



ROHM Co., Ltd. Financial Highlights for the First Six Months of the Year Ending March 31, 2017

(From April 1, 2016 to September 30, 2016)

November 1, 2016

1. Consolidated Financial Results

(Figures are rounded down to the nearest million yen. Any fraction less than the unit is rounded off.)

		'17/3	'16/3	Change from the previous year		'16/3	'17/3 (Projected)	Change from the previous year
		First six months	First six months	Amount	Percentage	Annual	Annual	
Net sales	Millions of yen	171,858	189,636	-17,778	-9.4%	352,397	334,000	-5.2%
Cost of sales	Millions of yen	115,150	121,299	-6,149	-5.1%	230,662	227,000	
Selling, general and administrative expenses	Millions of yen	40,921	44,912	-3,991	-8.9%	88,099	83,500	
Operating income (loss)	Millions of yen	15,786	23,424	-7,638	-32.6%	33,635	23,500	-30.1%
		(9.2%)	(12.4%)	(-3.2%)		(9.5%)	(7.0%)	
Ordinary income (loss)	Millions of yen	8,247	32,705	-24,458	-74.8%	36,625	16,500	-54.9%
		(4.8%)	(17.2%)	(-12.4%)		(10.4%)	(4.9%)	
Profit attributable to owners of parent	Millions of yen	8,139	26,180	-18,041	-68.9%	25,686	12,000	-53.3%
		(4.7%)	(13.8%)	(-9.1%)		(7.3%)	(3.6%)	
Figures in () indicate ratio to sales.								
Net income (loss) per share	yen	76.95	245.79	-168.84	-68.7%	241.91	113.45	
Net income to equity	%					3.5		
Ordinary income to total assets	%					4.4		
Total assets	Millions of yen	763,912	836,014	-72,102	-8.6%	804,134		
Net assets	Millions of yen	678,018	730,743	-52,725	-7.2%	706,251		
Equity ratio	%	88.7	87.4	+1.3		87.8		
Net assets per share	yen	6,406.00	6,903.81	-497.81	-7.2%	6,672.33		
Capital expenditures	Millions of yen	15,372	26,560	-11,188	-42.1%	56,686	43,000	-24.1%
Depreciation	Millions of yen	18,645	18,168	+477	+2.6%	38,338	41,500	+8.2%
Research and development costs	Millions of yen	18,261	20,478	-2,217	-10.8%	40,868	38,000	-7.0%
Net financial revenue	Millions of yen	1,439	1,415	+24	+1.7%	2,856		
Foreign exchange gains (losses)	Millions of yen	(loss) 9,124	(gain) 7,625	(loss) 16,749		(loss) 22		
Foreign exchange rate (Average yen-dollar rate)	yen/US\$	106.43	121.50	-15.07	-12.4%	120.00	(Second half) 100.00	

(Note) As the projected data are based on the information that ROHM is currently acquiring as well as specific prerequisites judged as legitimate, actual data may be considerably different due to various factors.

Contact: Public Relations and Investor Relations Div., ROHM Co., Ltd.

21, Saiin Mizosaki-cho, Ukyo-ku, Kyoto 615-8585 Japan +81-75-311-2121

Note: This report is a translation of the financial highlights of the Company prepared in accordance with the provisions set forth in the Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan. The original version of this report is 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.

1. Consolidated Financial Results (Continued from the previous page)

(Figures are rounded down to the nearest million yen. Any fraction less than the unit is rounded off.)

		'17/3	'16/3	Change from		'16/3	'17/3 (Projected)	Change from the previous year
		First six months	First six months	Amount	Percentage	Annual	Annual	
Sales by segment and region (Note1)								
ICs	Millions of yen	78,226	88,140	-9,914	-11.2%	164,080	153,819	-6.3%
(Japan)		(23,688)	(24,349)	(-661)	(-2.7%)	(47,196)	(52,560)	(+11.4%)
(Asia)		(49,901)	(58,340)	(-8,439)	(-14.5%)	(106,084)	(92,484)	(-12.8%)
(Americas)		(2,814)	(3,274)	(-460)	(-14.0%)	(6,493)	(5,249)	(-19.2%)
(Europe)		(1,821)	(2,175)	(-354)	(-16.3%)	(4,305)	(3,525)	(-18.1%)
Discrete semiconductor devices		63,500	66,999	-3,499	-5.2%	126,436	123,371	-2.4%
(Japan)		(19,944)	(18,264)	(+1,680)	(+9.2%)	(35,992)	(40,975)	(+13.8%)
(Asia)		(35,875)	(40,622)	(-4,747)	(-11.7%)	(74,751)	(67,282)	(-10.0%)
(Americas)		(4,067)	(4,394)	(-327)	(-7.4%)	(8,544)	(7,646)	(-10.5%)
(Europe)		(3,612)	(3,718)	(-106)	(-2.8%)	(7,147)	(7,466)	(+4.5%)
Modules		19,372	20,974	-1,602	-7.6%	36,370	36,834	+1.3%
(Japan)		(4,655)	(4,128)	(+527)	(+12.8%)	(7,718)	(8,180)	(+6.0%)
(Asia)		(13,061)	(15,115)	(-2,054)	(-13.6%)	(25,228)	(25,302)	(+0.3%)
(Americas)		(631)	(725)	(-94)	(-13.0%)	(1,346)	(1,167)	(-13.3%)
(Europe)		(1,023)	(1,004)	(+19)	(+1.8%)	(2,076)	(2,184)	(+5.2%)
Others		10,758	13,522	-2,764	-20.4%	25,510	19,974	-21.7%
(Japan)		(2,190)	(3,568)	(-1,378)	(-38.6%)	(7,055)	(3,929)	(-44.3%)
(Asia)		(6,564)	(7,970)	(-1,406)	(-17.6%)	(14,540)	(12,259)	(-15.7%)
(Americas)		(909)	(899)	(+10)	(+1.1%)	(1,779)	(1,652)	(-7.1%)
(Europe)		(1,094)	(1,084)	(+10)	(+0.9%)	(2,135)	(2,133)	(-0.1%)
Total		171,858	189,636	-17,778	-9.4%	352,397	334,000	-5.2%
(Japan)		(50,479)	(50,309)	(+170)	(+0.3%)	(97,964)	(105,645)	(+7.8%)
(Asia)		(105,403)	(122,049)	(-16,646)	(-13.6%)	(220,605)	(197,328)	(-10.6%)
(Americas)		(8,423)	(9,294)	(-871)	(-9.4%)	(18,163)	(15,716)	(-13.5%)
(Europe)		(7,551)	(7,983)	(-432)	(-5.4%)	(15,664)	(15,310)	(-2.3%)
Sales by application								
Consumer	%	33.1	35.3	-2.2		34.4		
Telecommunications		11.5	12.9	-1.4		11.1		
Automotive		30.3	26.4	+3.9		28.6		
Industrial		11.7	10.8	+0.9		11.1		
Computers and OA		13.4	14.6	-1.2		14.8		
Major End Products								
Consumer		TV, Recorder/Player, Video Camera, Memory Audio, Microwave Oven, Air Conditioner, Refrigerator, Washing Machine, Air Cleaner, Digital Still Camera, Game Machine, Watch, Electronic Musical Instrument, Lighting Equipment, etc.						
Telecommunications		Mobile Phone, FAX, Wearable Electronics(excludes Medical Equipment), etc.						
Automotive		Engine Control Unit, Air Bag, Car Navigation, Car Audio, etc.						
Industrial		Medical Equipment, Electrical Measuring Equipment, Machine Tool, Vending Machine, Solar Power, Smart Meter, Security Equipment, Communications Infrastructures, etc.						
Computers and OA		PC, Server, Tablet PC, Printer, Data Storage(DVD, HDD, Semiconductor Memory), Monitor, Terminal, etc.						

(Note1) The above amounts are sales to external customers.

2. Relevant information

(Figures are rounded down to the nearest million yen. Any fraction less than the unit is rounded off.)

		'17/3	'16/3	Change from the previous year		'16/3	'17/3 (Projected)	
		First six months	First six months	Amount	Percentage	Annual	Annual	Change from the previous year
Capital expenditures by segment								
ICs	Millions of yen	5,636	12,467	-6,831	-54.8%	20,973	16,400	-21.8%
Discrete semiconductor devices		6,167	8,354	-2,187	-26.2%	21,991	17,200	-21.8%
Modules		1,502	1,276	+226	+17.7%	4,695	3,500	-25.5%
Others		1,083	791	+292	+36.9%	1,315	2,700	+105.2%
Sales and administrative division		982	3,670	-2,688	-73.2%	7,709	3,200	-58.5%
Total		15,372	26,560	-11,188	-42.1%	56,686	43,000	-24.1%
Interim cash dividends								
	Yen	50.0	65.0	-15.0				
	(Annual cash dividends)	(Yen)				(130.0)	(100.0)	
Number of shareholders								
	Number	26,887	28,051	-1,164	-4.1%	27,446		
Financial institution shareholding ratio	%	23.14	23.54	-0.40		22.90		
Foregin shareholding ratio	%	47.10	43.37	+3.73		45.13		
Number of employees								
	Domestic	Number	5,522	5,381	+141	+2.6%	5,463	
	Overseas	Number	15,592	15,719	-127	-0.8%	15,708	
	Total	Number	21,114	21,100	+14	+0.1%	21,171	
	(Number of R&D employees)	(Number)	(2,903)	(3,013)	(-110)	(-3.7%)	(2,995)	
Number of consolidated subsidiaries								
	Number	46	47	-1		46		
	(Domestic)	(Number)	(12)	(12)	(0)	(12)		
	(Overseas)	(Number)	(34)	(35)	(-1)	(34)		
Number of affiliated companies								
	Number	3	3	0		3		
	(Number of companies accounted for by equity method)	(Number)	(0)	(0)	(0)	(0)		
Number of non-consolidated subsidiaries								
	Number	2	2	0		2		
	(Number of companies accounted for by equity method)	(Number)	(0)	(0)	(0)	(0)		



Financial Report for the First Six Months of the Year Ending March 31, 2017 [Based on Japanese Standard] (Consolidated)

November 1, 2016
Stock Exchange Listings: Tokyo

Listed Company Name: ROHM CO., LTD.
 Code No.: 6963 URL <http://www.rohm.com>
 Company Representative: (Title) President (Name) Satoshi Sawamura
 Contact Person: (Title) Director, Accounting Headquarters (Name) Eiichi Sasayama TEL +81-75-311-2121
 Scheduled Date for Submitting the Quarterly Financial Reports November 4, 2016
 Scheduled Dividend Payment Date December 2, 2016
 Preparation of Supplementary Briefing Materials for the Quarterly Settlement: Yes
 Briefing Session for the Quarterly Settlement to Be Held: Yes (For analysts and institutional investors)

(Figures are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the First Six Months of the Year Ending March 31, 2017 (From April 1, 2016 to September 30, 2016)

(1) Consolidated Results of Operations (Accumulated total) (The percentages [%] represent change from the same time of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of the year ending March 31, 2017	171,858	-9.4	15,786	-32.6	8,247	-74.8	8,139	-68.9
First six months of the year ended March 31, 2016	189,636	4.0	23,424	10.3	32,705	15.0	26,180	21.6

(Note) Comprehensive income First six months of the year ending March 31, 2017: -21,353million yen (—%)
 First six months of the year ended March 31, 2016: 4,480million yen (-89.8%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
First six months of the year ending March 31, 2017	76.95	—	—	—
First six months of the year ended March 31, 2016	245.79	—	—	—

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
First six months of the year ending March 31, 2017	763,912	678,018	88.7			
Year ended March 31, 2016	804,134	706,251	87.8			

(Reference) Shareholder's equity First six months of the year ending March 31, 2017: 677,600 million yen
 Year ended March 31, 2016: 705,774 million yen

2. Dividend Details

	Annual dividend				
	End of the first quarter	Interim	End of the third quarter	End of year	Total
Year ended March 31, 2016	—	65.00	—	65.00	130.00
Year ending March 31, 2017	—	50.00			
Year ending March 31, 2017 (Estimates)			—	50.00	100.00

(Note) Revision to recently disclosed dividend estimates: None

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2017 (From April 1, 2016 to March 31, 2017)

(The percentages [%] represent change from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Annual	334,000	-5.2	23,500	-30.1	16,500	-54.9	12,000	-53.3	113.45

(Note) Revision to recently disclosed figures for consolidated financial results forecast: Yes

*Note

- (1) Major Changes in Subsidiaries During the First Six Months of the Current Fiscal Year
(Changes to specified subsidiaries accompanying revision on the scope of consolidation): None
- (2) Application of Specific Accounting Method for Compiling Consolidated Quarterly Financial Statement: None
- (3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions
- | | |
|---|------|
| [1] Changes in accounting policies according to revision to accounting standards: | None |
| [2] Other changes in accounting policies other than items indicated in [1]: | None |
| [3] Change in accounting estimates: | None |
| [4] Restatement of revisions: | None |

(4) Number of Shares Outstanding (common shares)

[1] Year-end number of shares outstanding (incl. treasury stocks)	First six months of the year ending March 31, 2017	111,200,000 shares	Year ended March 31, 2016	113,400,000 shares
[2] Year-end number of treasury stocks	First six months of the year ending March 31, 2017	5,424,081 shares	Year ended March 31, 2016	7,623,743 shares
[3] Average number of shares during the period (Accumulated total of the quarter)	First six months of the year ending March 31, 2017	105,776,135 shares	First six months of the year ended March 31, 2016	106,517,381 shares

*Description Regarding Implementation Status of Quarterly Review Procedures

This quarterly financial report is not applicable to the quarter review procedures based on Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial report, the review procedure of the quarterly financial statement based on Financial Instruments and Exchange Act had been completed.

*Explanation on Adequate Usage of Financial Results Forecast

Statements on financial results forecasts in this financial report are based on current information acquired by ROHM as well as specific legitimate premises for making decisions, therefore ROHM makes no promises as to attaining these forecasts. Actual financial results may be considerably different due to various factors. For conditions and notes used for making prepositions of financial forecasts, please refer to “1. Qualitative Information Regarding Business Results, etc. for the First Six Months of the Current Fiscal Year, (3) Qualitative Information Regarding Consolidated Financial Results Forecast” on Page 5 of the Financial Report for the First Six Months of the Year Ending March 31, 2017 (Appendix).

○Table of Contents

1. Qualitative Information Regarding Business Results, etc. for the First Six Months of the Current Fiscal Year	2
(1) Business Results	2
(2) Financial Conditions	4
(3) Qualitative Information Regarding Consolidated Financial Results Forecast	5
2. Items Regarding Summary Information (Note)	6
(1) Major Changes in Subsidiaries During the First Six Months of the Current Fiscal Year	6
(2) Application of Specific Accounting Procedure for Compiling Consolidated Quarterly Financial Statement	6
(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions.....	6
(4) Additional Information.....	6
3. Consolidated Quarterly Financial Statements.....	7
(1) Consolidated Quarterly Balance Sheet.....	7
(2) Consolidated Quarterly Statement of Income and Consolidated Quarterly Statement of Comprehensive Income	9
(Consolidated quarterly statement of income)	9
(Consolidated quarterly statement of comprehensive income)	10
(3) Consolidated Quarterly Statements of Cash Flows	11
(4) Note on Consolidated Quarterly Financial Statement	12
(Note on going concern)	12
(Note in case of significant change in amount of shareholders' equity)	12
(Segment information etc.)	12
4. Supplementary Information	13
Orders	13

* Separately attached as supplementary material are “Financial Highlights for the First Six Months of the Year Ending March 31, 2017.”

1. Qualitative Information Regarding Business Results, etc. for the First Six Months of the Current Fiscal Year

(1) Business Results

General Overview of Business Performance

On the whole, the world economy in the first six months of the fiscal year ending in March 2017 continued its mild recovery, despite the fears of a slowdown because of the Brexit decision, as the pallbearer western economies held firm, the Japanese economy kept on a gradually improving trajectory and the Chinese economy showed signs of a pickup in the latter half of the quarter.

By individual regions, the economic picture was as follows. The US economy held firm as the jobs situation and personal consumption continued to improve in the face of sputtering growth in capital investment. In Europe, good business performance in the UK and Germany kept the recovery going, albeit mild. In Asia, thanks to pumping measures by the Chinese government, industrial output and personal consumption in China showed signs of a comeback. In Korea and Taiwan, the economies moved slowly, while mild recoveries advanced in India and Thailand. As for Japan, business performance was good and the unemployment situation continued to improve despite the sharp appreciation of the yen, which kept the mild recovery going even though capital investment and personal consumption were sluggish.

The electronics industry was as follows. The automotive electronics market was bullish, as Japan showed signs of a turnaround, the markets in Europe, China and elsewhere improved, and car manufacturers increased their use of in-vehicle electronics. As for the industrial equipment market, adjustments characterized the first half of the term, but the latter half of this term was bolstered by the Chinese economy and other positive factors. In consumer products markets, the recovery remained weak despite a strong uptick in smartphones, as PC, TV and other consumer product markets remained challenging.

Working within this business environment, the ROHM Group continued to implement important strategies aimed at boosting sales to overseas customers and strengthening product lineups for new markets and the automotive and industrial equipment markets, which are expected to grow in the mid- to long-term. Accordingly, time and resources were directed at developing and combining new products and technologies into [1] analog solutions, [2] power solutions, [3] sensor solutions and [4] mobile solutions that were then offered to customers. The ROHM Group also pushed ahead with 'production innovation' and other efforts necessary for achieving 'zero defects' by continuing its RPS (ROHM Production System) activities *1 and promoting technological development needed to build a state-of-the-art quality management system.

In terms of product development for the automotive and industrial equipment markets, the ROHM Group developed high efficiency power ICs for mild hybrid vehicle *2, the world's smallest power ICs for ADAS (Advanced Driver Assistance System) safety modules, low dissipation SiC-MOSFETs *3 that are capable of withstanding 1,700 V, the SFR series *4 of chip resistors of improved sulfuration resistance, and SiC Schottky barrier diodes *5 of featuring low VF with high surge resistance. For the communication equipment market, which includes smartphones, ROHM developed various wireless communication modules and a 6-axis accelerometer-gyroscope combo sensor of the lowest level of power consumption in the world.

Also, ROHM transferred its lighting business in May this year as a part of business selection and concentration plans, and took more steps to strengthen production systems for future growth, by integrating the front-end process of semiconductor production acquired from Renesas Electronics Corp. in February (now ROHM Shiga Co., Ltd.), and building and starting up new factories in Thailand and Malaysia.

Though sales increased to our pleasure in strategic areas like the automotive and industrial equipment markets and overseas smartphone markets, consolidated net sales for the first six months of the fiscal year ending March 31, 2017 were 171,858 million yen (a decrease of 9.4% from the same time last year) because of the strong appreciation of the yen. And, despite aggressive efforts to enhance production efficiency and cut back on costs via RPS activities, the impact of this decrease in sales resulted in an operating income of 15,786 million yen (a decrease of 32.6% from the same time last year).

After deducting foreign exchange losses, ordinary income was 8,247 million yen (a decrease of 74.8% from the same time last year) and quarterly net income belonging to parent company shareholders was 8,139 million yen (a decrease of 68.9% from the same time last year).

*1 RPS (ROHM Production System) Activities

A production system centered on improvement activities for integrating higher quality into products, shortening lead time and thoroughly eliminating waste in inventory and other operations at all Group plants. ROHM believes that establishing production systems of unparalleled efficiency and quality is essential for strengthening the Group's earning structure.

*2 Mild hybrid vehicle

Unlike full hybrid vehicles that can run even with the engine stopped, a mild hybrid uses the engine as the primary power source and is assisted by a comparatively small battery and motor when driving the engine for stopping, starting, etc. A mild hybrid system is advantageous because it is simpler and less costly than a full hybrid system.

*3 MOSFET (Short for Metal Oxide Semiconductor Field Effect Transistor)

This type of transistor enables faster switching with less power consumption than bipolar transistors *6, and is widely used in a variety of electronic products.

*4 SFR series

This series of chip resistors greatly improves sulfuration resistance by using pins of a proprietary structure and protective material of ROHM's. They help enhance the endurance and safety of applications under sulfurizing conditions, e.g., automotive and industrial equipment.

*5 Schottky barrier diode

A diode that utilizes the characteristics of a Schottky junction formed by contact of metal and a semiconductor. It is mainly used for switching power supplies and the like as voltage drop in the forward direction is low and switching speed is fast.

*6 Bipolar transistor

A 3-terminal semiconductor in which N-type semiconductors and P-type semiconductors have a P-N-P or N-P-N junction structure. Primarily used for current amplification and switching.

Overview of Performance by Segment

<ICs>

Consolidated net sales for the first six months of the year ending March 31, 2017 were 78,226 million yen (a decrease of 11.2% from the same time last year) and segment income was 4,097 million yen (a decrease of 47.0% from the same time last year).

In the automotive electronics market, sales of power ICs and CD driver ICs for car AV went through an adjustment, while greater adoption of power ICs for car bodies, isolated gate driver ICs *7 for powertrains, LED driver ICs and power ICs for instrument panels, and sensor signal processing ICs translated into increased sales.

In the industrial equipment market, sales of LCD driver ICs for HEMS and BEMS *8, and power ICs for factory automation and measuring instruments grew steadily, while sales of power ICs and motor driver ICs for office equipment and POS, and LCD timing controller ICs *9 for interfaces went through an adjustment.

In the consumer electronics segment, the use of pressure sensors and color sensors for smartphones and other products increased, but sales of power ICs for PCs decreased.

With regard to group company LAPIS Semiconductor Co., Ltd., sales of microcontrollers for power meters increased, while sales of display driver ICs for high resolution TVs and memory ICs for portable gaming devices and other applications decreased.

*7 Isolated gate driver IC

A gate driver IC makes sure that the specified voltage and current are applied to the gate of a main circuit element such as an IGBT *10, so that the main circuit element switches ON/OFF in response to control signals. By incorporating an isolated element in the gate driver, it has become possible to combine a gate driver IC and power IC into a single package.

*8 HEMS (Home Energy Management System)/BEMS (Building Energy Management System)

A HEMS is a system for managing energy consumption in a home. A BEMS is a similar system, but for buildings. Though they serve different targets, both systems connect power meters, solar power systems, storage batteries, home appliances and other equipment over a network, visualize power consumption and economically manage equipment, using sensors and IT.

*9 LCD timing controller IC (T-CON)

An IC that generates and controls the signals needed to light up the LCDs used for TVs, PC monitors, car infotainment systems, etc.

*10 IGBT (Short for Insulated Gate Bipolar Transistor)

A semiconductor that combines the best features of a MOSFET and bipolar transistor, making it ideal for power control applications.

<Discrete Semiconductor Devices>

Consolidated net sales for the first six months of the year ending March 31, 2017 were 63,500 million yen (a decrease of 5.2% from the same time last year) and segment income was 10,844 million yen (a decrease of 5.2% from the same time last year).

With regard to transistors, sales of power MOSFETs to the automotive, industrial equipment and consumer products markets steadily increased and sales of diodes for automotive electronics were strong, but the PC and other consumer products markets went into an adjustment phase. Regarding power devices, sales of IGBTs to the automotive electronics market grew greatly and sales of SiC devices for solar power systems were solid. However, sales of LEDs for amusement devices and sales of semiconductor lasers for reading optical disks were sluggish.

<Modules>

Consolidated net sales for the first six months of the year ending March 31, 2017 were 19,372 million yen (a decrease of 7.6% from the same time last year) and segment income was 1,107 million yen (a decrease of 71.0% from the same time last year).

With regard to printheads, sales of printheads for mini-printers used for CAT terminals, fax machines and laser printers went through an adjustment.

As for optical modules, sales of sensor modules for smartphones and LED units for onboard light sources for automotive grew on the one hand, while sales of sensor modules for wearable electronics decreased on the other.

<Others>

Consolidated net sales for the first six months of the year ending March 31, 2017 were 10,758 million yen (a decrease of 20.4% from the same time last year) and segment income was 1,008 million yen (an increase of 14.3% from the same time last year).

Sales of resistors to the smartphone and automotive electronics markets increased. Sales of tantalum capacitors for PCs and tablets were sluggish.

Sales of LED lighting products declined as a result of ROHM's withdrawal from business at the end of May.

Sales mentioned above in "Overview of Performance by Segment" were to customers outside of the ROHM Group.

(2) Financial Conditions

At the end of the second quarter of the year ending on March 31, 2017, total assets of the ROHM Group were 763,912 million yen, constituting a decrease of 40,222 million yen from the end of the previous fiscal year. The primary factors behind this were increases respectively of 7,960 million yen in notes and accounts receivable (trade) and 4,755 million yen in securities, and decreases respectively of 25,134 million yen in cash and deposits, 13,325 million yen in property, plants and equipment, 9,146 million yen in inventories and 4,632 million yen in the other category of investments and other assets (of which 4,131 million yen were long-term deposits).

Liabilities decreased 11,989 million yen from the end of the previous fiscal year, to 85,894 million yen. The primary factors behind this were decreases respectively of 5,383 million yen in accounts payable (other), 3,720 million yen in the other category of current liabilities (of which 2,696 million yen were electronically recorded obligations related to property, plants and equipment) and 2,404 million yen in deferred tax liabilities.

Net assets decreased 28,233 million yen from the end of the previous fiscal year, to 678,018 million yen. This owes primarily to decreases of 30,556 million yen in foreign currency translation adjustments.

As a result of ROHM's retiring of its treasury shares, both retained earnings and treasury shares decreased by 19,377 million yen, but this did not impact total net assets.

As a result, equity ratio increased from the 87.8 % registered at the end of the previous fiscal year to 88.7 %.

Cash flows were as follows.

Cash flow from operating activities in the second quarter of the year ending March 31, 2017 decreased 11,345 million yen from the same quarter of the previous fiscal year (a positive cash flow of 40,284 million yen), to 28,939 million yen. The primary negative factors behind this were a decrease in profits before income taxes and an increase in notes and accounts receivable (trade), while the lone positive factor was an increase in foreign exchange losses.

Cash flow from investing activities was 10,658 million yen after an increased outlay of 7,031 million yen against the same quarter of the previous fiscal year (a negative cash flow of 3,627 million yen). The primary negative factors behind this were a decrease in time deposits, while the positive factor was that no shares of subsidiaries were purchased in the first six months of the fiscal year ended in March 2016 that would change the scope of consolidated reporting in the first six months of the fiscal year ending in March 2017.

Cash flow from financing activities was 6,912 million yen after a decreased outlay of 19,288 million yen against the same quarter of the previous fiscal year (a negative cash flow of 26,200 million yen). This was primarily due to decreases in purchases of treasury shares and cash dividends paid.

After adding to the above factors a decrease of 17,202 million yen due to exchange rate conversion differences, cash and cash equivalents for the second quarter of the current fiscal year decreased by 5,833 million yen from the end of the previous fiscal year, amounting to 225,968 million yen.

(3) Qualitative Information Regarding Consolidated Financial Results Forecast

The world economy as a whole was underscored by a recovery tone that was being driven by solid growth in western economies and a mild resurgence in countries like Japan, but because of the economic slowdown in China and the fallout from the UK's exit from the EU, the momentum of the present recovery is expected to remain weak.

As for the electronics market, steady growth should continue in the automotive and industrial equipment markets. Similarly, growth is expected to continue worldwide in the smartphone market, but it will be accompanied by fierce competition amongst manufacturers.

Given the situation, the ROHM Group will make a concerted effort to increase sales by pushing sales in the automotive and industrial equipment markets where long-term growth is anticipated, improving customer support in overseas markets, and focusing time and resources on our '4 solutions,' while parallel to that working tenuously to reduce costs via RPS activities, etc.

Based on the above, ROHM has revised its consolidated annual financial forecast for the year ending in March 2017 as follows.

<Consolidated Annual Financial Forecast>

	Year Ended on March 31, 2016	Year Ending on March 31, 2017		Percent Change From the Previous Year
		Previous Forecast (Declared on May 10, 2016)	Current Forecast (Declared on November 1, 2016)	
Sales	352,300 million yen	343,000 million yen	334,000 million yen	-5.2 %
Operating income	33,600 million yen	14,000 million yen	23,500 million yen	-30.1 %
Ordinary income	36,600 million yen	16,500 million yen	16,500 million yen	-54.9 %
Quarterly profits attributable to parent company shareholders	25,600 million yen	10,000 million yen	12,000 million yen	-53.3 %

Figures are based on an exchange rate of 1 USD to 100 JPY in the second half of the fiscal year.

2. Items Regarding Summary Information (Note)

(1) Major Changes in Subsidiaries During the First Six Months of the Current Fiscal Year

None

(2) Application of Specific Accounting Procedure for Compiling Consolidated Quarterly Financial Statement

None

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions

None

(4) Additional Information

(Application of the Implementation Guidance on Recoverability on Deferred Tax Assets)

As of the first quarter of the year ending March 31, 2017, ROHM has been applying the Implementation Guidance on Recoverability on Deferred Tax Assets (Guidance No. 26 of the Accounting Standards Board of Japan, March 28, 2016).

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheet

(Millions of yen)

	End of the accounting year ended March 31, 2016 (March 31, 2016)	First six months of the year ending March 31, 2017 (September 30, 2016)
Assets		
Current assets		
Cash and deposits	280,933	255,799
Notes and accounts receivable - trade	66,432	74,392
Electronically recorded monetary claims - operating	3,903	4,643
Securities	15,470	20,225
Merchandise and finished goods	28,139	20,472
Work in process	35,319	32,476
Raw materials and supplies	24,204	25,568
Deferred tax assets	8,451	8,003
Income taxes receivable	940	1,246
Other	9,962	7,945
Allowance for doubtful accounts	-186	-741
Total current assets	473,570	450,033
Non-current assets		
Property, plant and equipment		
Buildings and structures	224,913	218,774
Machinery, equipment and vehicles	501,757	485,922
Tools, furniture and fixtures	49,934	47,737
Land	66,161	65,295
Construction in progress	20,165	17,295
Accumulated depreciation	-626,488	-611,906
Total property, plant and equipment	236,443	223,118
Intangible assets		
Goodwill	5,777	5,006
Other	5,914	4,951
Total intangible assets	11,691	9,957
Investments and other assets		
Investment securities	63,146	66,295
Net defined benefit asset	1,297	1,665
Deferred tax assets	2,492	1,977
Other	15,590	10,958
Allowance for doubtful accounts	-98	-94
Total investments and other assets	82,428	80,802
Total non-current assets	330,564	313,878
Total assets	804,134	763,912

(Millions of yen)

	End of the accounting year ended March 31, 2016 (March 31, 2016)	First six months of the year ending March 31, 2017 (September 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,460	10,450
Electronically recorded obligations - operating	7,525	7,808
Accounts payable - other	19,300	13,917
Income taxes payable	1,896	1,887
Deferred tax liabilities	35	-
Provision for loss on business liquidation	442	235
Other	22,691	18,971
Total current liabilities	62,352	53,271
Non-current liabilities		
Deferred tax liabilities	24,016	21,647
Net defined benefit liability	9,706	9,867
Other	1,807	1,107
Total non-current liabilities	35,530	32,622
Total liabilities	97,883	85,894
Net assets		
Shareholders' equity		
Capital stock	86,969	86,969
Capital surplus	102,403	102,403
Retained earnings	609,166	591,053
Treasury shares	-67,148	-47,772
Total shareholders' equity	731,391	732,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,503	17,146
Foreign currency translation adjustment	-37,103	-67,659
Remeasurements of defined benefit plans	-5,016	-4,540
Total accumulated other comprehensive income	-25,616	-55,053
Non-controlling interests	476	417
Total net assets	706,251	678,018
Total liabilities and net assets	804,134	763,912

(2) Consolidated Quarterly Statement of Income and Consolidated Quarterly Statement of Comprehensive Income

(Consolidated quarterly statement of income)

(First six months of the year ending March 31, 2017)

(Millions of yen)

	First six months of the year ended March 31, 2016 (From April 1, 2015 to September 30, 2015)	First six months of the year ending March 31, 2017 (From April 1, 2016 to September 30, 2016)
Net sales	189,636	171,858
Cost of sales	121,299	115,150
Gross profit	68,337	56,707
Selling, general and administrative expenses	44,912	40,921
Operating income	23,424	15,786
Non-operating income		
Interest income	1,000	1,035
Dividend income	417	405
Foreign exchange gains	7,625	-
Other	315	343
Total non-operating income	9,358	1,784
Non-operating expenses		
Foreign exchange losses	-	9,124
Other	77	198
Total non-operating expenses	77	9,323
Ordinary income	32,705	8,247
Extraordinary income		
Gain on sales of non-current assets	127	15
Gain on sales of investment securities	-	61
Total extraordinary income	127	76
Extraordinary losses		
Loss on sales of non-current assets	3	41
Loss on abandonment of non-current assets	122	39
Loss on valuation of investment securities	3	1
Loss on liquidation of business	-	267
Loss on liquidation of subsidiaries and associates	58	-
Special retirement expenses	101	-
Total extraordinary losses	289	350
Profit before income taxes	32,544	7,973
Income taxes - current	6,155	1,894
Income taxes - deferred	199	-2,057
Total income taxes	6,354	-163
Profit	26,189	8,136
Profit (loss) attributable to non-controlling interests	8	-2
Profit attributable to owners of parent	26,180	8,139

(Consolidated quarterly statement of comprehensive income)
 (First six months of the year ending March 31, 2017)

(Millions of yen)

	First six months of the year ended March 31, 2016 (From April 1, 2015 to September 30, 2015)	First six months of the year ending March 31, 2017 (From April 1, 2016 to September 30, 2016)
Profit	26,189	8,136
Other comprehensive income		
Valuation difference on available-for-sale securities	-5,548	642
Foreign currency translation adjustment	-16,436	-30,608
Remeasurements of defined benefit plans, net of tax	275	476
Total other comprehensive income	-21,708	-29,490
Comprehensive income	4,480	-21,353
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,492	-21,297
Comprehensive income attributable to non-controlling interests	-11	-55

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	First six months of the year ended March 31, 2016 (From April 1, 2015 to September 30, 2015)	First six months of the year ending March 31, 2017 (From April 1, 2016 to September 30, 2016)
Cash flows from operating activities		
Profit before income taxes	32,544	7,973
Depreciation	18,168	18,645
Amortization of goodwill	16	188
Increase (decrease) in net defined benefit liability	430	353
Increase (decrease) in net defined benefit asset	-623	106
Loss on liquidation of business	-	267
Interest and dividend income	-1,417	-1,440
Foreign exchange losses (gains)	222	7,964
Loss (gain) on valuation of short-term and long-term investment securities	3	1
Loss (gain) on sales of non-current assets	-124	26
Decrease (increase) in notes and accounts receivable - trade	-7,305	-12,664
Decrease (increase) in inventories	4,451	3,393
Decrease (increase) in consumption taxes refund receivable	151	650
Increase (decrease) in notes and accounts payable - trade	-1,653	2,754
Increase (decrease) in accounts payable - other	-1,987	-666
Other, net	1,858	2,566
Subtotal	44,738	30,120
Payments for business restructuring	-	-298
Interest and dividend income received	1,439	1,683
Interest expenses paid	-2	-0
Income taxes (paid) refund	-5,890	-2,565
Net cash provided by (used in) operating activities	40,284	28,939
Cash flows from investing activities		
Decrease (increase) in time deposits	28,576	12,751
Purchase of short-term and long-term investment securities	-2,070	-4,163
Proceeds from sales and redemption of short-term and long-term investment securities	3,556	3,264
Purchase of property, plant and equipment	-25,631	-22,694
Proceeds from sales of property, plant and equipment	741	22
Proceeds from transfer of business	-	429
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-8,626	-
Other, net	-173	-267
Net cash provided by (used in) investing activities	-3,627	-10,658
Cash flows from financing activities		
Purchase of treasury shares	-17,005	-1
Cash dividends paid	-9,163	-6,875
Other, net	-32	-35
Net cash provided by (used in) financing activities	-26,200	-6,912
Effect of exchange rate change on cash and cash equivalents	-6,908	-17,202
Net increase (decrease) in cash and cash equivalents	3,548	-5,833
Cash and cash equivalents at beginning of period	222,668	231,802
Cash and cash equivalents at end of period	226,216	225,968

(4) Note on Consolidated Quarterly Financial Statement

(Note on going concern)

None

(Note in case of significant change in amount of shareholders' equity)

In line with a Board of Directors resolution from their meeting on May 10, 2016, ROHM retired 2,200,000 shares of treasury stock on May 31, 2016. As a result, both retained earnings and treasury shares decreased by 19,377 million yen in the first six months of the year ending on March 31, 2017.

(Segment information etc.)

[Segment information]

First six months of the year ended March 31, 2016 (From April 1, 2015 to September 30, 2015)

1. Information on net sales, profits or losses by individual reportable segments

(Unit: Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on consolidated quarterly statement of income (Note 3)
	ICs	Discrete semi- conductor devices	Modules	Subtotal				
Sales								
Sales to customers	88,140	66,999	20,974	176,114	13,522	189,636	-	189,636
Inter-segment sales or transfer	1,270	1,902	60	3,232	27	3,260	-3,260	-
Total	89,411	68,901	21,034	179,347	13,549	192,896	-3,260	189,636
Segment profit	7,735	11,441	3,818	22,995	881	23,877	-452	23,424

(Note) 1. "Others" is an operational segment that is not included in reportable segments, consisting of business in resistors, tantalum capacitors, and lightings.

2. The adjusted amount of the segment profit or loss, minus 452 million yen, mainly includes general administrative expenses of minus 644 million yen that do not attribute to the segment, and the settlement adjusted amount of 192 million yen, which is not allocated to the segment (such as adjustment for retirement benefits).

3. For segment profits, adjustments are made using the operating income of the consolidated quarterly statement of income.

2. Impairment losses from fixed assets, goodwill and other information by reported segment

(Important Changes in the Monetary Amount of Goodwill)

Goodwill was generated in the IC segment as Powervation, Ltd. (renamed ROHM Powervation. Ltd. as of September 2, 2015) and one of its subsidiaries were newly included within the scope of consolidated reporting because of acquired shares in the company. The resulting increase in goodwill for the first six months of the fiscal year ending in March 2017 was 6,363 million yen.

First six months of the year ending March 31, 2017 (From April 1, 2016 to September 30, 2016)

Information on net sales, profits or losses by individual reportable segments

(Unit: Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on consolidated quarterly statement of income (Note 3)
	ICs	Discrete semi- conductor devices	Modules	Subtotal				
Sales								
Sales to customers	78,226	63,500	19,372	161,099	10,758	171,858	-	171,858
Inter-segment sales or transfer	1,394	3,029	11	4,435	56	4,491	-4,491	-
Total	79,621	66,529	19,383	165,534	10,815	176,349	-4,491	171,858
Segment profit	4,097	10,844	1,107	16,049	1,008	17,057	-1,271	15,786

- (Note) 1. "Others" is an operational segment that is not included in reportable segments, consisting of business in resistors, tantalum capacitors, and lightings.
2. The adjusted amount of the segment profit or loss, minus 1,271 million yen, mainly includes general administrative expenses of minus 1,040 million yen that do not attribute to the segment, and the settlement adjusted amount of minus 231 million yen, which is not allocated to the segment (such as adjustment for retirement benefits).
3. For segment profits or loss, adjustments are made using the operating income of the consolidated quarterly statement of income.

4. Supplementary Information

Orders

(Unit: Millions of yen)

	First six months of the year ended March 31, 2016 (From April 1, 2015 to September 30, 2015)		First six months of the year ending March 31, 2017 (From April 1, 2016 to September 30, 2016)	
	Order received	Order backlog	Order received	Order backlog
ICs	87,332	24,479	77,911	26,369
Discrete semiconductor devices	65,557	18,862	64,052	21,077
Modules	21,161	7,033	19,687	6,701
Total of reportable segments	174,050	50,376	161,650	54,148
Others	13,573	3,728	10,229	3,221
Total	187,624	54,104	171,880	57,369

(Notes) The above amount does not contain consumption tax and the like.