



ROHM Co., Ltd. Financial Highlights for the Year Ended on March 31, 2017

May 1, 2017

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		'18/3 (Projected) Note1			
				Actual	Actual	Amount	Percentage	Annual	Change from the previous year
Net sales	Millions of yen	352,010	352,397	-387	-0.1%	368,000	+4.5%	187,000	+8.8%
Cost of sales	Millions of yen	234,967	230,662	+4,305	+1.9%	240,000		121,600	
Selling, general and administrative expenses	Millions of yen	85,215	88,099	-2,884	-3.3%	90,000		45,400	
Operating income (loss)	Millions of yen	31,827	33,635	-1,808	-5.4%	38,000	+19.4%	20,000	+26.7%
		(9.0%)	(9.5%)	(-0.5%)		(10.3%)		(10.7%)	
Ordinary income (loss)	Millions of yen	35,579	36,625	-1,046	-2.9%	38,500	+8.2%	19,000	+130.4%
		(10.1%)	(10.4%)	(-0.3%)		(10.5%)		(10.2%)	
Profit attributable to owners of parent	Millions of yen	26,432	25,686	+746	+2.9%	28,000	+5.9%	14,500	+78.1%
		(7.5%)	(7.3%)	(+0.2%)		(7.6%)		(7.8%)	
Figures in () indicate ratio to sales.									
Net income (loss) per share	yen	249.88	241.91	+7.97	+3.3%	264.71		137.08	
Net income to equity	%	3.7	3.5	+0.2					
Return on Assets	%	3.2	3.1	+0.1					
Net assets per share	yen	6,854.01	6,672.33	+181.68	+2.7%				
EBITDA	Note2 Millions of yen	72,628	71,973	+655	+0.9%				
Capital expenditures	Millions of yen	42,182	56,686	-14,504	-25.6%	57,000	+35.1%	33,700	+119.2%
Depreciation	Millions of yen	40,801	38,338	+2,463	+6.4%	48,000	+17.6%	21,500	+15.3%
Research and development costs	Millions of yen	37,277	40,868	-3,591	-8.8%	41,000	+10.0%	20,500	+12.3%
Foreign exchange gains (losses)	Millions of yen	(loss) 766	(loss) 22	(loss) 744					
Foreign exchange rate (Average yen-dollar rate)	yen/US\$	109.03	120.00	-10.97	-9.1%	105.00		105.00	

(Note) 1. The projected data are based on the information available at the time of release of this report. A number of important factors including business conditions may cause actual results to differ materially from those projected, and therefore, the projected data are not intended to guarantee to be achieved by ROHM.
2. Operating income is shown after depreciation.

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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 the previous year		18/3 (Projected)			
		Actual	Actual	Amount	Percentage	Annual	Change from the previous year	First six months	Change from the first six months of the previous year
Sales by segment and by region		(Note)							
ICs	Millions of yen	161,195	164,080	-2,885	-1.8%	170,629	+5.9%	86,585	+10.7%
(Japan)		(51,755)	(47,196)	(+4,559)	(+9.7%)	(67,637)	(+30.7%)	(34,524)	(+45.7%)
(Asia)		(100,123)	(106,084)	(-5,961)	(-5.6%)	(94,253)	(-5.9%)	(47,761)	(-4.3%)
(Americas)		(5,604)	(6,493)	(-889)	(-13.7%)	(4,618)	(-17.6%)	(2,286)	(-18.8%)
(Europe)		(3,712)	(4,305)	(-593)	(-13.8%)	(4,120)	(+11.0%)	(2,013)	(+10.5%)
Discrete semiconductor devices		130,036	126,436	+3,600	+2.8%	136,846	+5.2%	69,992	+10.2%
(Japan)		(40,928)	(35,992)	(+4,936)	(+13.7%)	(45,201)	(+10.4%)	(21,998)	(+10.3%)
(Asia)		(73,167)	(74,751)	(-1,584)	(-2.1%)	(76,022)	(+3.9%)	(40,115)	(+11.8%)
(Americas)		(8,354)	(8,544)	(-190)	(-2.2%)	(8,117)	(-2.8%)	(4,139)	(+1.8%)
(Europe)		(7,585)	(7,147)	(+438)	(+6.1%)	(7,505)	(-1.1%)	(3,738)	(+3.5%)
Modules		39,608	36,370	+3,238	+8.9%	38,052	-3.9%	19,119	-1.3%
(Japan)		(9,494)	(7,718)	(+1,776)	(+23.0%)	(9,561)	(+0.7%)	(4,276)	(-8.2%)
(Asia)		(26,827)	(25,228)	(+1,599)	(+6.3%)	(25,319)	(-5.6%)	(13,297)	(+1.8%)
(Americas)		(1,128)	(1,346)	(-218)	(-16.2%)	(1,160)	(+2.9%)	(508)	(-19.4%)
(Europe)		(2,158)	(2,076)	(+82)	(+3.9%)	(2,010)	(-6.9%)	(1,036)	(+1.3%)
Others		21,169	25,510	-4,341	-17.0%	22,472	+6.2%	11,303	+5.1%
(Japan)		(4,048)	(7,055)	(-3,007)	(-42.6%)	(4,185)	(+3.4%)	(2,012)	(-8.2%)
(Asia)		(13,130)	(14,540)	(-1,410)	(-9.7%)	(14,157)	(+7.8%)	(7,221)	(+10.0%)
(Americas)		(1,807)	(1,779)	(+28)	(+1.6%)	(1,840)	(+1.8%)	(918)	(+1.1%)
(Europe)		(2,182)	(2,135)	(+47)	(+2.2%)	(2,287)	(+4.8%)	(1,151)	(+5.2%)
Total		352,010	352,397	-387	-0.1%	368,000	+4.5%	187,000	+8.8%
(Japan)		(106,226)	(97,964)	(+8,262)	(+8.4%)	(126,586)	(+19.2%)	(62,811)	(+24.4%)
(Asia)		(213,250)	(220,605)	(-7,355)	(-3.3%)	(209,752)	(-1.6%)	(108,396)	(+2.8%)
(Americas)		(16,894)	(18,163)	(-1,269)	(-7.0%)	(15,736)	(-6.9%)	(7,853)	(-6.8%)
(Europe)		(15,638)	(15,664)	(-26)	(-0.2%)	(15,923)	(+1.8%)	(7,938)	(+5.1%)
Sales by application									
Consumer	%	33.0	34.4	-1.4					
Telecommunications		11.3	11.1	+0.2					
Automotive		31.3	28.6	+2.7					
Industrial		11.8	11.1	+0.7					
Computers and OA		12.6	14.8	-2.2					
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.							

(Note) 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		'18/3 (Projected)				
		Actual	Actual	Amount	Percentage	Annual	Change from the previous year	First six months	Change from the first six months of the previous year	
Capital expenditures by individual segments										
ICs	Millions of yen	16,484	20,973	-4,489	-21.4%	24,100	+46.2%	13,600	+141.3%	
Discrete semiconductor devices		17,704	21,991	-4,287	-19.5%	23,200	+31.0%	14,800	+140.0%	
Modules		2,709	4,695	-1,986	-42.3%	2,200	-18.8%	1,500	-0.2%	
Others		1,925	1,315	+610	+46.3%	4,900	+154.5%	2,800	+158.5%	
Sales and administrative division		3,358	7,709	-4,351	-56.4%	2,600	-22.6%	1,000	+1.8%	
Total		42,182	56,686	-14,504	-25.6%	57,000	+35.1%	33,700	+119.2%	
Number of shareholders										
	Number	23,149	27,446	-4,297	-15.7%					
Financial institution shareholding ratio	%	27.73	22.90	+4.83						
Foreign shareholding ratio	%	44.71	45.13	-0.42						
Number of employees										
Domestic	Number	5,440	5,463	-23	-0.4%					
Overseas	Number	15,868	15,708	+160	+1.0%					
Total	Number	21,308	21,171	+137	+0.6%					
(Number of R&D employees)	(Number)	(2,921)	(2,995)	(-74)	(-2.5%)					
Number of consolidated subsidiaries										
	Number	44	46	-2						
(Domestic)	(Number)	(10)	(12)	(-2)						
(Overseas)	(Number)	(34)	(34)	(0)						
Number of affiliated companies										
	Number	3	3	0						
(Number of companies accounted for by equity method)	(Number)	(0)	(0)	(0)						
Number of non-consolidated subsidiaries										
	Number	2	2	0						
(Number of companies accounted for by equity method)	(Number)	(0)	(0)	(0)						



Financial Report for the Year Ended March 31, 2017 (Japan GAAP, Consolidated)

May 1, 2017

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 of Annual Meeting of Shareholders June 29, 2017 Scheduled Dividend Payment Date June 30, 2017

Scheduled Date of Securities Report for Submission June 29, 2017

Supplementary Material Prepared for Account Closing: Yes

Financial Results Briefing Available: Yes (For analysts and institutional investors)

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

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

(1) Consolidated Results of Operations (The percentages [%] represent change from 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	%
Year ended March 31, 2017	352,010	-0.1	31,827	-5.4	35,579	-2.9	26,432	2.9
Year ended March 31, 2016	352,397	-2.9	33,635	-13.3	36,625	-38.2	25,686	-43.3

(Note) Comprehensive income Year ended March 31, 2017: 31,371 million yen (—%)

Year ended March 31, 2016: -13,134 million yen (—%)

	Net income per share	Diluted net income per share	Net income to equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2017	249.88	—	3.7	4.3	9.0
Year ended March 31, 2016	241.91	—	3.5	4.4	9.5

(Reference) Investment loss (-gain) on equity method Year ended March 31, 2017: — million yen

Year ended March 31, 2016: — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2017	834,503	725,452	86.9	6,854.01
Year ended March 31, 2016	804,134	706,251	87.8	6,672.33

(Reference) Shareholder's equity Year ended March 31, 2017: 724,986 million yen

Year ended March 31, 2016: 705,774 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2017	67,397	-38,742	-12,173	246,015
Year ended March 31, 2016	78,901	-22,436	-33,109	231,802

2. Dividend Details

	Dividend per share					Total annual dividend	Shareholder payout ratio (consolidated)	Dividend on net asset ratio (consolidated)
	End of the first quarter	End of the interim	End of the third quarter	End of year	Annual			
Year ended March 31, 2016	—	Yen 65.00	—	Yen 65.00	Yen 130.00	Millions of yen 13,750	% 53.7	% 1.9
Year ended March 31, 2017	—	50.00	—	80.00	130.00	13,750	52.0	1.9
Year ending March 31, 2018 (Estimates)	—	120.00	—	120.00	240.00		90.7	

(Note) Details of dividends for the first six months of the year ending March 31, 2018(Estimates)

Ordinary dividend: 65.00 yen

Commemorative dividend: 55.00 yen

Details of dividends for the year ending on March 31, 2018(Estimates)

Ordinary dividend: 65.00 yen

Commemorative dividend: 55.00 yen

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

(The percentages [%] shown for annual figures represent change from the previous year and those for the quarter figures represent change from the same time of 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
Interim	187,000	8.8	20,000	26.7	19,000	130.4	14,500	78.1	137.08
Annual	368,000	4.5	38,000	19.4	38,500	8.2	28,000	5.9	264.71

* Note

(1) Major Changes in Subsidiaries During the Year Ended March 31, 2017

(Changes to specified subsidiaries accompanying revision on the scope of consolidation): None

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

[1] Changes in accounting policies according to revisions to accounting standards:	None
[2] Changes in accounting policies other than items indicated in [1]:	None
[3] Changes in accounting estimates:	None
[4] Restatement of revisions:	None

(3) Number of Shares Outstanding (common shares)

[1] Year-end number of shares outstanding (incl. treasury stocks)	Year ended March 31, 2017	111,200,000 shares
	Year ended March 31, 2016	113,400,000 shares
[2] Year-end number of treasury stocks	Year ended March 31, 2017	5,424,815 shares
	Year ended March 31, 2016	7,623,743 shares
[3] Average number of shares during the period	Year ended March 31, 2017	105,775,828 shares
	Year ended March 31, 2016	106,175,361 shares

(Reference) Summary of non-consolidated operating results

1. Non-consolidated Financial Results for Year Ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(1) Non-consolidated Results of Operations (The percentages [%] represent change from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2017	303,279	-1.2	6,413	-20.2	21,060	74.1	20,187	213.0
Year ended March 31, 2016	307,047	-2.1	8,035	40.8	12,094	-79.7	6,450	-82.4

	Net income per share		Diluted net income per share	
	Yen		Yen	
Year ended March 31, 2017	190.85		—	
Year ended March 31, 2016	60.75		—	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
Year ended March 31, 2017	521,498		442,278		84.8		4,181.31	
Year ended March 31, 2016	496,342		425,359		85.7		4,021.32	

(Reference) Shareholder's equity
Year ended March 31, 2017: 442,278 million yen
Year ended March 31, 2016: 425,359 million yen

*Disclosure Regarding Implementation Status of Auditing Procedures

This financial report is not subject to auditing.

*Explanation on Adequate Usage of Financial Results Forecast

Statements on financial results forecasts in this financial report are based on current information that ROHM acquired as well as specific premises that the company judges legitimate, therefore, ROHM makes no promises as to actual results attaining these forecasts. Actual financial results may be considerably different due to various factors. For presuppositional conditions used for financial results forecasts and notes on using the forecasts, please refer to "1. Overview of Business Results and Financial Condition (1) Future Outlook," on Page 4 of the Appendix of the Financial Report for the Year Ended March 31, 2017.

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*Separately attached as supplementary material are “Financial Highlights for the Year Ended on March 31, 2017.”

1. Overview of Business Results and Financial Condition

(1) Overview of Business Results for the Year Ended March 31, 2017

General Overview of Business Performance

On the whole, the world economy in the fiscal year ended in March 2017 continued its recovery, despite the uncertain outlook and fears that came in the first half of the year with the Brexit decision and the trends tied to the US presidential election, as the western economies held firm, the Japanese economy stayed on a recovery track and the Chinese economy put a halt to its slowdown.

The electronics industry was as follows. The automotive electronics market was bullish, despite a slowdown that was seen in the US in the second half of the year, as the markets in Europe and China improved, the Japanese market recovered, and car manufacturers increased their use of in-vehicle electronics. As for the industrial equipment market, adjustments characterized the first half of the year, but the latter half of this year was bolstered by the recovery in the Chinese market and other positive factors. As for consumer products, the smartphone market improved in the second half of the year on a strong uptick in sales of new products, while PC, TV and other consumer product markets remained challenged.

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 the IoT, 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.

Under these circumstances, consolidated net sales for the fiscal year ended on March 31, 2017 were 352,010 million yen (a decrease of 0.1% from last year) and operating income was 31,827 million yen (a decrease of 5.4% from last year).

Ordinary income was 35,579 million yen (a decrease of 2.9% from last year) and profit attributable to owners of parent was 26,432 million yen (an increase of 2.9% from 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.

Overview of Performance by Segment

<ICs>

Consolidated net sales for the year ended March 31, 2017 were 161,195 million yen (a decrease of 1.8% from last year) and segment income was 9,064 million yen (an increase of 18.3% from 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 and LED driver ICs for car bodies and instrument panels, and isolated gate driver ICs (*2) for powertrains for hybrid cars translated into steady sales.

In the industrial equipment market, sales of LCD driver ICs and power ICs for HEMS and BEMS (*3), factory automation and measuring instruments grew steadily, while sales of interface ICs and fan motor driver ICs for office equipment, POS systems and communication infrastructure decreased.

In the consumer electronics markets, power ICs and USB Power Delivery Type-C (*4) controller ICs for game consoles and home appliances, and color sensors for smartphones sold well, but sales of power ICs for PCs and lens driver ICs for cameras slumped.

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

*2. Isolated gate driver IC

A gate driver IC drives power semiconductors like IGBT (*5), but by incorporating an isolated element in a gate driver, external isolating components that are critical to protecting people and systems have become unnecessary.

*3. 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.

*4. USB Power Delivery Type-C

USB Power Delivery is a USB power expansion standard that specifies up to 100 W of power to be supplied or drawn over a USB cable. It allows laptop computers and other devices that could not be driven over earlier USB standards to be powered over USB and shortens the charging time for mobile devices.

*5. IGBT (Short for Insulated Gate Bipolar Transistor)

A semiconductor that combines the best features of a MOSFET (*6) and bipolar transistor (*7), making it ideal for power control applications.

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

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

*7. 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.

<Discrete Semiconductor Devices>

Consolidated net sales for the year ended March 31, 2017 were 130,036 million yen (an increase of 2.8% from last year) and segment income was 20,916 million yen (a decrease of 2.7% from last year).

With regard to transistors, sales for PCs and other applications decreased, but sales of power MOSFETs to the automotive and game console markets grew steadily. As for diodes, sales for smartphone and PC applications slumped, but sales of diodes for automotive electronics were strong. Regarding power devices, sales of IGBTs to the automotive electronics market grew greatly and sales of SiC devices for solar power systems were solid. Moreover, sales of LEDs for amusement devices and sales of semiconductor lasers for reading optical disks and other applications fell.

<Modules>

Consolidated net sales for the year ended March 31, 2017 were 39,608 million yen (an increase of 8.9% from last year) and segment income was 1,793 million yen (a decrease of 61.0% from last year).

With regard to printheads, sales of printheads for mini-printers used for CAT terminals and other devices, and sales for laser printers went through an adjustment. As for optical modules, sales of sensor modules for wearable electronics decreased on the one hand, while sales of sensor modules for smartphones grew greatly on the other.

<Others>

Consolidated net sales for the year ended March 31, 2017 were 21,169 million yen (a decrease of 17.0% from last year) and segment income was 1,497 million yen (an increase of 470.7% from last year).

Sales of resistors were strong thanks to demand from automotive electronics markets. Sales of tantalum capacitors for smartphones and PCs were sluggish.

Sales of LED lighting products declined as a result of ROHM's withdrawal from business during this fiscal year.

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

(2) Financial Condition

Total assets increased by 30,369 million yen from the end of the previous fiscal year to 834,503 million yen. The main factors that contributed to this were decreases respectively in cash and deposits of 16,017 million yen and property, plants and equipment of 5,173 million yen, and increases respectively in securities of 27,112 million yen, investment securities of 17,938 million yen and notes and accounts receivable (trade) of 10,268 million yen.

Liabilities increased by 11,168 million yen from the end of the previous fiscal year to 109,051 million yen. The main factors that contributed to this were increases respectively in deferred tax liabilities of 4,146 million yen, accounts payable of 3,082 million yen, income taxes payable of 1,894 million yen, and notes and accounts payable (trade) of 1,733 million yen.

Net assets increased by 19,201 million yen from the end of the previous fiscal year to 725,452 million yen. The main factors that contributed to this were increases respectively in shareholders' equity of 14,262 million yen, which resulted from recording profit attributable to owners of the parent, and valuation differences on available-for-sale securities of 8,935 million yen.

As a result, equity ratio decreased from the 87.8% of the end of the previous year to 86.9%.

(3) Cash Flow

Cash flow from operating activities was a positive 67,397 million yen, which represents a decrease in income of 11,504 million yen from the previous year (positive by 78,901 million yen). The negative factors behind this were reversals of notes and accounts receivable (trade) from a decrease to an increase, and inventories from a decrease to an increase.

Cash flow from investment activities was a negative 38,742 million yen, which represents an increase in payouts of 16,306 million yen from the previous year (negative by 22,436 million yen). The positive factor behind this was a decrease in purchases of property, plants and equipment, while the negative factor was a decrease in time deposits.

Cash flow from financing activities was a negative 12,173 million yen, which represents a decrease in payouts of 20,936 million yen from the previous year (negative by 33,109 million yen). The positive factors behind this were decreases in purchases of treasury shares and cash dividends paid.

After subtracting 2,268 million yen because of the effects of exchange rate changes, cash and cash equivalents increased 14,212 million yen from the end of the previous fiscal year to 246,015 million yen.

Cash flow next year will be considerably affected by planned capital expenditures of 57,000 million yen and depreciation of 48,000 million yen.

(4) Future Outlook

The world economy as a whole should be bullish going forward, even though the Chinese economy will not grow as strongly as it has in the past, because the US economy should stay solid and the mild recoveries in Europe and Japan should continue. The electronics market in the new fiscal year should continue on its current recovery track since the automotive and industrial equipment markets will likely remain strong because of the increased usage of automotive electronics and advances in IoT, which should in turn offset the slump in PCs and digital still cameras, and a slowdown in the smartphone market. Given these circumstances, the ROHM Group will continue to develop products that bring high added-value ahead of market needs and release them at the most opportune time. Moreover, we will continue to build stable product supply systems in preparation for expected mid- to long-term growth in the automotive, industrial equipment and other markets, and strive to increase sales and improve our earnings structure through higher product quality and reliability, and by enhancing the efficiency of our production systems.

In consideration of the above-mentioned situations, ROHM forecasts consolidated financial results for the next fiscal year and consolidated sales prospects of individual segments as follows.

<Consolidated financial results forecast>

	Year ended on March 31, 2017 Result	Year ending on March 31, 2018 Forecast	Percent change from the previous year
Net sales	352,000 million yen	368,000 million yen	+4.5%
Operating income	31,800 million yen	38,000 million yen	+19.4%
Ordinary income	35,500 million yen	38,500 million yen	+8.2%
Profits attributable to owners of parent company	26,400 million yen	28,000 million yen	+5.9%

<Consolidated Sales Forecast by Segment>

	Year ended on March 31, 2017 Result	Year ending on March 31, 2018 Forecast	Percent change from the previous year
ICs	161,100 million yen	170,600 million yen	+5.9%
Discrete semiconductor devices	130,000 million yen	136,800 million yen	+5.2%
Modules	39,600 million yen	38,000 million yen	-3.9%
Others	21,100 million yen	22,400 million yen	+6.2%

The forecasts are based on an exchange rate of 105 yen to US\$1.

(5) Basic Policy for Profit Distribution and Dividends for the Year Ended March 31, 2017 and Year Ending March 31, 2018

[1] Basic Policy for Profit Distribution

In the semiconductor and electronic component business, the ROHM Group wants to meet shareholder expectations by improving results from both mid- and long-term perspectives via forward-looking investment in equipment, plants, R&D and M&A.

While continuing efforts to achieve sustainable growth on the one hand, the ROHM Group believes it necessary to improve our overall corporate value on the other by balancing our financial condition and capital demand with investor expectations when exploring ways to share profits.

Under this policy, the Rohm Group sets 130 yen as the ordinary annual dividend per share, which we will pay to current shareholders in full and to the best of our abilities bar any sudden or momentary changes in business performance or financial condition of the group. Moreover, we will make every effort to raise the amount of our ordinary dividend by improving our business performance over the long-term.

Moreover, ROHM will not lower consolidated payout ratio below 30% and will additionally take constructive steps to properly distribute profits such as to issue, as the situation permits, a one-time dividend on top of ordinary dividends.

ROHM will also constructively utilize the free cash flow that is generated every year to invest in plants, equipment and M&A that will improve shareholder value in the mid- to long-term, and, in order to improve our balance sheet, will strive to efficiently improve ROE, DOE and other indicators by not building up reserves any greater than necessary.

[2] Profit Distribution for the Year Ended March 31, 2017

In consideration of the financial results of the current fiscal year, the year-end dividend will be 80 yen per share. As a result, the annual dividend, with 50 yen per share added as an interim dividend, is scheduled to be 130 yen per share.

[3] Schedule of Profit Distribution for the Year Ending March 31, 2018

In consideration of our performance projections for the new fiscal year and our policy of returning profits to shareholders via stable and continuous dividends, we are planning a 130 yen per share annual dividend, divided equally into interim and year-end dividends of 65 yen per share, for the fiscal year ending March 31, 2018. Furthermore, to mark our 60th year of business, we are planning to return our entire free cash flow in the new fiscal year to shareholders in the form of a separate commemorative dividend of 110 yen, divided equally into interim and year-end dividends of 55 yen per share.

[4] Retirement of Treasury Stock

The ROHM Group considers a maximum 5% of the total outstanding shares as its treasury stock holdings, and, in principle, any amount beyond this limit is retired at the end of every fiscal year. The Group always keeps treasury stocks on hand in order to ensure management flexibility for M&A activity and other needs as required.

2. Status of the ROHM Group

No major changes were made to group business since the financial statement of March 2016.

3. Basic Thinking Behind the Selection of Accounting Standards

The accounting practices of the ROHM Group comply with Japanese accounting standards.

In preparation for the future use of international accounting standards, the ROHM Groups is doing related research and analyses, and working to identify differences from Japanese accounting standards, but no decision has been made yet as to when the ROHM Group will conform internal accounting practices with international accounting standards.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit : millions of yen)

	Year ended March 31, 2016 (March 31, 2016)	Year ended March 31, 2017 (March 31, 2017)
Assets		
Current assets		
Cash and deposits	280,933	264,916
Notes and accounts receivable - trade	66,432	76,700
Electronically recorded monetary claims - operating	3,903	5,132
Securities	15,470	42,582
Merchandise and finished goods	28,139	23,197
Work in process	35,319	38,699
Raw materials and supplies	24,204	24,800
Deferred tax assets	8,451	9,047
Income taxes receivable	940	1,137
Other	9,962	10,285
Allowance for doubtful accounts	-186	-541
Total current assets	473,570	495,958
Non-current assets		
Property, plant and equipment		
Buildings and structures	224,913	230,987
Accumulated depreciation	-149,653	-154,375
Buildings and structures, net	75,259	76,611
Machinery, equipment and vehicles	501,757	516,448
Accumulated depreciation	-434,134	-450,496
Machinery, equipment and vehicles, net	67,623	65,952
Tools, furniture and fixtures	49,934	47,668
Accumulated depreciation	-42,700	-40,600
Tools, furniture and fixtures, net	7,234	7,068
Land	66,161	66,961
Construction in progress	20,165	14,676
Total property, plant and equipment	236,443	231,270
Intangible assets		
Goodwill	5,777	5,355
Other	5,914	5,157
Total intangible assets	11,691	10,513
Investments and other assets		
Investment securities	63,146	81,084
Net defined benefit asset	1,297	1,435
Deferred tax assets	2,492	2,685
Other	15,590	11,961
Allowance for doubtful accounts	-98	-406
Total investments and other assets	82,428	96,760
Total non-current assets	330,564	338,545
Total assets	804,134	834,503

(Unit : millions of yen)

	Year ended March 31, 2016 (March 31, 2016)	Year ended March 31, 2017 (March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,460	12,193
Electronically recorded obligations - operating	7,525	8,657
Accounts payable - other	19,300	22,382
Income taxes payable	1,896	3,790
Deferred tax liabilities	35	2
Provision for loss on business liquidation	442	224
Other	22,691	21,798
Total current liabilities	62,352	69,050
Non-current liabilities		
Deferred tax liabilities	24,016	28,195
Net defined benefit liability	9,706	10,693
Other	1,807	1,111
Total non-current liabilities	35,530	40,001
Total liabilities	97,883	109,051
Net assets		
Shareholders' equity		
Capital stock	86,969	86,969
Capital surplus	102,403	102,403
Retained earnings	609,166	604,057
Treasury shares	-67,148	-47,777
Total shareholders' equity	731,391	745,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,503	25,438
Foreign currency translation adjustment	-37,103	-40,942
Remeasurements of defined benefit plans	-5,016	-5,163
Total accumulated other comprehensive income	-25,616	-20,667
Non-controlling interests	476	466
Total net assets	706,251	725,452
Total liabilities and net assets	804,134	834,503

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated statement of income)

(Unit: millions of yen)

	Year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)	Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)
Net sales	352,397	352,010
Cost of sales	230,662	234,967
Gross profit	121,734	117,042
Selling, general and administrative expenses	88,099	85,215
Operating profit	33,635	31,827
Non-operating income		
Interest income	2,037	2,319
Dividend income	822	1,733
Other	619	700
Total non-operating income	3,480	4,753
Non-operating expenses		
Foreign exchange losses	22	766
Settlement package	287	148
Other	180	86
Total non-operating expenses	490	1,001
Ordinary profit	36,625	35,579
Extraordinary income		
Gain on sales of non-current assets	147	251
Gain on sales of investment securities	-	177
Subsidy income	218	-
Total extraordinary income	366	428
Extraordinary losses		
Loss on sales of non-current assets	133	74
Loss on abandonment of non-current assets	594	544
Impairment loss	2,021	2,455
Loss on reduction of non-current assets	218	1
Loss on valuation of investment securities	4	57
Loss on valuation of shares of subsidiaries and associates	-	24
Loss on liquidation of business	1,867	267
Provision for loss on business liquidation	442	-
Loss on liquidation of subsidiaries and associates	58	-
Special retirement expenses	113	204
Total extraordinary losses	5,454	3,630
Profit before income taxes	31,537	32,377
Income taxes - current	5,318	4,866
Income taxes for prior periods	-	1,741
Income taxes - deferred	517	-680
Total income taxes	5,835	5,927
Profit	25,702	26,450
Profit attributable to non-controlling interests	16	17
Profit attributable to owners of parent	25,686	26,432

(Consolidated statement of comprehensive income)

(Unit: millions of yen)

	Year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)	Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)
Profit	25,702	26,450
Other comprehensive income		
Valuation difference on available-for-sale securities	-7,939	8,934
Foreign currency translation adjustment	-29,829	-3,866
Remeasurements of defined benefit plans, net of tax	-1,068	-146
Total other comprehensive income	-38,836	4,921
Comprehensive income	-13,134	31,371
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-13,116	31,381
Comprehensive income attributable to non-controlling interests	-17	-10

(3) Consolidated Statement of Shareholder's Equity

Year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(Unit : millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	86,969	102,403	599,518	-50,141	738,750
Changes of items during period					
Dividends of surplus			-16,038		-16,038
Profit attributable to owners of parent			25,686		25,686
Purchase of treasury shares				-17,006	-17,006
Disposal of treasury shares					-
Retirement of treasury shares					-
Transfer to capital surplus from retained earnings					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	9,647	-17,006	-7,359
Balance at end of current period	86,969	102,403	609,166	-67,148	731,391

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	24,442	-7,308	-3,948	13,186	496	752,433
Changes of items during period						
Dividends of surplus						-16,038
Profit attributable to owners of parent						25,686
Purchase of treasury shares						-17,006
Disposal of treasury shares						-
Retirement of treasury shares						-
Transfer to capital surplus from retained earnings						-
Net changes of items other than shareholders' equity	-7,939	-29,795	-1,068	-38,802	-20	-38,823
Total changes of items during period	-7,939	-29,795	-1,068	-38,802	-20	-46,182
Balance at end of current period	16,503	-37,103	-5,016	-25,616	476	706,251

Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(Unit : millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	86,969	102,403	609,166	-67,148	731,391
Changes of items during period					
Dividends of surplus			-12,164		-12,164
Profit attributable to owners of parent			26,432		26,432
Purchase of treasury shares				-6	-6
Disposal of treasury shares		-0		0	0
Retirement of treasury shares		-19,377		19,377	-
Transfer to capital surplus from retained earnings		19,377	-19,377		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	-5,108	19,370	14,261
Balance at end of current period	86,969	102,403	604,057	-47,777	745,653

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	16,503	-37,103	-5,016	-25,616	476	706,251
Changes of items during period						
Dividends of surplus						-12,164
Profit attributable to owners of parent						26,432
Purchase of treasury shares						-6
Disposal of treasury shares						0
Retirement of treasury shares						-
Transfer to capital surplus from retained earnings						-
Net changes of items other than shareholders' equity	8,934	-3,838	-146	4,949	-9	4,939
Total changes of items during period	8,934	-3,838	-146	4,949	-9	19,201
Balance at end of current period	25,438	-40,942	-5,163	-20,667	466	725,452

(4) Consolidated Statement of Cash Flow

(Unit: millions of yen)

	Year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)	Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)
Cash flows from operating activities		
Profit before income taxes	31,537	32,377
Depreciation	38,338	40,801
Impairment loss	2,021	2,455
Amortization of goodwill	245	385
Increase (decrease) in allowance for doubtful accounts	-382	651
Increase (decrease) in net defined benefit liability	617	664
Decrease (increase) in net defined benefit asset	-525	232
Increase (decrease) in provision for loss on business liquidation	442	—
Interest and dividend income	-2,860	-4,052
Foreign exchange losses (gains)	5,178	1,707
Loss (gain) on valuation of short-term and long-term investment securities	4	57
Loss (gain) on sales of non-current assets	-13	-177
Decrease (increase) in notes and accounts receivable - trade	5,299	-11,935
Decrease (increase) in inventories	7,392	-251
Increase (decrease) in notes and accounts payable - trade	35	2,400
Increase (decrease) in accounts payable - other	-1,936	571
Other, net	-350	3,418
Subtotal	85,043	69,307
Payments for business restructuring	—	-305
Interest and dividend income received	2,714	4,052
Interest expenses paid	-3	-1
Income taxes (paid) refund	-8,852	-5,654
Net cash provided by (used in) operating activities	78,901	67,397
Cash flows from investing activities		
Decrease (increase) in time deposits	34,779	3,855
Purchase of short-term and long-term investment securities	-6,173	-10,990
Proceeds from sales and redemption of short-term and long-term investment securities	11,426	8,486
Purchase of property, plant and equipment	-54,211	-39,602
Proceeds from sales of property, plant and equipment	900	563
Proceeds from transfer of business	—	429
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-8,626	—
Other, net	-531	-1,483
Net cash provided by (used in) investing activities	-22,436	-38,742
Cash flows from financing activities		
Purchase of treasury shares	-17,006	-6
Cash dividends paid	-16,038	-12,164
Other, net	-64	-2
Net cash provided by (used in) financing activities	-33,109	-12,173
Effect of exchange rate change on cash and cash equivalents	-14,222	-2,268
Net increase (decrease) in cash and cash equivalents	9,133	14,212
Cash and cash equivalents at beginning of period	222,668	231,802
Cash and cash equivalents at end of period	231,802	246,015

(5) Notes on Consolidated Financial Statements

(Note on going concern)

No applicable items

(Segment information)

1. Overview of reportable segments

The reportable segments of the ROHM Group are units of the group for which separated financial information is available, and which is the subject of the periodical review by the board of directors for the purpose of deciding the distribution of management resources and evaluating business performance.

The ROHM Group is a comprehensive manufacturer of electronic components, and sets up operational divisions by individual product categories at its headquarters. Each operational division draws up comprehensive production plans and business strategies for both domestic and overseas operations, and develops global production activities. Therefore, from a management standpoint, the group attaches great importance to the supervision of profits and losses by operational segments organized as operational divisions of individual product categories. For this reason, the group is consolidating operational segments in consideration of characteristics of the products each operational division is manufacturing and similarities of production process, and setting up three reportable segments as “ICs,” “Discrete Semiconductor Devices,” and “Modules.”

In the “ICs” segment, products such as analog ICs, logic ICs, memory ICs and ASICs are manufactured and foundry business operations are conducted.

Products manufactured in the “Discrete Semiconductor Devices” segment include diodes, transistors, light-emitting diodes, and laser diodes.

Products of the “Modules” segment include printheads, optical modules, and power modules.

2. Calculating method of amount of sales, profit or loss, asset, and other items of individual reportable segment information

Accounting processing for each reported operating segment is basically identical to accounting standards used for compiling consolidated financial statements.

Profits of reportable segments are operating income. “Inter-segment sales or transfer” are calculated based on market price.

Although assets of common categories such as sales and administrative expenses, are included in “Adjusted amount,” depreciation costs derived from these assets are allocated to individual segments according to in-house standards to calculate individual segment profits.

3. Information regarding amount of sales, profit or loss, asset, and other items of individual reportable segment information

Year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(Unit: Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on Consolidate financial statements (Note 3)
	ICs	Discrete semi- conductor devices	Modules	Subtotal				
Sales								
Sales to customer	164,080	126,436	36,370	326,887	25,510	352,397	-	352,397
Inter-segment sales or transfer	2,549	3,583	94	6,226	50	6,276	-6,276	-
Total	166,629	130,019	36,464	333,113	25,560	358,674	-6,276	352,397
Segment profit	7,660	21,504	4,594	33,760	262	34,022	-387	33,635
Segment asset	121,215	92,589	20,507	234,312	16,780	251,092	553,042	804,134
Other items								
Depreciation	17,526	16,676	2,321	36,524	2,820	39,345	-1,007	38,338
Amortization of goodwill	245	-	-	245	-	245	-	245
Increase in property, plant and equipment and intangible assets	20,973	21,991	4,695	47,661	1,315	48,977	7,709	56,686

- (Note) 1. “Others” is an operational segment that is not included in reportable segments, consisting of business in resistors, printheads, optical modules, tantalum capacitors, power modules, and lightings.
2. Adjusted amount are as follows.
- [1] The adjusted amount of the segment profit, -387 million yen, mainly includes general administrative expenses of -959 million yen that do not attribute to the segment, and the settlement adjusted amount of 572 million yen, which is not allocated to the segment (such as adjustment for retirement benefits).
- [2] The adjusted amount of 553,042 million yen in segment assets contains corporate assets of 555,521 million yen that have not been allocated to individual segment information and a downward adjustment of non-current assets of -2,479 million yen. Corporate assets do not belong to reported segments, consisting of cash and deposits of 280,933 million yen, notes and accounts receivable (trade) of 66,432 million yen, and land of 66,161 million yen.
- [3] Adjustments to increases in property, plant and equipment and intangible assets apply to non-current assets of common categories such as sales and administrative expenses.
3. Segment profits are adjusted with operating income on consolidated financial statements.

Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(Unit: Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on Consolidate financial statements (Note 3)
	ICs	Discrete semi- conductor devices	Modules	Subtotal				
Sales								
Sales to customer	161,195	130,036	39,608	330,840	21,169	352,010	-	352,010
Inter-segment sales or transfer	2,723	6,473	31	9,228	78	9,307	-9,307	-
Total	163,918	136,510	39,640	340,069	21,248	361,318	-9,307	352,010
Segment profit	9,064	20,916	1,793	31,774	1,497	33,272	-1,444	31,827
Segment asset	118,317	91,515	21,629	231,462	13,121	244,584	589,919	834,503
Other items								
Depreciation	18,422	17,039	3,747	39,207	2,393	41,600	-799	40,801
Amortization of goodwill	385	-	-	385	-	385	-	385
Increase in property, plant and equipment and intangible assets	16,484	17,704	2,709	36,899	1,925	38,824	3,358	42,182

- (Note) 1. “Others” is an operational segment that is not included in reportable segments, consisting of business in resistors, printheads, optical modules, tantalum capacitors, power modules, and lightings.
2. Adjusted amount are as follows.
- [1] The adjusted amount of the segment profit, -1,444 million yen, mainly includes general administrative expenses of -778 million yen that do not attribute to the segment, and the settlement adjusted amount of -666 million yen, which is not allocated to the segment (such as adjustment for retirement benefits).
- [2] The adjusted amount of 589,919 million yen in segment assets contains corporate assets of 592,092 million yen that have not been allocated to individual segment information and a downward adjustment of non-current assets of -2,173 million yen. Corporate assets do not belong to reported segments, consisting of cash and deposits of 264,916 million yen, investment securities of 81,084 million yen, and notes and accounts receivable (trade) of 76,700 million yen.
- [3] Adjustments to increases in property, plant and equipment and intangible assets apply to non-current assets of common categories such as sales and administrative expenses.
3. Segment profits are adjusted with operating income on consolidated financial statements.

(Per share data)

	Year ended March 31, 2016	Year ended March 31, 2017
Net assets per share	6,672.33 yen	6,854.01 yen
Net income per share	241.91 yen	249.88 yen

(Note) 1. Net income per share after adjustment of residual securities for the year ended March 31, 2017 has been omitted as there are no residual securities.

2. The basis for the calculation of the net income per share is as follows.

	Year ended March 31, 2016	Year ended March 31, 2017
Profit attributable to owners of parent (million yen)	25,686	26,432
Amount not attributable to common shareholders (million yen)	1	1
Amount attributable to common shareholders (million yen)	25,685	26,430
Average number of common shares during the year (Thousand shares)	106,175	105,775

(Significant subsequent events)

There is no relevant information.

5. Others

Transfer of Directors (As of June 29, 2017)

[1] Candidate Auditors

Director Yoshiaki Suenaga

[2] Retiring Auditors

Director Eiichi Sasayama