

ROHM Co., Ltd. FY2025 Half-Year Financial Results + Medium-Term Management Plan Presentation Q&A

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| No.1 | Q. | Regarding operating profit, subtracting 1H results from the full-year forecast reveals a projected loss for 2H. While rising gold prices are cited as one factor, how exactly are they related? |
| | A. | Many products, particularly automotive ICs, use significant amounts of gold. Initial earnings forecasts assumed a gold price of ¥13,000 per gram, but current prices have reached ¥20,000 per gram, squeezing profit margins. The impact is expected to be greater in 2H compared to 1H. Since we tend to use more gold than competitors, we are advancing countermeasures such as substituting with alternative materials and passing on price increases. |
| No.2 | Q. | Regarding the replacement of gold with alternative materials, will the impact of rising gold prices be resolved next year? |
| | A. | We are currently supplying samples of substitute products made with alternative materials and are receiving evaluations and approvals from customers. For customers who choose not to switch from conventional gold products, we will minimize impact by raising prices. |
| No.3 | Q. | Sales in 2H are projected to decrease by approximately ¥28 billion compared to 1H. What is the background for this? |
| | A. | Sales for amusement applications in the consumer electronics market are expected to decline due to seasonal factors, as they typically peak from July to September. Additionally, demand for white goods such as air conditioners, which performed well in China during 1H, is weakening in 2H due to demand being pulled forward by subsidies. The automotive market is also showing signs of stalling in its recovery. |
| No.4 | Q. | What is included in the ¥95 billion listed under “Proceeds from sale and redemption of short-term and long-term investment securities” in the interim consolidated cash flow statement? |
| | A. | They are proceeds from the redemption of ¥95 billion of the ¥200 billion in preferred stock related to Toshiba. Negotiations regarding collaboration with Toshiba have not been suspended and are ongoing. |
| No.5 | Q. | Regarding the measures outlined on P.19 “Roadmap to Achieving ¥100 Billion in Operating Profit” in the briefing materials, when will each of the profit improvement amounts show? |
| | A. | The effects of profitability improvement in the SiC business and ongoing manufacturing site reorganization from the previous fiscal year will materialize according to the timing of each elimination/consolidation, as we are considering reorganization across multiple sites. The effects will be realized in the latter half of the Medium-Term Management Plan period. Manufacturing cost reductions, procurement cost optimization, price optimization, and business efficiency improvements will yield annual effects as we will brush up on daily actions. Sales growth is conservative due to its dependence on external factors. |
| No.6 | Q. | What's the latest on the SiC market situation? |
| | A. | Sales for traction inverters were projected to grow by +50% YoY, and progress is on track. As shown on P.26 “Update on Business for Traction Inverters” in the briefing materials, the number |

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| | <p>of orders secured for inverters in FY28 is expected to be approximately triple that of FY25, with a higher degree of certainty compared to six months ago. The growth rate of BEV units in the market also shows an upward trend, increasing from an annual +8~9% in 2024 to over +35% in 2025. Final approvals for 5th Gen. devices are progressing, and substrate quality has significantly improved over the past year, with 8-inch quality now exceeding that of 6-inch substrates.</p> |
| No.7 | <p>Q. What is the price outlook for SiC?</p> <p>A. While substrate prices have declined, this is within expectations. However, Chinese manufacturers have begun aggressive pricing for devices as well. We will closely monitor competitors' moves while pursuing further cost reductions.</p> |
| No.8 | <p>Q. What is the latest forecast for SiC sales this fiscal year?</p> <p>A. The initial plan targeted over ¥40 billion annually, but sales are now expected to exceed that. Depending on circumstances, sales could reach the upper ¥40 billion range.</p> |
| No.9 | <p>Q. Regarding the measures outlined on P.27 “Efforts to Achieve Profitability in the SiC Business” in the briefing materials, at what point in time can each be realized?</p> <p>A. For substrate business improvements, the main focus is yield improvement, with effects materializing at a steady pace. For device improvements, yield gains are anticipated through device generation upgrades (4th Gen. → 5th Gen.), with effects becoming apparent when the 5th Gen. contributes to sales. Samples of 5th Gen. devices have already begun shipping, with mass production scheduled to start next year. Regarding sales growth, we maintain a conservative outlook similar to overall company sales projections. However, we anticipate annual sales exceeding ¥70 billion by FY28, with the potential for accelerated growth depending on market conditions.</p> |
| No.10 | <p>Q. How was the ¥70 billion figure for FY28 SiC sales calculated?</p> <p>A. We conservatively estimated this figure by forecasting EV market growth and each OEM's market share, limiting the projection to products already confirmed for adoption at this time. Some projects are not included in the FY28 graph, and we continue to expand sales and development to achieve higher results.</p> |
| No.11 | <p>Q. What is the level of capital expenditure for SiC-related projects from FY26 onwards?</p> <p>A. As stated on P.20 “Capital Policy” in the briefing materials, the company’s total annual capital expenditure is expected to be around ¥50 billion, with a significant portion allocated to SiC. The policy of reducing capital expenditure has remained unchanged for the past six months.</p> |