

2019/3 1H

Financial Results/ Management Measures

Note: This document is a translation of the 2019/3-1H Presentation written in Japanese. In the event of any discrepancies in words, accounts, figures, or the like between this report and the original, the original Japanese version shall govern.

■ Financial Results Ended 2019/3 1H

Financial Results of 2019/3 1H
Factors for Sales Changes in 1H
YOY Comparison of OP in 1H

■ Plan of Ending 2019/3

Plan of 2019/3
YOY Factors for Sales Changes in 2019/3
YOY Comparison of OP in 2019/3

■ ROHM's Strategy

■ Return to Shareholders

■ 2019/3 1H

Financial Results (V.S Initial plan)



(¥billion)

	'19/3 1H	'19/3 1H Initial plan	Change from initial plan	
			Amount	Percentage
Net sales	210.8	210.0	+0.8	+0.4%
Operating income	35.3	30.0	+5.3	+17.9%
(Ratio)	(16.8%)	(14.3%)	-	-
Ordinary income	44.1	31.0	+13.1	+42.5%
(Ratio)	(20.9%)	(14.8%)	-	-
Net income	30.9	22.5	+8.4	+37.5%
(Ratio)	(14.7%)	(10.7%)	-	-
EBITDA	56.5	52.0	+4.5	+8.8%
(Ratio)	(26.8%)	(24.8%)	-	-

Average rate
(¥/US\$)

(¥110.07)

(¥105.00)

■ 2019/3 1H

Financial Results (YOY)



(¥billion)

	'19/3 1H	'18/3 1H	Change from '18/3 1H	
			Amount	Percentage
Net sales	210.8	200.4	+10.4	+5.2%
Operating income	35.3	29.7	+5.6	+18.8%
(Ratio)	(16.8%)	(14.8%)	-	-
Ordinary income	44.1	31.2	+12.9	+41.5%
(Ratio)	(20.9%)	(15.6%)	-	-
Net income	30.9	23.1	+7.8	+33.9%
(Ratio)	(14.7%)	(11.5%)	-	-
EBITDA	56.5	49.9	+6.6	+13.4%
(Ratio)	(26.8%)	(24.9%)	-	-

Average rate
(¥/US\$)

(¥110.07)

(¥111.42)

2019/3 1H

Factors for Sales Changes (V.S Plan and YOY)



(¥billion)

Major Factors for Sales Changes in 2019/3 1H		v.s Plan	YOY	
Positive Factors	1	Increased sales for auto infotainment area	- 0.1	+2.7
	2	Increased sales for industrial FA area	- 0.2	+2.7
	3	Increased sales for auto power train area	- 0.2	+2.6
	4	Increased sales for office equipment/POS area	+1.1	+1.3
	5	Increased sales for auto body area	+0.1	+1.3
Negative Factors	1	Decreased sales of drivers for large LCD panels	+0.7	- 1.6
	2	Weak TV market	- 0.1	- 1.4
	3	Decreased sales for smartphones	+0.2	- 0.7
Total above		+1.5	+6.9	

Total (+0.8) (+10.4)

2019/3 1H Comparison of OP (YOY)



(¥billion)

'18/3 1H	'19/3 1H	Difference
29.7	35.3	+5.6

(Major Factors)

Sales Factor

Decrease of sales based on forex	-1.6	➔	+7.7
Increased marginal profit from increased sales	+9.3		

Variable & Fixed Costs

Decrease of variable & fixed costs based on forex	+1.0	➔	-2.1
Increase of depreciation costs	-0.9		
Increase of manufacturing costs (except depreciation costs)	-1.3		
Increase of SG&A (except depreciation costs)	-0.9		

Total

+5.6

2019/3

Revised plan (V.S Initial plan and YOY)



(¥billion)

	'19/3 Revised plan	'19/3 Initial plan	V.S Initial plan	YOY
Net sales	420.0	420.0	±0.0%	+5.8%
Operating income	62.0	58.0	+6.9%	+8.8%
(Ratio)	(14.8%)	(13.8%)	-	-
Ordinary income	70.0	61.0	+14.8%	+29.1%
(Ratio)	(16.7%)	(14.5%)	-	-
Net income	50.0	44.0	+13.6%	+34.2%
(Ratio)	(11.9%)	(10.5%)	-	-
EBITDA	109.0	107.5	+1.4%	+8.6%
(Ratio)	(26.0%)	(25.6%)	-	-

Average rate (¥/US\$) (¥110.04) (¥105.00)



2H Plan rate Initial: ¥105→Change to ¥110

■ 2019/3



Factors for Sales Changes (V.S Initial plan and YOY)

(¥billion)

Major Factors for Sales Changes in '19/3		V.S Initial plan	YOY	
Positive Factors	1	Increased sales for auto infotainment area	+0.6	+7.0
	2	Increased sales for auto power train area	+1.5	+6.8
	3	Increased sales for industrial FA area	-1.9	+5.1
	4	Increased sales for auto body area	+0.1	+2.1
	5	Increased sales for office equipment/POS area	+2.1	+1.9
Negative Factors	1	Weak TV market	+0.0	-2.5
	2	Decreased sales for smartphones	+0.2	-2.0
	3	Decreased sales of drivers for large LCD panels	+1.2	-1.6
Total above		+3.8	+16.8	

(0.0) (+ 22.9)

2019/3

Comparison of OP (YOY)



(¥billion)

'18/3	'19/3 Revised plan	Difference
57.0	62.0	+5.0

(Major Factors)

Sales Factor

Decrease of sales based on forex	-1.8	➔	+17.6
Increased marginal profit from increased sales	+19.4		

Variable & Fixed Costs Factor

Decrease of variable & fixed costs based on forex	+1.2	➔	-12.6
Increase of depreciation costs	-3.6		
Increase of manufacturing costs (except depreciation costs)	-6.9		
Increase of SG&A (except depreciation costs)	-3.3		

Total

+5.0

Focusing Markets

**Auto
market**

**Industrial
market**

**Overseas
market**

Focusing Products

Power

SiC / Gate driver/ IPM

Analog

Power IC/Driver IC

Standard Products

General-purpose IC/
Discrete semiconductors

Enhancing Production

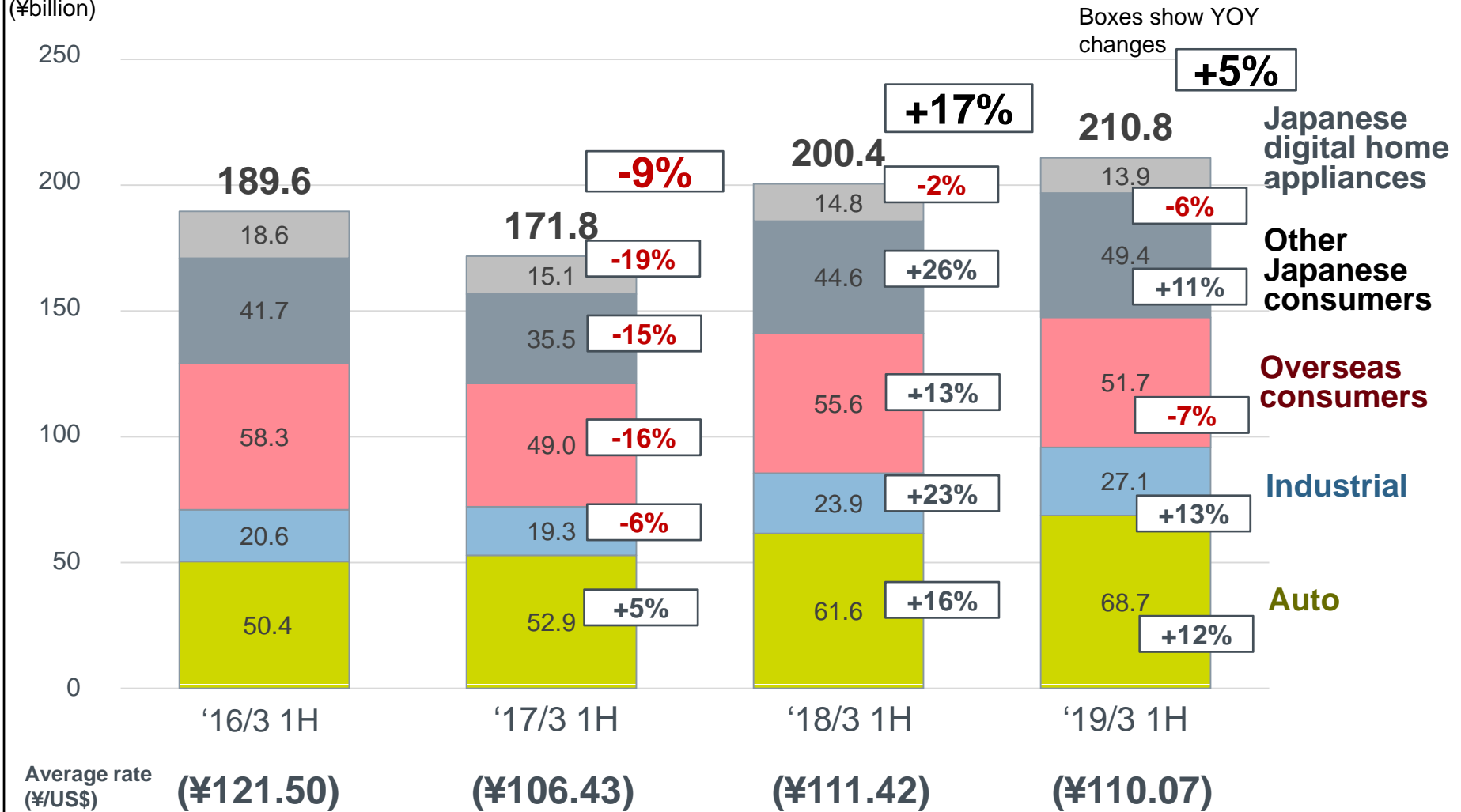
**Aiming to establish production system that can deal
with long-term stable supply and demand fluctuation**

ROHM's Strategy

Four Year Trends in Sales by Market (Half year trend)

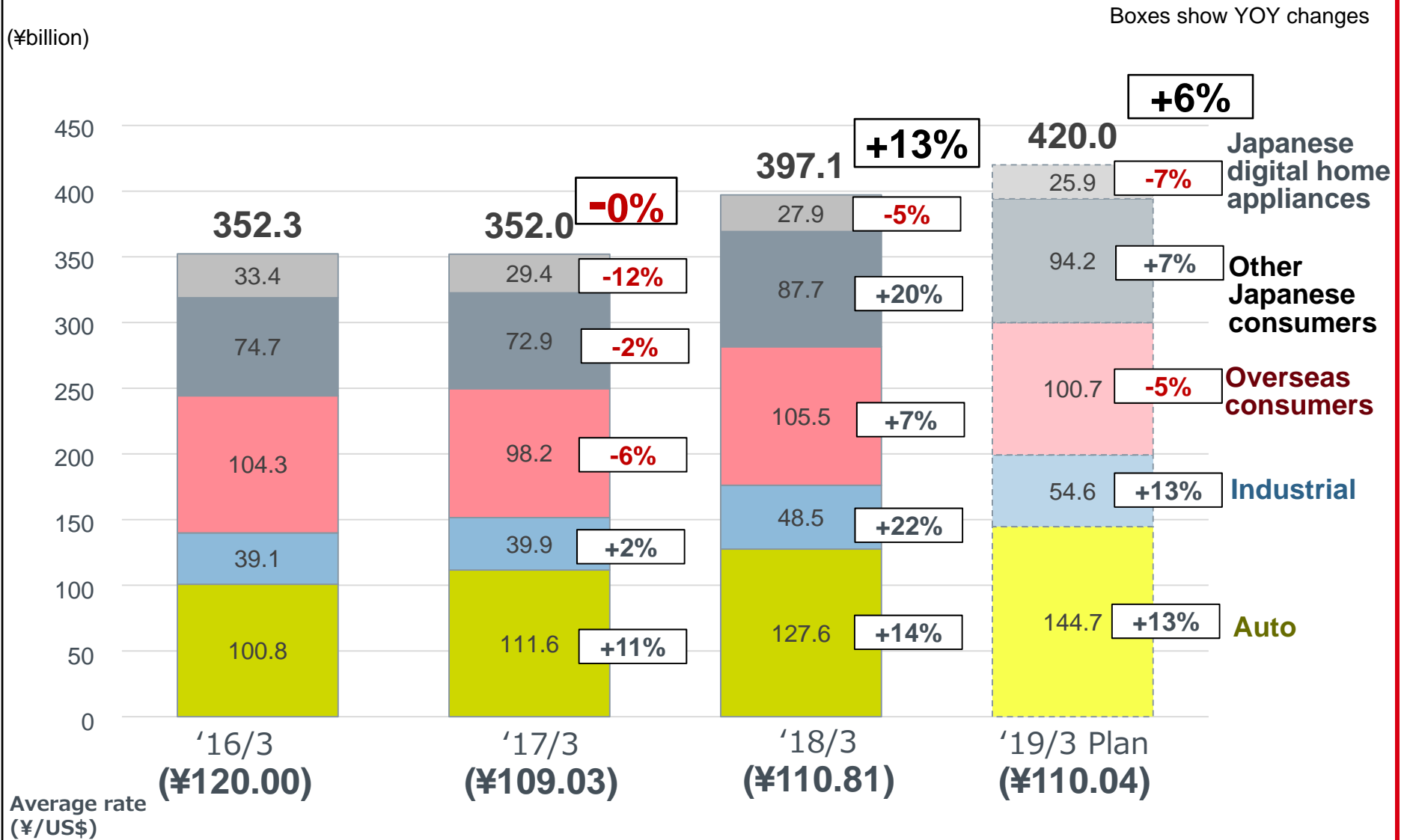


(¥billion)



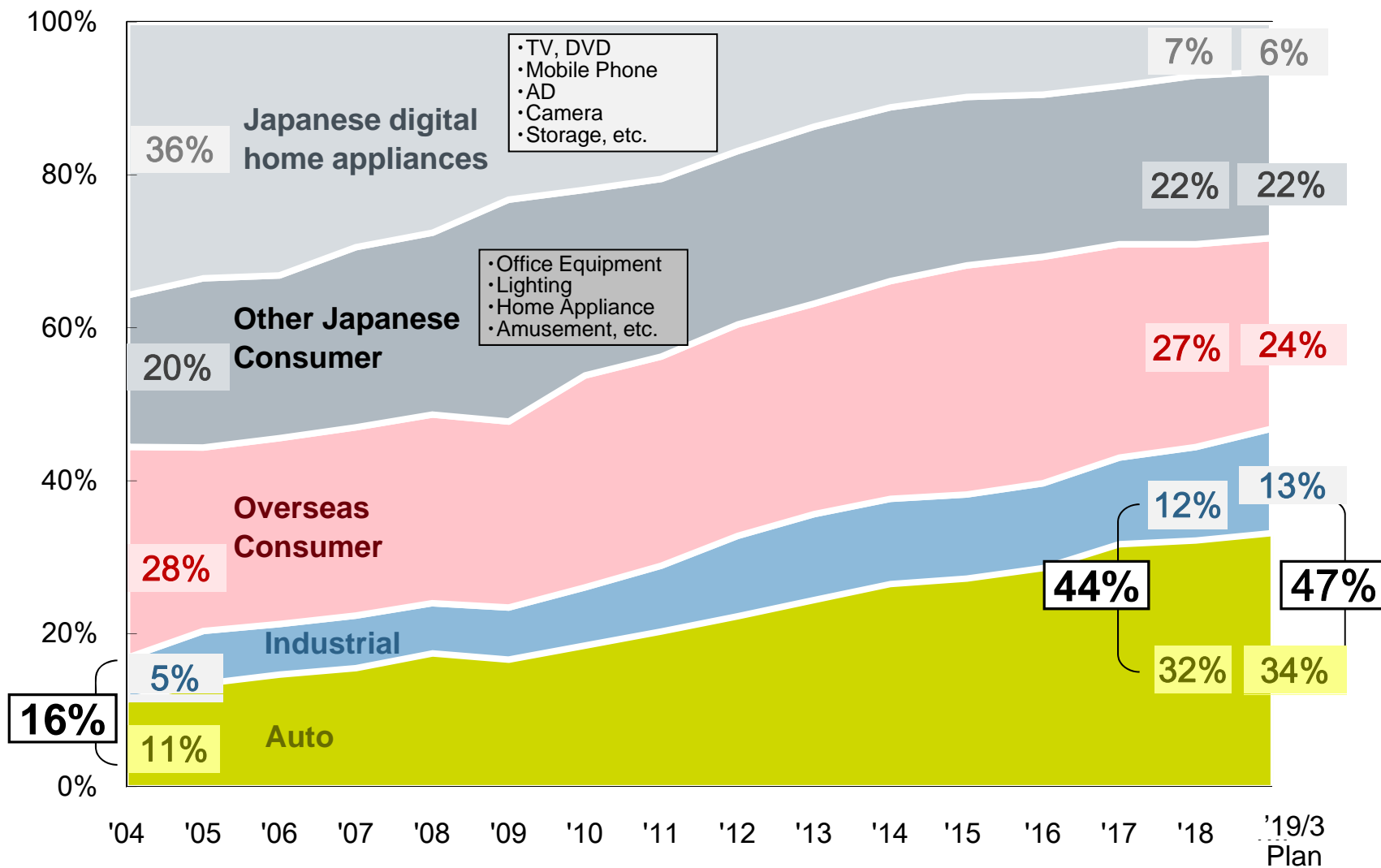
ROHM's Strategy

Four Year Trends in Sales by Market (Annually)



ROHM's Strategy

Trend of Sales Composition Ratio by Market

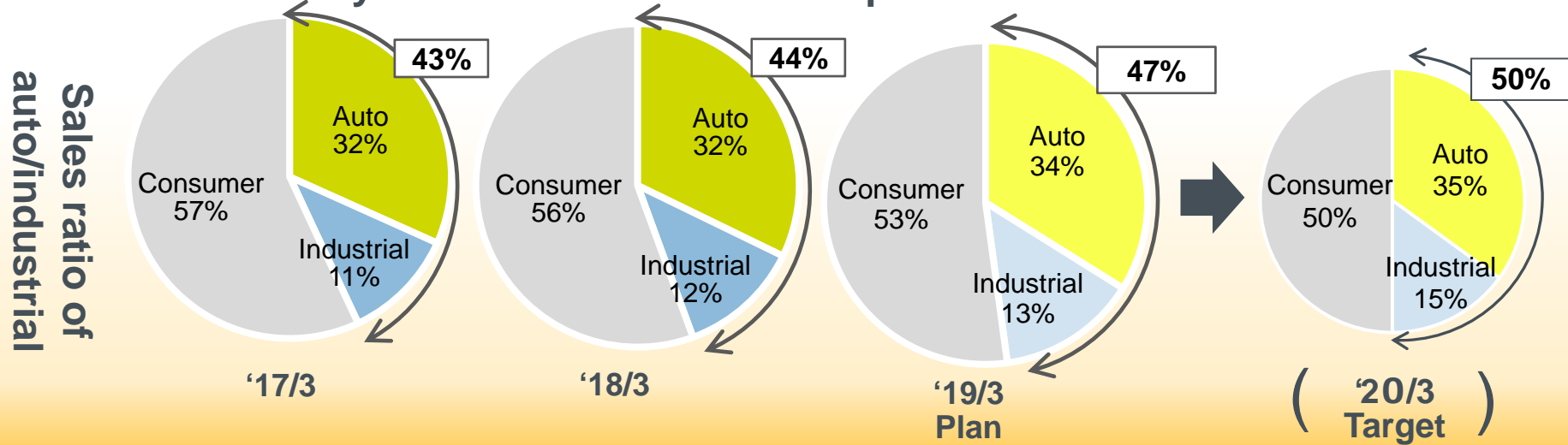


ROHM's Strategy

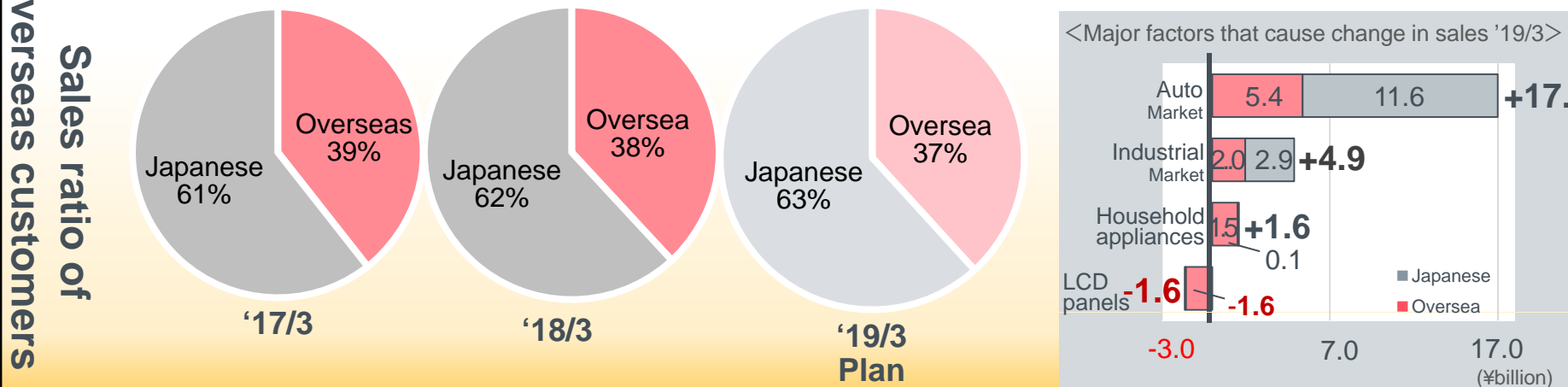


Sales Ratio of Auto / Industrial and Overseas Customers

Will reach 50% sales ratio for auto + industrial markets in 2020/3, which is one year faster than our initial plan



Overseas sales for automotive, industrial and household appliance markets are expanding steadily. Aiming to reach 50% mid-term.



Returns to Shareholders

(Transition of free cash flow and shareholder returns)

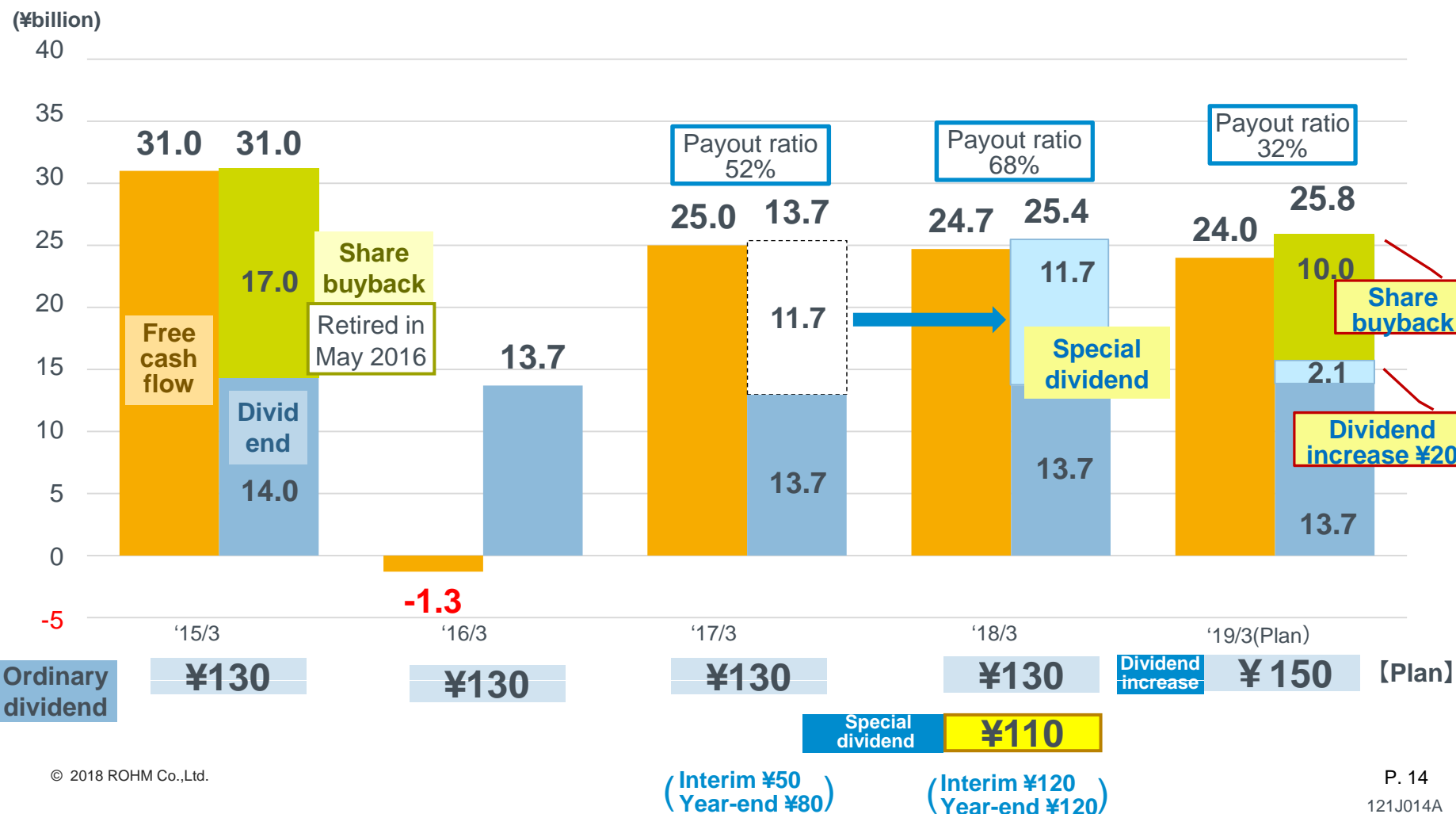


Determined to buyback shares due to the three factors below:

- ① Plan to reduce crossholding stocks
- ② Current stock market trend
- ③ Mid-to long term financial outlook

No changes to our finance and return to shareholders policies

(Aggressive investment for business growth, targeting payout ratio of 30% or more, no dividend cut as much as possible, etc.)



Note Regarding Future Forecasts

The forecast statements in this report are based on information currently available and deemed by ROHM Group as reasonable, and therefore, are not intended to guarantee to be achieved by ROHM Group, and actual results may differ materially by various factors.

ROHM Group does not bear responsibility to update and disclose any future forecasts in this report.

Also, since the purpose of this report is to provide an outline of business performance, many figures are shown in unit of a billion yen, therefore, totals and differences of figures may appear inaccurate. Please refer to our Financial Report for detailed figures.

