



Electronics for the Future

# Financial Results for FY2022

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

As of May 10, 2023

- **Financial Results for FY2022**
- **Plan for FY2023**
- **Capital Expenditures**
- **Inventories**
- **Returns to Shareholders**
- **Progress of the Medium-term Management Plan**
- **IC Strategies**
- **Power Device Strategies**

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



(¥billion)

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

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

(¥134.17)

(¥112.86)

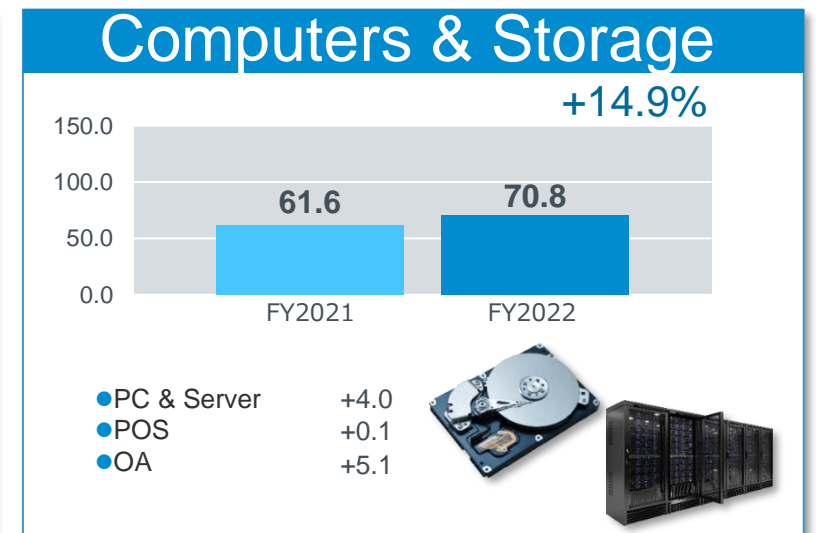
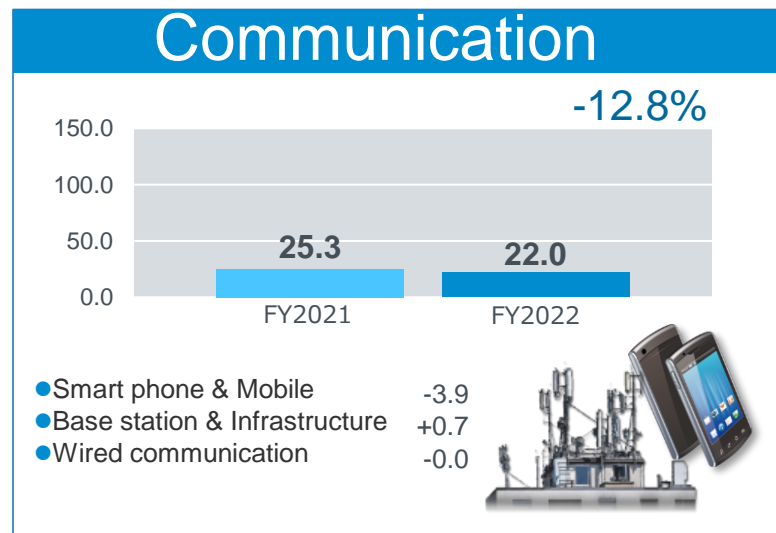
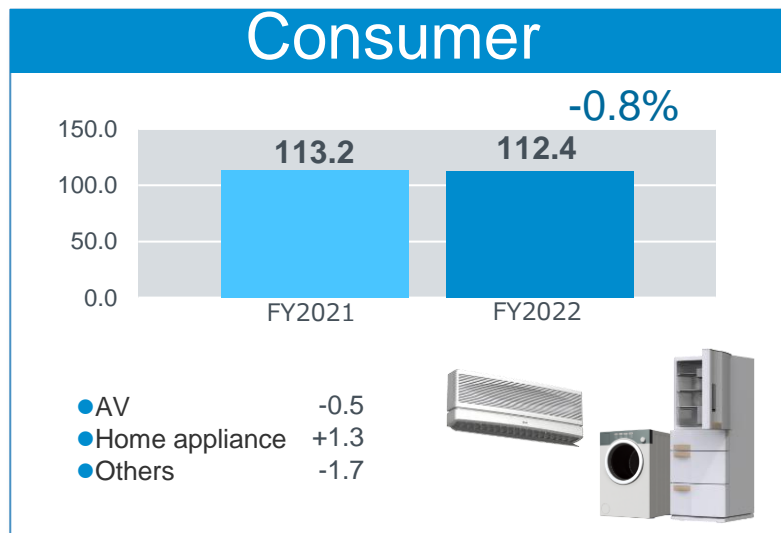
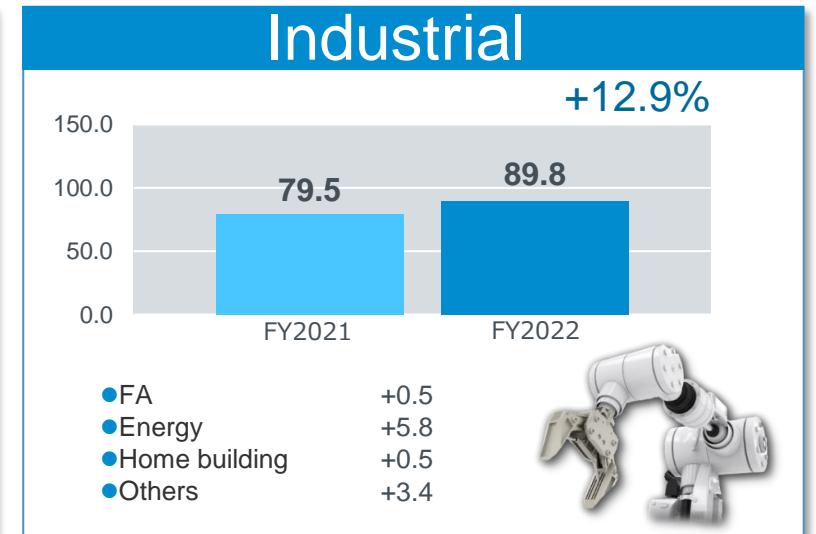
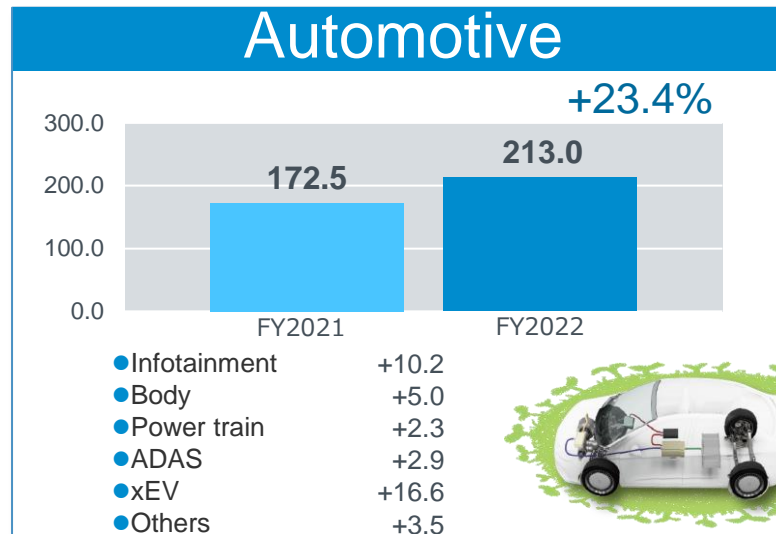
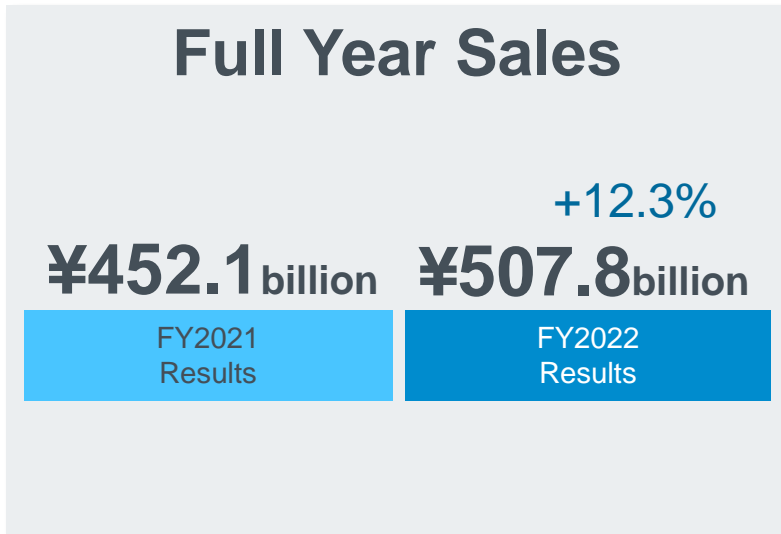
End of Term Rate (¥/US\$) (¥133.53)

(¥135.00)

(¥122.39)

# FY2022 Sales Trend by Market Segments (YoY)

(¥billion)



\* Market Segment: Calculated by most recent segment

# FY2022 Sales Trend by Customer Nationality (YoY)

Full Year Sales

¥452.1 billion

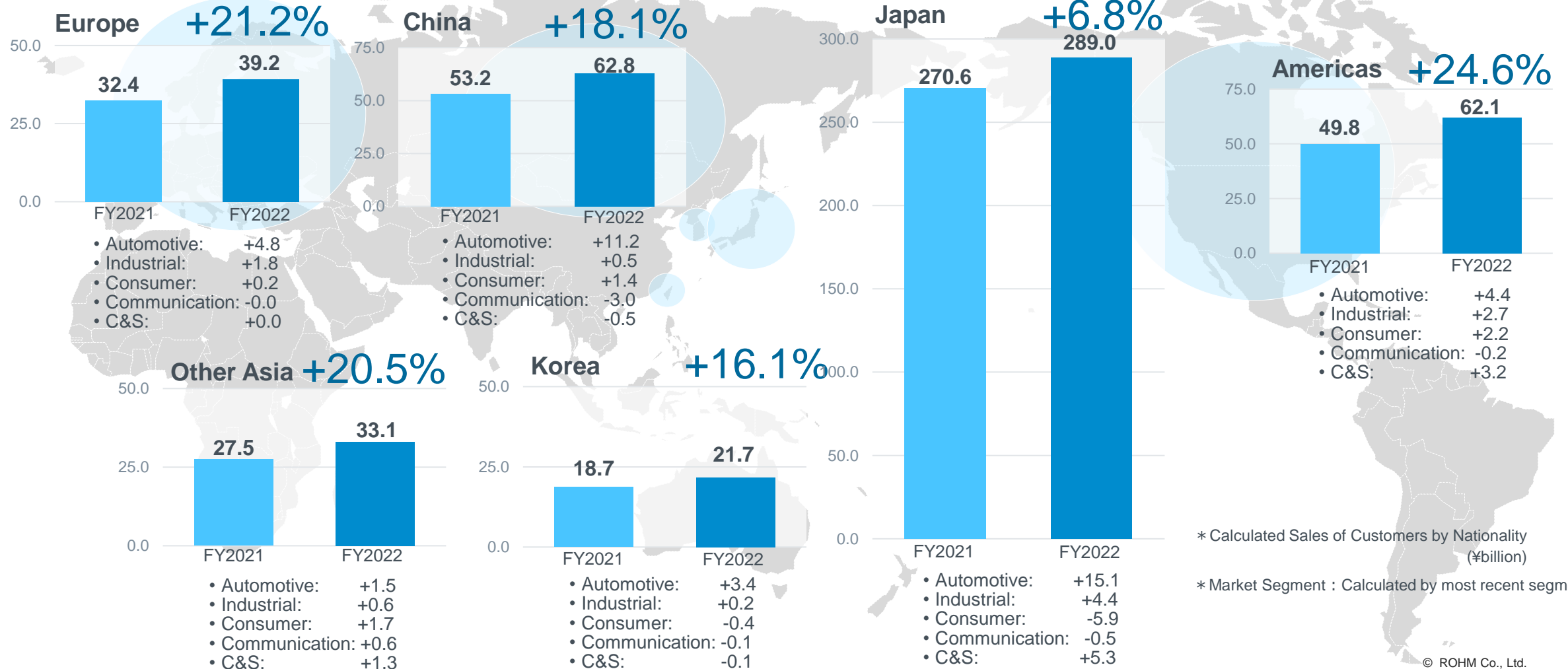
¥507.8 billion

FY2021 Results

FY2022 Results

+12.3%

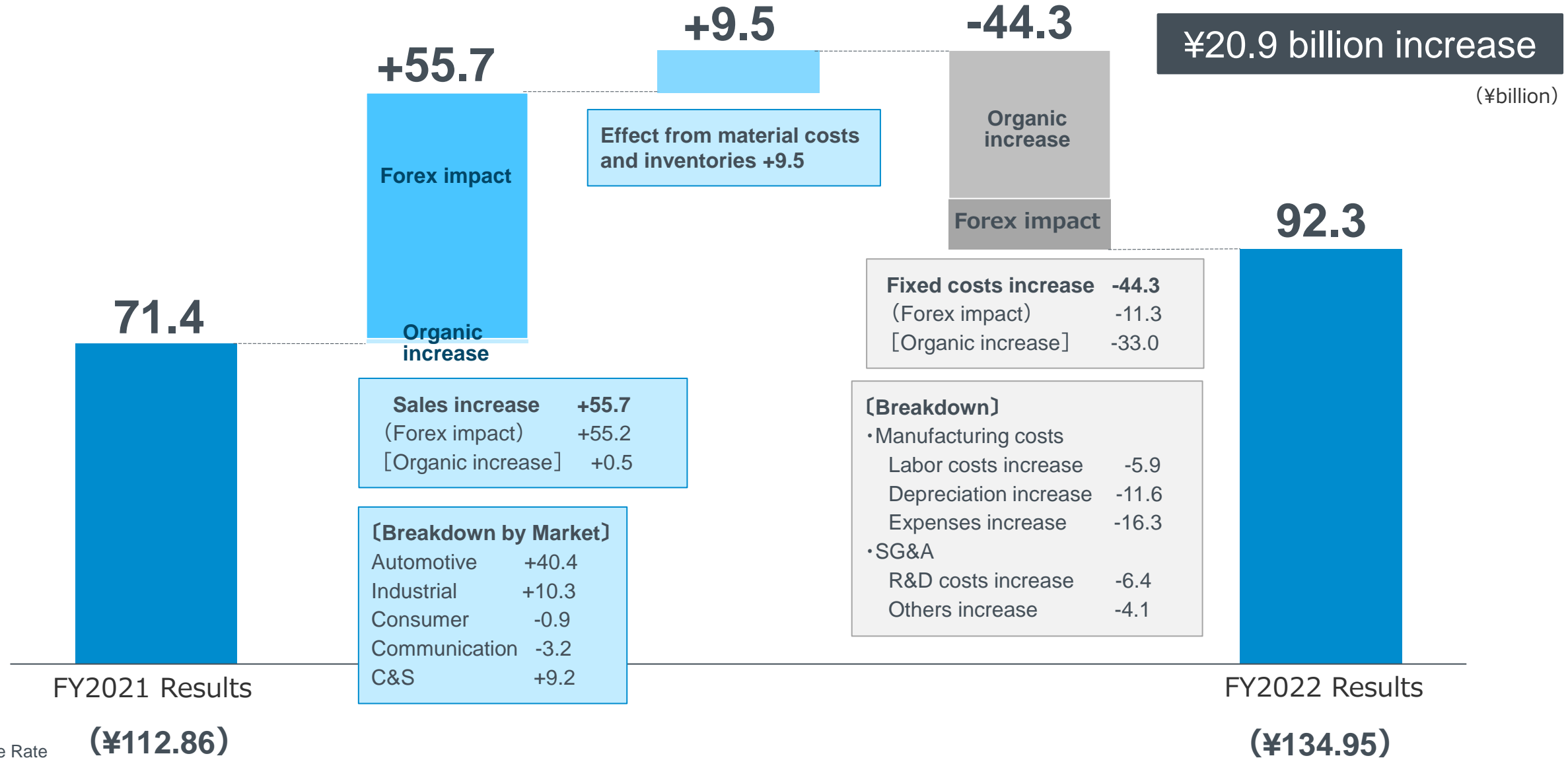
Full Year YoY



\* Calculated Sales of Customers by Nationality (¥billion)

\* Market Segment : Calculated by most recent segment

# FY2022 Changes in Operating Profit (YoY)



Average Exchange Rate (¥/US\$)

(¥112.86)

(¥134.95)

# Plan for FY2022 by Segments (YoY)

(¥billion)

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

# Plan for FY2023 (YoY)

(¥billion)

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

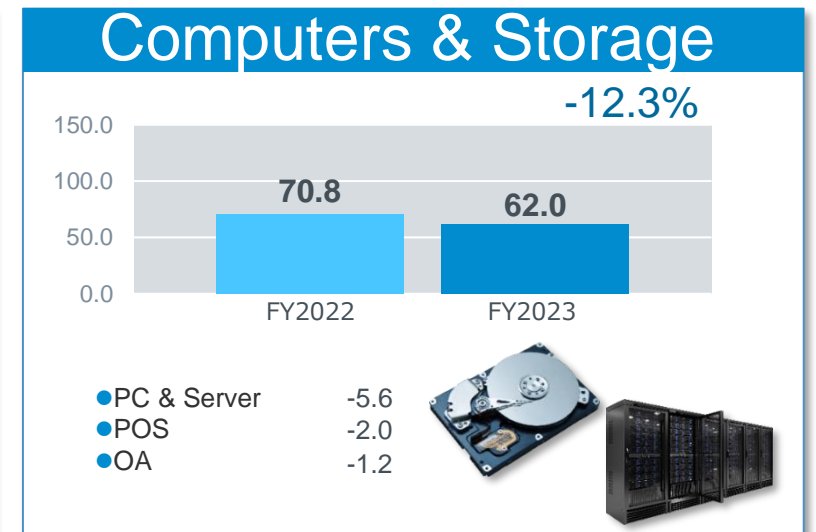
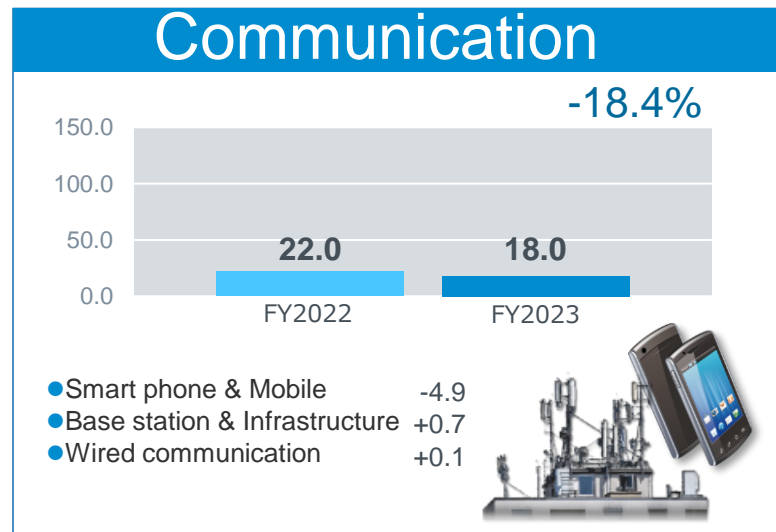
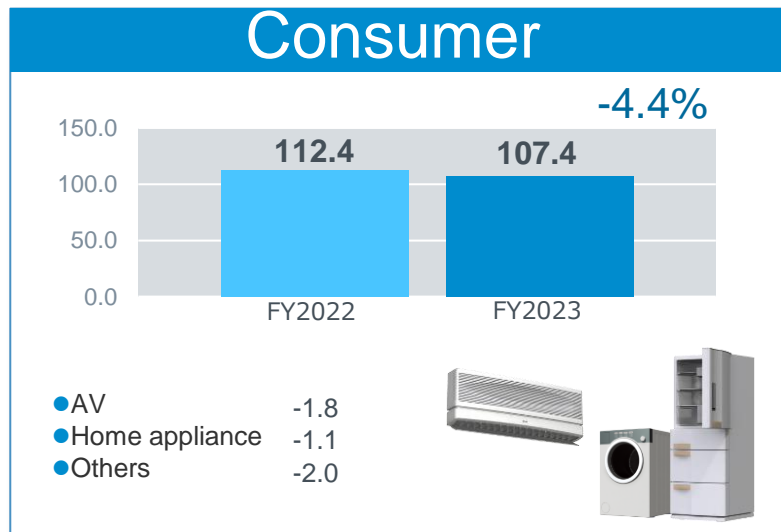
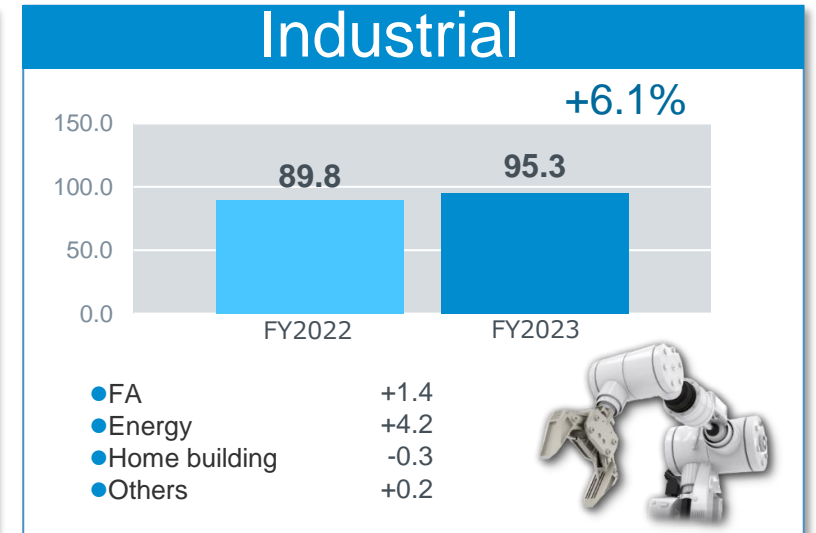
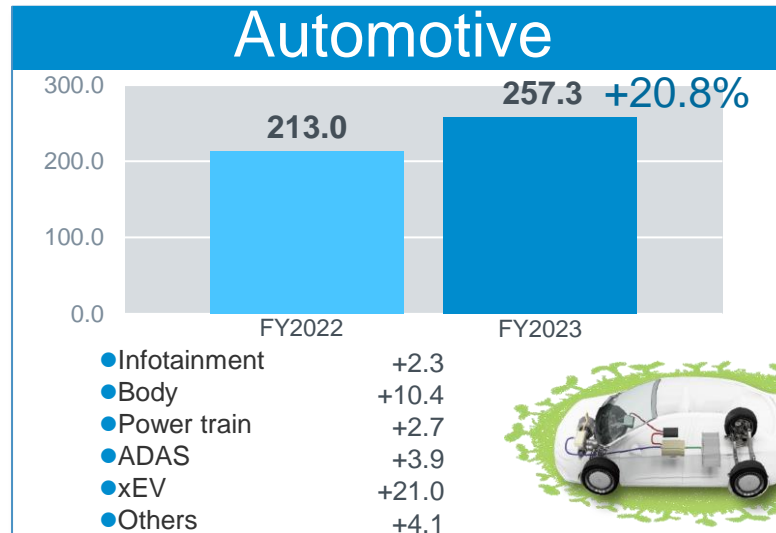
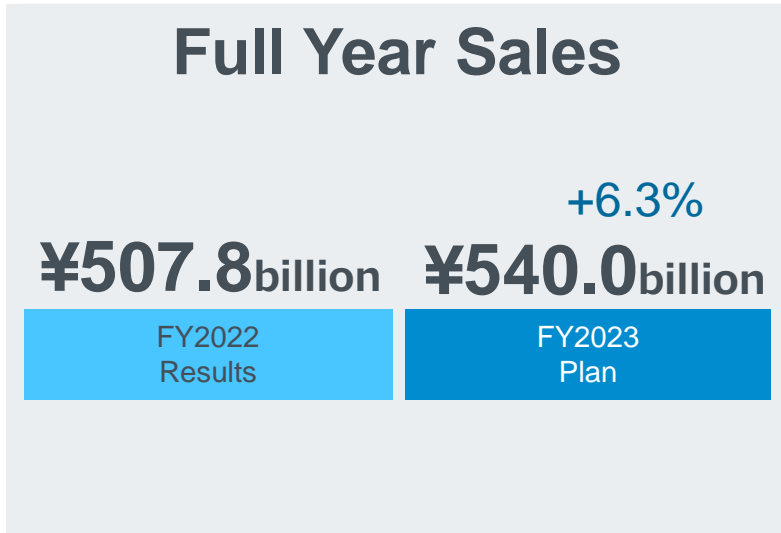
Average Exchange Rate(¥/US\$)      (¥130.27)      (¥134.95)

End of Term Rate(¥/US\$)      (¥130.00)      (¥133.53)



# FY2023 Plan by Market Segments (YoY)

(¥billion)

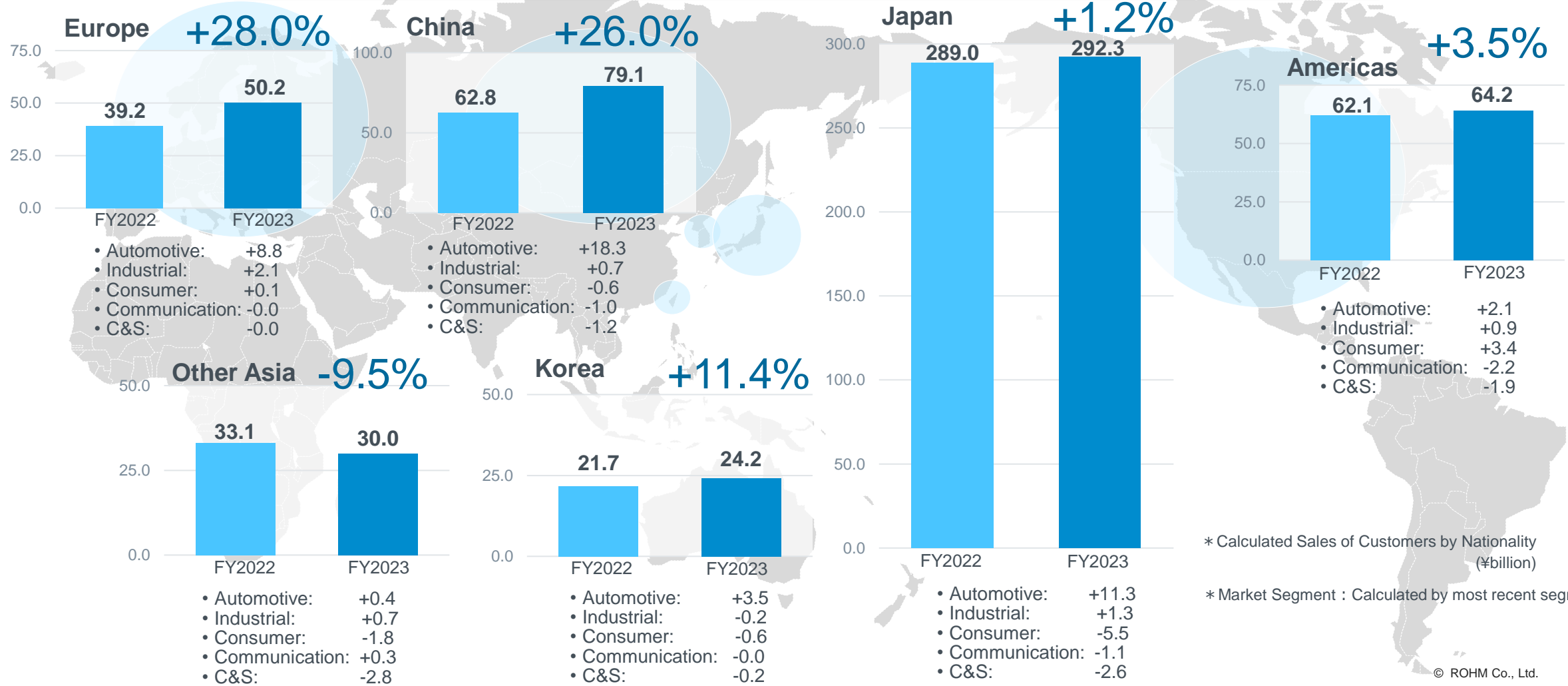


\* Market Segment: Calculated by most recent segment

# FY2023 Plan by Customer Nationality (YoY)

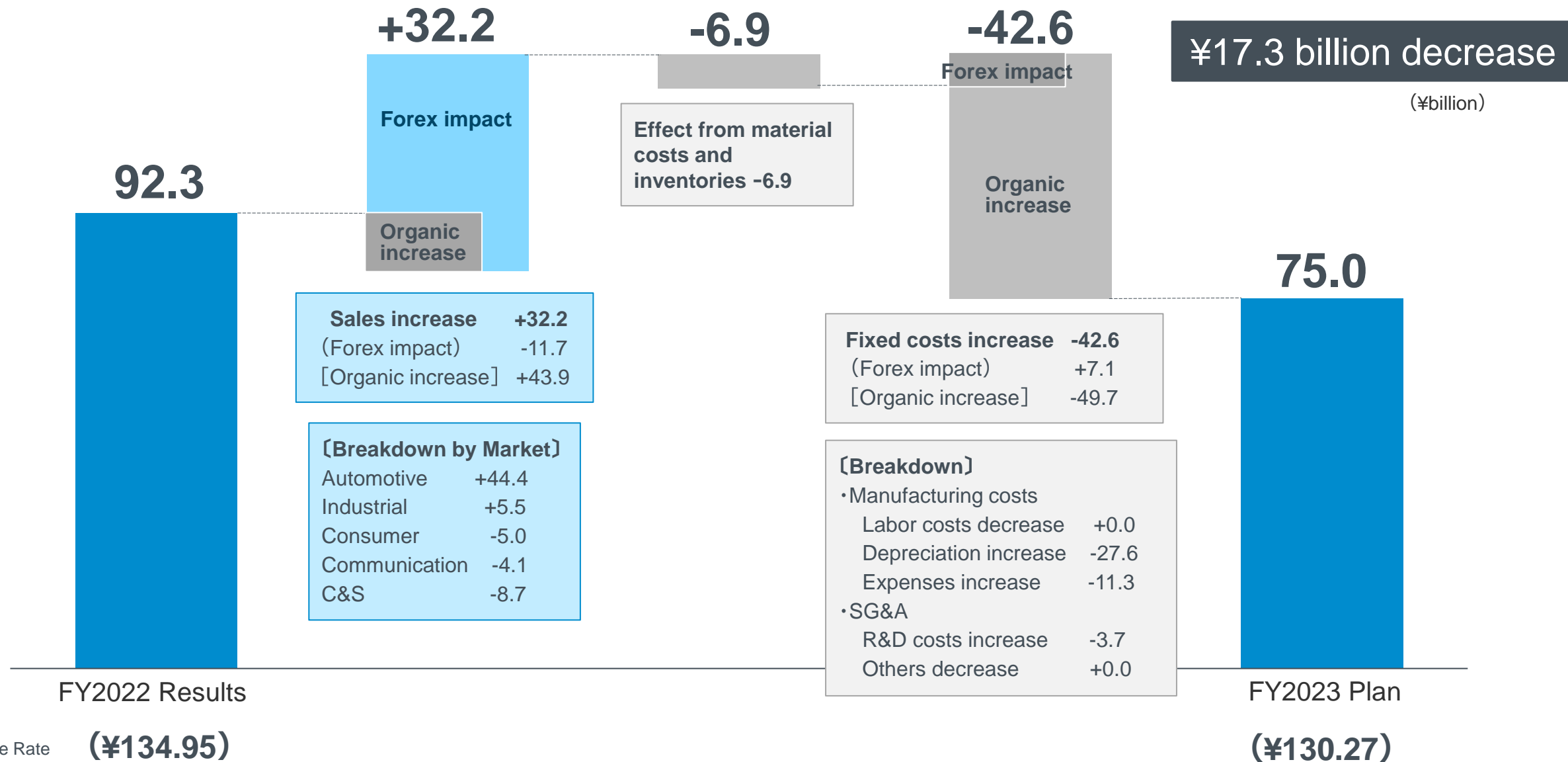
**Full Year Sales**    **¥507.8billion**    **¥540.0billion**  
 FY2022 Results    FY2023 Plan    **+6.3%**

**Plan YoY**



\* Calculated Sales of Customers by Nationality (¥billion)  
 \* Market Segment : Calculated by most recent segment

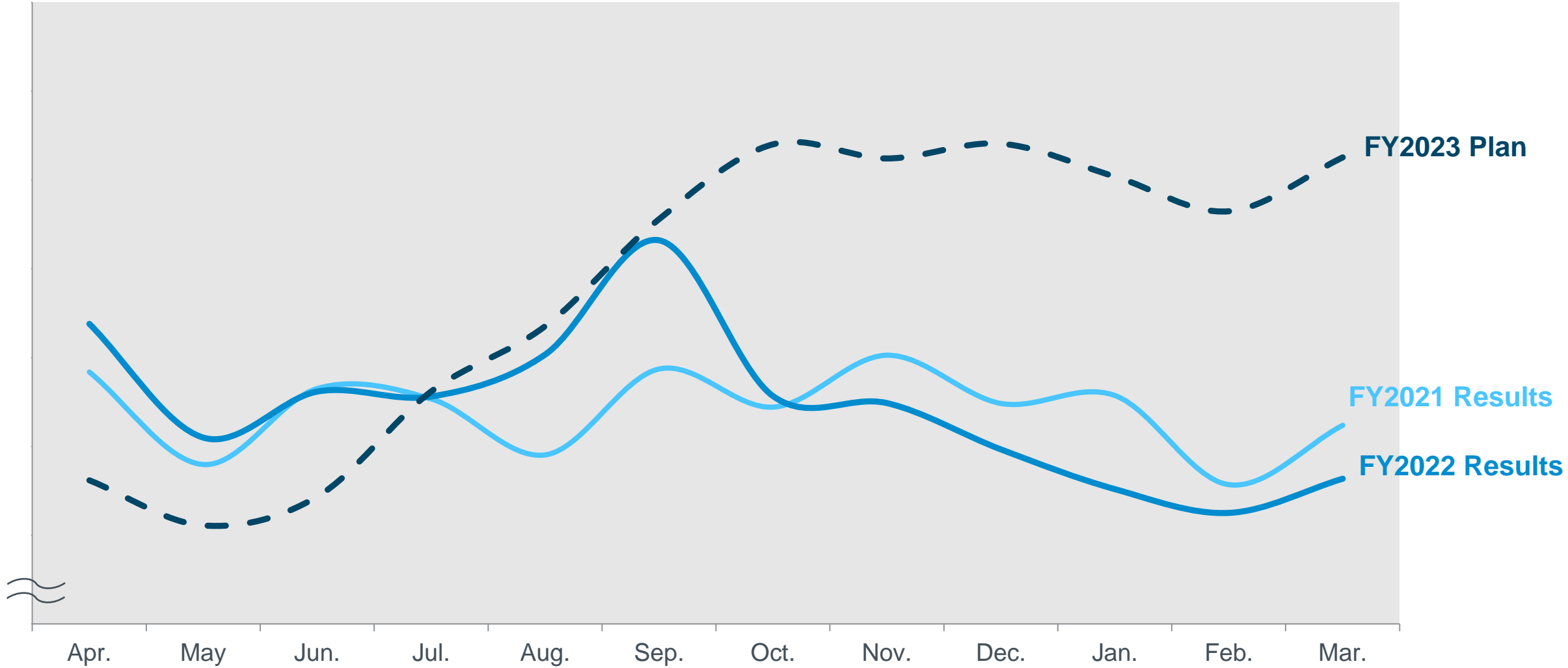
# FY2023 Plan Changes in Operating Profit (YoY)



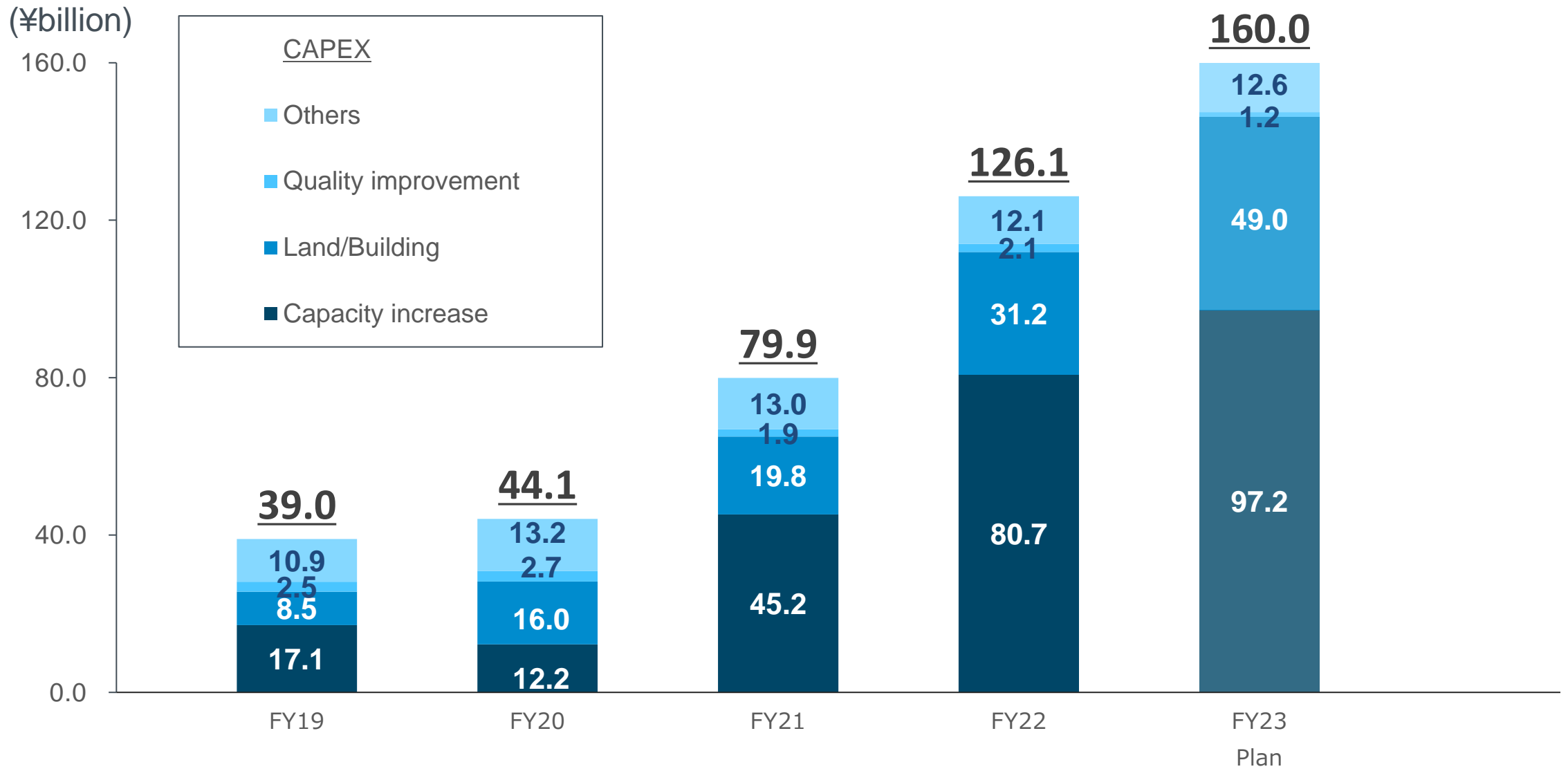
Average Exchange Rate (¥/US\$)

# Sales Trend

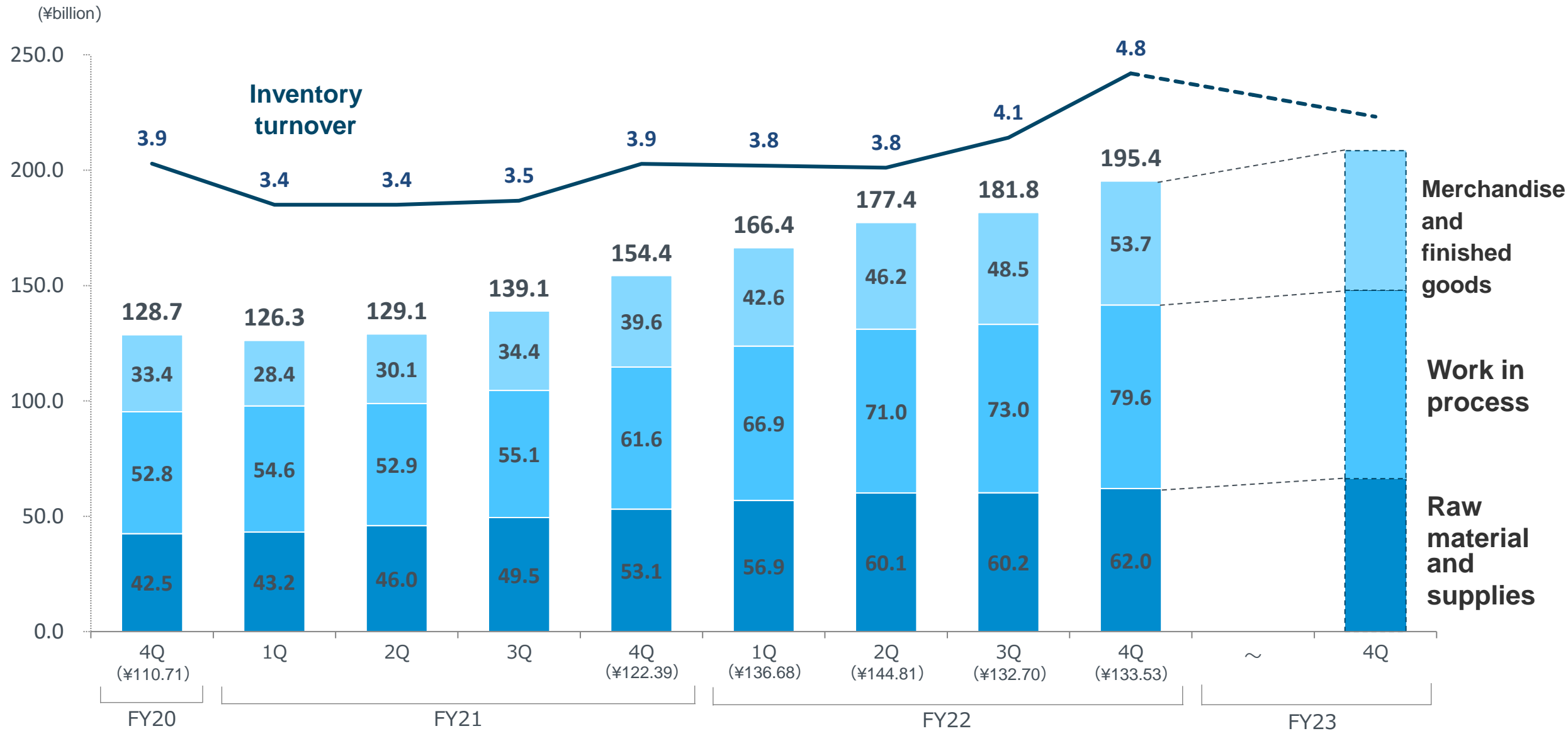
\*Exchange rate is converted at 1USD=105 yen



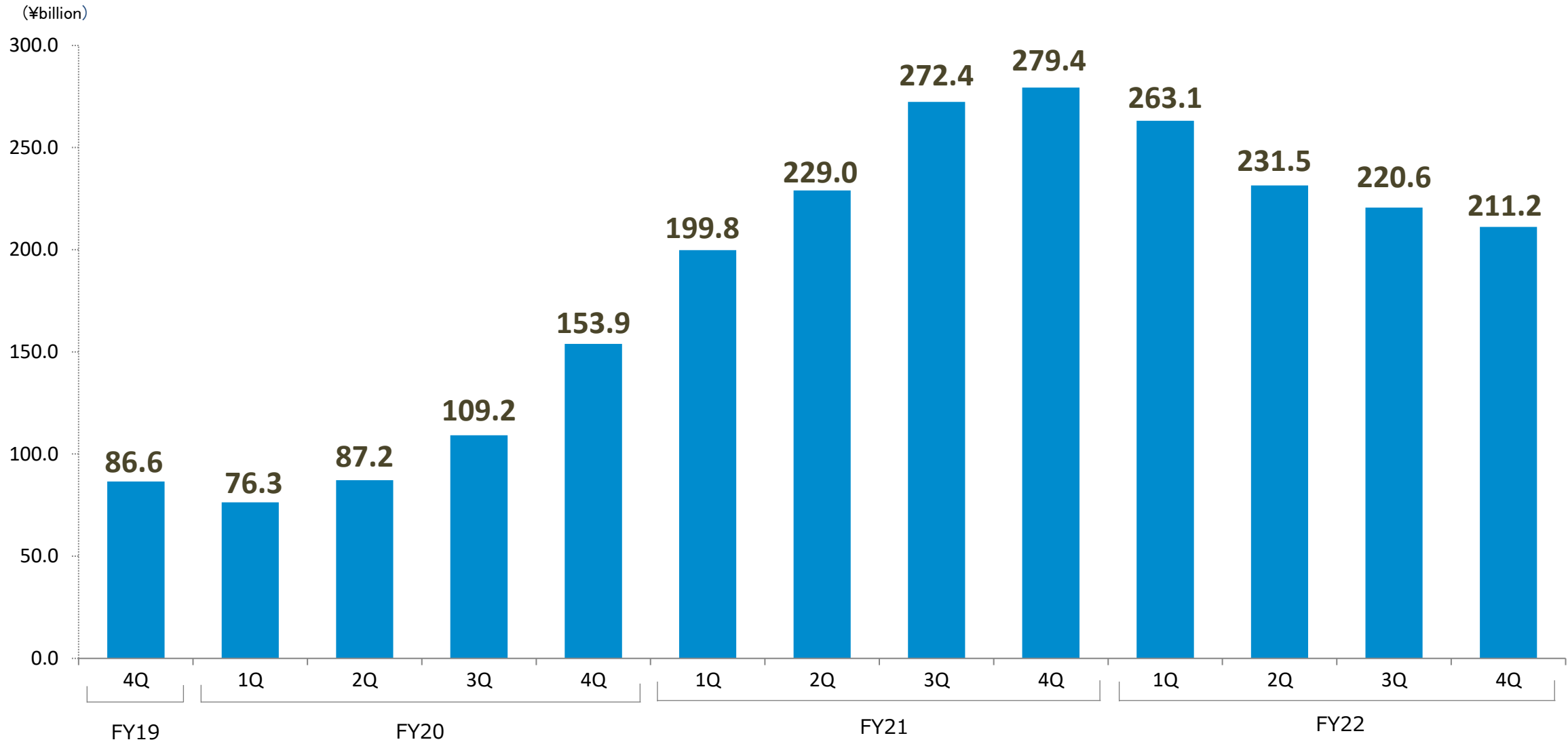
# Capital Expenditures



# Inventories (Amount)

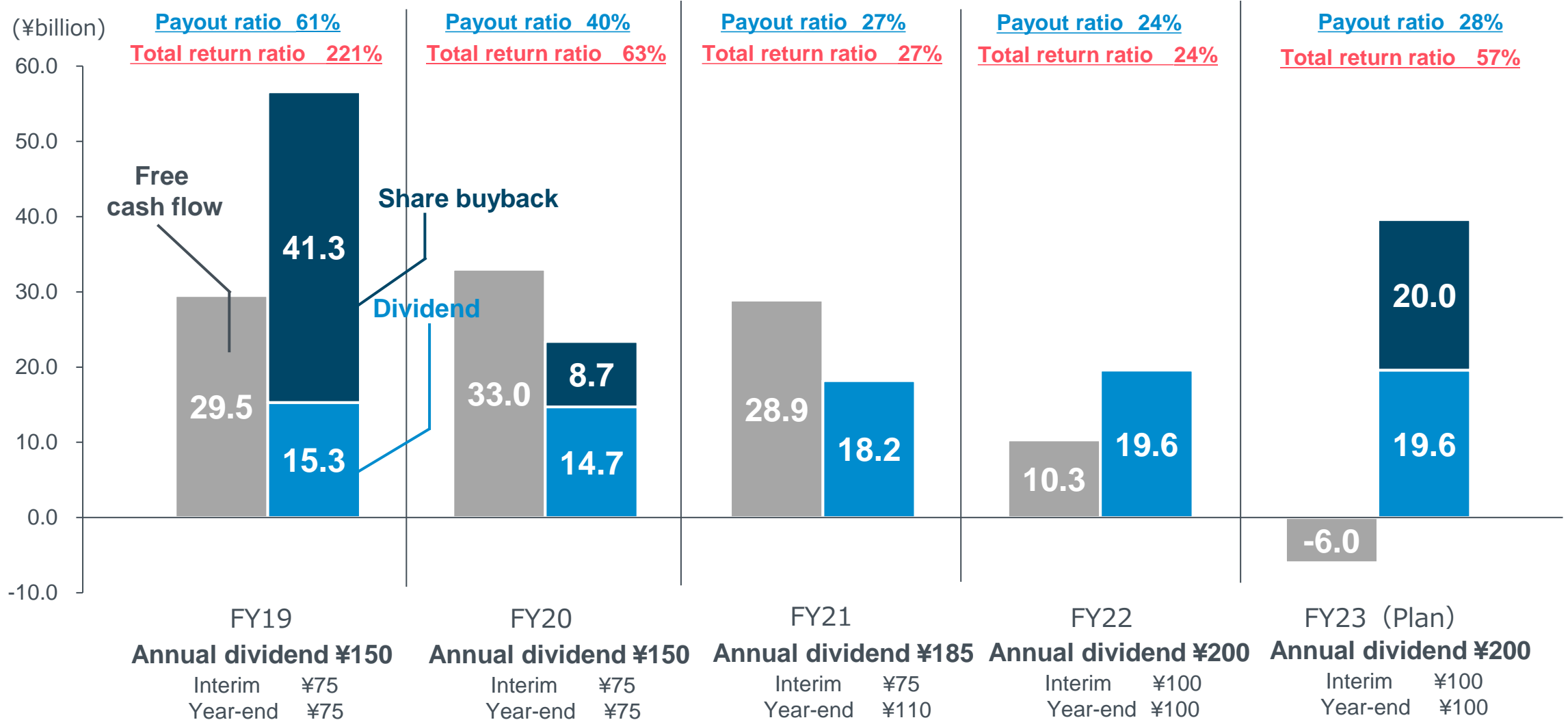


# Trend of Order Backlog



\*FY22 is converted at ¥110

# Returns to Shareholders



\* Free cash flow: Net profit + depreciation – CAPEX



# Progress of the Medium-Term Management Plan

## Medium-Term Management Plan(MOVING FORWARD to 2025)

FY2021-FY2025

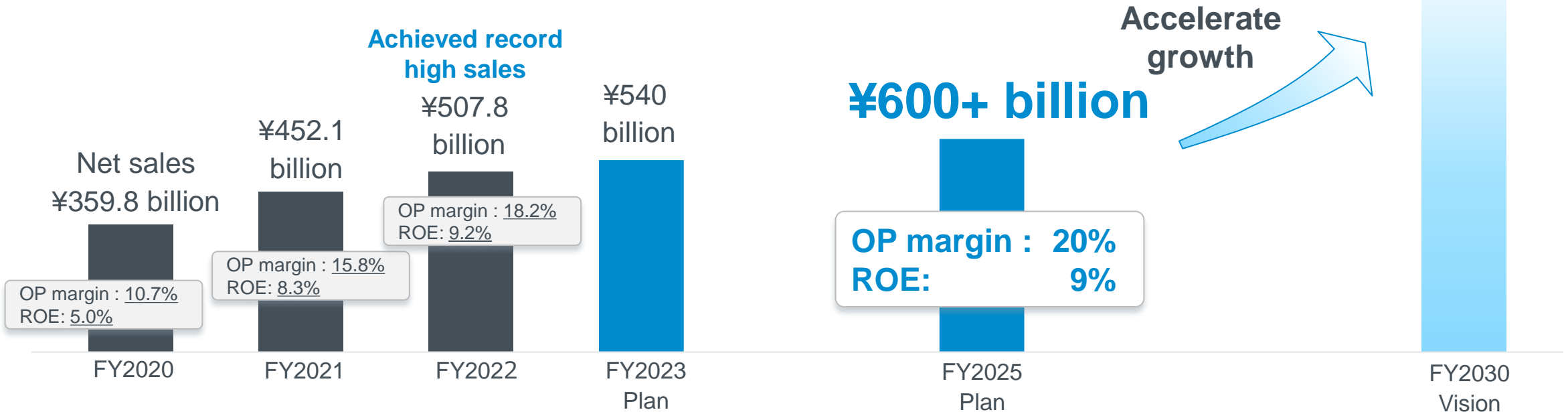
FY2030

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

**Become a major global player**

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

**Become one of the top 10 companies in power and analog**  
**Achieve sales of ¥1 trillion**



## Financial Targets

**Net sales**      **¥600+ billion**

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**Operating margin**      **20%+**

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**ROE**      **9%+**

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## Non-Financial Targets (Abridged)

### Environment (FY2030)

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

### Diversity and Employees

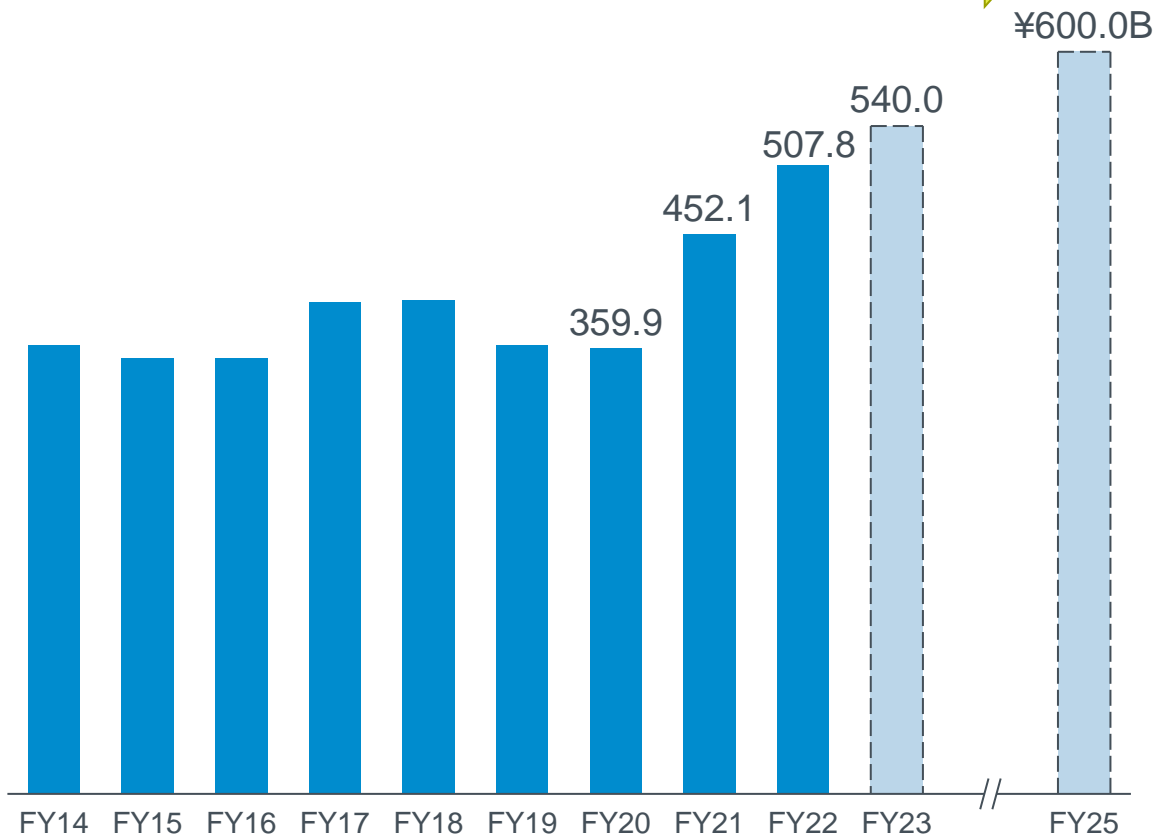
- Achieve global female manager ratio of 15%
- Reach employee engagement score above industry average

### Customers

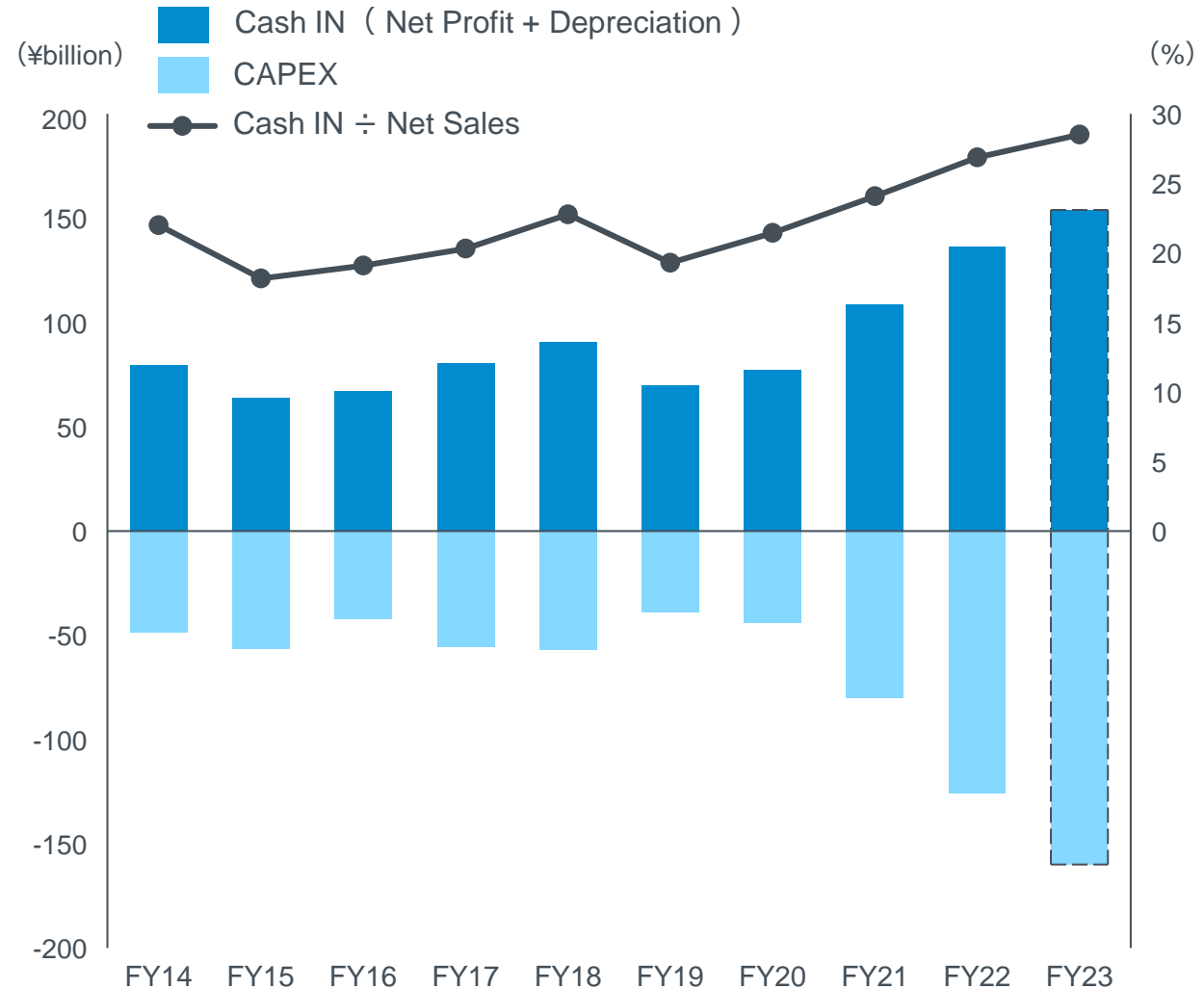
- Improve quality satisfaction score by +10% (vs. FY2020)

## Net Sales

Medium-term  
Management Plan  
MOVING FORWARD  
to 2025



## Cash Flow Balance

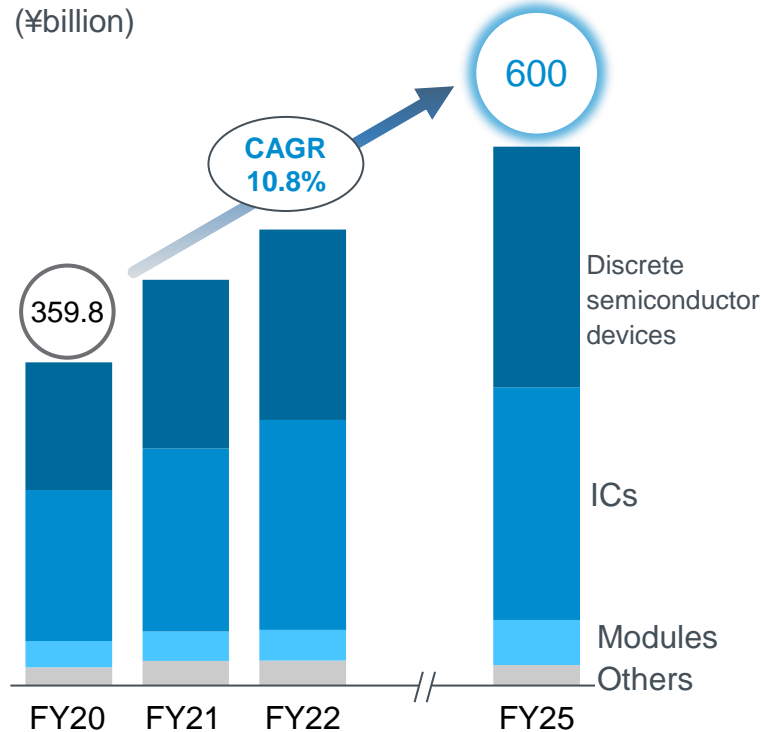


# Company-Wide Growth Policy in the Medium-Term Management Plan

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

### Medium-Term Management Sales Plan

(¥billion)



### Growth Policies per Business

#### Grow

Significantly increase sales in core growth businesses

#### Evolve

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

#### Create

Plant new seeds for growth for FY2025 and beyond

### Automotive



### Industrial equipment



### Consumer



Discrete semiconductor devices

Power devices

General-purpose devices

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

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

- Expand high-efficiency products for energy-saving home appliances and accelerate overseas expansion
  - IGBT
  - FRD
  - Si-MOS

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

ICs

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

- Develop new products for base stations and data centers

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

Modules Others

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

38% 40% 43% → 50%+

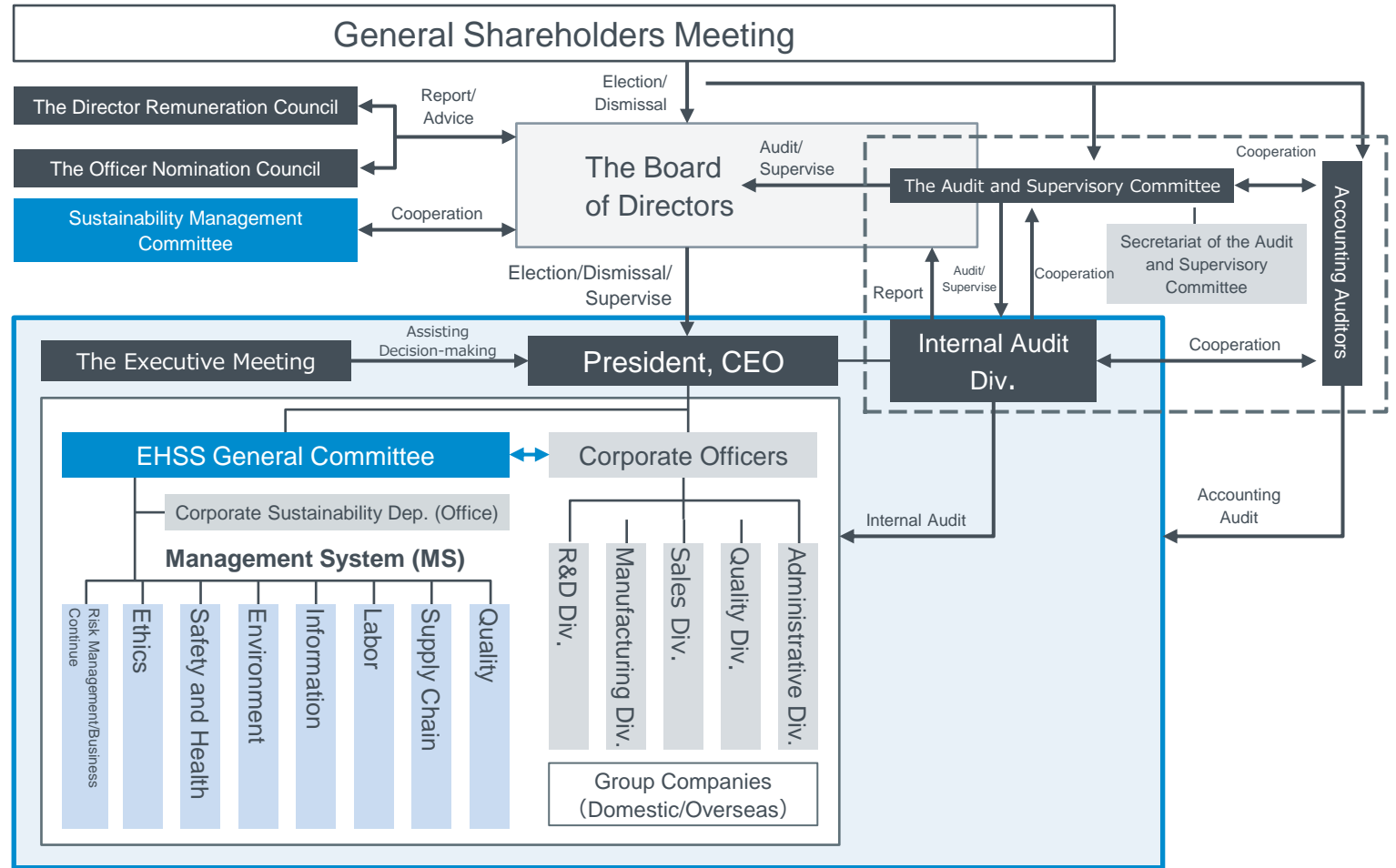
Sales ratio outside of Japan

# Strengthening our Management Base: Reforming the Sustainability Promotion Structure

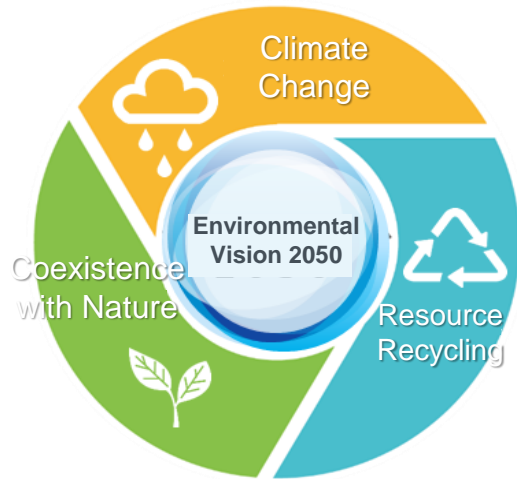
## Sustainability Promotion Structure

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

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



# Initiatives to Address Environmental Issues (Progress)



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

## FY2022 Topics

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

**RE100**

**TCFD** | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Important SDGs Issues	Category	Targets for FY2030	FY2022
<p>Climate Change</p> <p>Net zero CO<sub>2</sub> emissions</p>	<p>7 2030年までに再生可能エネルギーを拡大する</p>	<p>- Reduce GHG emissions by 50.5% vs. FY2018</p> <p>- Reduce emissions per unit of production by 45% vs. FY2018</p>	○
	<p>13 気候変動に具体的な対策を</p>	<p>- Promote shift to renewable energy with the goal of 100% introduction by FY2050</p>	○
<p>Resource Recycling</p> <p>Zero emissions</p>	<p>6 安全な水とトイレを世界中に</p>	<p>- Improve water recovery/reuse rate by 5.5% or more vs. FY2019</p>	○
	<p>12 つくる責任、つかう責任</p>	<p>- Achieve zero waste emissions</p>	○
<p>Coexistence with Nature</p> <p>Harmonize business activities with natural cycles</p>	<p>11 住み続けられるまちづくりを</p>	<p>- Promote factory greening at all locations</p> <p>- Improve conservation of organisms inhabiting each region</p>	○
	<p>15 陸の豊かさも守ろう</p>	<p>- Respond to policies and regulations in various countries around the world regarding chemical substances</p> <p>- Reduce the use of chemical substances</p>	○

## FY2023 Locations where renewable energy is installed (Manufacturing Facilities)

**NEW**



SiCrystal (Germany)



ROHM Apollo (Chikugo, Fukuoka)



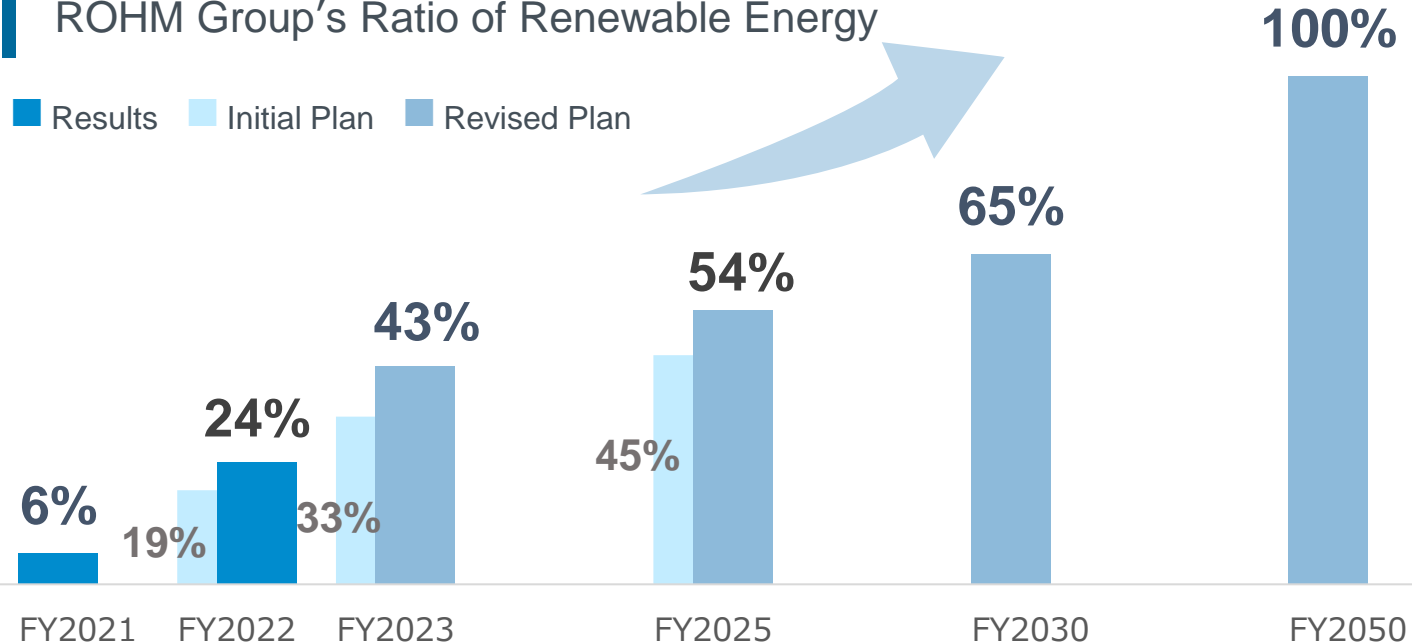
RIST (Thailand)



REPI (Philippines)

## ROHM Group's Ratio of Renewable Energy

■ Results ■ Initial Plan ■ Revised Plan



Progressing toward  
**100% in FY2050,**  
 ahead of schedule



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



## ● Promote Diversity

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

### FY2025 Targets

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

### FY2022 Results

- Ratio of global female managers 10% → 13%
  - Ratio of female and foreign board members at head office 9% → 23% +
- |   |   |   |
|---|---|---|
| Ratio of female board members<br>9% → 15% | + | Ratio of foreign board members<br>0% → 8% |
|---|---|---|

## ● Improve Employee Engagement

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

### FY2025 Targets

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

### FY2022 Results

- Achieved above industry average
- Implemented in entire group

## ● Governance Reform

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

### FY2022 Results

- Ratio of independent outside directors 45% → 54%
- Implemented performance-linked transfer-restricted stock-based remuneration system



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

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



### Returns to Shareholders

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

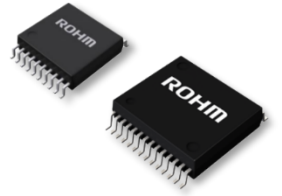
### Investments for Growth

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

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

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

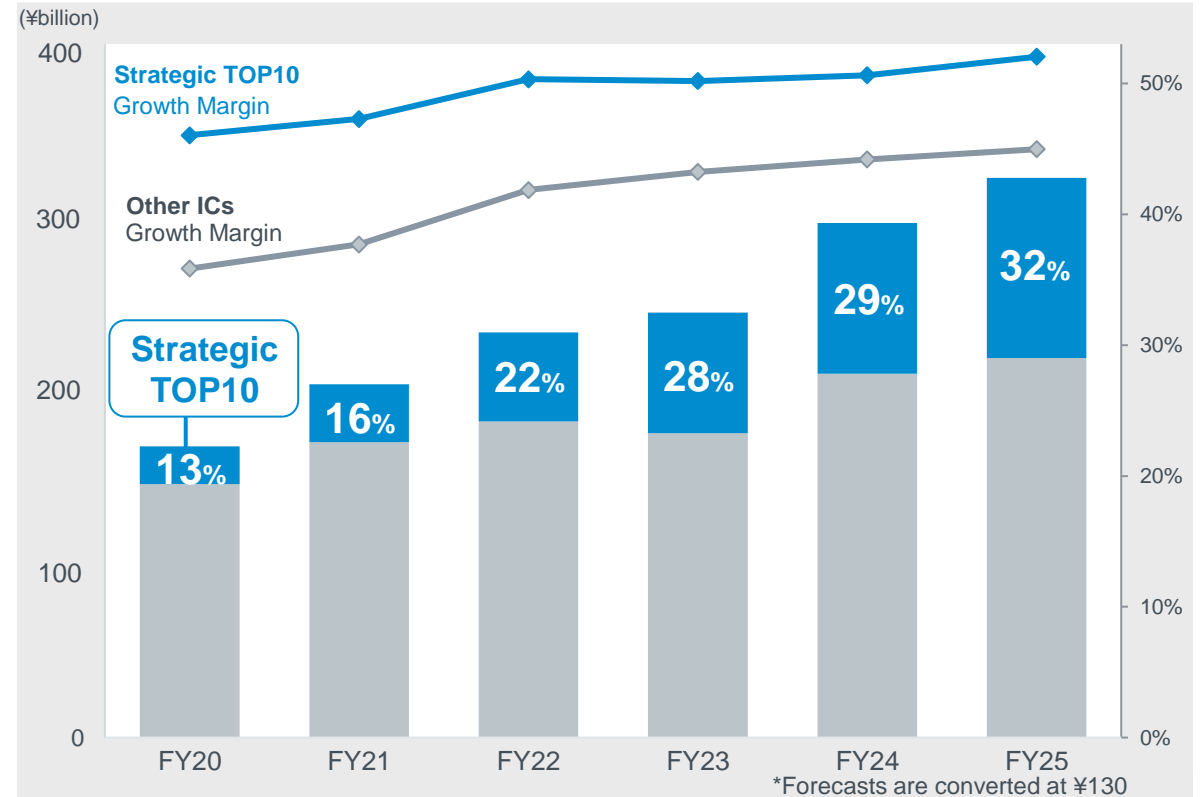
Raise the **sales ratio** of the top 10 strategic products to **increase average unit price and expand sales and profits**.



### Portfolio (Strategic TOP10 Area)



### Sales Ratio/Growth Margin (Strategic TOP10 Area)



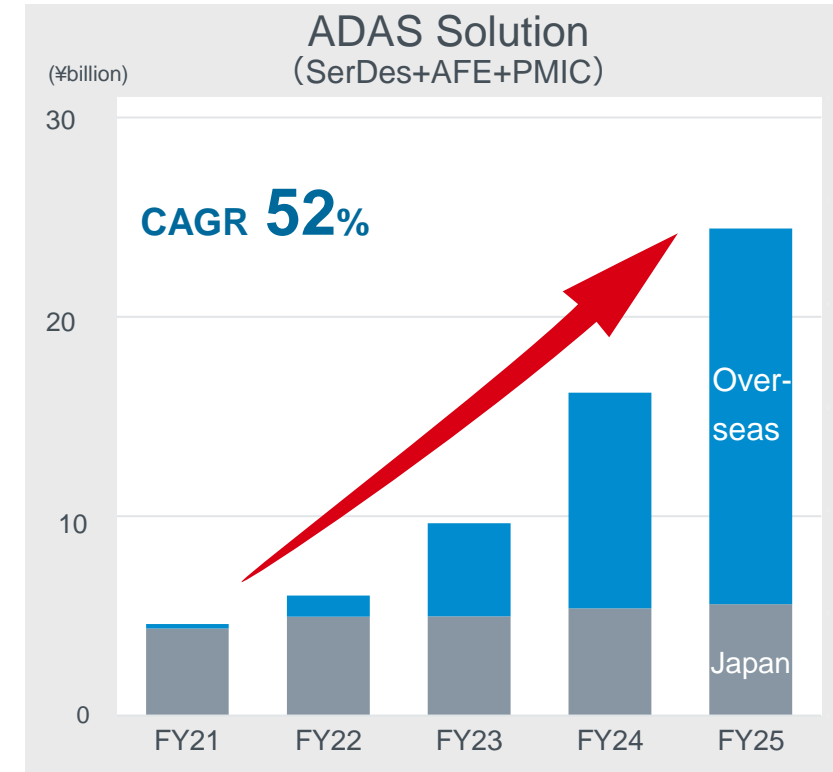
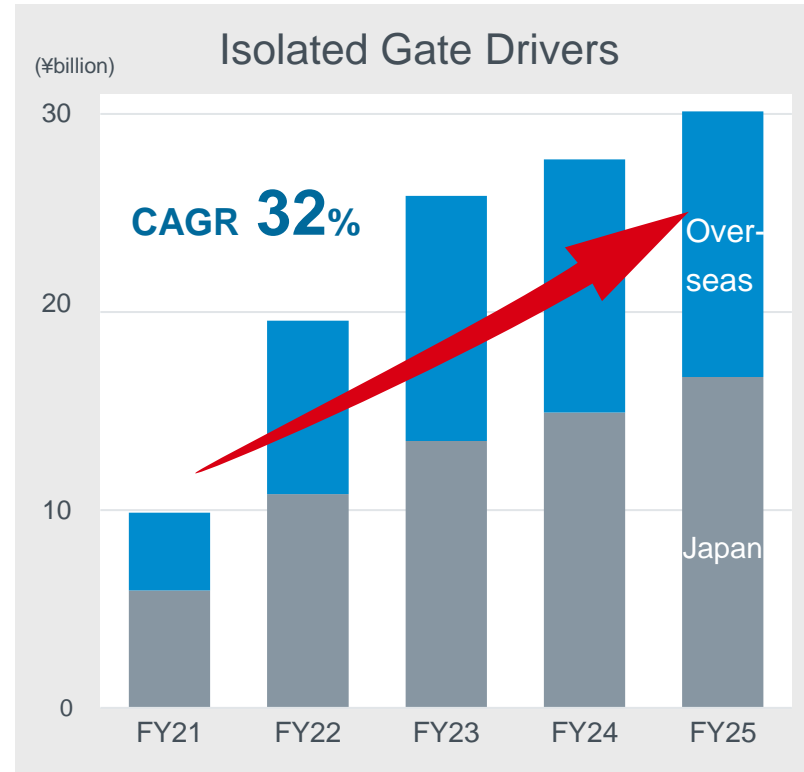
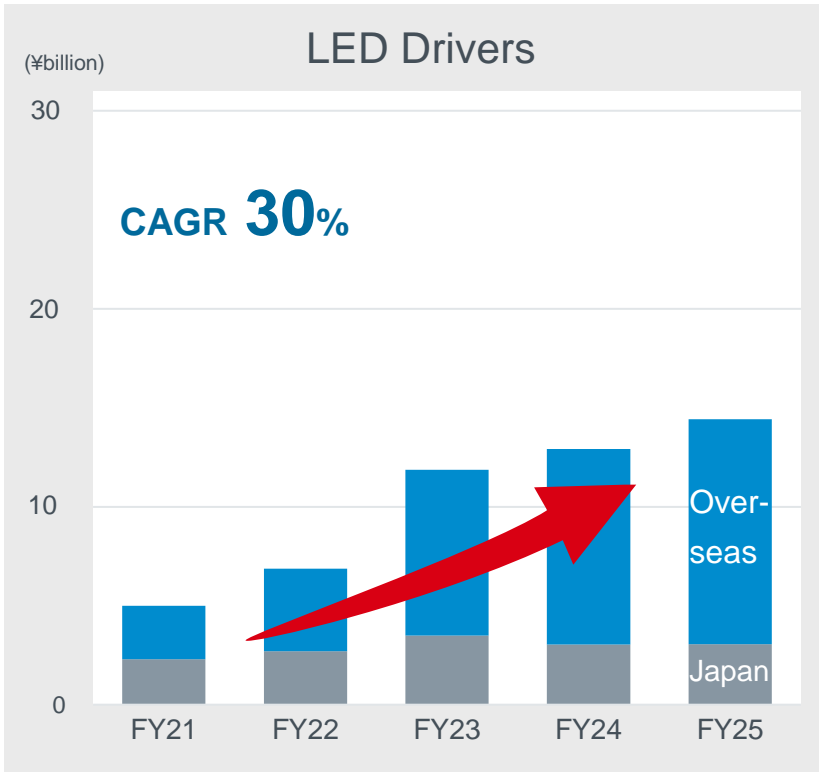
# Solutions for Automotive ICs

## Expand sales in the focused area of automotive solutions

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

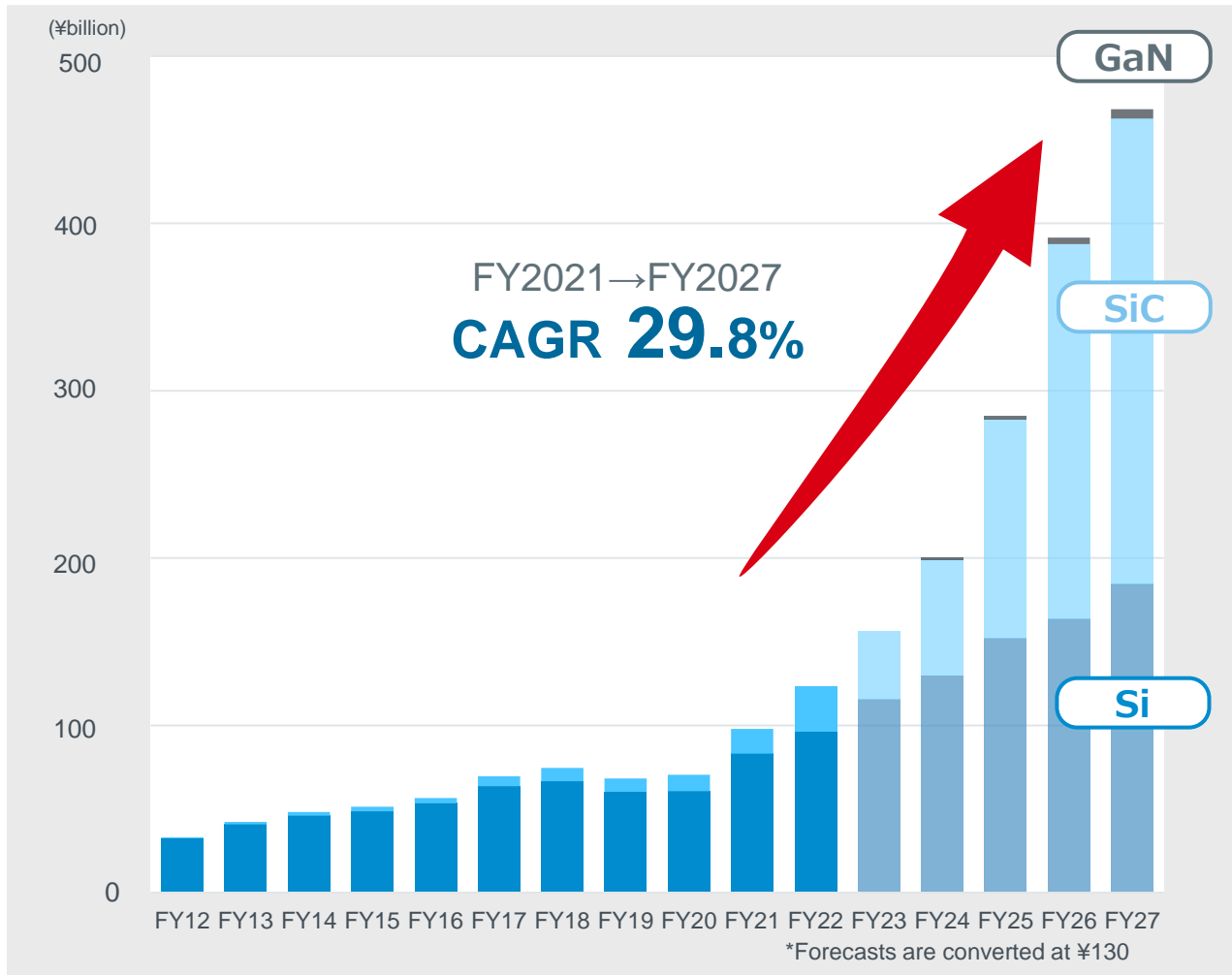


\*Forecasts are converted at ¥130

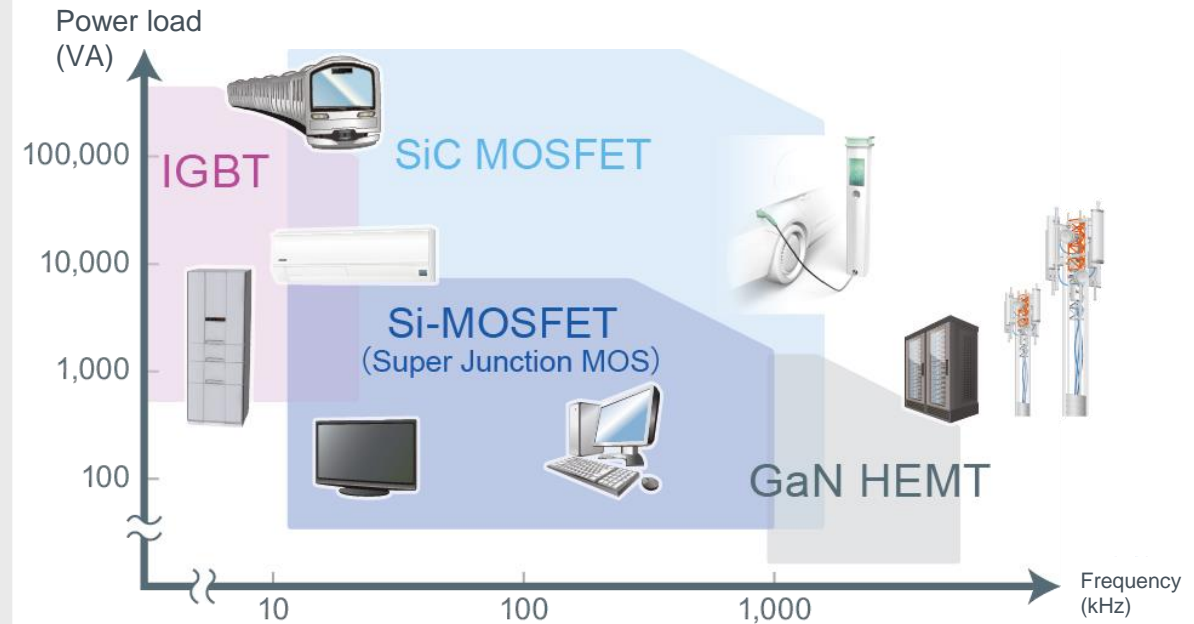


# Sales Target of the Power Device Business

## Sales Target of the Power Device Business



## Application Coverage of Power Devices



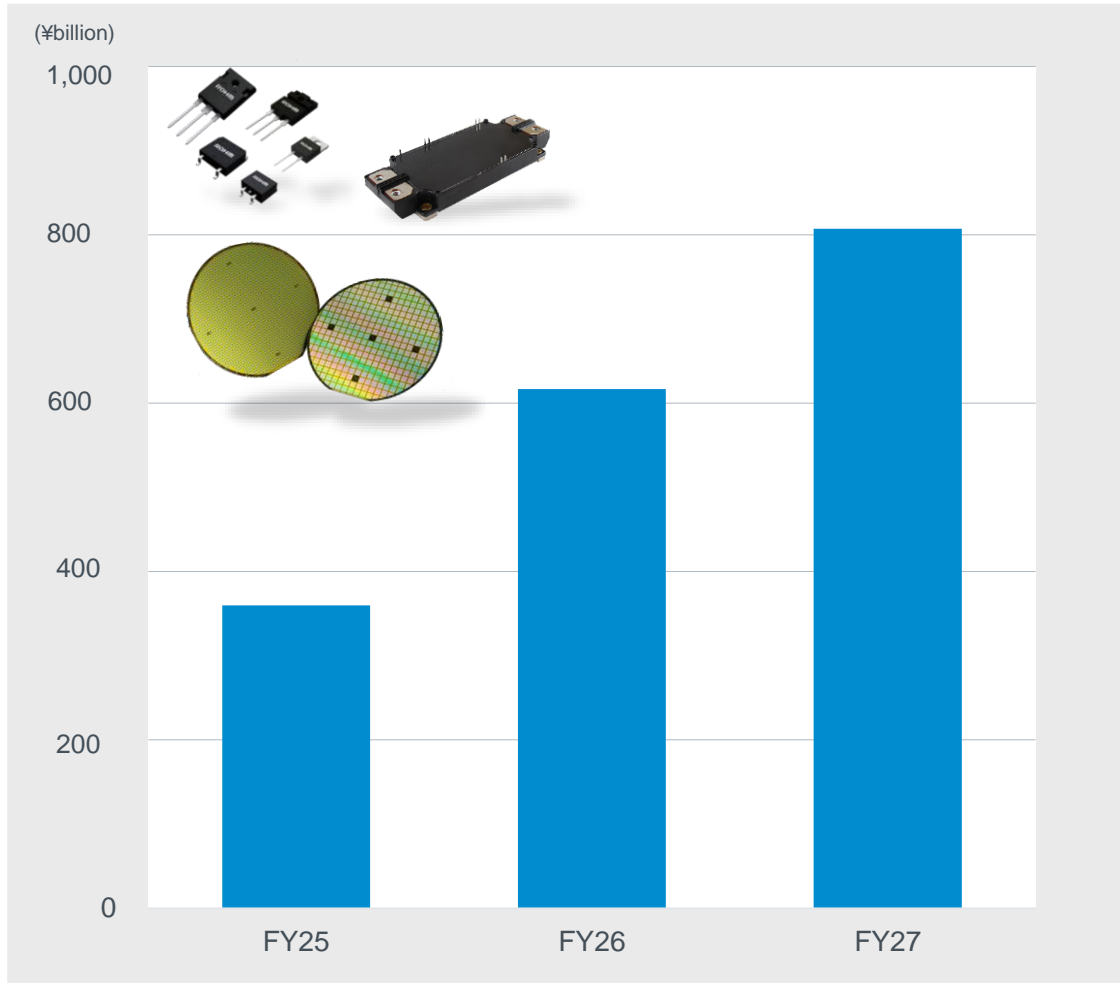
### SiC

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

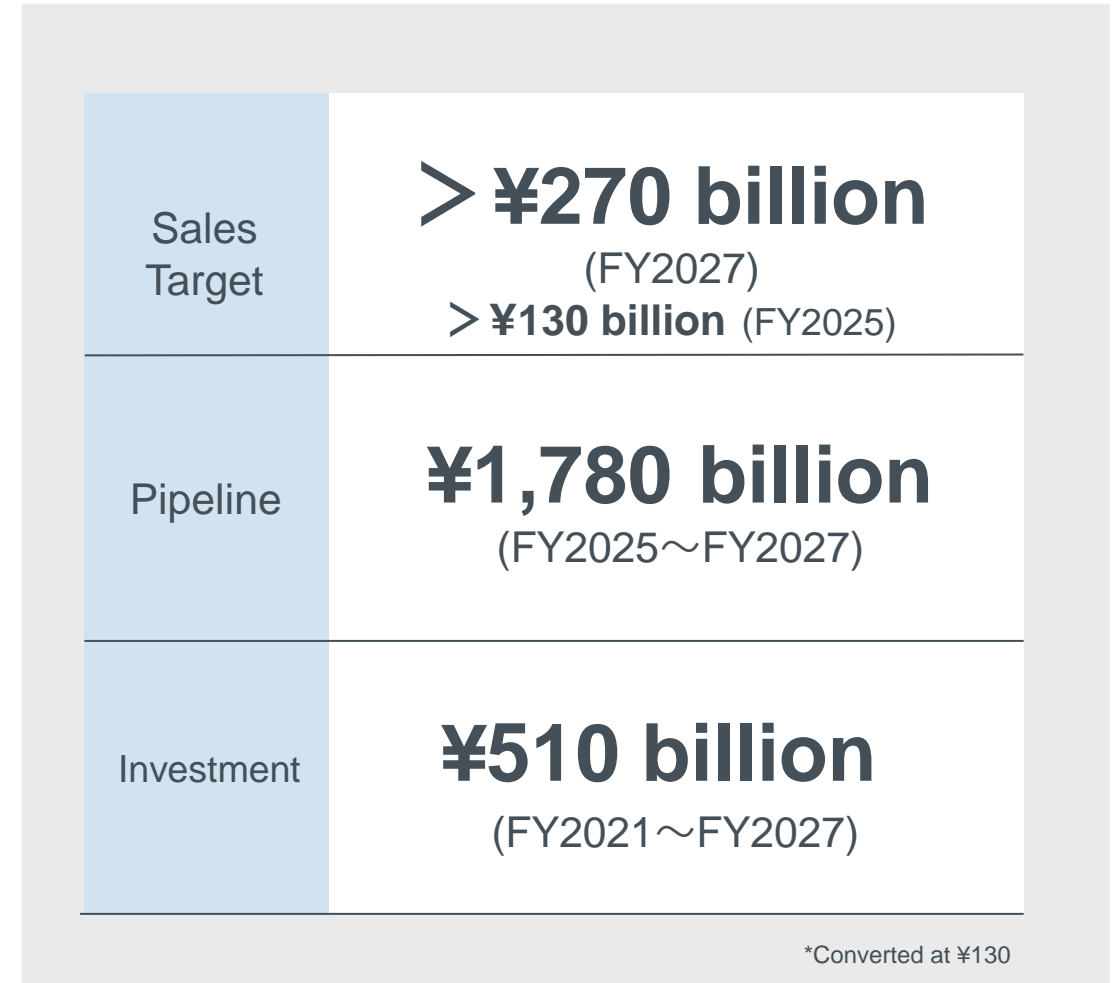
### GaN

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

## Pipeline of the SiC Business



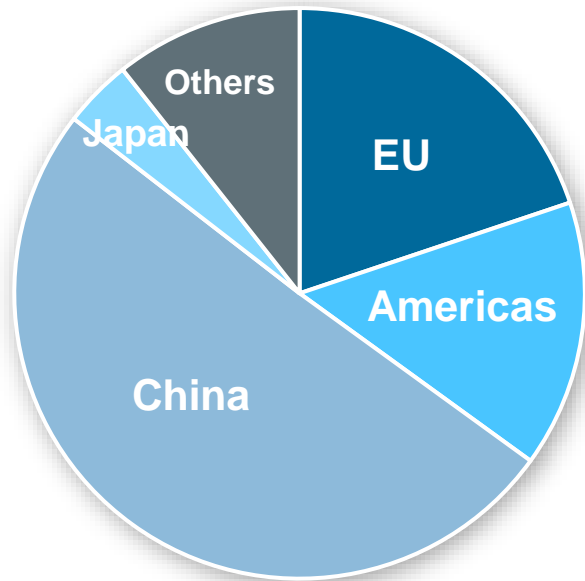
## Targets for the SiC Business



# SiC Pipeline: Breakdown by Region

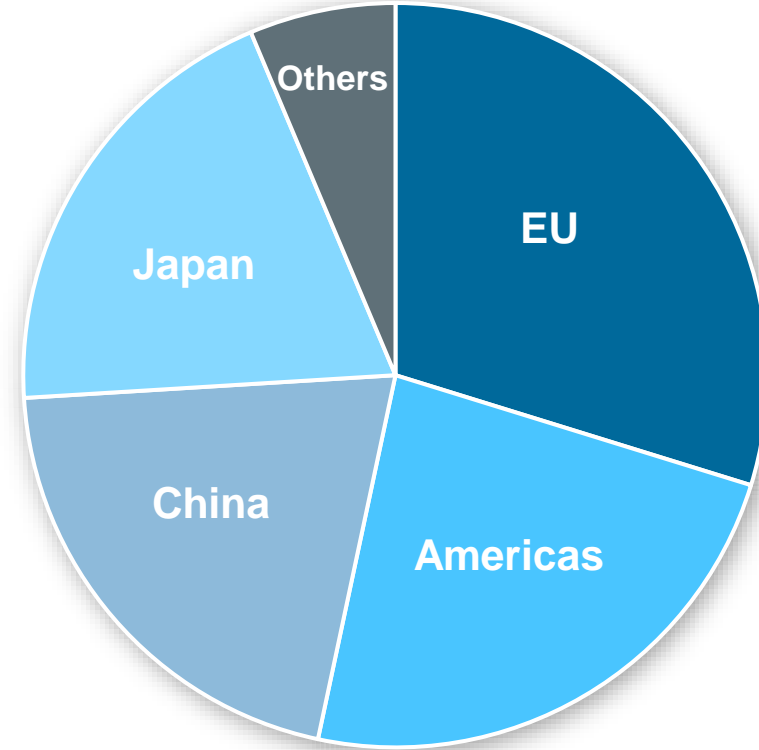
FY2023-FY2025 cumulative total

**¥630 billion**

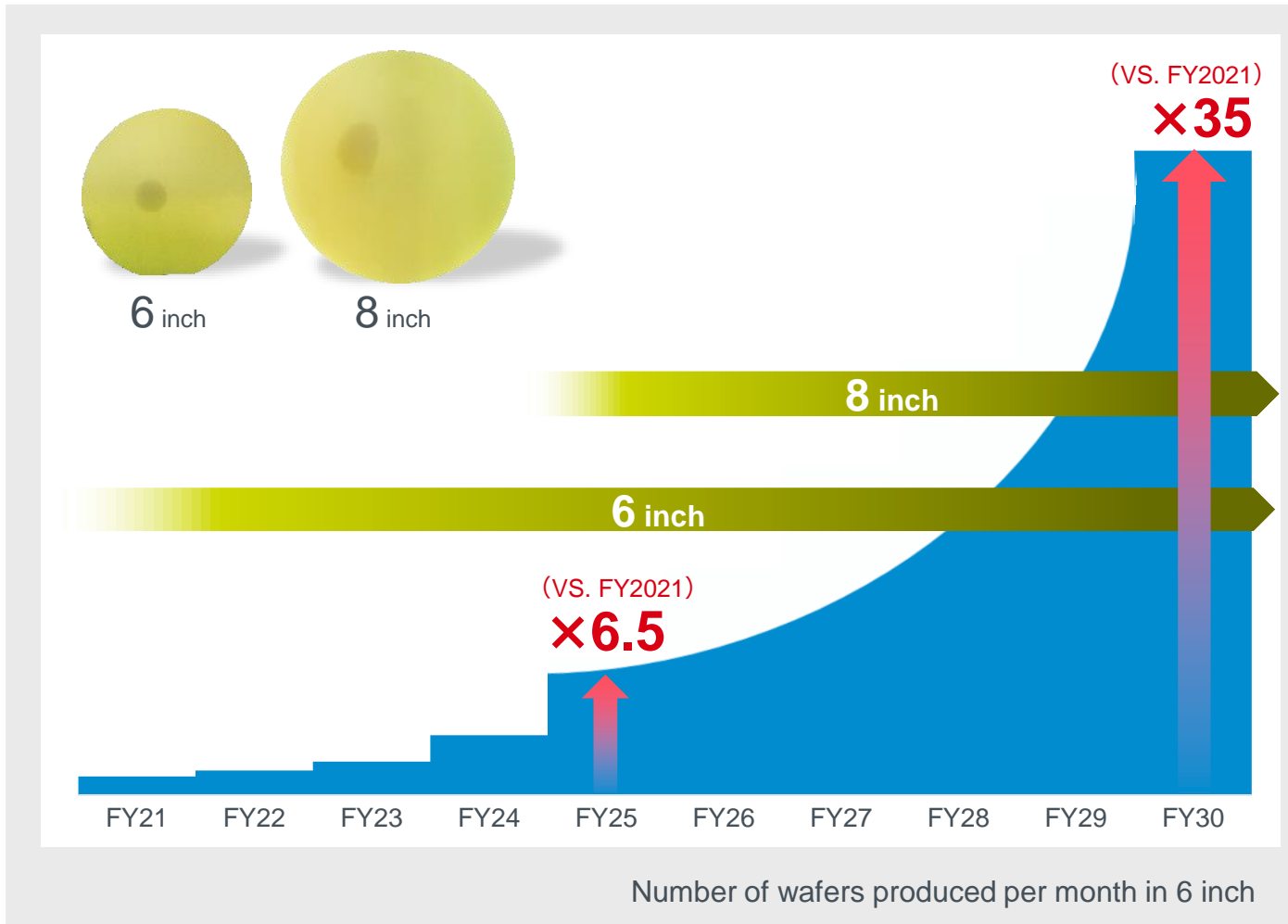


FY2025-FY2027 cumulative total

**¥1,780 billion**



## Capacity Expansion Plan of the SiC Business



To be determined

### 4<sup>th</sup> FAB

Under planning

NEW

Chikugo

### 3<sup>rd</sup> FAB

- Started mass production from December 2022

- Installing equipment capable of converting 6-inch wafers to 8-inch wafers



Miyazaki

### 2<sup>nd</sup> FAB

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



### <Note>

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

2. The forecasts for the fiscal year ending March 2023 are based upon the information which the company considers reasonable at this time. Actual results may differ considerably by the changes of environment and so forth.

### <Contact>

ROHM Co., LTD Investor Relations Division  
21, Saiin Mizosaki-cho, Ukyo-ku Kyoto 615-8585 Japan  
E-mail : [ir@rohm.co.jp](mailto:ir@rohm.co.jp)





Electronics for the Future