



半導体の技術で
夢を、未来をカタチに。

ローム株式会社





2020/3

Presentation

ROHM CO.,LTD

■ Financial Results for the Year Ended 2020/3

Financial Results for the Year Ended 2020/3

Sales trend by Market, Region

Changes in Operating Income

Comparison of Sales Trend

Trend of Sales by Markets

■ Capital Expenditures

■ Inventories

■ Return to Shareholders

■ The Impact of the COVID-19 Pandemic

■ ROHM's Strategy

■ Financial Results for the Year Ended 2020/3 (YOY)



(¥billion)

	'20/3	'19/3	Amount(YOY)	Ratio(YOY)
Net sales	362.8	398.9	-36.1	-9.0%
Operating income	29.4	55.9	-26.4	-47.3%
(Ratio)	(8.1%)	(14.0%)	-	-
Ordinary income	35.7	64.6	-28.9	-44.7%
(Ratio)	(9.9%)	(16.2%)	-	-
Net income	25.6	45.4	-19.8	-43.6%
(Ratio)	(7.1%)	(11.4%)	-	-
EBITDA	73.8	101.3	-27.5	-27.1%
(Ratio)	(20.3%)	(25.4%)	-	-

Average rate(¥/US\$) (¥109.10) (¥110.69)

■ Financial Results for the Year Ended 2020/3

(VS. Revised Plan)



(¥billion)

	'20/3	'20/3 Revised plan	Amount(YOY)	Ratio(YOY)
Net sales	362.8	365.0	-2.1	-0.6%
Operating income	29.4	27.0	+2.4	+9.2%
(Ratio)	(8.1%)	(7.4%)	-	-
Ordinary income	35.7	28.0	+7.7	+27.8%
(Ratio)	(9.9%)	(7.7%)	-	-
Net income	25.6	22.0	+3.6	+16.5%
(Ratio)	(7.1%)	(6.0%)	-	-
EBITDA	73.8	73.5	+0.3	+0.4%
(Ratio)	(20.3%)	(20.1%)	-	-

Average rate(¥/US\$) (¥109.10) (¥107.15)

'20/3 Full year Sales trend (YOY)

by Market Segments



(Unit: ¥billion)

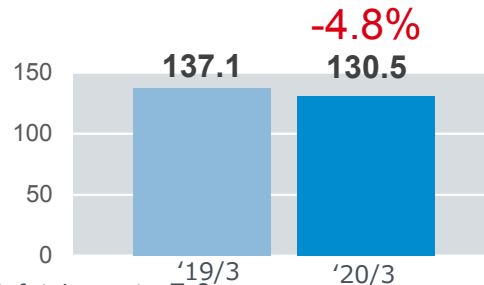
Full Year Sales

¥398.9 **-9.0%**
billion billion

'19/3

'20/3

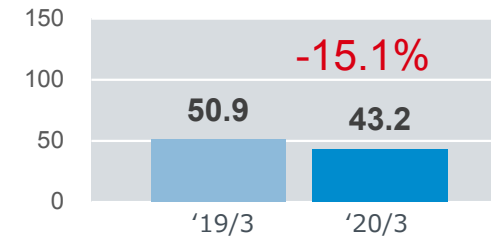
Automotive



- Infotainment -7.0
- (Conventional audio/navigation/Panel) -8.2
- Powertrain +1.0
- ADAS -0.4
- Body -0.1



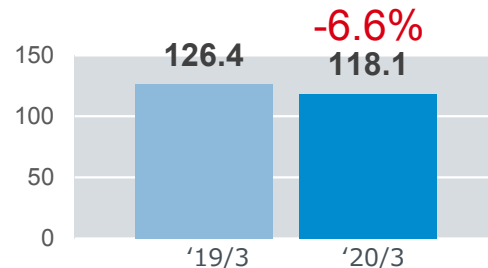
Industrial



- FA -4.0
- Energy -0.3
- Infrastructure -0.6
- Others -2.9



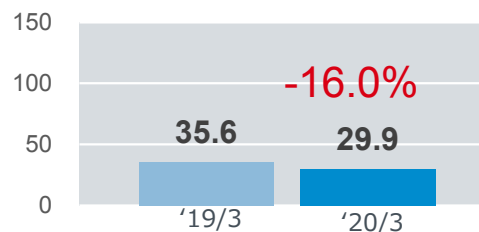
Consumer



- AV -5.0
- Home appliance -1.5
- Amusement-1.5
- Others -0.3



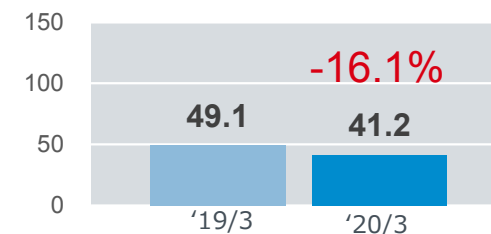
Communication



- Overall communication -5.7



OA Equipment



- PC, OA -6.7
- For POS -1.2

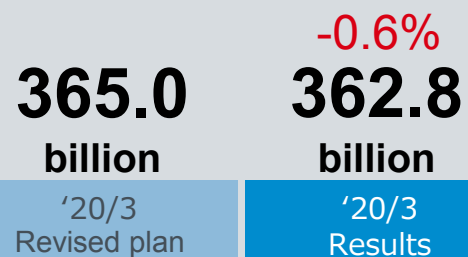


'20/3 Full year Sales trend (V.S Revised Plan) by Market Segments

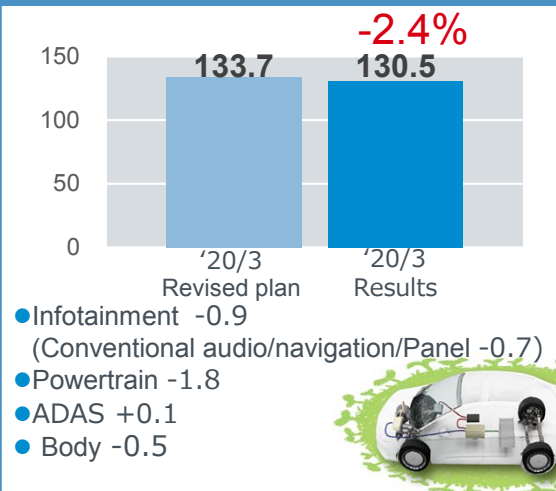


(Unit: ¥billion)

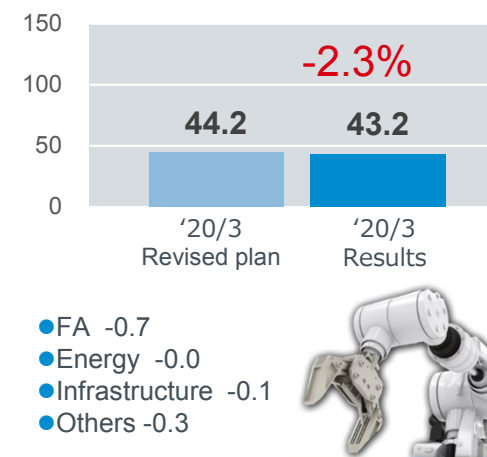
Full Year Sales



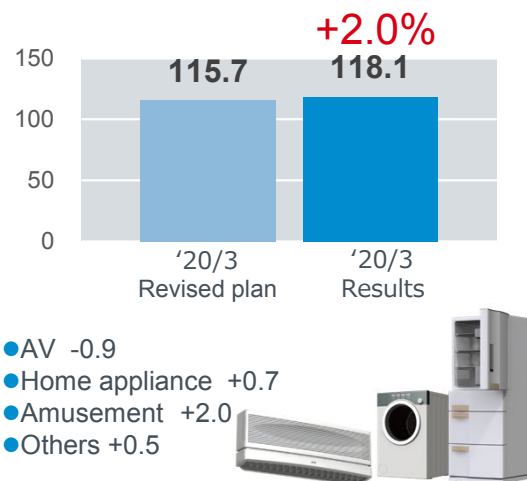
Automotive



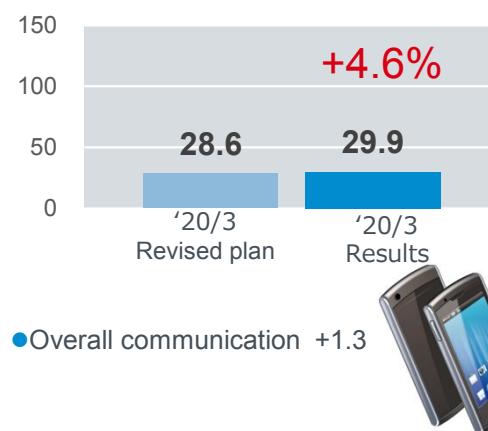
Industrial



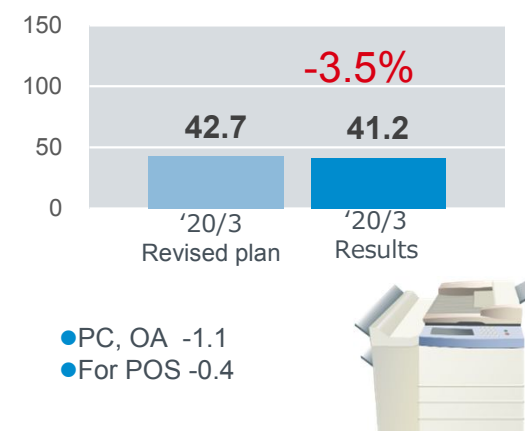
Consumer



Communication



OA Equipment



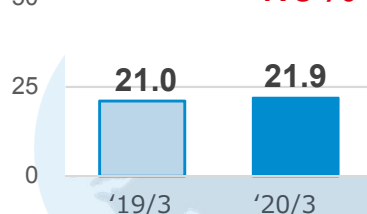
'20/3 Full year Sales trend(YOY) by Geographic region



Full year Sales **¥398.9 billion** '19/3 **¥362.8 billion** '20/3 **-9.0%**

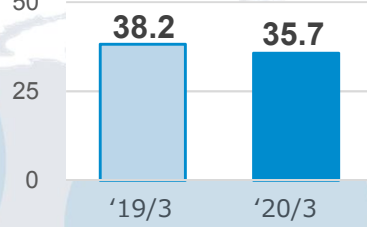
Full Year YOY

EU +4.0%



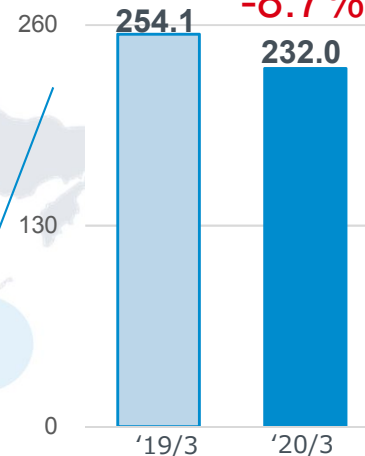
- Automotive : +2.0
- Industrial : -0.7
- Consumer : -0.0
- Communication : +0.0
- OA : -0.5

China -6.5%



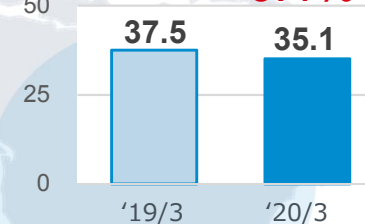
- Automotive : -1.1
- Industrial : -0.6
- Consumer : +0.0
- Communication : -0.4
- OA : -0.5

Japan -8.7%



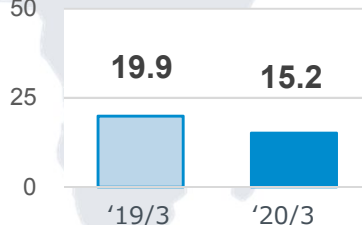
- Automotive : -6.8
- Industrial : -3.9
- Consumer : -5.6
- Communication : -0.9
- OA : -4.9

USA -6.4%



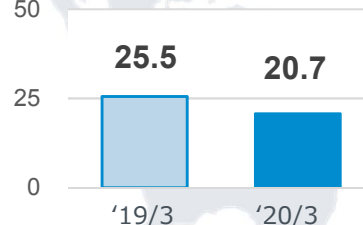
- Automotive : +0.4
- Industrial : -1.2
- Consumer : -0.7
- Communication : -0.4
- OA : -0.5

Taiwan -23.4%



- Automotive : -0.3
- Industrial : -0.8
- Consumer : -1.1
- Communication : -0.9
- OA : -1.6

Korea -18.7%



- Automotive : -0.7
- Industrial : -0.1
- Consumer : -0.9
- Communication : -3.1
- OA : +0.2

※Calculated Sales of Customers by Nationality
(Unit: ¥billion)

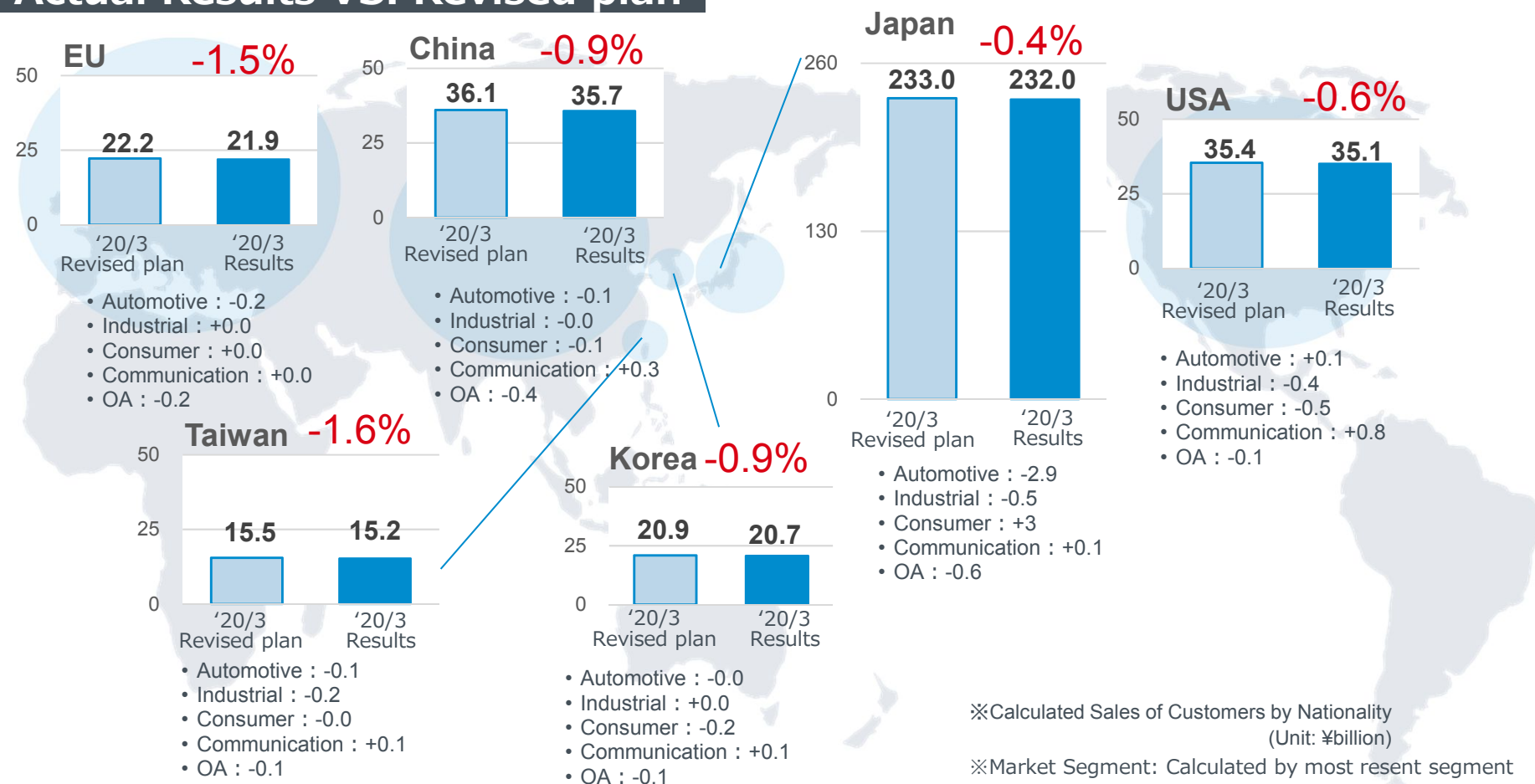
※Market Segment: Calculated by most recent segment

'20/3 Full year Sales trend (VS. Revised Plan) by Geographic region



Full year Sales **¥365.0 billion** **¥362.8 billion**
 '20/3 Revised plan '20/3 Results **-0.6%**

Actual Results VS. Revised plan

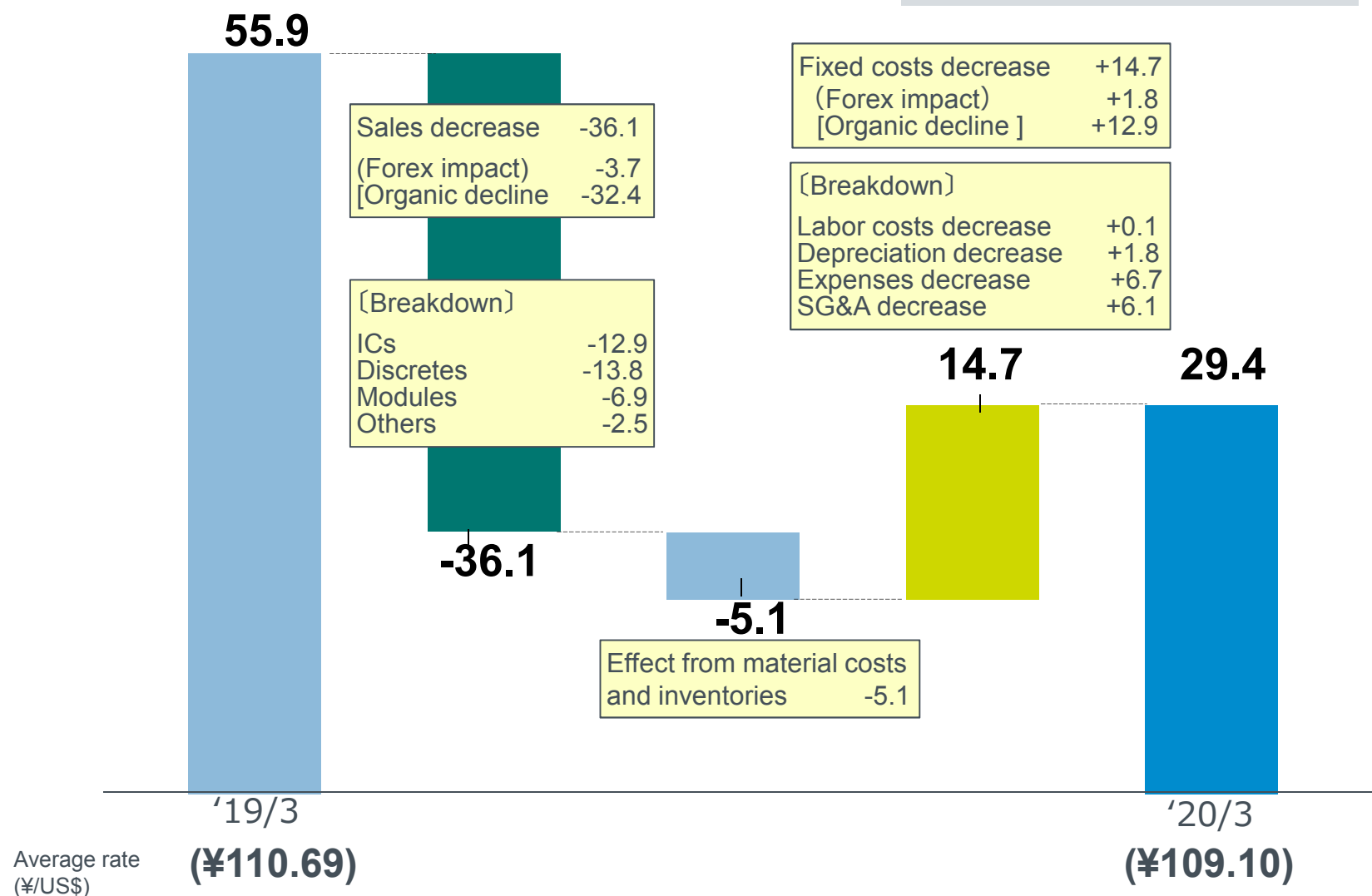


※Calculated Sales of Customers by Nationality
 (Unit: ¥billion)

※Market Segment: Calculated by most resent segment

Changes in Operating Income (YOY)

¥26.5 billion Decrease (¥billion)

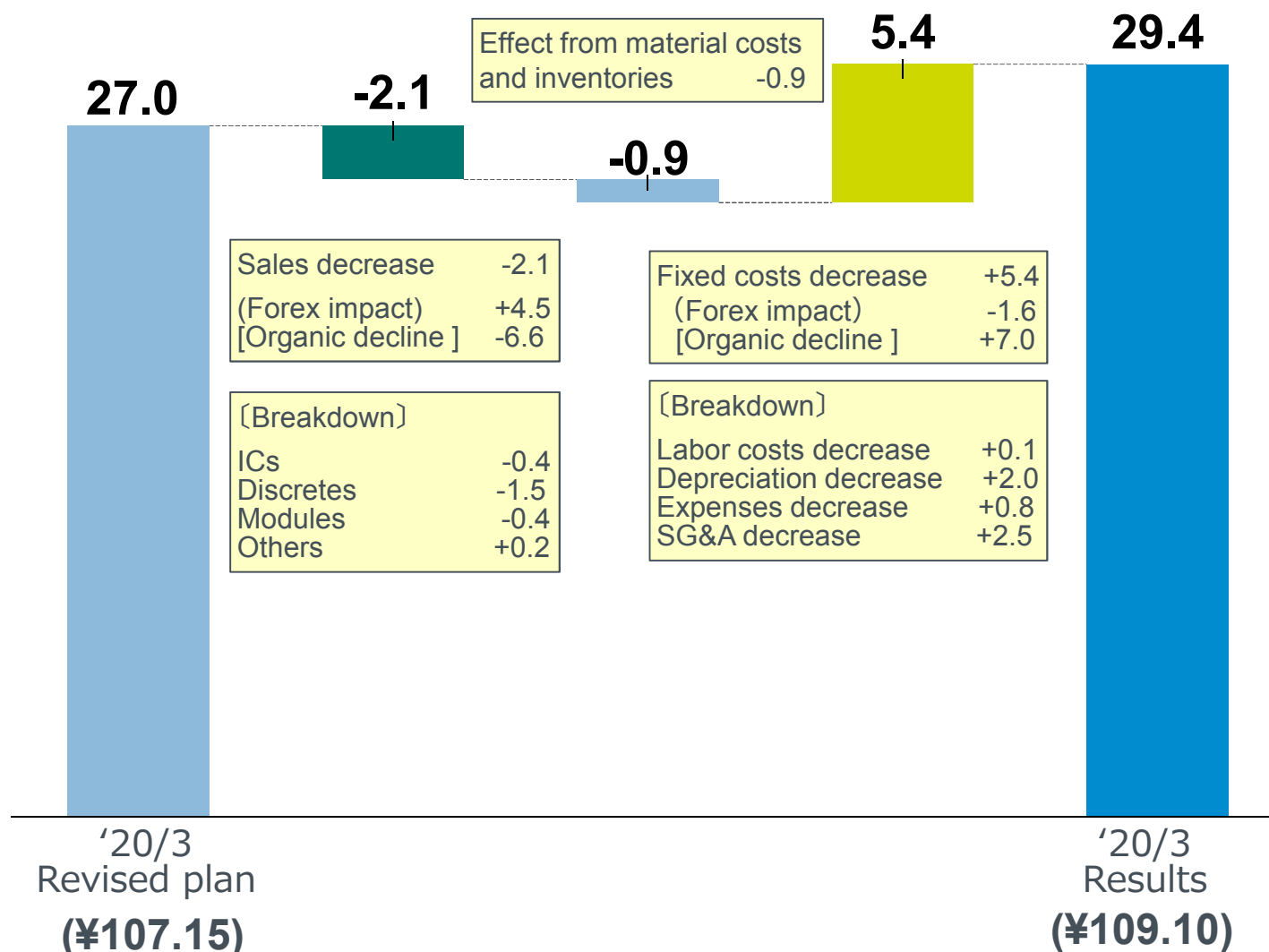


Changes in Operating Income(VS. Revised Plan)



¥2.4billion Increase

(¥billion)

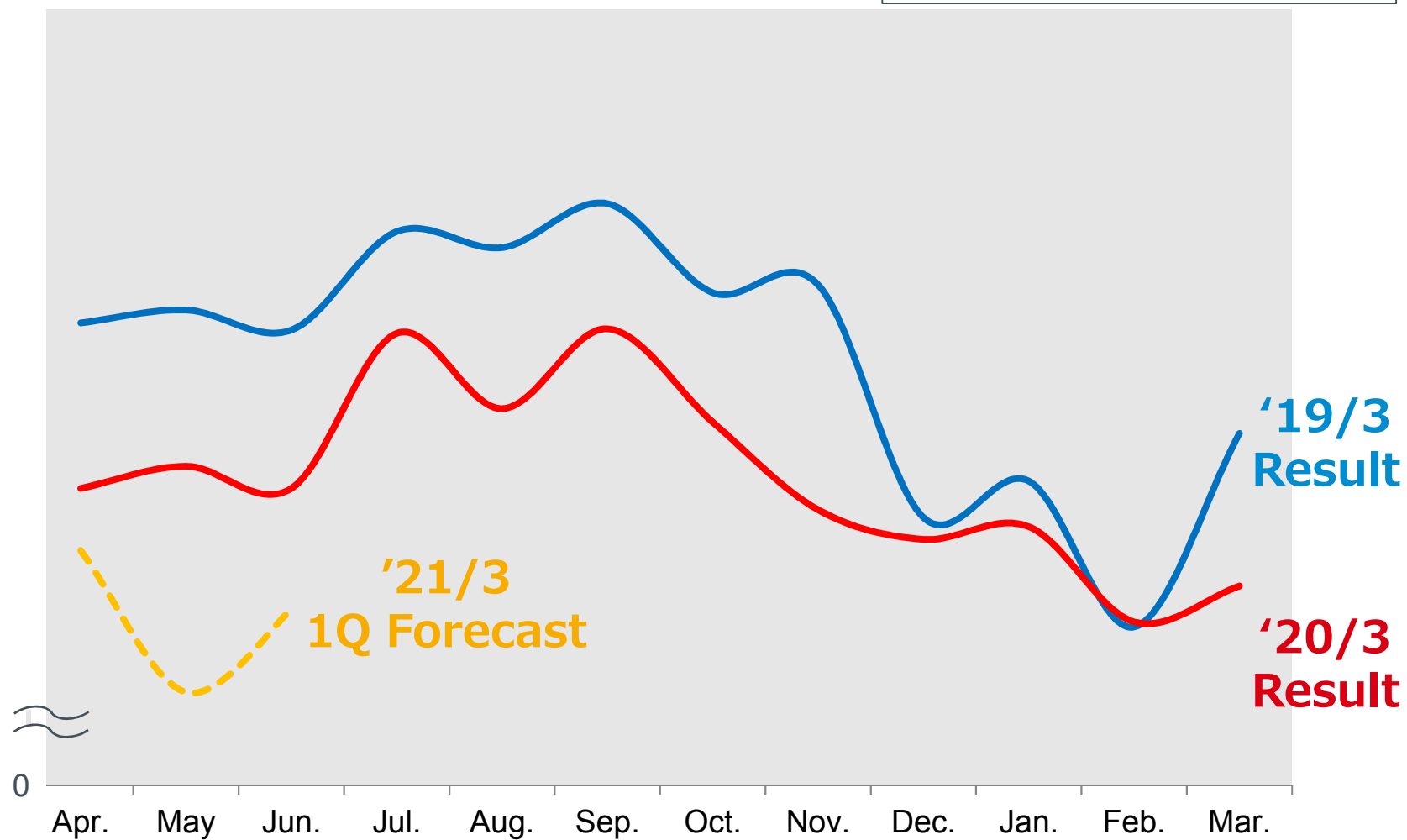


Average rate
(¥/US\$)

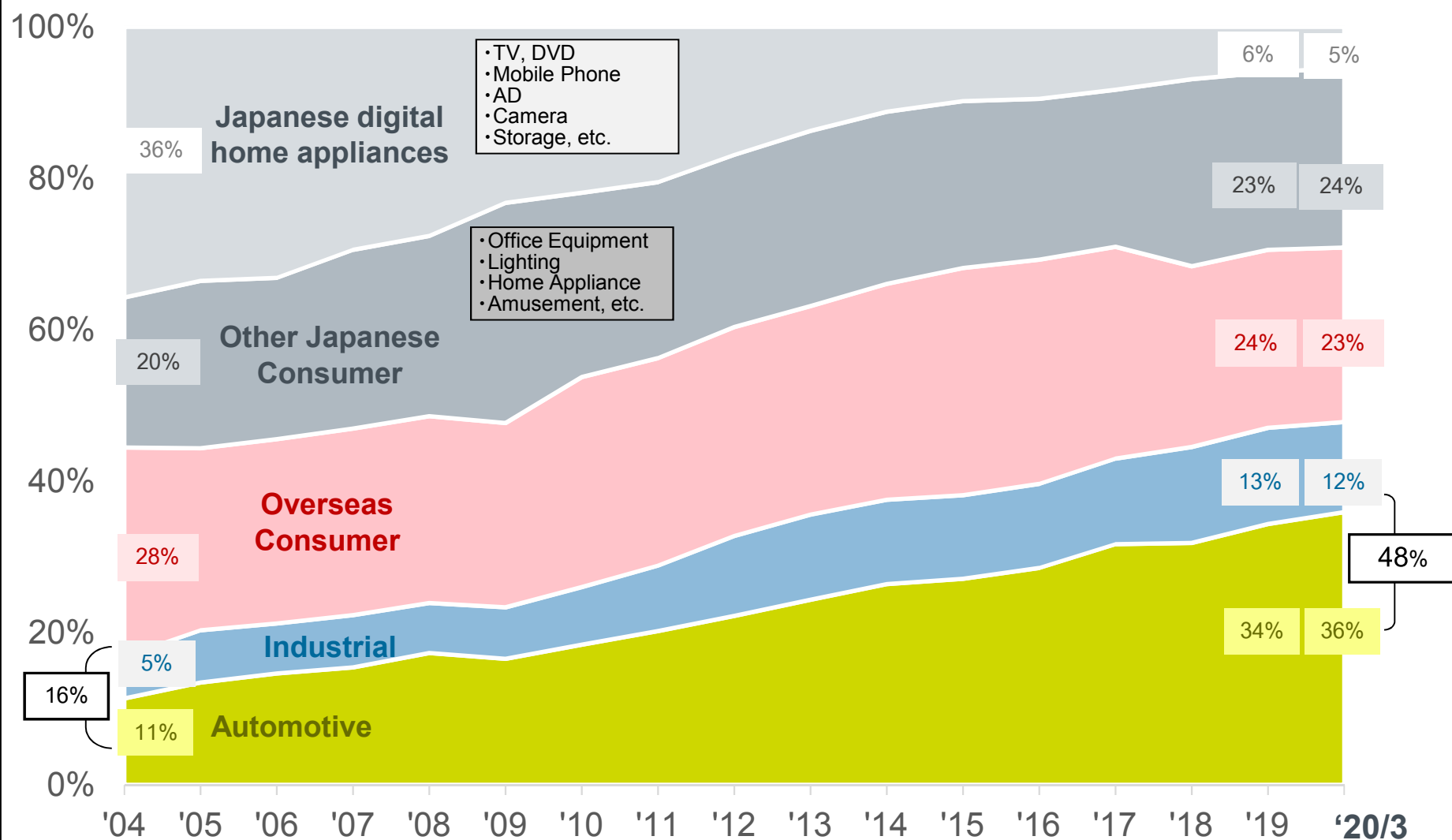
Comparison of Sales Trend



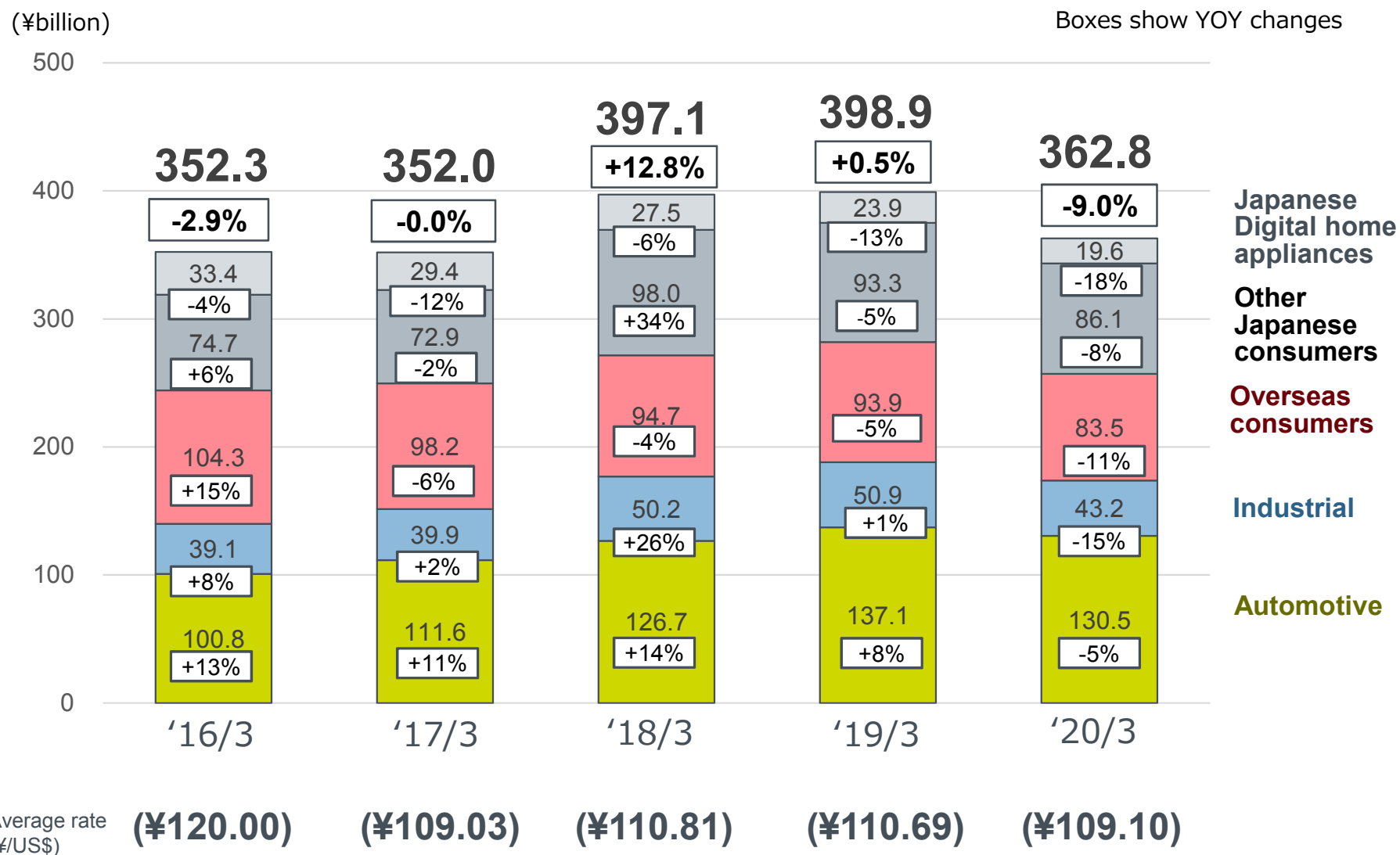
Excluding effect from forex



Trend of Sales Composition Ratio by Market



Five Year Trends in Sales by Market



Capital Expenditures

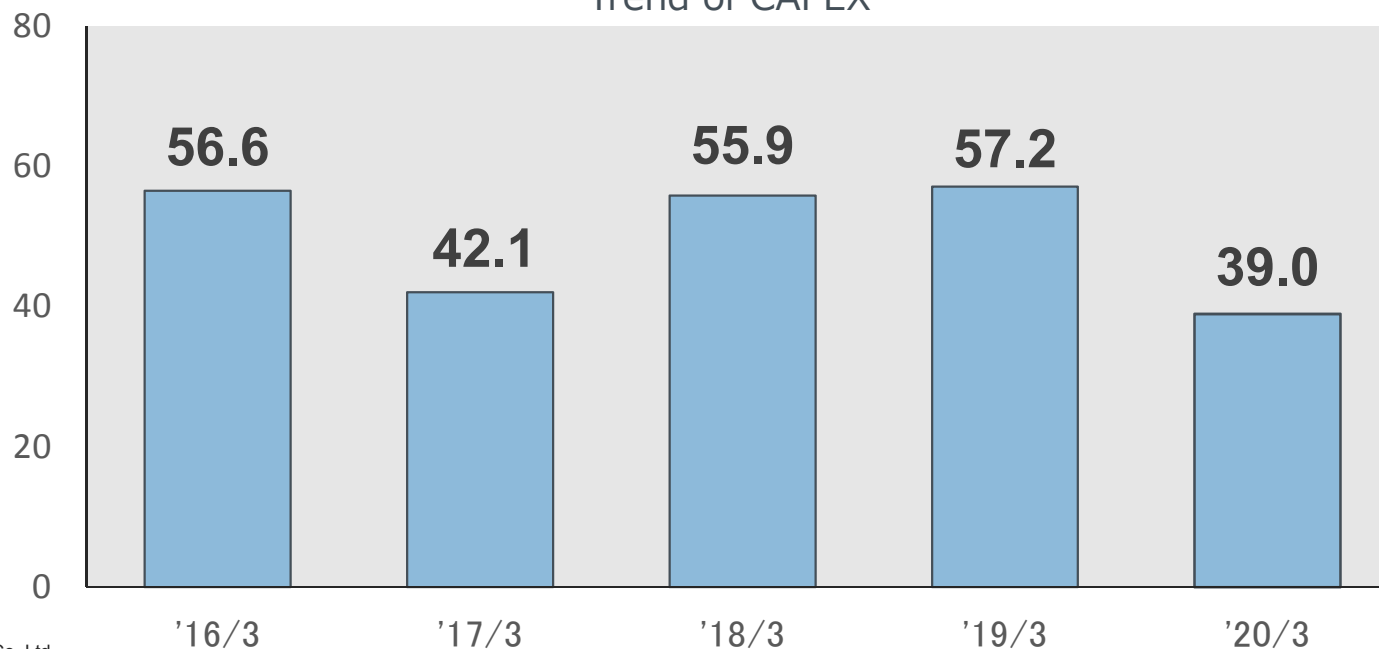


(¥billion)

	Total	Capacity increase	Land/ building	Improve quality	Others
'18/3	55.9	37.2	4.5	3.5	10.7
'19/3	57.2	28.5	12.2	3.3	13.8
'20/3 Revised plan	50.0	21.9	9.7	4.4	14.0
'20/3 Results	39.0	17.1	8.5	2.5	10.9

(¥billion)

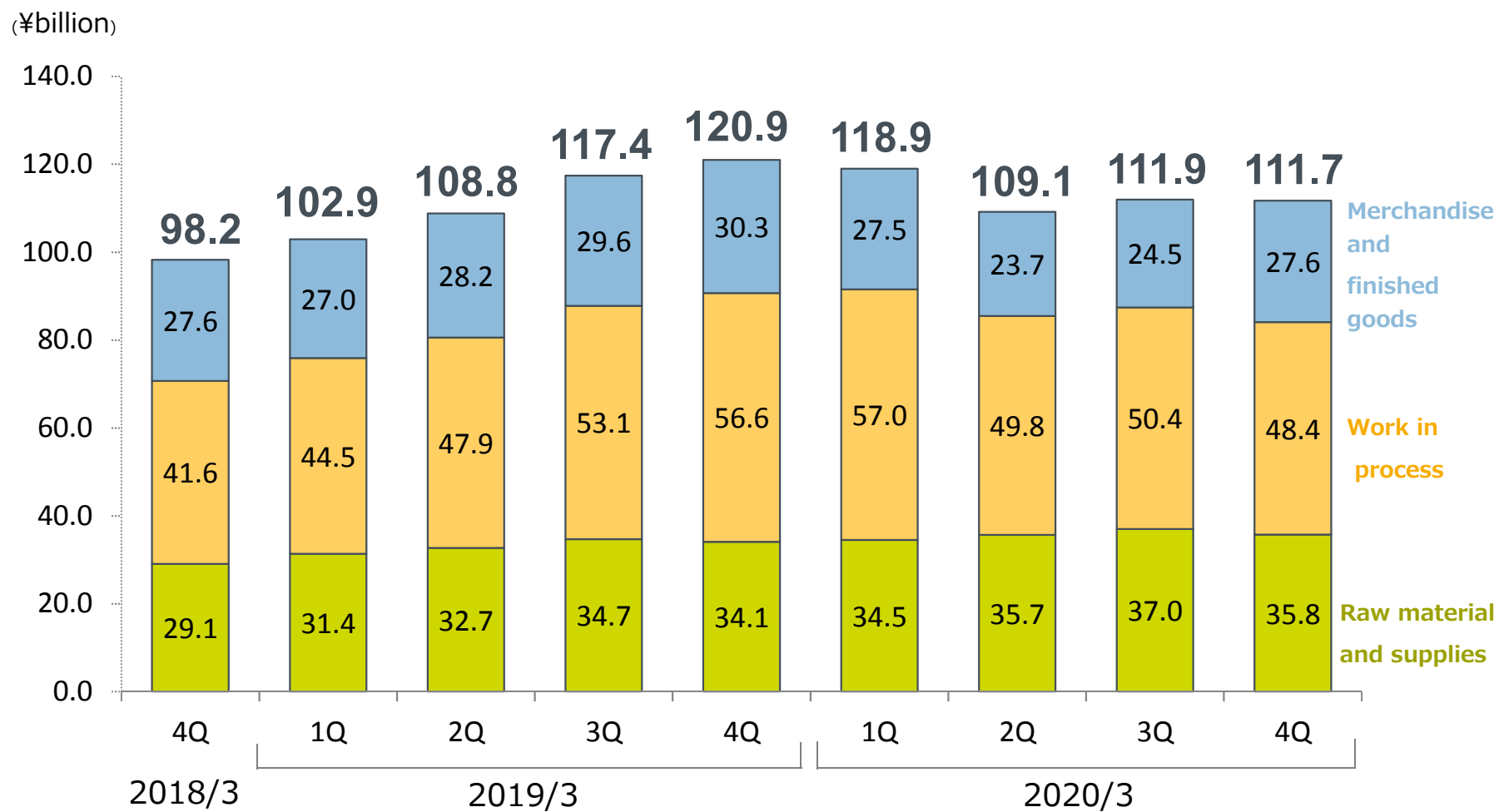
Trend of CAPEX



Inventories (Amount)



Trend of Inventories



■ Returns to Shareholders

(Transition of Free Cash Flow and Shareholder Returns)

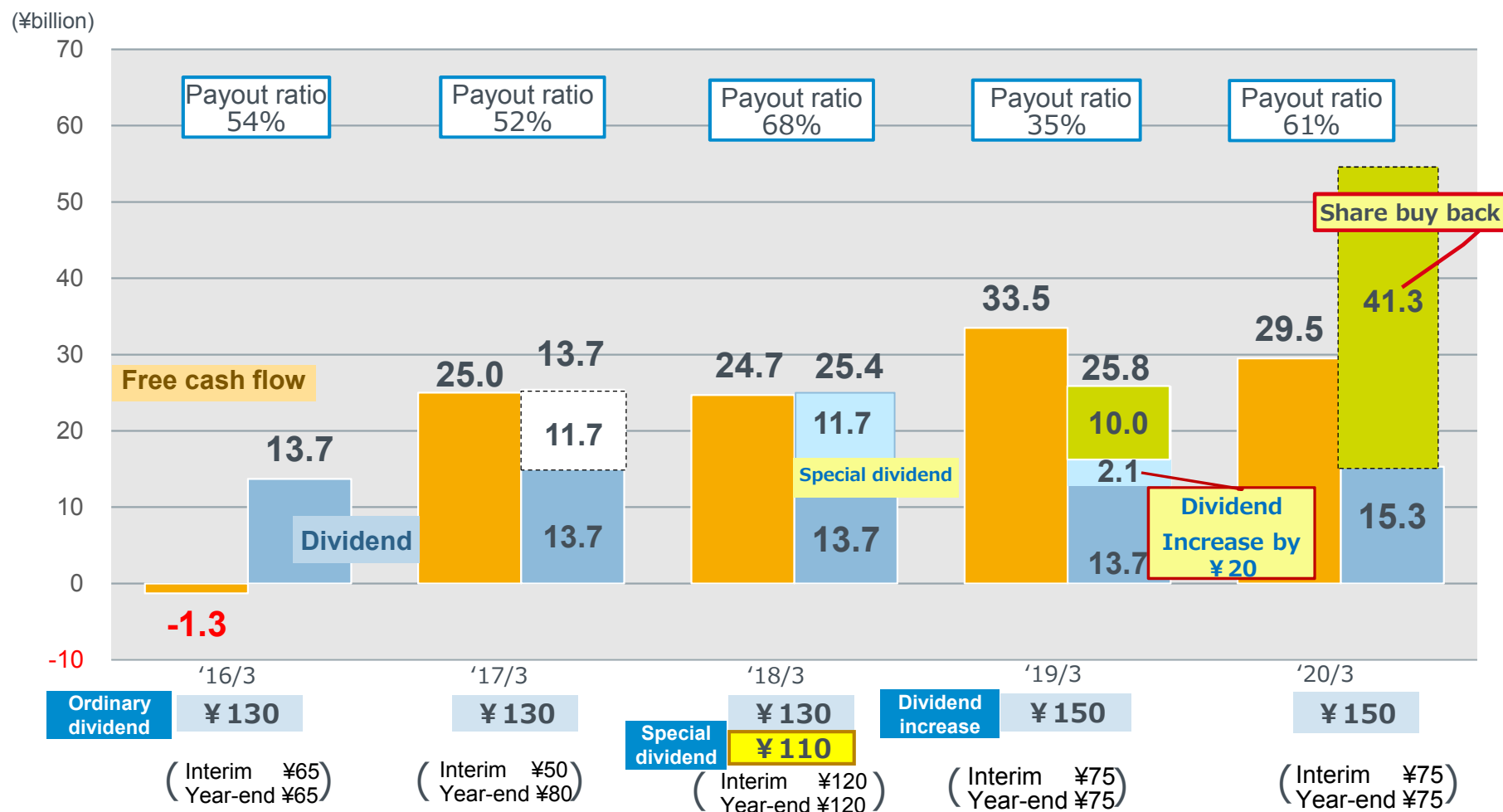


ROHM determined to buy back shares based on three factors:

①Plan to reduce strategic shareholdings ②Current stock market trends ③Mid-to long-term financial outlook

No changes to our finance and return to shareholders policies

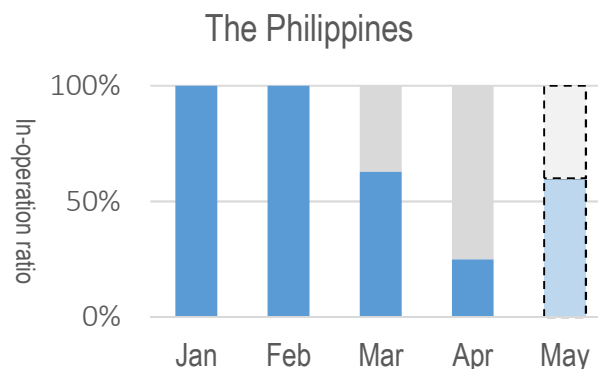
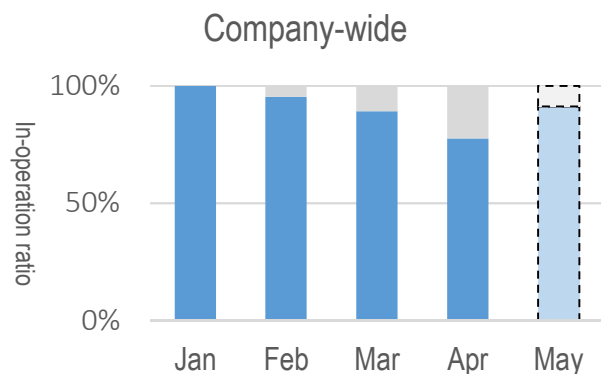
(Aggressive investment for business growth, targeting payout ratio of 30% or more, no dividend cut as much as possible, etc.)



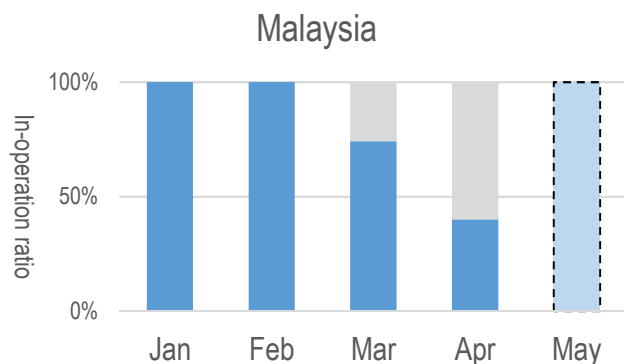
The Impact of the COVID-19 Pandemic (ROHM Group's Situation)



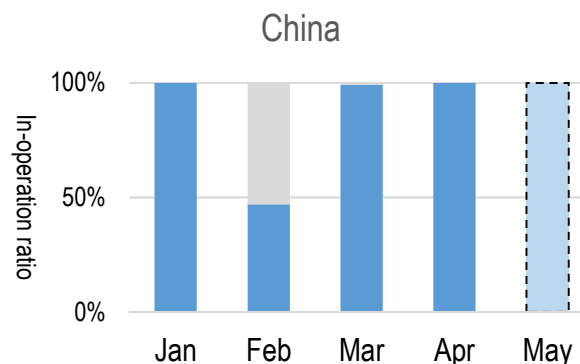
■ Items produced and operational status at ROHM Group business locations (post-manufacturing)



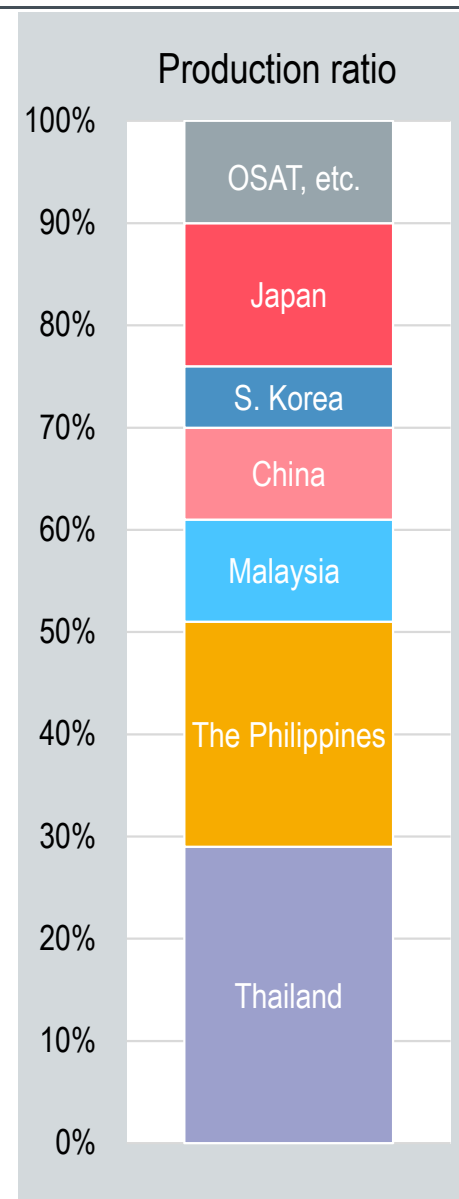
Mar 17: reduced operations
Apr 2: one infected employee, operations halted
Apr 5: partially resumed operations



Mar 17: reduced operations



Feb 1: delayed restart of operations until after Chinese New Year
Feb 16: partially resumed operations
Mar 4: restored normal operations



Impact of the COVID-19 Pandemic (organizations involved in epidemic prevention, etc.)



Example of measures taken in epidemic prevention

Measures taken	Facility in question
Temperature checks when coming in for work, staying at home in the event of fever	All locations
Work from home, staggered shifts, etc.	All sales management divisions; others determined based on the content of their work
Special vacation days for workers who cannot come to work, due to the need to look after children staying at home because of school closures	Each business location in Japan
Special permission for commuting to work by car	Headquarters
Domestic/overseas business trips prohibited, employees returning from overseas asked to stay at home, entertaining clients prohibited, reductions in meetings held, etc.	All locations
Changes in floor layout for cafeteria and other areas, main areas periodically disinfected, etc.	All locations
Masks distributed to employees, employees asked to refrain from going out of their homes, etc.	All locations

Measures taken to maintain supply to customers

Measures taken	Details	Facility in question
Production transferred to substitute facilities and locations	Some models transferred to other ROHM Group locations or to OSAT to deal with reductions and temporary suspension of operations	Tianjin, Dalian, The Philippines, Malaysia
Secured logistics routes to deal with reductions in air mail flights	Secure prioritized capacity for cargo that was faced with reductions in flights	Entire ROHM Group
Continued operations via work-at-home, remote working and other means	Making use of remote access, TV conferences and infotech tools	Entire ROHM Group

There will be no changes to ROHM's strategies.

By region

China

Continue development and sales expansion for the Chinese automotive and industrial markets, where growth is expected.

- Push forward with **product design for the Chinese EV market (inverters, DC/DC)**
- **Strengthen cost competitiveness** in order to stand up to the needs of the Chinese market
- **Tie up with prospective distributors** in the industrial market

Japan

Expand sales into the powertrain body field, where growth is expected.

Europe, U.S.A.

Focused attacks by filtering down the markets and products

- **Priority sales expansion** aimed at **automotive OEM and Tier 1**

No changes to per-product strategies.

ROHM's strategy (from autumn 2019)

Priority items

Analog

- Aim to become the top brand in analog power solutions by strengthening our marketing and moving ahead with core high-performance technologies, centered on **general-purpose ASSP products**.

Power

- **Solution-driven proposals**, made from the customer's perspective
- Expand our lineup of new products in the automotive powertrain field, which is experiencing explosive growth in line with increased use of electrical components on vehicles
- Release **high-efficiency power devices** (4th gen. SiC, 6th gen. Si-MOS) **that contribute to better device energy efficiency**

Standard products

- Expand our market share with our main advantages of suppliability, reliability and cost competitiveness, centered on the growing **automotive and Chinese markets**

Synergy

- Make solution-driven proposals that directly resolve the issues our customers face.
- **FAE and sales work as a single unit** to make proposals for a pronounced expansion of new product sales

Move forward with product development focusing on high-performance, general-purpose ASSP.

Roll out products with our unique original processes and circuit technology as our advantages

Power supplies

Strengthen the rollout of general-purpose ASSP

Expand product sales, centered on ADAS and LEP lamp applications

Strengthen and create a common platform for power core technologies

Expand our product lineup of high-voltage, large power current products

Motors

Roll out products with motor control (onboard microcontroller) characteristics

Expand fields from low- to high-voltage

Expand our lineup of products for 48V specs

Roll out products for communication bases, servers, home electronics and automotive devices

General-purpose

Focus development on products with higher performance and original functionality, which give ROHM a distinctive edge; expand automotive product lineup including noise-resistance op-amps (EMARMOUR™), low-capacity Cap-compatible LDO (Nano Cap™), next-gen. IPD

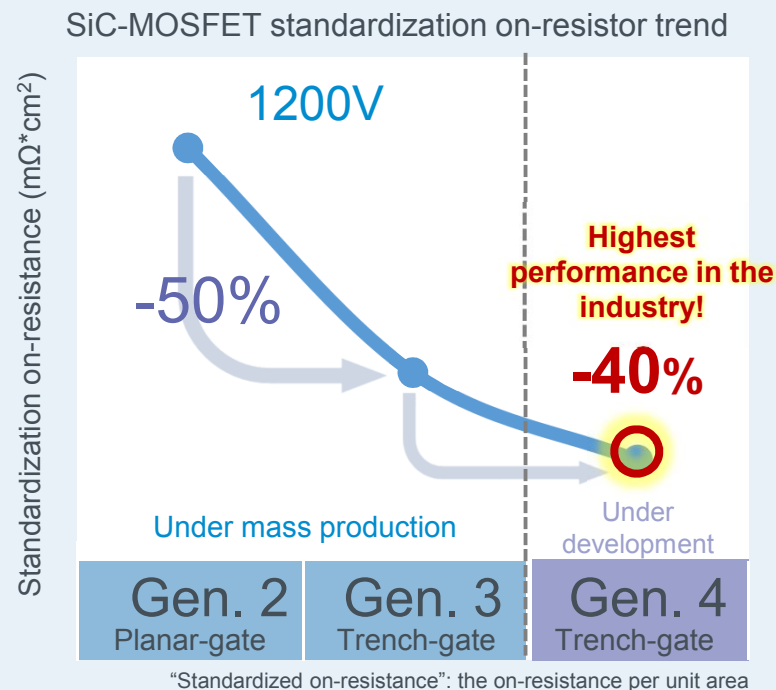


Power Device Products



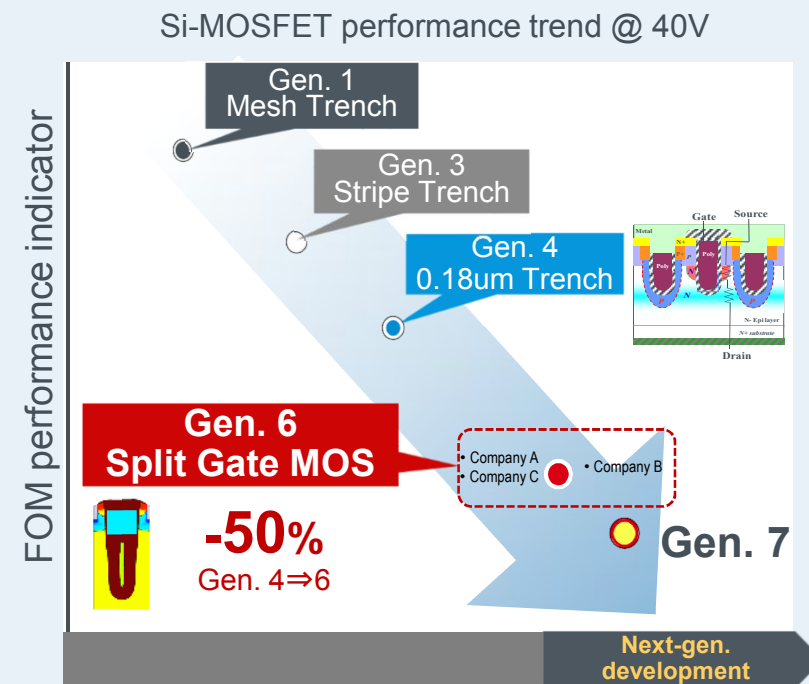
In addition to high-voltage SiC-MOSFET, **improve our product coverage in the automotive market** by strengthening our low-voltage Si-MOSFET lineup

SiC-MOSFET



- Fortify our performance as a top industry company, our cost competitiveness and our production capacity
- Begin providing xEV-related samples to customers for competitive bids (**at least 30 companies**); begin mass production in 2020 Q2

Si-MOSFET



- With Gen. 6, catch up to become the top-class company in performance; start mass production in Apr 2020
- Expand product lineup

Standard Products



With our advantages of suppliability, high reliability and cost competitiveness, we will expand our market share focusing on the growing **automotive market** and the **Chinese market**

Small-signal separate semiconductors

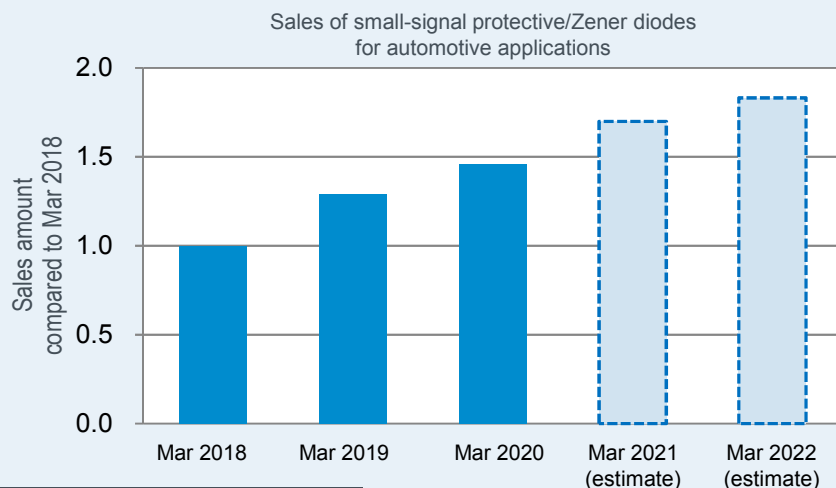
Achieve more than 20% share worldwide

Points to implement

Automotive markets

Become the world's largest supplier of general-purpose diodes

- Increase investment for internal production of general-purpose packages for protective/Zener diodes, and for increased production capacity owing to OSAT expansion.



Industrial markets

Meeting the demand for 5G in Greater China by developing small-signal MOSFET and diodes

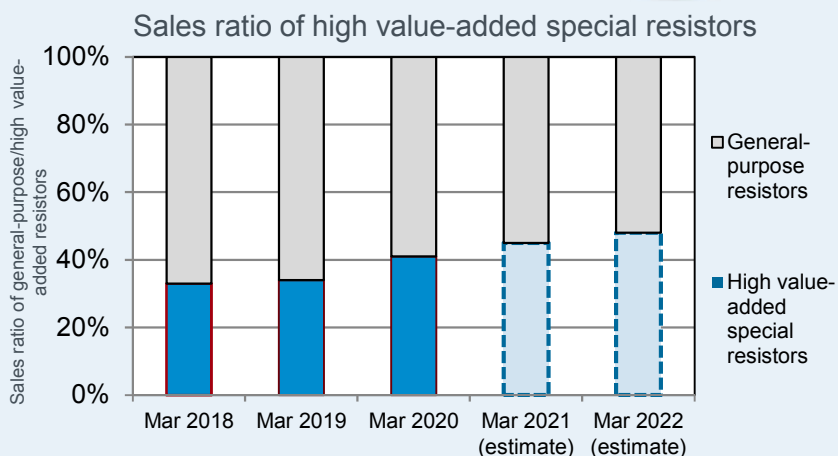
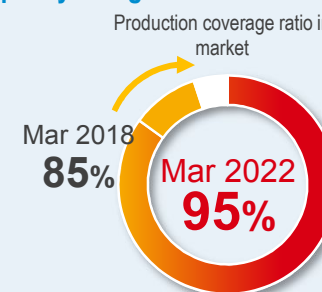
Resistors

No. 1 worldwide in the automotive and industrial markets

Points to implement:

Strengthen lineup and production capacity of high value-added special resistors

- Expand high-power shunt resistors
- Expand high-reliability products for automobiles (anti-surge, high voltage, sulfide-resistant products)



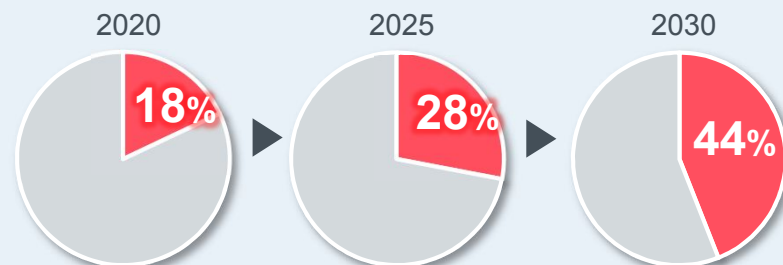
Optical Module Products



Develop optical module products required in the markets specially automotive and industrial on time for the market needs with our unique proprietary technologies.

Automotive

Increase LED automotive sales ratio to total market segment to exceed 40%



[Achievements]

Japanese Automotive market

Design won in Cluster and Rear lamp applications

[New products]

For Cluster

Precise brightness adjustment by integrated production system



Artistic design

For Rear lamp

High power performance with high Heat radiation technology

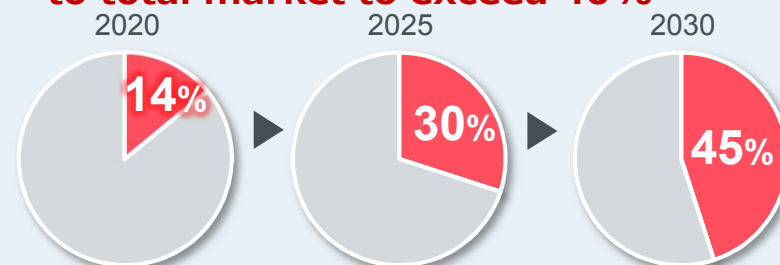


Higher Reliability

© 2020 ROHM Co.,Ltd.

Industrial

Increase printhead industrial sales ratio to total market to exceed 40%



[Achievements]

Increasing participation in Date Code readers and Bar Code readers

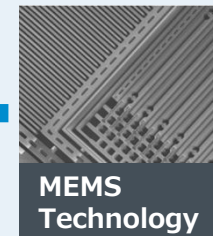
Best in the industry in imaging quality and printing speed !

- Final evaluation stage at industries leading customer.
- Ultra high speed printing technology required in IOT and smart distribution industry.

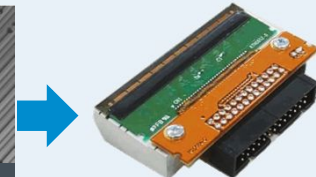
[New product]



LSI Technology



MEMS Technology



High speed and High Definition Print heads

United Microfabrication technology for silicon devices

“Monozukuri” Innovation (strengthening the BCP’s ability to deal with the pandemic)



Fulfill our duty to supply products to our customers, regardless of the hardships we may face

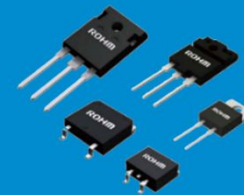
■ Enhance productivity at our assembly plants, accelerate automation

(planning to complete the 2x Lifetime Productivity and 2020 model assembly line)



■ Further accelerate outsourcing of production to OSAT*

(to increase by 30% or more by 2022)



* Outsourced Semiconductor Assembly & Test

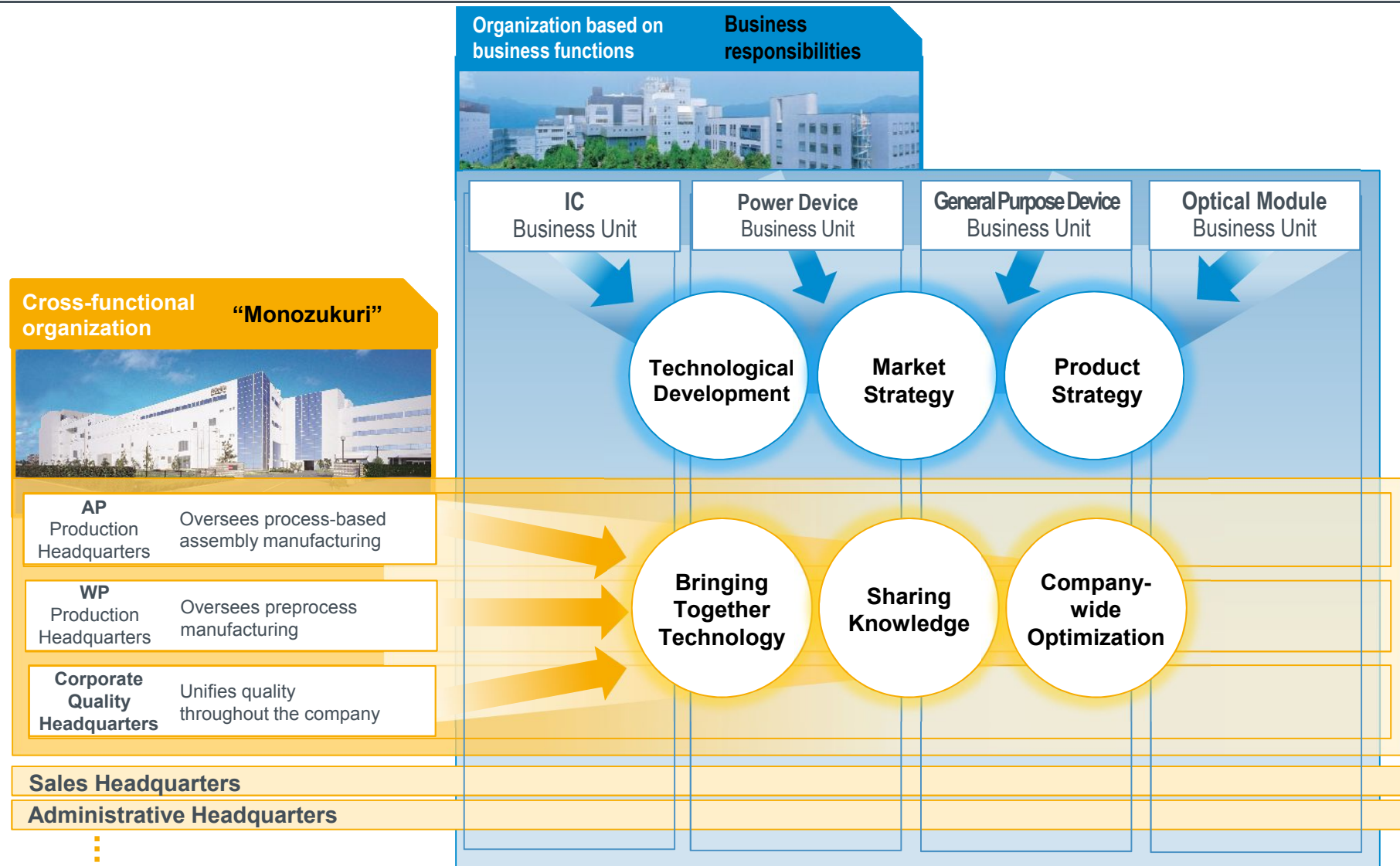
Reduced production due to COVID-19 lasted longer than expected

Insufficient ability to anticipate risks besides natural disasters and economic upheaval



- (1) Limits on personal travel and gatherings
- (2) Virus spread during different periods in different regions
- (3) Each country’s government handled the situation differently

Optimization through organized production



By putting together our organization in matrix format, we strengthen the cross-functional abilities of our entire company, promoting company-wide optimization

<Note>

1. The original version of this presentation material is written in Japanese. In the event of any discrepancies in words, accounts, figures, or the like between this presentation and the original, the original Japanese version shall govern.
2. The forecasts for the fiscal year ending March, 2021 are based upon the information which the company considers reasonable at this time. Actual results may differ considerably by the changes of environment and so forth.

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