



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

(From April 1, 2019 to December 31, 2019)

February 4, 2020

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)	Note1 Change from the previous year
		First nine months	First nine months	Amount	Percentage	Annual	Annual	
Net sales	Millions of yen	279,188	310,679	-31,491	-10.1%	398,989	365,000	-8.5%
Cost of sales	Millions of yen	191,753	193,659	-1,906	-1.0%	254,727	253,200	
Selling, general and administrative expenses	Millions of yen	61,177	65,636	-4,459	-6.8%	88,352	84,800	
Operating profit	Millions of yen	26,257 (9.4%)	51,383 (16.5%)	-25,126 (-7.1%)	-48.9%	55,909 (14.0%)	27,000 (7.4%)	-51.7%
Ordinary profit	Millions of yen	28,673 (10.3%)	59,875 (19.3%)	-31,202 (-9.0%)	-52.1%	64,689 (16.2%)	28,000 (7.7%)	-56.7%
Profit attributable to owners of parent	Millions of yen	21,485 (7.7%)	43,423 (14.0%)	-21,938 (-6.3%)	-50.5%	45,441 (11.4%)	22,000 (6.0%)	-51.6%
Figures in () indicate ratio to sales.								
Net income (loss) per share	yen	206.13	411.36	-205.23	-49.9%	431.29	210.51	
ROE	%					6.0		
ROA	%					5.2		
Net assets per share	yen	7,357.92	7,239.70	+118.22	+1.6%	7,332.04		
EBITDA ^{Note2}	Millions of yen	58,675	84,280	-25,605	-30.4%	101,325		
Capital expenditures	Millions of yen	24,004	37,854	-13,850	-36.6%	57,291	50,000	-12.7%
Depreciation	Millions of yen	32,418	32,896	-478	-1.5%	45,415	46,500	+2.4%
Research and development costs	Millions of yen	24,845	29,196	-4,351	-14.9%	39,578	34,000	-14.1%
Number of employees	Number	22,360	23,307	-947	-4.1%	22,899		
Foreign exchange rate (Average yen-dollar rate)	yen/US\$	109.10	110.82	-1.72	-1.6%	110.69	(fourth quarter) 105.00	

(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 profit.

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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.



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

February 4, 2020

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

February 6, 2020

Scheduled Dividend Payment Date

-

Preparation of Supplementary Briefing Materials for the Quarterly Settlement:

Yes

Briefing Session for the Quarterly Settlement to Be Held:

None

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

1. Consolidated Financial Results for the First Nine Months of the Year Ending March 31, 2020 (From April 1, 2019 to December 31, 2019)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months of the year ending March 31, 2020	279,188	-10.1	26,257	-48.9	28,673	-52.1	21,485	-50.5
First nine months of the year ended March 31, 2019	310,679	2.3	51,383	12.7	59,875	25.4	43,423	26.4

(Note) Comprehensive income First nine months of the year ending March 31, 2020: 21,234 million yen (-40.7%)
First nine months of the year ended March 31, 2019: 35,833 million yen (-39.6%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
First nine months of the year ending March 31, 2020	206.13		200.37	
First nine months of the year ended March 31, 2019	411.36		—	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
First nine months of the year ending March 31, 2020	887,373		755,388		85.1	
Year ended March 31, 2019	874,427		766,754		87.6	

(Reference) Shareholder's equity First nine months of the year ending March 31, 2020: 754,903 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
	Yen				
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 profit		Ordinary profit		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: None

*Note

(1) Major Changes in Subsidiaries During the First Nine 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 nine 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 nine months of the year ending March 31, 2020	7,373,283 shares
	Year ended March 31, 2019	5,493,365 shares
[3] Average number of shares during the period (Accumulated total of the quarter)	First nine months of the year ending March 31, 2020	104,235,206 shares
	First nine months of the year ended March 31, 2019	105,559,225 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 Nine Months of the Current Fiscal Year, (3) Qualitative Information Regarding Consolidated Financial Results Forecast" on the Financial Report (Appendix)

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

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

(1) Business Results

General Overview of Business Performance

During the first nine months of the fiscal year ending March 31, 2020, the world economy as a whole lost speed primarily due to the ongoing U.S.-China trade friction and China's economic deceleration. By region, the U.S. economy continued its recovery trend on the back of ongoing robust consumer spending, although capital spending remained constrained in the private sector. China's economy continued to face a difficult situation primarily due to decelerated growth in consumer spending, industrial production and capital investment. Economic growth in Europe and Asia remained sluggish primarily due to the impact of political uncertainty and economic slowdown in China. Japan's economic recovery was on a slowing trend primarily due to a decline in exports to China, Europe, etc. and decelerating industrial production.

In the electronics industry, the automotive electronics market, overall, faced a challenging situation primarily due to a prolonged significant downturn in vehicle sales in China 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 remained weak due to an ongoing decline in machine tool orders. In the consumer product market, demand also remained weak due to deteriorating market conditions. As a result, semiconductors and other electronic components continued to face 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 – and to enhance our sales structure in China. Moreover, we directed resources 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, and the Group has also put in place a technical support system, to be used for activities such as making system solution proposals to customers. In terms of production, the ROHM Group 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}. We also implemented the centralized management of factories to further strengthen our stable supply system and improve production efficiency. In addition, 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 factory for producing new SiC devices^{*3}.

Under these circumstances, largely because of decreased sales to the consumer product markets and industrial equipment markets, consolidated net sales for the first nine months of the fiscal year ending March 31, 2020 were 279,188 million yen, down 10.1% from the same period last year.

Operating profit decreased 48.9% from the same period last year to 26,257 million yen owing to decreased sales and a higher burden of fixed costs and operating margin decreased to 9.4% from 16.5% registered for the same period last year.

Ordinary profit decreased 52.1% from the same period last year to 28,673 million yen on the decrease in operating profit and foreign exchange losses (gains were enjoyed this period last year), while profit attributable to owners of parent decreased 50.5% from the same period last year to 21,485 million yen owing primarily to the decrease in ordinary profit.

In addition, EBITDA^{*4}, an accounting metric that we emphasize in the ROHM Group, was 58,675 million yen for the first nine months, down 30.4% from the same period 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 factories. ROHM believes that establishing production systems of unparalleled efficiency and quality is essential for strengthening the Group's earnings 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 exponentially 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

Integrated Circuits (ICs)

Consolidated net sales for the first nine months of the fiscal year ending March 31, 2020 were 131,099 million yen (a decrease of 8.5% from the same period last year) and segment profit was 10,620 million yen (a decrease of 36.7% from the same period last year).

In the automotive electronics market, sales of isolated gate driver ICs*5 for xEV*6 and power ICs for car bodies and ADAS increased, but sales of driver ICs for automotive infotainment decreased. In the industrial equipment market, sales of ICs for FA and other markets decreased. In the consumer product market, sales of ICs for smartphones, office equipment, TVs and other AV products were challenging overall.

*5. Isolated gate driver IC

A kind of gate driver IC for driving power semiconductors like SiC and IGBT*7 that eliminates external isolating components critical to protecting people and systems by incorporating a built-in isolating element.

*6. 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).

*7. IGBT (Insulated Gate Bipolar Transistor)

A power semiconductor device that integrates a MOSFET and a bipolar transistor. As 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 nine months of the fiscal year ending March 31, 2020 were 105,794 million yen (a decrease of 10.2% from the same period last year) and segment profit was 9,714 million yen (a decrease of 63.1% from the same period last year).

With regard to transistors and diodes, sales for infotainment applications decreased despite increasing use in automotive electronics, such as for powertrains and car bodies. Moreover, sales of transistors and diodes for the industrial equipment and consumer product markets remained challenging. Regarding power devices, sales of IGBTs grew but sales of SiC devices declined, adversely affected by market adjustments. Likewise, sales of light-emitting diodes (LED) for the consumer product and industrial equipment markets declined. Sales of laser diodes also decreased, especially in the consumer product market.

Modules

Consolidated net sales for the first nine months of the fiscal year ending March 31, 2020 were 26,791 million yen (a decrease of 16.8% from the same period last year) and segment profit was 3,431 million yen (a decrease of 35.8% from the same period last year).

With regard to printheads, sales for mobile payment terminals and other applications fell. As for optical modules, sales of automotive LED modules grew but sales of sensor modules for smartphones declined.

Others

Consolidated net sales for the first nine months of the fiscal year ending March 31, 2020 were 15,502 million yen (a decrease of 11.3% from the same period last year) and segment profit was 1,553 million yen (a decrease of 53.9% from the same period last year).

Sales of resistors declined, especially in the automotive electronics and consumer product markets. Sales of

tantalum capacitors also fell, especially in the PC market.

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

(2) Financial Conditions

At the end of the third quarter of the fiscal year ending March 31, 2020, total assets of the ROHM Group were 887,373 million yen, constituting an increase of 12,946 million yen from the end of the previous fiscal year. The primary factors behind this were increases respectively in cash and deposits of 41,283 million yen and goodwill of 1,466 million yen, despite decreases respectively in inventories of 8,982 million yen, investment securities of 6,651 million yen, and property, plant and equipment of 6,555 million yen.

Liabilities increased 24,312 million yen from the end of the previous fiscal year, to 131,985 million yen. The primary factors behind this were decreases respectively in accounts payable (other) of 9,453 million yen, other current liabilities of 4,939 million yen (including accrued expenses of 5,353 million yen), and income taxes payable of 4,813 million yen, despite an increase of 40,985 million yen in bonds payable.

Net assets decreased 11,366 million yen from the end of the previous fiscal year, to 755,388 million yen. The main factor behind this was a decrease of 16,897 million yen resulting from the purchase of treasury shares, despite an increase in retained earnings of 5,811 million yen due to factors including the recording of profit attributable to owners of parent.

As a result, the equity ratio decreased from 87.6% of the end of the previous year to 85.1%.

(3) Qualitative Information Regarding Consolidated Financial Results Forecast

The market environment during the first nine months of the fiscal year ending March 31, 2020 remained challenging on the back of the ongoing U.S.-China trade friction and China’s economic slowdown and sluggish vehicle sales, among other things. At this point, we have not yet reached the stage where our previously announced annual earnings forecast needs to be revised. That said, as uncertainty still remains in the electronics market in the fourth quarter, we think it is necessary to continue to carefully monitor and assess the situation.

Going forward, if we determine it is appropriate to revise our current annual earnings forecast, we will separately announce the annual earnings forecast revision.

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 nine months of the year ending March 31, 2020 (December 31, 2019)
Assets		
Current assets		
Cash and deposits	268,254	309,537
Notes and accounts receivable - trade	84,021	82,984
Electronically recorded monetary claims - operating	5,833	5,936
Securities	21,491	16,415
Merchandise and finished goods	30,261	24,543
Work in process	56,592	50,430
Raw materials and supplies	34,114	37,011
Income taxes receivable	481	754
Other	10,022	10,487
Allowance for doubtful accounts	-69	-83
Total current assets	511,002	538,017
Non-current assets		
Property, plant and equipment		
Buildings and structures	241,973	244,596
Machinery, equipment and vehicles	583,154	592,692
Tools, furniture and fixtures	52,053	52,085
Land	66,973	66,871
Construction in progress	22,334	22,455
Other	-	3,913
Accumulated depreciation	-714,844	-737,525
Total property, plant and equipment	251,645	245,090
Intangible assets		
Goodwill	-	1,466
Other	4,097	3,161
Total intangible assets	4,097	4,628
Investments and other assets		
Investment securities	87,683	81,032
Retirement benefit asset	1,772	2,159
Deferred tax assets	6,717	5,853
Other	12,212	10,665
Allowance for doubtful accounts	-703	-73
Total investments and other assets	107,682	99,637
Total non-current assets	363,425	349,355
Total assets	874,427	887,373

(Millions of yen)

	End of the accounting year ended March 31, 2019 (March 31, 2019)	First nine months of the year ending March 31, 2020 (December 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,873	11,467
Electronically recorded obligations - operating	4,252	3,482
Accounts payable - other	26,453	17,000
Income taxes payable	8,137	3,324
Other	25,457	20,518
Total current liabilities	76,174	55,793
Non-current liabilities		
Bonds payable	-	40,985
Deferred tax liabilities	19,964	22,451
Retirement benefit liability	10,688	10,877
Other	845	1,877
Total non-current liabilities	31,499	76,191
Total liabilities	107,673	131,985
Net assets		
Shareholders' equity		
Share capital	86,969	86,969
Capital surplus	102,403	102,403
Retained earnings	634,606	640,417
Treasury shares	-47,430	-64,327
Total shareholders' equity	776,549	765,463
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,850	30,127
Foreign currency translation adjustment	-35,487	-36,949
Remeasurements of defined benefit plans	-3,645	-3,737
Total accumulated other comprehensive income	-10,282	-10,559
Non-controlling interests	487	484
Total net assets	766,754	755,388
Total liabilities and net assets	874,427	887,373

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

(Consolidated quarterly statement of income)

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

(Millions of yen)

	First nine months of the year ended March 31, 2019 (From April 1, 2018 to December 31, 2018)	First nine months of the year ending March 31, 2020 (From April 1, 2019 to December 31, 2019)
Net sales	310,679	279,188
Cost of sales	193,659	191,753
Gross profit	117,019	87,435
Selling, general and administrative expenses	65,636	61,177
Operating profit	51,383	26,257
Non-operating income		
Interest income	2,727	2,933
Dividend income	973	1,002
Foreign exchange gains	4,729	-
Other	927	1,126
Total non-operating income	9,357	5,062
Non-operating expenses		
Foreign exchange losses	-	2,215
Settlement package	841	162
Other	23	268
Total non-operating expenses	865	2,646
Ordinary profit	59,875	28,673
Extraordinary income		
Gain on sales of non-current assets	128	303
Gain on sales of investment securities	-	4,369
Total extraordinary income	128	4,673
Extraordinary losses		
Loss on sales of non-current assets	42	58
Loss on abandonment of non-current assets	83	156
Impairment loss	638	107
Loss on sales of investment securities	-	27
Loss on valuation of investment securities	5	32
Loss on liquidation of business	259	-
Extra retirement payments	212	620
Total extraordinary losses	1,240	1,003
Profit before income taxes	58,763	32,343
Income taxes - current	14,873	7,960
Income taxes - deferred	444	2,878
Total income taxes	15,318	10,839
Profit	43,444	21,503
Profit attributable to non-controlling interests	21	18
Profit attributable to owners of parent	43,423	21,485

(Consolidated quarterly statement of comprehensive income)

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

(Millions of yen)

	First nine months of the year ended March 31, 2019 (From April 1, 2018 to December 31, 2018)	First nine months of the year ending March 31, 2020 (From April 1, 2019 to December 31, 2019)
Profit	43,444	21,503
Other comprehensive income		
Valuation difference on available-for-sale securities	-11,004	1,277
Foreign currency translation adjustment	2,885	-1,454
Remeasurements of defined benefit plans, net of tax	507	-92
Total other comprehensive income	-7,611	-269
Comprehensive income	35,833	21,234
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	35,799	21,208
Comprehensive income attributable to non-controlling interests	33	26

(3) Notes on Consolidated Quarterly Financial Statement

(Note on going concern)

No applicable items

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

By resolution of the Board of Directors from their meeting on November 19, 2019, ROHM bought back 1,879,100 of its treasury shares, which increased the treasury shares in the third quarter of the fiscal year ending March 31, 2020 by 16,890 million yen.

(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 nine months of the year ending March 31, 2020, increases were reported respectively in right-of-use assets ("other" under property, plants, and equipment) of 3,913 million yen, accumulated depreciation of right-of-use assets (accumulated depreciation under property, plants, and equipment) of 1,223 million yen, and lease liabilities ("other" under current and non-current liabilities) of 2,331 million yen. The 484 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 nine months of the year ended March 31, 2019 (From April 1, 2018 to December 31, 2018)

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

(Unit: Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on consolidated quarterly statement of income (Note 3)
	ICs	Discrete semi- conductor devices	Modules	Total				
Sales								
Sales to customer	143,203	117,788	32,206	293,198	17,481	310,679	-	310,679
Inter-segment sales or transfer	1,988	5,898	43	7,929	47	7,977	-7,977	-
Total	145,191	123,686	32,249	301,127	17,529	318,657	-7,977	310,679
Segment profit	16,788	26,354	5,341	48,484	3,371	51,856	-473	51,383

(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, -473 million yen, mainly includes general administrative expenses of -779 million yen that do not attribute to the segment, and the settlement adjusted amount of 306 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 nine months of the year ending March 31, 2020 (From April 1, 2019 to December 31, 2019)
Information on net sales, profits or losses by individual reportable segments

(Unit: Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on consolidated quarterly statement of income (Note 3)
	ICs	Discrete semi- conductor devices	Modules	Total				
Sales								
Sales to customer	131,099	105,794	26,791	263,685	15,502	279,188	-	279,188
Inter-segment sales or transfer	1,473	4,305	-	5,779	46	5,825	-5,825	-
Total	132,573	110,099	26,791	269,465	15,549	285,014	-5,825	279,188
Segment profit	10,620	9,714	3,431	23,766	1,553	25,319	973	26,257

(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, 937 million yen, mainly includes general administrative expenses of -365 million yen that do not attribute to the segment, and the settlement adjusted amount of 1,302 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.