



## ROHM Co., Ltd. Financial Highlights for the First Six Months of the Year Ending March 31, 2020

(From April 1, 2019 to September 30, 2019)

October 31, 2019

### 1. Consolidated Financial Results

(Figures are rounded down to the nearest million yen. Any fraction less than the unit is rounded off.)

		'20/3	'19/3	Change from the previous year		'19/3	'20/3 (Projected)	Change from the previous year
		First six months	First six months	Amount	Percentage	Annual	Annual	Change from the previous year
<b>Net sales</b>	Millions of yen	188,834	210,823	-21,989	-10.4%	398,989	365,000	-8.5%
<b>Cost of sales</b>	Millions of yen	130,433	131,857	-1,424	-1.1%	254,727	253,200	
<b>Selling, general and administrative expenses</b>	Millions of yen	40,630	43,595	-2,965	-6.8%	88,352	84,800	
<b>Operating income (loss)</b>	Millions of yen	17,771	35,370	-17,599	-49.8%	55,909	27,000	-51.7%
		(9.4%)	(16.8%)	(-7.4%)		(14.0%)	(7.4%)	
<b>Ordinary income (loss)</b>	Millions of yen	18,824	44,162	-25,338	-57.4%	64,689	28,000	-56.7%
		(10.0%)	(20.9%)	(-10.9%)		(16.2%)	(7.7%)	
<b>Profit attributable to owners of parent</b>	Millions of yen	13,713	30,948	-17,235	-55.7%	45,441	22,000	-51.6%
		(7.3%)	(14.7%)	(-7.4%)		(11.4%)	(6.0%)	
Figures in ( ) indicate ratio to sales.								
<b>Net income (loss) per share</b>	yen	131.23	292.59	-161.36	-55.1%	431.29	210.51	
<b>ROE</b>	%					6.0		
<b>ROA</b>	%					5.2		
<b>Net assets per share</b>	yen	7,305.67	7,376.04	-70.37	-1.0%	7,332.04		
<b>EBITDA</b> <sup>Note2</sup>	Millions of yen	38,918	56,592	-17,674	-31.2%	101,325		
<b>Capital expenditures</b>	Millions of yen	15,868	26,352	-10,484	-39.8%	57,291	50,000	-12.7%
<b>Depreciation</b>	Millions of yen	21,146	21,221	-75	-0.4%	45,415	46,500	+2.4%
<b>Research and development costs</b>	Millions of yen	16,466	19,426	-2,960	-15.2%	39,578	34,000	-14.1%
<b>Foreign exchange gains (losses)</b>	Millions of yen	(loss) 2,201	(gain) 6,564	(loss) 8,765		(gain) 3,927		
<b>Foreign exchange rate (Average yen-dollar rate)</b>	yen/US\$	109.00	110.07	-1.07	-1.0%	110.69	105.00	(Second half)

(Note) 1. As the projected data are based on the information that ROHM is currently acquiring as well as specific prerequisites judged as legitimate, actual data may be considerably different due to various factors.

2. EBITDA is calculated by adding back depreciation to operating income.

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Note: This report is a translation of the financial highlights of the Company prepared in accordance with the provisions set forth in the Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan. The original version of this report is 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.

## 1. Consolidated Financial Results (Continued from the previous page)

(Figures are rounded down to the nearest million yen. Any fraction less than the unit is rounded off.)

		'20/3	'19/3	Change from the previous year		'19/3	'20/3 (Projected)	Change from the previous year
		First six months	First six months	Amount	Percentage	Annual	Annual	
<b>Sales by segment and region (Note1)</b>								
<b>ICs</b>	Millions of yen	88,889	96,859	-7,970	-8.2%	183,313	170,841	-6.8%
<b>(Japan)</b>		(38,623)	(38,043)	(+580)	(+1.5%)	(73,787)	(72,459)	(-1.8%)
<b>(Asia)</b>		(43,511)	(52,696)	(-9,185)	(-17.4%)	(96,874)	(84,914)	(-12.3%)
<b>(Americas)</b>		(3,956)	(3,391)	(+565)	(+16.7%)	(7,136)	(7,684)	(+7.7%)
<b>(Europe)</b>		(2,797)	(2,728)	(+69)	(+2.5%)	(5,514)	(5,783)	(+4.9%)
<b>Discrete semiconductor devices</b>	Millions of yen	71,174	80,524	-9,350	-11.6%	152,861	140,592	-8.0%
<b>(Japan)</b>		(22,905)	(23,851)	(-946)	(-4.0%)	(48,493)	(47,357)	(-2.3%)
<b>(Asia)</b>		(37,947)	(46,049)	(-8,102)	(-17.6%)	(83,870)	(72,794)	(-13.2%)
<b>(Americas)</b>		(4,479)	(4,911)	(-432)	(-8.8%)	(9,702)	(8,968)	(-7.6%)
<b>(Europe)</b>		(5,840)	(5,712)	(+128)	(+2.3%)	(10,795)	(11,472)	(+6.3%)
<b>Modules</b>	Millions of yen	18,311	21,773	-3,462	-15.9%	40,158	(33,646)	-16.2%
<b>(Japan)</b>		(4,797)	(5,093)	(-296)	(-5.8%)	(10,112)	8,953	(-11.5%)
<b>(Asia)</b>		(11,793)	(14,722)	(-2,929)	(-19.9%)	(26,119)	(21,210)	(-18.8%)
<b>(Americas)</b>		(667)	(454)	(+213)	(+46.9%)	(1,022)	(1,276)	(+24.8%)
<b>(Europe)</b>		(1,053)	(1,502)	(-449)	(-29.9%)	(2,904)	(2,206)	(-24.0%)
<b>Others</b>	Millions of yen	10,460	11,666	-1,206	-10.3%	22,655	19,919	-12.1%
<b>(Japan)</b>		(1,822)	(2,001)	(-179)	(-8.9%)	(3,998)	(3,515)	(-12.1%)
<b>(Asia)</b>		(6,479)	(7,355)	(-876)	(-11.9%)	(14,160)	(12,172)	(-14.0%)
<b>(Americas)</b>		(934)	(1,003)	(-69)	(-6.9%)	(1,953)	(1,805)	(-7.6%)
<b>(Europe)</b>		(1,223)	(1,306)	(-83)	(-6.3%)	(2,543)	(2,425)	(-4.7%)
<b>Total</b>	Millions of yen	188,834	210,823	-21,989	-10.4%	398,989	365,000	-8.5%
<b>(Japan)</b>		(68,150)	(68,990)	(-840)	(-1.2%)	(136,392)	(132,285)	(-3.0%)
<b>(Asia)</b>		(99,732)	(120,823)	(-21,091)	(-17.5%)	(221,024)	(191,092)	(-13.5%)
<b>(Americas)</b>		(10,037)	(9,760)	(+277)	(+2.8%)	(19,815)	(19,734)	(-0.4%)
<b>(Europe)</b>		(10,915)	(11,249)	(-334)	(-3.0%)	(21,757)	(21,887)	(+0.6%)
<b>Sales by application</b>								
<b>Consumer</b>	%	35.1	32.5	+2.6		31.8		
<b>Telecommunications</b>	%	8.4	10.1	-1.7		9.3		
<b>Automotive</b>	%	33.2	32.8	+0.4		34.4		
<b>Industrial</b>	%	12.0	12.9	-0.9		13.0		
<b>Computers and OA</b>	%	11.3	11.7	-0.4		11.5		
<b>Major End Products</b>								
<b>Consumer</b>		TV, Video Camera, Audio, Microwave Oven, Air Conditioner, Refrigerator, Washing Machine, Air Cleaner, Digital Still Camera, Game Machine, Electronic Musical Instrument, Electronic Cigarette, Drone, etc.						
<b>Telecommunications</b>		Smartphone, FAX, Wearable Electronics(excludes Medical Equipment), etc.						
<b>Automotive</b>		Engine Control Unit, Air Bag, Car Navigation, Car Audio, ADAS, etc.						
<b>Industrial</b>		Medical Equipment, Electrical Measuring Equipment, Machine Tool, Vending Machine, Solar Power, Smart Meter, Security Equipment, Communications Infrastructures, Cloud Server etc.						
<b>Computers and OA</b>		PC, PC Server, Tablet PC, Printer, Data Storage(DVD, HDD, Semiconductor Memory), Monitor, Terminal, etc.						

(Note1) The above amounts are sales to external customers.

## 2. Relevant information

(Figures are rounded down to the nearest million yen. Any fraction less than the unit is rounded off.)

		'20/3	'19/3	Change from the previous year		'19/3	'20/3 (Projected)	Change from the previous year
		First six months	First six months	Amount	Percentage	Annual	Annual	
<b>Capital expenditures by segment</b>								
<b>ICs</b>	Millions of yen	3,682	7,674	-3,992	-52.0%	17,119	12,800	-25.2%
<b>Discrete semiconductor devices</b>	Millions of yen	7,507	13,367	-5,860	-43.8%	30,407	25,700	-15.5%
<b>Modules</b>	Millions of yen	623	733	-110	-15.0%	1,979	2,500	+26.3%
<b>Others</b>	Millions of yen	2,173	3,114	-941	-30.2%	4,694	3,400	-27.6%
<b>Sales and administrative division</b>	Millions of yen	1,881	1,462	+419	+28.6%	3,089	5,600	+81.2%
<b>Total</b>	Millions of yen	15,868	26,352	-10,484	-39.8%	57,291	50,000	-12.7%
<b>Number of shareholders</b>								
	Number	25,660	27,541	-1,881	-6.8%	29,817		
Financial institution shareholding ratio	%	29.00	28.86	+0.14		31.47		
Foregin shareholding ratio	%	43.19	42.58	+0.61		38.79		
<b>Number of employees</b>								
	Domestic	Number	5,810	5,792	+18	+0.3%	5,757	
	Overseas	Number	16,706	17,526	-820	-4.7%	17,142	
	Total	Number	22,516	23,318	-802	-3.4%	22,899	
	(Number of R&D employees)	(Number)	(2,928)	(3,108)	(-180)	(-5.8%)	(3,048)	
<b>Number of consolidated subsidiaries</b>								
		Number	44	45	-1		44	
	(Domestic)	(Number)	(10)	(10)	(0)		(10)	
	(Overseas)	(Number)	(34)	(35)	(-1)		(34)	
<b>Number of affiliated companies</b>								
		Number	3	3	0		3	
	(Number of companies accounted for by equity method)	(Number)	(0)	(0)	(0)		(0)	
<b>Number of non-consolidated subsidiaries</b>								
		Number	1	1	0		1	
	(Number of companies accounted for by equity method)	(Number)	(0)	(0)	(0)		(0)	



## Financial Report for the First Six Months of the Year Ending March 31, 2020 [Based on Japanese Standard] (Consolidated)

October 31, 2019

Stock Exchange Listings: Tokyo

Listed Company Name: ROHM CO., LTD.

Code No.: 6963 URL <https://www.rohm.com>

Company Representative: (Title) President

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Scheduled Date for Submitting the Quarterly Financial Reports

November 6, 2019

Scheduled Dividend Payment Date

December 6, 2019

Preparation of Supplementary Briefing Materials for the Quarterly Settlement:

Yes

Briefing Session for the Quarterly Settlement to Be Held:

Yes (For analysts and institutional investors)

(Figures are rounded down to the nearest million yen.)

### 1. Consolidated Financial Results for the First Six Months of the Year Ending March 31, 2020 (From April 1, 2019 to September 30, 2019)

(1) Consolidated Results of Operations (Accumulated total) (The percentages [%] represent change from the same time of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of the year ending March 31, 2020	188,834	-10.4	17,771	-49.8	18,824	-57.4	13,713	-55.7
First six months of the year ended March 31, 2019	210,823	5.2	35,370	18.8	44,162	41.5	30,948	33.9

(Note) Comprehensive income First six months of the year ending March 31, 2020: 5,059 million yen (-87.8%)

First six months of the year ended March 31, 2019: 41,488 million yen (14.0%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
First six months of the year ending March 31, 2020	131.23		—	
First six months of the year ended March 31, 2019	292.59		—	

### (2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
First six months of the year ending March 31, 2020	852,143		763,953		89.6	
Year ended March 31, 2019	874,427		766,754		87.6	

(Reference) Shareholder's equity First six months of the year ending March 31, 2020: 763,488 million yen

Year ended March 31, 2019: 766,266 million yen

### 2. Dividend Details

	Annual dividend				
	End of the first quarter	Interim	End of the third quarter	End of year	Total
Year ended March 31, 2019	—	75.00	—	75.00	150.00
Year ending March 31, 2020	—	75.00			
Year ending March 31, 2020 (Estimates)			—	75.00	150.00

(Note) Revision to recently disclosed dividend estimates: None

### 3. Consolidated Financial Results Forecast for the Year Ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

(The percentages [%] represent change from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Annual	365,000	-8.5	27,000	-51.7	28,000	-56.7	22,000	-51.6	210.51	

(Note) Revision to recently disclosed figures for consolidated financial results forecast: Yes

\*Note

- (1) Major Changes in Subsidiaries During the First Six Months of the Current Fiscal Year  
(Changes to specified subsidiaries accompanying revision on the scope of consolidation): None
- (2) Application of Specific Accounting Method for Compiling Consolidated Quarterly Financial Statement: None
- (3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions
- |   |      |
|---|------|
| [1] Changes in accounting policies according to revision to accounting standards: | Yes  |
| [2] Other changes in accounting policies other than items indicated in [1]:       | None |
| [3] Change in accounting estimates:   | None |
| [4] Restatement of revisions:   | None |

(4) Number of Shares Outstanding (common shares)

[1] Year-end number of shares outstanding (incl. treasury stocks)	First six months of the year ending March 31, 2020	110,000,000 shares	Year ended March 31, 2019	110,000,000 shares
[2] Year-end number of treasury stocks	First six months of the year ending March 31, 2020	5,493,668 shares	Year ended March 31, 2019	5,493,365 shares
[3] Average number of shares during the period (Accumulated total of the quarter)	First six months of the year ending March 31, 2020	104,506,536 shares	First six months of the year ended March 31, 2019	105,774,117 shares

\* This quarterly financial report is not subject to the quarter review procedures under the Financial Instruments and Exchange Act.

\*Explanation on Adequate Usage of Financial Results Forecast

Statements on financial results forecasts in this financial report are based on current information acquired by ROHM as well as specific legitimate premises for making decisions, therefore ROHM makes no promises as to attaining these forecasts.

Actual financial results may be considerably different due to various factors. For conditions and notes used for making prepositions of financial forecasts, please refer to "1. Qualitative Information Regarding Business Results, etc. for the First Six Months of the Current Fiscal Year, (3) Qualitative Information Regarding Consolidated Financial Results Forecast" on the Financial Report for the First Six Months of the Year Ending March 31, 2020 (Appendix).

## Table of Contents

1. Qualitative Information Regarding Business Results, etc. for the First Six Months of the Current Fiscal Year.....	2
(1) Business Results .....	2
(2) Financial Conditions .....	4
(3) Qualitative Information Regarding Consolidated Financial Results Forecast.....	4
2. Consolidated Quarterly Financial Statements and Important Notes .....	5
(1) Consolidated Quarterly Balance Sheet.....	5
(2) Consolidated Quarterly Statement of Income and Consolidated Quarterly Statement of Comprehensive Income .....	7
(Consolidated quarterly statement of income).....	7
(Consolidated quarterly statement of comprehensive income).....	8
(3) Consolidated Quarterly Statements of Cash Flows .....	9
(4) Notes on Consolidated Quarterly Financial Statement .....	10
(Note on going concern).....	10
(Note in case of significant change in amount of shareholders' equity).....	10
(Changes in accounting policies).....	10
(Segment information).....	10

\* “Financial Highlights for the First Six Months of the Year Ending March 31, 2020” is separately attached as supplementary material.

# 1. Qualitative Information Regarding Business Results, etc. for the First Six Months of the Current Fiscal Year

## (1) Business Results

### General Overview of Business Performance

During the first six months of the fiscal year ending March 31, 2020, the world economy as a whole lost speed due partly to the Brexit issue in the UK and economic slowdown in the USA and Europe, in addition to the trade dispute between the USA and China. By region, the USA showed strong signs of an economic slowdown, as indicated by increasingly constrained capital investment in the private sector, although personal consumption remained strong. China continued to face a difficult situation due to decelerated growth in personal consumption, industrial production, capital investment, etc. Countries in Europe and Asia showed signs of an economic slowdown due partly to the impact of political uncertainty and economic slowdown in China. Japan saw a decline in exports to China, Europe, etc., although personal consumption remained strong.

In the electronics industry, the automotive electronics market was influenced partly by a significant downturn in vehicle sales in China, Europe, and India, despite rising demand for “safety” and “environmental performance” continuing to fuel the increasing use of in-vehicle electronics around the world. The industrial equipment market faced challenges, as indicated by the drop in machine tool orders placed with manufacturers in China. In the consumer product market, while energy-efficient appliances saw the trend of seasonal recoveries, it was followed by inventory adjustments. The smartphone market also was down due to a slump in demand. As a result, semiconductors and other electronic components were continued facing challenges.

Working within this business environment, the ROHM Group continued to strengthen product lineups for the automotive electronics and industrial equipment markets—where mid- to long-term growth is expected, undertook reorganization to increase technical support to customers for ICs, etc., and reallocated resources to improve efficiency of new product development. Moreover, time and resources were directed to developing new products and technologies around a core of analog solutions, power solutions, standard products, and other technological fields where the ROHM Group excels. The ROHM Group also pushed ahead with “production innovation” by continuing its RPS activities\*1, building a state-of-the-art quality management system, and converting its production sites into smart factories\*2. While making efforts to cut costs to respond to the short-term deterioration of market, the ROHM Group invested in equipment that will increase the Group’s production capacity in the mid- to long-term, which included accelerating the construction of a new plant for producing SiC devices\*3 with high future prospects.

Under these circumstances, largely because of decreased sales to the consumer product and industrial equipment markets, consolidated net sales for the first six months of the fiscal year ending March 31, 2020 were 188,834 million yen, down 10.4% from the same time last year.

Operating profit decreased 49.8% from the same time last year to 17,771 million yen owing to decreased sales and a higher burden of fixed costs, and operating margin decreased to 9.4% from 16.8% registered for the same period last year.

Ordinary profit decreased 57.4% from the same time last year to 18,824 million yen on the decrease in operating profit and foreign exchange losses (gains were enjoyed this time last year), while profit attributable to owners of parent decreased 55.7% from the same time last year to 13,713 million yen owing primarily to the decrease in ordinary profit.

Moreover, EBITDA\*4, an accounting metric that we emphasize on in the ROHM Group, was 38,918 million yen for the first six months, down 31.2% from the same time last year.

#### \*1. RPS (Rohm Production System) activities

A production system centered on improvement activities for integrating higher quality into products, shortening lead time, and thoroughly eliminating waste in inventory and other operations at all Group plants. ROHM believes that establishing production systems of unparalleled efficiency and quality is essential for strengthening the Group’s earning structure.

#### \*2. Smart factory

A factory that improves product quality and production efficiency by interconnecting production systems over a network.

#### \*3. SiC (Silicon Carbide) devices

A compound semiconductor composed of Si (silicon) and C (carbon). SiC devices improve electrical power conversion efficiency over earlier Si (silicon) devices because of a higher withstand voltage, lower ON resistance, and faster operating speed. They also operate stably at high temperatures.

#### \*4. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)

An accounting metric widely used around the world to compare businesses in terms of earning power, calculated by adding interest and depreciation to a company’s pretax earnings. The ROHM Group simplifies the EBITDA calculation by adding back depreciation to operating profit.

## Overview of Performance by Segment

### <ICs>

Consolidated net sales for the first six months of the year ending March 31, 2020 were 88,889 million yen (a decrease of 8.2% from the same time last year) and segment profit was 6,247 million yen (a decrease of 45.9% from the same time last year). In the automotive electronics market, sales of isolated gate driver ICs\*5 for xEV\*6, and power ICs and other products for car bodies and ADAS grew, but sales of ICs and other products for car audit fell. In the industrial equipment market, sales to the FA and other markets decreased. In the consumer product market, sales of ICs for TVs and other AV products and for office equipment had a difficult time in general.

\*5. xEV

A collective acronym for vehicles that use an electric power drive, such as electric vehicles (EV), hybrid vehicles (HV), and plug-in hybrid vehicles (PHV).

\*6. Isolated gate driver IC

Gate driver IC drives power semiconductors like SiC and IGBT\*7, but by incorporating an isolated element in a gate driver, external isolating components that are critical to protecting people and systems have become unnecessary.

\*7. IGBT (Insulated Gate Bipolar Transistor)

A power semiconductor device that integrates a MOSFET and a bipolar transistor. Because IGBTs offer both low ON resistance and fast switching, they are widely used to control the voltage of large power supplies.

### <Discrete Semiconductor Devices>

Consolidated net sales for the first six months of the year ending March 31, 2020 were 71,174 million yen (a decrease of 11.6% from the same time last year) and segment profit was 7,623 million yen (a decrease of 58.6% from the same time last year). With regard to transistors and diodes, sales for car audio applications decreased despite increasing use in automotive electronics such as xEV. Moreover, sales to the industrial equipment and consumer product markets remained difficult. Regarding power devices, sales of IGBTs and SiC devices to the automotive electronics and industrial equipment markets grew but were affected by market adjustments. In contrast, light-emitting diodes sales targeted at the consumer product and automotive electronics markets fell. Sales of laser diodes to the consumer product and other markets also decreased.

### <Modules>

Consolidated net sales for the first six months of the year ending March 31, 2020 were 18,311 million yen (a decrease of 15.9% from the same time last year) and segment profit was 2,340 million yen (a decrease of 33.2% from the same time last year). With regard to printheads, sales for mobile payment terminals and other applications fell. As for optical modules, sales of sensor modules for smartphones decreased.

### <Others>

Consolidated net sales for the first six months of the year ending March 31, 2020 were 10,460 million yen (a decrease of 10.3% from the same time last year) and segment profit was 1,094 million yen (a decrease of 51.5% from the same time last year).

Sales of resistors to the automotive electronics and industrial equipment markets decreased. Sales of tantalum capacitors to the smartphone and PC markets fell.

Sales mentioned in “Overview of Performance by Segment” above were to customers outside of the ROHM Group.



## (2) Financial Conditions

At the end of the first six months of the year ending March 31, 2020, total assets of the ROHM Group were 852,143 million yen, constituting a decrease of 22,284 million yen from the end of the previous fiscal year. The main factors behind this were decreases in inventory of 11,778 million yen, securities of 5,623 million yen, and property, plant, and equipment of 5,479 million yen.

Liabilities decreased 19,484 million yen from the end of the previous fiscal year, to 88,189 million yen. The main factors behind this were decreases in accounts payable (other) of 11,396 million yen, income taxes payable of 3,474 million yen, and “other” current liabilities of 2,554 million yen (of which 1,856 million yen was for electronically recorded obligations - facilities).

Net assets decreased 281 million yen from the end of the previous fiscal year, to 763,953 million yen. The main factors behind this were decreases in foreign currency translation adjustment of 8,483 million yen despite an increase in shareholders’ equity of 5,883 million yen, resulted from posting profits attributable to owners of parent.

As a result, equity ratio increased from 87.6% at the end of the previous year to 89.6%.

Cash flows were as follows:

Cash flows from operating activities at the end of the first six months of the year ending March 31, 2020 were 33,850 million yen to the positive side as revenues increased 4,077 million yen from the same period last year (a positive cash flow of 29,773 million yen). The primary positive factors behind this were a shift in inventory from increase to decrease and a decline in the increase in notes and accounts receivable - trade, while the negative factor against this was a decline in profit before income taxes.

Cash flows from investing activities during the reported term were 5,888 million yen, turning to the positive side from a negative cash flow of 24,372 million yen. The primary positive factors behind this were a decline of the decrease in time deposits and a decline in purchases of property, plant, and equipment.

Cash flows from financing activities during the reported term were 8,304 million yen to the negative side as expenditures decreased 4,401 million yen from the same period last year (a negative cash flow of 12,705 million yen). The primary factor behind this was a decline in cash dividends paid.

After factoring in the drop of 4,722 million yen from exchange rate changes, cash and cash equivalents at end of period increased 26,712 million yen from the end of the previous fiscal year to 254,778 million yen.

## (3) Qualitative Information Regarding Consolidated Financial Results Forecast

Looking at the world economy, business cutbacks on capital investments and a downturn in new vehicle production continued due partly to the impact of the trade dispute between the USA and China, while adjustments continued in the electronics market. Therefore, sales as a whole are expected to remain troubled for the time being, while continued growth is expected in markets where further pursuit of energy-saving and high functions is expected in the future. Despite the ROHM Group’s efforts to review capital investments and cut costs to address these changes in the market environment, we expect sales and revenues for the year ending March 31, 2020 to fall short of our initial forecast.

Considering these situations, we will change our consolidated annual financial forecast for the year ending March 31, 2020 as stated below.

### <Consolidated Annual Financial Forecast>

	Year Ended on March 31, 2019	Year Ending March 31, 2020 Forecast		Percentage Change from the Previous Year
		Previous Forecast (announced on May 8, 2019)	Current Forecast (announced on October 31, 2019)	
Sales	398,900 million yen	390,000 million yen	365,000 million yen	-8.5%
Operating profit	55,900 million yen	39,000 million yen	27,000 million yen	-51.7%
Ordinary profit	64,600 million yen	42,000 million yen	28,000 million yen	-56.7%
Profit attributable to owners of parent	45,400 million yen	31,000 million yen	22,000 million yen	-51.6%

Figures are based on an exchange rate of 1 USD to 105 JPY in the second half of the fiscal year.

## 2. Consolidated Quarterly Financial Statements and Important Notes

## (1) Consolidated Quarterly Balance Sheet

(Millions of yen)

	End of the accounting year ended March 31, 2019 (March 31, 2019)	First six months of the year ending March 31, 2020 (September 30, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	268,254	271,511
Notes and accounts receivable - trade	84,021	87,888
Electronically recorded monetary claims - operating	5,833	5,541
Securities	21,491	15,868
Merchandise and finished goods	30,261	23,728
Work in process	56,592	49,803
Raw materials and supplies	34,114	35,657
Income taxes receivable	481	261
Other	10,022	8,759
Allowance for doubtful accounts	-69	-85
<b>Total current assets</b>	<b>511,002</b>	<b>498,933</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	241,973	241,026
Machinery, equipment and vehicles	583,154	582,194
Tools, furniture and fixtures	52,053	51,313
Land	66,973	66,626
Construction in progress	22,334	23,062
Other	-	3,792
Accumulated depreciation	-714,844	-721,850
<b>Total property, plant and equipment</b>	<b>251,645</b>	<b>246,166</b>
Intangible assets		
Other	4,097	3,300
<b>Total intangible assets</b>	<b>4,097</b>	<b>3,300</b>
Investments and other assets		
Investment securities	87,683	85,149
Retirement benefit asset	1,772	2,022
Deferred tax assets	6,717	6,064
Other	12,212	10,590
Allowance for doubtful accounts	-703	-84
<b>Total investments and other assets</b>	<b>107,682</b>	<b>103,742</b>
<b>Total non-current assets</b>	<b>363,425</b>	<b>353,209</b>
<b>Total assets</b>	<b>874,427</b>	<b>852,143</b>

(Millions of yen)

	End of the accounting year ended March 31, 2019 (March 31, 2019)	First six months of the year ending March 31, 2020 (September 30, 2019)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	11,873	10,831
Electronically recorded obligations - operating	4,252	2,930
Accounts payable - other	26,453	15,057
Income taxes payable	8,137	4,663
Other	25,457	22,903
<b>Total current liabilities</b>	<b>76,174</b>	<b>56,384</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	19,964	19,577
Retirement benefit liability	10,688	10,329
Other	845	1,897
<b>Total non-current liabilities</b>	<b>31,499</b>	<b>31,804</b>
<b>Total liabilities</b>	<b>107,673</b>	<b>88,189</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	86,969	86,969
Capital surplus	102,403	102,403
Retained earnings	634,606	640,491
Treasury shares	-47,430	-47,432
<b>Total shareholders' equity</b>	<b>776,549</b>	<b>782,432</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	28,850	28,672
Foreign currency translation adjustment	-35,487	-43,970
Remeasurements of defined benefit plans	-3,645	-3,645
<b>Total accumulated other comprehensive income</b>	<b>-10,282</b>	<b>-18,943</b>
<b>Non-controlling interests</b>	<b>487</b>	<b>465</b>
<b>Total net assets</b>	<b>766,754</b>	<b>763,953</b>
<b>Total liabilities and net assets</b>	<b>874,427</b>	<b>852,143</b>

## (2) Consolidated Quarterly Statement of Income and Consolidated Quarterly Statement of Comprehensive Income

(Consolidated quarterly statement of income)

(First six months of the year ending March 31, 2020)

(Millions of yen)

	First six months of the year ended March 31, 2019 (From April 1, 2018 to September 30, 2018)	First six months of the year ending March 31, 2020 (From April 1, 2019 to September 30, 2019)
Net sales	210,823	188,834
Cost of sales	131,857	130,433
Gross profit	78,966	58,401
Selling, general and administrative expenses	43,595	40,630
Operating profit	35,370	17,771
Non-operating income		
Interest income	1,798	2,076
Dividend income	518	538
Foreign exchange gains	6,564	-
Other	678	907
Total non-operating income	9,560	3,522
Non-operating expenses		
Foreign exchange losses	-	2,201
Settlement package	752	162
Other	15	104
Total non-operating expenses	768	2,468
Ordinary profit	44,162	18,824
Extraordinary income		
Gain on sales of non-current assets	17	145
Gain on sales of investment securities	-	1,734
Total extraordinary income	17	1,879
Extraordinary losses		
Loss on sales of non-current assets	32	44
Loss on abandonment of non-current assets	44	68
Impairment loss	509	112
Loss on sales of investment securities	-	5
Loss on valuation of investment securities	0	32
Provision for loss on business liquidation	237	-
Extra retirement payments	89	620
Total extraordinary losses	914	883
Profit before income taxes	43,265	19,821
Income taxes - current	12,256	5,807
Income taxes - deferred	44	289
Total income taxes	12,300	6,097
Profit	30,964	13,723
Profit attributable to non-controlling interests	16	9
Profit attributable to owners of parent	30,948	13,713

(Consolidated quarterly statement of comprehensive income)  
 (First six months of the year ending March 31, 2020)

(Millions of yen)

	First six months of the year ended March 31, 2019 (From April 1, 2018 to September 30, 2018)	First six months of the year ending March 31, 2020 (From April 1, 2019 to September 30, 2019)
Profit	30,964	13,723
Other comprehensive income		
Valuation difference on available-for-sale securities	257	-177
Foreign currency translation adjustment	9,948	-8,485
Remeasurements of defined benefit plans, net of tax	316	-0
Total other comprehensive income	10,523	-8,664
Comprehensive income	41,488	5,059
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,461	5,052
Comprehensive income attributable to non- controlling interests	26	6

## (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	First six months of the year ended March 31, 2019 (From April 1, 2018 to September 30, 2018)	First six months of the year ending March 31, 2020 (From April 1, 2019 to September 30, 2019)
Cash flows from operating activities		
Profit before income taxes	43,265	19,821
Depreciation	21,221	21,146
Impairment loss	509	112
Increase (decrease) in allowance for doubtful accounts	-260	-597
Increase (decrease) in retirement benefit liability	306	-688
Decrease (increase) in retirement benefit asset	272	60
Extra retirement payments	89	620
Interest and dividend income	-2,317	-2,614
Foreign exchange losses (gains)	-2,681	2,088
Loss (gain) on valuation of short-term and long-term investment securities	0	32
Loss (gain) on sales of non-current assets	15	-101
Decrease (increase) in trade receivables	-12,353	-5,186
Decrease (increase) in inventories	-8,469	10,178
Increase (decrease) in trade payables	-647	-1,229
Increase (decrease) in accounts payable - other	-1,796	-1,783
Other, net	1,402	-17
Subtotal	38,558	41,841
Interest and dividends received	2,359	2,697
Interest paid	-0	-5
Income taxes (paid) refund	-11,054	-8,449
Extra retirement payments	-89	-2,233
Net cash provided by (used in) operating activities	29,773	33,850
Cash flows from investing activities		
Decrease (increase) in time deposits	4,808	25,663
Purchase of short-term and long-term investment securities	-10,125	-4,703
Proceeds from sales and redemption of short-term and long-term investment securities	13,211	11,168
Purchase of property, plant and equipment	-31,716	-25,549
Proceeds from sales of property, plant and equipment	28	414
Other, net	-579	-1,104
Net cash provided by (used in) investing activities	-24,372	5,888
Cash flows from financing activities		
Purchase of treasury shares	-1	-2
Dividends paid	-12,692	-7,837
Other, net	-11	-464
Net cash provided by (used in) financing activities	-12,705	-8,304
Effect of exchange rate change on cash and cash equivalents	5,533	-4,722
Net increase (decrease) in cash and cash equivalents	-1,771	26,712
Cash and cash equivalents at beginning of period	243,973	228,065
Cash and cash equivalents at end of period	242,202	254,778

(4) Notes on Consolidated Quarterly Financial Statement

(Note on going concern)

Not applicable items

(Note in case of significant change in amount of shareholders' equity)

Not applicable items

(Changes in accounting policies)

(Application of IFRS 16 "Leases")

From the beginning of the first quarter of the year ending March 31, 2020, we are applying IFRS 16 "Leases" (issued January 13, 2016) to consolidated subsidiaries outside of Japan except for those in the USA. By rule, the borrower under this standard recognizes the assets and liabilities of all leases. We have applied this accounting standard by recognizing the cumulative impact over time on the date the standard went into effect.

As a result, at the end of the first six months in question, increases were reported respectively in right-of-use assets ("other" under property, plants, and equipment) of 3,792 million yen, accumulated depreciation of right-of-use assets (accumulated depreciation under property, plants, and equipment) of 980 million yen, and lease liabilities ("other" under current and non-current liabilities) of 2,414 million yen. The 477 million yen in land use rights that was previously included in "other" under intangible assets is included in "other" and "accumulated depreciation" under property, plants, and equipment, as of the first quarter of the year ending March 31, 2020. The impact of this new accounting standard on balances and pre-share information for the period is insignificant.

(Segment information)

First six months of the year ended March 31, 2019 (from April 1, 2018 to September 30, 2018)

Information on net sales, profits, or losses by individual reportable segments

(Unit: Million yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on consolidated quarterly statement of income (Note 3)
	LSI	Discrete semi- conductor devices	Modules	Total				
Sales								
Sales to customers outside of the ROHM Group	96,859	80,524	21,773	199,157	11,666	210,823	-	210,823
Inter-segment sales or transfer	1,281	3,921	43	5,245	33	5,278	-5,278	-
Total	98,140	84,445	21,816	204,402	11,699	216,102	-5,278	210,823
Segment profit	11,548	18,437	3,505	33,491	2,255	35,746	-376	35,370

- (Note) 1. "Others" is an operational segment that is not included in reportable segments, consisting of business in resistors and tantalum capacitors.
2. The adjusted amount of the segment profit, -376 million yen, mainly includes general administrative expenses of -651 million yen that do not attribute to the segment and the settlement adjusted amount of -275 million yen, which is not allocated to the segment (such as adjustment for retirement benefits).
3. For segment profit, adjustments are made using the operating profit of the consolidated quarterly statement of income.

First six months of the year ending March 31, 2020 (from April 1, 2019 to September 30, 2019)

Information on net sales, profits, or losses by individual reportable segments

(Unit: Million yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on consolidated quarterly statement of income (Note 3)
	LSI	Discrete semi- conductor devices	Modules	Total				
Sales								
Sales to customers outside of the ROHM Group	88,889	71,174	18,311	178,374	10,460	188,834	-	188,834
Inter-segment sales or transfer	965	2,733	-	3,699	30	3,729	-3,729	-
Total	89,854	73,907	18,311	182,073	10,490	192,564	-3,729	188,834
Segment profit	6,247	7,623	2,340	16,212	1,094	17,307	463	17,771

- (Note) 1. "Others" is an operational segment that is not included in reportable segments, consisting of business in resistors and tantalum capacitors.
2. The adjusted amount of the segment profit, 463 million yen, mainly includes general administrative expenses of -245 million yen that do not attribute to the segment and the settlement adjusted amount of 709 million yen, which is not allocated to the segment (such as adjustment for retirement benefits).
3. For segment profit, adjustments are made using the operating profit of the consolidated quarterly statement of income.