



ROHM Co., Ltd. Financial Highlights for the First Nine Months of the Year Ending March 31, 2023

(From April 1, 2022 to December 31, 2022)

February 2, 2023

Consolidated Financial Results

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

		'23/3	'22/3	change from the previous year		'22/3	'23/3 (Projected)	Note1
		First nine months	First nine months	Amount	Percentage	Annual	Annual	Change from the previous year
Net sales	Millions of yen	390,158	338,188	+51,970	+15.4%	452,124	520,000	+15.0%
Cost of sales	Millions of yen	240,747	219,303	+21,444	+9.8%	289,803	330,600	
Selling, general and administrative expenses	Millions of yen	73,996	62,683	+11,313	+18.0%	90,841	99,400	
Operating profit	Millions of yen	75,414	56,201	+19,213	+34.2%	71,479	90,000	+25.9%
		(19.3%)	(16.6%)	(+2.7%)		(15.8%)	(17.3%)	
Ordinary profit	Millions of yen	90,528	61,808	+28,720	+46.5%	82,551	105,000	+27.2%
		(23.2%)	(18.3%)	(+4.9%)		(18.3%)	(20.2%)	
Profit attributable to owners of parent	Millions of yen	67,947	48,417	+19,530	+40.3%	66,827	80,000	+19.7%
		(17.4%)	(14.3%)	(+3.1%)		(14.8%)	(15.4%)	
Figures in () indicate ratio to sales.								
Net income per share	yen	692.35	493.37	+198.98	+40.3%	680.62	815.15	+19.8%
ROE	%					8.3		
ROA	%					6.8		
Net assets per share	yen	9,110.23	8,308.57	+801.66	+9.6%	8,557.15		
EBITDA Note2	Millions of yen	115,299	85,612	+29,687	+34.7%	113,507	148,500	+30.8%
Capital expenditures	Millions of yen	78,733	46,698	+32,035	+68.6%	79,985	120,000	+50.0%
Depreciation	Millions of yen	39,885	29,411	+10,474	+35.6%	42,027	58,500	+39.2%
Research and development costs	Millions of yen	30,856	25,169	+5,687	+22.6%	36,126	40,100	+11.0%
Number of employees	Number	23,965	23,403	+562	+2.4%	23,401		
Foreign exchange rate (Average yen-dollar rate)	yen/US\$	135.40	111.38	+24.02	+21.6%	112.86	134.17	

(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 translation of the financial highlights and the financial report 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, 2023 [Based on Japanese Standard] (Consolidated)

February 2, 2023
Stock Exchange Listings: Tokyo

Listed Company Name: ROHM CO., LTD.

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

Company Representative: (Title) President, Chief Executive Officer

(Name) Isao Matsumoto

Contact Person: (Title) Director, Managing Executive Officer,
CSO and Director of Accounting & Finance Headquarters

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Scheduled Date for Submitting the Quarterly Financial Reports

February 7, 2023

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

(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, 2023	390,158	15.4	75,414	34.2	90,528	46.5	67,947	40.3
First nine months of the year ended March 31, 2022	338,188	28.3	56,201	129.7	61,808	191.4	48,417	156.1

(Note) Comprehensive income First nine months of the year ending March 31, 2023: 74,880 million yen (22.5%)
First nine months of the year ended March 31, 2022: 61,111 million yen (42.5%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
First nine months of the year ending March 31, 2023	692.35		671.16	
First nine months of the year ended March 31, 2022	493.37		477.97	

(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, 2023	1,082,717	894,637	82.6
Year ended March 31, 2022	1,029,132	840,353	81.6

(Reference) Shareholder's equity First nine months of the year ending March 31, 2023: 894,104 million yen
Year ended March 31, 2022: 839,817 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, 2022	-	75.00	-	110.00	185.00
Year ending March 31, 2023	-	100.00	-	-	-
Year ending March 31, 2023 (Estimates)	-	-	-	100.00	200.00

(Note) Revision to recently disclosed dividend estimates: None

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

(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	520,000	15.0	90,000	25.9	105,000	27.2	80,000	19.7	815.15

(Note) Revision to recently disclosed figures for consolidated financial results forecast: None

*Note

- (1) Changes in Major 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: | None |
| [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, 2023	103,000,000 shares
	Year ended March 31, 2022	103,000,000 shares
[2] Year-end number of treasury stocks	First nine months of the year ending March 31, 2023	4,857,130 shares
	Year ended March 31, 2022	4,861,656 shares
[3] Average number of shares during the period (Accumulated total of the quarter)	First nine months of the year ending March 31, 2023	98,141,254 shares
	First nine months of the year ended March 31, 2022	98,137,318 shares

*This quarterly financial report is not subject to quarterly review by a Certified Public Accountant or Audit Firm.

*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 for the First Nine Months of the Year Ending March 31, 2023 (Page 4 on the Appendix).

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* Separately attached as supplementary material are “Financial Highlights for the First Nine Months of the Year Ending March 31, 2023”.

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 (April – December 2022) of the fiscal year ending March 31, 2023, there were increasing signs of a deceleration in the global economy on the back of China’s strict zero-COVID-19 policy, Russia’s invasion of Ukraine, and the tightening of monetary policies to rein in persistent inflation, particularly in the United States and Europe.

In the electronics industry, the automotive electronics market performed well overall during the period, on the back of the increasing electrification of vehicles and more extensive use of electronic components in vehicles to help realize a decarbonized society, although uncertainties surrounding the ongoing shortage of some semiconductor components continued to muddy the outlook. The industrial equipment market also performed well, primarily supported by increasing capital investments for production capacity expansion, factory automation and digitization around the world. However, the markets for consumer products, telecommunications equipment, and computers and storage saw a continuing decline in demand due to the deteriorating market conditions.

Working within this business environment, we have proceeded with the development of new products and technologies for power, analog and standard devices, where the ROHM Group excels, for the automotive electronics and industrial equipment markets, where mid- to long-term growth is expected. Through such efforts, we have promoted our proposals for total solutions that can extensively contribute to meeting customers’ energy-saving and miniaturization needs.

In terms of production, we have continued to take action to achieve total optimization, and we have also promoted the installation of labor-saving and automated production lines through “monozukuri (manufacturing) innovation.” We have also made every effort to put in place a system to ensure the stable supply of our products to customers by improving productivity and increasing our production capacity to cope with growing demand.

Under these circumstances, consolidated net sales for the first nine months of the fiscal year ending March 31, 2023 were 390,158 million yen, up 15.4% from the same period last year mainly in the automotive electronics and industrial equipment markets, and operating profit increased 34.2% from the same period last year to 75,414 million yen. The operating margin for the first nine months of the current fiscal year increased to 19.3% from 16.6% in the same period of last year.

Ordinary profit also increased 46.5% from the same period last year to 90,528 million yen due to an increase in operating profit and foreign exchange gains.

Profit attributable to owners of parent increased 40.3% from the same period last year to 67,947 million yen.

Moreover, EBITDA (*1), an accounting metric that we emphasize in the ROHM Group, was 115,299 million yen for the first nine months of the fiscal year ending March 31, 2023, up 34.7% from the same period last year.

*1 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)

By market, in the automotive electronics market, sales of power management ICs for advanced driver assistance systems (ADAS) and infotainment performed well during the period, and sales of high-value-added ICs, such as isolated gate driver ICs for powertrain applications, rose steadily as the popularization of electric vehicles (EVs)

accelerated. In the industrial equipment market, sales of power management ICs saw steady growth on the back of strong capital investments in related industries, while in the computer and storage market, sales of power management ICs increased, primarily through an increase in the market share of power management ICs for solid-state drive (SSD) applications.

As a result of this and the ongoing weakening of the Japanese yen, consolidated net sales for the first nine months of the fiscal year ending March 31, 2023 were 178,578 million yen, up 16.6% from the same period last year, and segment profit was 40,132 million yen, up 60.3% from the same period last year.

Discrete Semiconductor Devices

By business segment, sales of transistors, diodes and power devices generally performed well as sales for the automotive electronics market, particularly for xEVs (the generic name for electromotive vehicles such as hybrid electric vehicles, plug-in hybrid electric vehicles and fuel-cell electric vehicles), remained strong during the period, while sales for the industrial equipment market, specifically for solar power generation, also saw solid growth. Sales of light-emitting diodes (LEDs) for the consumer product market, primarily for amusement products, increased, but sales of laser diodes declined, primarily in the industrial equipment market.

As a result of this and the ongoing weakening of the Japanese yen, consolidated net sales for the first nine months of the fiscal year ending March 31, 2023 were 163,392 million yen, up 16.5% from the same period last year, and segment profit was 28,196 million yen, up 14.3% from the same period last year.

Modules

By business segment, sales of printheads increased primarily for printers. As for optical modules, sales of sensor modules primarily for telecommunications equipment grew.

As a result of this and the ongoing weakening of the Japanese yen, consolidated net sales for the first nine months of the fiscal year ending March 31, 2023 were 26,565 million yen, up 10.1% from the same period last year, and segment profit was 4,016 million yen, up 17.7% from the same period last year.

Others

By business segment, sales of high-reliability resistors, such as high-power resistors and shunt resistors, for the automotive electronics market remained strong throughout the period.

As a result of this and the ongoing weakening of the Japanese yen, consolidated net sales for the first nine months of the fiscal year ending March 31, 2023 were 21,621 million yen, up 4.7% from the same period last year, and segment profit was 4,159 million yen, up 6.8% from the same period last year.

Sales referenced in the “Overview of Performance by Segment” section above 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, 2023 total assets were 1,082,717 million yen, an increase of 53,585 million yen from the end of the previous fiscal year, which can be largely explained by increases respectively in property, plant and equipment of 39,959 million yen, inventories of 27,375 million yen, notes and accounts receivable-trade of 8,349 million yen, cash and deposits of 7,829 million yen, partially offset by decreases in securities of 24,004 million yen and investment securities of 15,131 million yen.

Total liabilities were 188,079 million yen, a decrease of 699 million yen from the end of the previous fiscal year, which can be largely explained by decreases in accounts payable-other of 4,195 million yen, deferred tax liabilities of 4,067 million yen, electronically recorded obligations- operating of 890 million yen, partially offset by increases in income taxes payable of 7,099 million yen, other in current liabilities of 1,958 million yen (Of electronically recorded equipment-related obligations: 3,176 million yen).

Total net assets were 894,637 million yen, an increase of 54,284 million yen from the end of the previous fiscal year, which can be largely explained by increases of 47,379 million yen in total shareholders' equity due to reporting of profit attributable to owners of parent, foreign currency translation adjustment of 15,781 million yen, partially offset by a decrease in valuation difference on available-for-sale securities of 9,225 million yen.

As a result, the equity ratio increased to 82.6% from 81.6% at the end of the previous fiscal year.

(2) Qualitative Information Regarding Consolidated Financial Results Forecast

The global economic outlook is likely to remain uncertain, primarily on the back of Russia's ongoing invasion of Ukraine, rising interest rates globally and unstable foreign exchange markets. The electronics market will likely continue to remain strong thanks to the further promotion of energy-saving to combat climate change and help realize a decarbonized society, ongoing lifestyle changes, and increasing capital investments for factory automation and digitization around the world, but it may be adversely affected by a decline in demand for the consumer product market as well as for the computer and storage market.

As of this date, we are on track to achieve the Company's full-year consolidated earnings forecast for the fiscal year ending March 31, 2023, as revised in November 2022. That said, various downside risks will likely continue to cloud the outlook for the electronics market during the fourth quarter (January – March 2023), including the risk of higher materials and other costs due to the effects of elevated energy and materials prices, geopolitical risks in the procurement of materials that are essential for production, the threat of a COVID-19 pandemic resurgence, and risks in the recruitment of competent human resources. Should we determine it necessary to further revise the Company's earnings forecast for the fiscal year ending March 31, 2023, we will disclose the revised forecast in a timely manner.

2. Consolidated Quarterly Financial Statements and Important Notes
 (1) Consolidated Quarterly Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	293,144	300,973
Notes and accounts receivable - trade	100,151	108,500
Electronically recorded monetary claims - operating	8,644	10,351
Securities	49,256	25,252
Merchandise and finished goods	39,678	48,545
Work in process	61,675	73,083
Raw materials and supplies	53,135	60,235
Income taxes refund receivable	1,026	2,158
Other	13,342	16,233
Allowance for doubtful accounts	-49	-52
Total current assets	620,004	645,281
Non-current assets		
Property, plant and equipment		
Buildings and structures	280,843	295,079
Machinery, equipment and vehicles	664,295	725,731
Tools, furniture and fixtures	57,176	59,646
Land	68,421	68,127
Construction in progress	41,760	51,198
Other	8,543	8,964
Accumulated depreciation	-828,950	-876,698
Total property, plant and equipment	292,090	332,049
Intangible assets		
Goodwill	795	571
Other	4,471	4,382
Total intangible assets	5,266	4,954
Investments and other assets		
Investment securities	87,506	72,375
Retirement benefit asset	3,176	3,239
Deferred tax assets	11,310	11,589
Other	9,846	13,297
Allowance for doubtful accounts	-69	-70
Total investments and other assets	111,770	100,432
Total non-current assets	409,127	437,435
Total assets	1,029,132	1,082,717

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,105	17,582
Electronically recorded obligations - operating	4,929	4,039
Accounts payable - other	36,131	31,936
Income taxes payable	11,472	18,571
Other	35,237	37,195
Total current liabilities	105,877	109,326
Non-current liabilities		
Bonds payable	40,536	40,385
Deferred tax liabilities	28,983	24,916
Retirement benefit liability	11,092	11,488
Other	2,289	1,962
Total non-current liabilities	82,901	78,753
Total liabilities	188,778	188,079
Net assets		
Shareholders' equity		
Share capital	86,969	86,969
Capital surplus	102,411	102,416
Retained earnings	661,386	708,723
Treasury shares	-39,915	-39,879
Total shareholders' equity	810,851	858,230
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39,314	30,089
Foreign currency translation adjustment	-8,294	7,487
Remeasurements of defined benefit plans	-2,054	-1,702
Total accumulated other comprehensive income	28,965	35,874
Non-controlling interests	536	532
Total net assets	840,353	894,637
Total liabilities and net assets	1,029,132	1,082,717

(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, 2023)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	338,188	390,158
Cost of sales	219,303	240,747
Gross profit	118,885	149,411
Selling, general and administrative expenses	62,683	73,996
Operating profit	56,201	75,414
Non-operating income		
Interest income	858	2,206
Dividend income	808	922
Foreign exchange gains	3,678	11,041
Other	567	1,089
Total non-operating income	5,912	15,259
Non-operating expenses		
Interest expenses	91	100
Settlement payments	180	15
Other	34	29
Total non-operating expenses	305	146
Ordinary profit	61,808	90,528
Extraordinary income		
Gain on sale of non-current assets	559	1,281
Gain on sale of investment securities	359	—
Subsidy income	100	—
Total extraordinary income	1,018	1,281
Extraordinary losses		
Loss on sale of non-current assets	24	18
Loss on abandonment of non-current assets	403	177
Loss on tax purpose reduction entry of non-current assets	100	—
Impairment losses	255	8
Loss on valuation of investment securities	—	318
Total extraordinary losses	782	522
Profit before income taxes	62,044	91,286
Income taxes - current	10,109	23,527
Income taxes - deferred	3,498	-208
Total income taxes	13,608	23,319
Profit	48,436	67,967
Profit attributable to non-controlling interests	18	19
Profit attributable to owners of parent	48,417	67,947

(Consolidated quarterly statement of comprehensive income)
(First nine months of the year ending March 31, 2023)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	48,436	67,967
Other comprehensive income		
Valuation difference on available-for-sale securities	5,478	-9,225
Foreign currency translation adjustment	6,609	15,787
Remeasurements of defined benefit plans, net of tax	586	351
Total other comprehensive income	12,674	6,913
Comprehensive income	61,111	74,880
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	61,098	74,856
Comprehensive income attributable to non-controlling interests	12	24

(3) Notes on Consolidated Quarterly Financial Statement

(Note on going concern)

No applicable items

(Note in case of significant change in amount of shareholder's equity)

No applicable items

(Segment information)

I First nine months of the year ended March 31, 2022 (From April 1, 2021 to December 31, 2021)

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

(Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on consolidate quarterly statement of income (Note 3)
	ICs	Discrete semiconduct or devices	Modules	Total				
Sales								
Japan	60,115	42,222	5,289	107,627	3,486	111,113	—	111,113
Asia	81,306	77,506	15,997	174,810	13,487	188,297	—	188,297
Americas	6,154	7,047	873	14,076	1,697	15,773	—	15,773
Europe	5,541	13,506	1,969	21,016	1,987	23,003	—	23,003
Revenues from contracts with customers	153,117	140,282	24,130	317,530	20,658	338,188	—	338,188
Other revenues	—	—	—	—	—	—	—	—
Sales								
Sales to customers	153,117	140,282	24,130	317,530	20,658	338,188	—	338,188
Inter-segment sales or transfer	1,966	2,907	21	4,894	53	4,947	-4,947	—
Total	155,084	143,189	24,151	322,425	20,711	343,136	-4,947	338,188
Segment profit	25,034	24,675	3,411	53,120	3,893	57,014	-812	56,201

(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, -812 million yen, mainly includes general administrative expenses of -537 million yen that do not attribute to the segment, and the settlement adjusted amount of -274 million yen, which is not allocated to the segment (such as adjustment for retirement benefits).
3. For segment profits, adjustments are made using the operating profit of the consolidated quarterly statement of income.

II First nine months of the year ending March 31, 2023(From April 1, 2022 to December 31, 2022)
Information on net sales, profits or losses by individual reportable segments and breakdown of revenues

(Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount on consolidate quarterly statement of income (Note 3)
	ICs	Discrete semiconduct or devices	Modules	Total				
Sales								
Japan	62,229	43,825	6,121	112,175	3,369	115,545	—	115,545
Asia	101,477	90,493	17,054	209,025	12,457	221,483	—	221,483
Americas	8,423	8,742	1,201	18,367	3,415	21,782	—	21,782
Europe	6,448	20,331	2,187	28,967	2,379	31,346	—	31,346
Revenues from contracts with customers	178,578	163,392	26,565	368,536	21,621	390,158	—	390,158
Other revenues	—	—	—	—	—	—	—	—
Sales								
Sales to customers	178,578	163,392	26,565	368,536	21,621	390,158	—	390,158
Inter-segment sales or transfer	2,168	2,653	—	4,821	31	4,852	-4,852	—
Total	180,746	166,046	26,565	373,358	21,652	395,011	-4,852	390,158
Segment profit	40,132	28,196	4,016	72,344	4,159	76,504	-1,090	75,414

(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, -1,090 million yen, mainly includes general administrative expenses of -813 million yen that do not attribute to the segment, and the settlement adjusted amount of -276 million yen, which is not allocated to the segment (such as adjustment for retirement benefits).
3. For segment profits, adjustments are made using the operating profit of the consolidated quarterly statement of income.