



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	<b>359.8</b>	<b>362.8</b>	<b>-3.0</b>	<b>-0.8%</b>
Operating Income	<b>38.4</b>	<b>29.4</b>	<b>+9.0</b>	<b>+30.5%</b>
(Ratio)	<b>(10.7%)</b>	<b>( 8.1%)</b>	-	-
Ordinary Income	<b>40.6</b>	<b>35.7</b>	<b>+4.9</b>	<b>+13.7%</b>
(Ratio)	<b>(11.3%)</b>	<b>( 9.9%)</b>	-	-
Net Income	<b>37.0</b>	<b>25.6</b>	<b>+11.4</b>	<b>+44.4%</b>
(Ratio)	<b>(10.3%)</b>	<b>( 7.1%)</b>	-	-
EBITDA	<b>78.6</b>	<b>73.8</b>	<b>+4.8</b>	<b>+6.6%</b>
(Ratio)	<b>(21.9%)</b>	<b>( 20.3%)</b>	-	-

Average rate(¥/US\$)

(¥106.20)

(¥109.10)

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



(VS. Revised Plan as of Feb.1<sup>st</sup>)

(¥billion)

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

Average rate(¥/US\$)

(¥106.20)

(¥105.70)

# Plan for the Year Ending 2022/3 (YoY)

(¥billion)

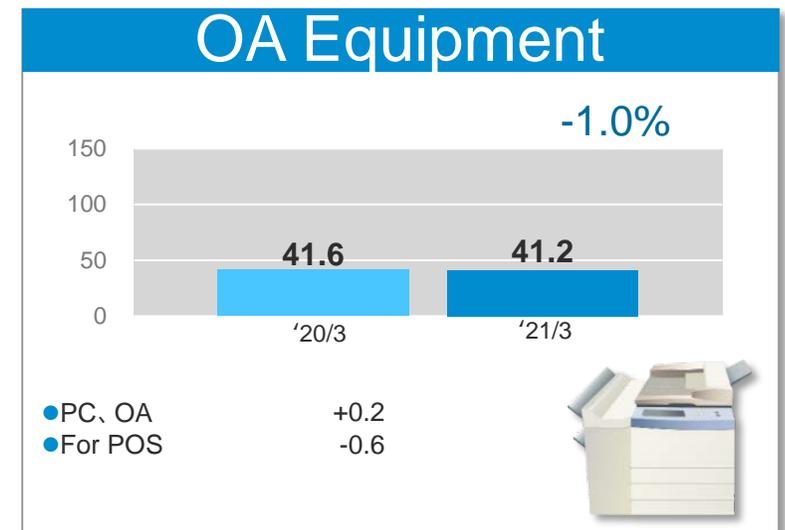
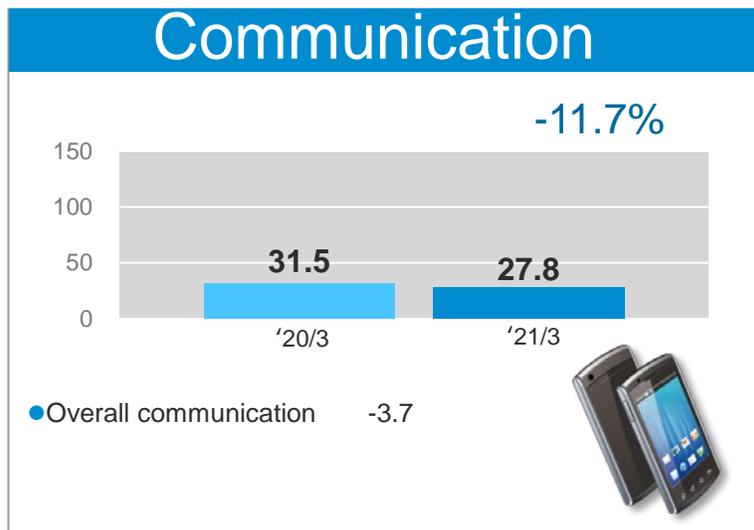
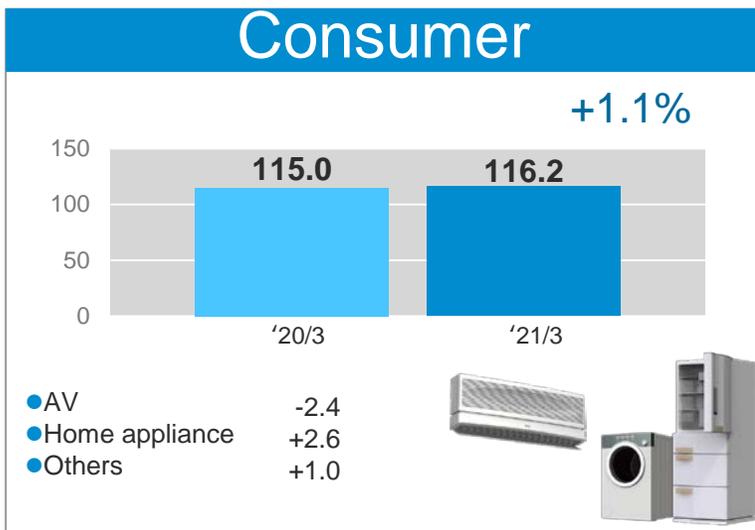
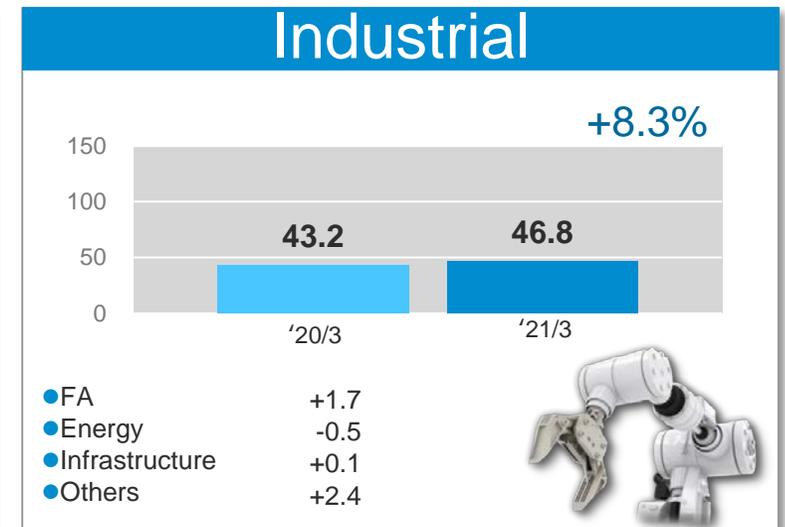
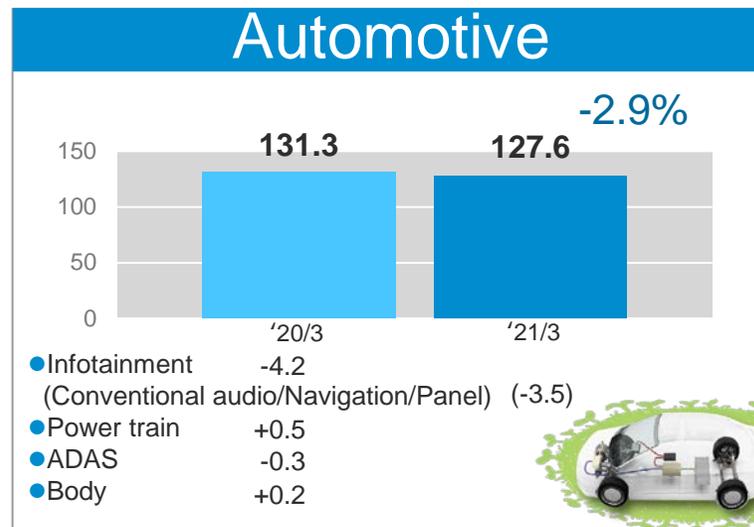
	'22/3 Plan	'21/3 Results	Amount(YoY)	Ratio(YoY)
Net Sales	<b>400.0</b>	<b>359.8</b>	<b>+40.2</b>	<b>+11.1%</b>
Operating Income	<b>49.0</b>	<b>38.4</b>	<b>+10.6</b>	<b>+27.3%</b>
(Ratio)	<b>(12.2%)</b>	<b>(10.7%)</b>	-	-
Ordinary Income	<b>48.0</b>	<b>40.6</b>	<b>+7.4</b>	<b>+18.0%</b>
(Ratio)	<b>(12.0%)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

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

Impact from tax effect  
accounting +7.7

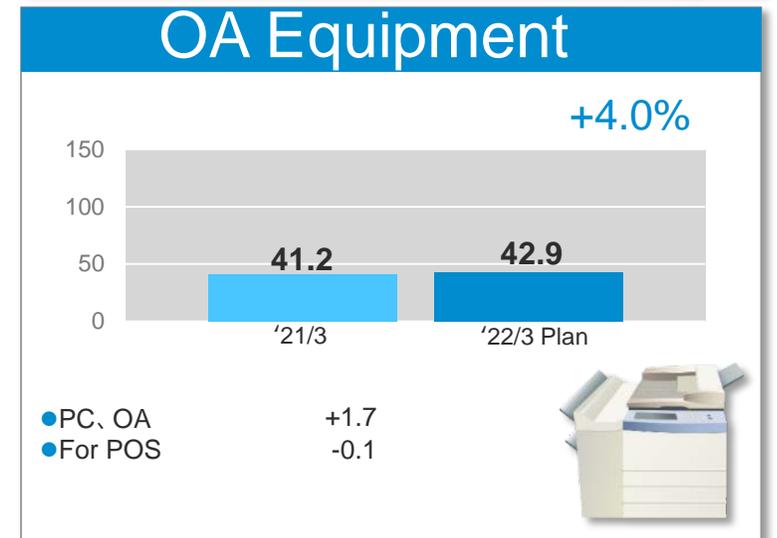
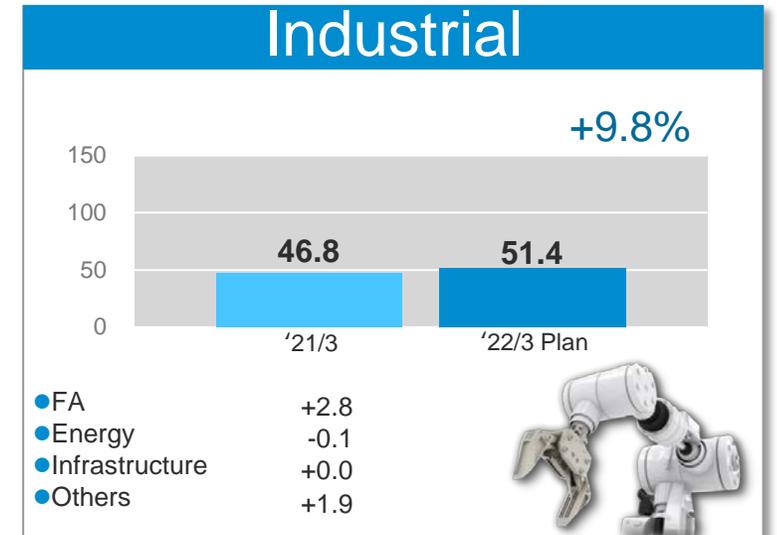
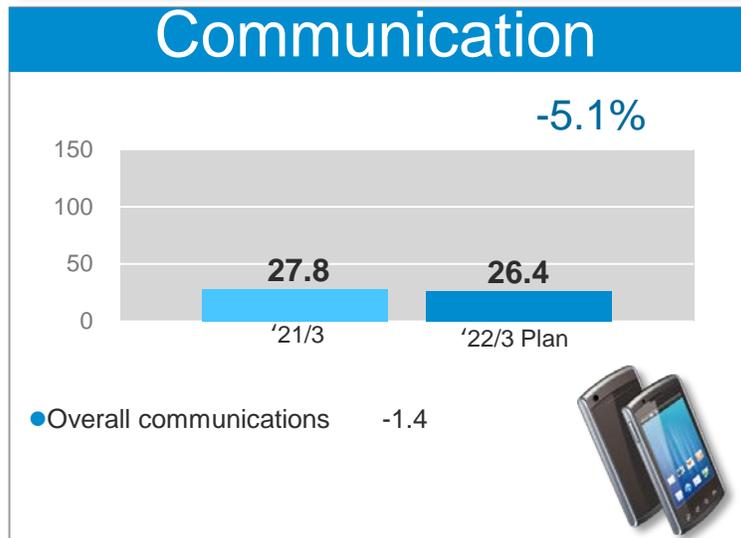
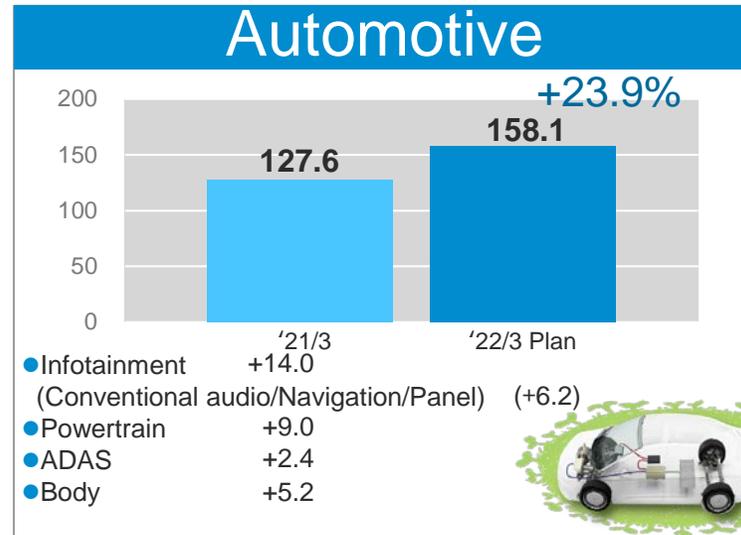
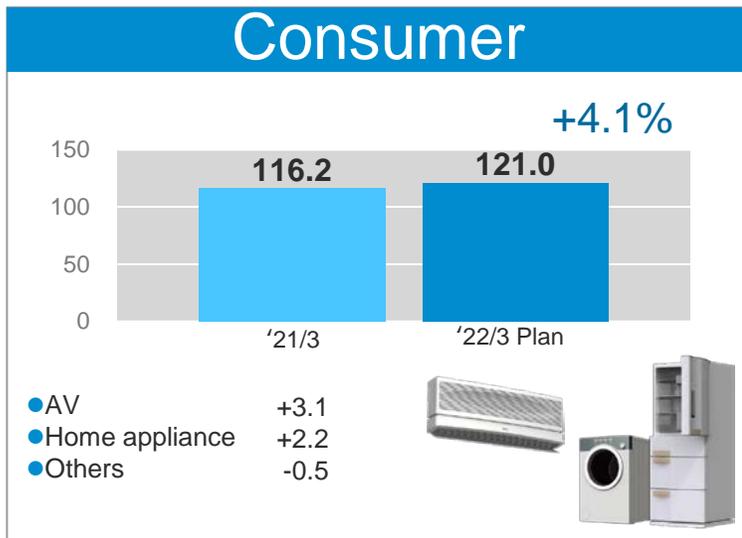
# '21/3 Full year Sales trend by Market Segments (YoY)

(¥billion)



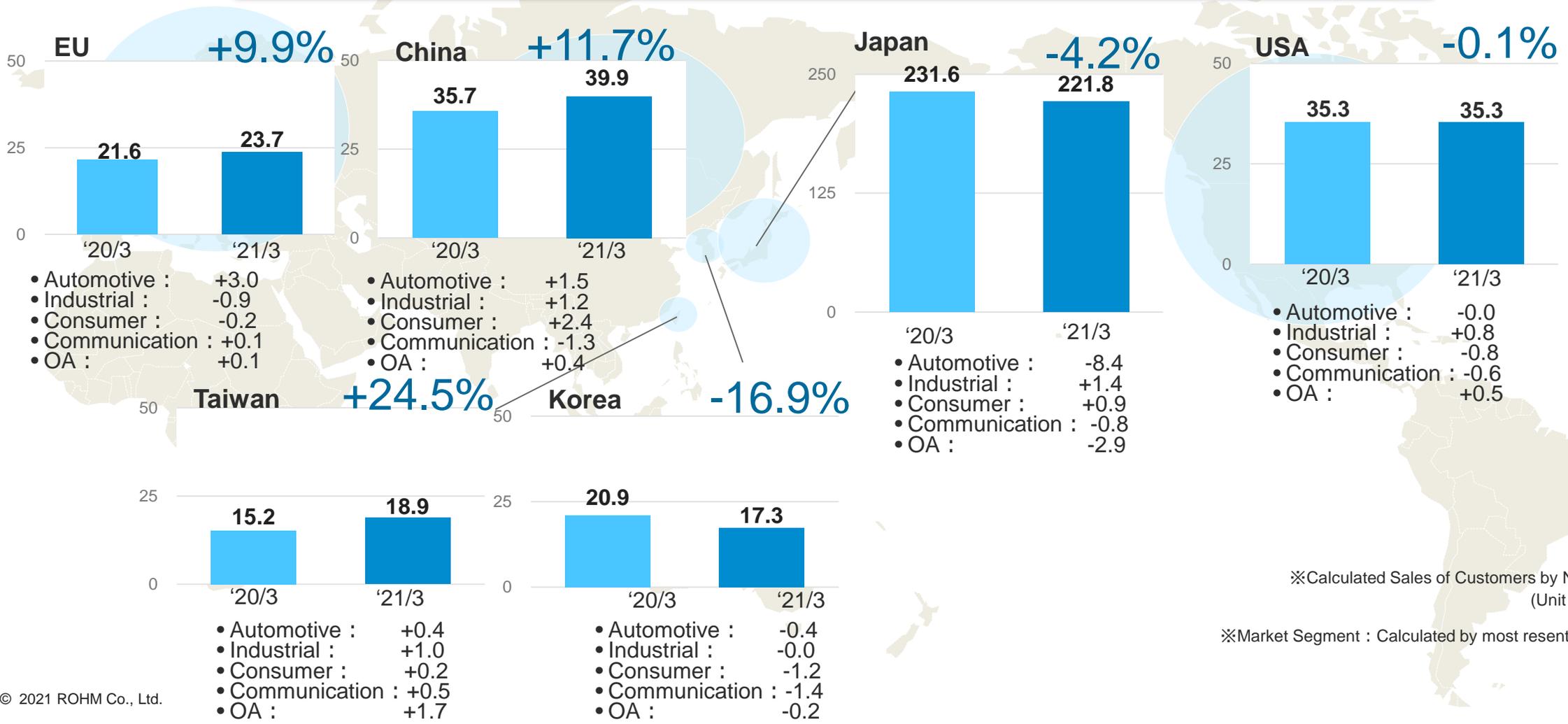
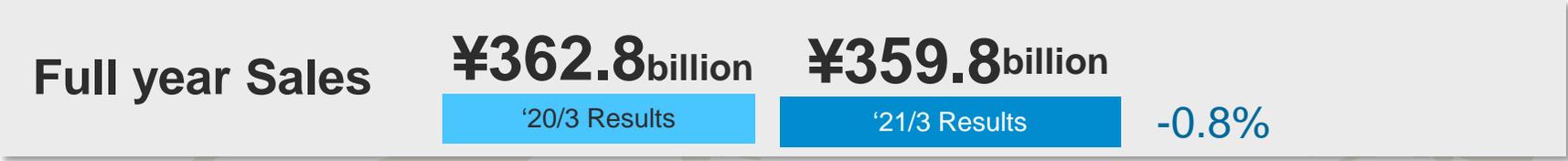
# '22/3 Full year Sales trend by Market Segments ('21/3 vs '22/3 Plan)

(¥billion)



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

Full year YoY



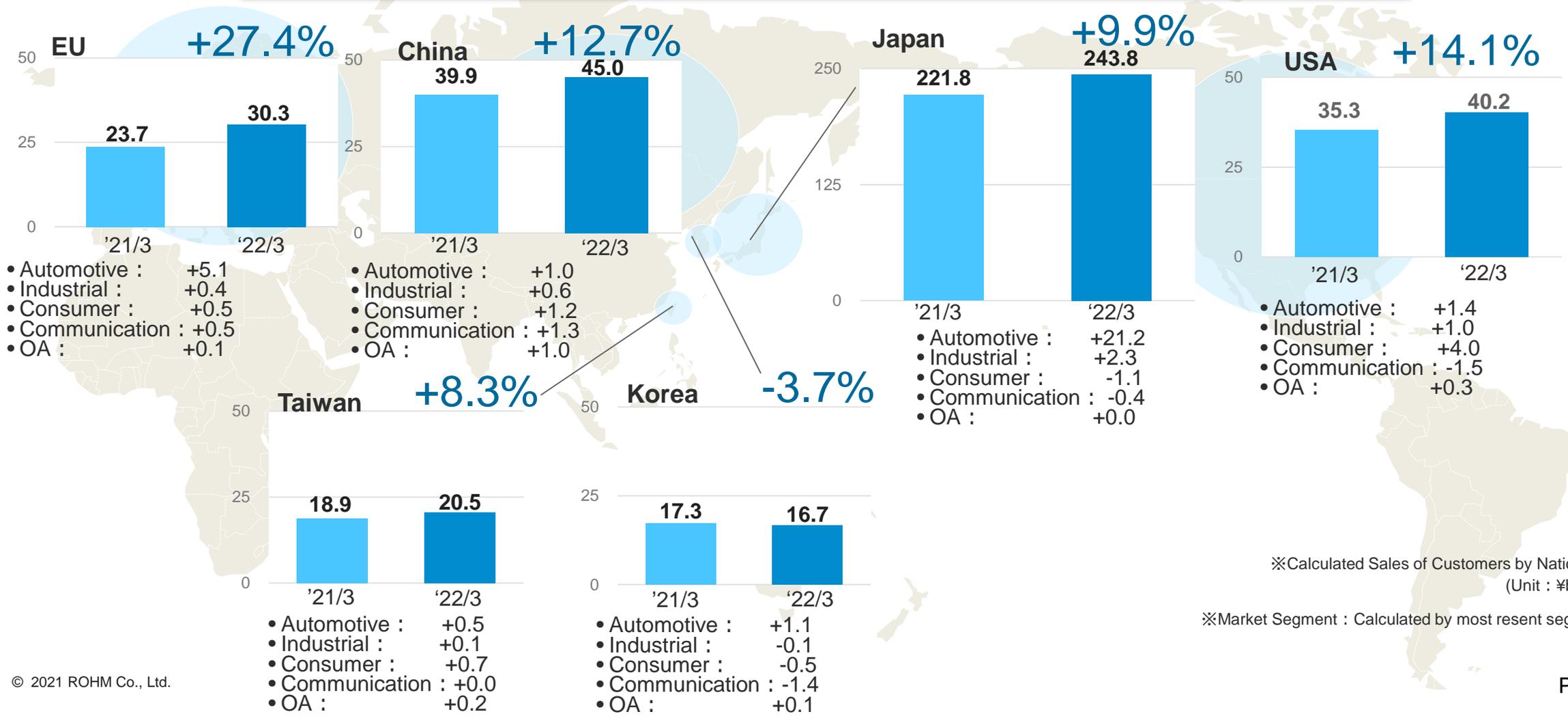
※Calculated Sales of Customers by Nationality (Unit : ¥billion)

※Market Segment : Calculated by most resent segment

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

## Full year YoY

**Full year Sales**    **¥359.8billion**    **¥400.0billion**  
 '21/3 Results    '22/3 Plan    **+11.1%**



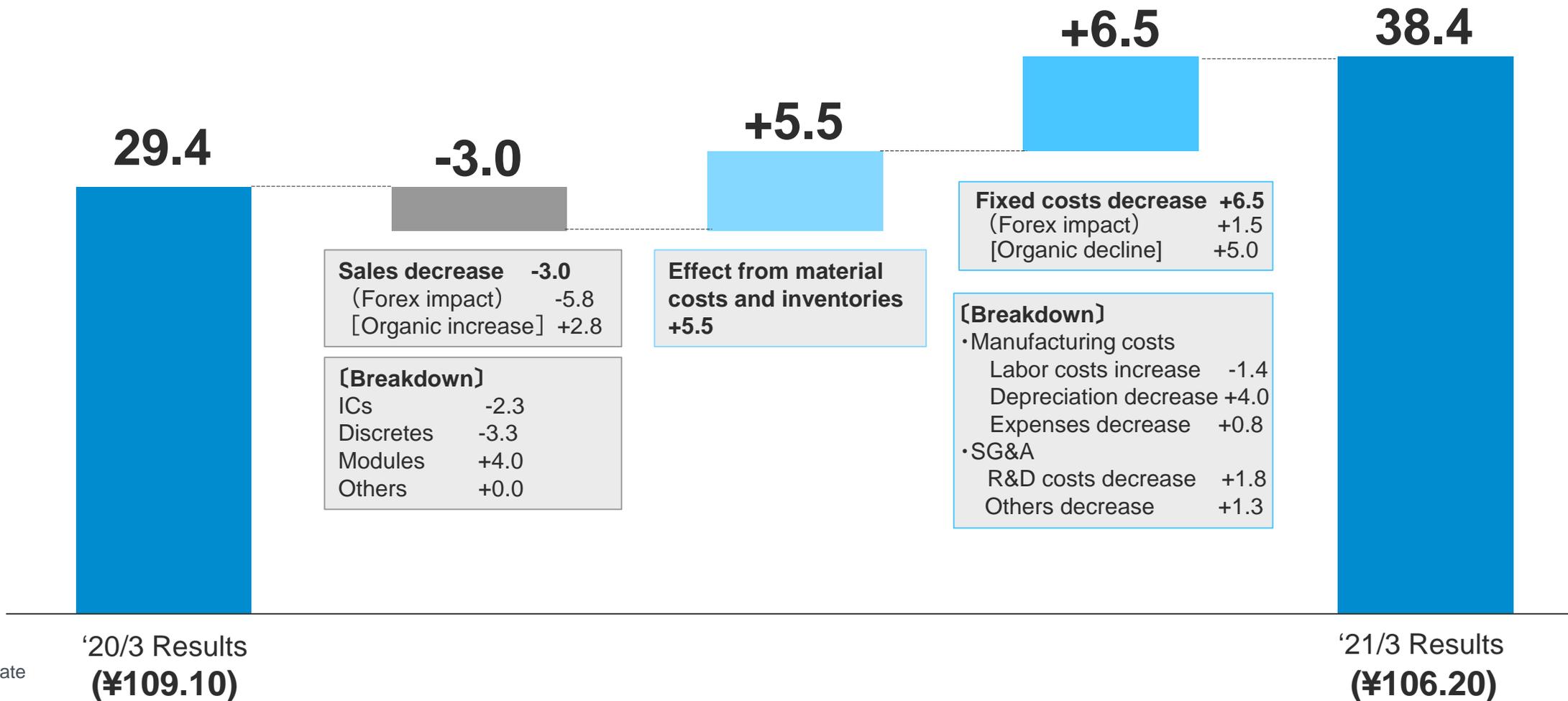
※Calculated Sales of Customers by Nationality (Unit : ¥billion)

※Market Segment : Calculated by most recent segment

# Changes in Operating Income (YoY)

**¥9.0 billion Increase**

(¥billion)

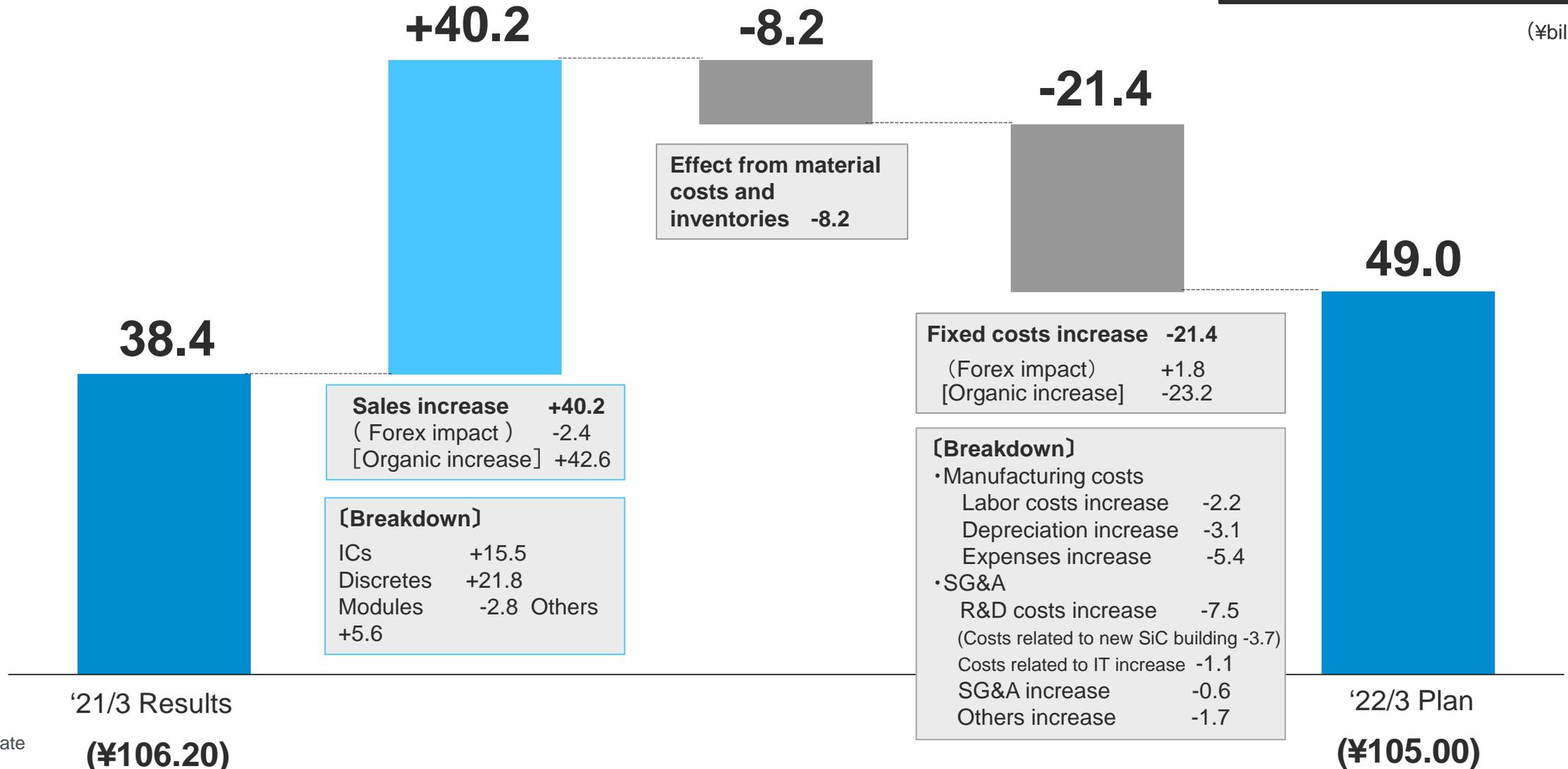


Average rate  
(¥/US\$)

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

**¥10.6 billion Increase**

(¥billion)



'21/3 Results

**(¥106.20)**

'22/3 Plan

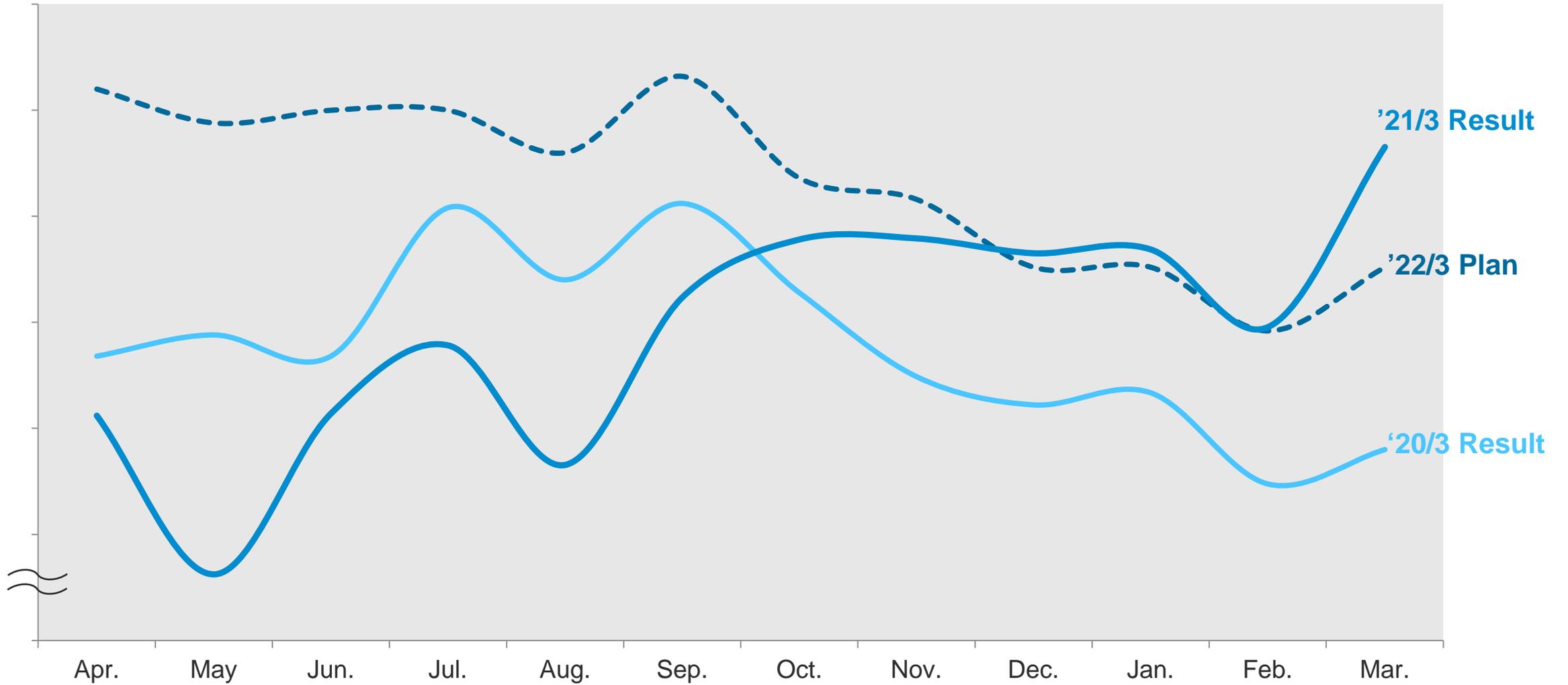
**(¥105.00)**

Average rate  
(¥/US\$)

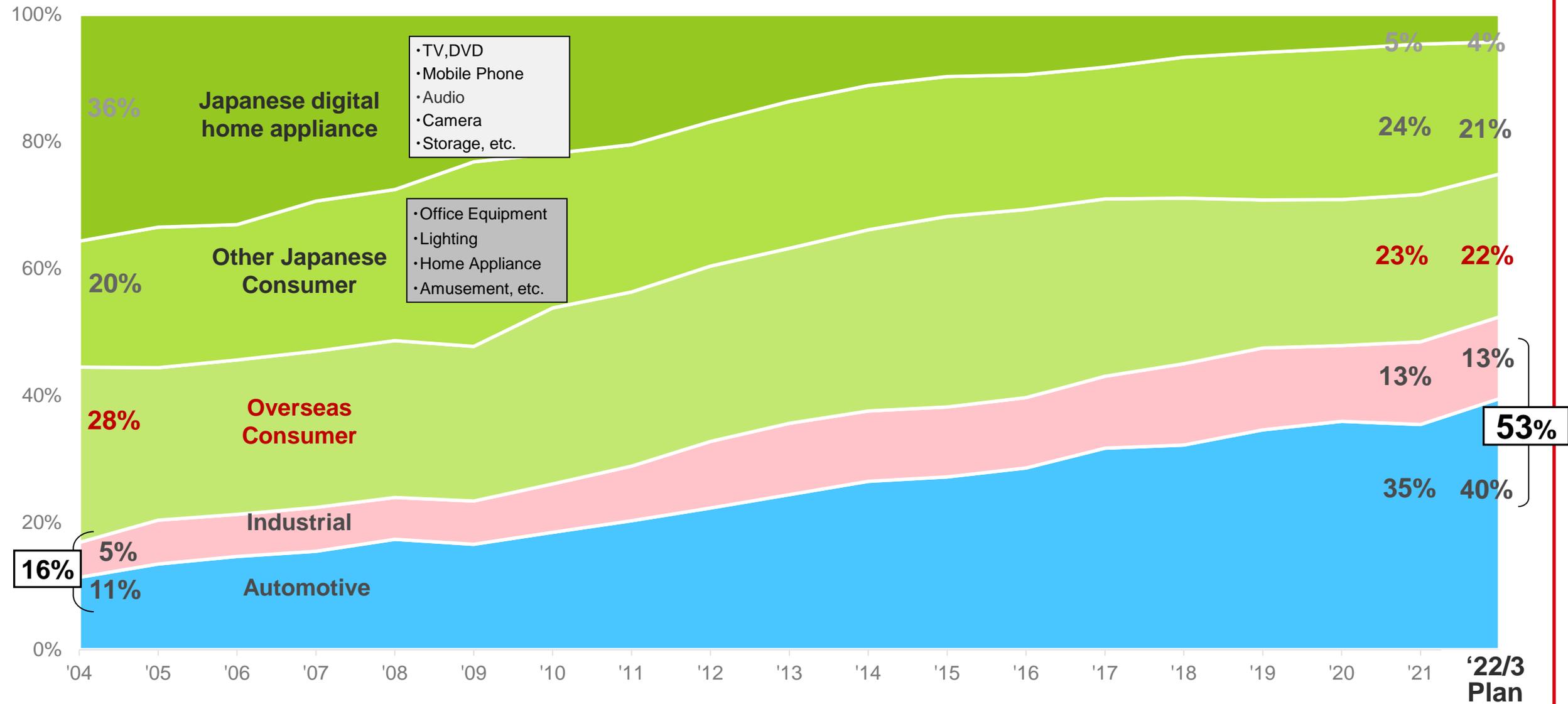
# Sales Trend



Excluding effect from forex



# Trend of Sales Composition Ratio By Market

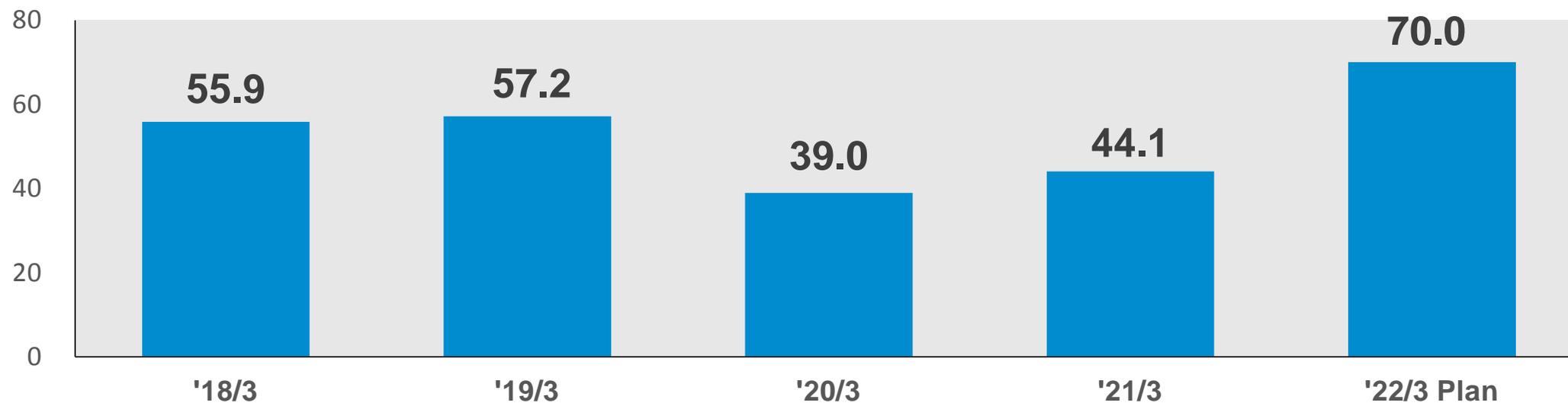


# Capital Expenditures

(¥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

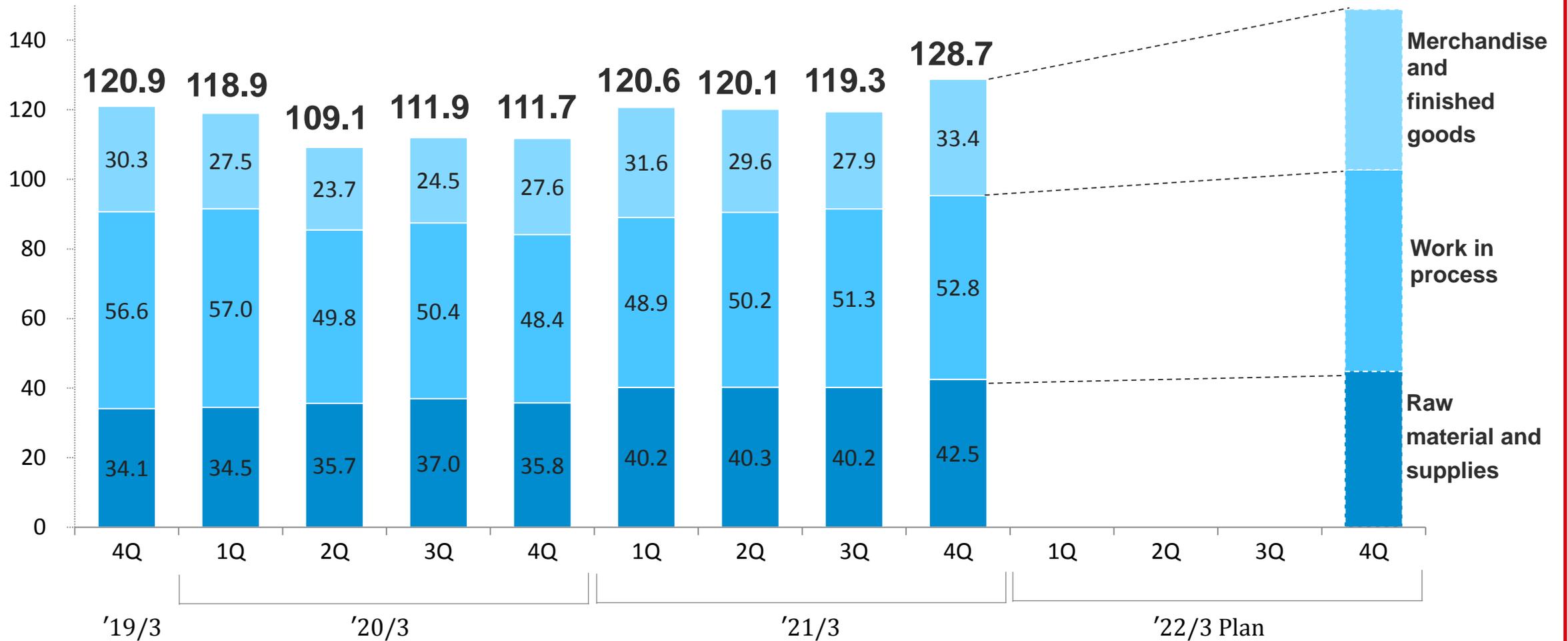
(¥billion)

Trend of CAPEX



## Trend of Inventories

(¥billion)



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

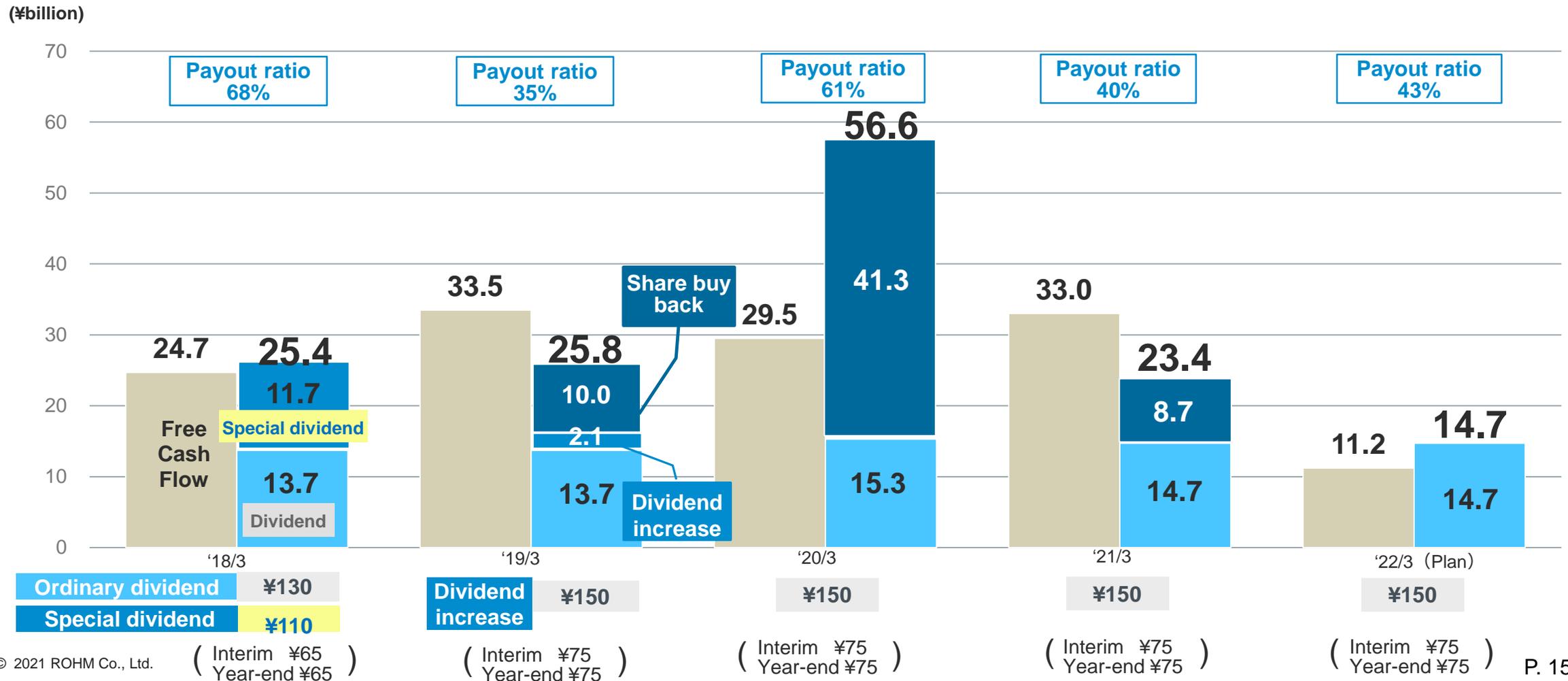


ROHM is planned on buying back shares and returning special dividend because of the three factors below:

- ① Reduction of strategic shareholdings
- ② current stock market outlook
- ③ Mid-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



Emergency response capability  
Rigorous quality control  
Stable supply  
Cost competitiveness



Solution proposals from the customer's point of view

Comprehensive capabilities; from passive components to power devices and LSIs

## Medium-Term Management Plan

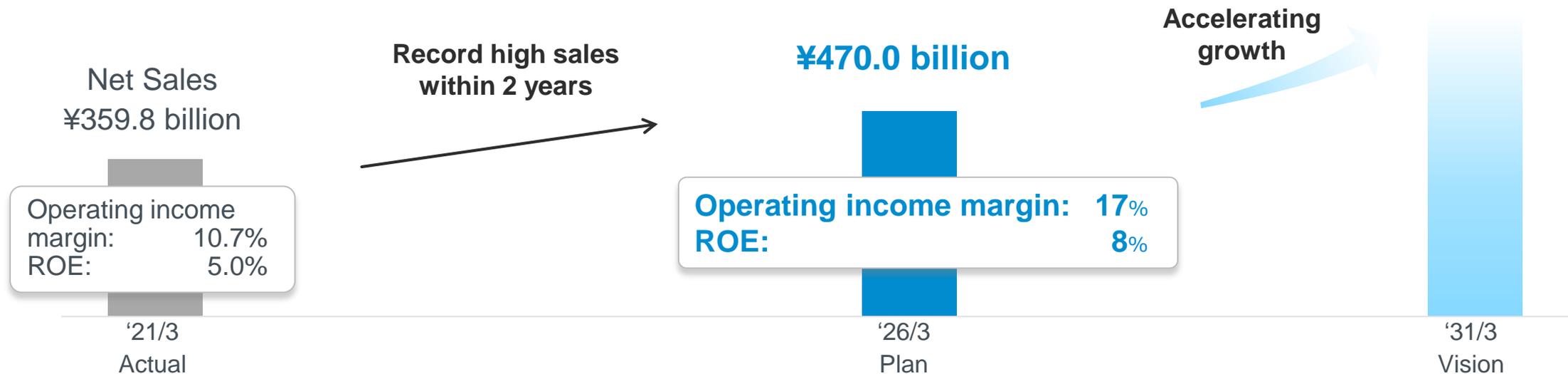
FY2021 - FY2025

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**

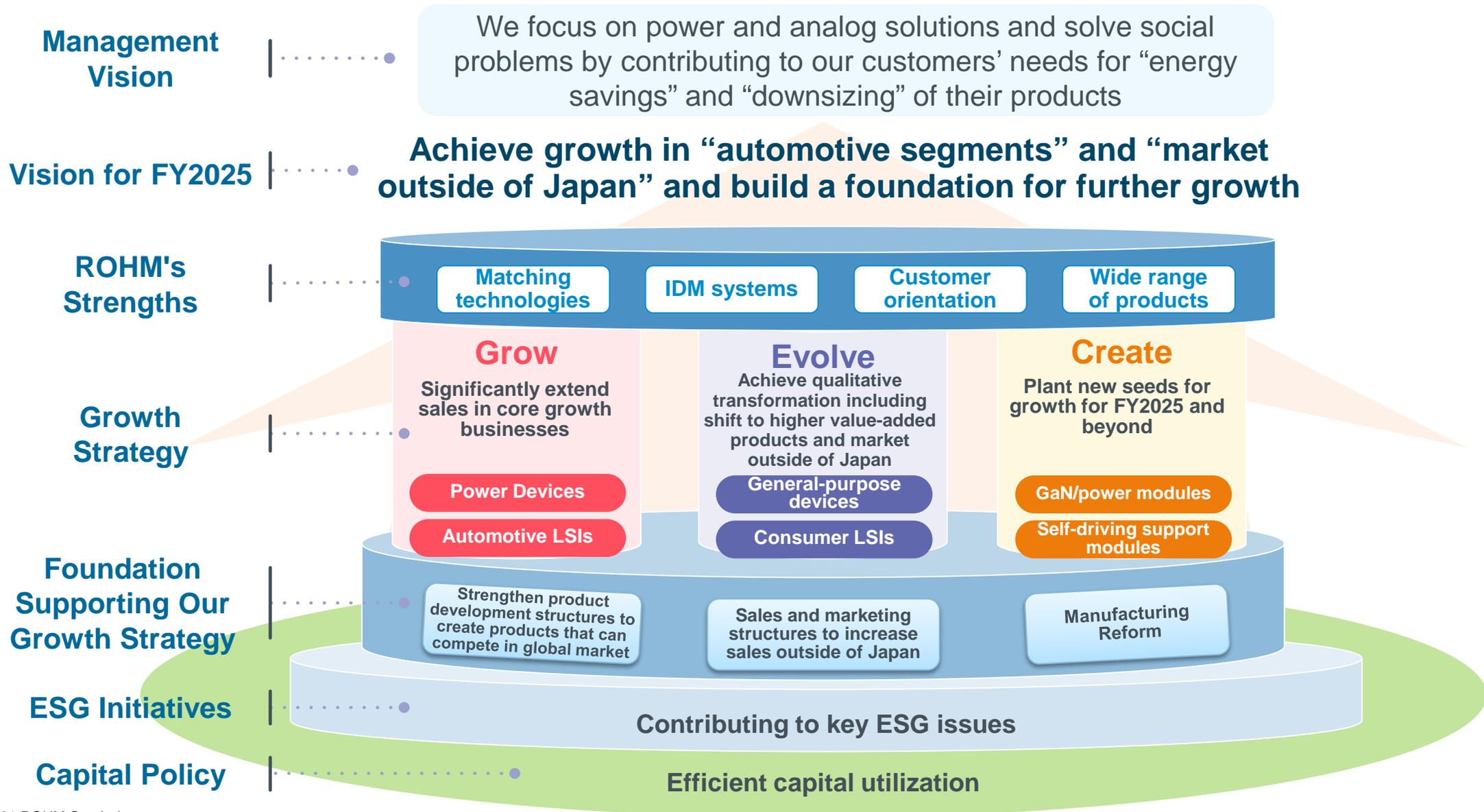
Reach global female manager ratio at 15% or higher

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



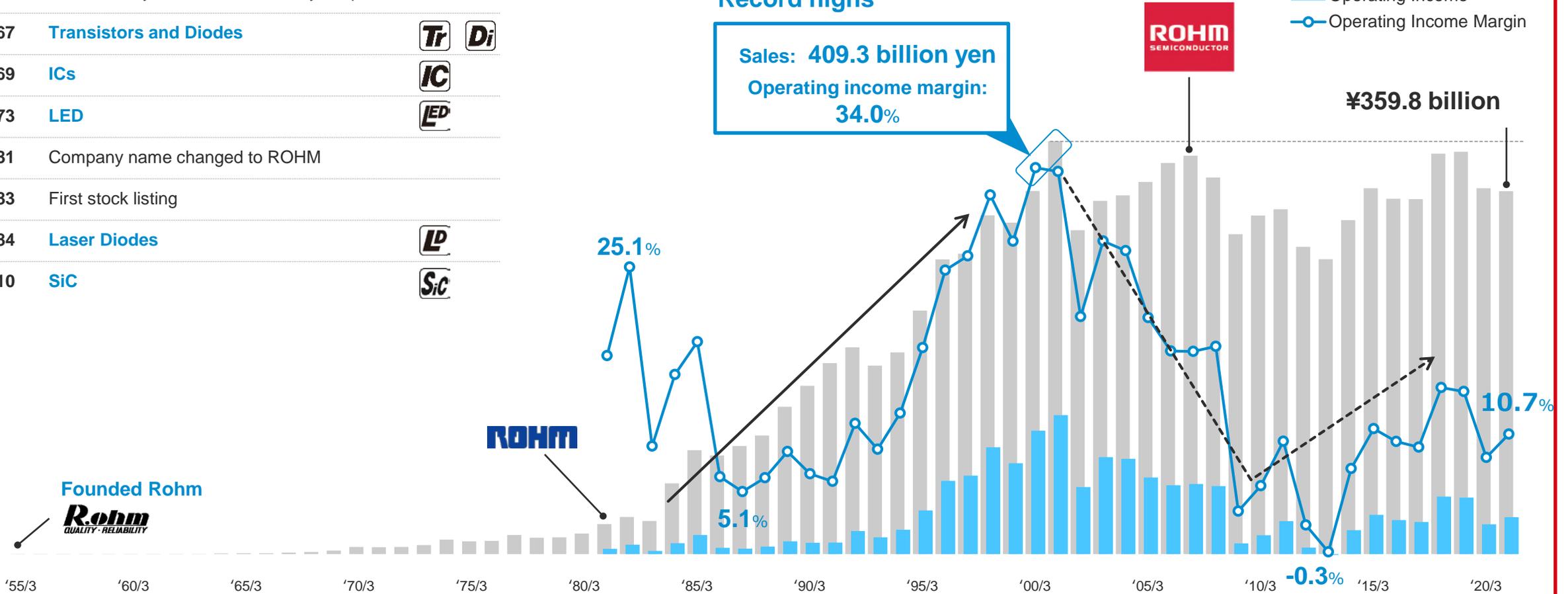
## Growth has stagnated for some time since record high sales in '01/3

1954	Started development and sales of resistors	<b>R</b>
1958	Founded Toyo Electronics Industry Corporation	
1967	Transistors and Diodes	<b>T<sub>r</sub></b> <b>D<sub>i</sub></b>
1969	ICs	<b>IC</b>
1973	LED	<b>LED</b>
1981	Company name changed to ROHM	
1983	First stock listing	
1984	Laser Diodes	<b>LP</b>
2010	SiC	<b>SiC</b>

### Record highs

Sales: 409.3 billion yen  
Operating income margin: 34.0%

■ Net Sales  
■ Operating Income  
○ Operating Income Margin



# Performance From the Past 10 Years

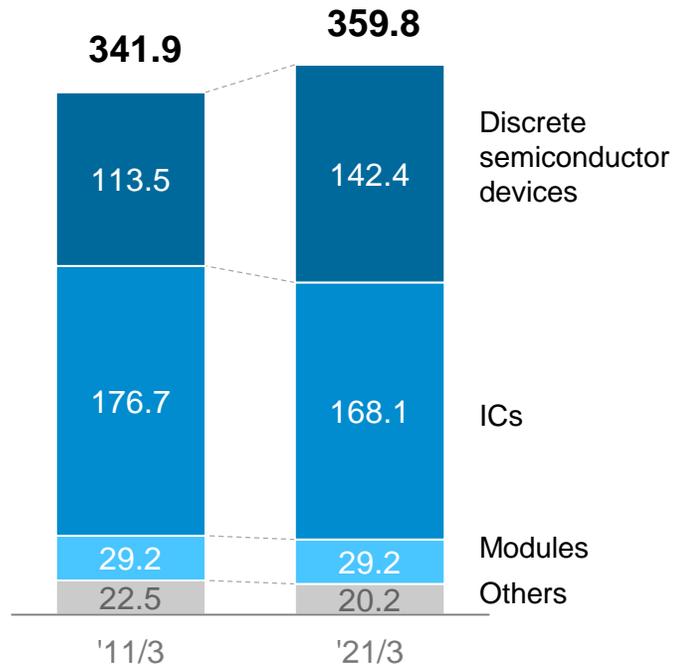


Over the last 10 years, we have made a major shift in our sales portfolio toward automotive solutions, and we have begun seeing signs of overseas sales expansion

### Sales per Business Over Time

Units: billions of yen

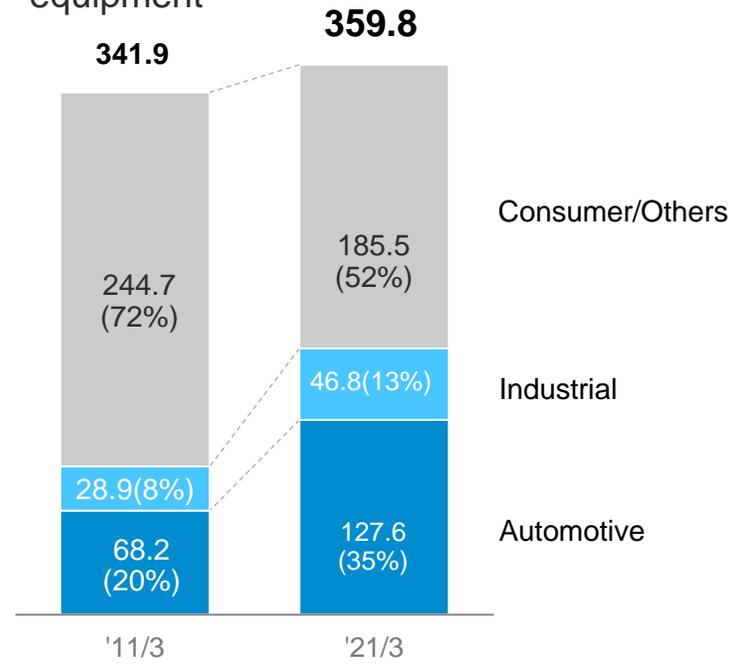
Discrete semiconductor devices drive growth



### Sales per Field Over Time

Units: billions of yen (sales ratio in parentheses)

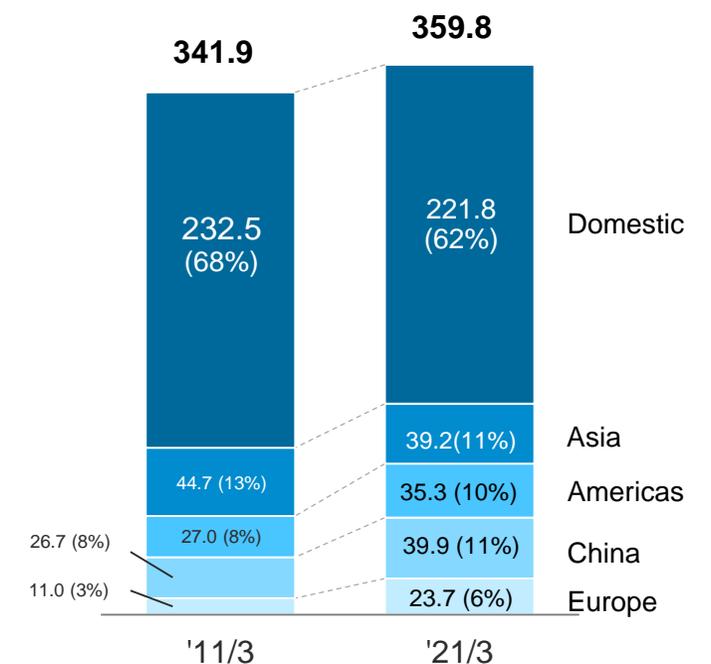
Significant growth in automotive discrete semiconductor devices and ICs, and a major shift in portfolio from consumer products to in-vehicle equipment



### 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

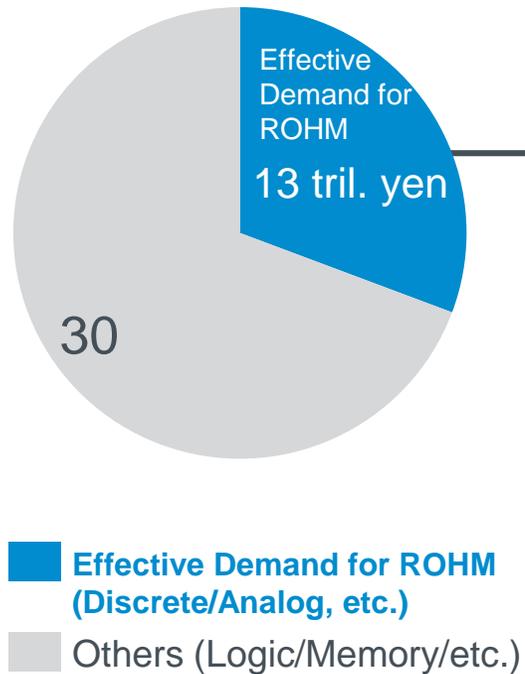


# Assessment of Effective Demand for ROHM per Field

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)



Source: Omdia

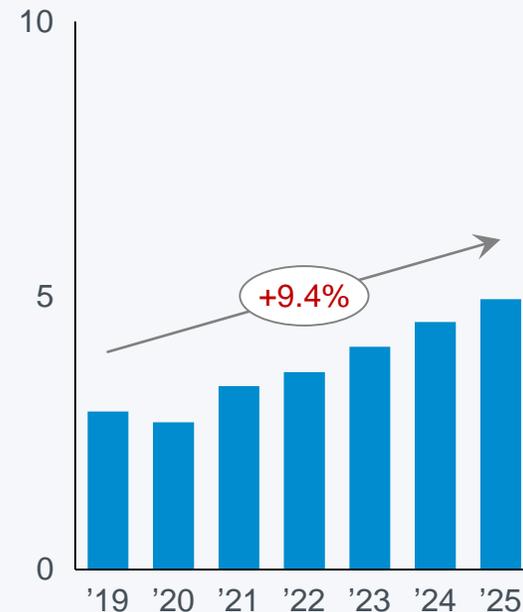
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Estimation of effective demand for ROHM by business segments

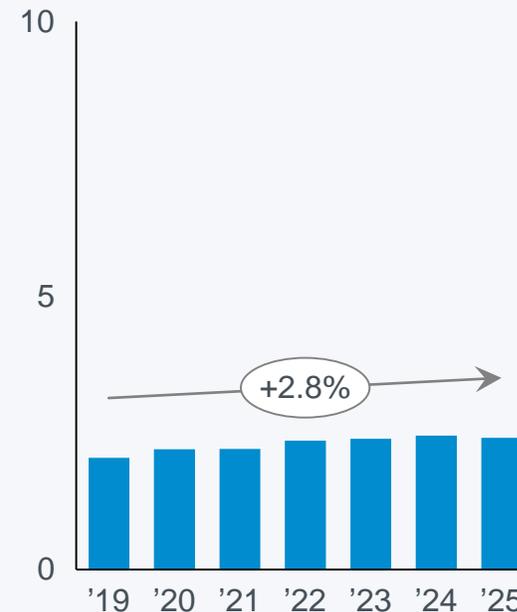
(Units: trillions of yen)

xx% CAGR(2019 - 2025)

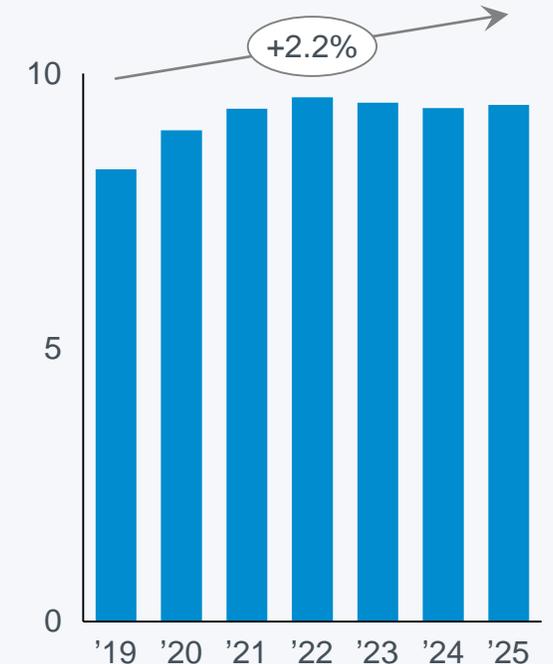
Automotive



Industrial



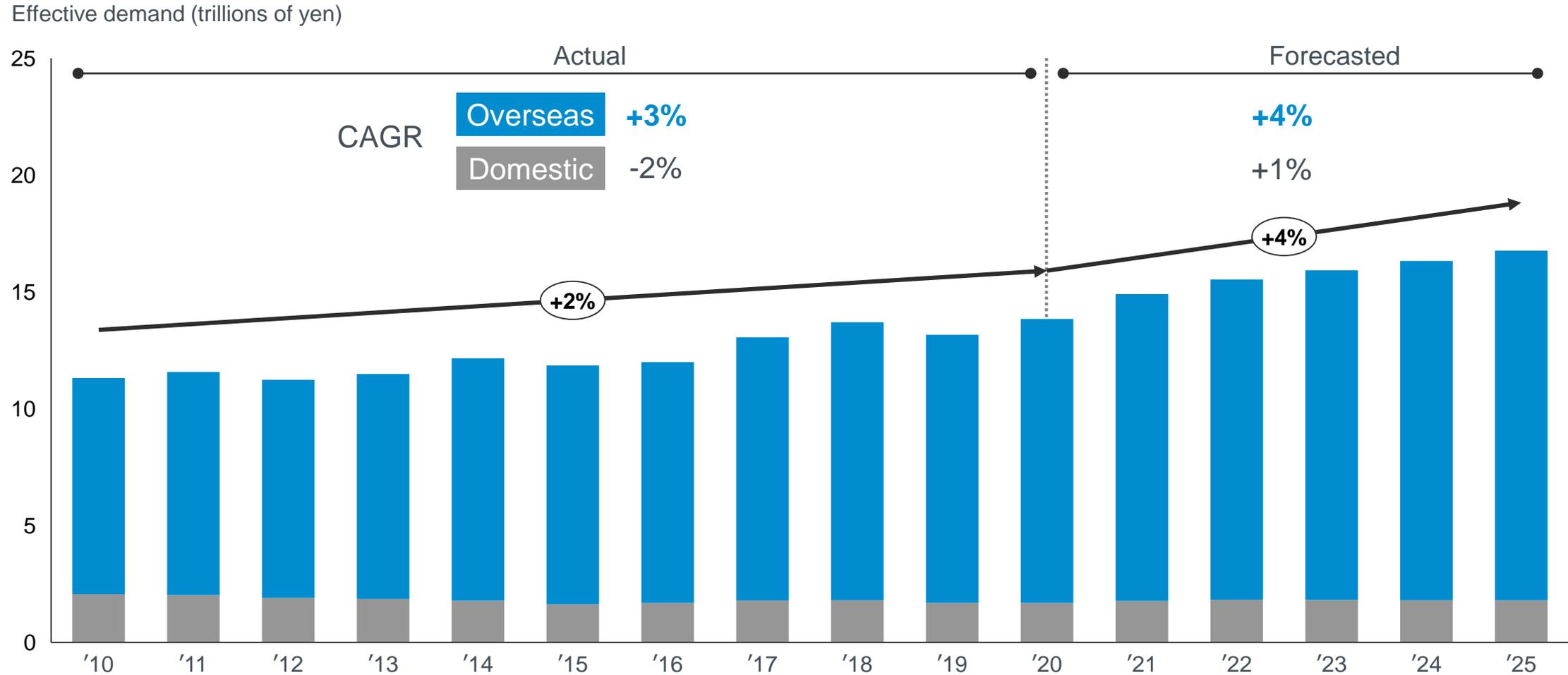
Consumer/ Others



# 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



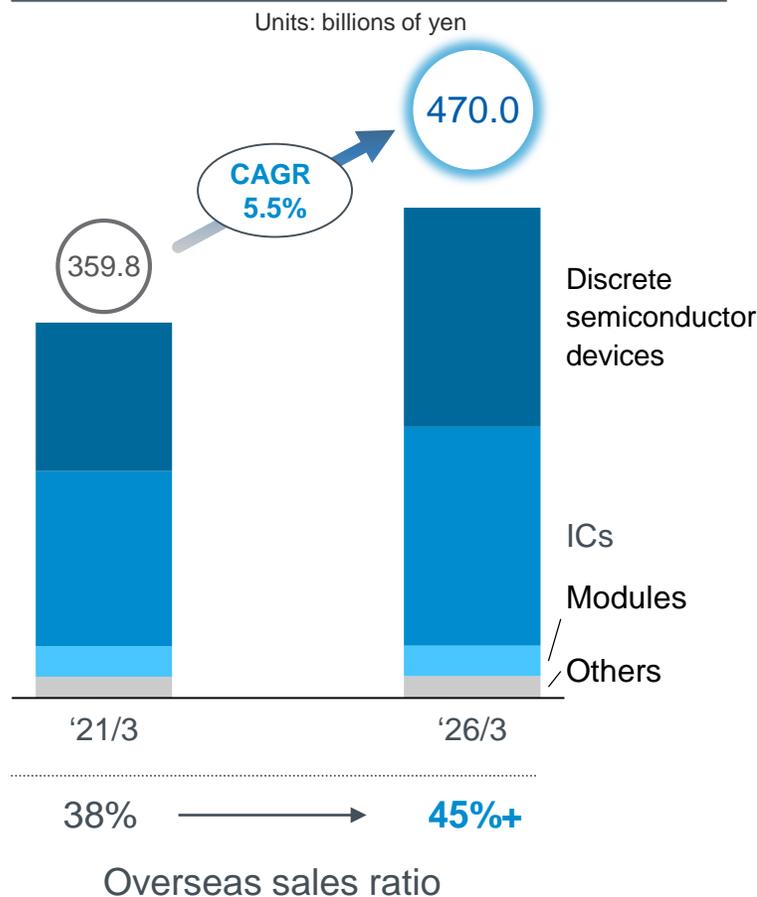
Within the next 5 years, we will achieve significant growth in power and analog, mainly in automotive segment and markets outside of Japan

**Grow**  
Significantly grow sales in core growth businesses

**Evolve**  
Achieve qualitative transformation including shift to higher value-added products and markets outside of Japan

**Create**  
Plant new seeds for growth for FY2025 and beyond

## Medium-Term Management Plan Sales Plan

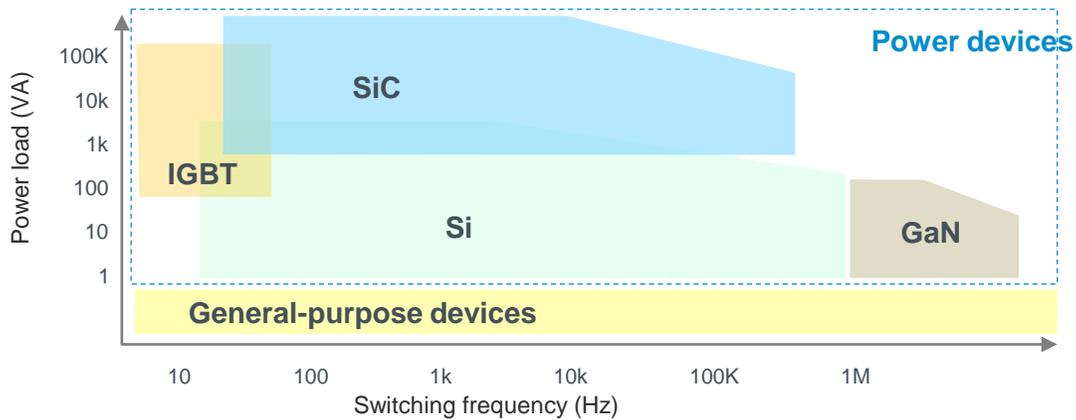


## Growth Policy per Business

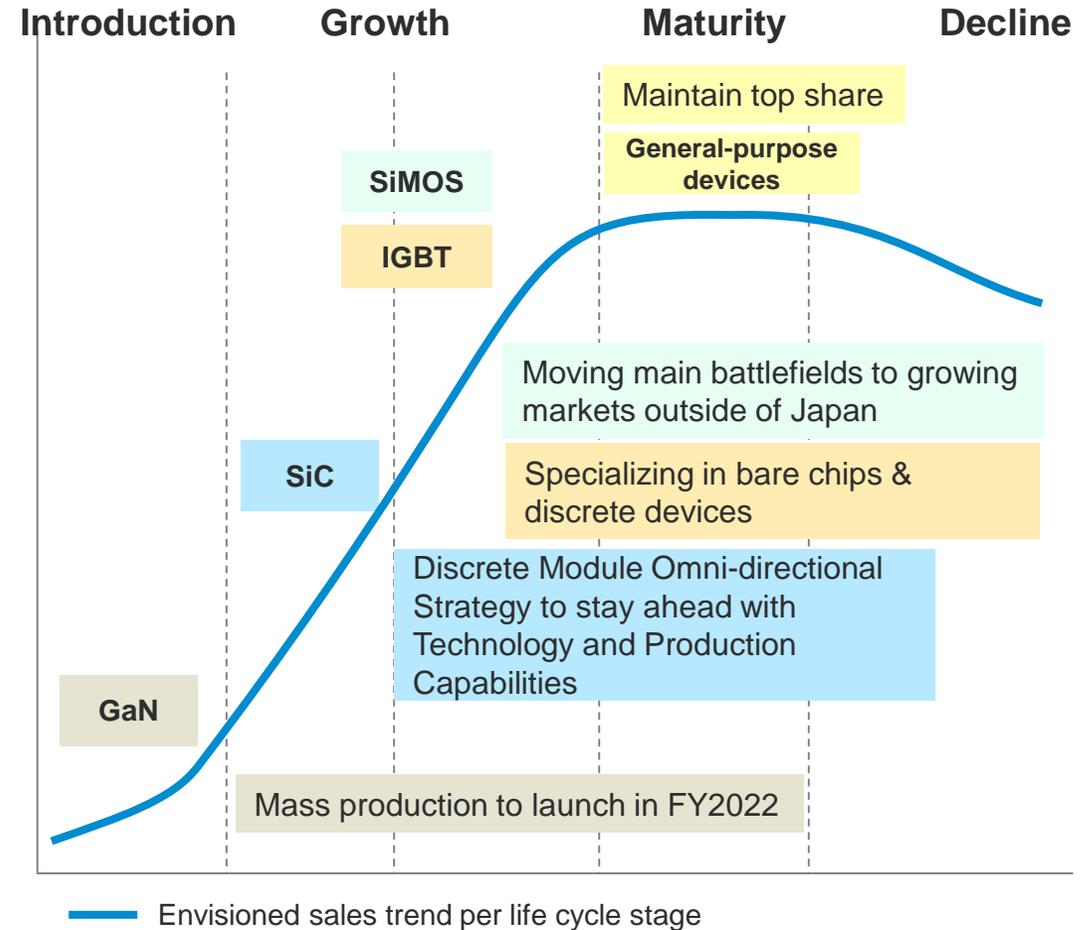
	Automotive 	Industrial 	Consumer 
Discrete semiconductor devices	<b>Power devices</b> <ul style="list-style-type: none"> <li>Expand share for 4th-gen SiC-MOS</li> <li>Enter market for 5G/6G servers/base stations with 6th-gen Si-MOS</li> </ul>	<ul style="list-style-type: none"> <li>Develop SiC power module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

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

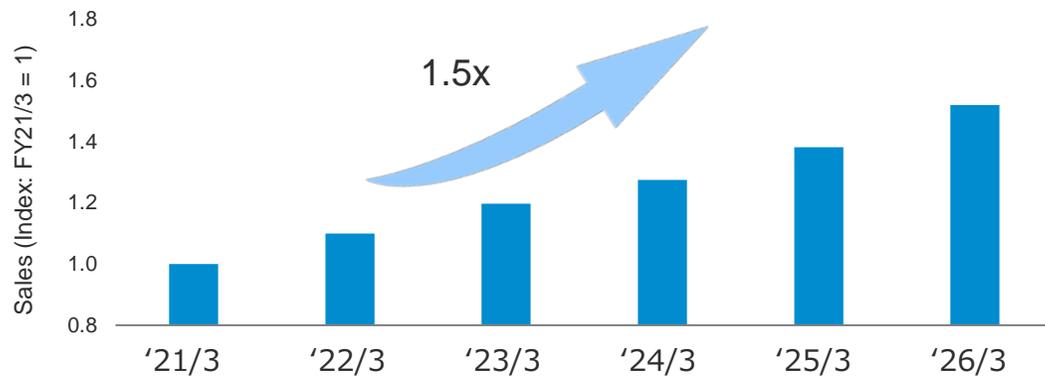
Discrete Semiconductor Devices Business Areas



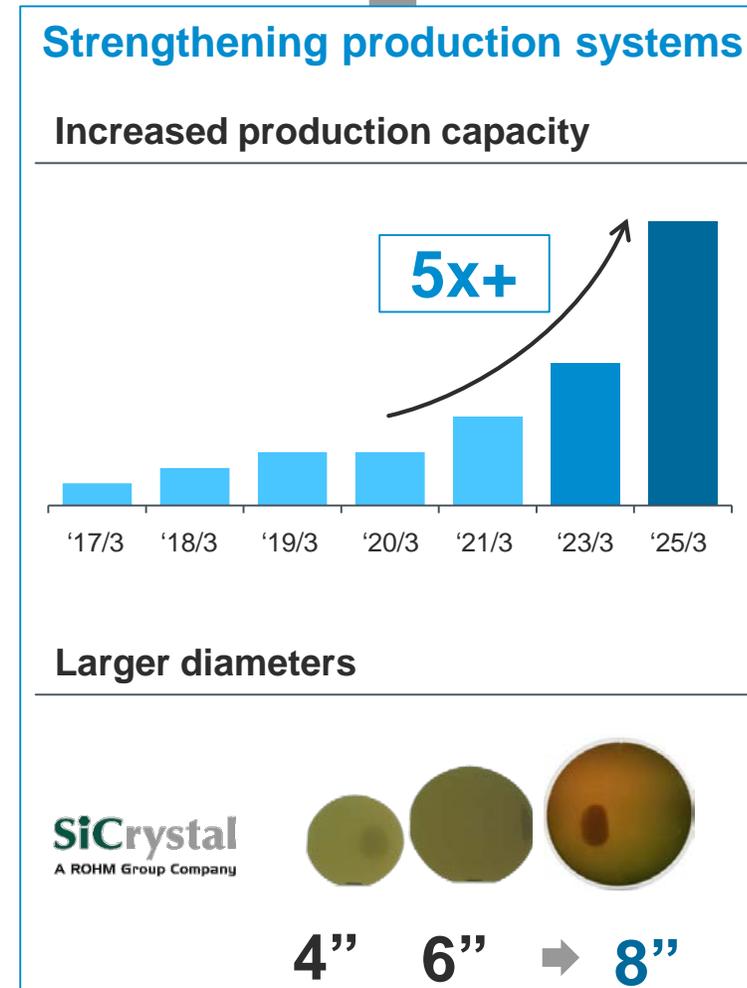
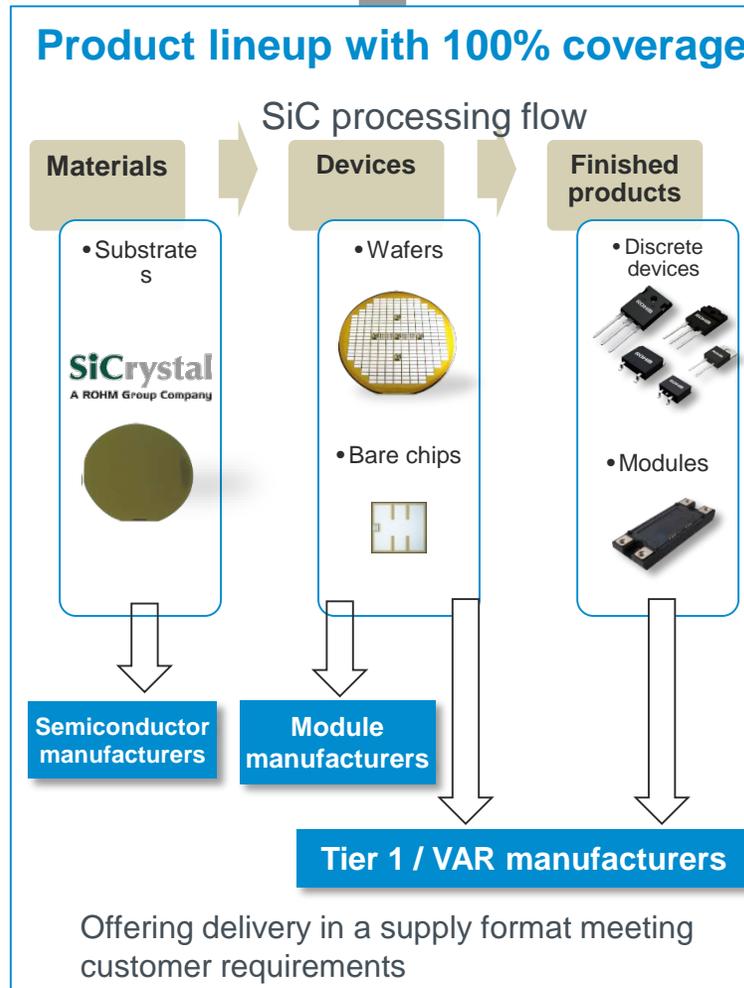
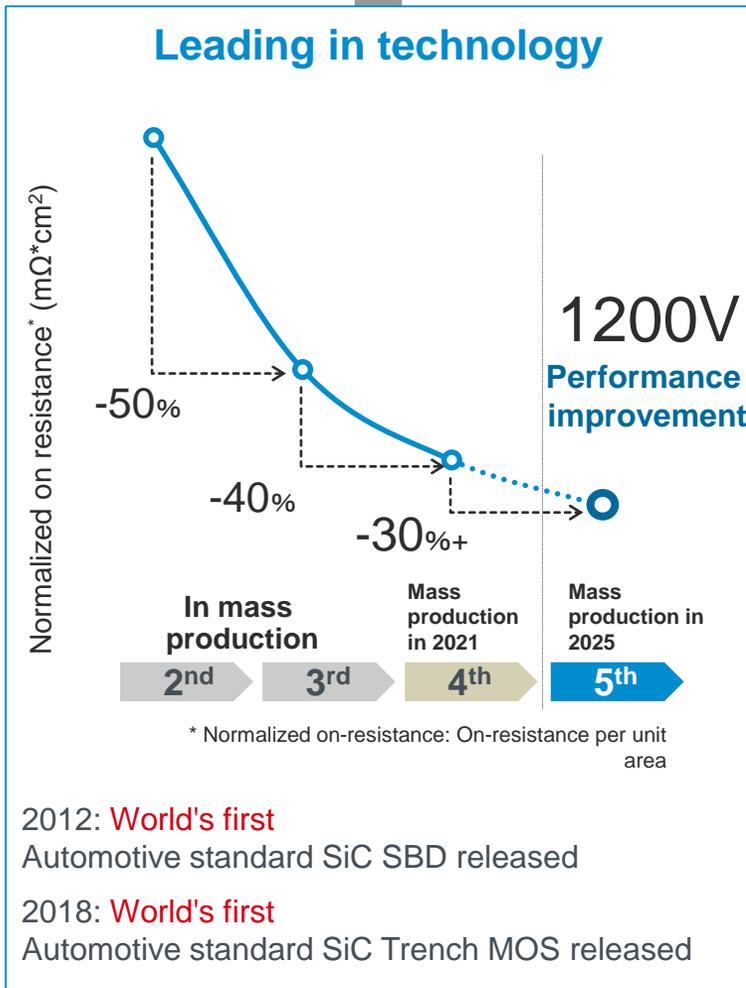
Product Life Cycle



Discrete Semiconductor Devices Sales Over Time



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



## 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

Year	Conventional Lines (pcs/month)	High-Efficiency Lines (pcs/month)	Total (pcs/month)
'21/3	~100	~50	~150
'26/3	~100	~100	~200

Production Volume (pcs/month)

■ Conventional Lines ■ High-Efficiency Lines

2x

### 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

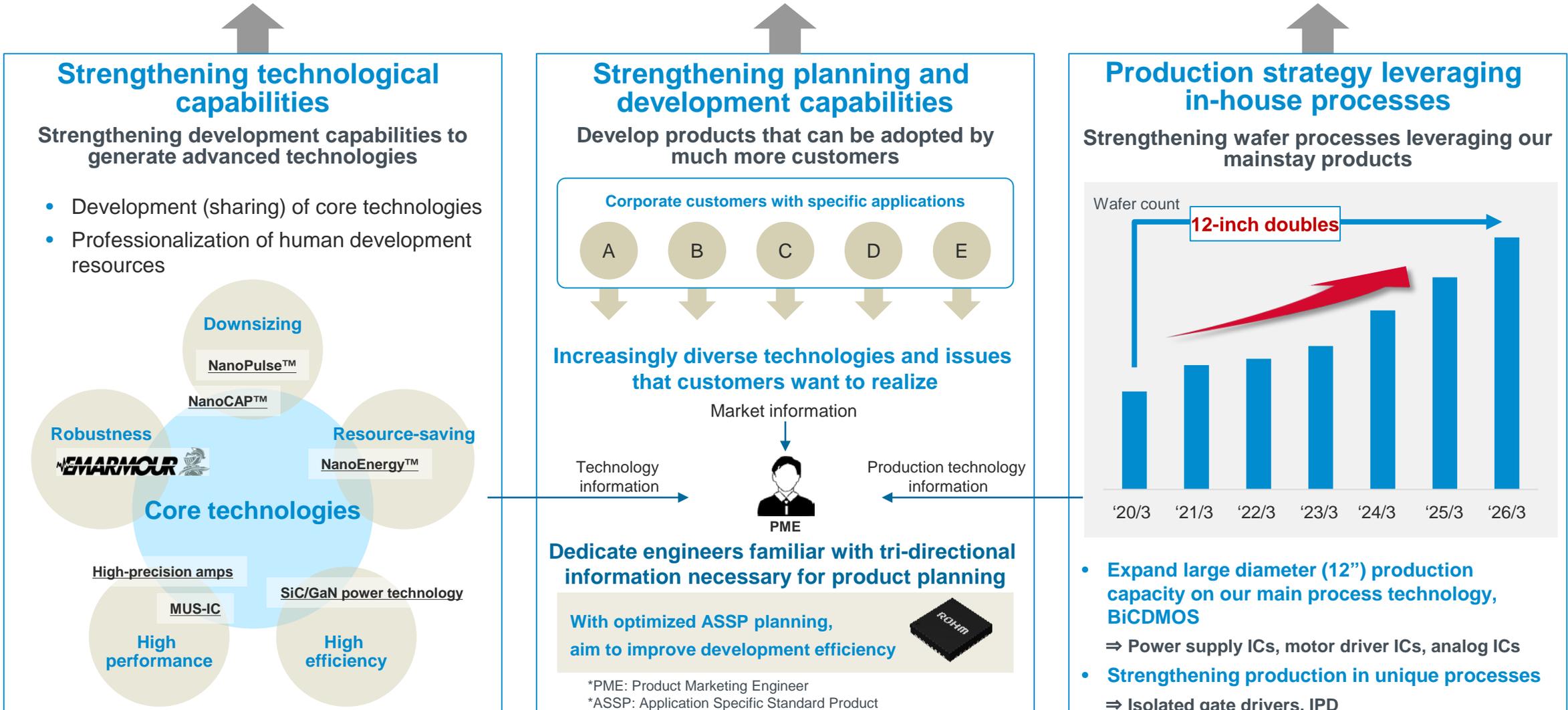
**Smartphone product:**  
**World's smallest - WL-CSP MOSFET**

(0.45×0.33mm)

**Automotive product:**  
**Compact/thin DFN packages**

MOSFET • Low capacitance TVS

## Product development generating global winners

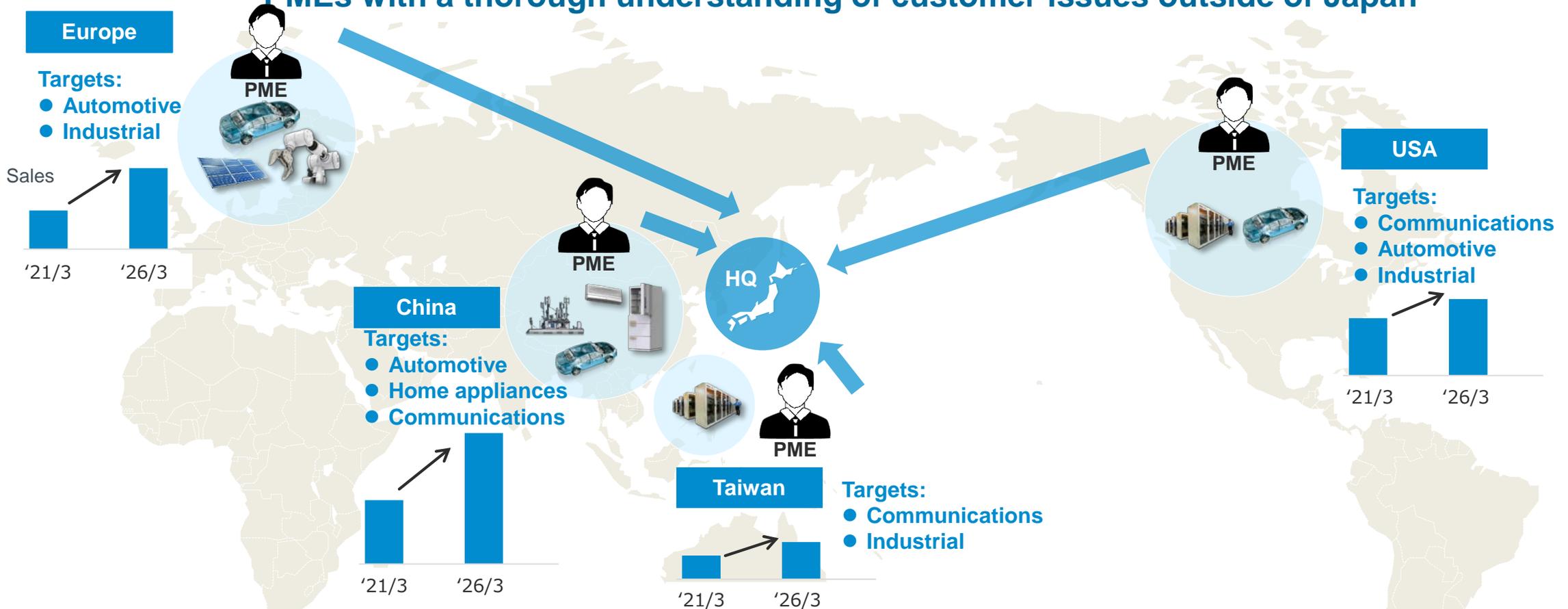




## III Foundation Supporting Our Growth Strategy

# 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

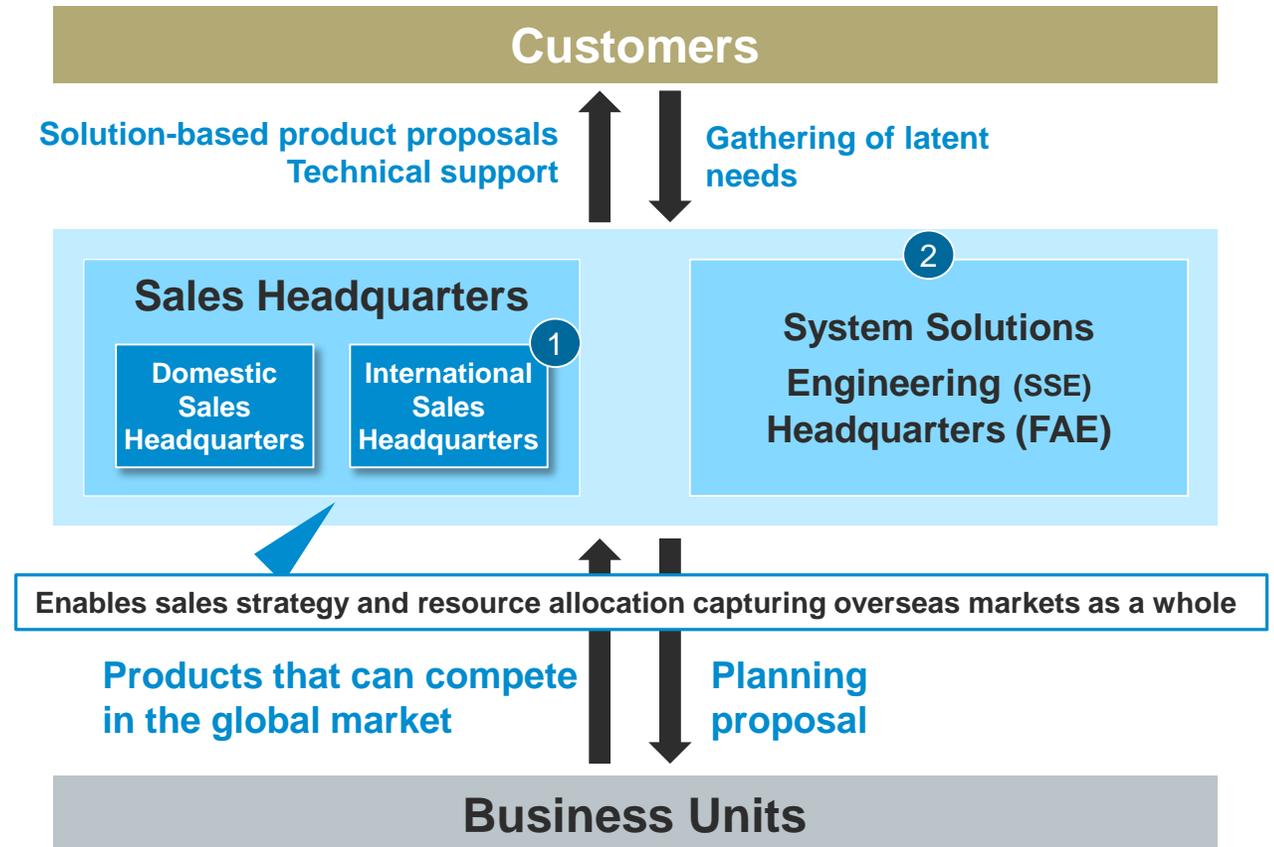
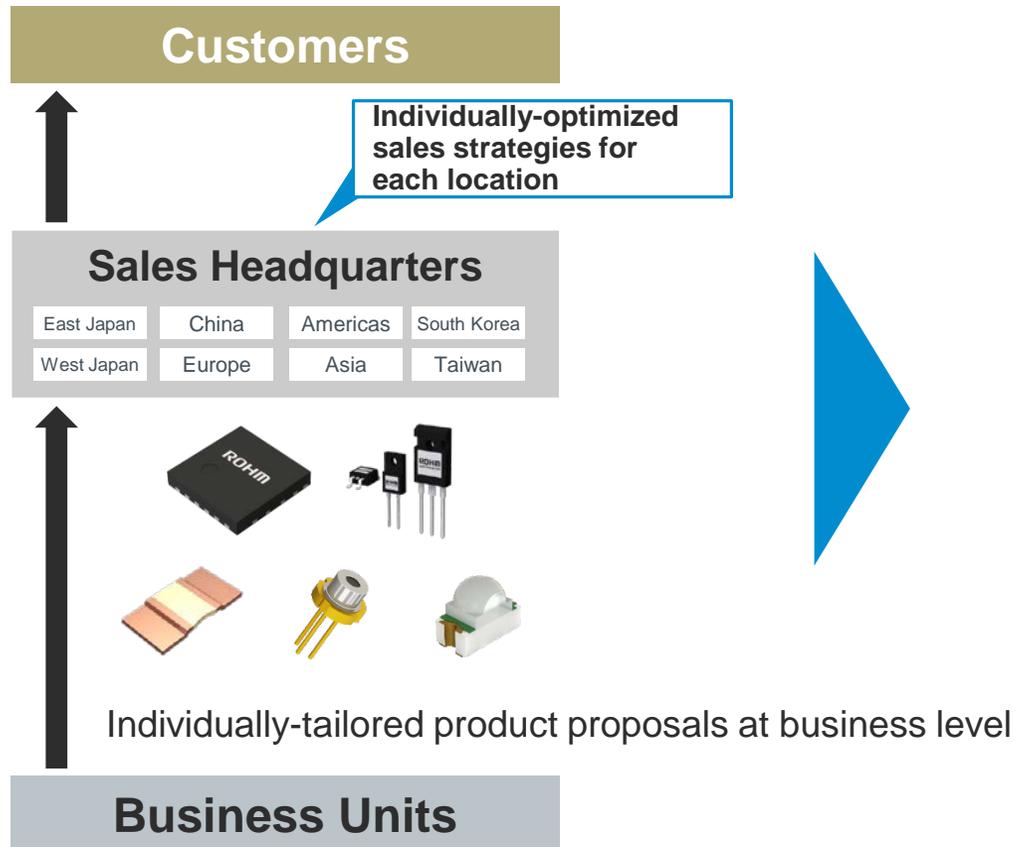


**PME(Product Marketing Engineer)**  
Human resources familiar with advanced technologies and with authority to develop new products

# 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



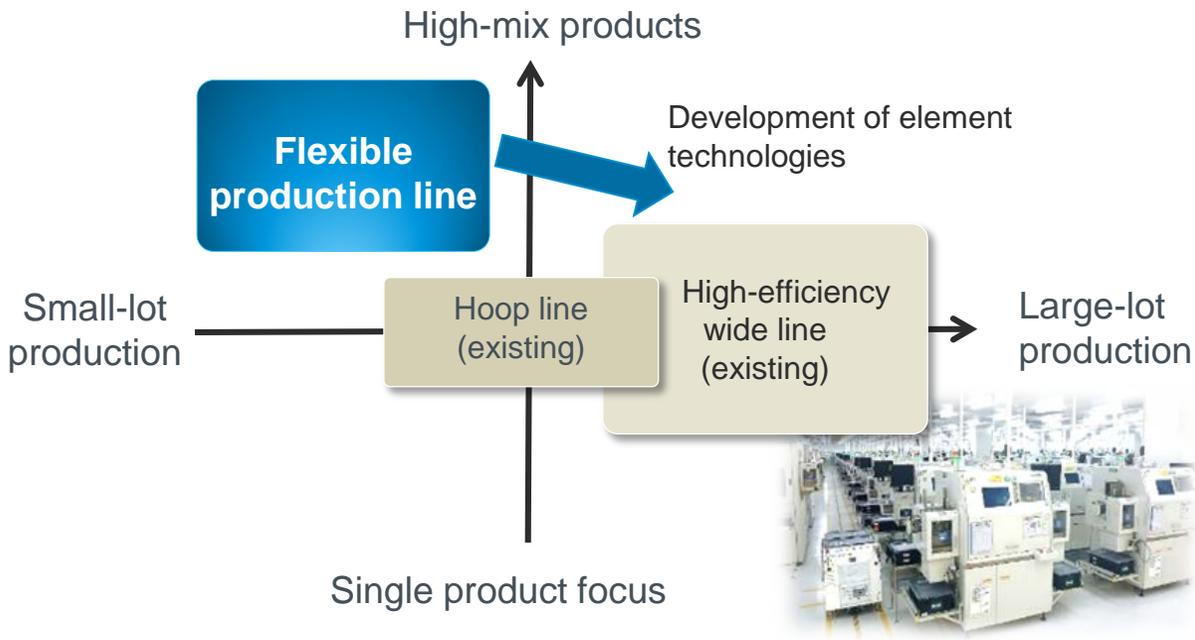
Fulfill supply responsibility to customers under all circumstances

## 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



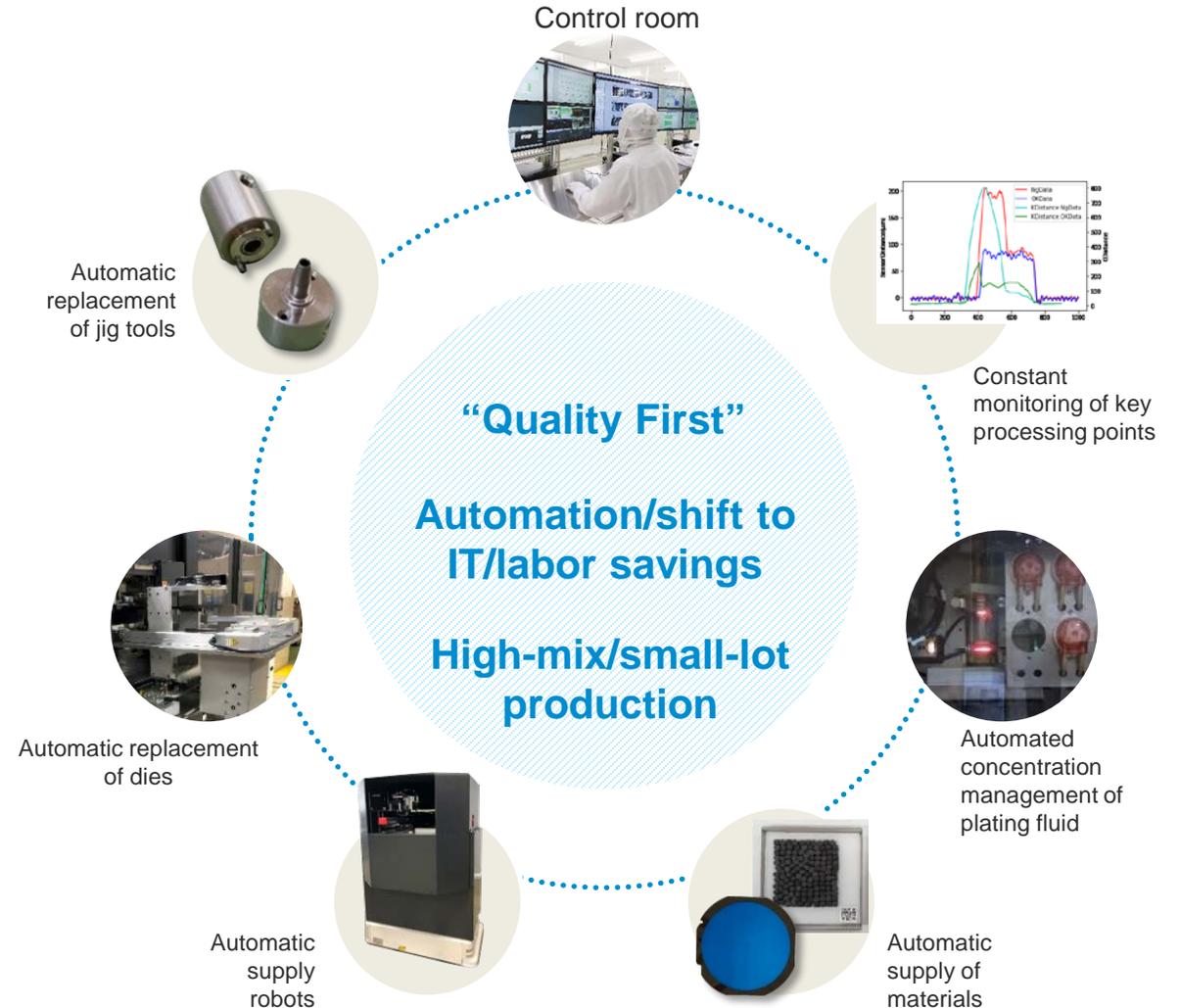
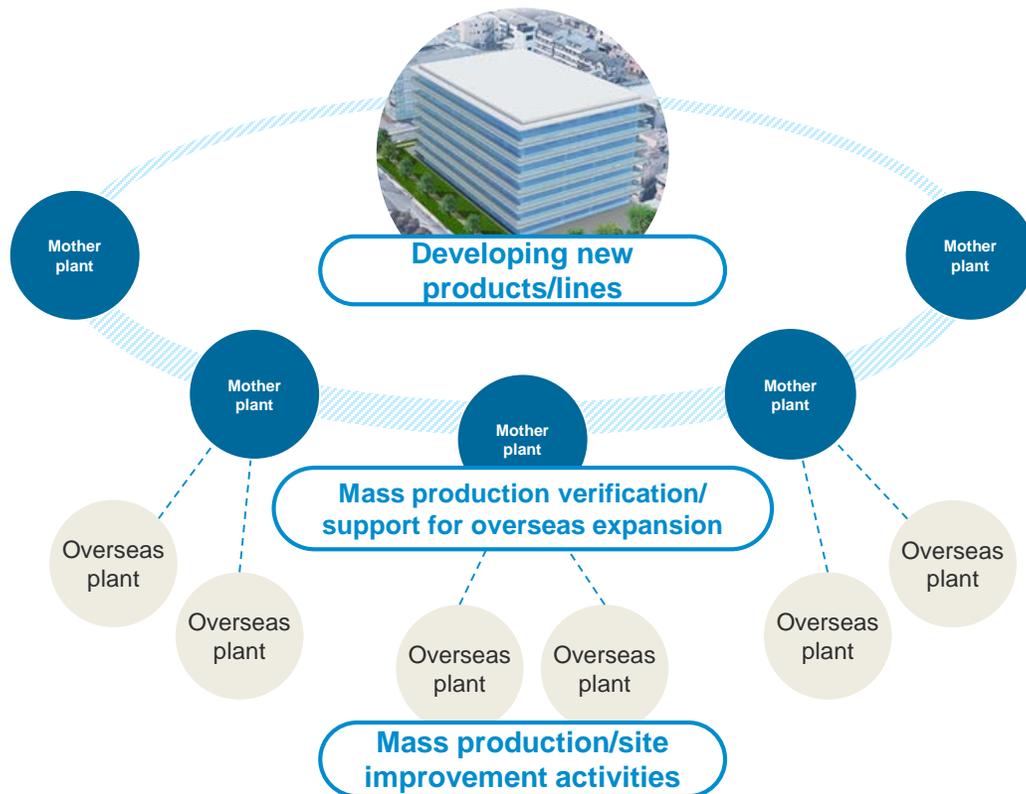
## Future developments

- **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



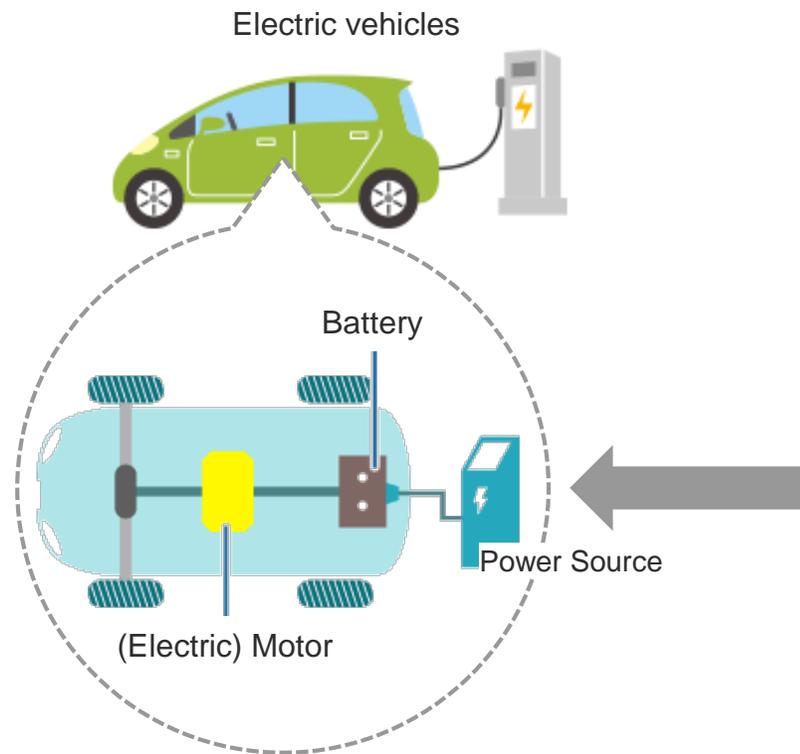
**FY2050 A sustainable future**

**FY2030 Recognized as a turning point toward a sustainable future**

**FY2021 Setting KPIs to reduce environmental impact**  
**TCFD Statement of Support**

Important SDG Issues (Materiality)	Category	Targets for FY2030
<p>Climate Change</p> <p>Net Zero CO<sub>2</sub> Emissions</p>	<p><b>GHG reductions</b></p> <p><b>Promoting introduction of renewable energy</b></p>	<p>Reducing emissions amount by 30% vs. FY2018 levels</p> <p>Reducing emissions basic unit by 45% vs. FY2018 levels</p> <p>Promoting the shift to renewable energy with the goal of 100% implemented in FY2050</p>
<p>Resource Recycling</p> <p>Zero Emissions</p>	<p><b>Resource reduction</b></p> <p><b>Waste reduction</b></p>	<p>Increasing water recovery/reuse rate by 5.5% vs. FY2019 levels</p> <p>Zero waste emissions</p>
<p>Coexistence with Nature</p> <p>Harmonizing Business Activities with Natural Cycles</p>	<p><b>Promotion of greening</b></p> <p><b>Rigorous chemical substance management</b></p>	<p>Promoting factory greening at all locations</p> <p>Improving conservation of organisms inhabiting each region</p> <p>Rigorous compliance with and management of various national policies and regulations on chemical substances, reduction of usage of chemical substances</p>

Amid calls for a decarbonized society, ROHM is active in pushing for the introduction of renewable energies, with the goal of achieving zero CO<sub>2</sub> emissions



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

SiC wafer production process

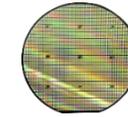


SiCrystal GmbH  
(ROHM Group)



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



### 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

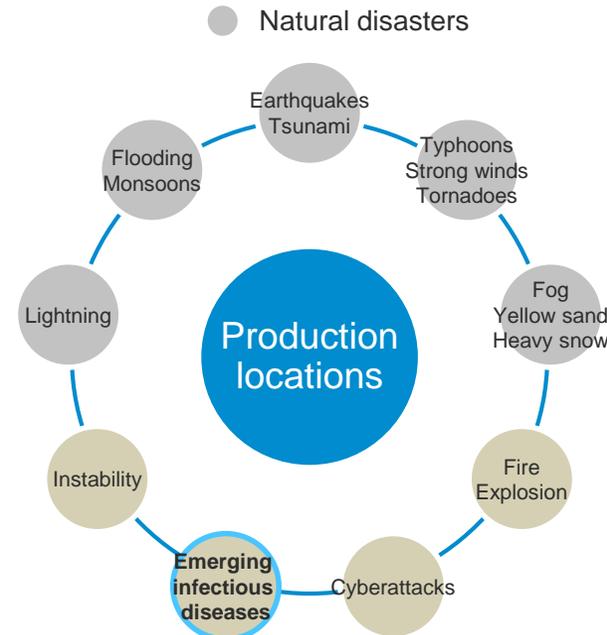
#### Revising BCP amid COVID-19

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.

