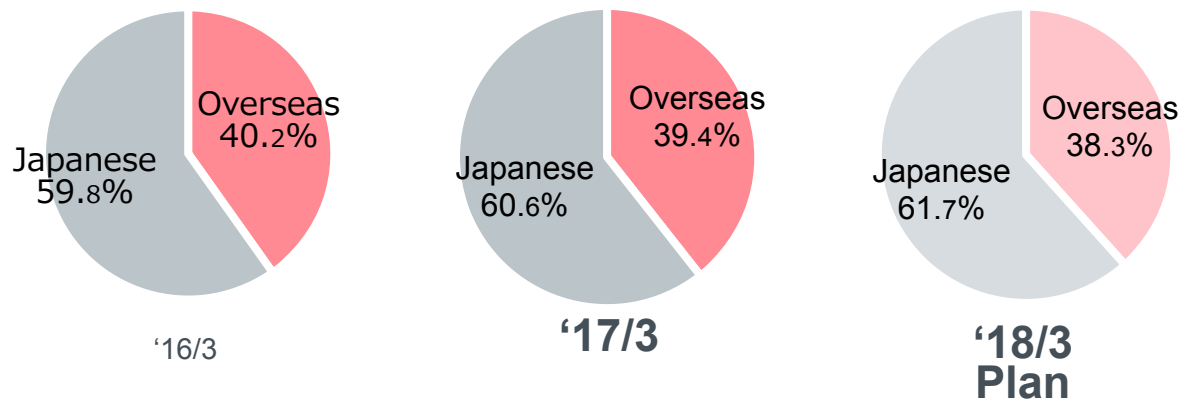
Performance, Financial Condition **12**



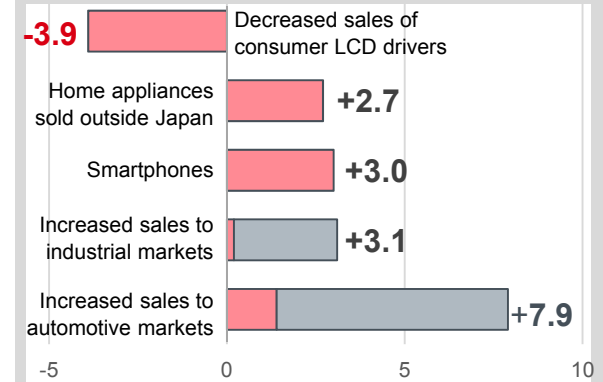
Reaching 50% sales ratio for auto + industrial markets by '21/3



Reaching 50% sales ratio for overseas customers ASAP

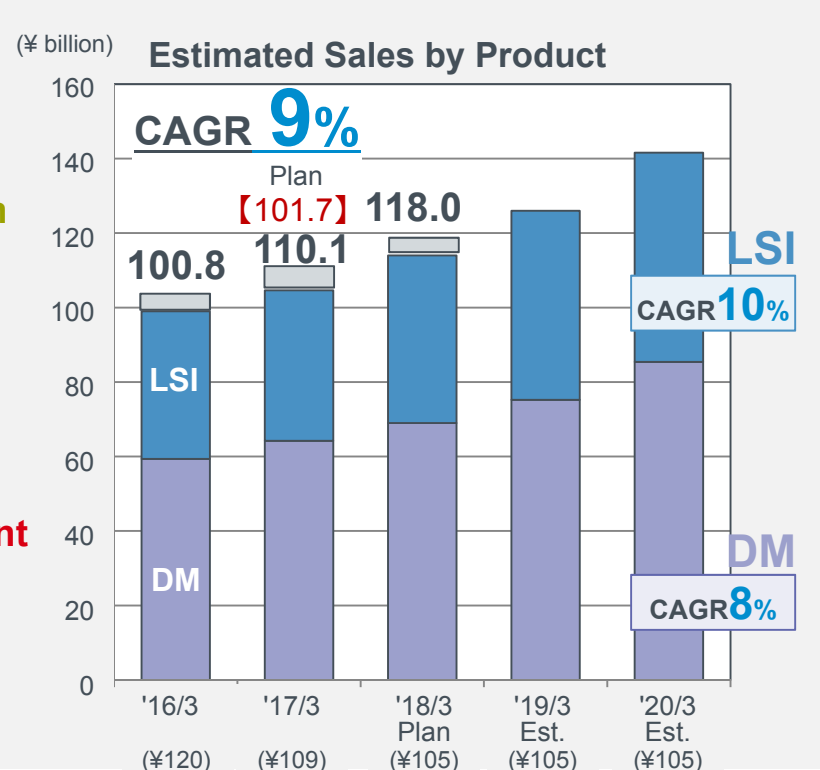
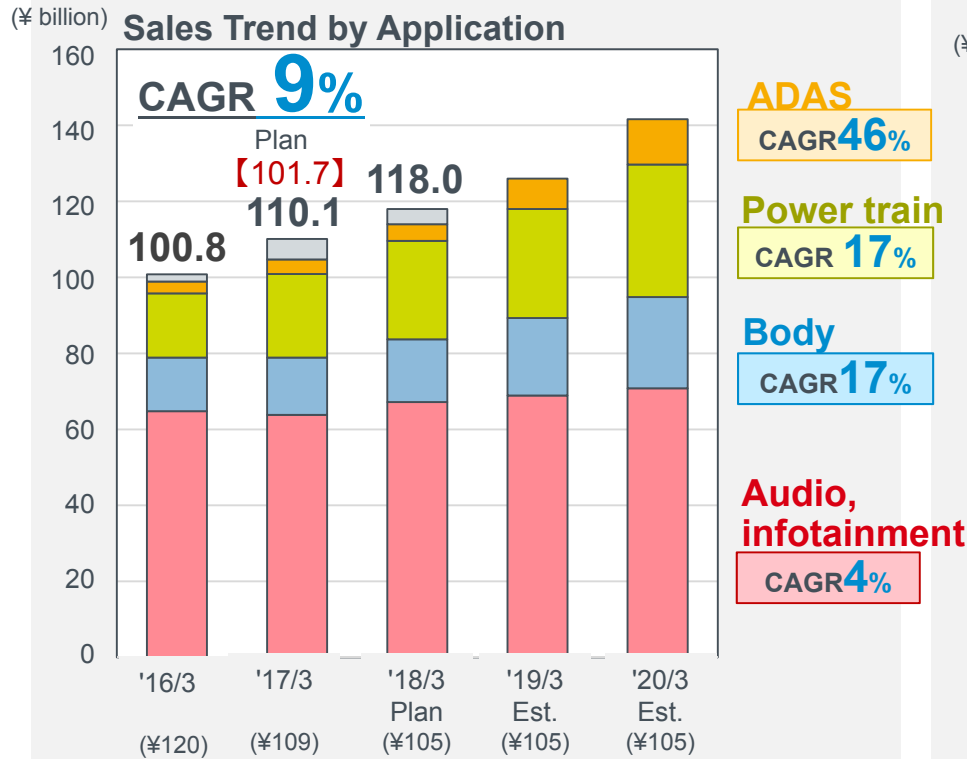


<Factors that cause change in sales>



1. Market Reform Focusing on Auto Market

Performance, Financial Condition **14**



■ Market is evolving from audio systems to IVI (In-Vehicle Infotainment) systems.

■ Design-in practices for LED drive systems are increasing especially in Europe.

■ Focus on advanced vehicles (xEV and ADAS) that have seen a sharp rise in demand.

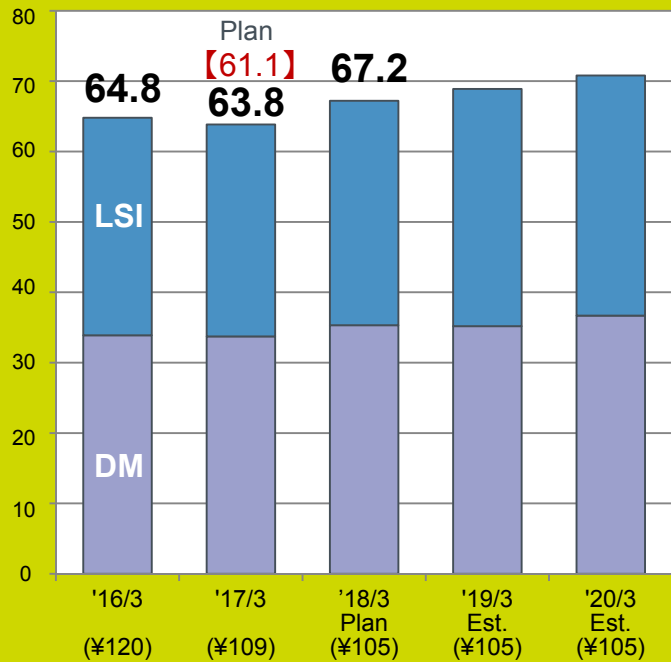
Auto Market Examples of Expanded Adoption

Performance, Financial Condition 15

Audio & Infotainment Fields

CAGR 4%

(¥ billion)



Product Categories with Growing Adoption

- Chipsets for LCD panel**
 Shift development resources from consumer LCD panels to automotive LCD panels.
- Power IC for Intel / Renesas Electronics CPUs/Reference PMICs**



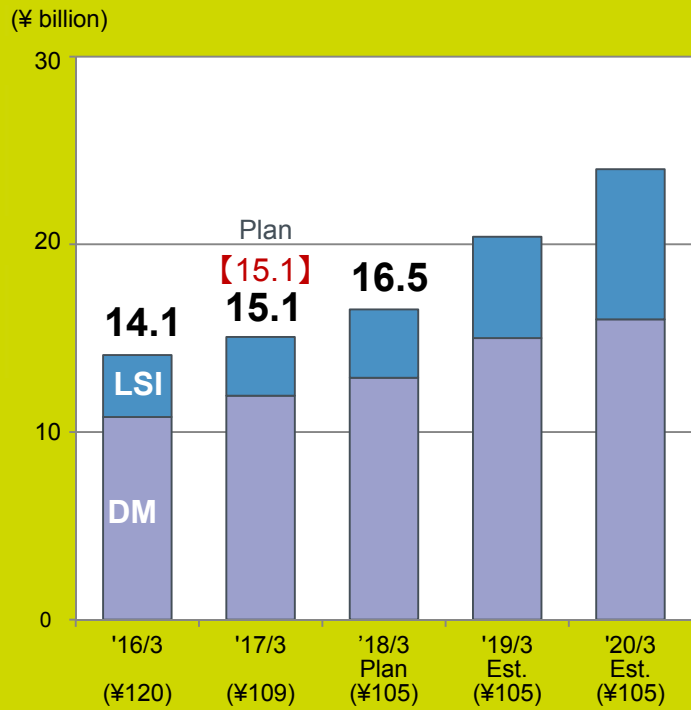
- High resolution audio IC**

Auto Market Examples of Expanded Adoption

Performance, Financial Condition **16**

Body Control Fields

CAGR 17%



© 2017 ROHM Co.,Ltd.

Product Categories with Growing Adoption

Multifunctional LED driver IC + IPD

- On/Off switch
- Matrix LED driver
- Leveler motor IC



In-vehicle communication IC



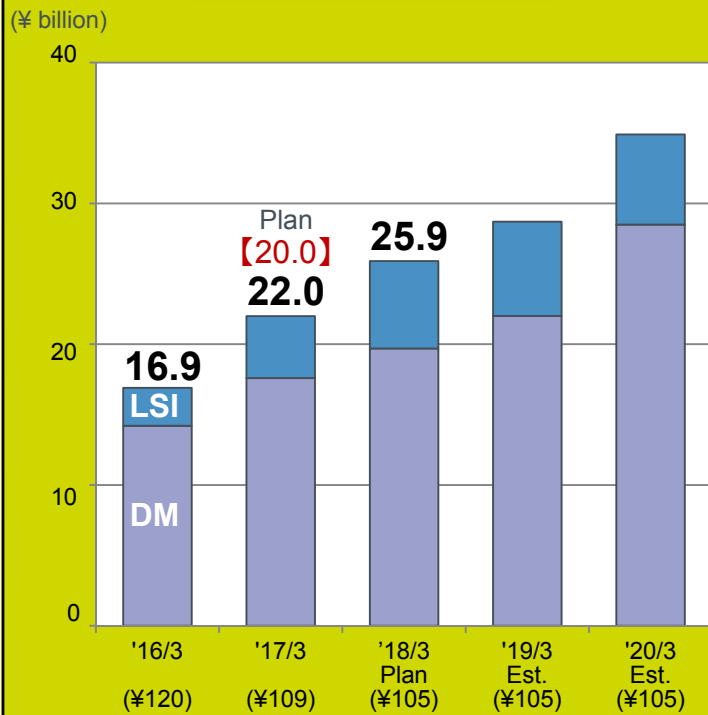
Increase market share for small signal TR/Di

Auto Market Examples of Expanded Adoption

Performance, Financial Condition 17

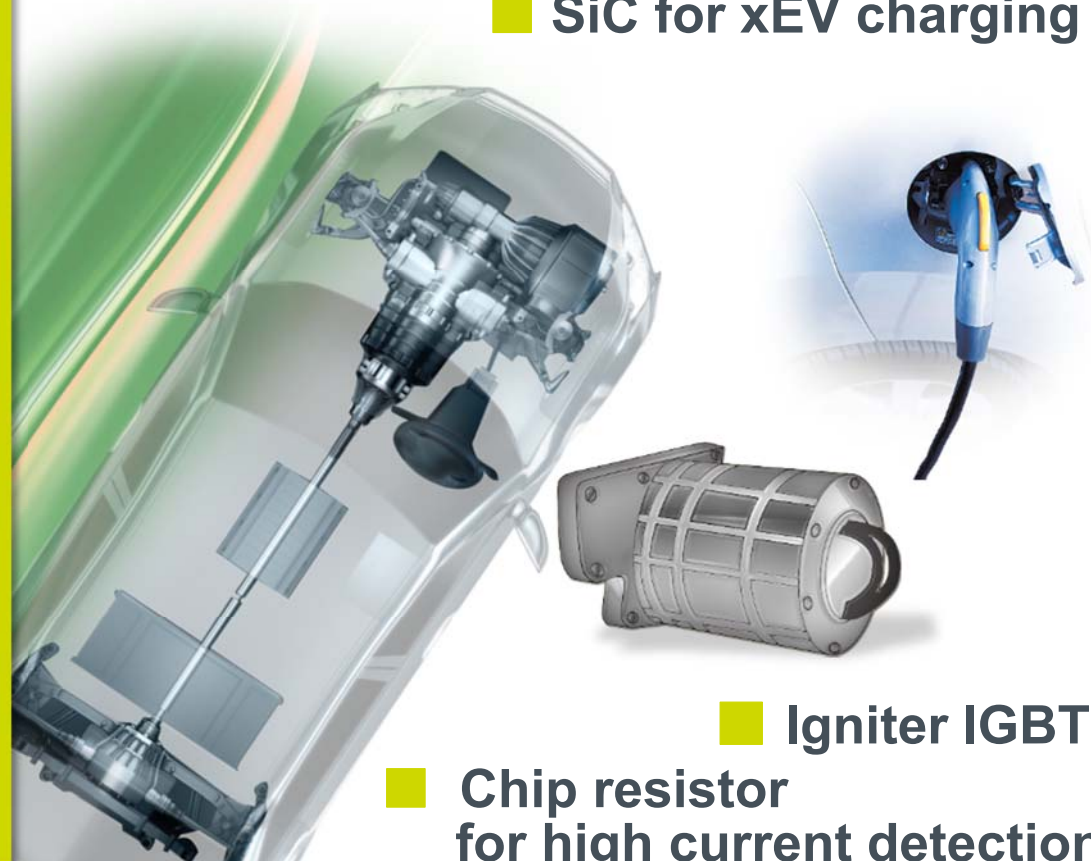
Power Train Field

CAGR **17%**



Product Categories with Growing Adoption

- Isolated gate driver ICs for xEV
- SiC for xEV charging



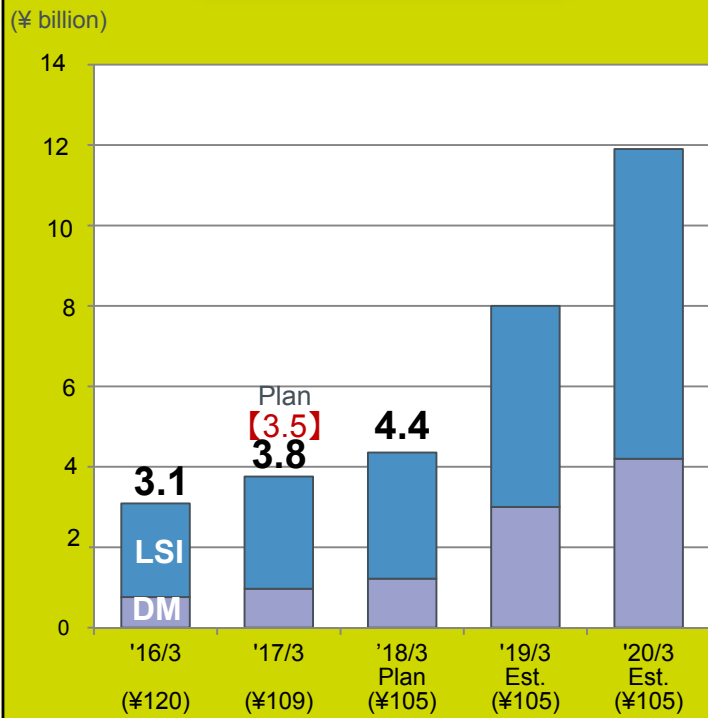
- Igniter IGBT
- Chip resistor for high current detection

Auto Market Examples of Expanded Adoption

Performance, Financial Condition 18

Driving Safety & ADAS Fields

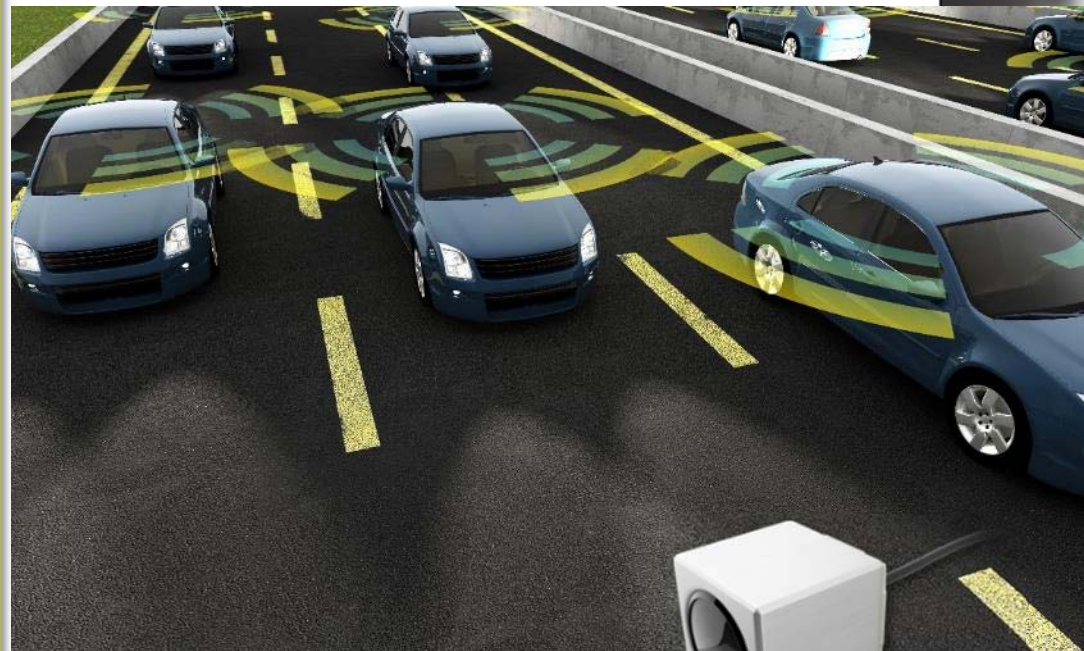
CAGR **46%**



© 2017 ROHM Co.,Ltd.

Adoption from ADAS Market expanding

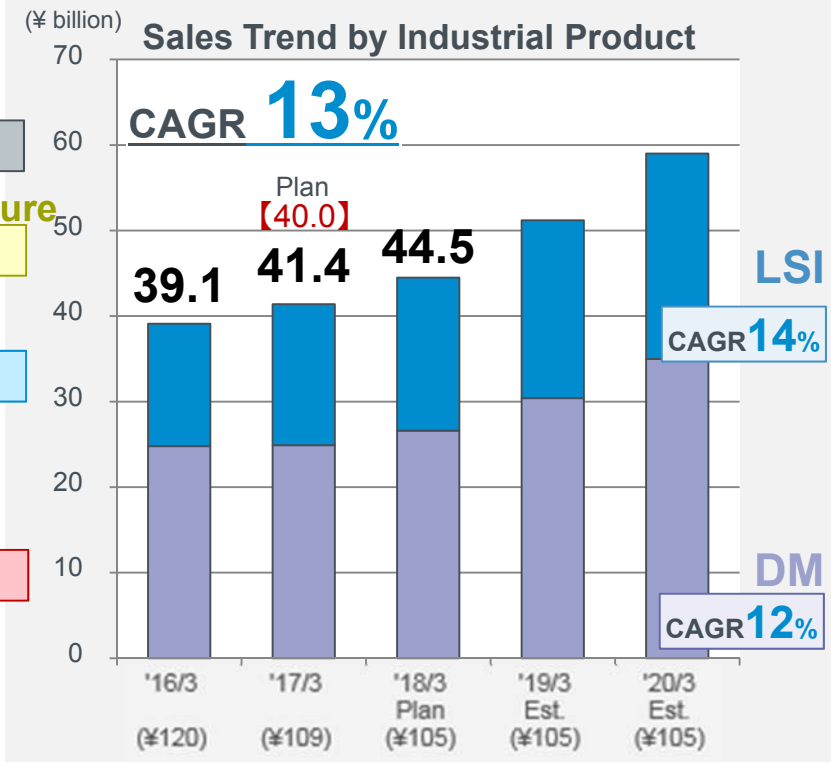
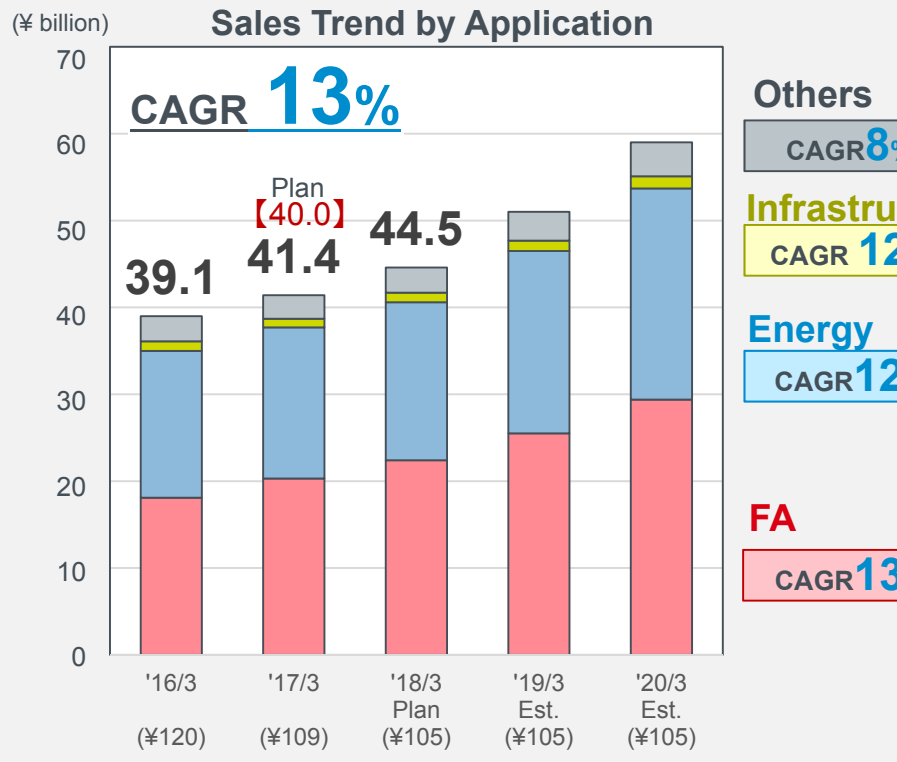
- Signal processing ICs for Sonar
- Camera PMIC
- Power ICs for millimeter-wave radar



■ MOSFET for sensor

1. Market Reform Focusing on Industrial Market

Performance, Financial Condition **19**



■ Focus on 3 fields of industrial equipment: FA, energy and infrastructure.

■ Strengthen our partnership with leading company to achieve in depth design collaboration.

■ Penetrate European markets by strengthening our software development base in Finland and opening a new power laboratory in Germany.

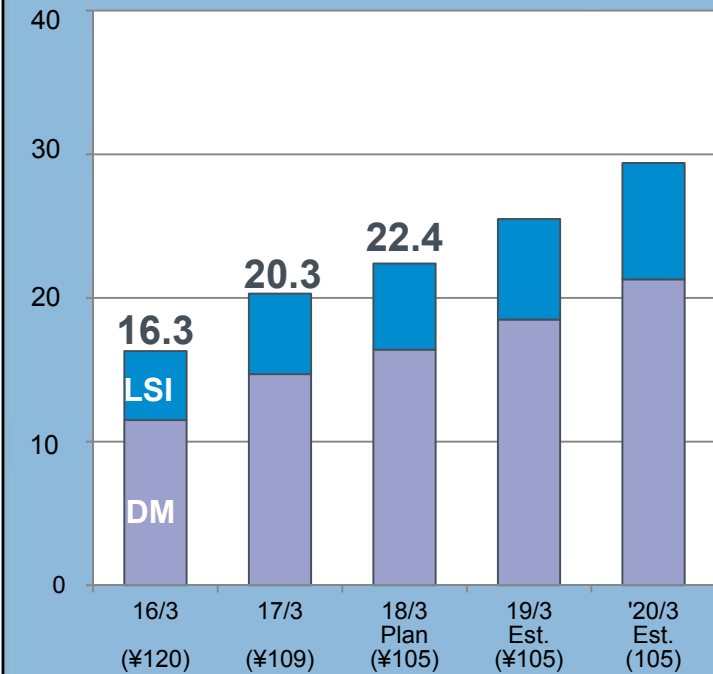
Industrial Equipment Examples of Expanded Adoption

Performance, Financial Condition 20

FA Fields

CAGR 13%

(¥ billion)



Product Categories with Growing Adoption

Inverter power solutions

- Insulated DC/DC IC
- Gate driver
- SiC Power Devices



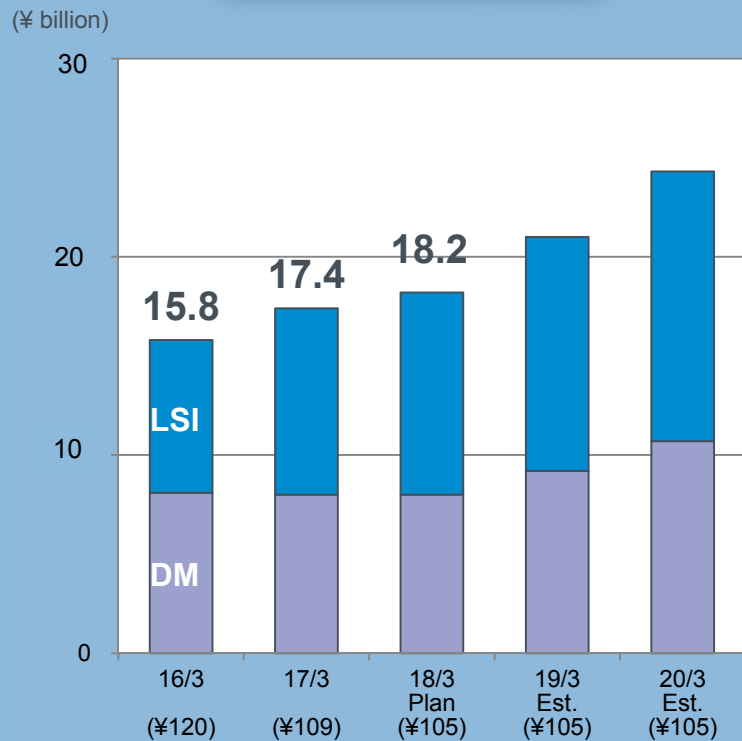
Gate driver solution for SiC

Industrial Equipment Examples of Expanded Adoption

Performance, Financial Condition 21

Energy Fields

CAGR **12%**



Product Categories with Growing Adoption

- Sub-GHz wireless IC
- Sensing solution for IoT

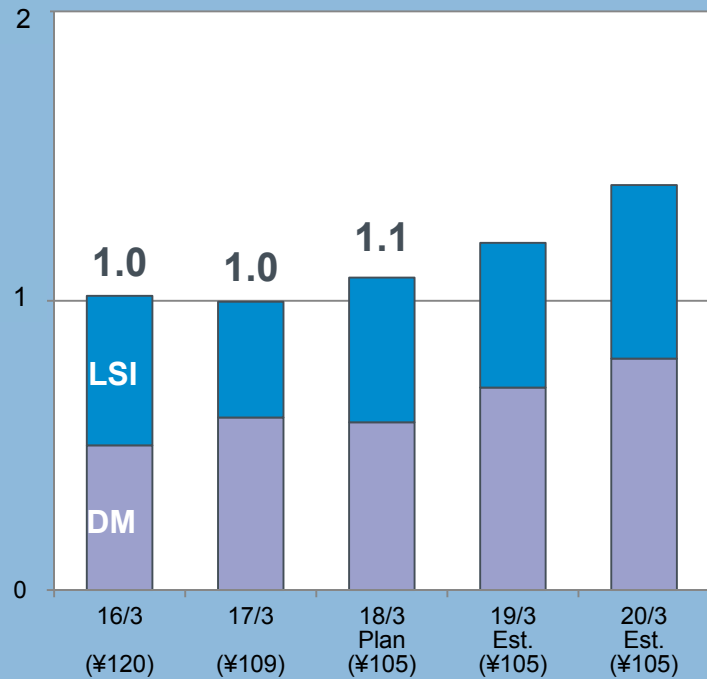


- SiC power devices

Infrastructure Fields

CAGR **12%**

(¥ billion)



Product Categories with Growing Adoption

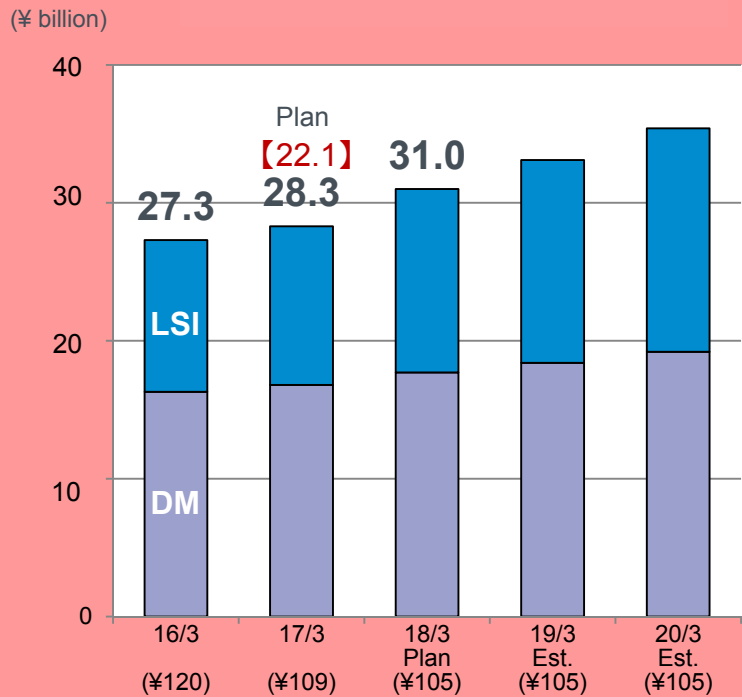
- Digital power ICs (8 A and higher in Current)
- Analog DC/DC converters (8 A and lower in Current)



- SiC power devices

Overseas Home Appliance Field

CAGR 8%



Energy-saving proposals that support environmental regulations are liked.

Product Categories with Growing Adoption



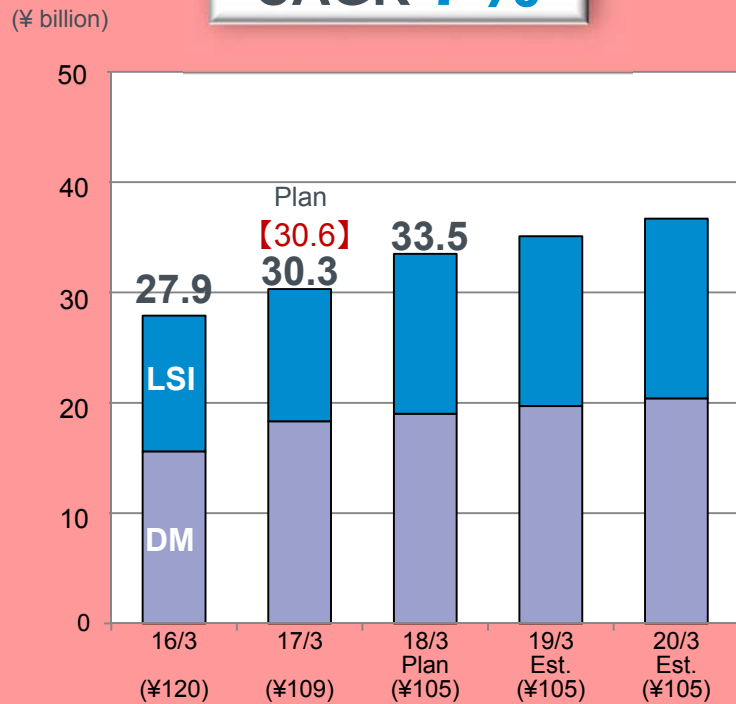
Power solutions for power systems

- AC/DC, DC/DC control IC
- High voltage MOS-FET, IGBT, FRD
- Chip resistor for high current detection

Motor drive solutions

Smartphone Field

CAGR 7%



■ Building up competitive products lineups.

Product Categories with Growing Adoption

- Shake-correcting ICs for cameras
- Controller IC for wireless charging systems



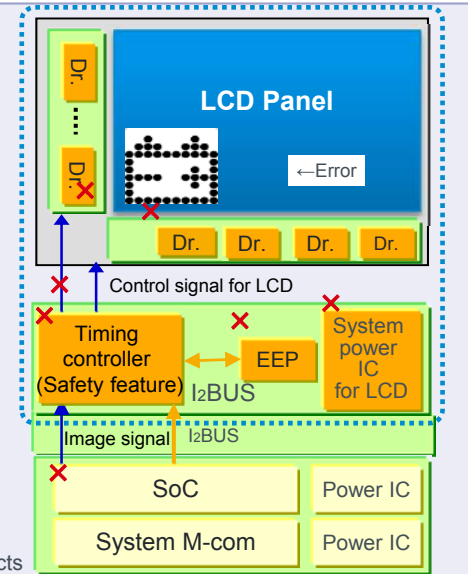
- RGB sensors
- Accelerometer sensors
- Ultra-small TVS diodes

Analog Solution



Develop high value-added products with high-precision analog technologies and digital control technologies.

Power ICs designed with safety features and LCD chipsets are liked for Auto motives.



x : Able to detect defects

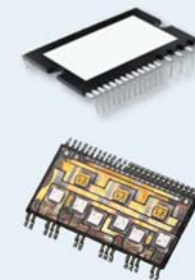
Power Solution

Energy-saving proposals that maximize the features of SiC and other power devices are liked.

- SiC for onboard chargers
- Motor solutions for industrial equipment



- Power modules for home appliances
- Motor drivers for home appliances

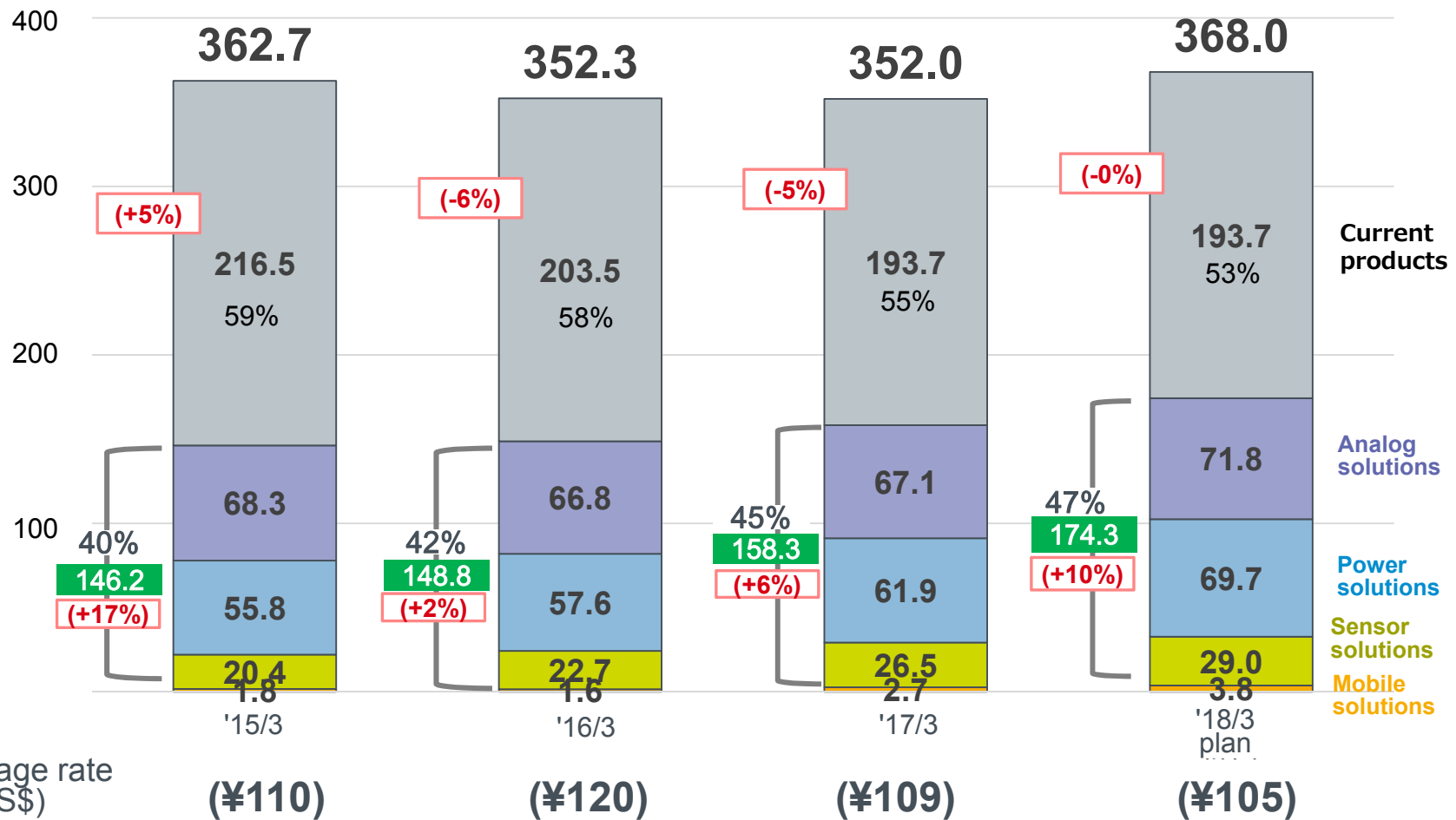


2. Product Reform Sales Trends of Four Growth Solutions

Performance, Financial Condition **26**

(YOY)

(¥ billion) 500



Average rate (¥/US\$)

© 2017 ROHM Co.,Ltd.



Performance, Financial Condition 27

Rohm Shiga

Commenced operations in 09/2016

Wafer plant



Acquired from Renesas Shiga

- RASMID TVS
- Power semiconductors ... IGBT/MOSFET

RIST

(Thailand)

Commenced operations in 05/2017

Assembly plant



New wing started up



Increase in production capacity

RWEM

(Malaysia)

Commenced operations in 04/2017

Assembly plant



New wing started up



Increase in production capacity

REPI

(Philippines)

Construction start in 01/2018

Construction completion in 05/2019

Assembly plant



New wing started up



Increase in production capacity

Capital Expenditures



Performance, Financial Condition **28**

Rohm is investing in boosting production capacity to keep pace with increasing demand, in addition to improving new product quality.

'17/3

Changes since initial plan

Focus

- Delayed construction on new wing at Philippines Plant
- Delayed increase in production capacity

Additional investment

- Improved IC production capacity
- Improved production capacity of power devices, etc.

'18/3

Main investments

- Construction of new plant in Philippines
- Improvement in production capacity of power devices
- Improvement in quality of transistors and diodes

(Units: ¥ billion)

	Total	Capacity increase	Land, building	New products	Quality	Others
'17/3 Initial plan	51.0	15.4	11.0	10.5	6.3	7.8
'17/3 1H	15.3	4.2	3.3	4.1	1.2	2.5
'17/3 2H	26.8	9.6	4.0	5.7	2.1	5.4
'17/3 results	42.1	13.8	7.3	9.8	3.3	7.9
'18/3 Plan	57.0	24.6	5.4	12.3	6.4	8.3

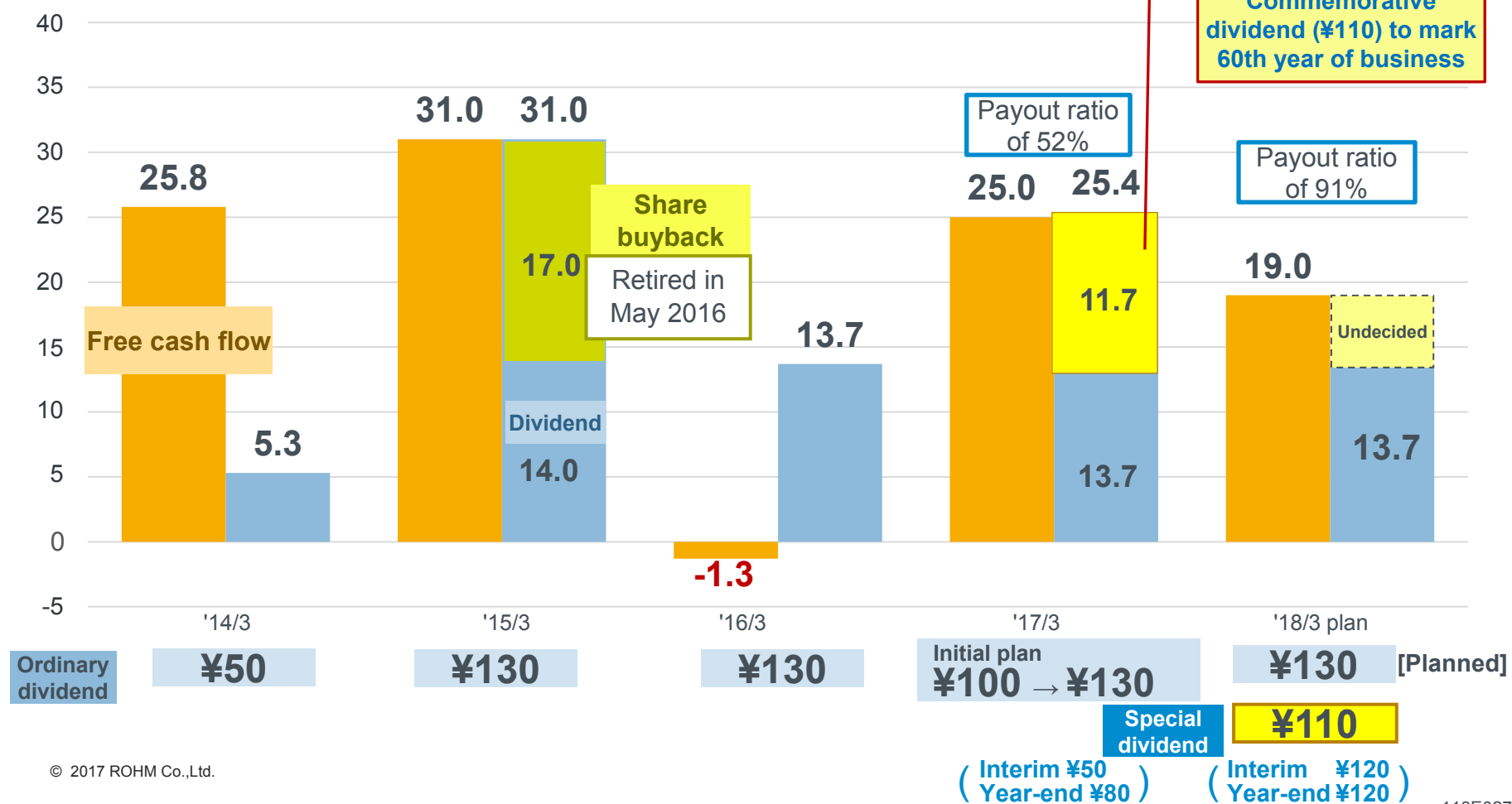
Returns to Shareholders



Performance, Financial Condition 29

- [1] Rohm pays annual dividends of ¥130, but plans to raise this amount as performance improves over the long-term.
- [2] Rohm targets a payout ratio of 30% or more and, depending on the situation, will add a special dividend or other additional shareholder return.
- [3] Rohm will proactively invest in M&A that will contribute to growth and, in an effort to improve our balance sheet, will not keep excessive cash in reserves.

(¥ billion)



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.

