



2021/3

Financial Results/Medium-Term Management Plan Presentation

ROHM CO.,LTD

■ Financial Results for the Year Ended 2021/3

Financial Results for the Year Ended 2021/3

Sales trend by Market, Region

Changes in Operating Income

Trend of Sales by Markets

■ Capital Expenditures

■ Inventories

■ Return to Shareholders

Financial Results for the Year Ended 2021/3 (YoY)

(¥billion)

	'21/3 Results	'20/3 Results	Amount(YoY)	Ratio(YoY)
Net Sales	359.8	362.8	-3.0	-0.8%
Operating Income	38.4	29.4	+9.0	+30.5%
(Ratio)	(10.7%)	(8.1%)	-	-
Ordinary Income	40.6	35.7	+4.9	+13.7%
(Ratio)	(11.3%)	(9.9%)	-	-
Net Income	37.0	25.6	+11.4	+44.4%
(Ratio)	(10.3%)	(7.1%)	-	-
EBITDA	78.6	73.8	+4.8	+6.6%
(Ratio)	(21.9%)	(20.3%)	-	-

Average rate(¥/US\$)

(¥106.20)

(¥109.10)

Financial Results for the Year Ended 2021/3 (YoY)

(VS. Revised Plan as of Feb.1st)



(¥billion)

	'21/3 Results	'21/3 Revised Plan as of Feb. 1 st	Amount(YoY)	Ratio(YoY)
Net Sales	359.8	360.0	-0.2	-0.0%
Operating Income	38.4	32.0	+6.4	+20.3%
(Ratio)	(10.7%)	(8.9%)	-	-
Ordinary Income	40.6	30.0	+10.6	+35.6%
(Ratio)	(11.3%)	(8.3%)	-	-
Net Income	37.0	26.0	+11.0	+42.3%
(Ratio)	(10.3%)	(7.2%)	-	-
EBITDA	78.6	73.3	+5.3	+7.3%
(Ratio)	(21.9%)	(20.3%)	-	-

Average rate(¥/US\$)

(¥106.20)

(¥105.70)

Plan for the Year Ending 2022/3 (YoY)

(¥billion)

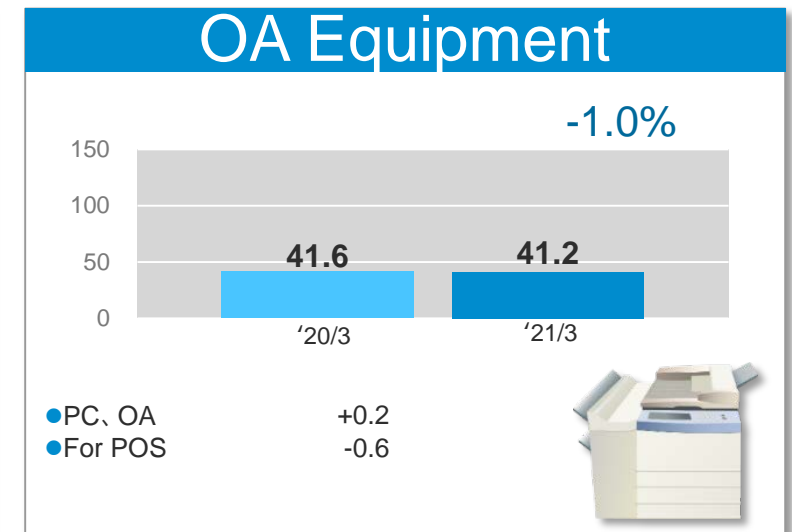
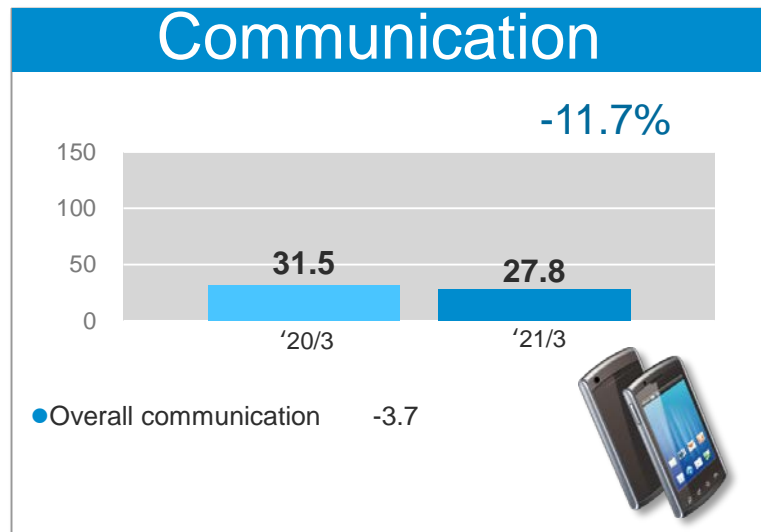
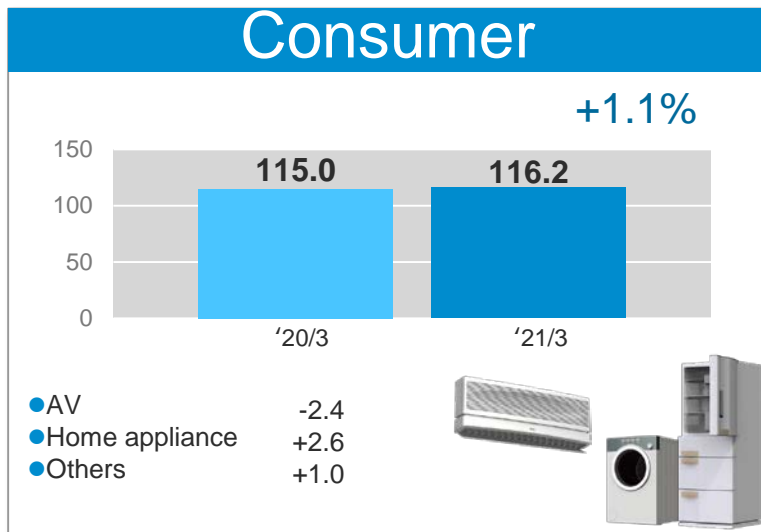
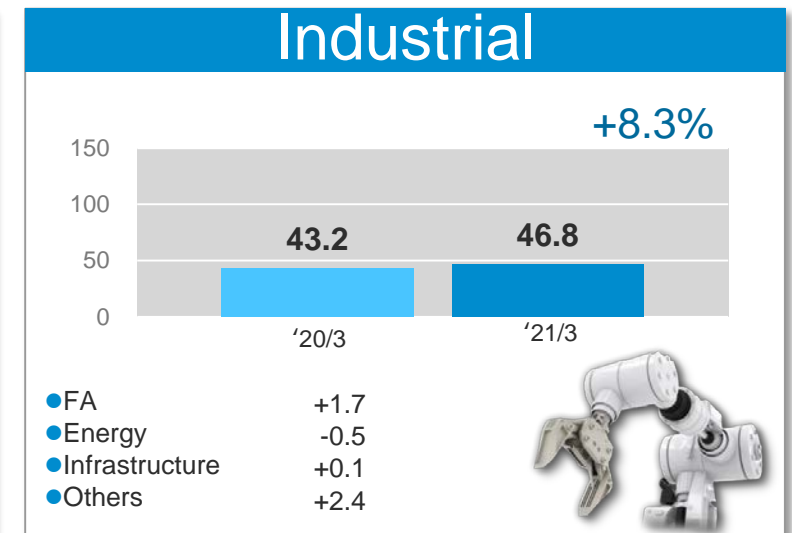
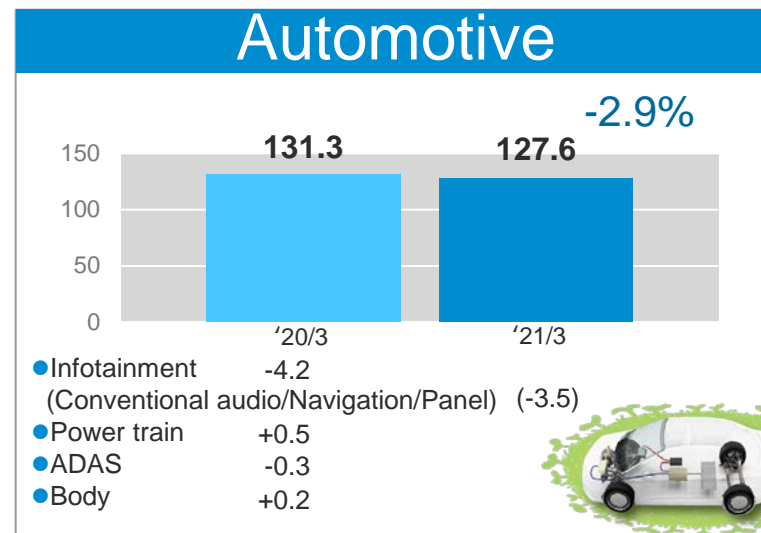
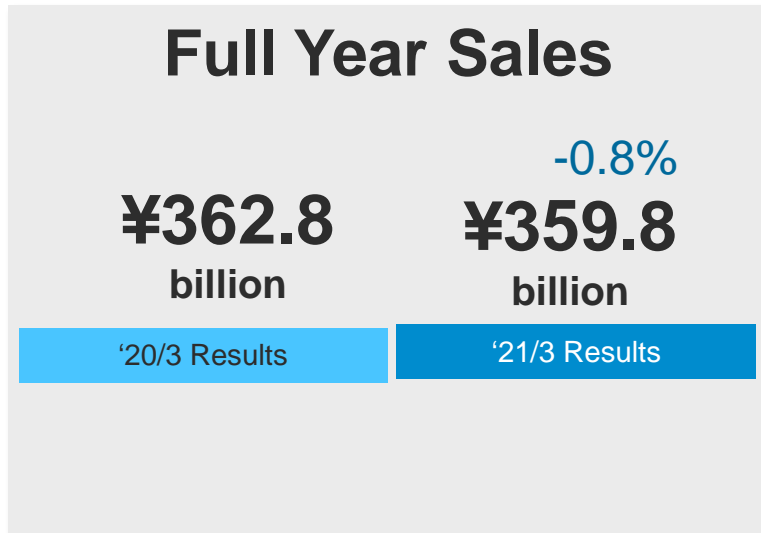
	'22/3 Plan	'21/3 Results	Amount(YoY)	Ratio(YoY)
Net Sales	400.0	359.8	+40.2	+11.1%
Operating Income	49.0	38.4	+10.6	+27.3%
(Ratio)	(12.2%)	(10.7%)	-	-
Ordinary Income	48.0	40.6	+7.4	+18.0%
(Ratio)	(12.0%)	(11.3%)	-	-
Net Income	34.0	37.0	-3.0	-8.1%
(Ratio)	(8.5%)	(10.3%)	-	-
EBITDA	96.2	78.6	+17.6	+22.3%
(Ratio)	(24.0%)	(21.9%)	-	-

Average rate(¥/US\$) (¥105.00) (¥106.20)

Impact from tax effect
accounting +7.7

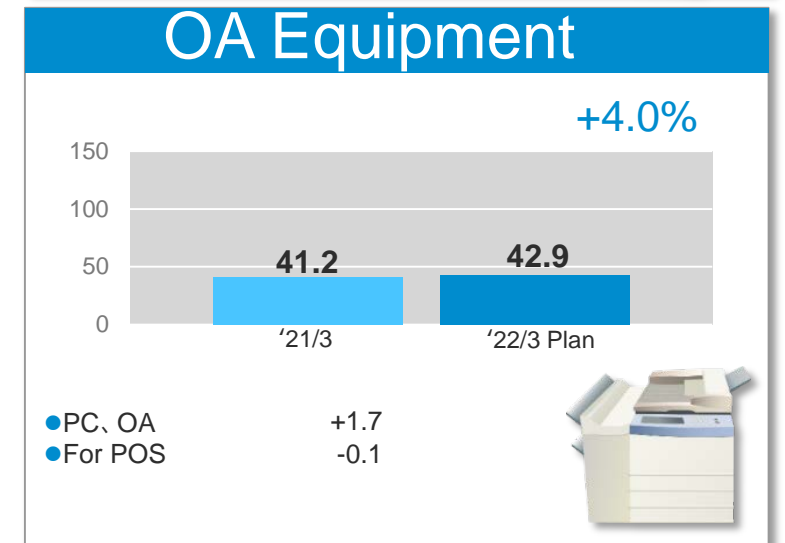
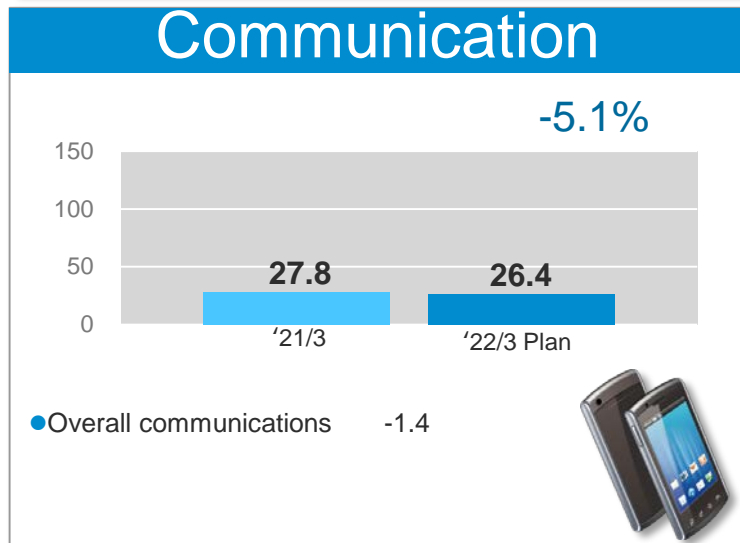
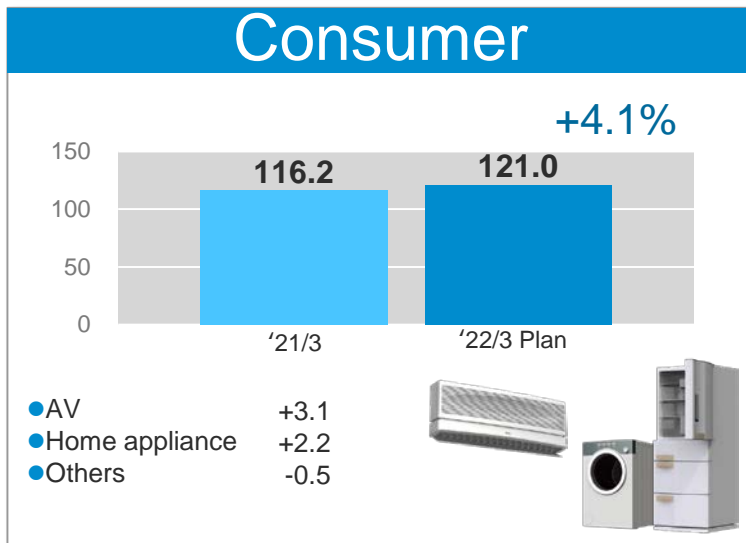
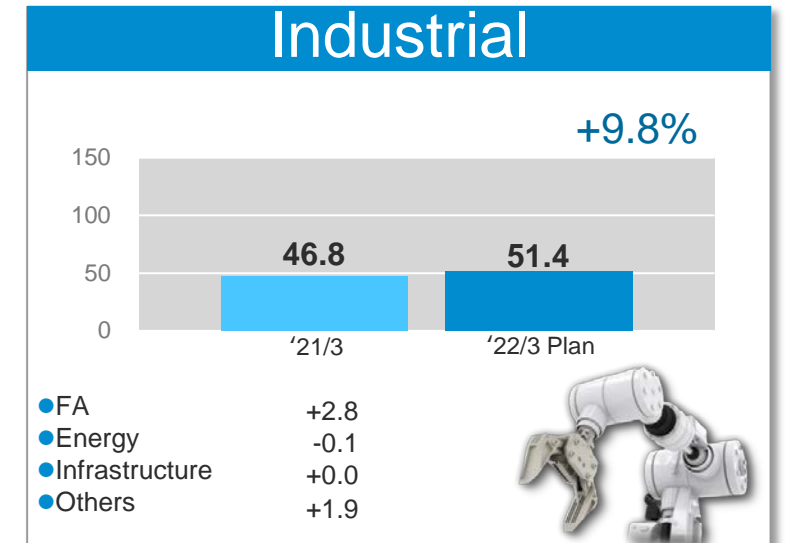
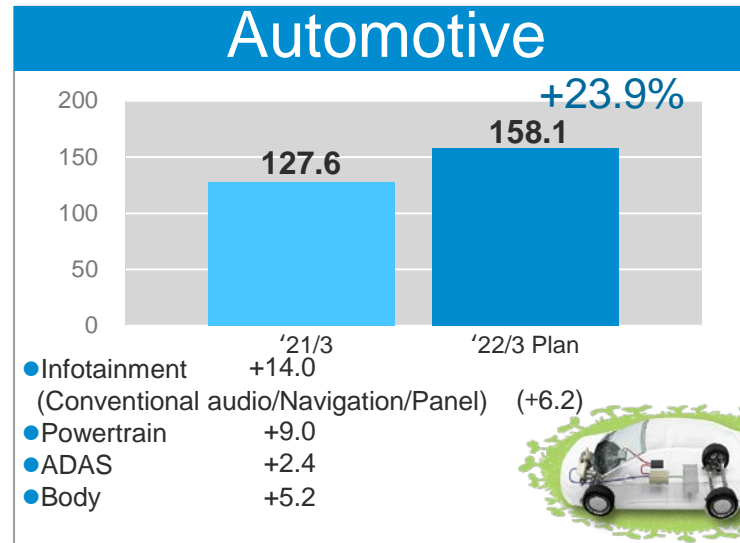
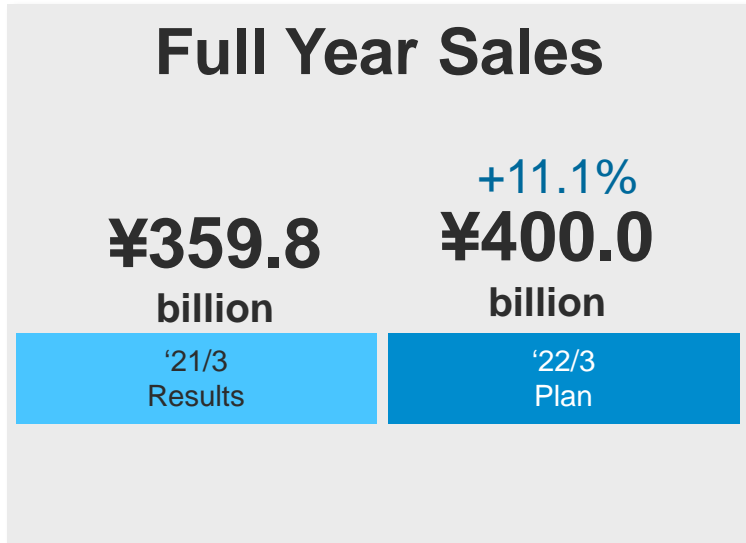
'21/3 Full year Sales trend by Market Segments (YoY)

(¥billion)



'22/3 Full year Sales trend by Market Segments ('21/3 vs '22/3 Plan)

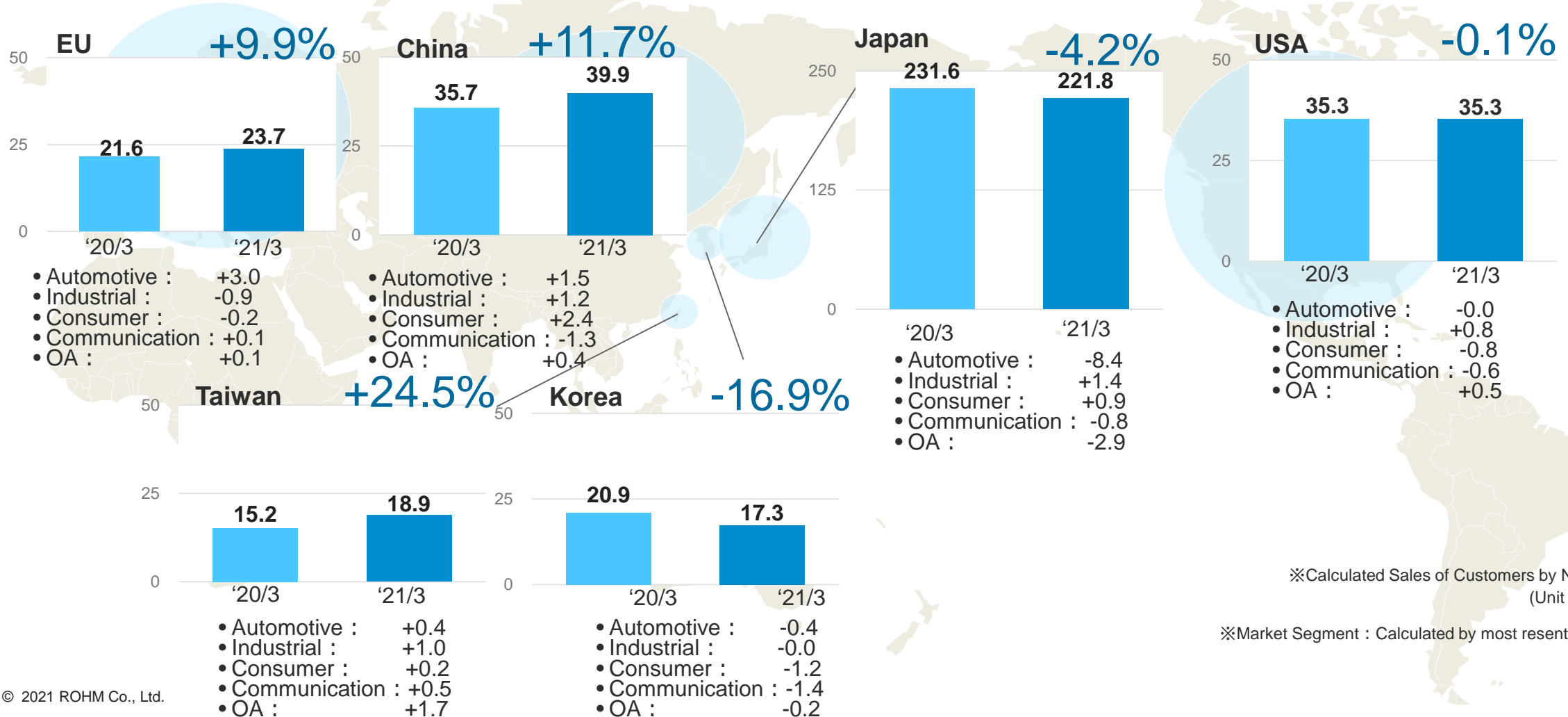
(¥billion)



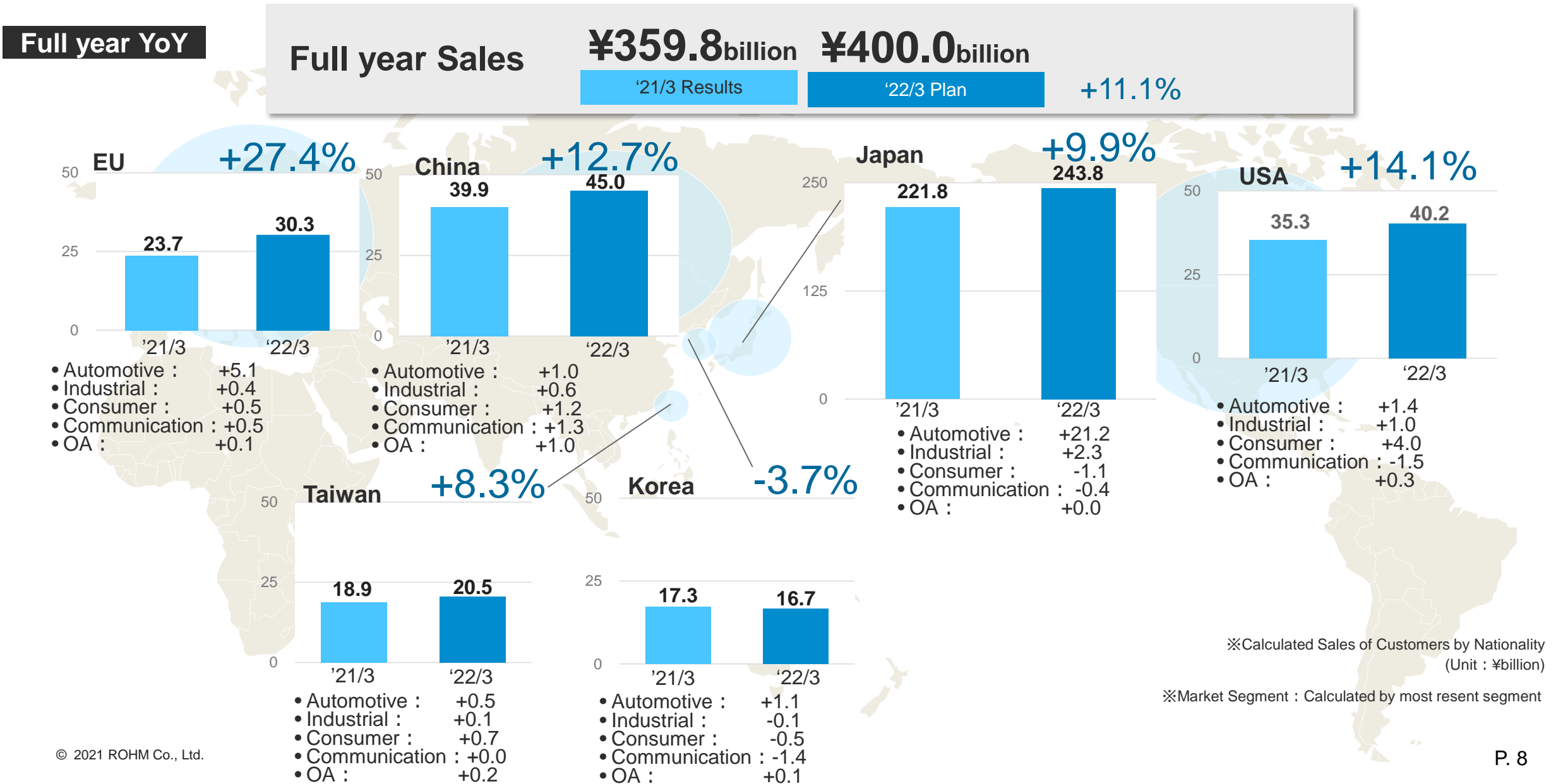
'21/3 Full year Sales trend by Geographic Region (YoY)

Full year YoY

Full year Sales **¥362.8billion** '20/3 Results **¥359.8billion** '21/3 Results **-0.8%**



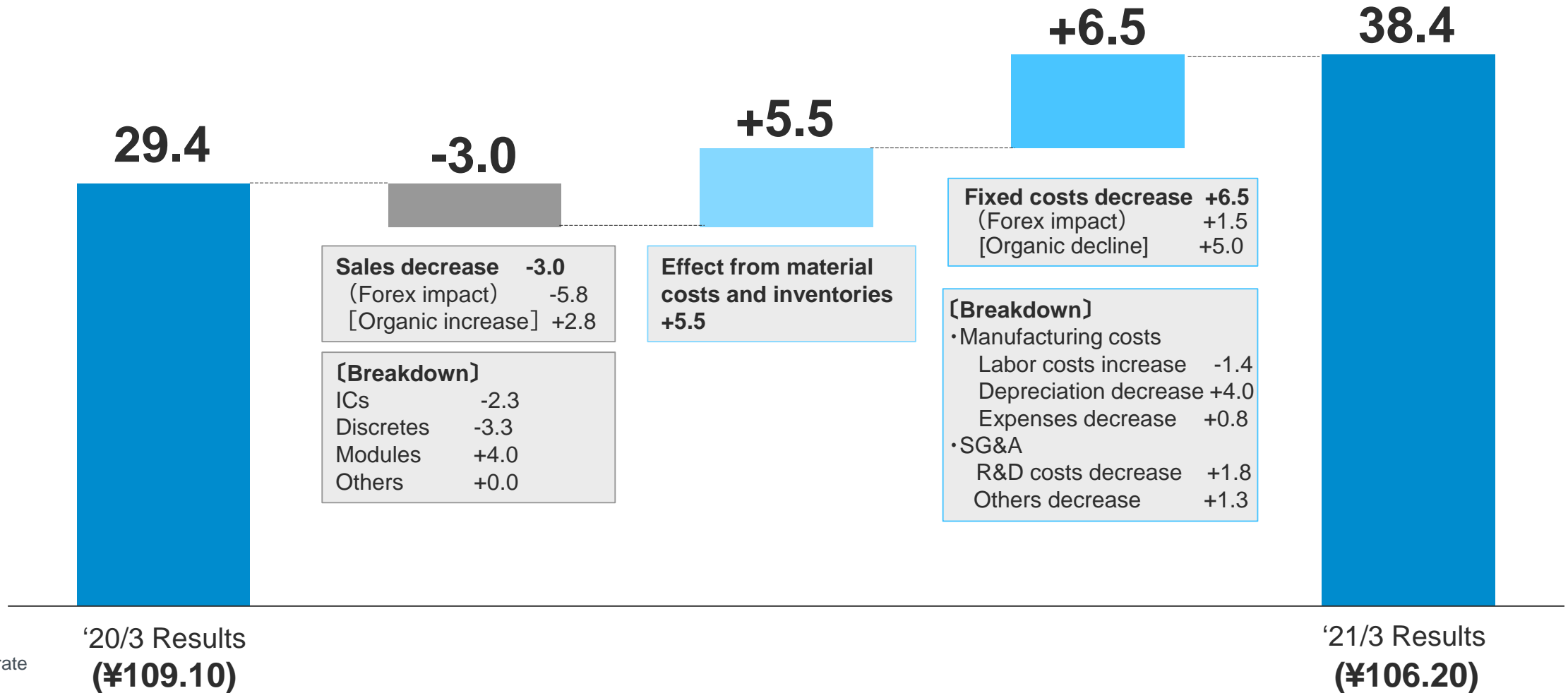
'22/3 Full year Sales trend by Geographic Region ('21/3 vs '22/3 Plan)



Changes in Operating Income (YoY)

¥9.0 billion Increase

(¥billion)

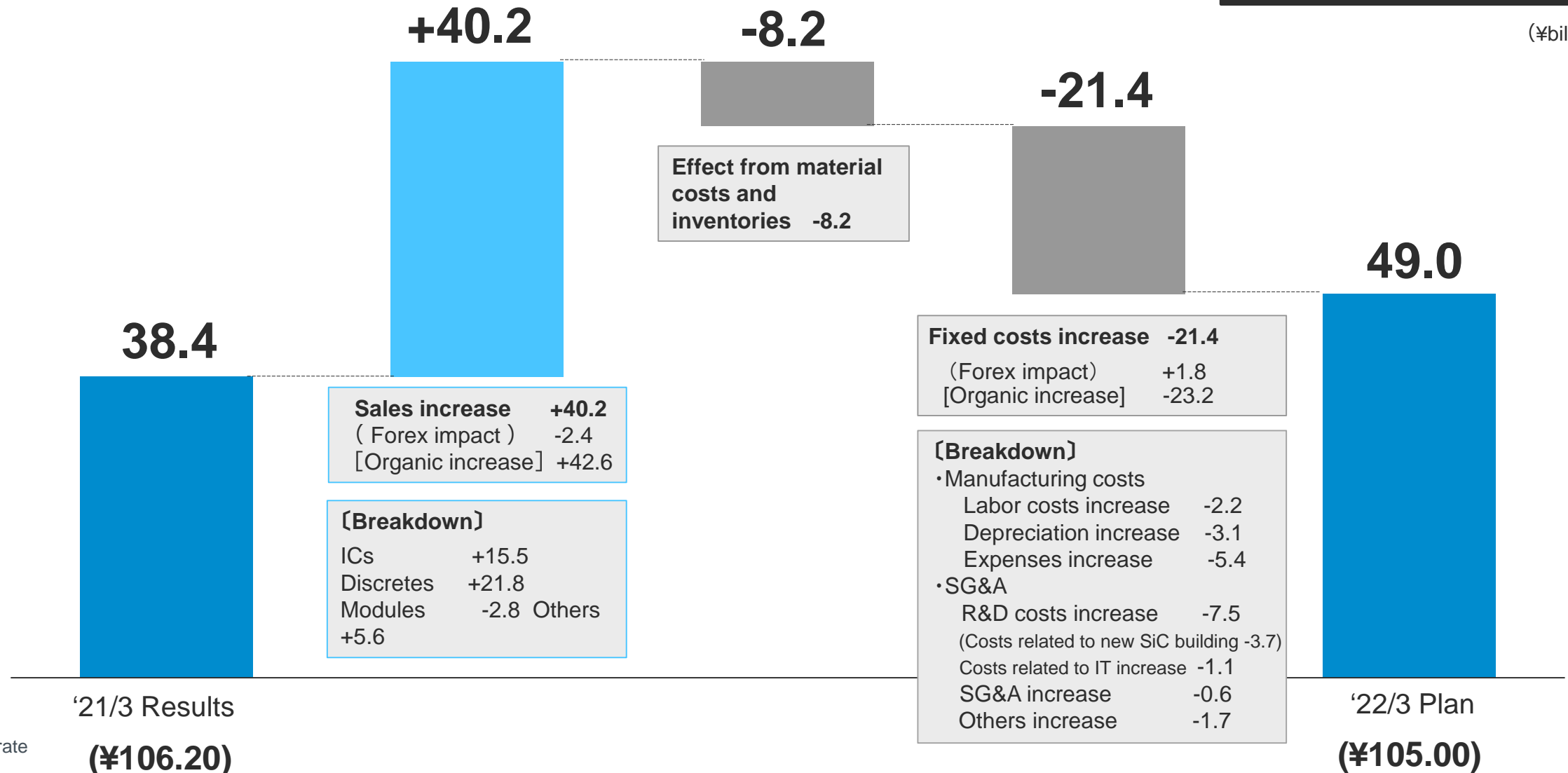


Average rate
(¥/US\$)

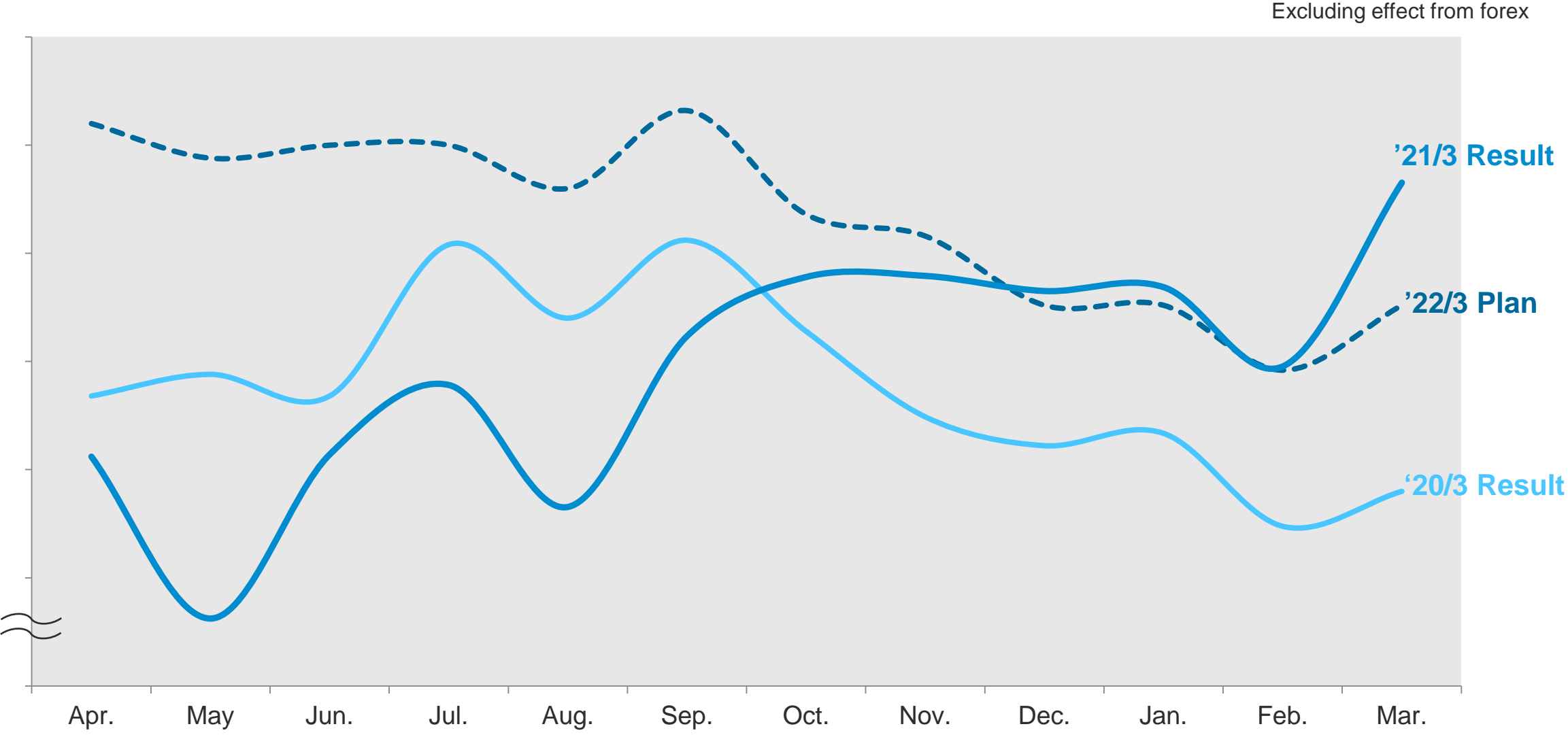
Changes in Operating Income ('21/3 vs '22/3 Plan)

¥10.6 billion Increase

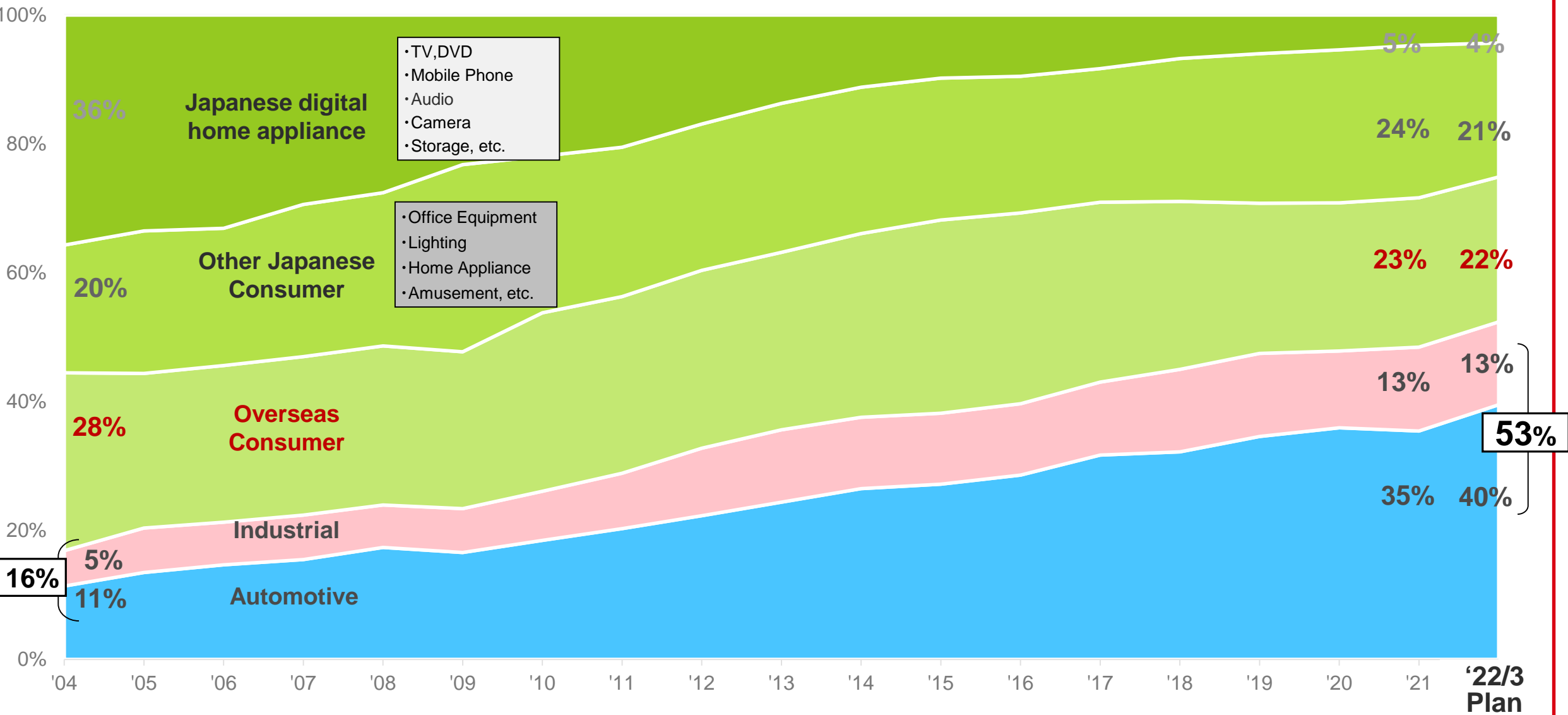
(¥billion)



Average rate
(¥/US\$)



Trend of Sales Composition Ratio By Market

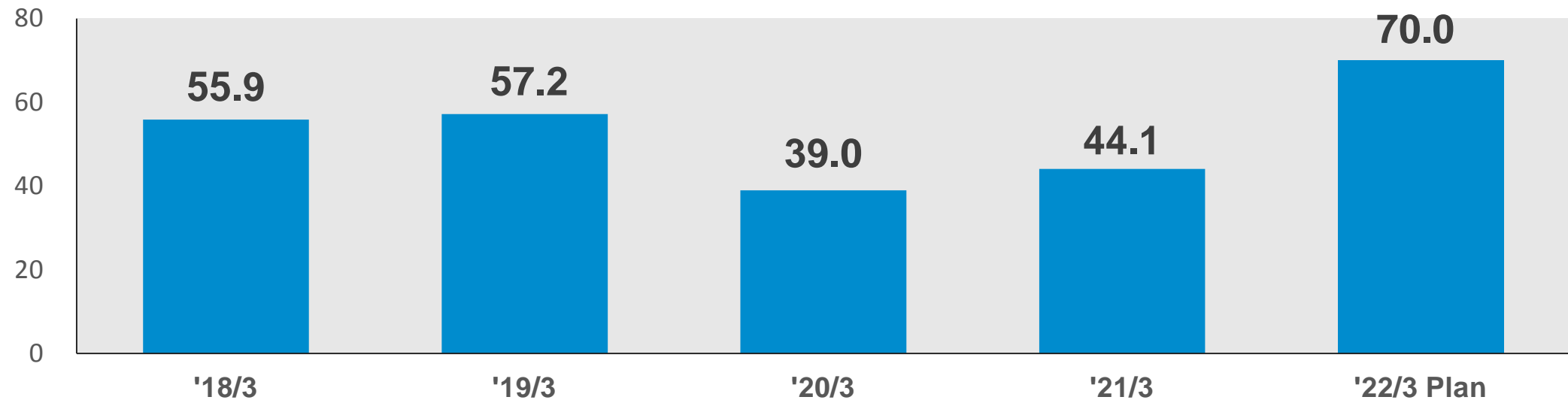


Capital Expenditures

(¥billion)	Total	Capacity Increase	Land/ Building	Improve Quality	Others
'20/3 Results	39.0	17.1	8.5	2.5	10.9
'21/3 Revised plan	46.0	12.4	14.8	3.4	15.4
'21/3 Results	44.1	12.2	16.0	2.7	13.2
'22/3 Plan	70.0	37.7	15.7	3.1	13.5

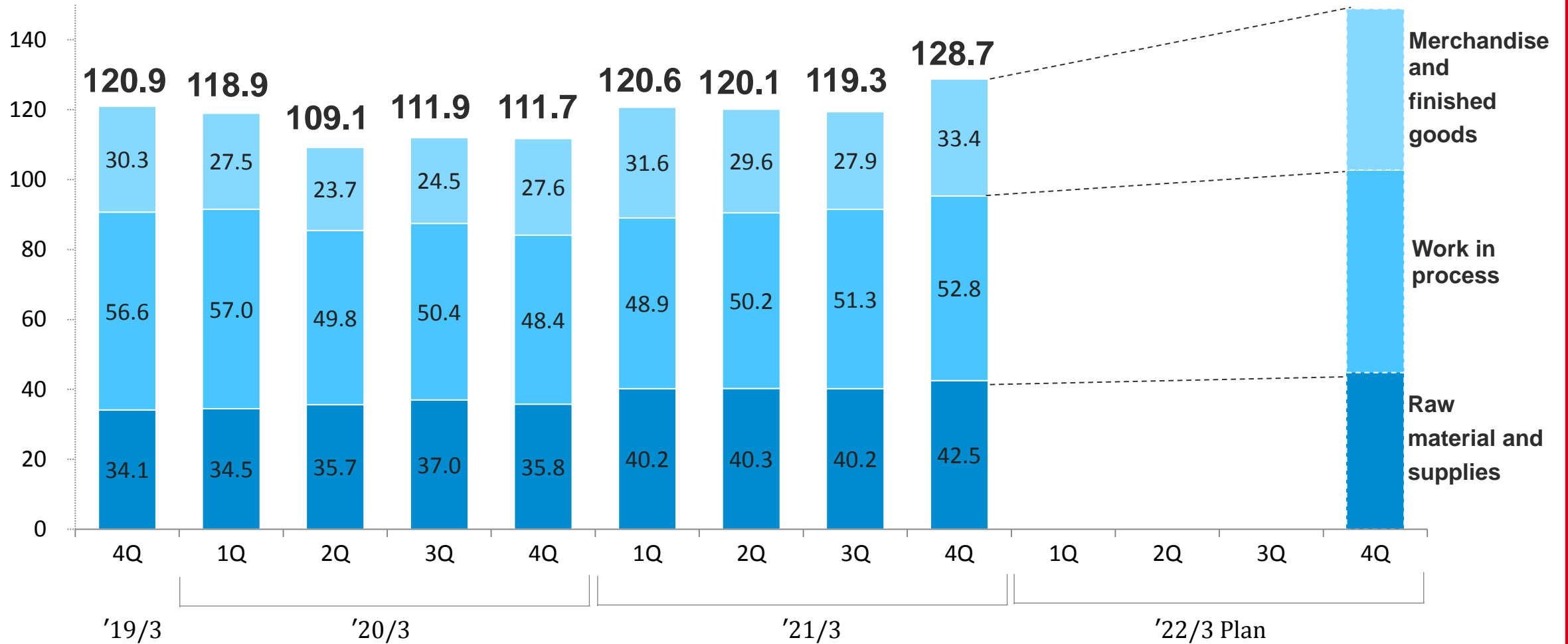
(¥billion)

Trend of CAPEX



Trend of Inventories

(¥billion)



Returns to Shareholders (Transition of Free Cash Flow and Shareholders Returns)

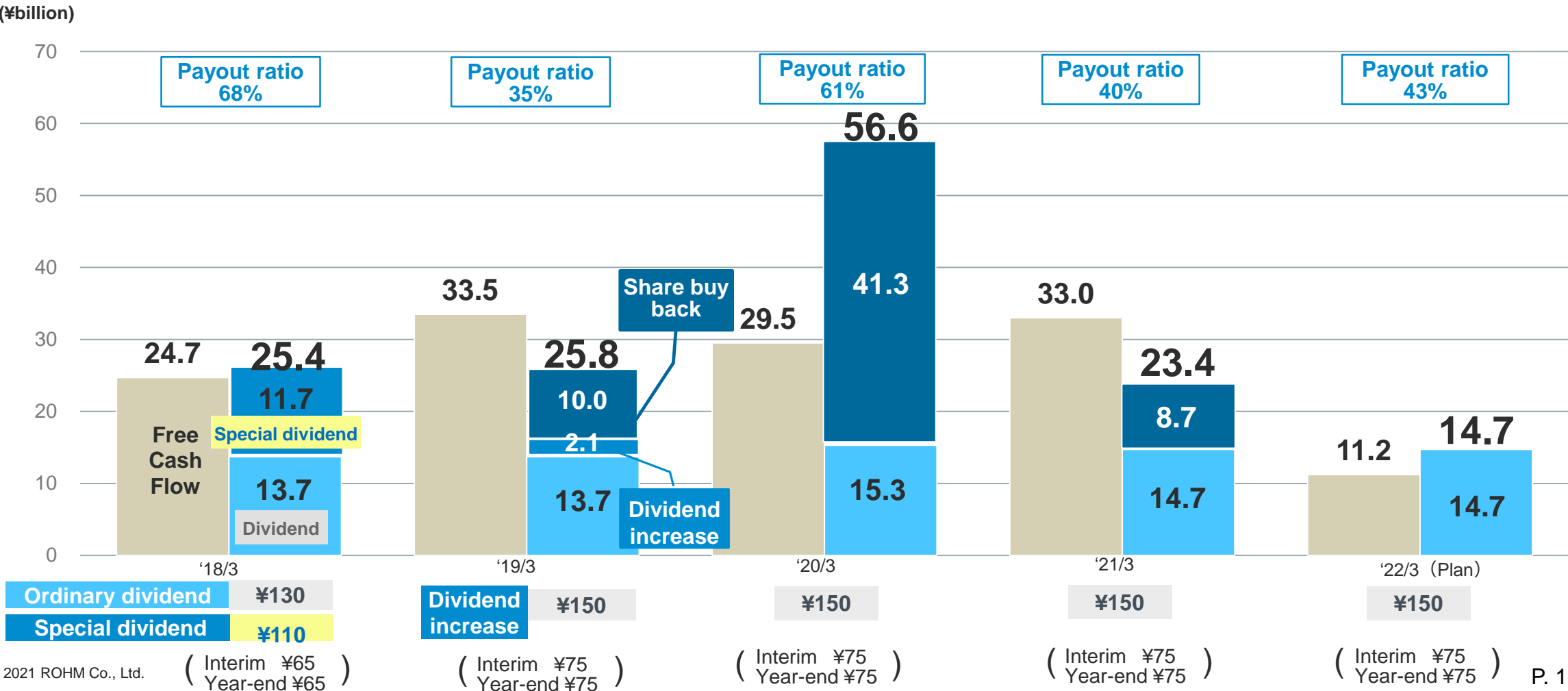


ROHM is planned on buying back shares and returning special dividend because of the three factors below:

- ①Reduction of strategic shareholdings ②current stock market outlook ③Mid-to long-term financial outlook

No changes to our finance and return to shareholders policies including:

Aggressive investment for business growth, targeting payout ratio of 30% or more, avoid dividend reduction much as possible, and etc.





Electronics for the Future

Medium-Term Management Plan

MOVING FORWARD to 2025

ROHM Co., Ltd.

- I Management Vision and the Aim of Medium-Term Management Plan
- II Growth Strategy
- III Foundation Supporting Our Growth Strategy
- IV ESG Initiatives
- V Capital Policy

I Management Vision and the Aim of Medium-Term Management Plan



Mission that has not changed since ROHM was founded

To contribute to the progress of our culture

Company
Mission

Quality is our top priority at all times.

Our objective is to contribute to the advancement and progress of our culture through a consistent supply, under all circumstances, of high quality products in large volumes to the global market.

We focus on power and analog solutions and solve social problems by contributing to our customers' needs for “energy savings” and “downsizing” of their products



Sales amounts equates to the amount of our contribution to society; through significant sales growth, we will realize sustainable development of society and the ROHM Group



Our Company Mission remains unchanged since our founding, and we will continue to grow by leveraging strengths we have cultivated

Development capability
to maximize value by
integrating elemental
technologies

**Matching
technologies**

**IDM*
(Vertical
integration)**

Emergency response
capability
Rigorous quality control
Stable supply
Cost competitiveness

**Quality First
Advancement and
progress of our
culture**

**Wide range
of products**

**Customer
orientation**

Solution
proposals from
the customer's
point of view

Comprehensive
capabilities; from passive
components to power
devices and LSIs

Medium-Term Management Plan

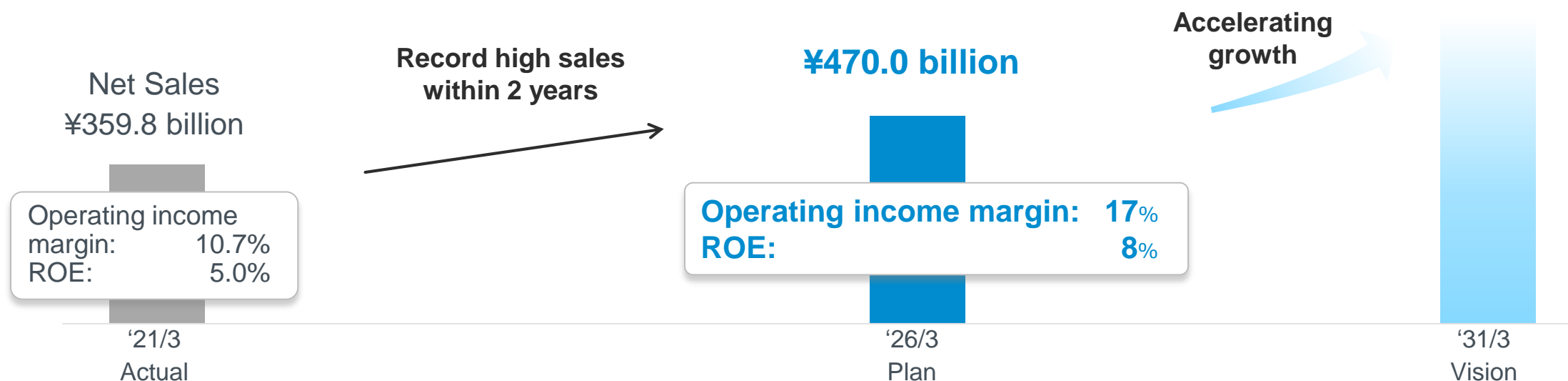
FY2021 - FY2025

FY2030

Achieve growth in “automotive segments” and “market outside of Japan” and build a foundation for further growth

Becoming a major global player

- 5 years to growth pass
- Establish global top share products in the electric vehicle market (e.g. SiCs, isolated gate drivers)
- Achieve outside of Japan sales ratio of 45% or more
- Strengthen profit structure (increase unit prices and further improve production efficiency through high value-added products)
- Establish sales/development structures that can compete in global market



Financial Goals

Net Sales **¥470+ billion**
(‘21/3 Actual: ¥359.8 billion)

**Operating
Income Margin:** **17%+**
(‘21/3 Actual: 10.7%)

ROE: **8%+**
(‘21/3 Actual: 5.0%)

Non-Financial Goals (Abridged)

- **Environment (FY2030)**

GHG emissions: 30% reduction (vs. FY2018)

Advancement toward 100% implementation of renewable energies in FY2050

Zero waste emissions

- **Diversity and Employees**

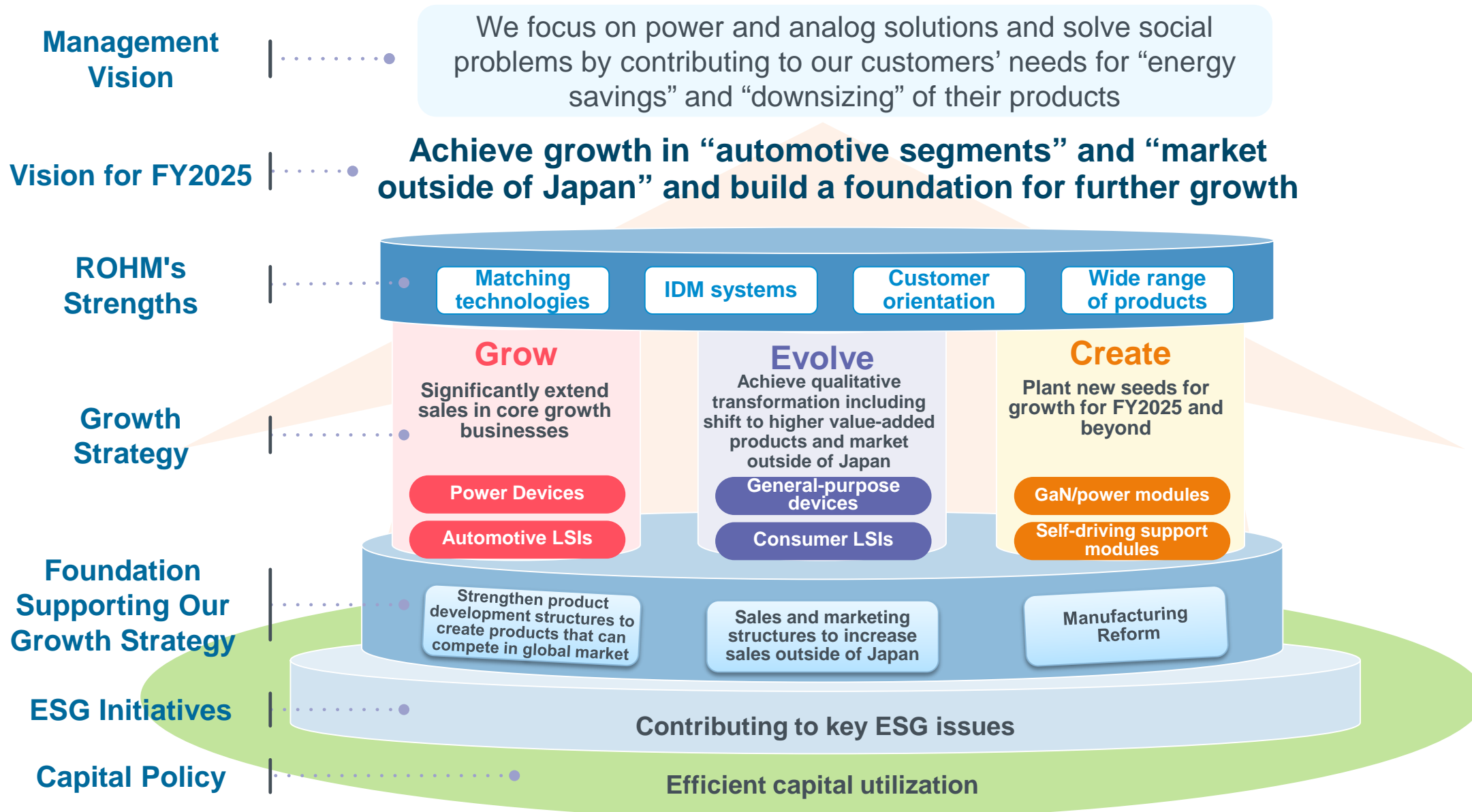
Reach global female manager ratio at 15% or higher

Reach employee engagement score above industry average

- **Customers**

Quality satisfaction score: 10% improvement (vs. FY2020)

Overview of Management Policy in the Medium-Term Management Plan



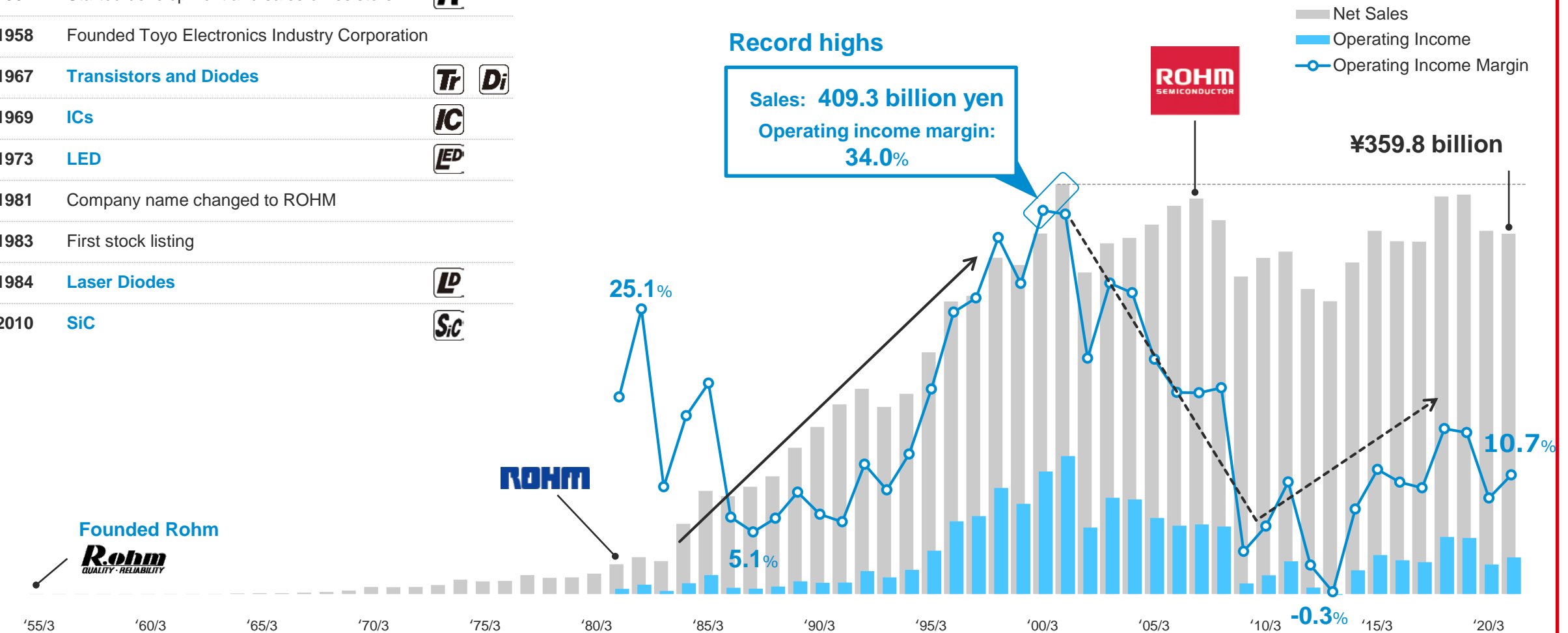
II Growth Strategy

History of Operating Performance



Growth has stagnated for some time since record high sales in '01/3

1954	Started development and sales of resistors	
1958	Founded Toyo Electronics Industry Corporation	
1967	Transistors and Diodes	
1969	ICs	
1973	LED	
1981	Company name changed to ROHM	
1983	First stock listing	
1984	Laser Diodes	
2010	SiC	



Performance From the Past 10 Years

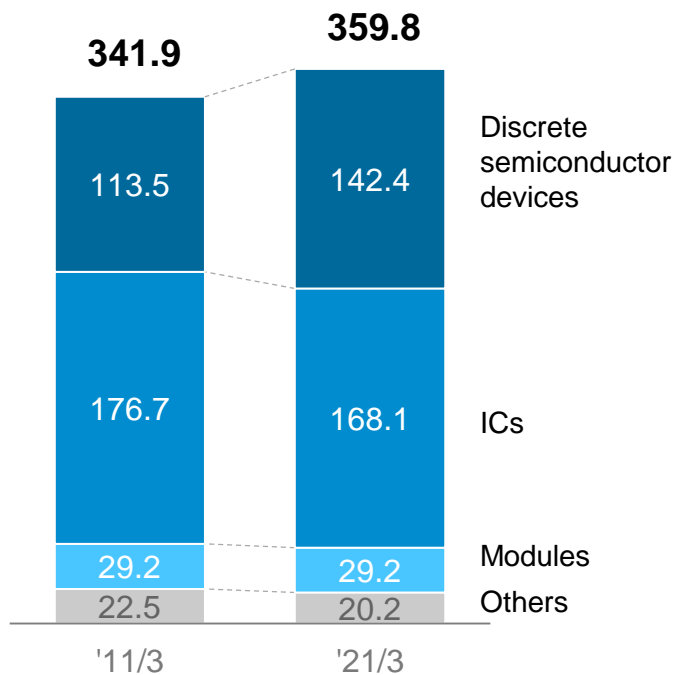


Over the last 10 years, we have made a major shift in our sales portfolio toward automotive solutions, and we have begun seeing signs of overseas sales expansion

Sales per Business Over Time

Units: billions of yen

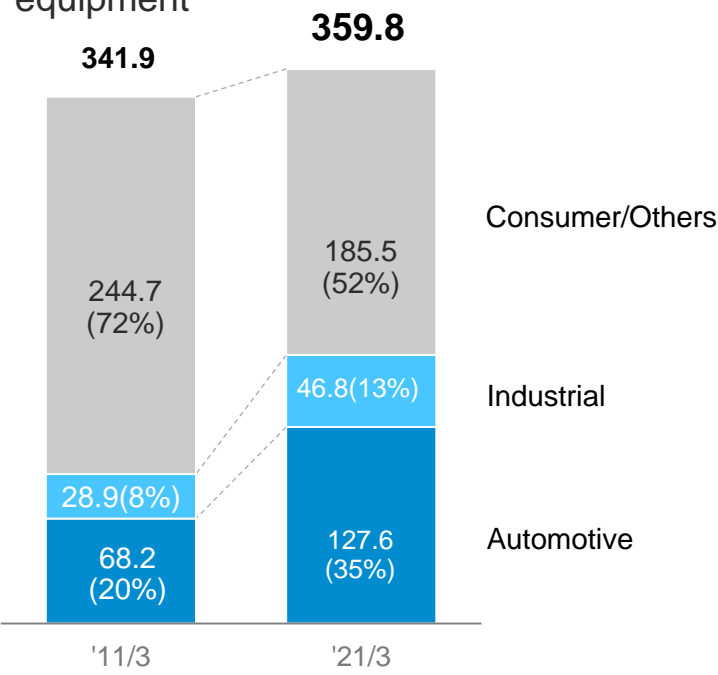
Discrete semiconductor devices drive growth



Sales per Field Over Time

Units: billions of yen (sales ratio in parentheses)

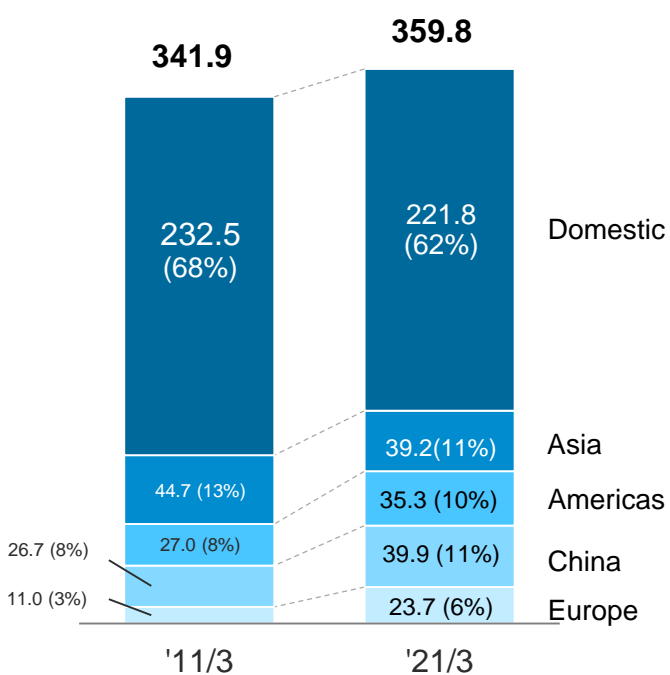
Significant growth in automotive discrete semiconductor devices and ICs, and a major shift in portfolio from consumer products to in-vehicle equipment



Sales per Region Over Time

Units: billions of yen (sales ratio in parentheses)

Sales growth outside of Japan, mainly in China and Europe, while maintaining sales in Japan

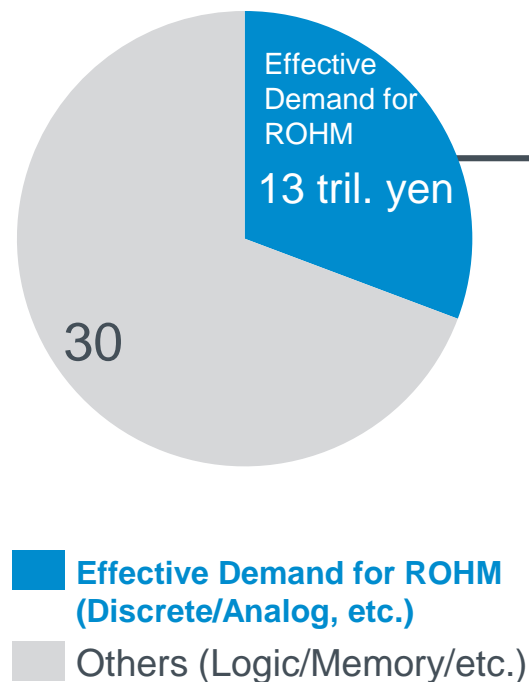


Assessment of Effective Demand for ROHM per Field

Driven by major changes such as the electrification of mobility and the development of automated driving, major growth opportunities have arrived, especially in the automotive sector

Semiconductor Market in 2019

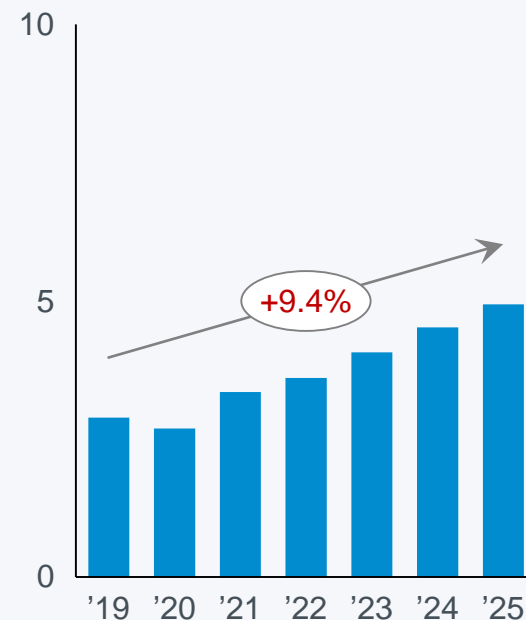
(Units: trillions of yen)



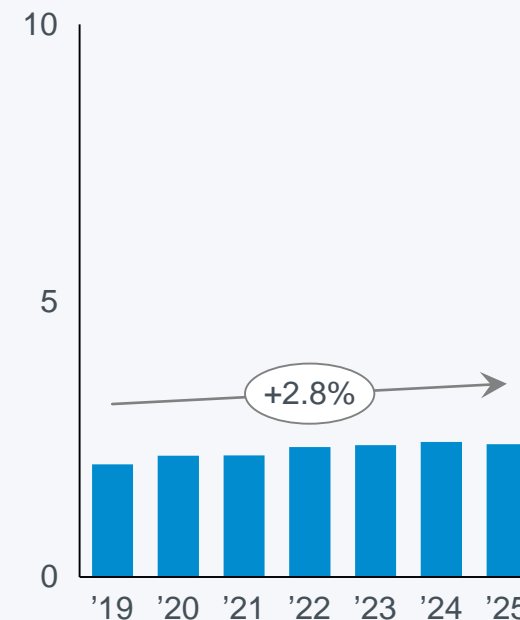
Estimation of effective demand for ROHM by business segments

(Units: trillions of yen)

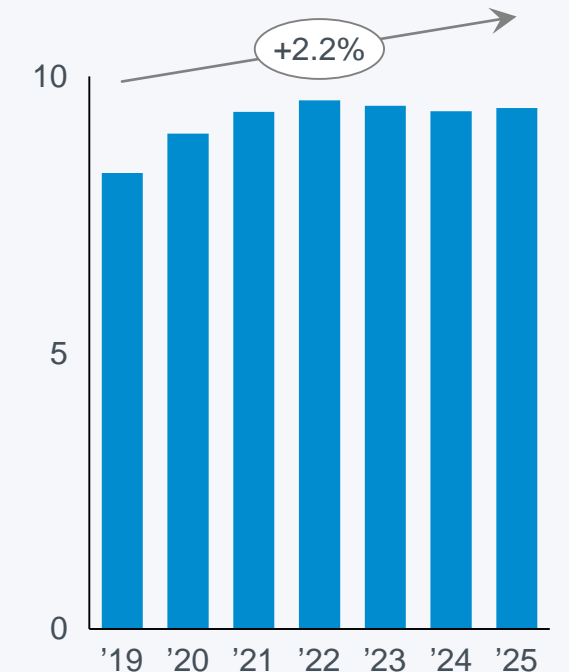
Automotive



Industrial



Consumer/
Others

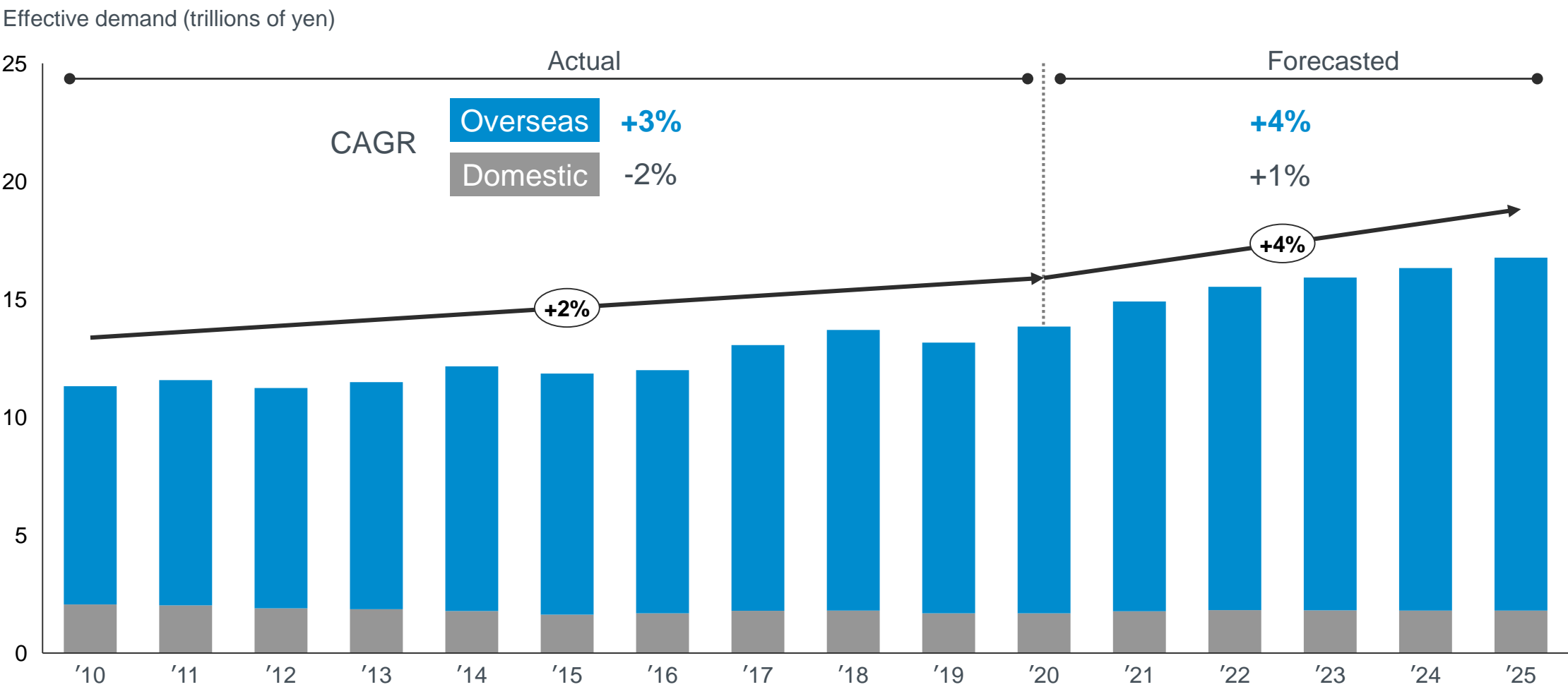


xx% CAGR(2019 - 2025)

Domestic/Outside of Japan ROHM Effective Demand Over Time



Domestic market shrank in the past decade: demand and growth centered on the markets outside of Japan

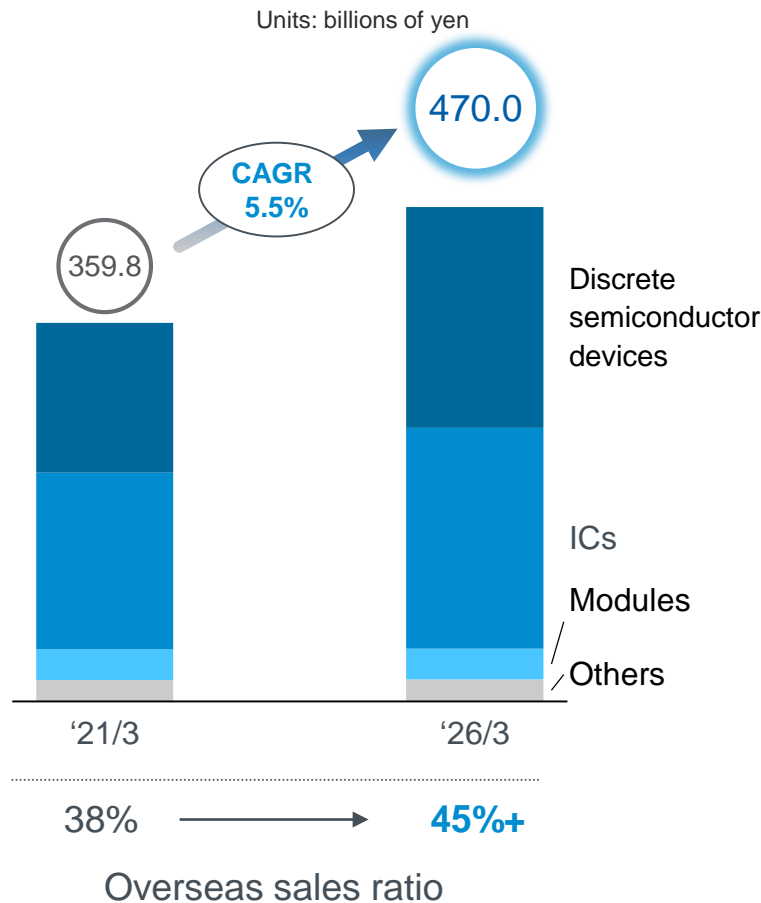


Source: ROHM research

Company-Wide Growth Policy in the Medium-Term Management Plan

Within the next 5 years, we will achieve significant growth in power and analog, mainly in automotive segment and markets outside of Japan

Medium-Term Management Plan Sales Plan



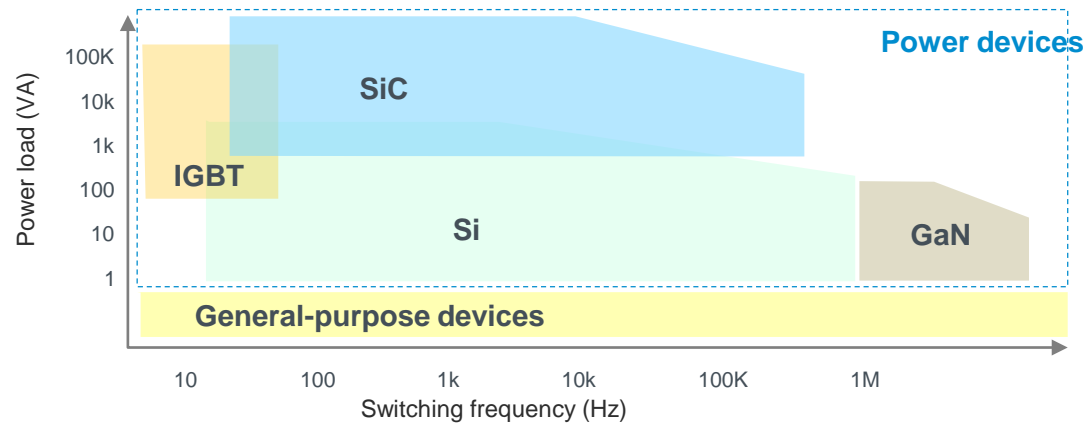
Growth Policy per Business

		Automotive	Industrial	Consumer
Discrete semiconductor devices	Power devices	<ul style="list-style-type: none"> Expand share for 4th-gen SiC-MOS Enter market for 5G/6G servers/base stations with 6th-gen Si-MOS 	<ul style="list-style-type: none"> Develop SiC power module for electric vehicle main inverters Develop IGBT devices for electric vehicle main inverters 	<ul style="list-style-type: none"> Expand high-efficiency products for energy-saving home appliances, accelerate overseas expansion
	General-purpose devices	<ul style="list-style-type: none"> Increase product value through downsizing while maintaining top share position to remain in a cash cow position for the company Build production system responsive to demand fluctuations 		
ICs		<ul style="list-style-type: none"> Strengthen products for electric vehicles Increase presence in automotive markets outside of Japan 	<ul style="list-style-type: none"> New product development for base stations/data centers 	<ul style="list-style-type: none"> Maintain consumer sales with downsized/high-efficiency products
Modules/Others		<ul style="list-style-type: none"> Isolated gate drivers Power management ICs (PMIC) LED driver ICs 		<ul style="list-style-type: none"> Products for energy-saving home appliances IPM, ACDC Control ICs for smartphone cameras
		<ul style="list-style-type: none"> Focus on sensing devices for security (authentication) and self-driving support modules 		

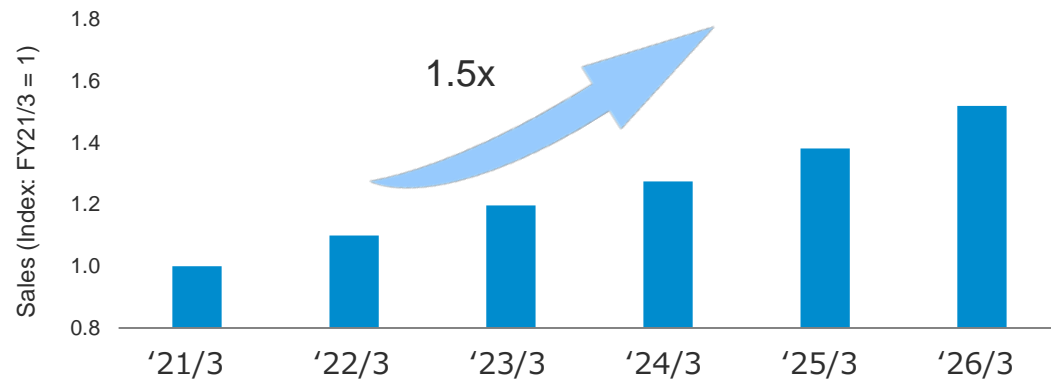
Growth Strategy for Discrete Semiconductor Devices Business

Aiming for continuous growth through a product strategy covering all areas of discrete semiconductor devices business and product cycle

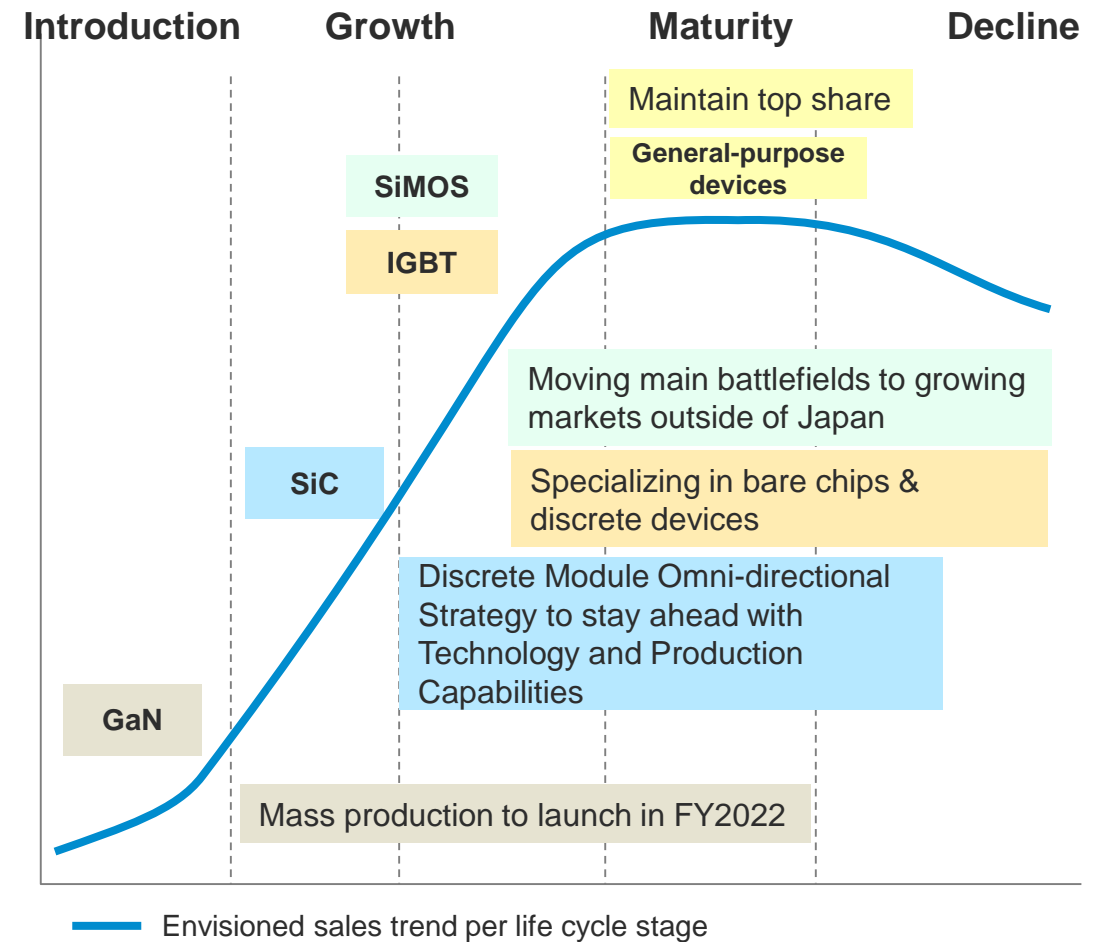
Discrete Semiconductor Devices Business Areas



Discrete Semiconductor Devices Sales Over Time

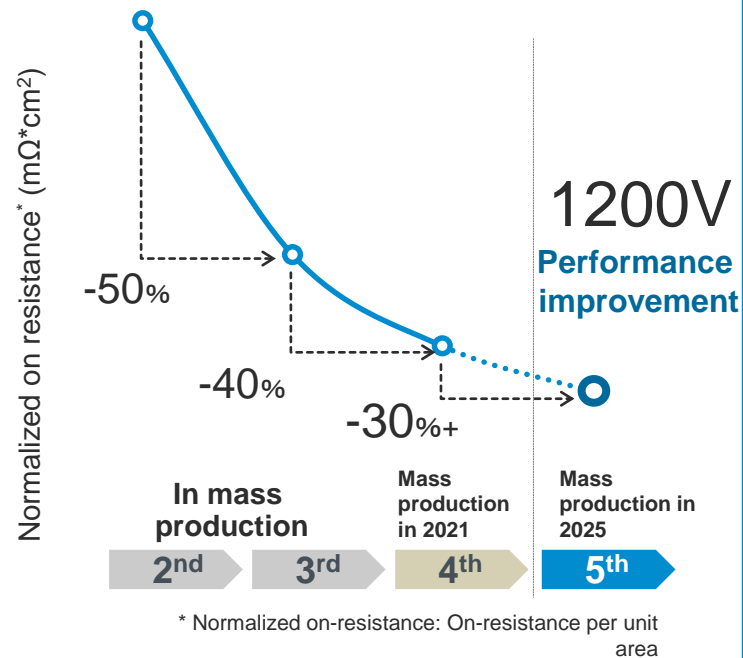


Product Life Cycle



Target 30% of market share using technological capability and supply responsiveness

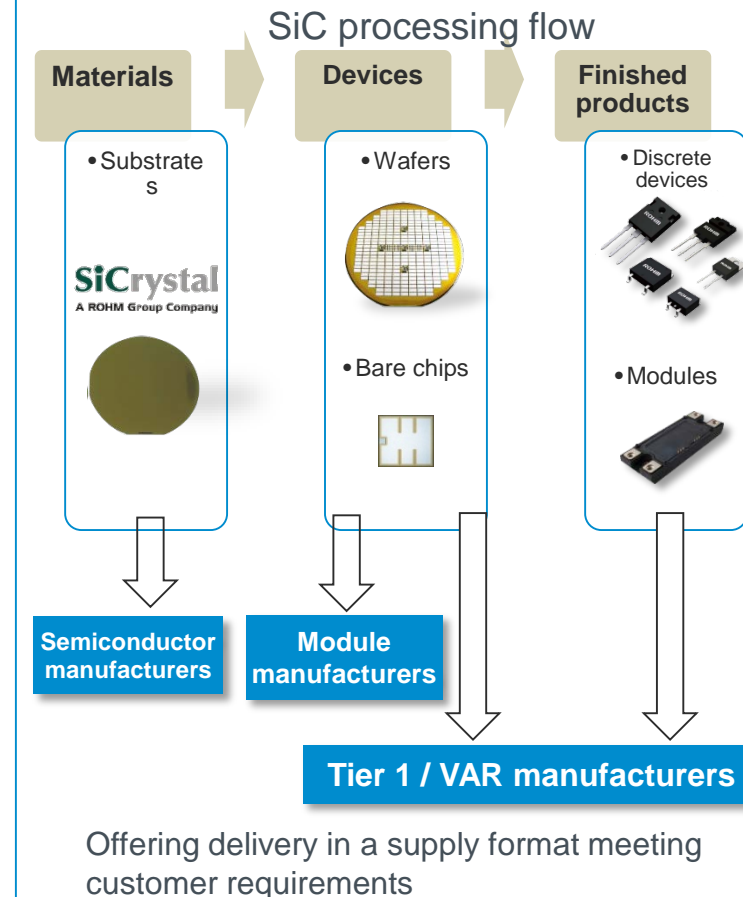
Leading in technology



2012: **World's first**
Automotive standard SiC SBD released

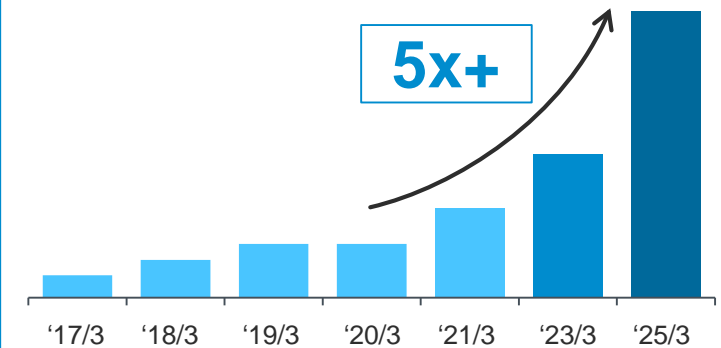
2018: **World's first**
Automotive standard SiC Trench MOS released

Product lineup with 100% coverage

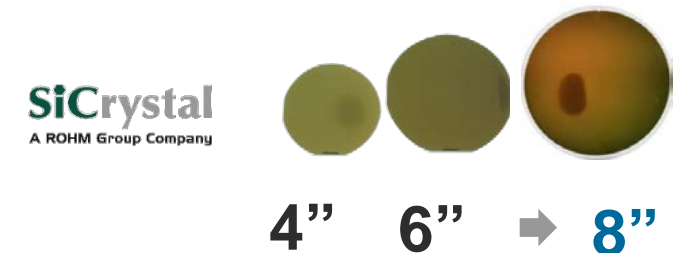


Strengthening production systems

Increased production capacity



Larger diameters



Maintain top share as cash cow business

Stable supply

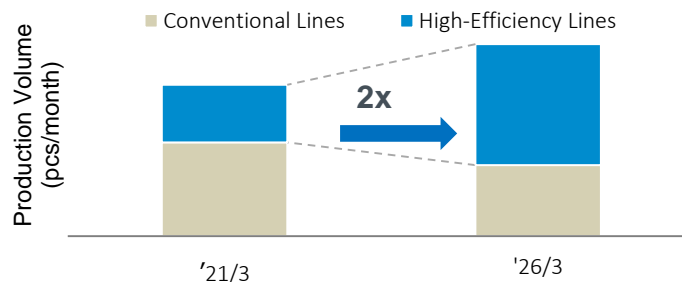
Production system resilient against demand fluctuations

Increasing high-efficiency lines by 2 times in 5 years

Maintaining high quality through continuous equipment renewal

Review of inventory design
Production leveling

Package Production Capability



Cost competitiveness from labor savings

Factories where robots and humans collaborate → responding to ever-increasing personnel expenses



Mobility robots



Work robots

Robots perform material transportation and lot start/stop work

Improving productivity by 2 times

Ultra-compact, space-saving products

Increase market share by developing new products for specific applications

Smartphone product:

World's smallest - WL-CSP MOSFET

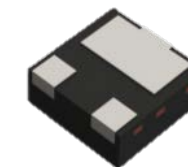


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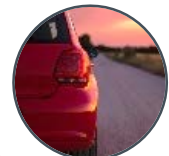


Automotive product:

Compact/thin DFN packages



MOSFET • Low capacitance TVS

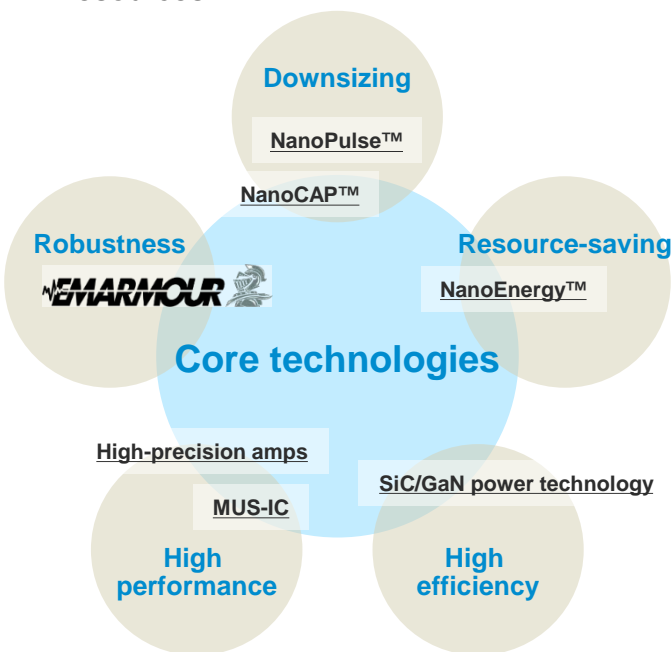


Product development generating global winners

Strengthening technological capabilities

Strengthening development capabilities to generate advanced technologies

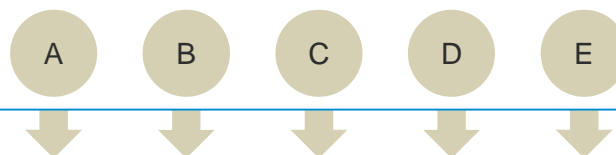
- Development (sharing) of core technologies
- Professionalization of human development resources



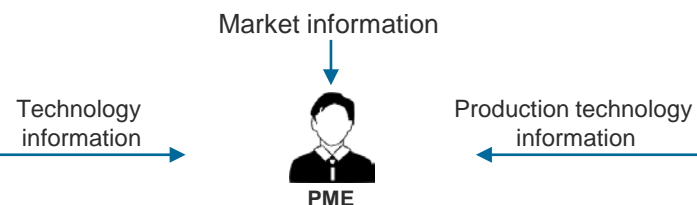
Strengthening planning and development capabilities

Develop products that can be adopted by much more customers

Corporate customers with specific applications

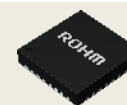


Increasingly diverse technologies and issues that customers want to realize



Dedicate engineers familiar with tri-directional information necessary for product planning

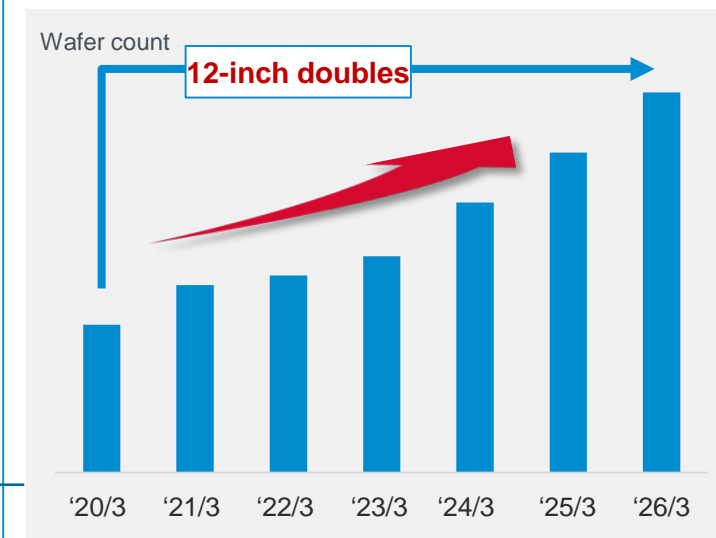
With optimized ASSP planning, aim to improve development efficiency



*PME: Product Marketing Engineer
*ASSP: Application Specific Standard Product

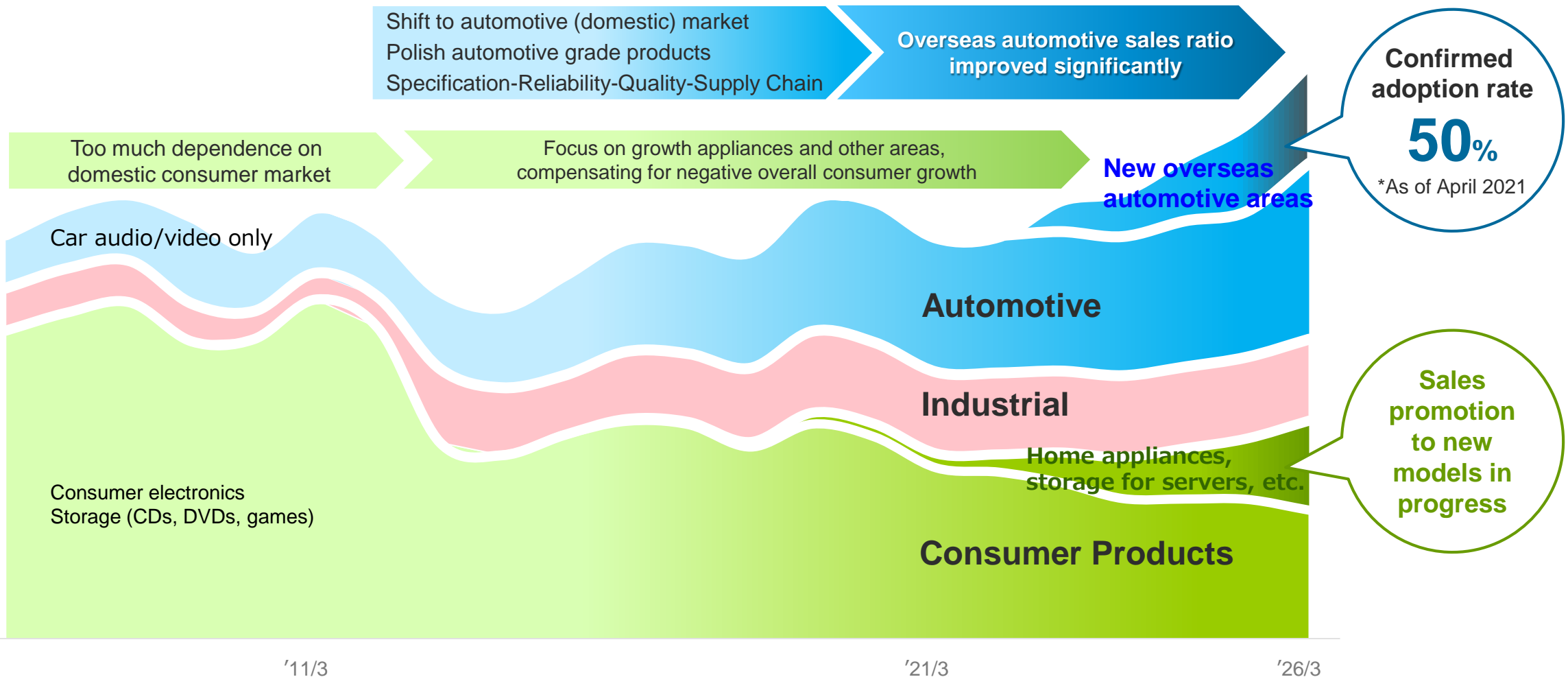
Production strategy leveraging in-house processes

Strengthening wafer processes leveraging our mainstay products



- Expand large diameter (12") production capacity on our main process technology, BiCDMOS
⇒ Power supply ICs, motor driver ICs, analog ICs
- Strengthening production in unique processes
⇒ Isolated gate drivers, IPD

Reclassify the market portfolio (from consumer to automotive) as a springboard to increase sales toward FY2025

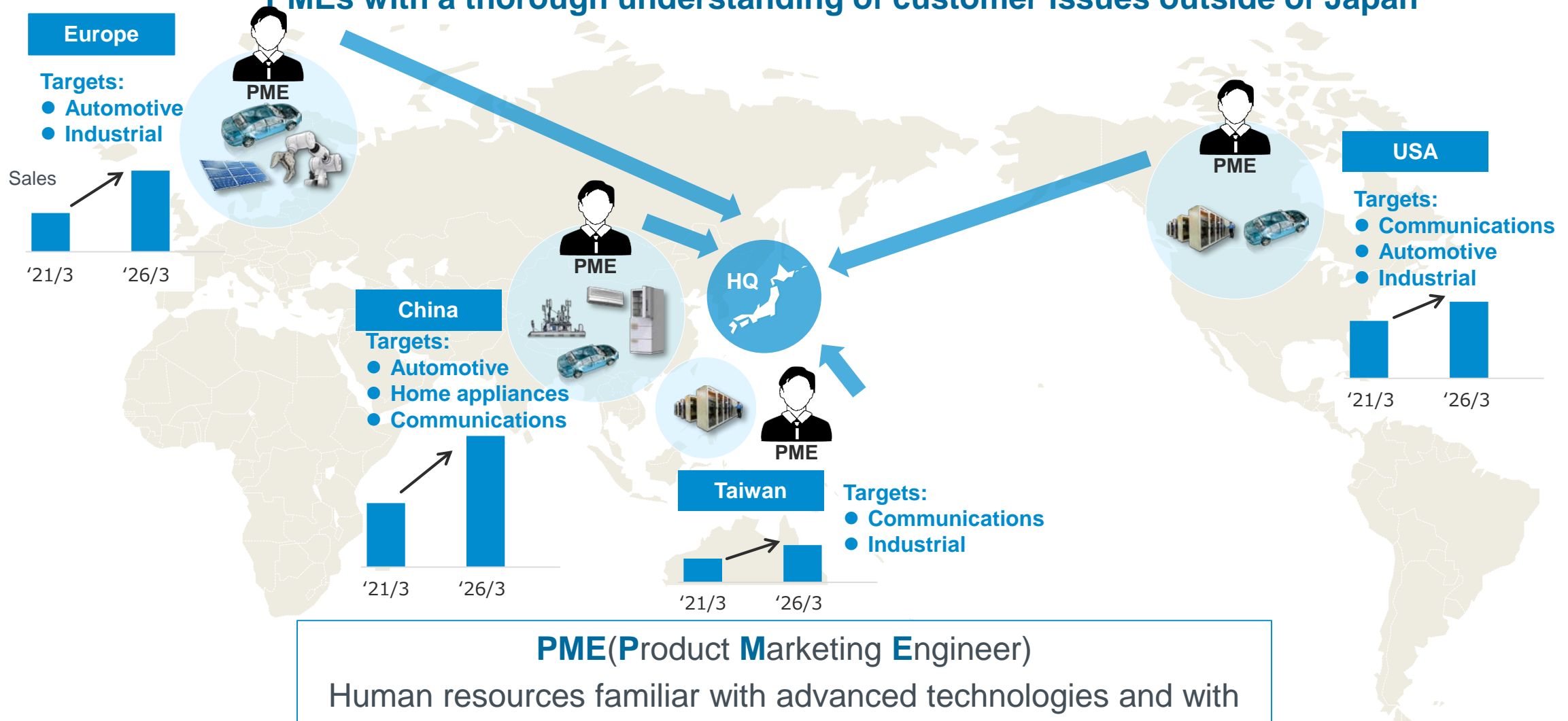




Foundation Supporting Our Growth Strategy

Strengthen Product Development Structure Capable of Creating Products that can Compete in the Global Market

Increase the number of inputs of high-quality product planning proposals by deploying PME with a thorough understanding of customer issues outside of Japan



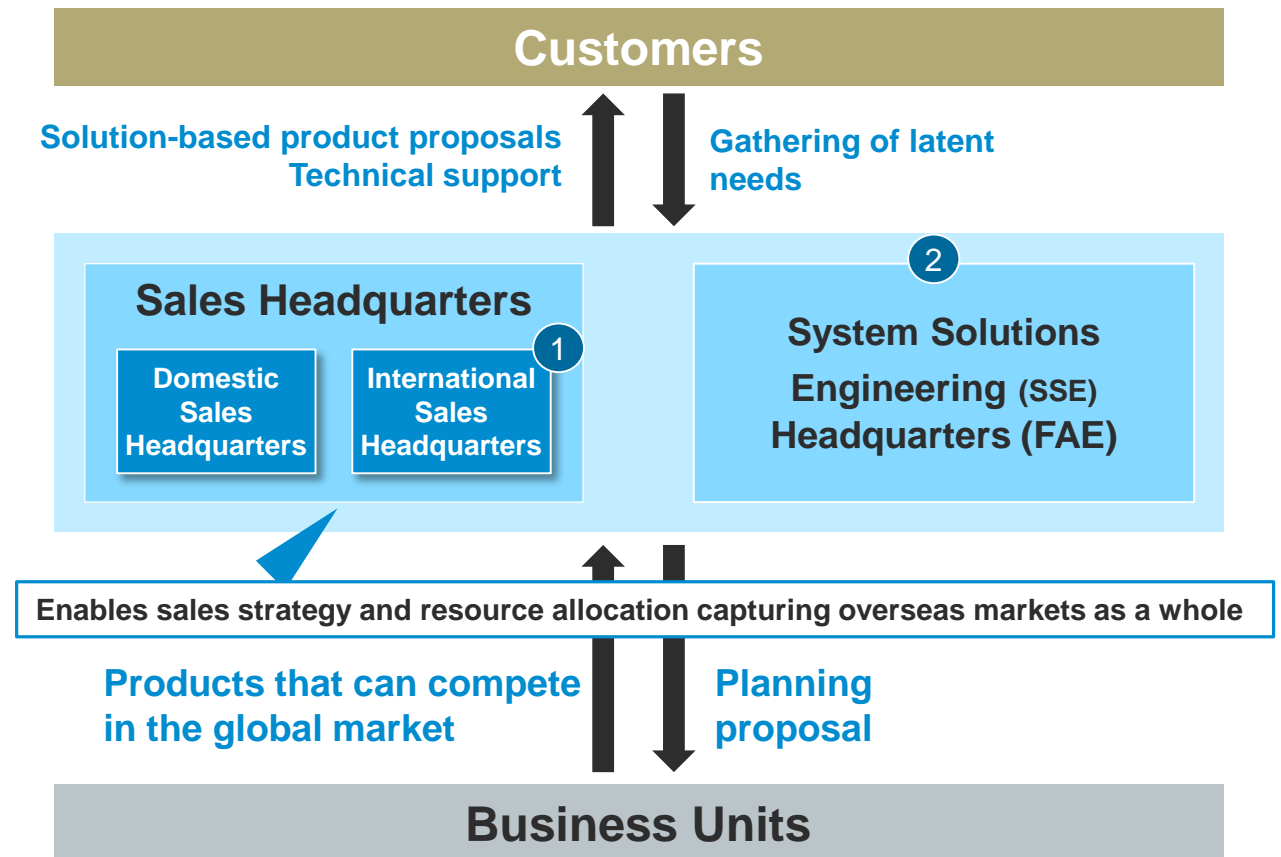
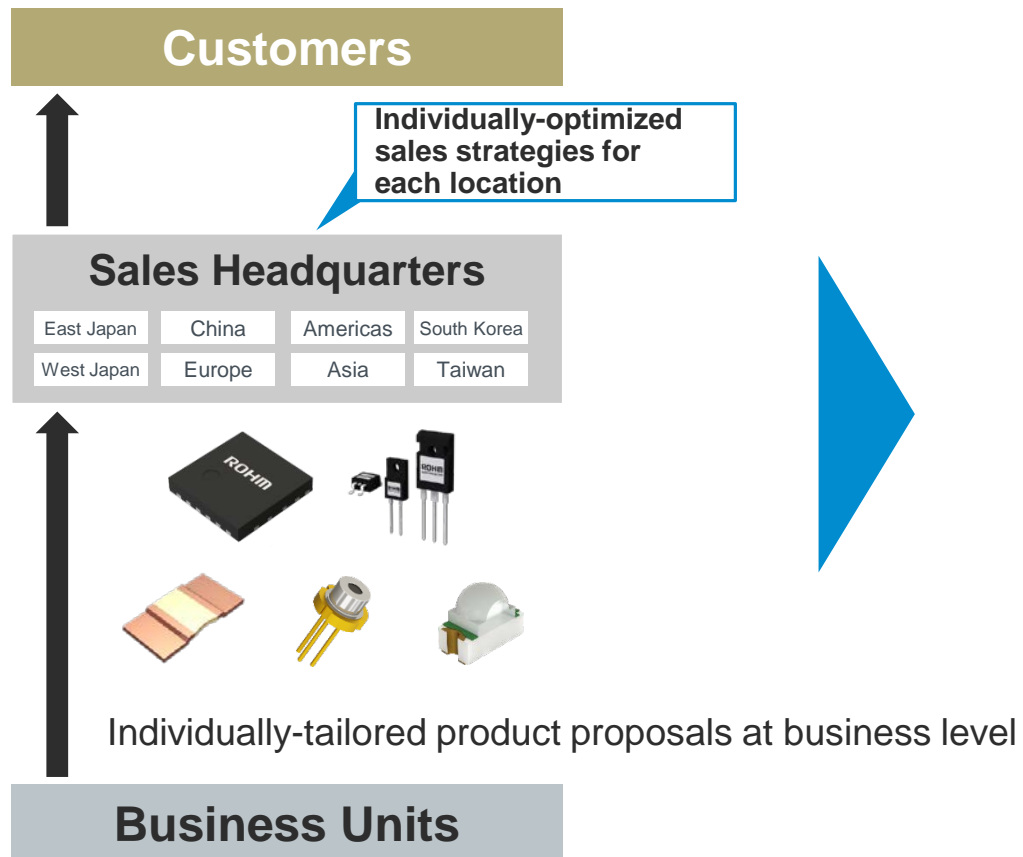
PME(Product Marketing Engineer)

Human resources familiar with advanced technologies and with authority to develop new products

Sales and Sales Promotion Structure to Grow Sales Outside of Japan

Initiatives to accelerate expanding product sales in markets outside of Japan

- 1 Establish International Sales Headquarters so that strategies can be taken for the overall optimization of the markets
- 2 Establish System Solutions Engineering (SSE) Headquarters to strengthen solution proposal capabilities to customers and strengthen cooperation with Sales Headquarters



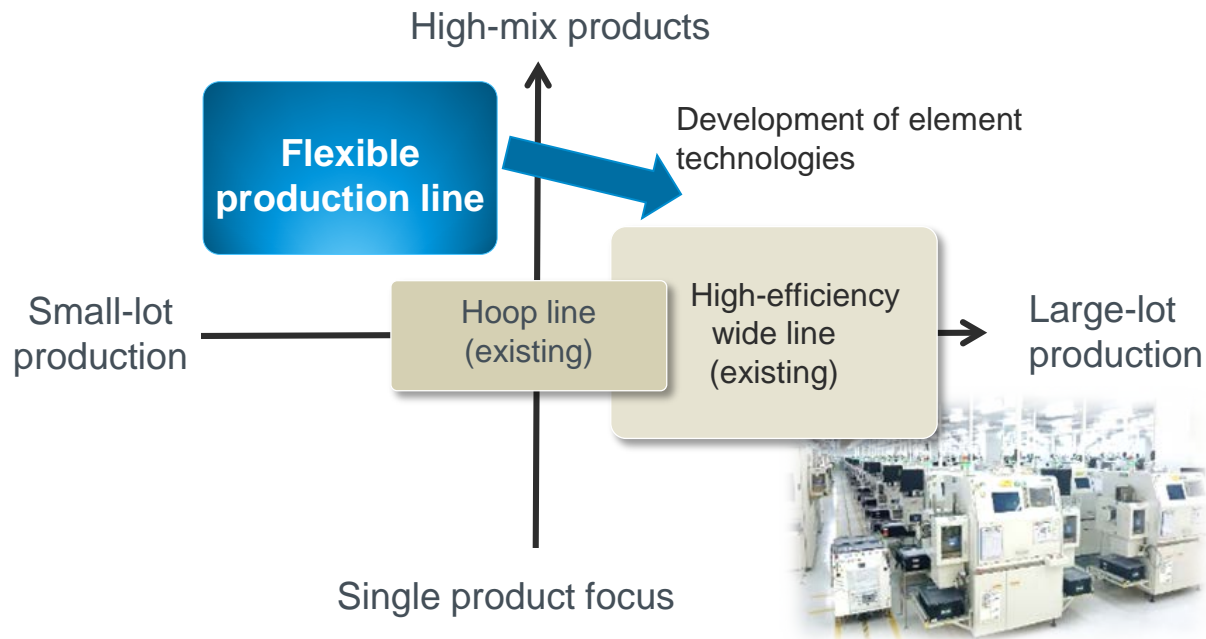
Fulfill supply responsibility to customers under all circumstances

Accelerating productivity improvement and automation of assembly process

Completion of flexible line development

General-purpose device mass production launches from April 2021

High-mix product supply from domestic mother plant strengthens BCP adaptability



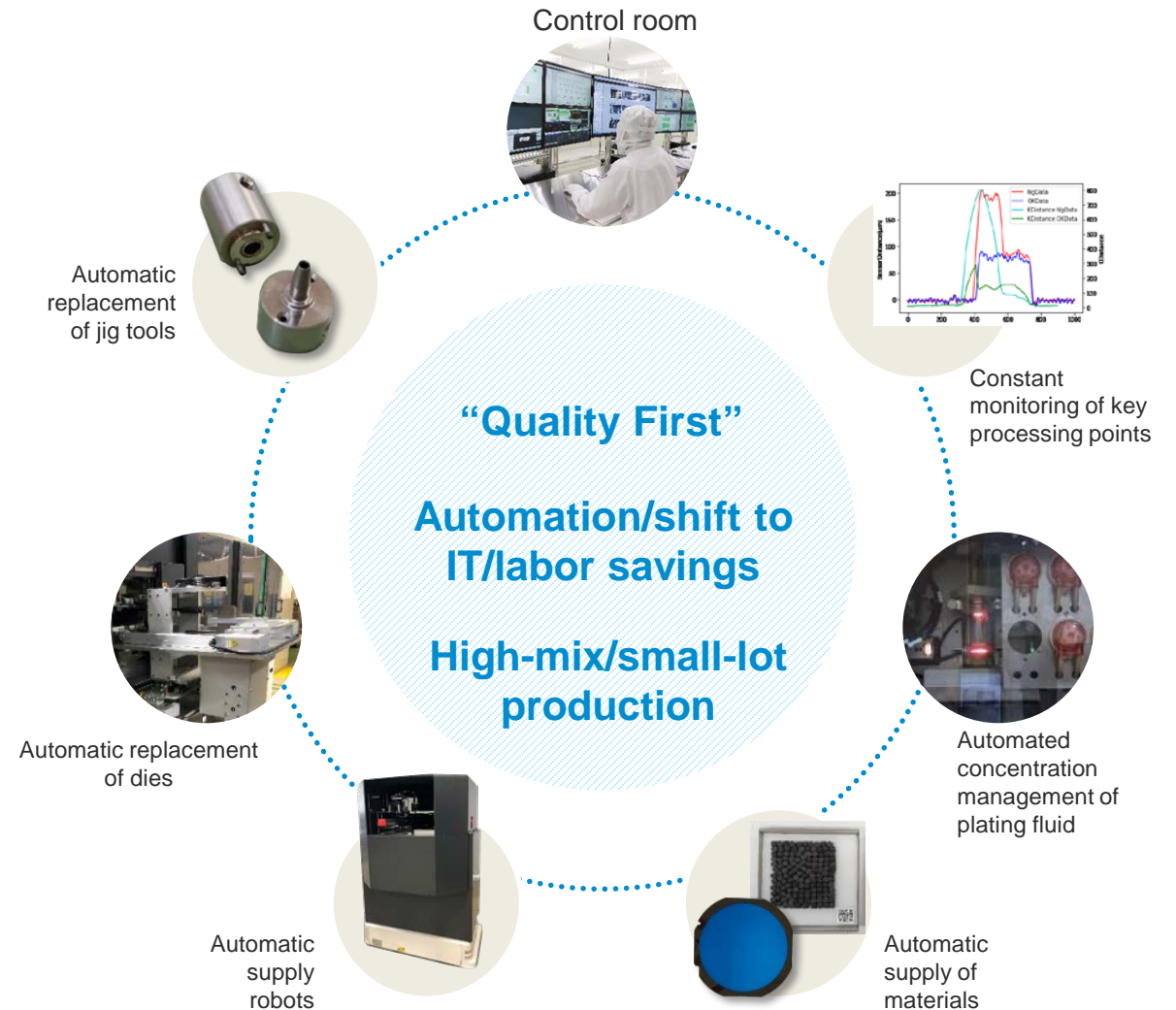
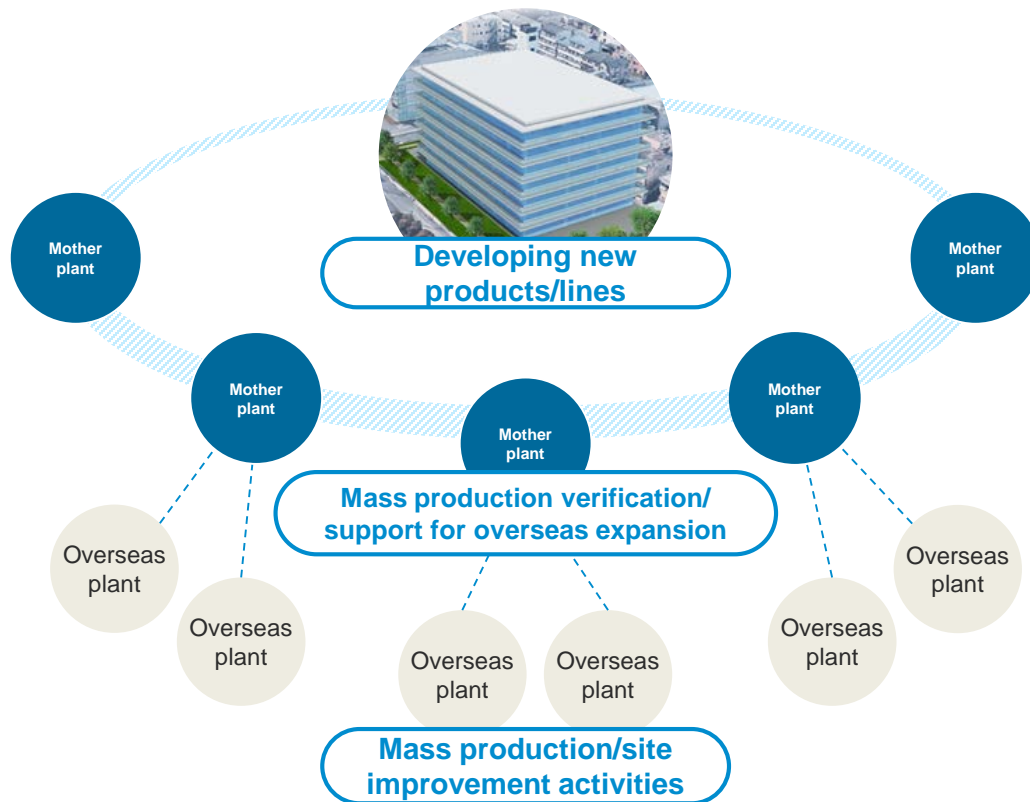
Future developments

- **Expansion of products under mass production** FY2021-FY2022
Adding ICs and power devices
- **Equipment boost at domestic mother plant** FY2021-FY2023
Strengthening the supply chain by strengthening the domestic production system
- **Expansion to mass production lines at overseas factories** FY2023 and beyond

We will continue to reform manufacturing by concentrating the ROHM Group's technological capabilities to achieve full automation and unmanned operations that do not rely on human labor and do not create defects

ONE ROHM

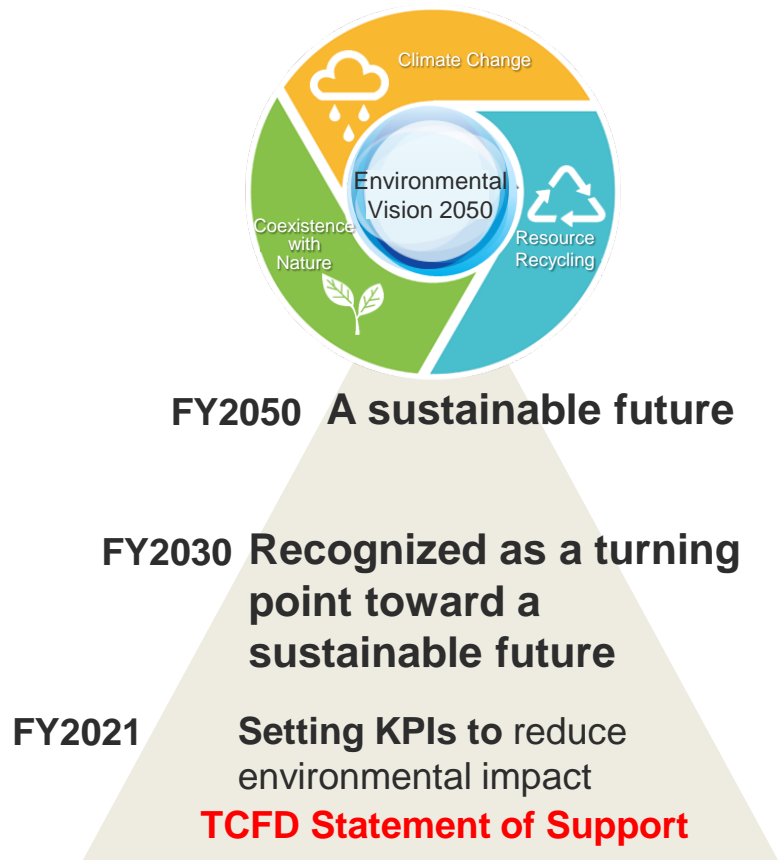
Establish Manufacturing Innovation Hub



IV ESG Initiatives

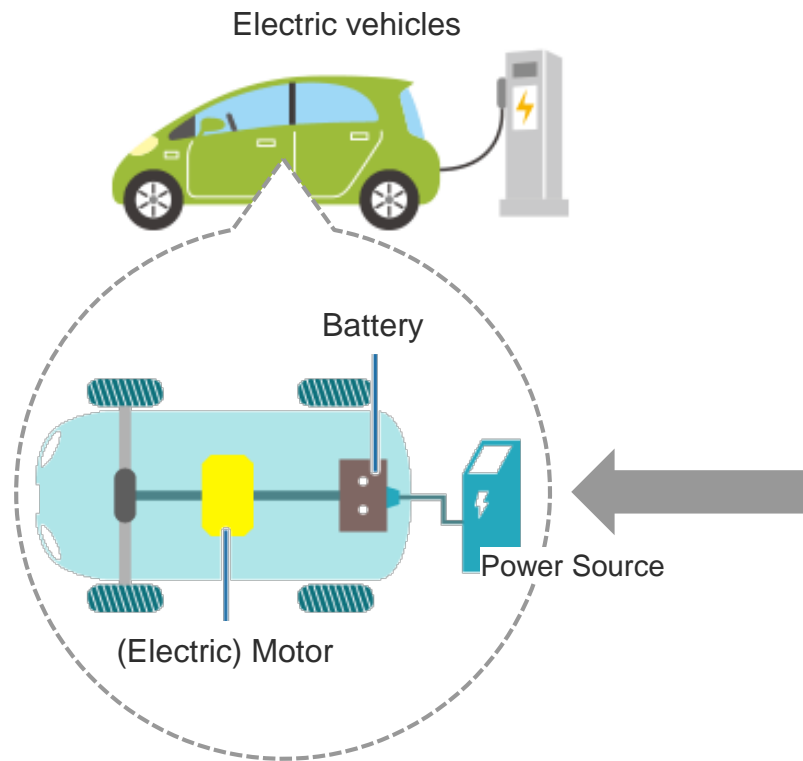
Contributing to society through electronics. This is our mission for the Earth, and for our growth

Priority Issues in Sustainability Management, Goals for the ROHM Group



Important SDG Issues (Materiality)	Category	Targets for FY2030
<div> Climate Change Net Zero CO₂ Emissions</div>	GHG reductions	Reducing emissions amount by 30% vs. FY2018 levels Reducing emissions basic unit by 45% vs. FY2018 levels
<div> Resource Recycling Zero Emissions</div>	Promoting introduction of renewable energy	Promoting the shift to renewable energy with the goal of 100% implemented in FY2050
<div> Coexistence with Nature Harmonizing Business Activities with Natural Cycles</div>	Resource reduction	Increasing water recovery/reuse rate by 5.5% vs. FY2019 levels
	Waste reduction	Zero waste emissions
	Promotion of greening	Promoting factory greening at all locations Improving conservation of organisms inhabiting each region
	Rigorous chemical substance management	Rigorous compliance with and management of various national policies and regulations on chemical substances, reduction of usage of chemical substances

Amid calls for a decarbonized society, ROHM is active in pushing for the introduction of renewable energies, with the goal of achieving zero CO₂ emissions



ROHM
SEMICONDUCTOR

All major processes for energy-saving SiC devices produced with renewable energy

SiC wafer production process

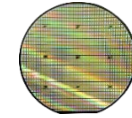


SiCrystal GmbH
(ROHM Group)



Plant using 100% renewable energy from FY2021

SiC front-end process



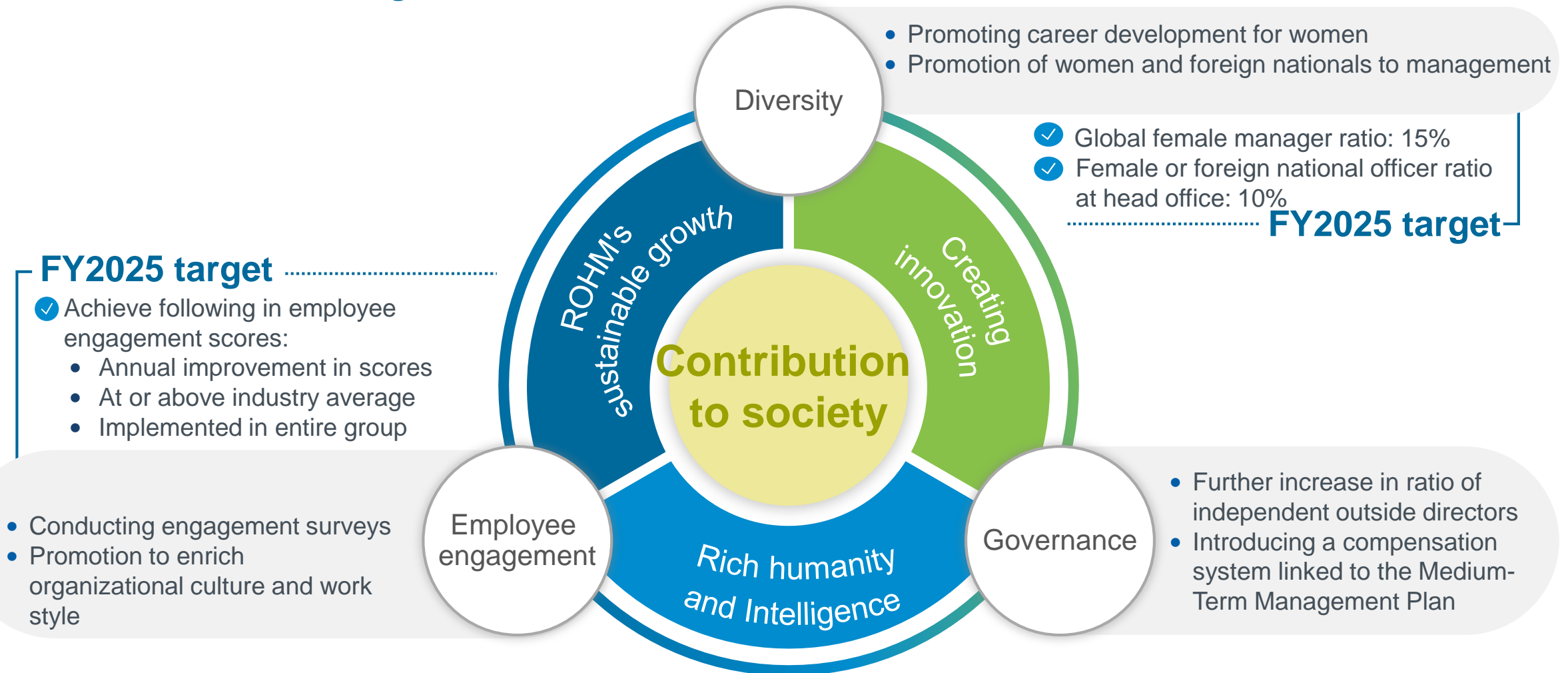
ROHM Apollo Co., Ltd.
Newly established within the Chikugo plant



New plant using 100% renewable energy, to launch operations in FY2022

*ROHM Apollo has implemented renewable energy since FY2019

Diversified employees with rich humanity and intelligence maintain high engagement, and continuously generate innovations together with effective reforms of the corporate governance that allow ROHM sustainable growth.



Fulfilling Social Responsibility by Strengthening BCM Structure

Establishing a system for continuous product supply to customers by strengthening cooperation with suppliers and maintaining a sound supply chain

Suppliers

Procurement from suppliers with BCM structures/ESG initiatives in order

CSR procurement

Sustainable procurement

BCP action

Rapidly investigate impact of emergency situations through understanding each level of the supply chain

Business soundness

Conducting risk diagnosis and validating appropriateness of actions: Alternative plants, purchasing from multiple suppliers, local inventories

FY2025 target

- Surveyed 100% of 1st-tier supplier production locations
- 100% prior agreement rate among key suppliers on emergency response
- At least 90% of purchases from suppliers with CSR procurement evaluation ranking of B* or higher

*Ranks from A to D, with A as the highest rank

In-House Production Plants

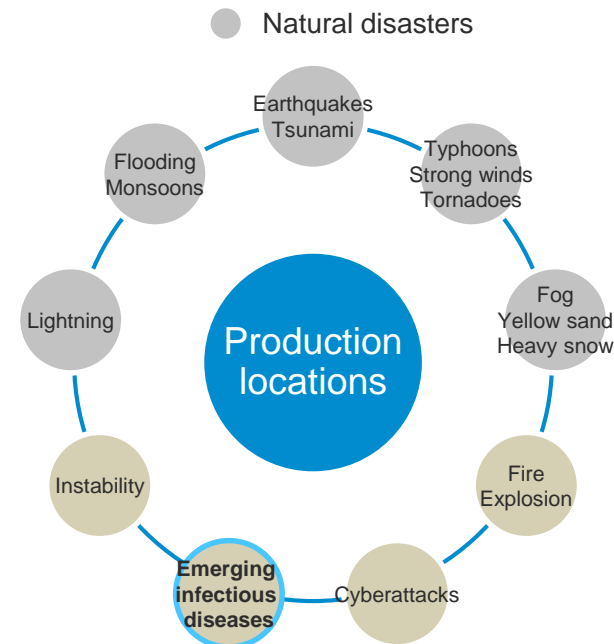
Revising BCP amid COVID-19

Review of risk assessment



Addressing risks

- Review of inventory design
- Risk diversification (multiple locations)
- Physical measures



Raised floors on 1st floor (Malaysia plant)



Seismic base isolation structure (Hamamatsu plant)



V Capital Policy

- Reduce cash on hand gradually over five years to a level of around 50% of annual sales in FY2025.
- Make ¥400 billion in investment for growth and proactively provide shareholder returns over five years.

**Investment for
the growth**
(cumulative over five years)
¥400 billion

- Power devices (8-inch production line at new SiC factory, Si-MOS, IGBT production line enhancement)
- LSIs (12-inch Bi-CDMOS production line, isolated gate driver enhancement)
- Establishing Manufacturing Innovation Hub on head office premises
- M&A, capital tie-ups for expanding business and acquiring technology

Shareholder Returns

- Acquisition of treasury stock
- Consolidated payout ratio of 30% or more (gradual increase from 150 yen based on business performance)
- Timely return of free cash flows

MOVING FORWARD to 2025

We, ROHM will use this medium-term management plan as a guideline for realizing our management vision, all the individual employees and organizations of entire ROHM group will work together autonomously as **"ONE ROHM"** to put us back on growth track and achieve our goals toward FY2025.

