



Electronics for the Future

Financial Results for FY2022

(From April 1, 2022 to March 31, 2023)

As of May 10, 2023

- **Financial Results for FY2022**
- **Plan for FY2023**
- **Capital Expenditures**
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- **Power Device Strategies**

Financial Results for FY2022 (VS. Revised Plan and YoY)

(¥billion)

	FY2022 Results	FY2022 Revised Plan	VS. Revised Plan	FY2021 Results	YoY
Net Sales	507.8	520.0	-2.3%	452.1	+12.3%
Operating Profit	92.3	90.0	+2.6%	71.4	+29.2%
(Ratio)	(18.2%)	(17.3%)	-	(15.8%)	-
Ordinary Profit	109.5	105.0	+4.3%	82.5	+32.7%
(Ratio)	(21.6%)	(20.2%)	-	(18.3%)	-
Net Profit	80.3	80.0	+0.5%	66.8	+20.3%
(Ratio)	(15.8%)	(15.4%)	-	(14.8%)	-
EBITDA	148.4	148.5	-0.0%	113.5	+30.8%
(Ratio)	(29.2%)	(28.6%)	-	(25.1%)	-

Average Exchange Rate (¥/US\$) (¥134.95)

(¥134.17)

(¥112.86)

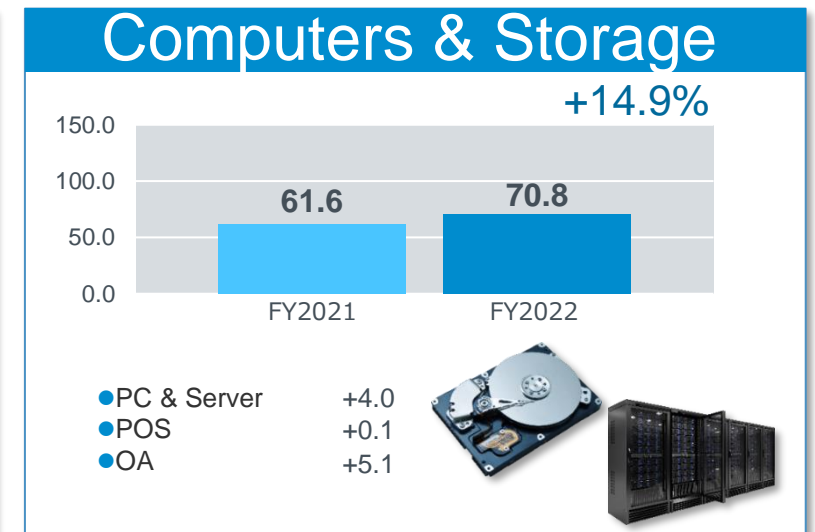
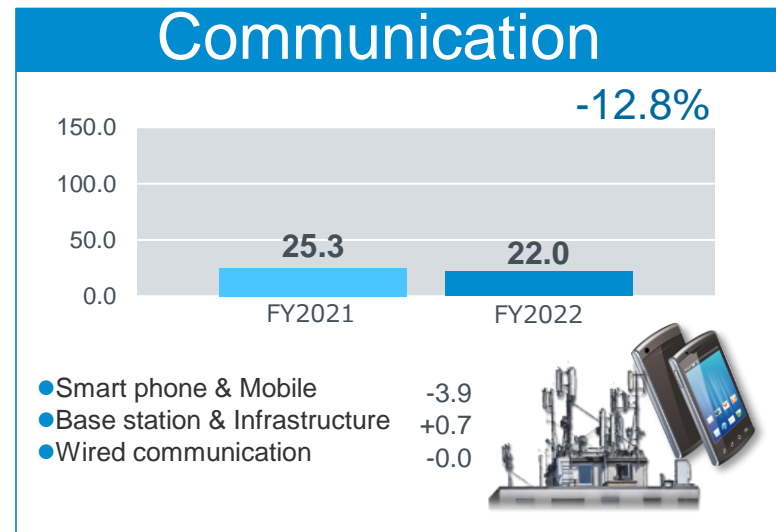
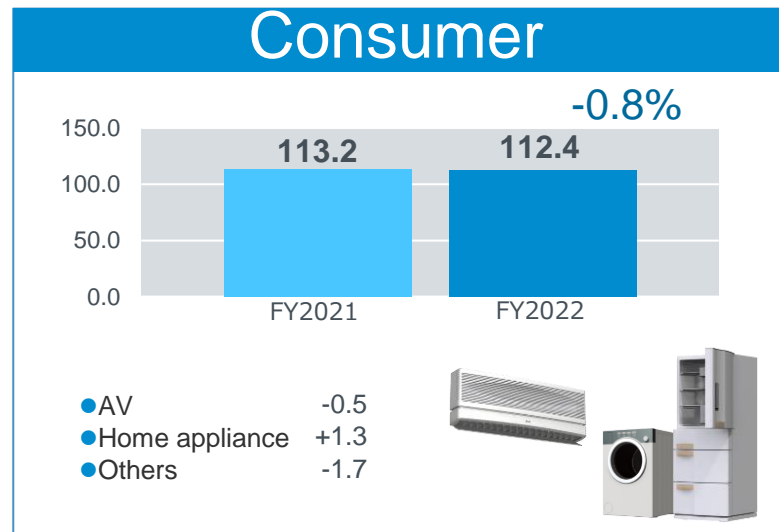
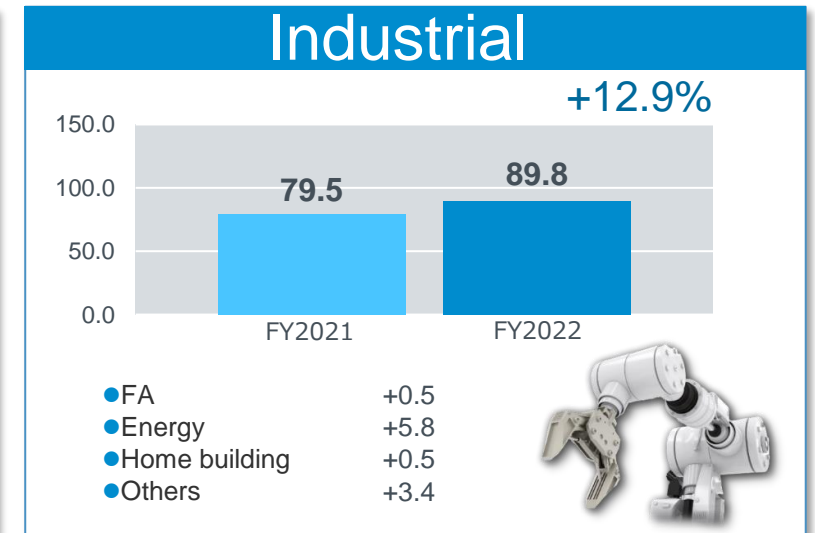
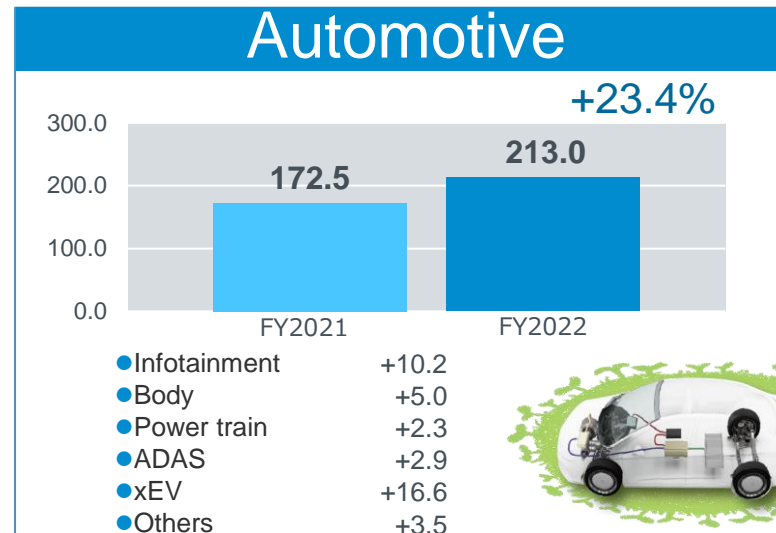
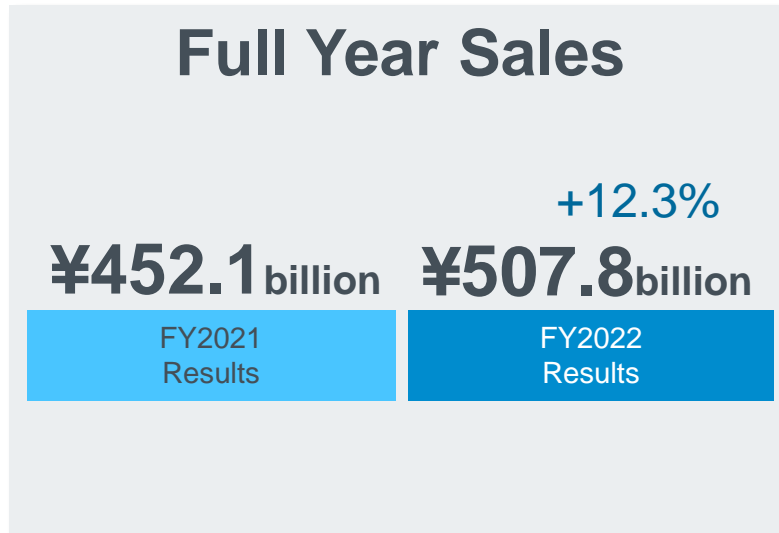
End of Term Rate (¥/US\$) (¥133.53)

(¥135.00)

(¥122.39)

FY2022 Sales Trend by Market Segments (YoY)

(¥billion)



* Market Segment: Calculated by most recent segment

FY2022 Sales Trend by Customer Nationality (YoY)

Full Year Sales

¥452.1 billion

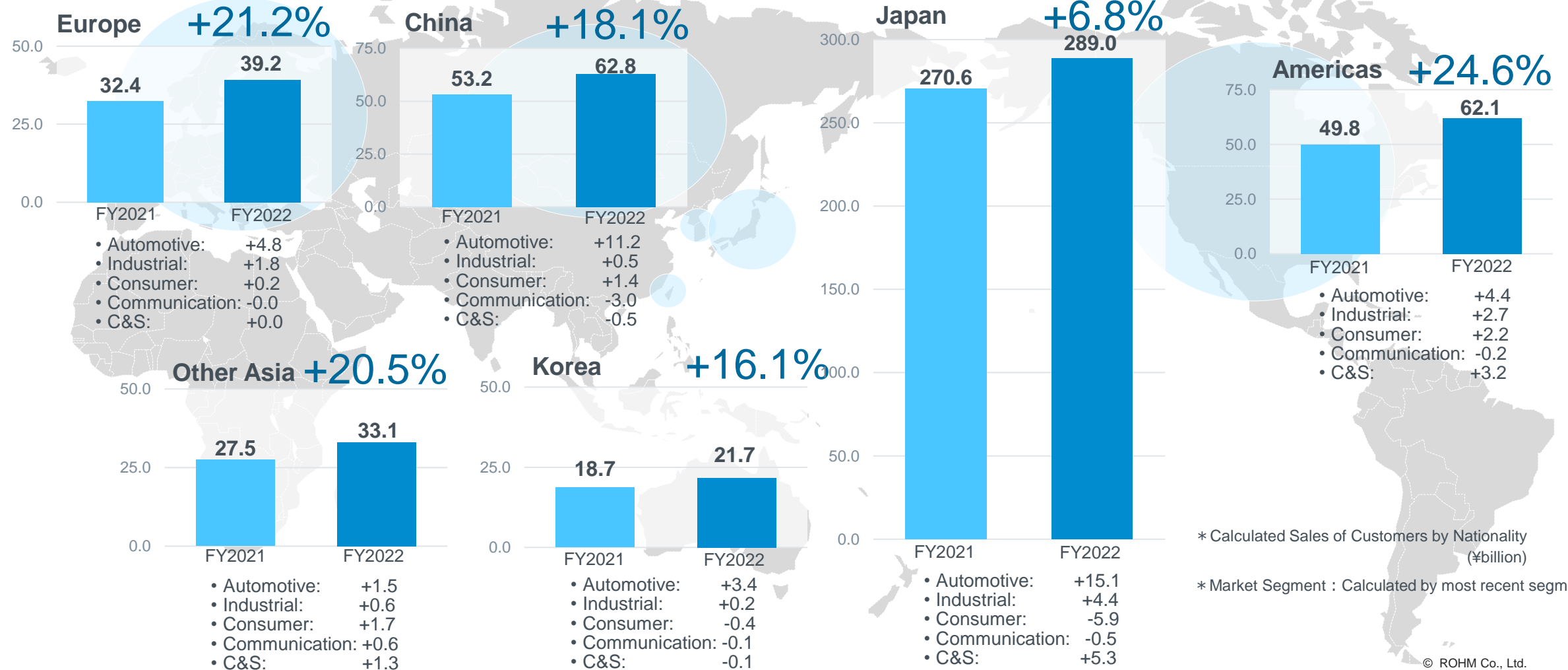
¥507.8 billion

FY2021 Results

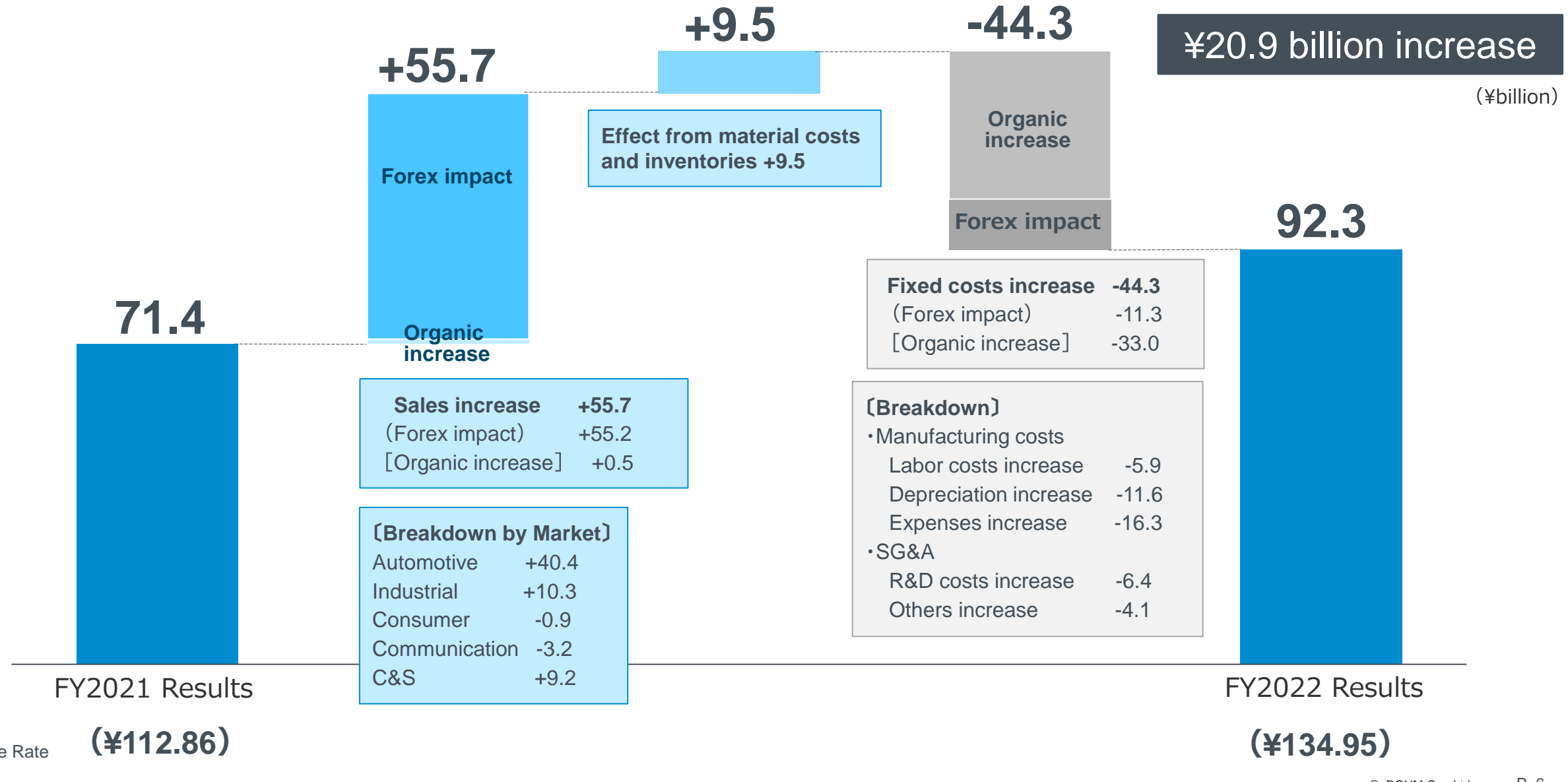
FY2022 Results

+12.3%

Full Year YoY



FY2022 Changes in Operating Profit (YoY)



Plan for FY2022 by Segments (YoY)

(¥billion)

		FY2022 Results	FY2021 Results	Difference in Amount	Difference in %
ICs	Sales	233.7	203.8	+29.9	+14.6%
	Segment Profit	48.1	32.9	+15.2	+46.0%
	(Ratio)	(20.6%)	(16.2%)	-	-
Discrete Semiconductor Devices	Sales	212.2	188.0	+24.2	+12.8%
	Segment Profit	34.5	32.7	+1.8	+5.4%
	(Ratio)	(16.3%)	(17.4%)	-	-
Modules	Sales	34.3	32.8	+1.5	+4.5%
	Segment Profit	4.2	4.4	-0.2	-3.6%
	(Ratio)	(12.5%)	(13.5%)	-	-
Others	Sales	27.6	27.2	+0.4	+1.1%
	Segment Profit	5.0	5.0	+0.0	+1.4%
	(Ratio)	(18.4%)	(18.4%)	-	-

Plan for FY2023 (YoY)

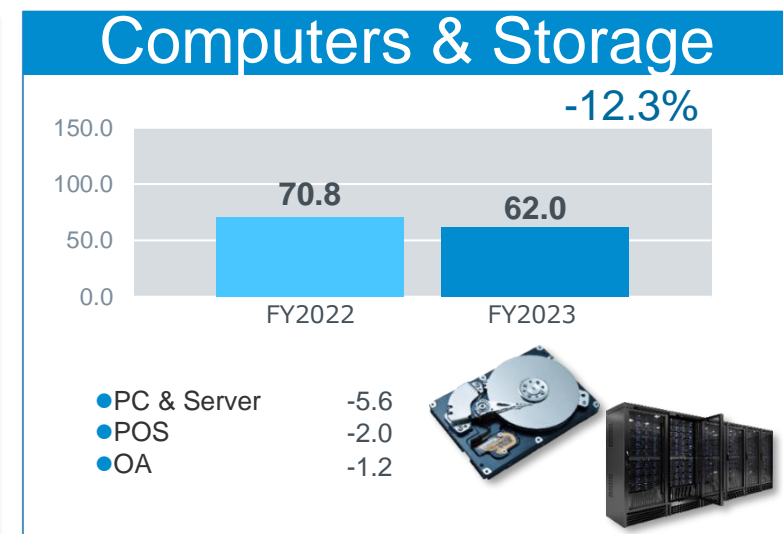
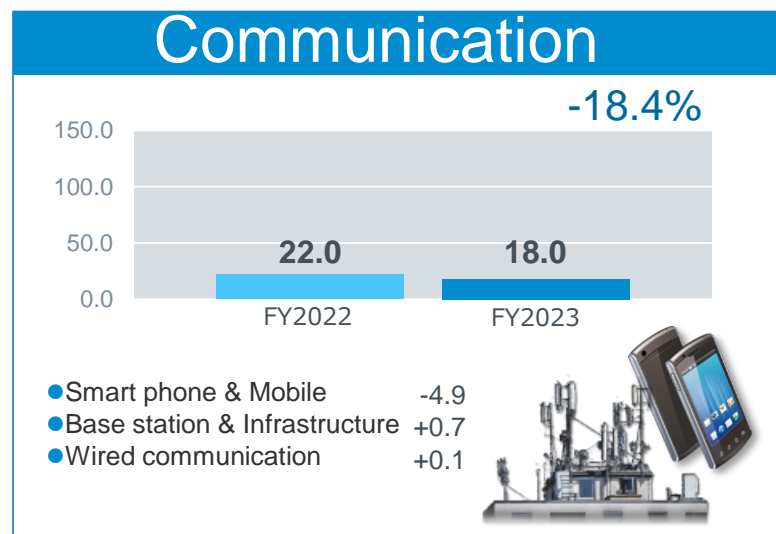
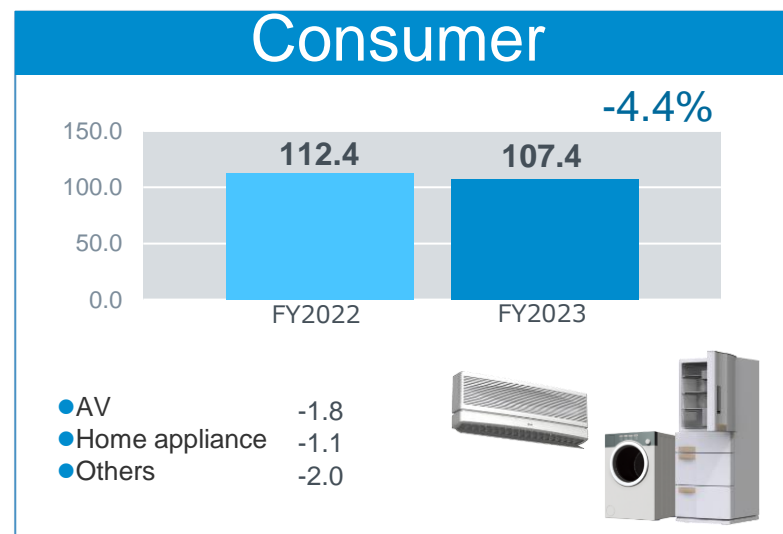
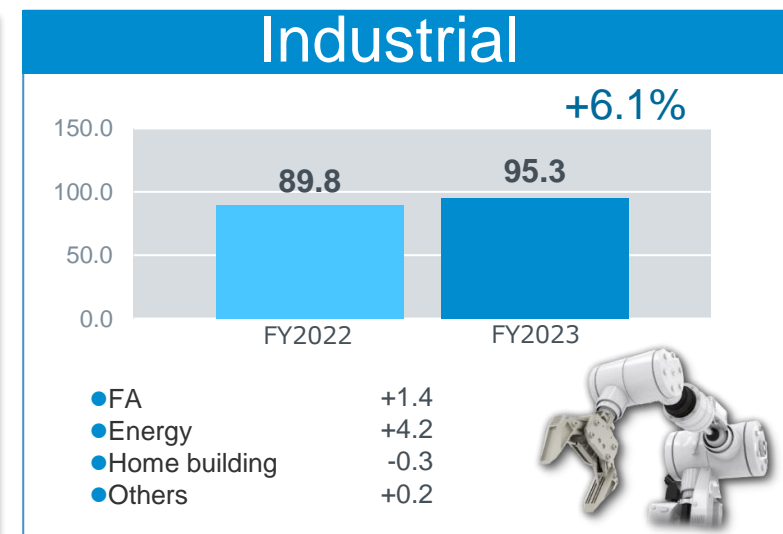
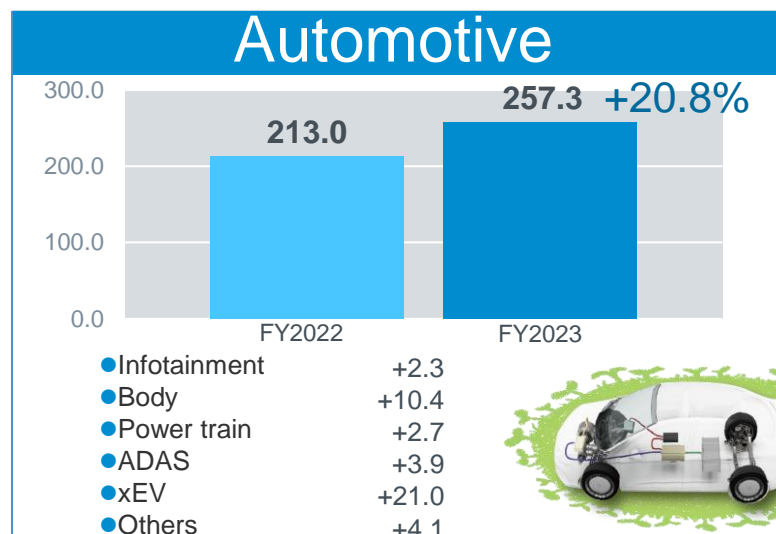
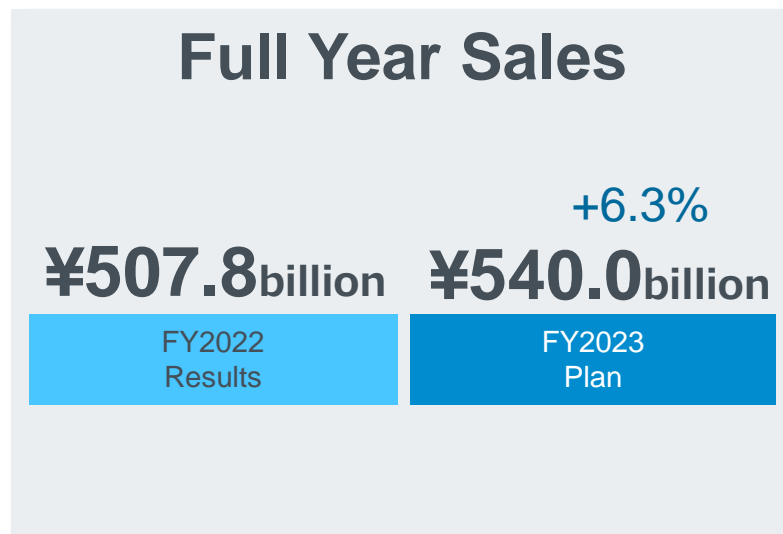
(¥billion)

	FY2023 Plan	FY2022 Result	Difference in Amount	Difference in %
Net Sales	540.0	507.8	+32.2	+6.3%
Operating Profit	75.0	92.3	-17.3	-18.8%
(Ratio)	(13.9%)	(18.2%)	-	-
Ordinary Profit	87.0	109.5	-22.5	-20.6%
(Ratio)	(16.1%)	(21.6%)	-	-
Net Profit	70.0	80.3	-10.3	-12.9%
(Ratio)	(13.0%)	(15.8%)	-	-
EBITDA	159.0	148.4	+10.6	+7.1%
(Ratio)	(29.4%)	(29.2%)	-	-

Average Exchange Rate(¥/US\$)	(¥130.27)	(¥134.95)
End of Term Rate(¥/US\$)	(¥130.00)	(¥133.53)

FY2023 Plan by Market Segments (YoY)

(¥billion)



* Market Segment: Calculated by most recent segment

FY2023 Plan by Customer Nationality (YoY)

Full Year Sales

¥507.8billion

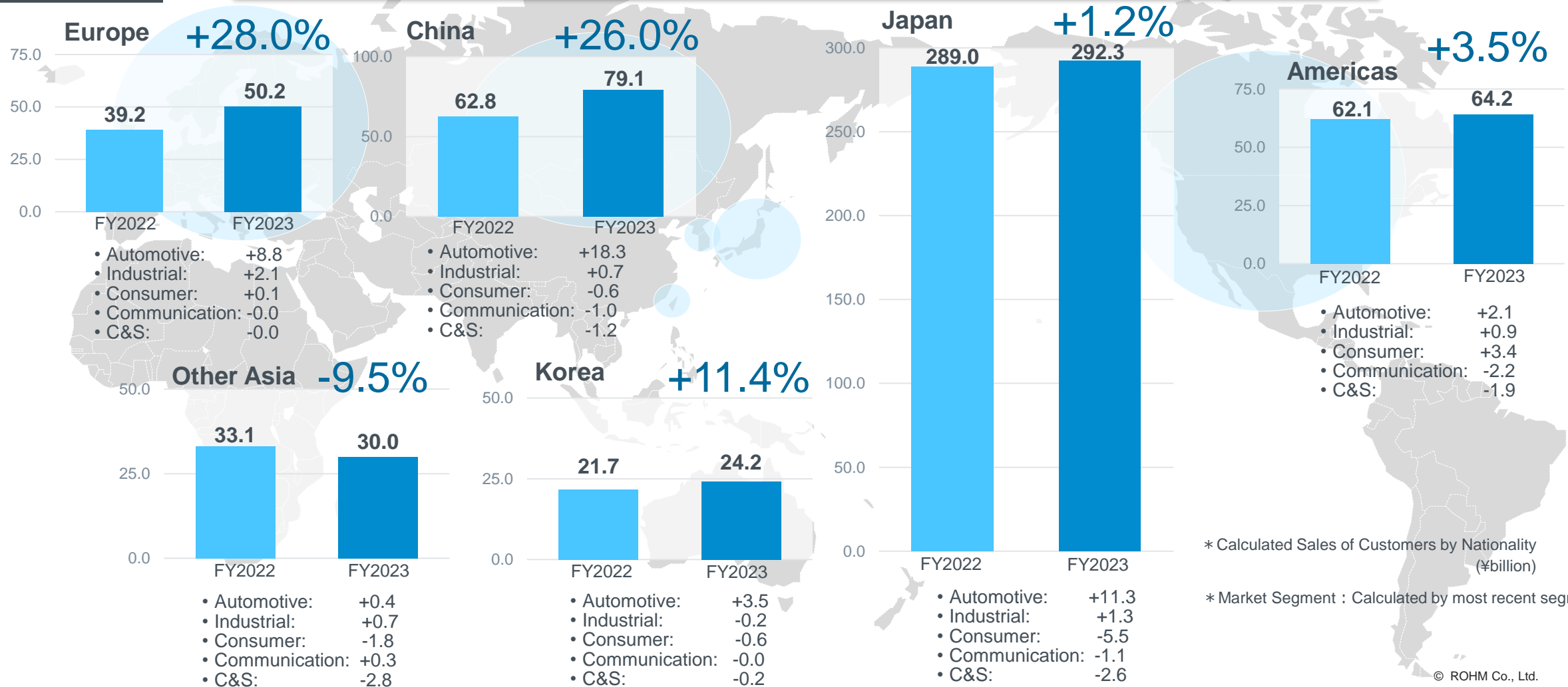
FY2022 Results

¥540.0billion

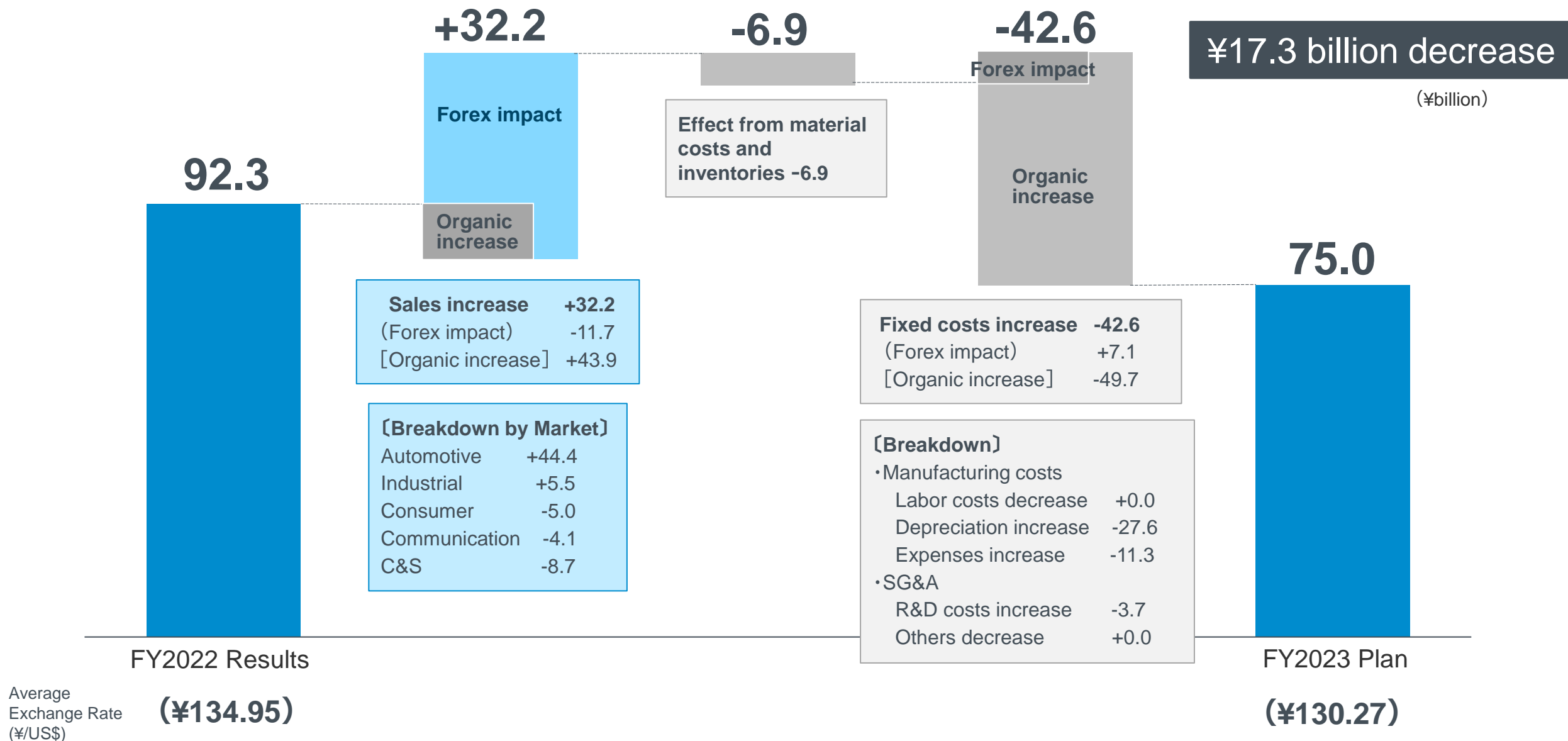
FY2023 Plan

+6.3%

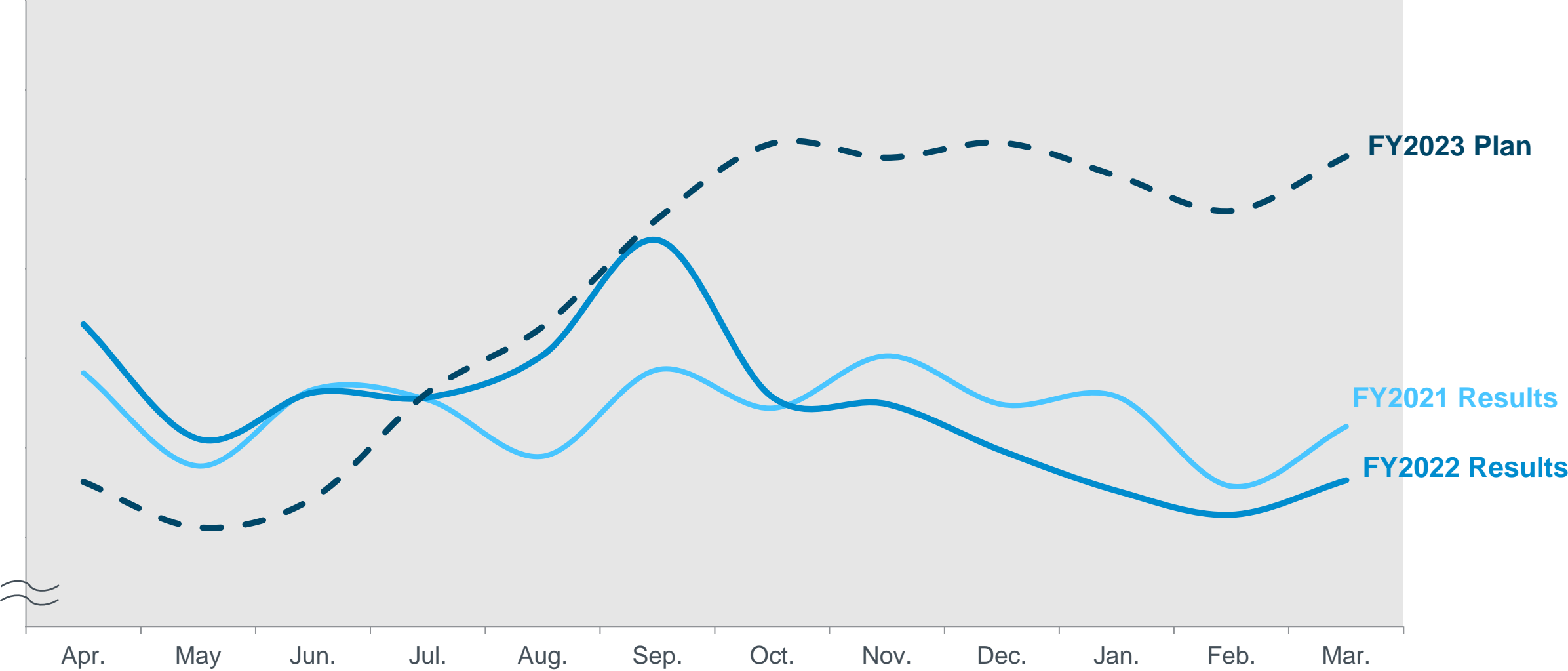
Plan YoY



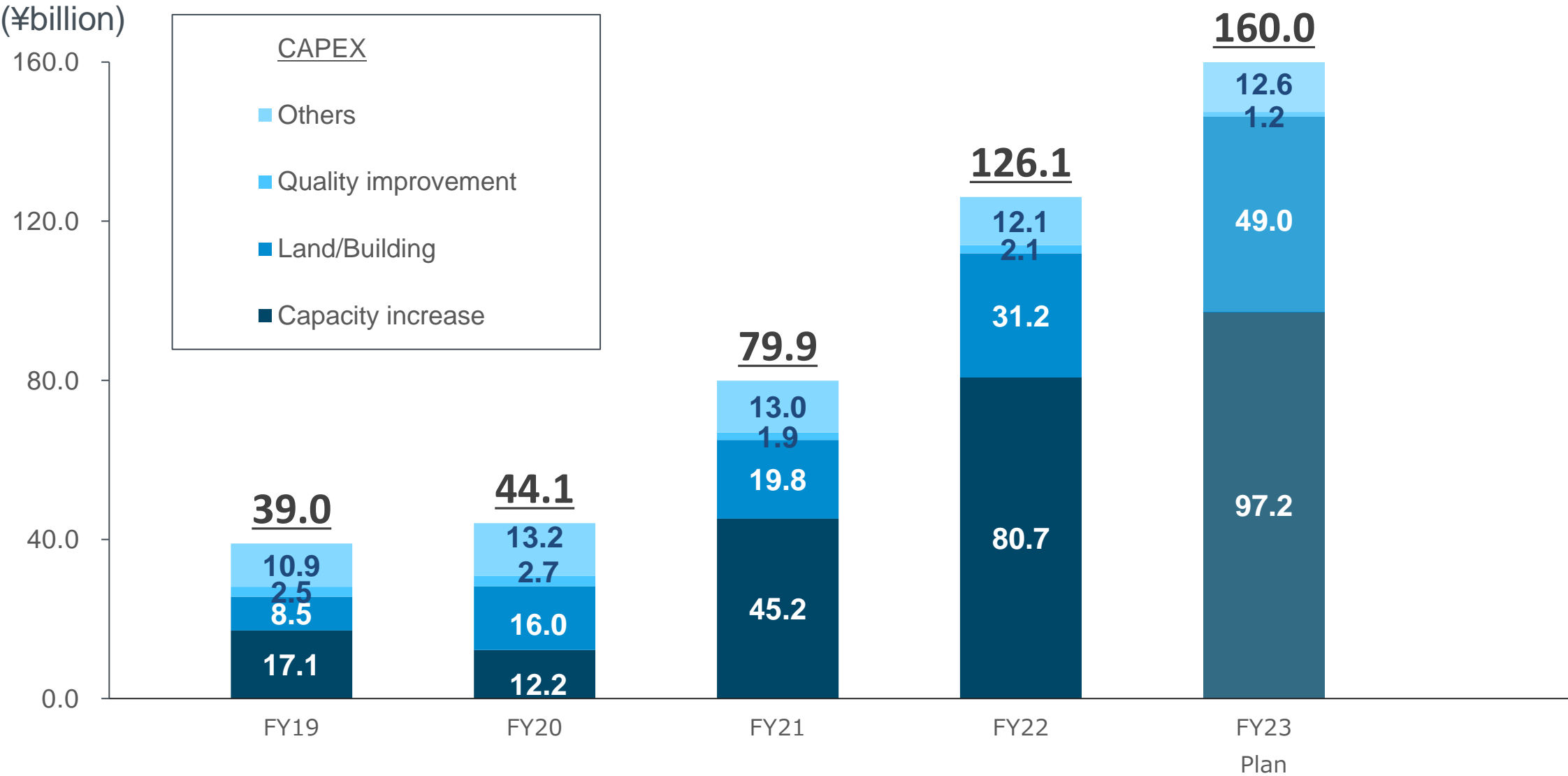
FY2023 Plan Changes in Operating Profit (YoY)



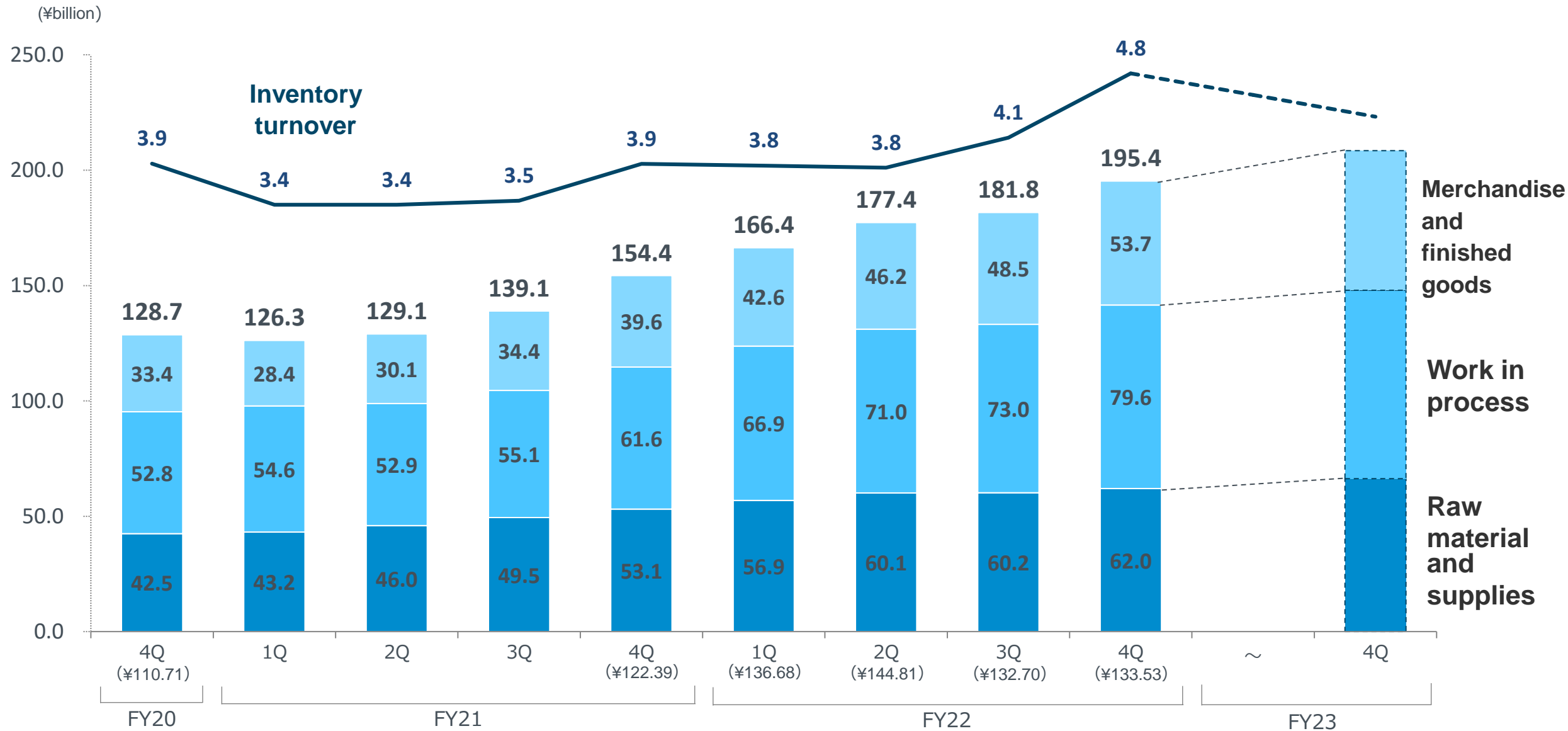
*Exchange rate is converted at 1USD=105 yen



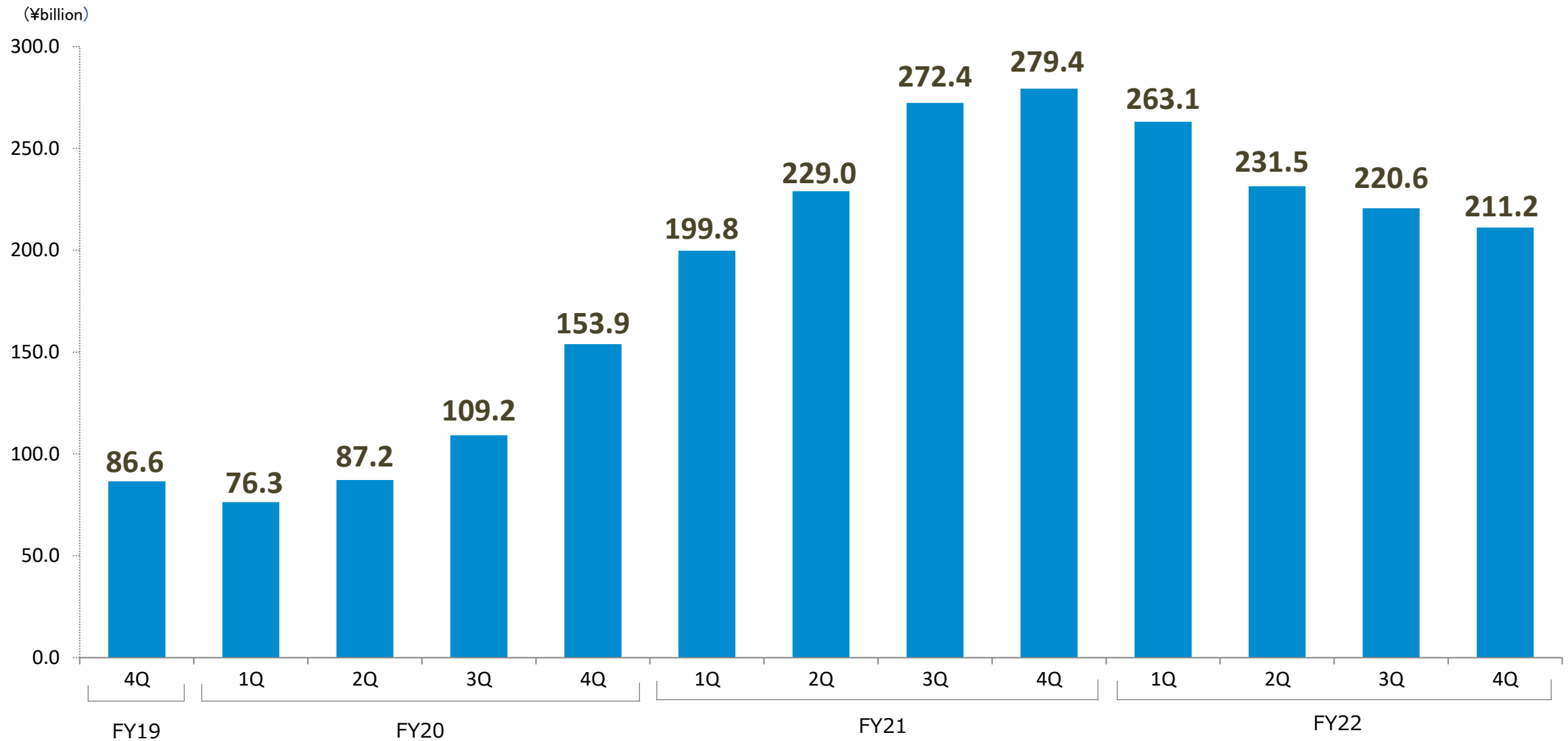
Capital Expenditures



Inventories (Amount)

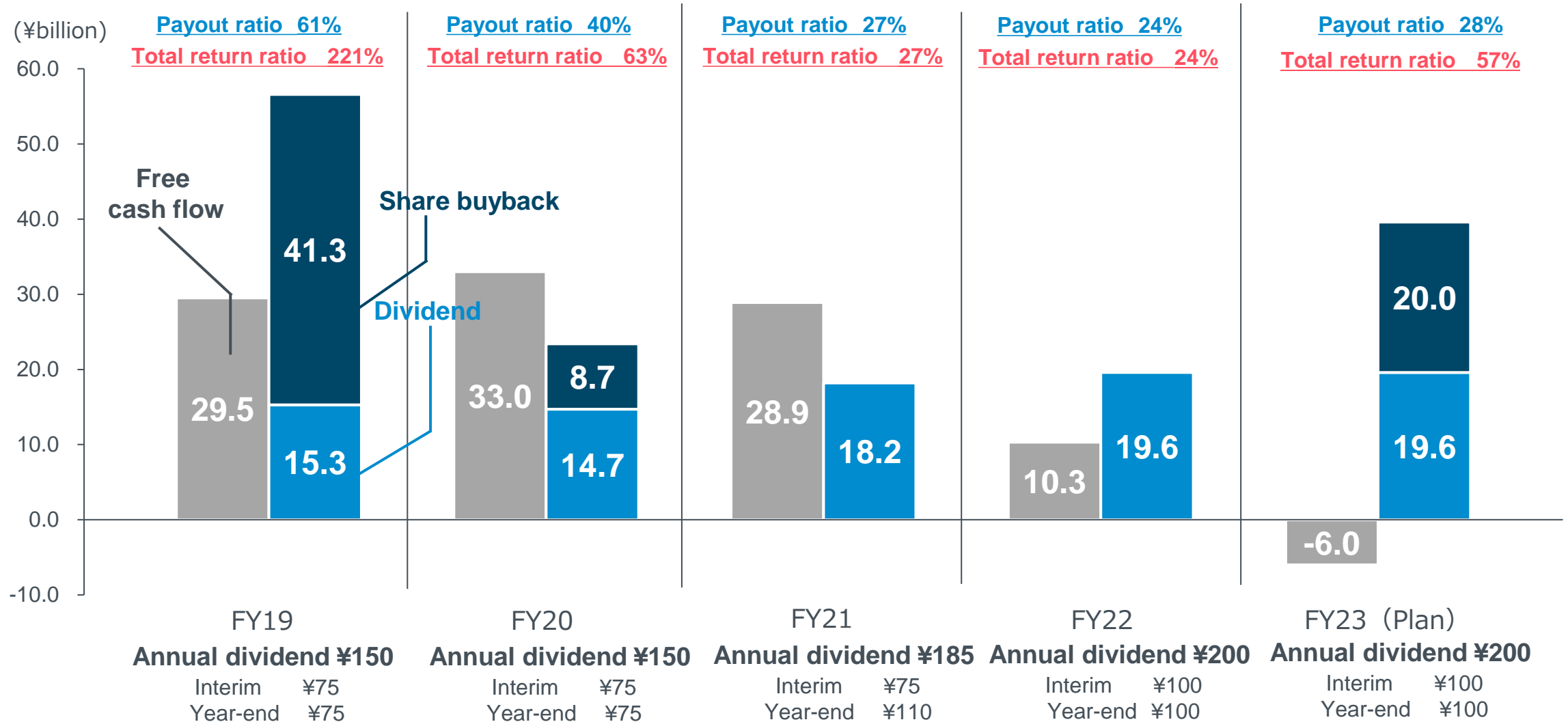


Trend of Order Backlog



*FY22 is converted at ¥110

Returns to Shareholders



* Free cash flow: Net profit + depreciation – CAPEX

Progress of the Medium-Term Management Plan

Medium-Term Management Plan(MOVING FORWARD to 2025)

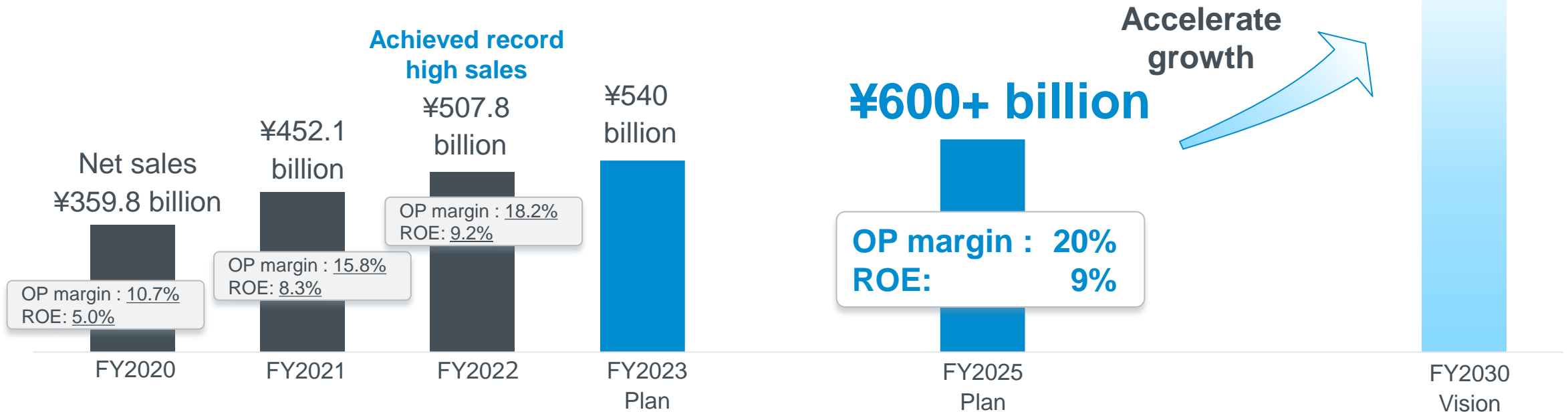
FY2021-FY2025

FY2030

Achieve growth in the "automotive segment " and "markets outside of Japan" and build a foundation for further growth

Become a major global player

- Five years to return to growth trajectory
 - Establish global top market share in the electric vehicle market (SiCs, Isolated gate drivers)
 - Achieve outside of Japan sales ratio of **50% or more**
 - Strengthen profit structure (raise unit prices and further improve production efficiency through high value-added products)
 - Establish sales/development structures that can compete globally
- Become one of the top 10 companies in power and analog**
Achieve sales of ¥1 trillion



Financial Targets

Net sales **¥600+ billion**

**Operating
margin** **20%+**

ROE **9%+**

Non-Financial Targets (Abridged)

Environment (FY2030)

- Reduce GHG emissions by **50.5%** (vs. FY2018)
- Promote 100% introduction of renewable energy by FY2050
- Achieve zero waste emissions

Diversity and Employees

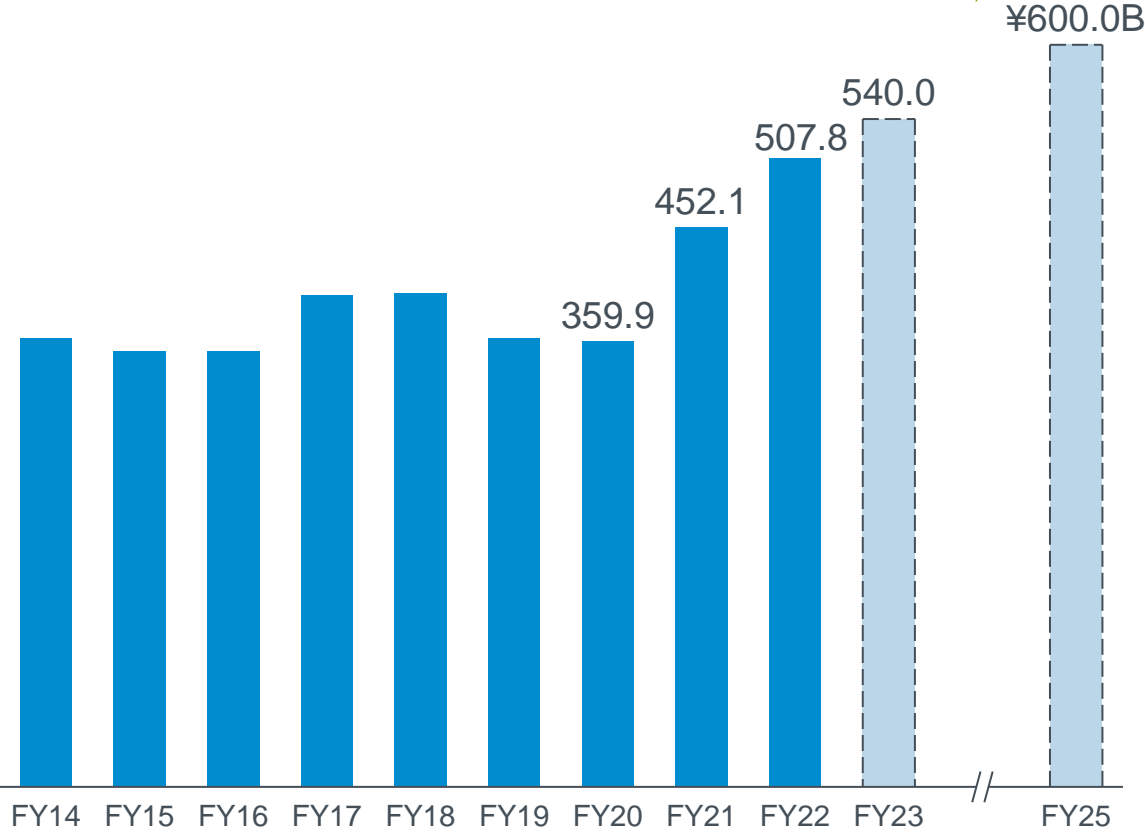
- Achieve global female manager ratio of 15%
- Reach employee engagement score above industry average

Customers

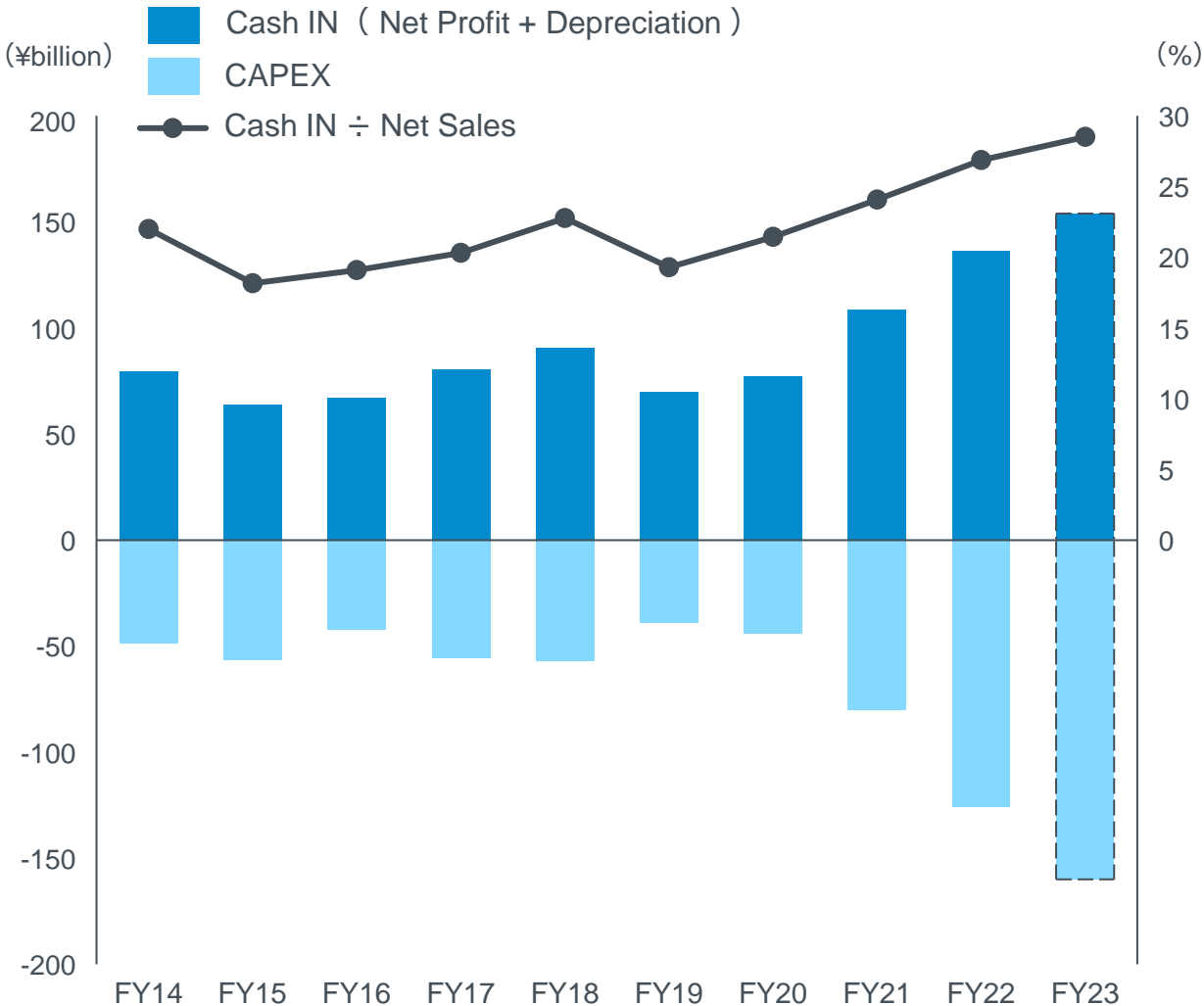
- Improve quality satisfaction score by +10% (vs. FY2020)

Net Sales

Medium-term
Management Plan
MOVING FORWARD
to 2025



Cash Flow Balance

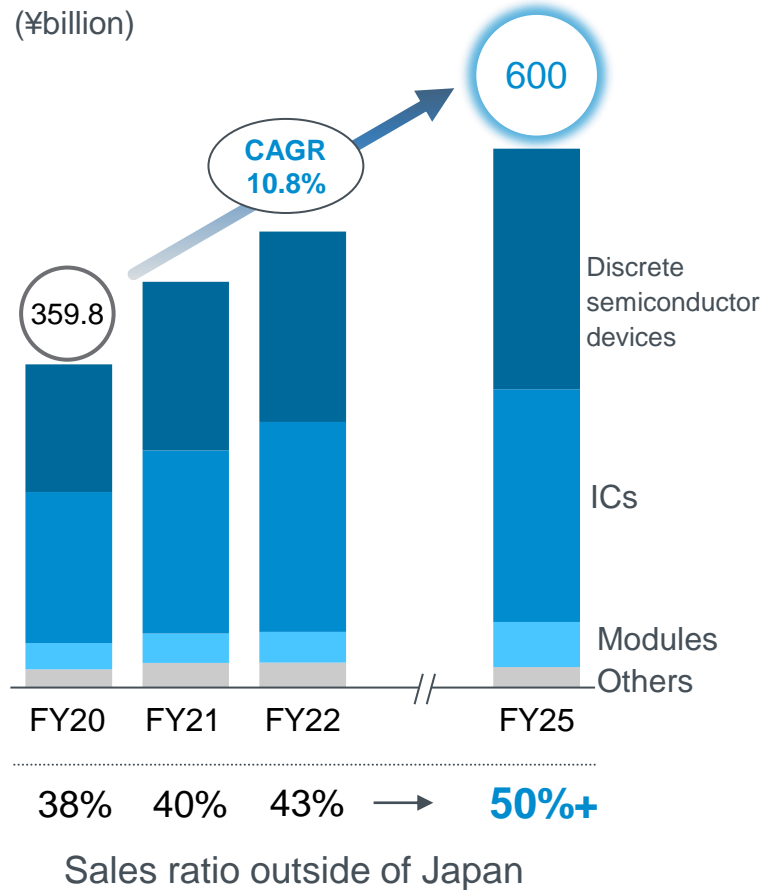


Company-Wide Growth Policy in the Medium-Term Management Plan

Achieve significant growth in power and analog, mainly in automotive segment and markets outside of Japan (policy remains unchanged)

Medium-Term Management Sales Plan

(¥billion)



Growth Policies per Business

Grow

Significantly increase sales in core growth businesses

Evolve

Achieve qualitative transformations including shift to higher value-added products and markets outside of Japan

Create

Plant new seeds for growth for FY2025 and beyond

Automotive



Industrial equipment



Consumer



Discrete semiconductor devices

Power devices

General-purpose devices

ICs

Modules
Others

- Expand market share of 4th-gen. SiC-MOS
- Enter markets for 5G/6G servers/base stations with 6th-gen. Si-MOS

- Develop SiC power modules for electric vehicle main inverters
- Develop IGBT devices for electric vehicle main inverters

- Increase product value through miniaturization while maintaining top share as a cash cow business
- Build a production system capable of responding to changes in demand

- Strengthen products for electric vehicles
- Expand entry into automotive segment outside of Japan
- Isolated gate drivers
- Power management ICs (PMICs)
- LED driver ICs

- Develop new products for base stations and data centers

- Maintain consumer sales with compact, high-efficiency products
- IPM, ACDC for energy-saving home appliances

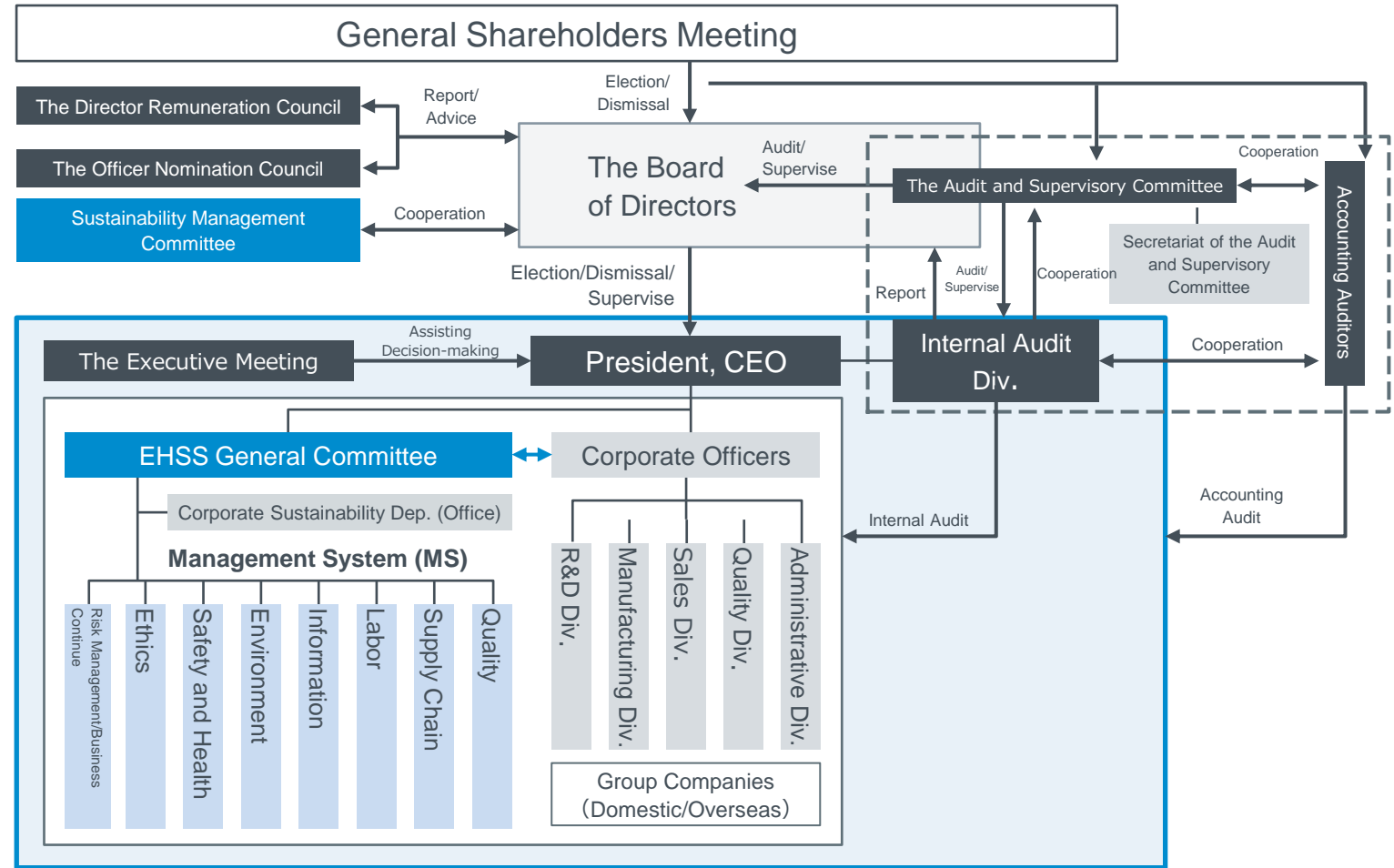
- Focus on self driving support modules and sensing devices for security (certification)

Strengthening our Management Base: Reforming the Sustainability Promotion Structure

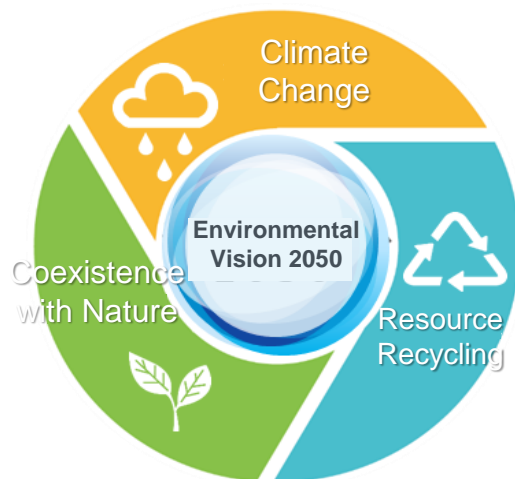
Sustainability Promotion Structure

- **Clear separation of management and executive roles to speed up decision-making and strengthen supervisory functions**
- **Establishment of the “Sustainability Management Committee” for management and “EHSS General Committee” for execution**
- **8 management systems to cover issues and risks and work towards achieving long-term goals**

Management System:
Risk Management/Business Continue,
Ethics, Safety and Health, Environment,
Information, Labor, Supply Chain, Quality



Initiatives to Address Environmental Issues (Progress)






FY2022 Topics

- Member of RE100
- Disclosures based on the TCFD Framework
- Cooperative agreements with government

RE100

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

- Steady progress on annual goals to achieve "Environmental Vision 2050".
- Accelerating efforts to reduce environmental impact, including active introduction of renewable energy

Important SDGs Issues	Category	Targets for FY2030	FY2022
 Climate Change Net zero CO ₂ emissions	Reduction of GHG	- Reduce GHG emissions by 50.5% vs. FY2018 - Reduce emissions per unit of production by 45% vs. FY2018	○
	Promotion of use of renewable energy	- Promote shift to renewable energy with the goal of 100% introduction by FY2050	○
 Resource Recycling Zero emissions	Reduction of resources	- Improve water recovery/reuse rate by 5.5% or more vs. FY2019	○
	Reduction of waste	- Achieve zero waste emissions	○
 Coexistence with Nature Harmonize business activities with natural cycles	Promotion of greening	- Promote factory greening at all locations - Improve conservation of organisms inhabiting each region	○
	Promotion of greening	- Respond to policies and regulations in various countries around the world regarding chemical substances - Reduce the use of chemical substances	○

FY2023 Locations where renewable energy is installed (Manufacturing Facilities)

NEW



SiCrystal (Germany)



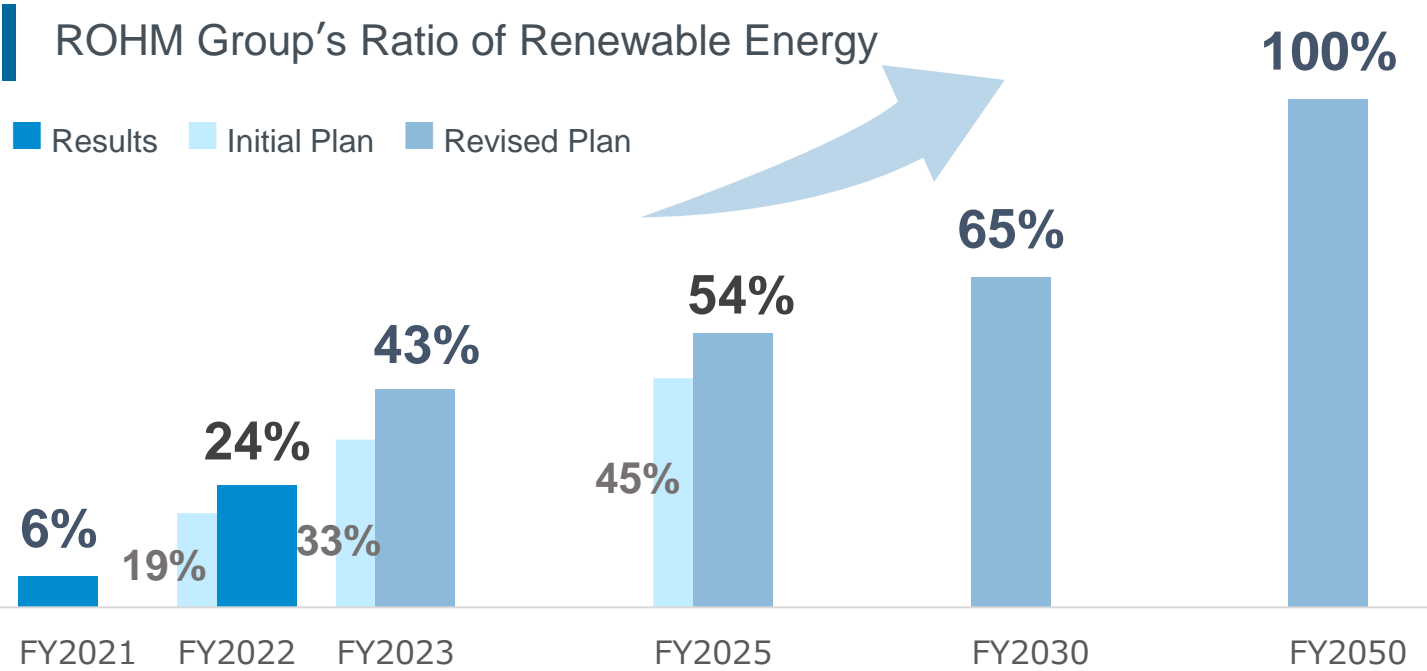
ROHM Apollo (Chikugo, Fukuoka)



RIST (Thailand)



REPI (Philippines)



Progressing toward
100% in FY2050,
ahead of schedule

- **Diverse employees with rich humanity and intelligence will maintain high engagement and create innovation continuously**
- **Achieve sustainable corporate growth along with effective governance reforms**



● Promote Diversity

- Promote career development for women
- Promote women and foreign nationals to management position

FY2025 Targets

- Ratio of global female managers: 15%
- Ratio of female and foreign board members at head office: 10%

FY2022 Results

- **Ratio of global female managers**
10% → **13%**

- **Ratio of female and foreign board members at head office**

9% → **23%** +

[Ratio of female board members
9% → **15%**]

[Ratio of foreign board members
0% → **8%**]

● Governance Reform

- Further increase the ratio of independent outside directors
- Introduce compensation system linked to the Medium-Term Management Plan

FY2022 Results

- **Ratio of independent outside directors**
45% → **54%**

- **Implemented performance-linked transfer-restricted stock-based remuneration system**

● Improve Employee Engagement

- Conduct engagement surveys
- Promote reform of organizational culture and work style

FY2025 Targets

- Achieve the following in employee engagement scores:
- Annual score improvement
 - At or above industry average
 - Implemented in entire group

FY2022 Results

- **Achieved above industry average**
- **Implemented in entire group**

- Increase 5-year growth investment total of 500 billion yen **to 600 billion yen**
- Further accelerate investment in growth businesses, and in addition, actively return profits to shareholders
- Reduce cash on hand gradually over 5 years to less than 50% of annual sales by FY2025

Cash Allocation (Medium-Term Management Plan FY21~FY25 Five years total)



Returns to Shareholders

- Dividend payout ratio on a consolidated basis: 30%+
- Timely share buybacks to improve capital efficiency

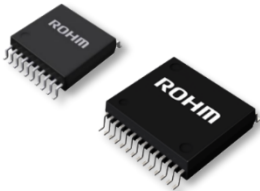
Investments for Growth

- Increase production capacity of 8-inch SiC power devices
- Expand IC 12-inch Bi-CDMOS manufacturing lines

Enhance development/support in the strategic TOP10 area of ASSP products

Defined the TOP10 ASSP products with **high sales growth and added-value** as the strategic TOP10 area.

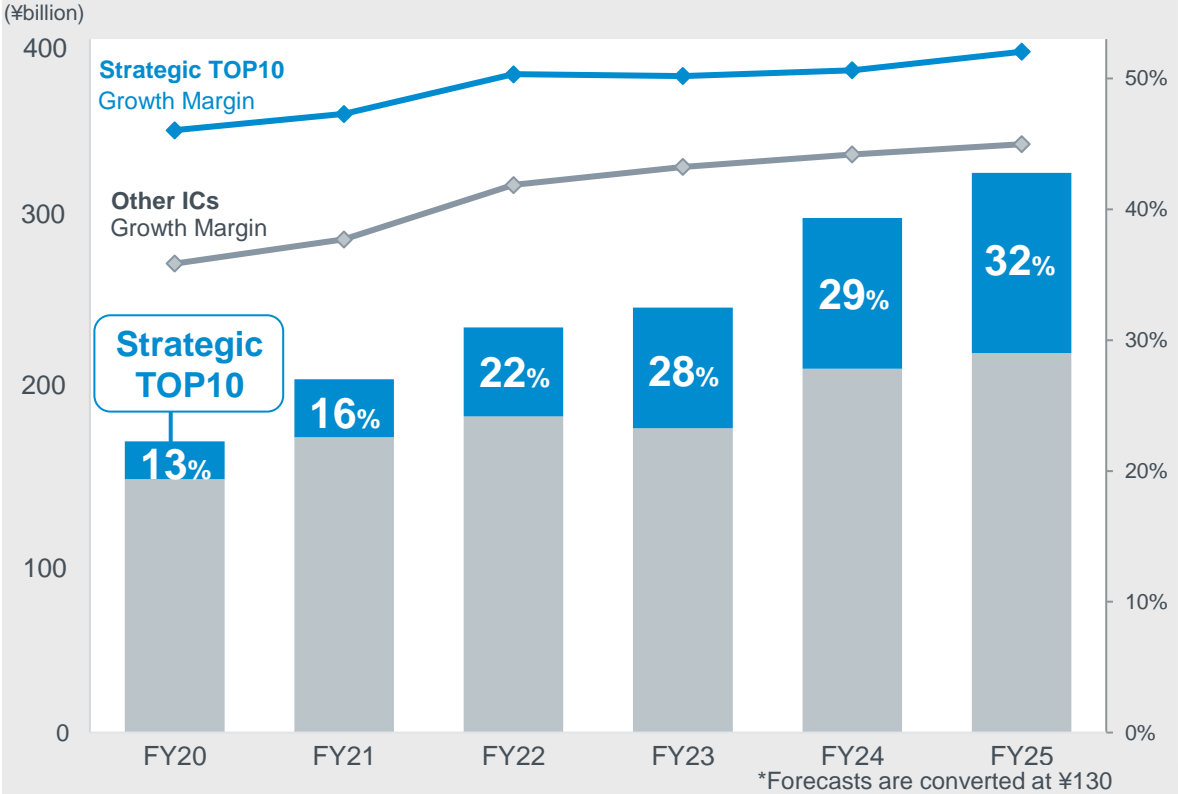
Raise the **sales ratio** of the top 10 strategic products to **increase average unit price** and **expand sales and profits**.



Portfolio (Strategic TOP10 Area)



Sales Ratio/Growth Margin (Strategic TOP10 Area)

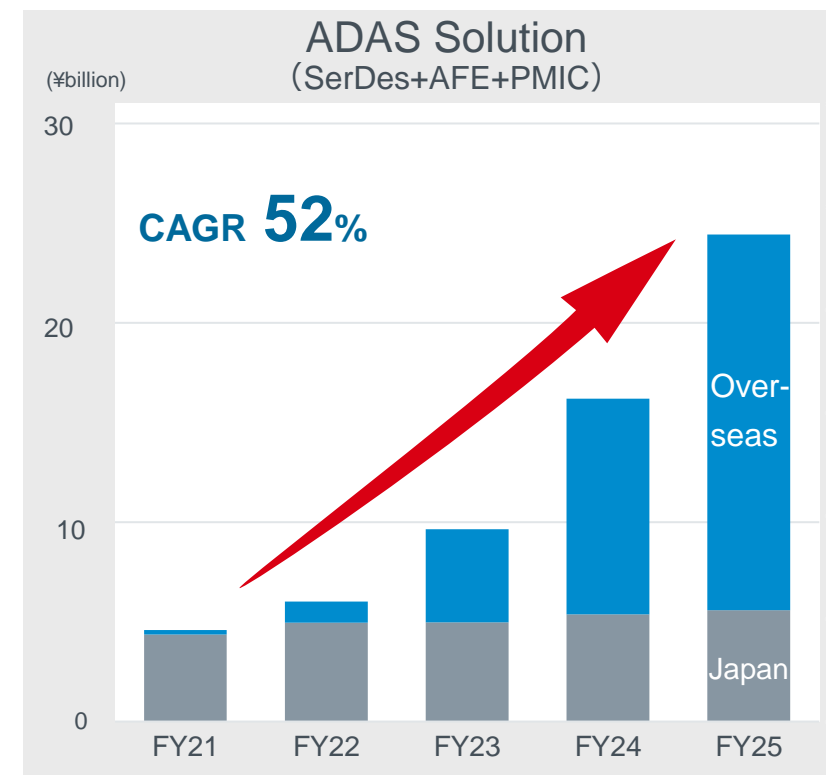
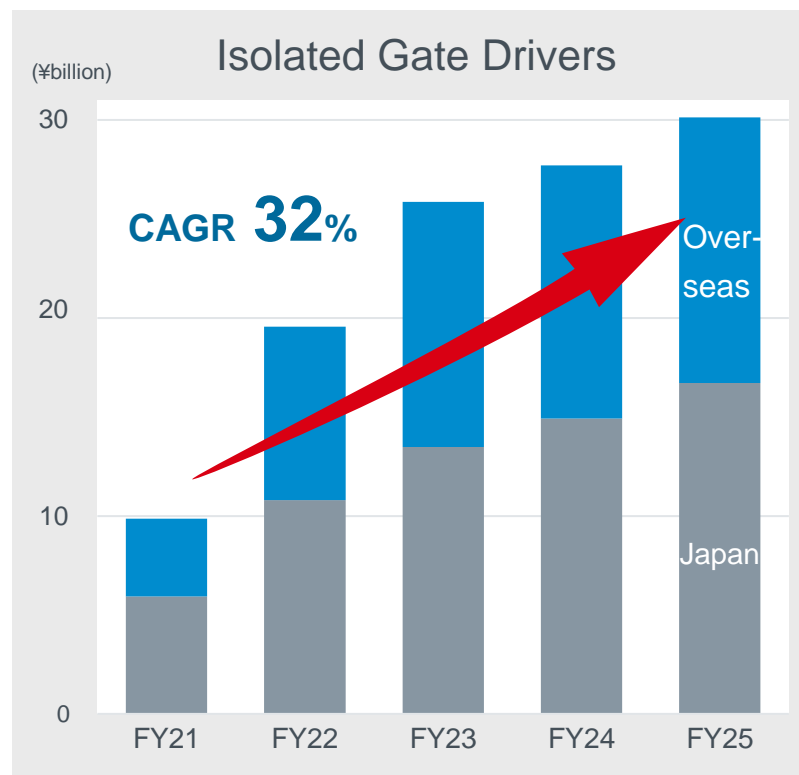
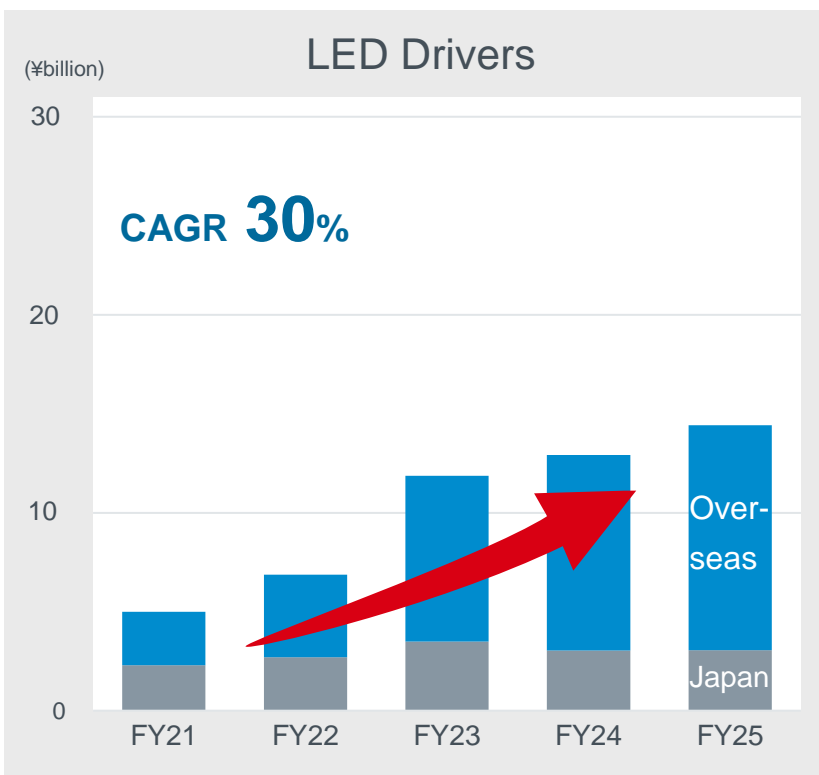


Expand sales in the focused area of automotive solutions

Continue to introduce **value-added products** in the automotive market, which is expected to grow further due to the **increasing use of electronics and electrification**.
Increase sales to customers outside of Japan and expand the scale of overall automotive sales.

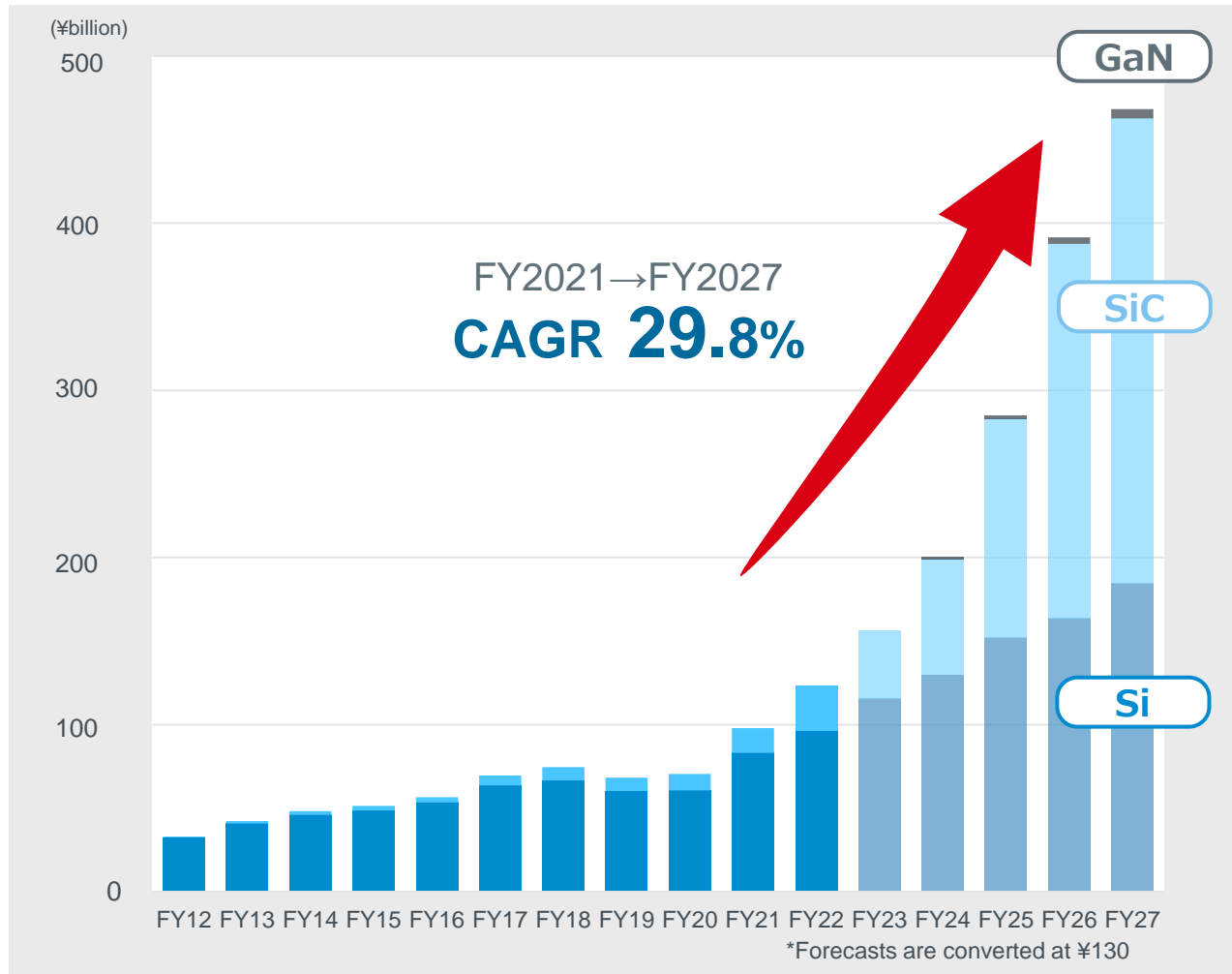


*Forecasts are converted at ¥130

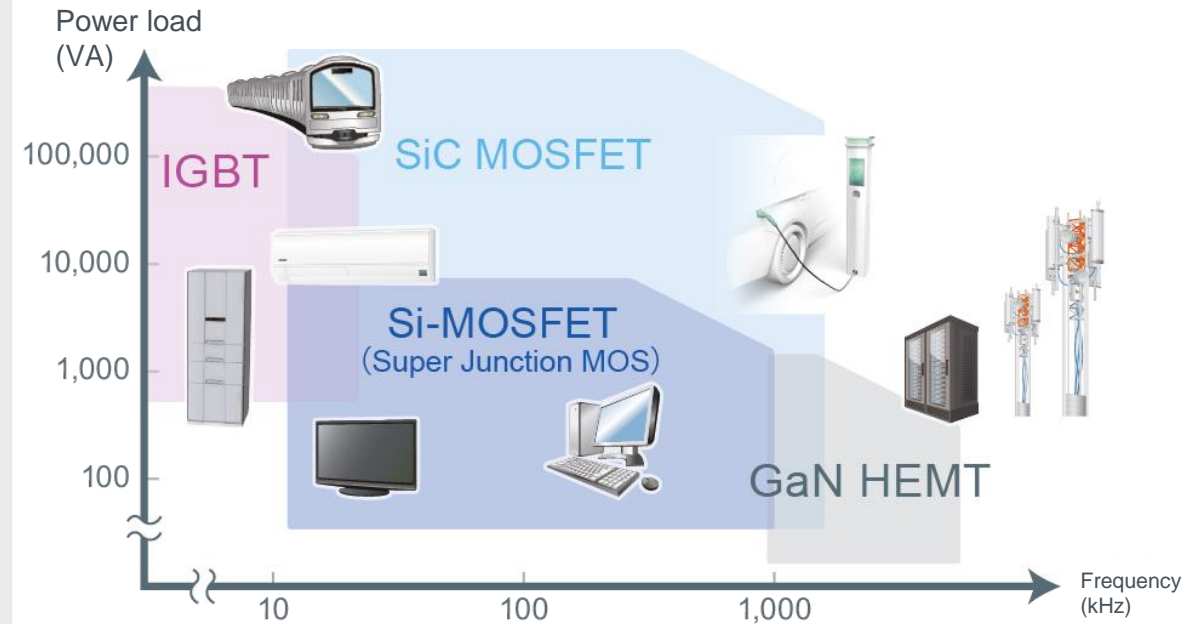


Sales Target of the Power Device Business

Sales Target of the Power Device Business



Application Coverage of Power Devices



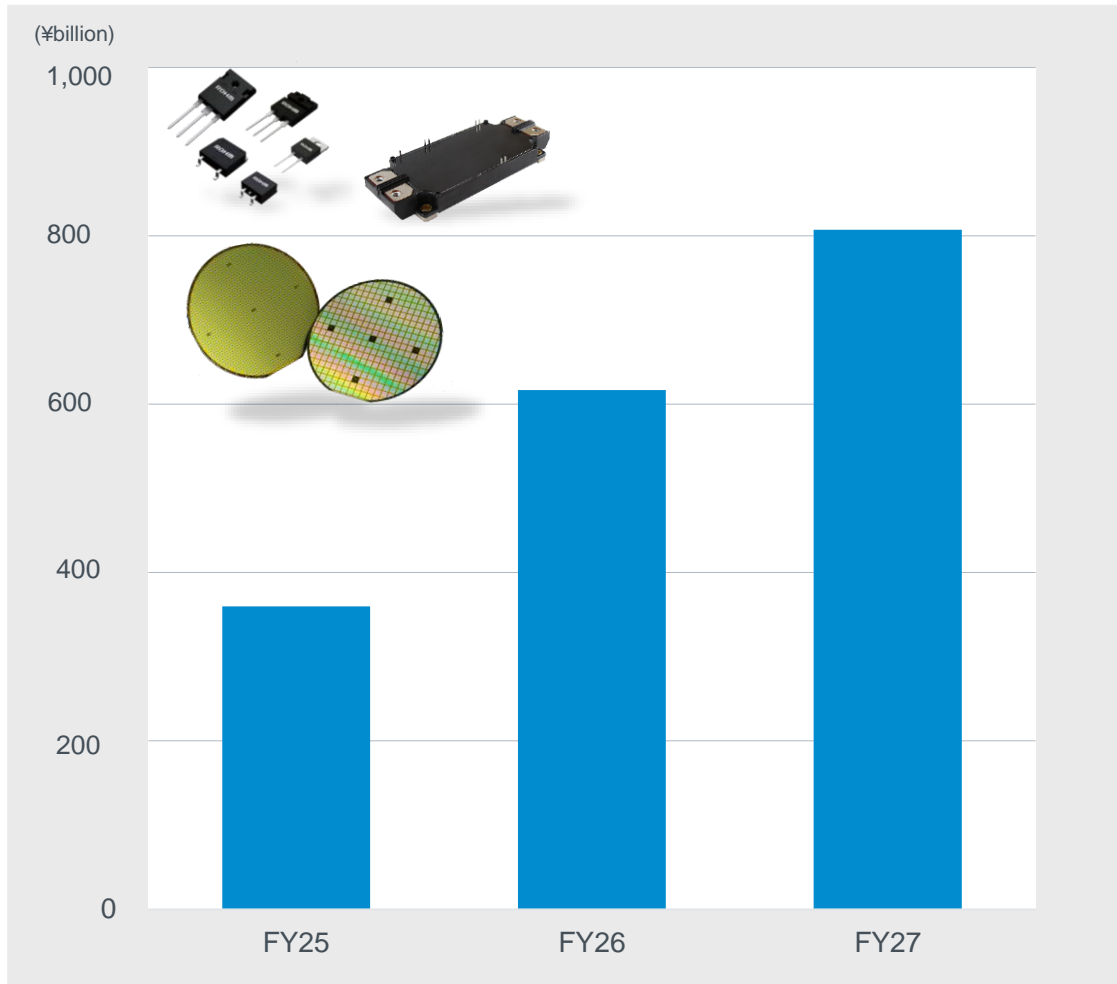
SiC

- High power
- High voltage(> 600V)
- High frequency(20 - 200kHz)

GaN

- Middle power
- Middle voltage (100 - 600V)
- High frequency (Over 200kHz)

Pipeline of the SiC Business



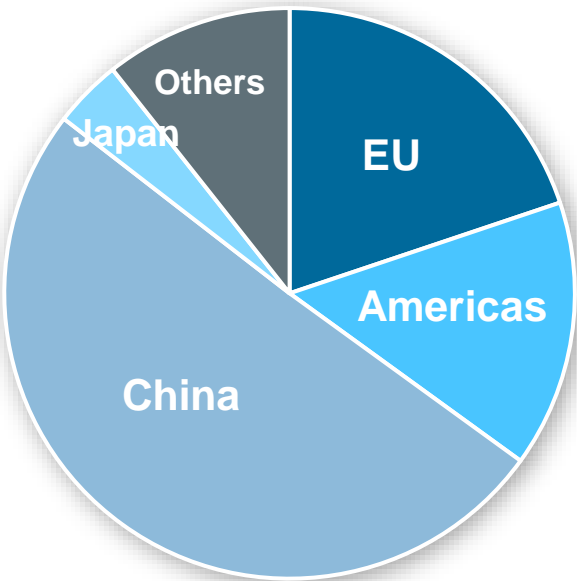
Targets for the SiC Business

Sales Target	> ¥270 billion (FY2027) > ¥130 billion (FY2025)
Pipeline	¥1,780 billion (FY2025~FY2027)
Investment	¥510 billion (FY2021~FY2027)

*Converted at ¥130

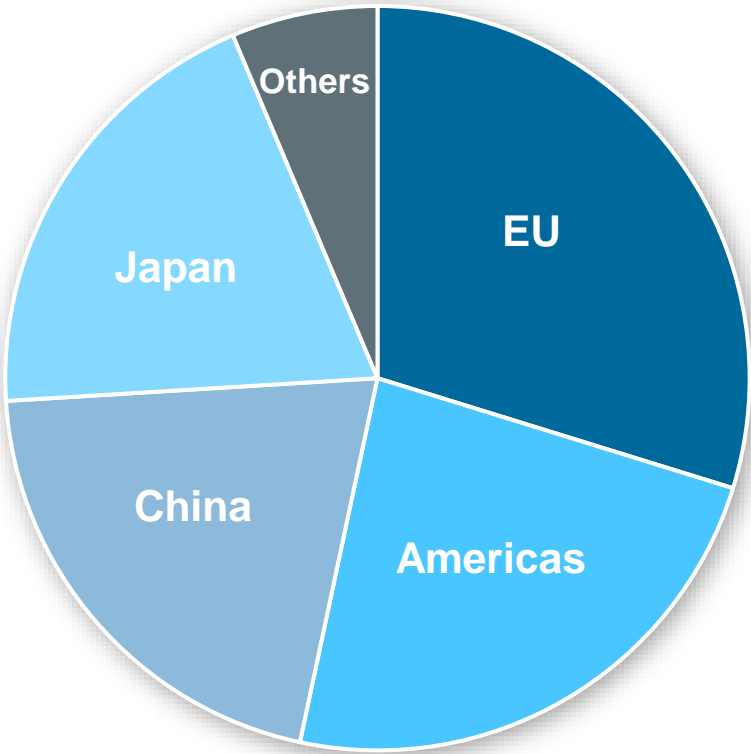
FY2023-FY2025 cumulative total

¥630 billion

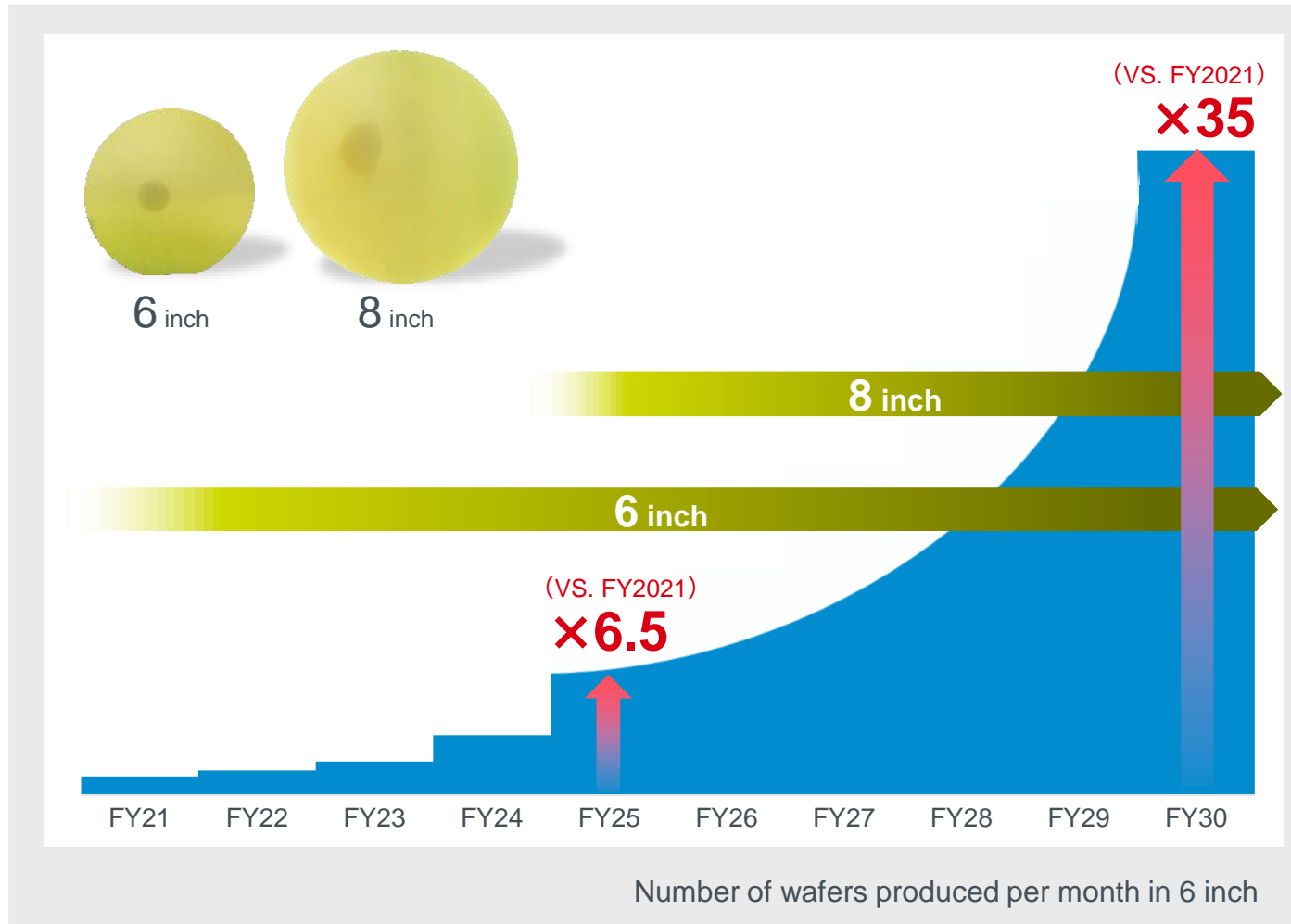


FY2025-FY2027 cumulative total

¥1,780 billion



Capacity Expansion Plan of the SiC Business



To be determined

4th FAB

Under planning

NEW

Chikugo

3rd FAB

- Started mass production from December 2022
- Installing equipment capable of converting 6-inch wafers to 8-inch wafers



Miyazaki

2nd FAB

- Started mass production of 4th generation SiC-MOSFETs from 2021



<Note>

1. This material is originally written in Japanese. In the event of any differences or discrepancies in the contents including contexts, figures, and others between Japanese and English version of the material, Japanese original version shall govern.

2. The forecasts for the fiscal year ending March 2023 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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