



2018/3

Presentation

Note: This document is a translation of the 2018/3 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 2018/3

Financial Results of 2018/3
Factors for Sales Changes
YOY Comparison of OP Fiscal Year

■ Financial Plan of Ending 2019/3

Financial Plan of 2019/3
Factors for Sales Changes YOY
YOY Comparison of OP Fiscal Year

■ ROHM's Strategy

■ Capital Expenditure Plan

■ Return to Shareholders

Financial Results of 2018/3 (YOY)



(¥billion)

	'18/3	'17/3	Change from previous year	
			Amount	Percentage
Net sales	397.1	352.0	+45.1	+12.8%
Operating income	57.0	31.8	+25.2	+79.1%
(Ratio)	(14.4%)	(9.0%)	-	-
Ordinary income	54.2	35.5	+18.7	+52.4%
(Ratio)	(13.7%)	(10.1%)	-	-
Net income	37.2	26.4	+10.8	+40.9%
(Ratio)	(9.4%)	(7.5%)	-	-
EBITDA	100.4	72.6	+27.8	+38.3%
(Ratio)	(25.3%)	(20.6%)	-	-

Average rate (¥/US\$) **(¥110.81)** **(¥109.03)**

Financial Results of 2018/3 (v.s Revised Plan)



(¥billion)

	'18/3	'18/3 Revised plan	Change from Revised plan	
			Amount	Percentage
Net sales	397.1	390.0	+7.1	+1.8%
Operating income	57.0	49.0	+8.0	+16.3%
(Ratio)	(14.4%)	(12.6%)	-	-
Ordinary income	54.2	48.0	+6.2	+12.9%
(Ratio)	(13.7%)	(12.3%)	-	-
Net income	37.2	36.5	+0.7	+2.1%
(Ratio)	(9.4%)	(9.4%)	-	-
EBITDA	100.4	93.0	+7.4	+8.0%
(Ratio)	(25.3%)	(23.8%)	-	-

Average rate (¥/US\$) (¥110.81) (¥108.46)

Factors for Sales Changes in 2018/3 (YOY)



(¥billion)

	Major Factors for Sales Changes in '18/3		V.S Plan	YOY
Positive Factors	1	Increased sales for new game consoles	+9.2	+9.9
	2	Increased adoption of power devices for household appliance market	+4.8	+8.5
	3	Increased sales for industrial FA market	+5.4	+8.4
	4	Increased sales for automotive infotainment systems	+2.0	+7.7
	5	Increased sales for automotive power trains	+1.7	+4.9
	6	Increased sales for car body related	+1.2	+2.7
Negative Factors	1	Decreased sales of LCD drivers for large panels	+1.3	-2.4
	Total above		+25.6	+39.7

Total (+29.1) (+45.1)

YOY Comparison of OP in 2018/3




(¥billion)

	'17/3	'18/3	Difference
(Major Factors)	+ 31.8	+ 57.0	+ 25.2

Sales Factor

Increase of sales based on forex	+ 6.9		+36.6
Increased marginal profit from increased sales	+ 29.7		

Variable & Fixed Costs

Increase of variable & fixed costs based on forex	-5.4		-11.4
Increase of depreciation costs	-1.7		
Increase of manufacturing costs (except depreciation costs)	-2.6		
Increase of selling and general administrative expenses (except depreciation costs)	-1.7		

Total	+25.2
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Financial Plan of Ending 2019/3 (YOY)



(¥billion)

	'18/3		'19/3 Plan		
	Amount	Change from previous year	Amount	Change from '18/3 result	
		Percentage		Amount	Percentage
Net sales	397.1	+12.8%	420.0	+22.9	+5.8%
Operating income	57.0	+79.1%	58.0	+1.0	+1.7%
(Ratio)	(14.4%)	-	(13.8%)	-	-
Ordinary income	54.2	+52.4%	61.0	+6.8	+12.5%
(Ratio)	(13.7%)	-	(14.5%)	-	-
Net income	37.2	+40.9%	44.0	+6.8	+18.1%
(Ratio)	(9.4%)	-	(10.5%)	-	-
EBITDA	100.4	+38.3%	107.5	+7.1	+7.1%
(Ratio)	(25.3%)	-	(25.6%)	-	-

Average rate (¥/US\$) (¥110.81)

(¥105)

Factors for Sales Changes in 2019/3 (YOY)



(¥billion)

Major Factors for Sales Changes in '19/3			YOY
Positive Factors	1	Increased adoption of power devices for household appliance market	+7.1
	2	Increased sales for industrial FA market	+6.7
	3	Increased sales for automotive power train	+5.8
	4	Increased sales for automotive infotainment systems	+5.6
	5	Increased sales for car body related	+2.7
	6	Increased sales for industrial infrastructure market	+2.0
	7	Increased sales for industrial energy market	+1.8
Negative Factors	1	Decreased sales of LCD drivers for large panels	-2.8
	Total above		+28.9

Total (+22.9)

YOY Comparison of OP in 2019/3



(¥billion)

(Major Factors)

'18/3	'19/3 plan	Difference
+57.0	+58.0	+1.0

Sales Factor

Decrease of sales based on forex	-10.9		+15.5
Increased marginal profit from increased sales	+26.4		

Variable & Fixed Costs Factor

Decrease of variable & fixed costs based on forex	+5.3		-14.5
Increase of depreciation costs	-6.7		
Increase of manufacturing costs (except depreciation costs)	-7.3		
Increase of selling and general administrative expenses (except depreciation costs)	-5.8		

Total	+1.0
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1. Market Reform

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

2. Product Reform

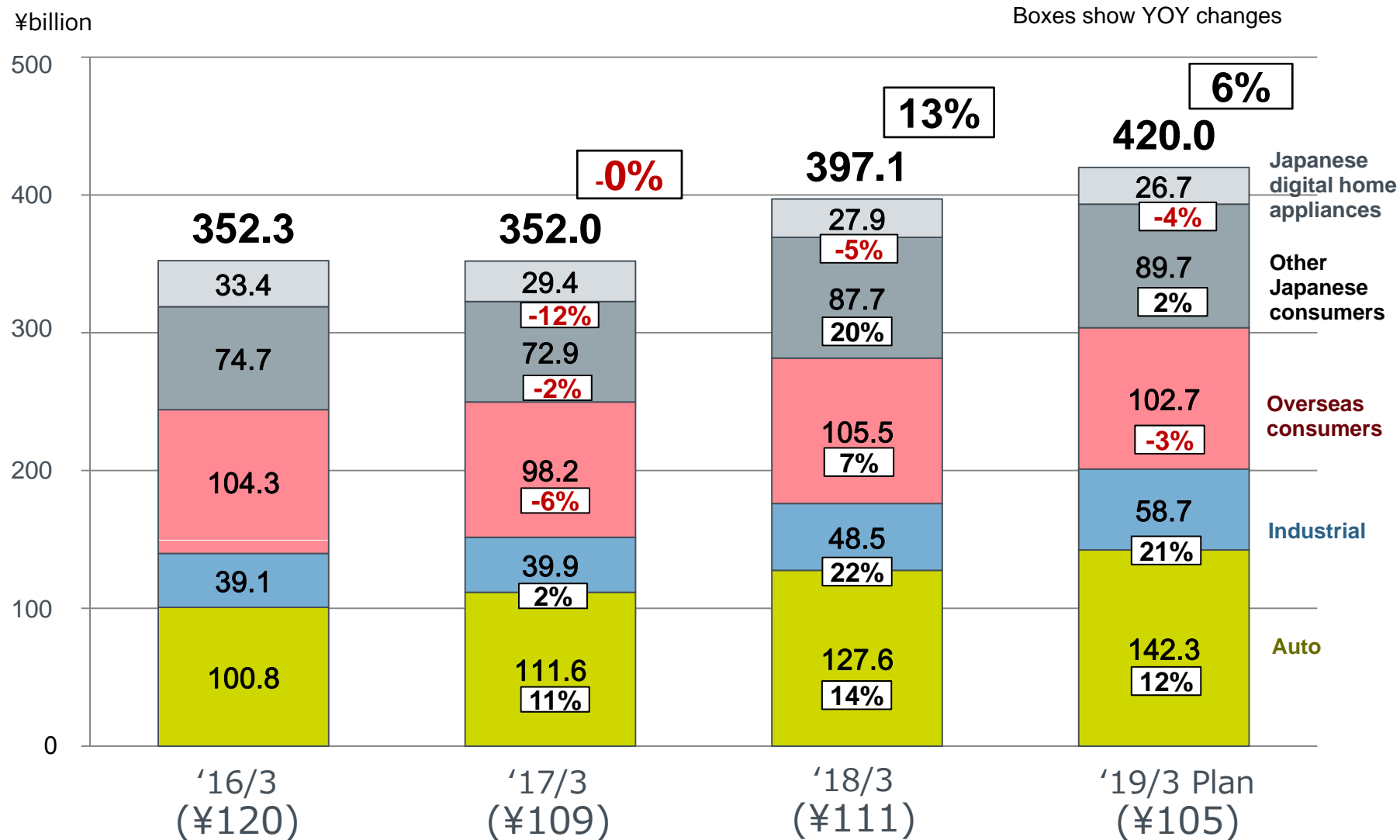
- Focusing on Four Growth Solutions
 - High performance **Analog Solutions** with digital control capabilities
 - **Power Solutions** centering on SiCs
 - **Sensor Solutions** introducing MEMS・Photonics
 - **Mobile Solutions** providing ultra small-sized devices

3. Production Reform

- Aiming for World's No.1 Manufacturing Plant
- Making all factories smart factories
- Aiming for Zero Defects

ROHM's Strategy

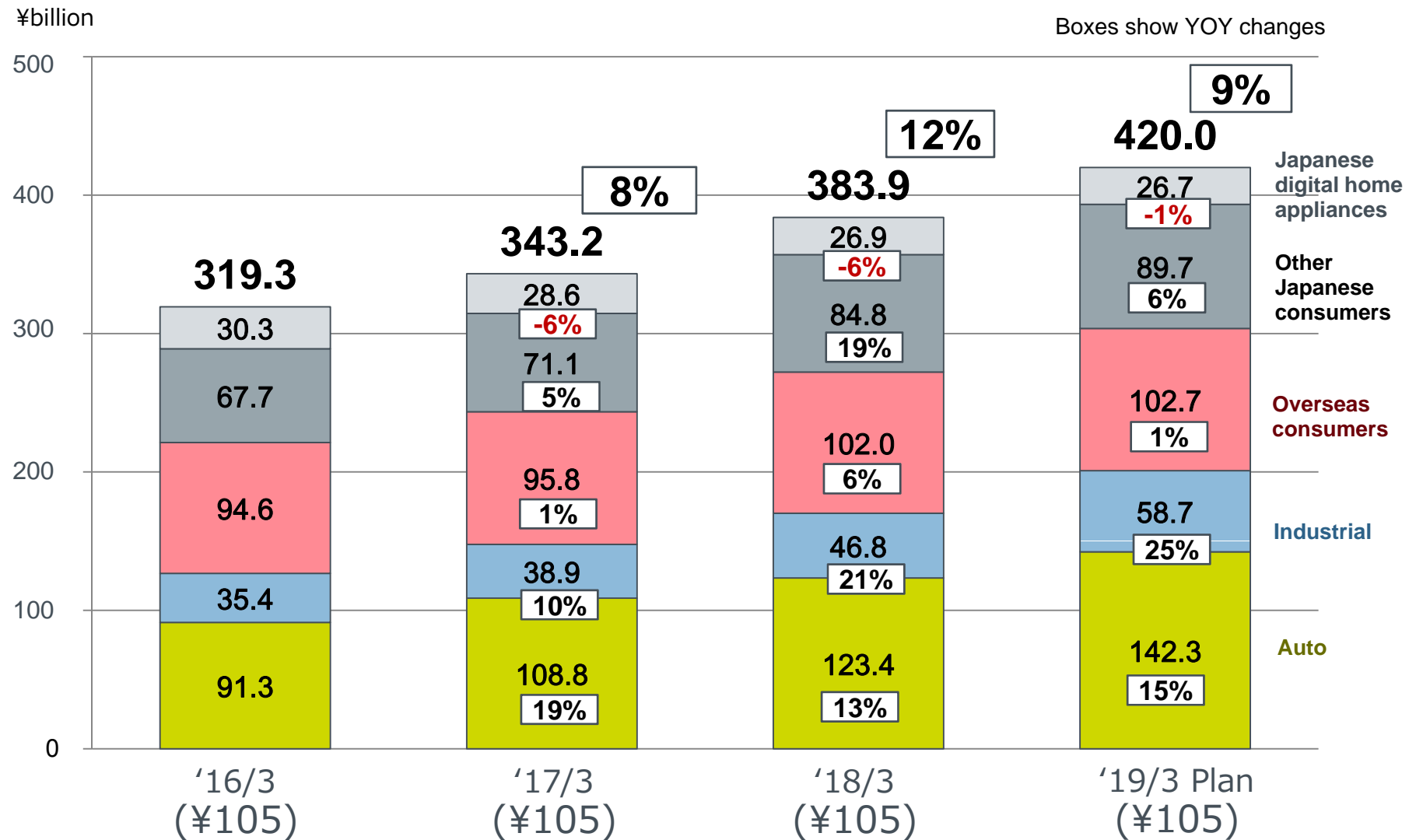
Four Year Trends in Sales by Market (YOY)



ROHM's Strategy

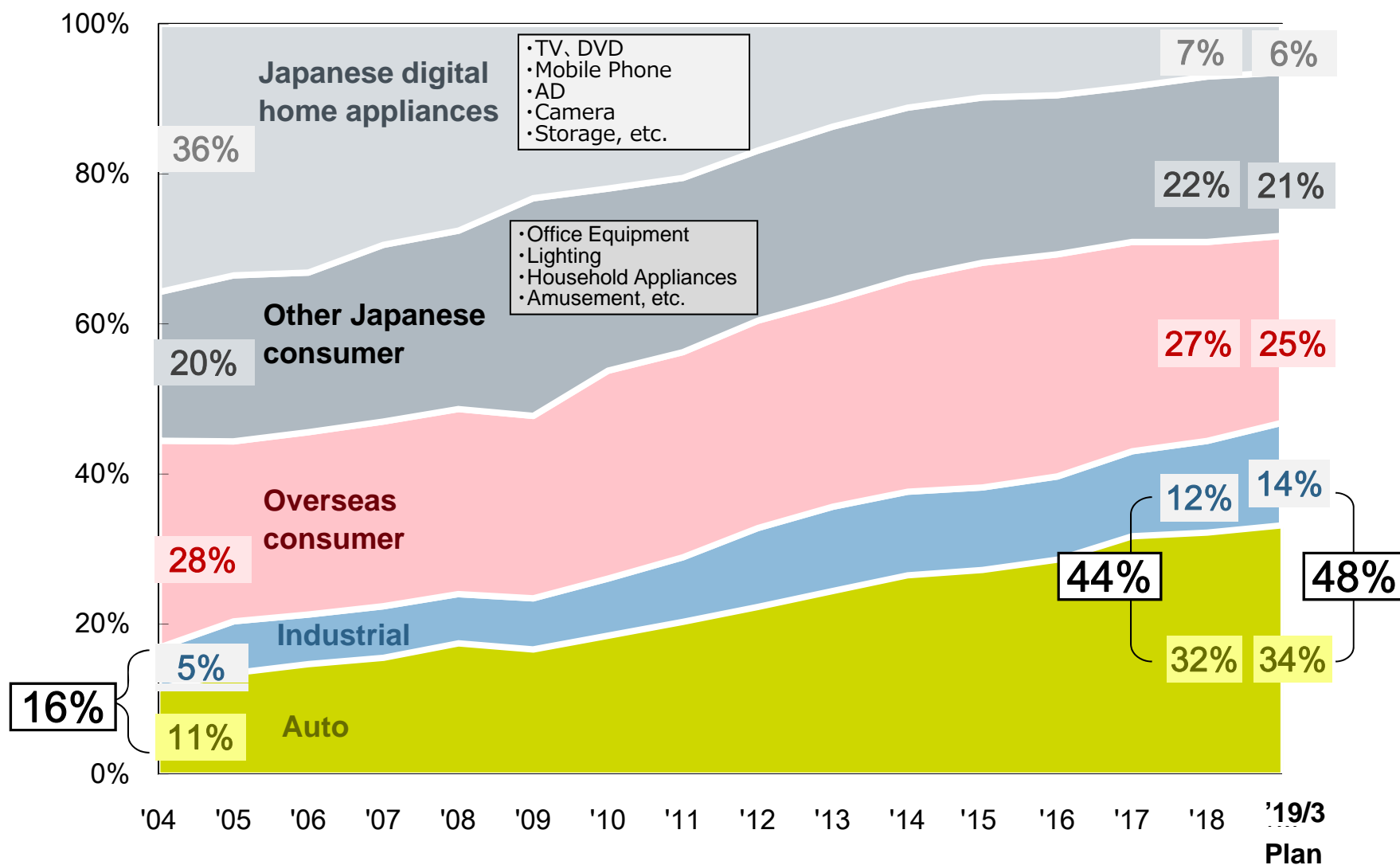


Four Year Trends in Sales by Market (YOY) (Forex impact adjusted)



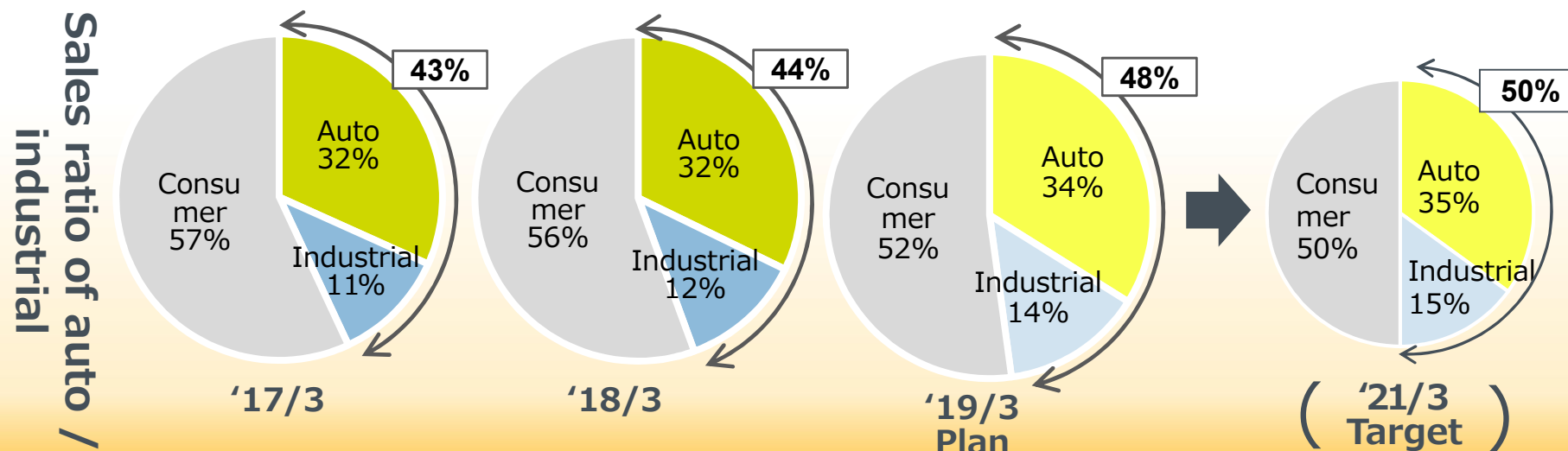
ROHM's Strategy

Trend of Sales Composition Ratio by Market (2019/3 Plan)

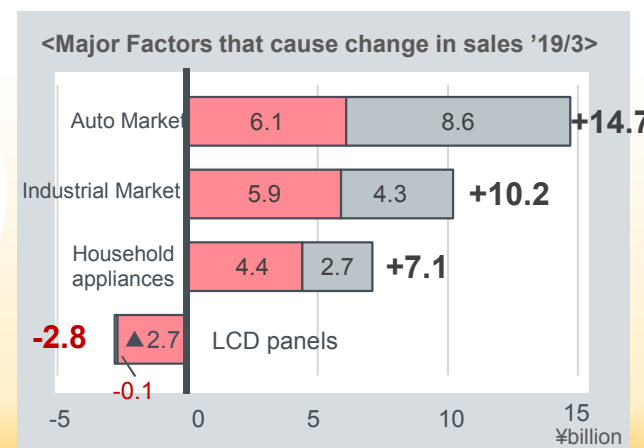
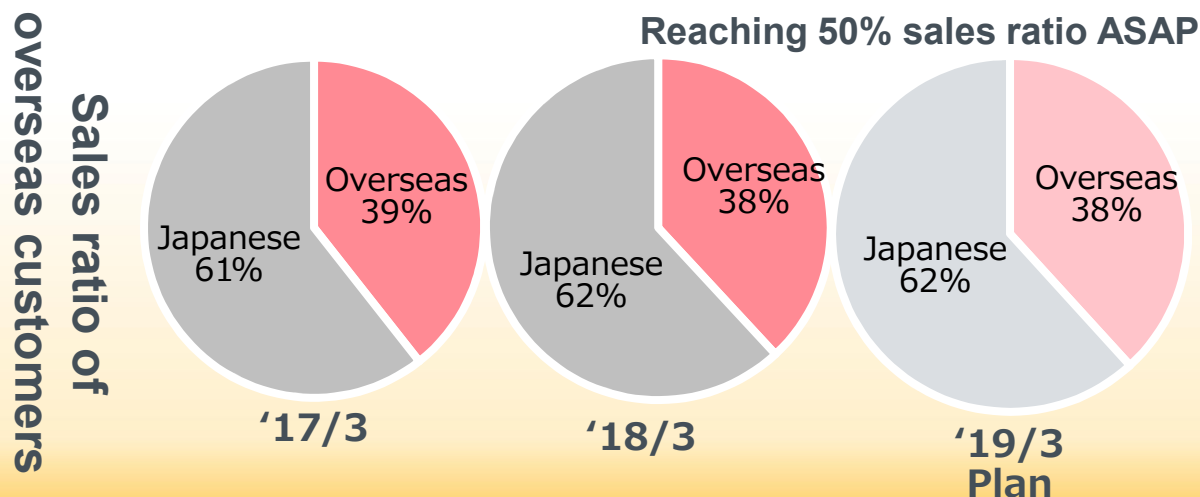


Sales Ratio of Auto / Industrial and Overseas Customers

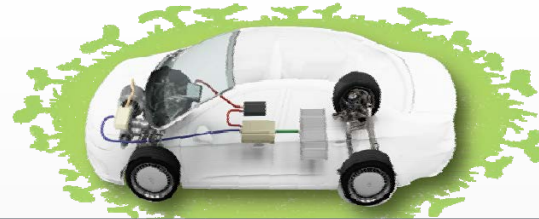
■ Reaching 50% sales ratio for auto + industrial markets by '21/3



■ Overseas sales for automotive, industrial and household appliance markets are expanding.

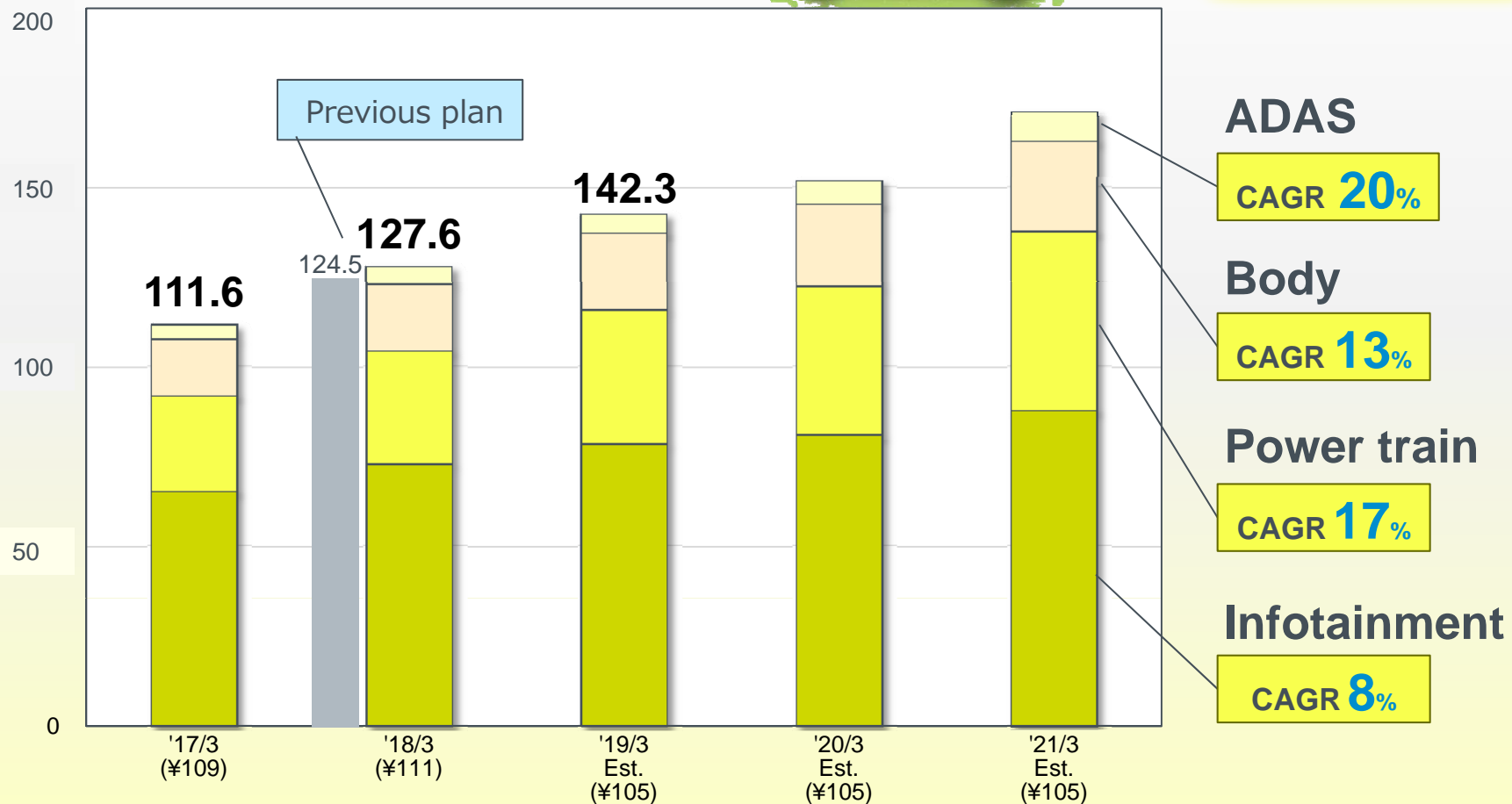


Sales projections for each automotive application



CAGR 11%
(‘17/3-’21/3)

(¥billion)

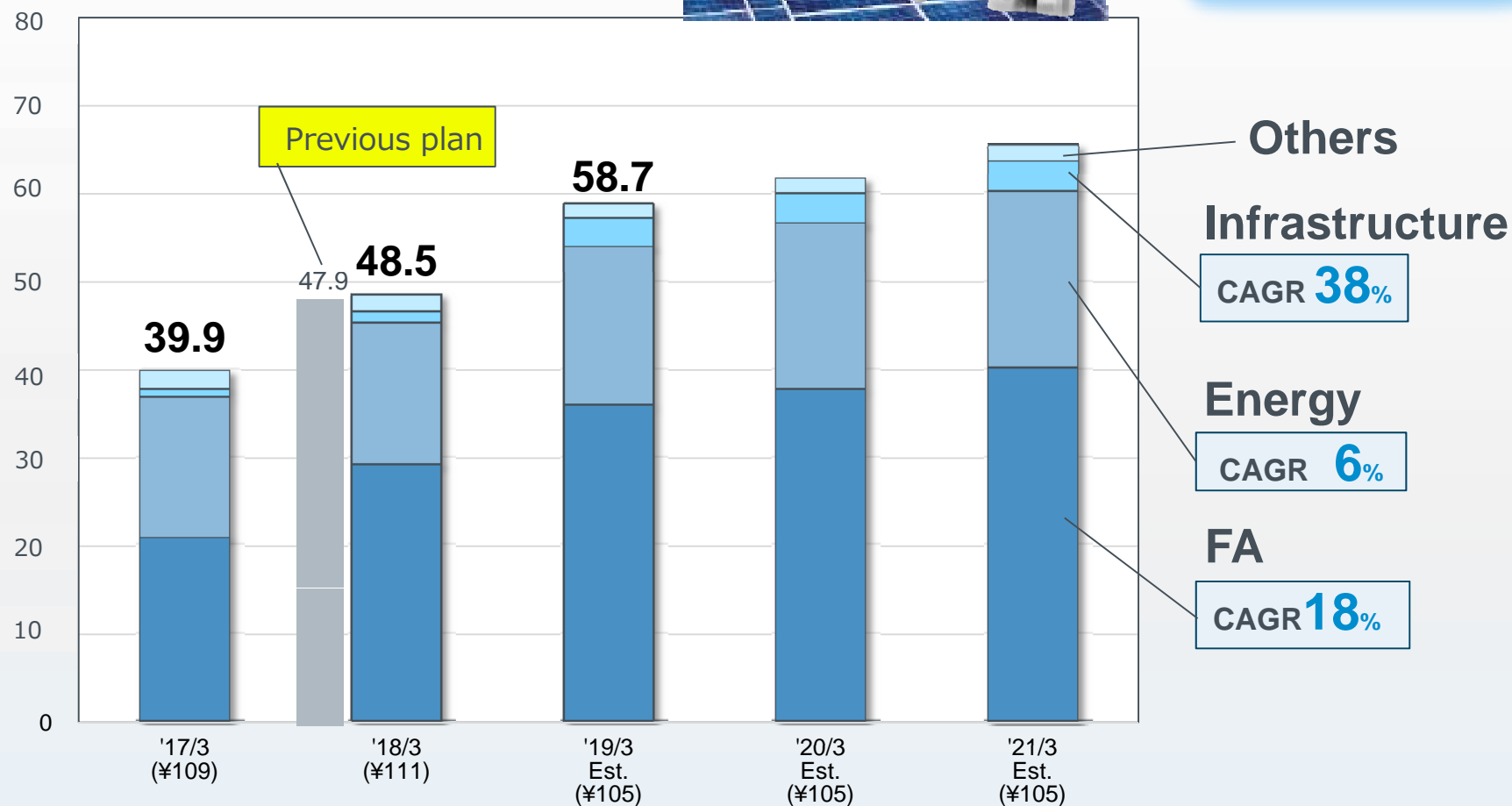


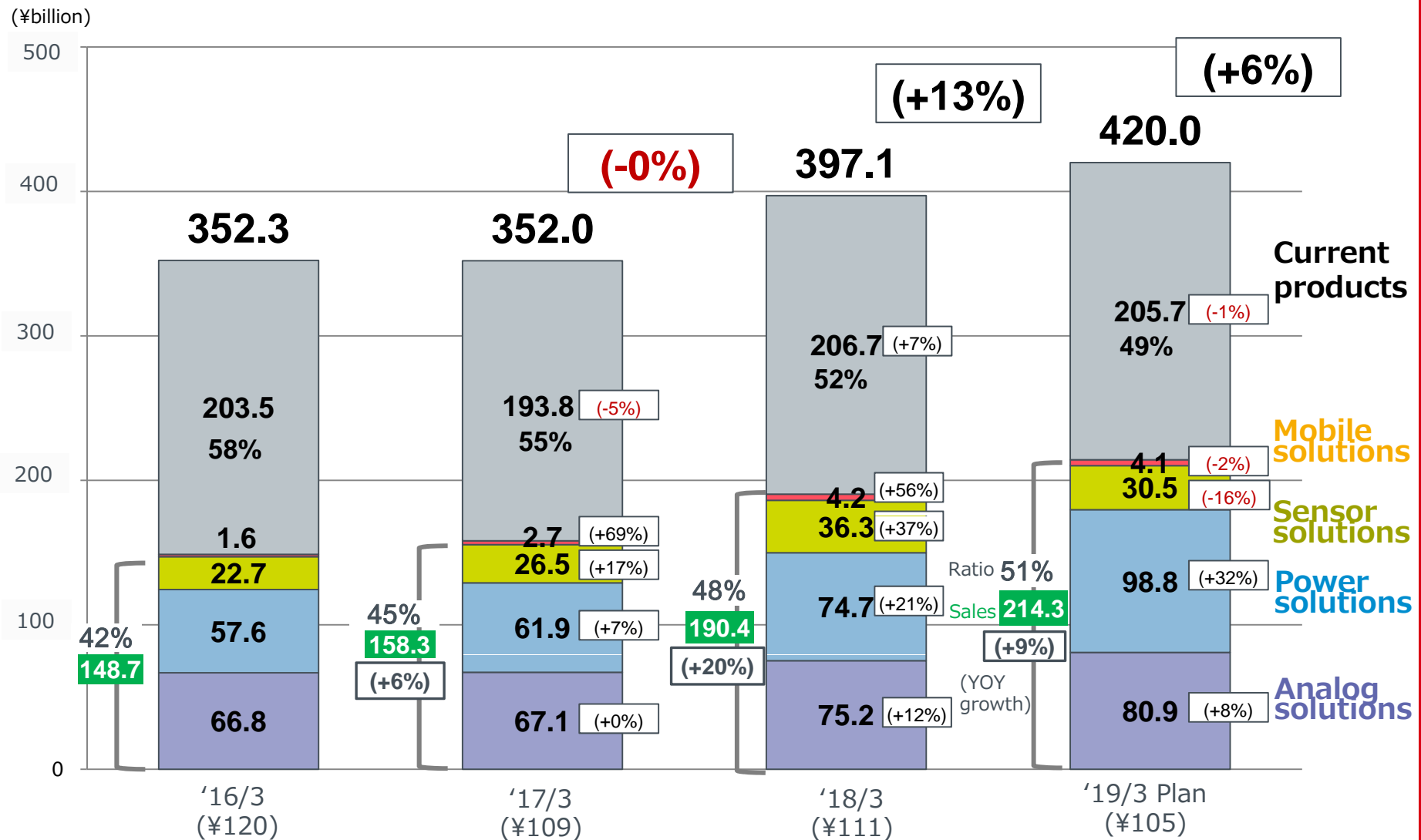
Sales projections for each industrial application



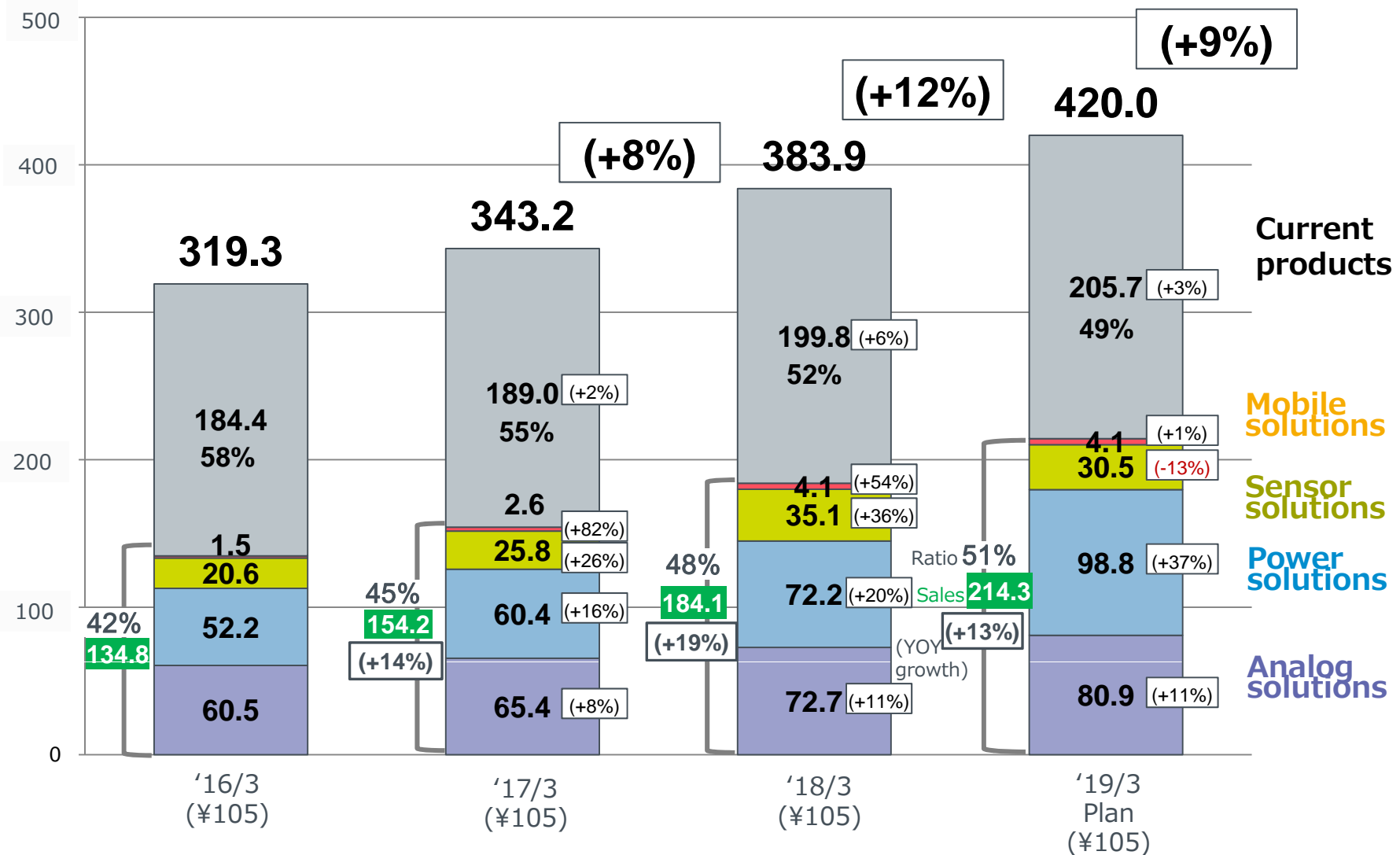
CAGR 13%
(‘17/3-’21/3)

(¥billion)





(¥billion)



■ Capital Expenditures Plan



(¥billion)

	Total	Capacity increase	Land, building	New products	Quality	Others
'17/3	42.1	13.8	7.3	9.8	3.3	7.9
'18/3	55.9	25.8	4.5	11.4	3.5	10.7
'19/3 Plan	78.0	32.5	12.6	15.7	6.1	11.1

Points to continue and strengthen

- Aiming for World's No.1 by strengthening Analog Power
- Maintaining long-term stable supply by improving production capacity
- Investing for quality improvement to accomplish zero-defect

Analog

- Develop products using World's No.1 analog core Technology
- Reference business to drive cutting-edge CPU

High efficiency Power IC

System Power IC

Power Device

- World's leading Power Devices
- Power Solution centering on SiC

SiC

Isolated Gate Driver

General-purpose Device

- Discrete devices with overwhelming supply capacity
- High-quality products with cutting-edge technologies

Transistor

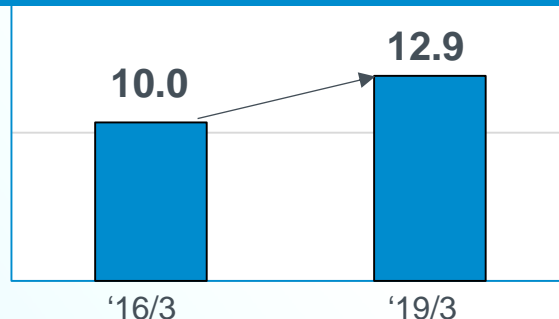
Diode

Resistor

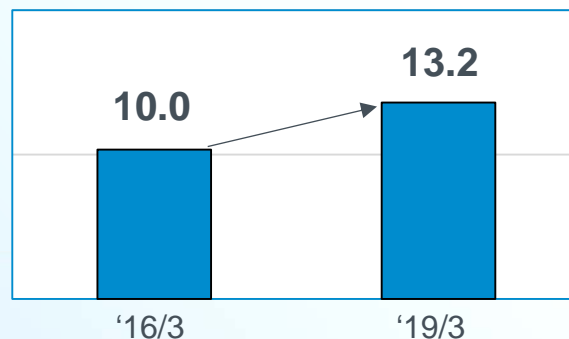
General-purpose
IC

Comparison of production capacity of major products

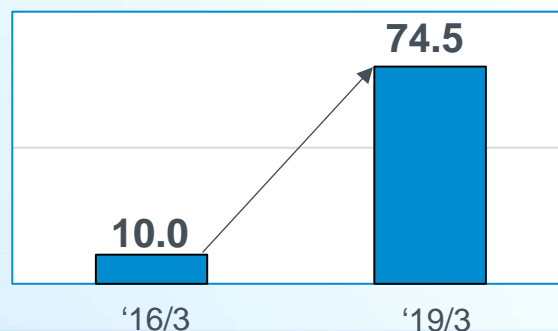
ICs



TR/DI



SiC



Continuing investment to increase production and establish stable supply system

- ROHM Thailand IC/TR Back-end process

Increase production

- ROHM Malaysia DI Back-end process

Increase production

- SiCrystal SiC wafer

Increase production

Main Plan of 2019/3

- ROHM Hamamatsu IC Front-end process

Reinforce

- ROHM Philippine Resistor

Build new building

- ROHM Apollo SiC Device

New building start construction

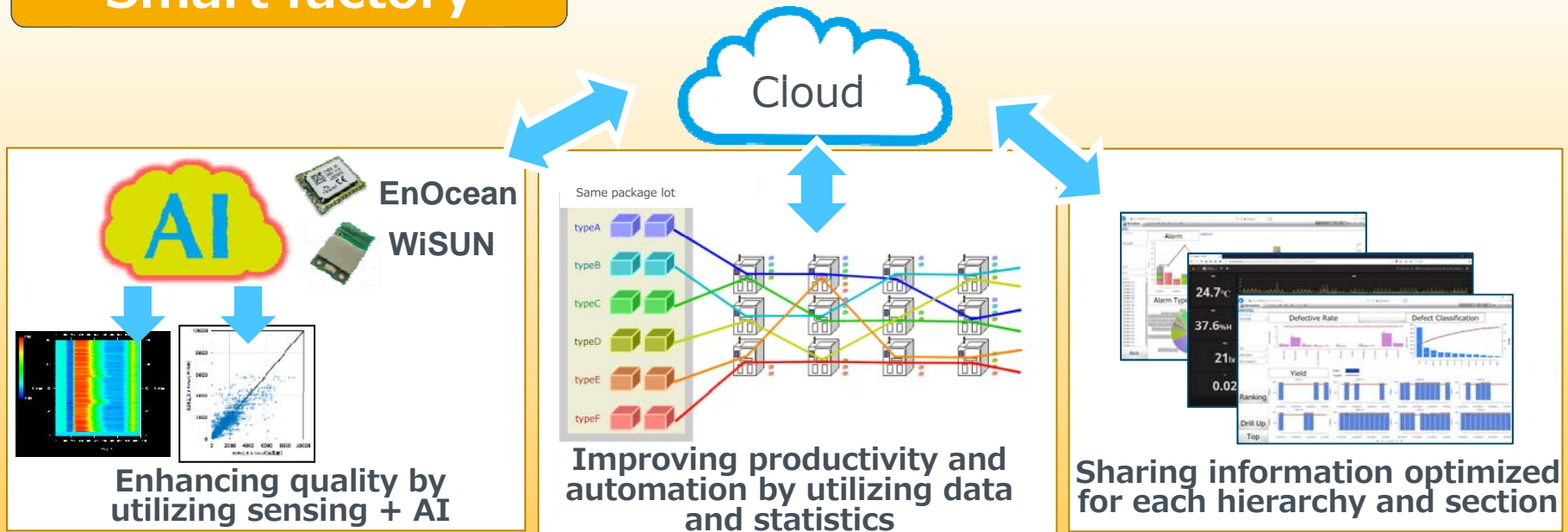
Capital Expenditures Plan

Investing for quality improvement to accomplish zero-defect



Smart factory

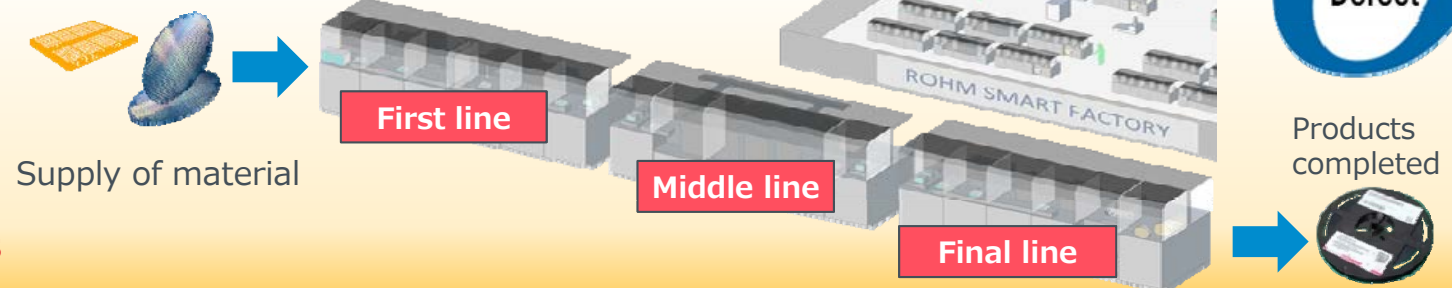
Improve QCD by visualization of all plants



ZERO Defect Production Line

Develop new production lines for auto and industrial market

Challenging to establish production lines that will only produce good quality products

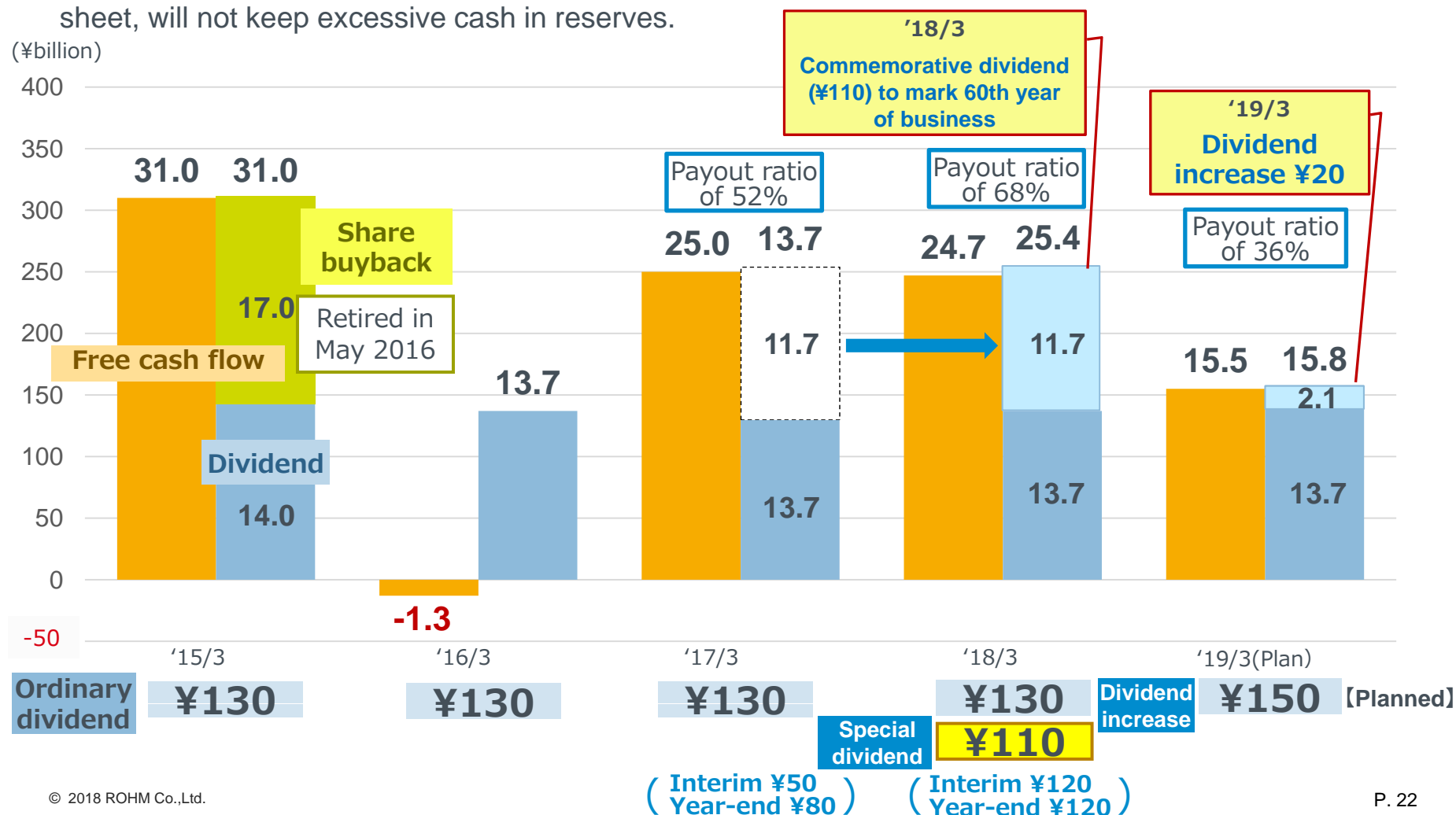


■ Returns to Shareholders

(Transition of free cash flow and shareholder returns)



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



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.

