Electronics for the Future

# ROHM Integrated Report 2025

ROHM Co., Ltd.

https://www.rohm.com

Note : This report is a translation of the Japanese integrated report. 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.

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**Editorial Policy**

ROHM's integrated report is positioned as an important communication tool with all stakeholders, including shareholders and investors. We publish the report with the aim of deepening understanding of our unique business model and efforts to continuously increase corporate value.

In the 2025 edition, taking into account the current challenging business environment and the fact that we expect to fall short of the targets of the first Medium-Term Management Plan, we review the major strategies that have been implemented to date and introduce our efforts to transform, including structural reforms and organizational restructuring, aimed at restoring business performance under the new management structure.

This year, we have also added a new page, "Determination to Achieve Our Goals," to clearly demonstrate management's strong resolve and determination toward restructuring. This page provides a deeper understanding of the vision ROHM has for the future and how we will move toward it.

ROHM will continue to strive for sustainable growth while valuing two-way dialogue with stakeholders. We hope that this report will help deepen your understanding of ROHM's value creation story.

**Reporting Period**

Fiscal year 2024 (April 1, 2024 to March 31, 2025) *Some information from April 2025 and after is included.

**Data Published**

November 2025

**Guidelines Used for Reference**

IFRS Foundation Integrated Reporting Framework
Ministry of Economy, Trade and Industry Guidance for Collaborative Value Creation

## The Role of the Integrated Report

This report contains the information of greatest relevance to the ROHM value creation story. For detailed information on our products and our businesses, please visit our website.

**ROHM Integrated Report**

**Financial information (Investor relations)**
Earnings release materials, performance trends, and others
https://www.rohm.com/ir

**Non-financial information (Sustainability)**
CSV initiatives, business foundations, other topics
https://www.rohm.com/sustainability

## Publications

**ROHM Group Integrated Report**
We compile and publish financial and non-financial information of particular importance that directly relates to the enhancement of corporate value.
https://www.rohm.com/investor-relations/library/rohm-group-integrated-report

**Securities Report/Quarterly Reports (In Japanese only)**
We provide a variety of information, including an overview of business, status of facilities, and financial position.
https://www.rohm.co.jp/ir/library/annual-interim-securities-business-report

**Materials for Financial Results Briefing**
We publish the details announced at financial results briefings and explanatory materials on the Medium-Term Management Plan.
https://www.rohm.com/ir/library/materials-for-financial-results-briefing

**Sustainability Report**
We publish this report to summarize ROHM's initiatives toward realizing a sustainable society.
https://www.rohm.com/sustainability/download

**Corporate Governance Report**
We publish a report describing our basic approach to corporate governance and the status of the system.
https://www.rohm.com/sustainability/foundation/governance/report

## Corporate Website

**Corporate Website (Main page)**
This page contains a variety of information on our company including corporate data, information on sustainability, and information on our R&D.
https://www.rohm.com/company

**Information for Shareholders / Investors**
This page includes information of interest to investors including a summary information on recent business performance, share information, and other information.
https://www.rohm.com/ir

**Sustainability**
We post CSR information, such as CSV initiatives, environmental management, human capital management, and social contribution activities.
https://www.rohm.com/sustainability

**ROHM Group Major ESG Data**
We post data related to the environment, society, and governance.
https://rohm.com/sustainability/esg

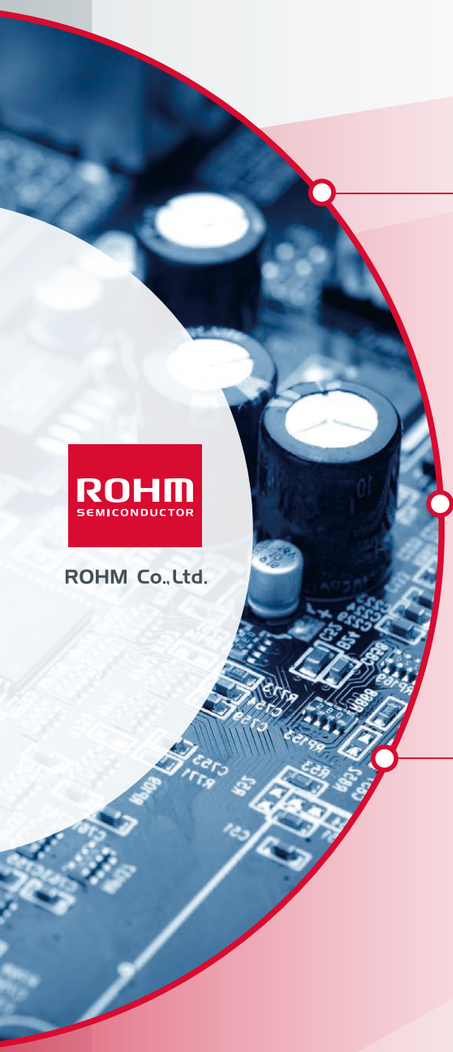
**Note on nomenclature**

Company names in this report are used as follows:
"ROHM" refers to the consolidated entity consisting of ROHM Co., Ltd. and all of its consolidated subsidiaries.
"Non-consolidated," "Head Office" refers to ROHM Co., Ltd. as a non-consolidated entity.

Terms marked with an asterisk (*) in this report are explained in the glossary on page 91.

# Company Mission and Vision

Since its founding, ROHM has consistently worked to deliver on its unchanging Company Mission: to contribute to the advancement and progress of culture through a consistent supply of high-quality products and manufacturing. And now, ROHM is conducting its business activities based on our Statement and Management Vision that put that Mission into even more concrete form.
In FY2021, we formulated a Medium-Term Management Plan by backcasting from our vision of dramatic growth 10 years from now. In formulating our strategy, we identified material issues as the key management issues that ROHM must resolve, and identified the associated risks and opportunities. We have been pursuing business activities with the aim of becoming a major global player, but in light of the major changes in society and the business environment in recent years, we are currently formulating a new Medium-Term Management Plan.



ROHM SEMICONDUCTOR

ROHM Co.,Ltd.

## Company Mission

Quality is our top priority at all times. Our objective is to contribute to the advancement and progress of culture through a consistent supply, under all circumstances, of high quality products in large volumes to the global market.

## Our Statement

### Electronics for the Future

ROHM will continue to support the development of society and the enrichment of people's lives into the future by solving a variety of social issues with our electronics technology.

## Management Vision

We focus on power and analog solutions and solve social problems by contributing to our customers' needs for "energy savings" and "miniaturization" of their products.

### Origin of the company name

The company name of ROHM, a semiconductor manufacturer, combines "R" the first letter of our original main product, resistors, with the unit for resistance "ohm." The "R" also stands for Reliability, signifying ROHM's corporate policy of Quality First.

## Material Issues Risks and Opportunities

▶ P.28-31

## 2025 Medium-Term Management Plan

"MOVING FORWARD to 2025"

Achieve growth in "automotive segments" and "markets outside Japan" and build a foundation for further growth

▶ P.12

## NEXT PLAN

"MOVING FORWARD to 2028"

(Tentative name)

Building a management foundation that is resilient to market fluctuations

▶ P.12

## Future 203X

# Aiming to be a company with a global presence

Based on our performance in FY2024, we are prioritizing improving profitability and are implementing reforms aimed at building a business foundation that is resilient to market fluctuations. To this end, we have temporarily reconsidered our previous goal of becoming a "major global player," and have set our primary goal as transforming into a corporate structure that can generate sustainable profits.

Meanwhile, in the long term, there is no change to our policy of aiming to be among the world's top 10 in the fields of power and analog semiconductors. We want to become a company that occupies a solid presence not only in Japan but also in the global market.

# At a Glance

**ROHM offers a wide range of products, from ICs and discrete semiconductor devices to modules and resistors, but ROHM focuses primarily on power and analog semiconductors, which capitalize on the company's vertical integration as an integrated device manufacturer (IDM*). Society and customers have ever-higher expectations that such semiconductors will play a key role in the drive for decarbonization and energy saving, and we foresee that the demand for them will continue to grow due to progress of electrification, especially in the automotive market. ROHM will continue to develop and offer power and analog devices to satisfy these needs, and will contribute to solving social problems by helping its customers for energy savings and miniaturization of their products.**

## ROHM's Focus Areas: Power and Analog Technologies

### Power

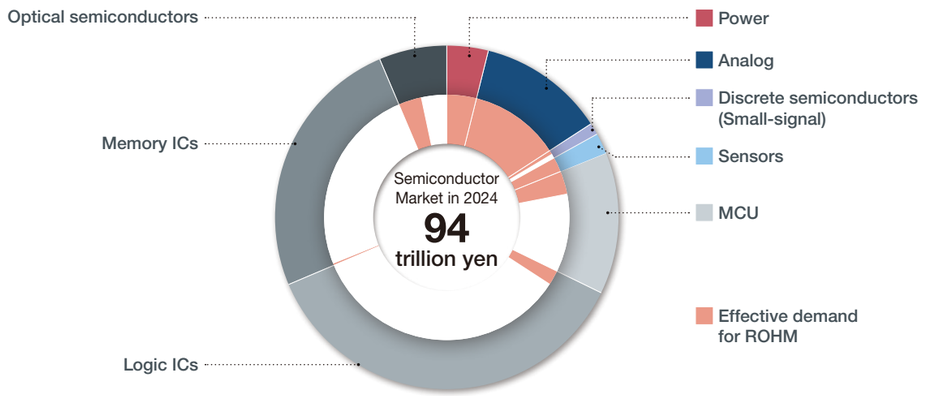
Silicon carbide (SiC) power devices can achieve significantly lower loss and miniaturization compared to conventional silicon (Si) semiconductors. Amid ever-growing needs for energy savings, ROHM has been a global pioneer in the development and enhancement of its SiC power devices lineup, which has been broadly adopted in a range of applications, especially in the automotive and industrial equipment markets.

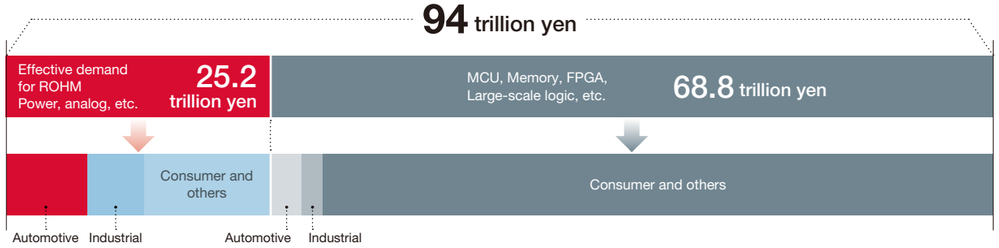
We will continue to propose optimal power solutions to our customers by integrating our device development and module technologies, not only for SiC power devices, but also for conventional Si power devices and other electronic components.

### Analog

Analog technologies are elemental technologies that process continuously changing information as electrical signals. These are widely applied to power supply control circuits that support the stable operation of electronic equipment, motors, and more. Electronic equipment demand will continue its dramatic growth, including the use of data through IoT and artificial intelligence (AI) and the expansion of autonomous driving. The analog semiconductors used in this equipment are expected to achieve even higher performance, energy savings, and miniaturization. ROHM is able to meet customer needs through optimal designs by engineers with expertise in analog technology, and its advanced elemental and integral technologies cultivated over many years.

Market size of ROHM's target: power and analog (effective demand for ROHM)




Source: Calculated by ROHM based on Omdia data *Exchange rate $1=¥140

## ROHM's Position Power & analog device manufacturers ranked by share of worldwide sales (2024)

ROHM touts the goal of becoming one of the top 10 global companies in the power and analog semiconductor fields. The whole company will unite to become a company with a firm presence not only in Japan but also for global customers.

(Millions of U.S. dollars)

| 2024 Rank | 2023 Rank | Company Name | 2024 Sales | 2023 Sales | '23-'24 Growth | 2024 Share |
|---|---|---|---|---|---|---|
| 1 | 1 | Texas Instruments | 12,099 | 12,916 | -6.3% | 11.3% |
| 2 | 4 | Qualcomm | 8,794 | 8,067 | 9.0% | 8.2% |
| 3 | 3 | Infineon Technologies | 8,518 | 9,535 | -10.7% | 7.9% |
| 4 | 2 | Analog Devices | 8,469 | 10,837 | -21.9% | 7.9% |
| 5 | 5 | STMicroelectronics | 7,020 | 7,915 | -11.3% | 6.5% |
| 6 | 10 | MediaTek | 4,740 | 3,827 | 23.9% | 4.4% |
| 7 | 6 | onsemi | 4,696 | 5,311 | -11.6% | 4.4% |
| 8 | 7 | NXP | 4,383 | 4,313 | 1.6% | 4.1% |
| 9 | 8 | Renesas Electronics Corporation | 3,745 | 4,243 | -11.7% | 3.5% |
| 10 | 9 | Skyworks Solutions | 3,255 | 3,855 | -15.6% | 3.0% |
| 11 | 11 | Qorvo | 3,115 | 2,820 | 10.5% | 2.9% |
| 12 | 16 | Monolithic Power Systems | 2,207 | 1,821 | 21.2% | 2.1% |
| 13 | 13 | Marvell Technology Group | 2,106 | 1,965 | 7.2% | 2.0% |
| 14 | 12 | Broadcom Limited | 2,023 | 2,564 | -21.1% | 1.9% |
| 15 | 17 | Cirrus Logic | 1,789 | 1,741 | 2.8% | 1.7% |
| 16 | 15 | ROHM Semiconductor | 1,651 | 1,852 | -10.9% | 1.5% |
| 17 | 18 | Mitsubishi Electric | 1,634 | 1,703 | -4.1% | 1.5% |
| 18 | 20 | Robert Bosch | 1,286 | 1,306 | -1.5% | 1.2% |
| 19 | 19 | Fuji Electric | 1,282 | 1,427 | -10.2% | 1.2% |
| 20 | 26 | Hangzhou Silan Microelectronics | 1,209 | 1,009 | 19.8% | 1.1% |

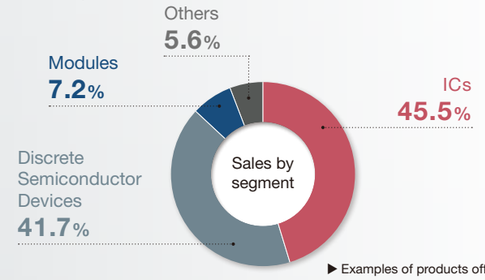
Source: Competitive Landscaping Tool CLT, Annual 2Q25

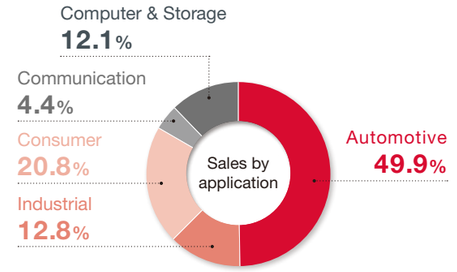
Power & Analog: Bipolar PT, FET PT, IGBT PT, Rectifier & Power Diodes, Thyristor, Amplifier/Comparator, Data Converters, Interface, Voltage Regulator/Reference, Analog ASIC, Analog ASSP

## FY2024 Results

**Net sales 448.4 billion yen**

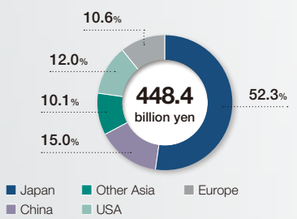
Sales composition



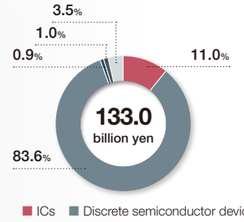




▶ Examples of products offered P. 20, 48

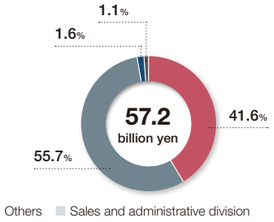
Sales by region




Capital expenditures




R&D expenses



# Message from the President

**Katsumi Azuma**
President
(Representative Director),
Chief Executive Officer



## We will carry out structural reforms toward a corporate culture that generates reasonable profit by returning to ROHM's strengths.

ROHM started work on reforms that would leave no stone unturned,
reflects on our past and the harsh performance results of FY2024.
We will uphold the principle of returning to ROHM's strengths, as well as emphasize the 3Ss,
"Speed," "Specialty," and "Severity," and aim to recover trust and
sustainable growth to rebuild our management structure.
Correctly apprehending market conditions, we will further enhance ROHM's strengths,
"manufacturing technology" and "customer service capabilities,"
to convert to a corporate culture that can steadily generate profit.

### Renewing our determination for reforms that will leave no stone unturned

In FY2024, ROHM faced harsh results such as falling into an operating deficit for the first time in 12 years, and our price book-value ratio (PBR) remained below one. The current circumstances also weigh heavily on me personally, as I have been involved in management as a director since 2013. I took over management responsibilities amid many challenges in a very difficult environment, but I am determined to work on reforms that will leave no stone unturned in order to regain ROHM's strengths.

It is no exaggeration to say that this poor performance, unlike the deficit of FY2012 that was caused by natural disasters such as flooding in Thailand, is a human-made disaster due to delays in management decisions. Looking back on the period of the Medium-Term Management Plan, demand for semiconductors increased rapidly beginning in the second half of 2021, and we achieved sales of over 500 billion yen for the first time in FY2022. As orders were still robust, we forged ahead with equipment orders and production expansion, but the market had already reached a turning point in November of the following year. Although we understood from previous experience that demand tends to fall when capacity expands, our decisions were overly optimistic, and we were late to adjust our production.

A backdrop to this was a fixation on the goals of the Medium-Term Management Plan formulated in 2021. Because we achieved our highest-ever sales in the first fiscal year of the Medium-Term Management Plan, we raised our goal straight to 600 billion yen and actively implemented capital expenditures focused on SiC power devices. There was disorder in the supply chain, including longer lead time for equipment orders, and we extremely regret that we did not respond appropriately to market conditions and fell behind on canceling facilities.

As a result, in addition to anxiety regarding future prospects for SiC power devices, ROE was low in contrast with the high equity ratio, leading to a low reputation due to matters such as ineffective use of capital, and our PBR remains below one. Furthermore, although dividend payouts are stable, we recognize that some people feel we are reluctant towards share buybacks and that shareholder returns are insufficient. We take it to heart that we must work to recover the trust of our stakeholders at all costs going forward.

### Striving for new growth based on management philosophies centered on our Company Mission

As top management, I would like to emphasize the implementation of our Company Mission, a management philosophy with an unbroken legacy at ROHM. In addition to our Company Mission, our three Basic Policies consisting of our Basic Management Policy, Basic Quality Assurance Policy, and Basic Policy for Education and Training, and our Basic Goals for Education and Training, were created by our founder Ken Sato immediately after our founding over 60 years ago, and not a single word has been changed since. I believe these writings are the compass for ROHM

to continue along the right path, and ROHM's management will not be led astray as long as we follow them.

I would like to particularly emphasize the mentality to "overcome any adversity and strive towards achieving targets" in our Basic Goals for Education and Training. The current circumstances are precisely this "adversity," but I think that we must always apply this way of thinking, even in ordinary times.

Another concept I value is to "proactively utilize methods of statistical control for all areas of company activities" in the Basic Quality Assurance Policy. By once again enforcing this thoroughly, ingraining it as part of the overall culture of the company, and actively adopting statistics and data analysis, we will eliminate waste in our business and strive for an elite structure. Statistics will be an asset in increasing precision in quality assurance and management decisions, and data analysis, including leveraging the quantum technologies on which we are currently collaborating with Quanmatic, will form the basis of optimizing our manufacturing processes.

## Rebuilding a new organizational culture by implementing the 3Ss

When I assumed office as President, I endorsed a "return to ROHM's strengths" as our management goal. I believe that the establishment of an organizational structure centered on the 3Ss, "Speed," "Speciality," and "Severity" is essential in driving reforms.

Unfortunately, ROHM today lacks a sense of speed in a variety of its decisions and actions. For example, there are multi-stage checks even in development, and productization has taken too long. We will work to revise decision-making processes and make development more efficient with simulations using digital technology to increase development speed in order to improve on this point. It is also necessary to enhance speciality in every division. We will clarify roles to refine expertise and enhance skills so that we can provide suggestions that anticipate our customers' technological advancement. The establishment of our Marketing Headquarters is a part of this measure, and we are building a market-oriented structure incorporating fresh perspectives and market sense. We will introduce a strictly results-oriented approach and build a structure to properly evaluate outcomes. I will take the lead myself to implement these 3Ss.

On the other hand, judging that we must start by recovering our performance, we will temporarily drop the goal of becoming a major global player and position a return to our profit-generating culture as the top priority goal during my presidency. We will therefore carry out reforms such as reviewing our business portfolio, reorganizing our plants, and optimizing our personnel.

## Linking ROHM's strengths to customer trust

I believe ROHM's strengths lie in our technical manufacturing capabilities and customer service capabilities.

The mass-production system via hoop lines* introduced right after I joined the company is a symbolic example of our manufacturing technology. This system was distinct from the traditional magazine-to-magazine system, highly productive, and so groundbreaking that it was even said that we could not show any customers our lines. I remember even now how the products manufactured on these lines sold with incredible momentum. This overwhelming productivity and improved traceability achieved both cost competitiveness and high quality, establishing a manufacturing system suited to the needs of the mass-production age. We had a late start, but we achieved the top share in the small signal transistors and the diodes market thanks to this technology.


A symbol of our customer service capabilities is our response to the two large natural disasters that happened in 2011, the Great East Japan Earthquake and flooding in Thailand. The Miyagi Plant of LAPIS Semiconductor Co., Ltd. damaged in the Great East Japan Earthquake, resumed operations in around three months thanks to employees' wisdom and ability to take action. In addition, ROHM Integrated Systems (Thailand) Co., Ltd., which suffered damage in the heavy flooding, brought its high-voltage lines to its second floor, which remained unsubmerged in spite of inundation that was 1.8m deep, and resumed manufacturing in one month. In this way, ROHM demonstrated capabilities that other companies could not easily imitate, grounded in our strong conviction to fulfill our supply responsibilities. That has also led to gaining deep trust from customers such as automobile manufacturers.

Our digital transistors combining a transistor and resistor on one chip, which ROHM was the first in the world to develop, are another product born from dialogue with customers and another example of our solid customer orientation leading to the creation of new value. However, since the COVID-19 pandemic, chances to visit customers directly have decreased, and it seems like that fierce motivation is slackening. We tend to suggest items that we can make in our current sales activities, but we need to take the approach of proposing ways that ROHM can contribute to technological advancement. I would like our employees in charge of sales to increase their speciality to polish their ability to make proposals that actively create new needs.

## Strengthening marketing and revising our development structure

In order to reform into a corporate culture that stably generates profit, it is necessary to create original products that other companies do not have or to continue releasing new products. The sales and product development divisions were responsible for the marketing functions for that purpose in the past, but that would not keep up with the speed of the current market. We therefore established the Marketing Headquarters as a specialized unit. The Marketing Headquarters is introducing perspectives from outside ROHM and market sense into our organization, quickly picking up on market trends, and creating a system to promote product development in line with competition and customers' latent needs.

We are also pouring efforts into using simulation technology to shorten production periods. For IC development, we have set the goal of shortening the period from development to introduction in the market by 30%, and we are strengthening our technology. Improving the precision of our initial samples will make it possible to reduce modification labor and time, and to launch products efficiently and quickly.

Our founder Ken Sato once asked, "Were prototypes of Tokyo Tower and the Seto Ohashi Bridge made in full size? Everything is verified by simulation. Why can't we do that?" We will once again bear those words in mind and work to accelerate our development.

We must also take a strict approach to the timing of our product launches. It is crucial to deliver fresh technology to the market while it is still fresh. Trailing behind our rivals will only prevent us from differentiating ourselves and cause us to fall into price competition. Going forward, we will switch to a development structure that emphasizes a sense of speed and build product lines that directly connect with improving our performance.

## A flexible response to the external environment and the creation of new opportunities

One factor that impacted our performance in FY2024 was the continuously precarious state of world affairs. This led to soaring electricity prices in Europe and also slowed down sales of electric vehicles (EVs). Furthermore, decreased interest in ESG resulted in yet another deceleration of investments in environmentally conscious products, and extremely harsh outside circumstances have continued for ROHM.

However, server demand has expanded rapidly due to the additional establishment of data centers caused by the progress of AI, presenting new growth opportunities for ROHM. We were selected by NVIDIA as one of their partners in 800V architecture for servers. Reliably responding to growth areas, in addition to the fields of industrial and automotive applications, is extremely important for ROHM's future.

As for geopolitical risks, regarding the tariff policy by the U.S. government, there is relatively little direct impact as

the amount of ROHM products exported to the U.S. is limited. Nevertheless, we are working to maintain a sustainable profit structure, securing profit by passing on costs to prices. On the other hand, a sense of uncertainty continues regarding indirect impact through foreign exchange rates and market conditions.

What needs closer attention is the rise in geopolitical tensions. If this is prolonged, it may become necessary to consider local-production-for-local-consumption models in each country where we sell our products.

Regarding EV-related demand, there is still room for expansion, such as autonomous driving which is highly compatible with EVs. Household power supplies in Japan and the U.S. is 100V, meaning the charging environment is limited, so infrastructure development is expected in the future.

We continue to seek collaboration with companies in Japan. We reached a basic agreement to establish a strategic partnership in the semiconductor field with DENSO in May 2025, and we will continue to strengthen collaboration going forward, particularly in development of analog ICs for vehicle electrification and intelligence. Meanwhile, the manufacturing collaboration for power semiconductors with Toshiba Electronic Devices & Storage is proceeding smoothly, with prototyping beginning in factories on both sides to fulfill the responsibility to supply to the global market. We are also currently continuing discussions on a business partnership with Toshiba's semiconductor business. We would like to continue careful discussions to choose what is best for ROHM amid significantly changing conditions in the semiconductor market. (See P. 53 for details.)

## Recovering trust and improving corporate value by rebuilding our financial foundation and enhancing dialogue capabilities

To recover trust on the stock market and improve corporate value, it is essential to strengthen our financial foundation and enforce accountability. ROHM's EBITDA fell to its lowest ever in FY2024, and getting back on track is one of the greatest challenges for management to recover trust.

Under these circumstances, feedback from outside the company called for installing an appropriate CFO, and ROHM also felt that was necessary. Therefore, we welcomed Peter Kenevan, who formerly participated in ROHM's management as an outside director, as the Chief Financial Officer. He not only has excellent knowledge in the field of finance, but also a proven track record nurtured through consulting for semiconductor-related companies during his time at McKinsey & Company. Furthermore, he is a valuable human resource with viewpoints from both inside and outside the company, who is well versed in global business as well as the situation in Japan.

I also believe that dialogue is important for regaining the trust of the stock market. We will further increase the quality and frequency of our IR activities to realize our accountability to investors. In addition to Peter Kenevan, who is in charge of finance, I myself also plan to increase opportunities for dialogue with everyone. We will work to improve capital efficiency and enhance dialogues with shareholders to improve our PBR.

At present, we are also revising our officer remuneration system. Our Director Remuneration Council is objectively and transparently discussing the appropriate balance of fixed remuneration and performance-linked remuneration from various perspectives, including the situation at other companies and the environment surrounding other companies. Going forward, we will further improve our commitment to attaining performance and sharing value with our shareholders by increasing the ratio of stock compensation. Among other measures, we are considering a 1:1 ratio of cash remuneration to stock remuneration for the President's remuneration, demonstrating my determination to take responsibility for management results.

## The human resource strategy to create ROHM's future

Strengthening human resources is essential to a company's sustainable growth. First, I would like to revise the remuneration structure to raise pay levels in order to secure excellent human resources. Then, it is important for individual employees to experience their own growth in order to show their abilities. By appropriately providing opportunities for job rotation, promotions, and education, we will arrange a system where employees not only grow but also feel that they are useful in society.

I would also like to create an environment that supports independence and taking on challenges for young employees, such as establishing sections for young employees only, so that these employees can work on topics freely. Furthermore, we will delegate authority to young employees and place them in management positions, and I hope that their new ideas and points of view will be adopted in management.

As for education, I would like to enrich our system for studying statistics, accounting, and foreign languages. This started when I called out to employees to "be the most outstanding in the ROHM Group" when I was President of ROHM Apollo Co., Ltd. I hope through these efforts that our employees will become human resources who can succeed inside and outside the company, with confidence and competency. Furthermore, the use of IT, in particular AI, will be indispensable in the future. We will increase individual productivity and improve corporate competitiveness by providing opportunities for training and practice to cultivate the ability to use high technology, including AI, and having all employees acquire this knowledge and apply it to business.

Finally, we will develop a structure to accurately evaluate results. While we will properly reward employees who produce good results, we will not negatively evaluate employees who fail because they take on challenges, thereby building an environment where employees can take on challenges without fear of failure.

## Outlook toward the next Medium-Term Management Plan

We are now discussing our next Medium-Term Management Plan within the company. The plan aims to be able to convert to a culture that can respond to any kind of change in market conditions and can generate profit sustainably. We must therefore proceed with radical structural reforms, including rebuilding our business portfolio, reorganizing our plants, and appropriately stationing employees. This can be likened to crouching before jumping: our top priority is to pursue an improvement in profit margin, even if that means scaling down temporarily. The timing and scale of capital expenditures are extremely important in the semiconductor field, which is part of the facilities industry, and this is not viable without a culture that generates profit.

The semiconductor market in 2025 is expected to be on par with that of the last fiscal year. Against this backdrop, ROHM will focus on optical devices used in sensing, such as laser diodes used in LiDAR that are essential to autonomous driving, in addition to analog semiconductors and power semiconductors. We will establish value unique to ROHM in this field in the future. As development speed will be the key to growth in these areas, collaboration with other companies and M&As will also be considered as options.

In addition, regarding R&D, we will not extend existing products but set the development ratio of new product lineups at 70%, linking this to the creation of a new business that will become our next sales pillar.

## To further solidify relationships of trust with our stakeholders

In our Basic Management Policy, it is written to "Secure reasonable profit through a concerted company-wide effort for a comprehensive quality assurance program." First of all, I believe implementing this is my greatest mission, and I would like to return quickly to a corporate culture with a 20% profit margin. To do this, I think my term of office is a maximum of six years, and ideally, I would like to pass the role of President to my successor at the end of the next Medium-Term Management Plan.

Securing reasonable profit is a starting point since our founding, and it can be said to be a guidepost toward the future. To achieve this, we will carry out structural reforms and forge a company that can continue generating profit no matter how market conditions change. Furthermore, I intend to increase our product appeal with a focus on power, analog, and optical devices, and to transform into a company that is an indispensable presence on the global market.

I believe that the steps to achieving that presence will be the cornerstone of building trust with everyone. I thank you all sincerely for your unwavering understanding and support.

September 2025
President
(Representative Director),
Chief Executive Officer

# Medium-Term Management Plan and Structural Reforms to Improve Profitability

**ROHM grew dramatically with the rise of the IT industry in the 1990s, but our performance struggled when the collapse of the IT bubble in 2000 upended the business environment. We were further buffeted by crises including the global financial crisis, the Great East Japan Earthquake, and flooding in Thailand, and we fell into an operating deficit as sales dropped below 300 billion yen in FY2012. Since then, we have continuously tackled reforms aimed at flexibly adapting to market changes and achieving steady growth.**

**However, since FY2023, a challenging situation has persisted due to deteriorating market conditions and other factors. Despite FY2025 marking the final year of our Medium-Term Management Plan, we expect that none of our financial goals will be achieved. Presently, we are implementing fundamental structural reforms in order to build a stronger management foundation.**

## The positioning and a recap of our Medium-Term Management Plan

"MOVING FORWARD to 2025," our first Medium-Term Management Plan announced in FY2021, is a five-year plan for building a solid management foundation that will achieve growth in the automotive market and markets outside of Japan, with a view toward dramatic growth as we approach FY2030. In the plan's first year, semiconductor demand surged to unprecedented levels largely in response to the new normal triggered by the novel coronavirus (COVID-19), leading to significant supply chain disruptions exemplified by a global semiconductor shortage. Based on such circumstances, we revised the plan, and in May 2022, the plan's second year, we partially raised our financial goals for the final year. However, from the third year onward, due in part to a backlash from what came before that, we were beset by a sudden slowdown in demand that included the prolonging of inventory adjustments, and as such expect to meet none of our financial goals. Note that we have achieved a certain level of results and are making steady progress with respect to non-financial ESG-related goals.

Medium-Term Management Plan
https://www.rohm.com/company/about/philosophy/mediumterm-management-plan

## Progress of the Medium-Term Management Plan

Financial Goals

| | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 (plan) | Medium-term targets |
|---|---|---|---|---|---|---|
| Net sales | 452.1 billion yen | 507.8 billion yen | 467.7 billion yen | 448.4 billion yen | 440.0 billion yen | 600.0 billion yen or more |
| Operating profit | 15.8% | 18.2% | 9.3% | (8.9)% | 0.9% | 20% or more |
| ROE | 8.3% | 9.2% | 5.7% | (5.4)% | 0.8% | 9% or more |
| Overseas customer sales ratio | 40.2% | 43.1% | 44.1% | 47.7% | 46.7% | 50% or more |

Non-Financial Goals

| | FY2021 | FY2022 | FY2023 | FY2024 | Medium-term targets |
|---|---|---|---|---|---|
| GHG emissions (vs. FY2018 levels) | 6.2% reduction | 21.8% reduction | 34.9% reduction | 42.2% reduction | 50.5% reduction*1 |
| Renewable energy implementation ratio | 7.0% | 24.0% | 43.0% | 45.7% | 100%*2 |
| Global female manager ratio | 10.7% | 12.6% | 13.0% | 13.8% | 15%*3 |
| Head office executives who are female and/or foreign nationals | 23.0% | 23.0% | 23.0% | 21.0% | 10%*3 |

*1 FY2030 target *2 FY2050 target *3 FY2025 target

### Achieve growth in "automotive market" and "markets outside of Japan" and build a foundation for further growth

- In addition to the decline in effective demand that was initially expected, failure to achieve share targets also had significant impact
- Effective demand for "automotive" and "power devices" was higher than expected, and we chose the right markets and products to focus on
- Automotive sales grew, but industrial equipment were sluggish
- Although sales ratio outside Japan increased, mainly in power devices, that of others centered around ICs were sluggish, and company-wide sales ratio outside Japan fell short of the target
- SiC devices did not reach share target due to current slowdown in BEV market and changes in competitive environment
- Profitability and asset efficiency deteriorated due to delayed response to market changes, excessive capital investment, and inventory levels

ESG Initiatives

| | | |
|---|---|---|
| E | Environment | ■ Climate change initiatives progressing favorably against plan<br>■ Water recovery and reuse rate improved by 4.6% vs FY2019 |
| S | Society | ■ Implemented Group-wide employee engagement survey<br>■ Enhanced HR policies/systems supporting diverse work styles |
| G | Governance | ■ Introduced stock compensation system linked to Medium-Term Management Plan for executive directors<br>■ Ratio of outside directors exceeded half at the end of June 2025 |

## Structural Reforms to Improve Profitability

Regarding operating conditions during the Medium-Term Management Plan, while the markets that merited our focus and our product selection were correct, as a whole, we were slow to respond to market changes and ended up with excessive capital expenditure and inventory. This resulted in deteriorated profitability and asset efficiency. To fundamentally improve this situation, we started by positioning the period from FY2025 to FY2027 as a structural reform period, and are currently pursuing the establishment of a business foundation resilient to fluctuations in market conditions.

Furthermore, we are devising our second Medium-Term Management Plan centered on "return to ROHM's strengths."

- Start building a business foundation resilient to market fluctuations, positioning FY25 to FY27 as period for structural reforms
- Currently planning **2nd Medium-Term Management Plan** based on "return to ROHM's strengths"

Profitability improvement outside of sales growth

| | | | Contribution to profit improvement vs FY2024 (¥ billion) | |
|---|---|---|---|---|
| | | | FY2025 | FY2028 |
| Reorganization of manufacturing sites Partial shift from IDM | Fixed cost reduction | Consolidation of manufacturing lines and sites | 1.0 | >10.0 |
| Capital expenditure reduction | Depreciation reduction | Reviewed SiC investment plan and changed accounting method to conform to the business environment | 20.0 | |
| Optimization of the number of personnel | Labor cost reduction | Implemented voluntary retirement in March 2025 | 2.0 | |
| Price optimization | Gross profit increase | Inflation cost price passed on to price, unprofitable products replaced with new products | 4.0 | |
| | | Total | 27.0 | >36.0 |

### Reorganization of manufacturing sites, partial shift from IDM

We have long developed our business with our proprietary production technologies as a strength. However, the rapidly changing business environment in recent years has prompted us to make the decision to partially withdraw from our vertically integrated device manufacturing (IDM) business model to maintain stable profitability no matter what conditions we find ourselves in. We will maintain the basic policy of our IDM structure, but will simultaneously actively utilize foundries and Outsourced Semiconductor Assembly and Test (OSAT*) manufacturers for products that lack technological uniqueness and will not lead to future technological innovation, and will proceed to establish a structure capable of flexibly responding to fluctuations in demand.

Additionally, in order to normalize bloated fixed costs, we are also working on restructuring our domestic and overseas manufacturing sites, and we have exited the silicon wafer business as of March 2025. We anticipate this will result in a year-on-year improvement in profit by roughly 1 billion yen in FY2025. Our policy is to continue optimization and consolidation of manufacturing lines and sites. Through these measures, we aim to achieve an improvement in profit of 10 billion yen or more in FY2028 compared to FY2024.

We will proceed to achieve medium- to long-term growth by leveraging our advantage in IDM while also collaborating with external parties.

▶ Discussion: The IDM ROHM Aims to Be P.36

### Capital expenditure reduction

Anticipating growth in the electric vehicle (BEV) market, ROHM has made aggressive capital investments, primarily in its SiC business. However, against the backdrop of subsidies from various national governments being reduced, demand coming full circle, and other factors, BEV market growth has fallen below initial projections, resulting in a situation in which we overinvested. Based on this situation, we have revised our capital expenditure plan downwards from the cumulative amount of 280 billion yen for the period from FY2025 through FY2027, which we announced in May 2023, to 150 billion yen. Furthermore, as part of revising accounting processes into those that align with our business environment, we changed the depreciation method for capital expenditures from the previous declining balance method to the straight-line method.

Going forward, we will make flexible investment decisions in accordance with market conditions and demand trends and control depreciation expenses to realize high profitability.

### Optimization of the number of personnel

Amid a challenging business environment, we are working to optimize headcount for the purpose of allocating management resources optimally and improving profitability. In March 2025, we implemented a voluntary retirement program at our head office that targeted roughly 200 employees. In the future, we will keep on optimizing our personnel structure on an ongoing basis by restructuring our manufacturing sites and reviewing our business portfolio. Headcount optimization is not simply a cost-cutting measure. It is an initiative to enhance ROHM's overall competitiveness by reassigning talent to growth areas and boosting operational efficiency. ROHM will proceed to promote the creation of an organization resilient to change while respecting the value of human resources.

### Price optimization

To accommodate cost increases due to factors such as surging metal prices, we are pushing forward with the normalization of prices and a reviewing our product portfolio. We are in the middle of discussion with customers regarding ways to respond, including passing on the cost of inflation, replacing unprofitable products with new ones, and discontinuing products as necessary. We will continue to promote pricing strategies to ensure reasonable profit.

# Determination to Achieve Our Goals

**ROHM views our first operating loss in 12 years as a turning point for future growth and is undertaking structural reforms. The Executive Officers spearheading these reforms have engraved their mission and responsibility in their hearts, demonstrating to all stakeholders their strong determination to drive these changes forward.**

## Katsumi Azuma

President
(Representative Director),
Chief Executive Officer

▶ P.6-11

### Accomplishing reforms by "returning to ROHM's strengths"

Since assuming the post of President, I have initiated structural reforms, that leave no stone unturned, to improve and evolve our management constitution. My mission is to restore ROHM to a company that flexibly responds to any changes in market conditions and continues to secure reasonable profit. With "returning to ROHM's strengths" as our slogan, we are also pushing forward with the rebuilding of our corporate culture. To restore trust and achieve sustainable growth, we will accomplish these reforms with speed and determination in accordance with our Company Mission.

## Kazuhide Ino

Member of the Board,
Managing Executive Officer,
Power Devices Business

▶ P.50-52

### Making power devices the foundation of our earnings

Our Power Device Business will enhance its marketing perspective with customer service capabilities as its core strength, and will improve profitability through sales growth with new products, larger wafer diameters, and the introduction of new device generations. We will formulate optimal growth strategies based on the material characteristics of discrete semiconductor devices, enhance our competitiveness by elevating development speed, and steadily promote the establishment of a sustainable earnings foundation.

## Motohiro Ando

Executive Officer,
Director of Corporate Strategy
Headquarters

### Leading efforts to improve profitability and put us on a trajectory to renewed growth

As the flag-bearer of structural reforms and our new Medium-Term Management Plan, I will engage in project planning, progress management, and IR activities while being mindful of company-wide optimization and do my part to elevate the speed and quality of management decisions. Additionally, I will serve as an internal and external hub that incorporates investor and customer expectations into management decisions, effectively generate positive outcomes that lead to enhanced corporate value while eliciting mutual understanding, and guide ROHM toward its renewed growth.

## Sumihiro Takashima

Executive Officer,
Director of Marketing
Headquarters

### Engineering transformation through marketing

As head of the newly established Marketing Headquarters, my role is to form an accurate grasp of market and competitor trends and tie it into business strategies and product planning. In addition to clarifying segments of focus and shifting toward products with higher unit prices, I will also promote the enhancement of solution proposals and sales support, and commit to changing mindsets and transforming behavior with a view to realizing a business structure with high profit margins.

## Tetsuo Tateishi

Member of the Board,
Senior Executive Officer,
LSIs Business and IT

▶ P.48-49

### Elevating ROHM's value with ICs

We will improve profitability by developing high value-added ICs that align well with our diverse power device lineup for solution proposals. With the belief that the primary role of our IC business is "to contribute to the entire company through profitability," we will also focus on sowing the seeds for ROHM to make great strides towards the future and promote company-wide operational quality reforms and efficiency improvements through DX and AI utilization.

## Peter Kenevan

Member of the Board,
Senior Executive Officer,
Chief Financial Officer and
Sustainability

▶ P.32-35

### Returning to growth with profitability

As the officer in charge of finance and sustainability, I am pursuing improvements to our revenue structure and reinforcing our non-financial aspects. With an emphasis on dialogue with investors and other stakeholders, I aim to achieve ROE that exceeds the level of the cost of capital while making repeated efforts to lower that level. Furthermore, I will proceed to realize a sustained improvement in corporate value with a PBR of 1.0x as a milestone.

## Masanori Tanimura

Executive Officer,
Director of SiC Power Devices
Business Headquarters

▶ P.51

### Expanding markets with highly competitive SiC

The SiC power device business drives ROHM's business growth and plays a key role in improving its profitability as well. We will elevate our speed and expertise and maintain a competitive advantage in device performance in order to engineer greater adoption in new markets. Simultaneously, we will boost our cost competitiveness through modularization and larger wafer diameters to lead this business to growth.

## Tetsuhiro Tanabe

Executive Officer,
Director of Si Power Devices
Business Headquarters

▶ P.52

### Engaging in development that optimizes Si characteristics

The Si power device business will proceed to establish an optimal development structure tailored to product characteristics in order to build a business foundation resilient to fluctuations in the market. By concentrating development resources in key focus areas and elevating our speed, we will swiftly bring globally-viable products to the market. At the same time, we will endeavor to enhance productivity through operational improvements mindful of company-wide optimization in order to do our part for structural reforms.

## Masaki Sakai

Senior Executive Officer,
Director of Sales Headquarters

### Rebuilding a formidable sales organization

As the head of sales, my job is to disseminate our management policies to the frontlines as well as act as a bridge that incorporates feedback from the frontlines into management decisions. Leveraging the integrity of ROHM's sales force, which has consistently engaged with customers and the field, I will enhance our expertise and execution capabilities to rebuild a sustainable and robust sales organization. I intend to tackle all internal and external challenges head-on and accomplish reforms.

## Tetsuo Aoki

Senior Executive Officer,
Director of Sales Headquarters
for Japanese Accounts

### Promoting reform while maintaining a customer-oriented approach

We will incorporate a global perspective into domestic sales as well and endeavor to expand sales in collaboration with our overseas sales division. Our policy is to pursue enhanced efficiency through direct sales, which enables us to reinforce contact points with key customers, ascertain customer needs with certainty, and facilitate improvements in sales, profit, and market share. We will obtain information ahead of our competitors to contribute to solving customer challenges as we aim to realize structural reforms.

## Syoji Higashida

Executive Officer,
FI and Director of General
Purpose Devices & Modules
Business Headquarters

▶ P.54-55

### Offering revolutionary new products that outdo the competition

Upon implementing structural reforms, we will endeavor to reduce fixed costs through the restructuring of our business organization and the consolidation of our manufacturing sites. We aim to improve profit margins by reviewing unprofitable products and focusing on products with high added value. Moreover, by developing and releasing groundbreaking, highly reliable new products that our competitors cannot match to the market, we will facilitate share growth in the international market and transform into a business that stably generates profit.

## Takashi Miki

Executive Officer,
SCM and Director of Corporate
Quality Headquarters

▶ P.38-39

### Driving company-wide optimization to achieve greater reliability and competitiveness

It is my job to instill the mindset and behavior throughout ROHM that "quality = profit," link quality assurance activities to profit generation, and help simultaneously realize quality and profit. Quality divisions will enhance ROHM's reliability and competitiveness by contributing to profit and maximizing customer satisfaction. Additionally, the SCM Business Division will strengthen its role as the corporate function that handles the core of our procurement strategy, and promote our transformation into an organization that actively functions to realize company-wide strategy. Through such efforts, we will endeavor to optimize our entire supply chain and contribute to enhancing our corporate value.

# History of Innovation

## Contributing to the advancement and progress of culture by boldly taking on the challenge of offering high-quality products and manufacturing

**ROHM, which started out as a specialized manufacturer of small resistors, has been broadening its field of business while contributing to the advancement of society and culture in line with its Company Mission. We aim to continue contributing to improved living standards and sustainable social development by harnessing our electronics technology and our in-house technical capabilities to solve challenges that society faces.**

## 1950s

### Expanding demand from manufacturers of consumer products

- Transistor radio
- Color TV

### ➤ The challenge of producing radio parts:

Developing the first small resistor in Japan

ROHM's founder, Kenichiro Sato, was motivated to set up the company after he took a part-time job repairing radios. Feeling that simply doing repairs was boring, Sato wanted to make his own products, so he began developing a resistor, since resistors were indispensable components in the vacuum-tube radios of that time. In 1954, he obtained utility-model rights for a "parallel-lead fixed resistor," the world's first small resistor in Japan, and as soon as he graduated from university, he founded Toyo Electronics Industry Corporation. As demand for transistor radios boomed, Sato's resistor eventually won a 60% share of the domestic resistor market.

- **1954** Founded Toyo Electronics Industry
  Obtained utility model for small-sized resistors
- **1958** Established Toyo Electronics Industry Corporation

## 1960 to 1970s

### Increasing global demand for ICs

- Portable cassette audio
- VTR
- CD player

### ➤ Facing the onslaught of ICs:

The challenge of developing semiconductors

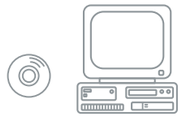
In 1964, resistors were at their peak and few people had ever heard of "ICs." In that year, the company's chief technology officer attended a lecture on ICs where he heard it said that in the near future, ICs might replace resistors. Sensing a threat, Sato decided to take up the challenge of the new field of "ICs" while continuing the resistor business. In 1967, ROHM completed its first semiconductor product, and in 1971 the company committed itself in earnest to IC development by becoming the first Japanese company to set up shop in Silicon Valley.

- **1967** Started development and sales of transistors and switching diodes
- **1969** Started development of ICs
- **1971** Became the first Japanese company to expand into Silicon Valley
- **1979** Changed corporate trademark from R.ohm to ROHM

## 1980 to 1990s

### Advancing of the digitalization of society

- Digital camera
- Personal computer
- DVD
- Mobile phone



### ➤ Contributing to technical innovation in digital devices as a manufacturer of custom ICs

At a time when many major electronics manufacturers had an in-house semiconductor division, ROHM was essentially the only semiconductor manufacturer that was independent. The company's strengths lay in quickly and reliably responding to the latest needs of manufacturers in a variety of industries and being able to look one step ahead and develop products for foreseen future needs. ROHM thrived as a manufacturer of custom ICs by offering a product lineup and organizational structure that could meet a broad range of market needs, producing everything from semi-custom ICs to full-custom ICs.

- **1981** Changed registered company name to ROHM Co., Ltd.
- **1982** Started development and sales of digital transistors
- **1985** Commercialization of microcontrollers, gate arrays, and VTR digital servos
- **1989** Listed on the First Section of the Tokyo Stock Exchange

## 2000s

### Globalization of the electronics market

- LCD TV
- Car navigation system

### ➤ Boosting R&D and embracing M&A

After the bursting of the IT bubble, Japan's economy changed radically. ROHM, whose growth had come mainly from the Japanese consumer electronics market, entered difficult times. Society was also undergoing major changes, and the company devoted effort to adding more R&D topics, entering into collaboration with universities, engaging in mergers and acquisitions, and shifting its business portfolio. ROHM's primary focus was on aggressively entering the automotive market; the company gradually expanded its automotive product lineup to include items such as car audio products that capitalized on its consumer electronics technology. The company also focused on overseas markets, making its product-development process more globally oriented and strengthening its worldwide setup for boosting sales.

- **2007** Developed the world's smallest, thinnest chip LED
- **2008** Acquired OKI SEMICONDUCTOR Co., Ltd. (now LAPIS Semiconductor Co., Ltd.) as a subsidiary
- **2009** Acquired SiCrystal GmbH, a German SiC wafer manufacturer, as a subsidiary

## 2010s

### Growing needs for energy savings and electrification

- Smartphone
- Tablet PC
- Hybrid electric vehicle

### ➤ Transforming the business portfolio:

Ramping up development for the automotive and industrial equipment markets

The company accelerated its shift to the automotive and industrial equipment markets. It also began producing power devices in a committed way, and in 2010 it was the first in the world to succeed at mass-producing SiC MOSFETs*. To make sure its analog ICs and discrete met the quality standards for automotive equipment, the company revamped all its processes, from development through to manufacturing, and broadened its lineup of products for automotive devices. ROHM's devices also came to be used in new types of products, starting with infotainment applications like GPS navigation systems and finding their way into body systems (e.g., mirror controls) and drive systems (e.g., powertrains).

- **2010** Started world's first mass production of SiC transistors
- **2012** Started development and mass production of isolated gate driver ICs
- **2013** Started development and mass production of shunt resistors
- **2015** Started development and mass production of the world's first trench-type SiC MOSFET

## 2020s

### Trending toward decarbonization and a recycling-oriented society

- Electrified vehicle (xEV)
- Charging station

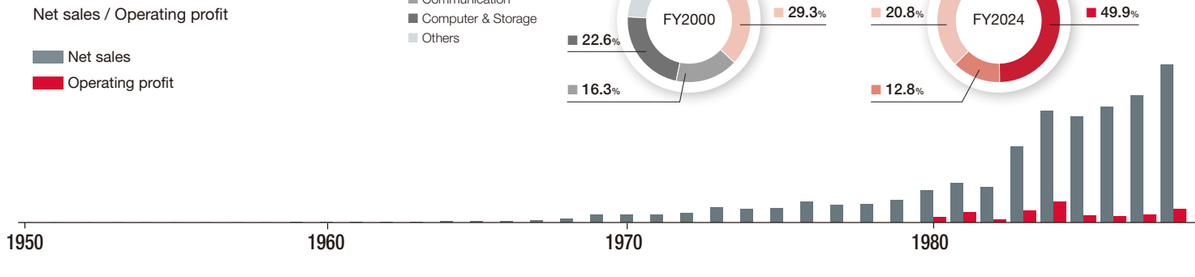
### ➤ Helping alleviate environmental impact by manufacturing products that contribute to energy savings and miniaturization

Global power consumption continues to grow as the use of EVs, AI servers, and other products spreads. At a time when achieving a decarbonized society has become an urgent social issue, semiconductors are playing a more and more important role as energy saving devices. Based on our Management Vision, ROHM is focusing on developing power and analog semiconductors as expectations of society and customers grow. In addition to developing power devices, primarily from SiC, and expanding its mass production system, ROHM is accelerating its provision of power solutions, including peripheral devices, such as control ICs that draw out the greatest performance from devices.

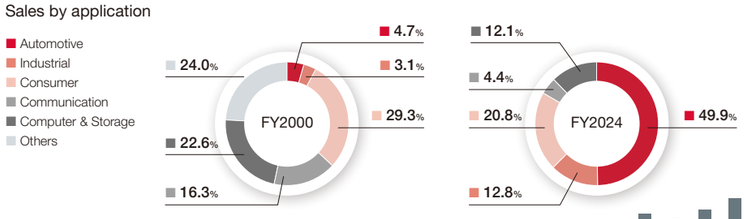
- **2020** Developed 4th Gen SiC MOSFETs featuring industry-leading low on resistance
- **2021** Formulated the Medium-Term Management Plan "Moving Forward to 2025"
- **2022** Transferred from the First Section of the Tokyo Stock Exchange to the Prime Market

**FY2024 Net Sales 448.4 billion yen**

Net sales / Operating profit

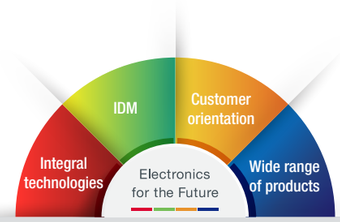



Sales by application



# ROHM's Unique Qualities

**ROHM has accumulated design and manufacturing technologies, quality assurance technologies, and solution proposal capabilities for over 60 years since its founding. These can be characterized by four key features: integral technologies, IDM, a wide range of products, and customer orientation. In formulating our new Medium-Term Management Plan, by once again reviewing our features and strengths, we will aim to not only create a more robust management foundation but also further improve corporate value.**




## Integral technologies Development capability to maximize value by integrating elemental technologies

The source of ROHM's competitiveness in the power and analog areas on which we focus lies in the understanding and optimal design of our own processes, such as circuit design, layout, and processes, based on customer needs. Additionally, the optimization of comprehensive technologies, including heat dissipation design, package technology, and measurement technology during assembly, is one of ROHM's major strengths.

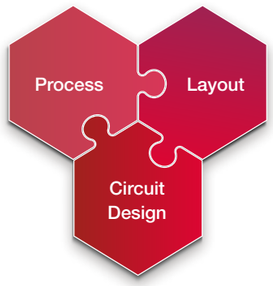
The realization of this technology optimization is achieved through integral technologies. Engineers from the development and manufacturing divisions in Japan and overseas combine their specialized element technologies and expertise at a high level, working together to develop high value-added products that meet customer and market needs.

### Elemental Technologies

#### Process

We develop the manufacturing processes that will be necessary in the future by working closely with design engineers who are familiar with customer requirements and expectations. The wafer processes are optimized by adjusting factors such as pressure resistance, size, and device characteristics.

We design packages to have compact structures with excellent heat dissipation characteristics suited to the mounting environment of the customer's product. For example, for power devices like flip-chip packages, it is important to align the layout to reduce connection resistance between the chip and the package in order to enable the supply of large currents.




#### Layout

When integrating a circuit diagram received from a circuit design engineer into a wafer, the circuit functions and performance must be satisfied while keeping the chip size lean. Based on an understanding of the system, discrete semiconductor devices and blocks are arranged and wiring is routed in consideration of variations and other factors to fully realize circuit performance. This technology ensures reliability by preventing malfunctions caused by external factors such as noise or static electricity.

#### Circuit design

When designing specifications, we not only listen to customer requirements but also investigate and understand the environment in which the system or application will be used, and the operations or functions expected. We then select the optimal processes and package for these expected specifications.

Circuit design requires techniques that account for variations in specifications and electrical characteristics, and ensure sufficient operating margins. In particular, analog technology requires assembly of circuits by considering the process characteristics of each discrete semiconductor device in transistors.

### Employees' Perspective

#### Customer Joy and ROHM's "Integral Technologies" to Solve Global Social Problems

**Takeshi Sagara**
Senior Engineer,
AFE-LSIs Marketing Department,
AFE & Motor LSIs Marketing Division,
Product Marketing Segment,
Marketing Headquarters

I am in charge of marketing analog front end (AFE) products that amplify the processing of minute signals from sensor elements and other components.

We uncover the latent problems of customers through close communication and propose product specifications and solutions to address those challenges, while also developing product plans. We received a consultation from a customer who is experiencing difficulties because they have to change the circuit boards for each product output specification, which doubles the effort required for evaluation and certification processes. At that point, we coordinated ROHM's analog technology and process technology to propose a foundational design that can accommodate different product specifications using a common circuit. Through repeated consultations with our customers, we successfully brought the product to market. As a result, not only was the customer's workload reduced, but it also led to the effect of halving the product inventory, which I remember that the customer was very pleased with. In this way, we believe that our development capabilities that make it possible to create new value by matching our technologies to the issues faced by customers is one of ROHM's major strengths.

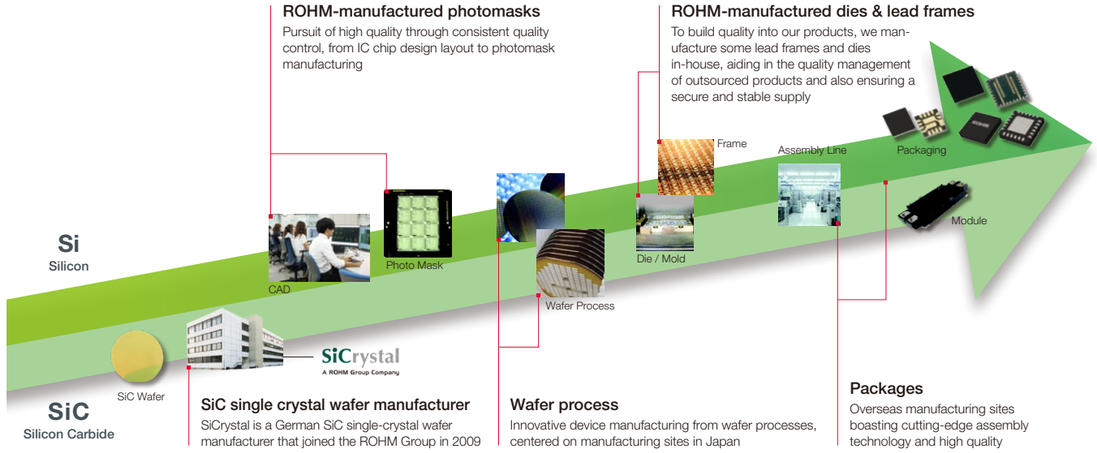
In the future, it will be necessary to meet conflicting needs, such as balancing miniaturization and greater performance with greater energy savings and power. In order to meet these needs of society, I want to propose solutions encompassing next-generation power devices, including SiC. Then, we will develop products with high value added by leveraging ROHM's integral technologies, and thus contribute to solutions to the problems faced by global society.

## IDM Rigorous quality control, stable supply, and cost competitiveness

For more than sixty years, ROHM has pursued quality-first manufacturing. What supports this is our integrated device manufacturer (IDM) business model. By completing all production processes in-house, we achieve strong traceability. In addition to thorough quality management, we offer a stable supply by flexibly responding to various situations, including emergencies. Leveraging our foundation as an IDM, we are now moving forward with rebuilding a production system that makes it possible to adaptively respond to changes in the business environment. ROHM will continue to evolve as a manufacturing company by building a flexible, efficient production system that gives the greatest priority to quality.

▶ Discussion: The IDM ROHM Aims to Be P.36-37

### Vertically Integrated Production System




**ROHM-manufactured photomasks**
Pursuit of high quality through consistent quality control, from IC chip design layout to photomask manufacturing

**ROHM-manufactured dies & lead frames**
To build quality into our products, we manufacture some lead frames and dies in-house, aiding in the quality management of outsourced products and also ensuring a secure and stable supply

**SiC single crystal wafer manufacturer**
SiCrystal is a German SiC single-crystal wafer manufacturer that joined the ROHM Group in 2009

**Wafer process**
Innovative device manufacturing from wafer processes, centered on manufacturing sites in Japan

**Packages**
Overseas manufacturing sites boasting cutting-edge assembly technology and high quality

### Employees' Perspective

#### Solving Various Production Process Problems and Creating an Efficient Production System Through the Promotion of Quantum-Technology Based DX

**Kota Watanabe**
Manager,
DX Promotion Department,
IT Headquarters

I am striving to improve production efficiency for the overall ROHM Group through the use of digital technology. Complex constraints and long lead times are issues that are particularly relevant in the semiconductor wafer production process. Therefore, we are taking on the challenge of optimizing production scheduling through quantum technology in partnership with Quanmatic Inc. This is an effort to eliminate semi-finished products and reduce lead times through mathematical modeling of workplace knowhow and the automation of production planning, which formerly relied on individuals. By combining this with the calculation of the semi-finished product saturation lot number* we aim to establish a production system that minimizes the number of semi-finished lots and maximizes the strengths of IDM. With verification testing, we determined that there were issues with ascertaining lot location and communication, but were able to confirm that it is possible to operate in a way that maintains equipment utilization rates through the use of monitors installed on shelves and other activities.

In the future, we will expand the use of quantum technology to total solutions, not only pre-manufacturing processes but also post-production processes, and digitally reproduce plants throughout the world, in order to optimize capital expenditures, make bottlenecks visible, and achieve other goals. I would also like to contribute to increased corporate value through a focus on the training of DX staff who possess knowledge of both digital technology and operation divisions.

* Number of lots that do not lead to greater production volume even if the number of lots of semifinished products is increased.

## Wide range of products — Comprehensive capabilities; from passive components to ICs and power devices

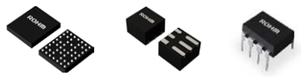
Since our establishment as a manufacturer specializing in small-sized resistors, ROHM has consistently worked to develop unique products. In the 1960s, after gaining recognition for the high quality and reliability of our resistors and steadily increasing sales, ROHM decided to take on the challenge of diving into the field of ICs. However, Japan had few engineers and scarce literature on the subject at that time, making it a daunting challenge for ROHM, which was still a small company. What made this bold endeavor possible and led to the development of groundbreaking ICs was the spirit of challenge passed down from our founder: the belief in actively finding a way forward in the face of any adversity.

In the process of pursuing ambitious goals, ROHM created products such as diodes, transistors, and LEDs one after another. We continued to expand our business areas to include optical devices and modules, and in recent years, have also focused on power devices including SiC. Having continued to take on challenges to meet market and customers' needs, we succeeded in expanding our product field while maintaining the resistors business, making it possible to provide comprehensive proposals that solve customers' problems.

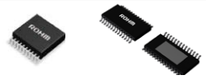
### Product Lineup

ROHM's broad range of products and accumulated technical expertise supports a wide variety of electronic devices and enables us to offer solution proposals and comprehensive technical support to our customers.

**Power Management / Power Supply ICs**



**Motor / Actuator Driver ICs**



**General-Purpose ICs**

**Sensor ICs**

**Microcontrollers** (powered by LAPIS TECHNOLOGY)

**Video ICs** (powered by LAPIS TECHNOLOGY)

**SiC Power Devices**

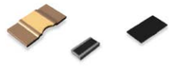
**GaN* (Gallium Nitride) Power Devices**

**Transistors**

**Diodes**

**LEDs / Laser Diodes**

**Resistors**



**Thermal Printheads**

## Employees' Perspective

### Taking on the Challenge of Proposing Solutions that Meet Customers' Needs by Leveraging Power and Analog Technology

**Ryo Hatanaka**
Engineer, Group 1, Product Development Department 1, Resistor Business Division, General Purpose Devices & Modules Business Headquarters

I am in charge of the development of shunt resistors, which are primarily used to detect current in a wide range of fields, including automobiles and industrial equipment. The products I work on boast the highest specs in the industry, but we are working to develop technologies to further improve performance and expand our product lineup.

Meeting the needs of a broad range of customers is one of ROHM's strengths as our resistors incorporate both analog technology, which is based on a wide lineup of highly reliable thick membrane resistors that can be used for general purposes, and power technology, whose foundation is shunt resistors for high voltages. As price competition grows fiercer due to the rise of Asian manufacturers in China, Taiwan, and Korea, ROHM is focusing on products with the highest specs in the industry and trying to become the industry leader by proposing solutions that leverage both power and analog technology.

Established as a resistor manufacturer, ROHM has expanded its business into ICs, power devices, and other products based on its resistor technology. I hope to continue to contribute to further growth through high-value-added products that combine these technologies. At a time when there is the need for detailed proposals that take into consideration customer circuit designs and other factors, it is important to make application-level proposals, including modules, not proposals for individual products. To achieve that, I want to also take on the challenge of developing new modules that combine shunt resistors and other devices.

## Customer orientation — Solution proposals from the customer's point of view

ROHM experienced dramatic growth during the 1980s and 1990s due to custom ICs. We have leveraged our proposal-based business as a strength to not only quickly and precisely respond to the latest needs of the market, but also develop products with an eye one step ahead of those needs. This stance has been passed down from when the company was established until the present day as its DNA, making it possible for us to develop products and propose technologies through close communication with our customers.

When deciding on product specification, engineers who possess knowledge of applications and are well-versed in the company's own design and production technologies comprehensively consider performance, features, and composition of peripheral circuits. The optimal specification design that achieves the functions demanded by the customer is chosen. In the prototyping stage, we fine-tune (calibrate) characteristics based on customer validation results, enabling us to quickly provide products and solutions that optimize the characteristics of electronic devices.

In recent years, ROHM has placed a particularly strong focus on the automobile market, but going forward, the focus will be broadened from automobiles to the industrial, consumer, and other markets. To do that, we will further reinforce our marketing capabilities by establishing a Marketing Headquarters. In this way, we are aiming to become a company that can be competitive in all markets.

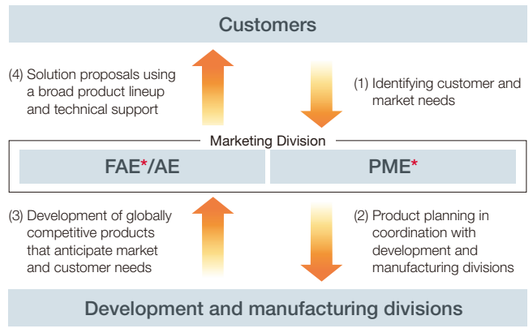
### Reinforcing the proposal-based business through the establishment of a Marketing Headquarters

We centralized marketing functions to flexibly respond to market trends and changes in the competitive environment, as well as further reinforce proposal-based product planning and a development system that anticipates customers' needs.

By accurately capturing customers' problems and expectations at a system level, the newly established Marketing Headquarters will accelerate the development of new products and new technologies in new markets, particularly in technical fields that ROHM possesses strengths in. We will strive to provide competitive products and services in not only the automotive market, but a wide range of other fields, including industrial equipment, AI servers, and consumer equipment.

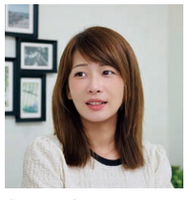
**Marketing Headquarters' main functions**
- Marketing
- Field application engineer (FAE) and application engineer (AE)
- Digital marketing
- Marketing communication

By synergetically linking these functions, we will reinforce our point of contact with customers and dramatically increase customer successes related to a range of processes that extend from technology proposals through product introduction and support.




## Employees' Perspective

### Customer Orientation is the Key to Business Growth; Deep Trust With Customers Leads to Innovative Products



**Sandy Chen**
Sales Manager, Automotive Group, ROHM Semiconductor Taiwan Co., Ltd.

As Sales Manager of the Automotive Group at ROHM Semiconductor Taiwan Co., Ltd., I am responsible for promoting and selling ROHM products to customers in Taiwan. As someone who works on the front lines of sales, listening to the voices of our customers is of utmost importance to me every day. Recently, there was a case where a component manufactured by ROHM, despite being in mass production with proven performance, was not compatible with a specific model. So, we provided flexible and precise solutions, including advice on circuits and layout, taking into account the customer's unique design, and successfully guided the product to market launch.

Our customers are also the driving force behind our growth. Understanding existing customer needs and anticipating new ones is the key to business growth. This customer-oriented approach also leads to the establishment of trust with customers and brand loyalty.

Safety is the most important mission in the automotive industry. I can confidently say to our customers in Taiwan's automotive industry that "Quality is ROHM's top priority at all times." Through ROHM's cutting-edge semiconductor technology, I believe that we can contribute to environmental considerations and improvements in automotive convenience and safety by providing our customers with the most innovative products. I hope that more and more cars equipped with ROHM products will be seen on roads around the world.

# ROHM's Value Creation Process

ROHM's Company Mission is quality first, focusing on power and analog technologies and seeking to solve social problems and improve corporate value by contributing to our customers' needs for "energy savings" and "miniaturization." By leveraging our ability to plan and propose products that anticipate customer needs, and by promoting integrated business activities from R&D to sales and customer support, we are able to provide products that guarantee the quality level required by our customers.

## Impact

Development of products that contribute to energy conservation
▼
Contributing to motor and power supply efficiency improvements

Development of products that contribute to miniaturization
▼
Material and waste reduction

## Social Issues
▶ P.28

**Technology**

Increasing demand for electronic products that respond to social changes

Manufacturing that meets the trust and expectations of our customers

**Environment**

Negative impacts of climate change

Serious resource depletion

**Society**

Securing human resources within a declining labor force

**Governance**

Strengthening our management and business activity foundations

Fulfilling social responsibility throughout our supply chain

Ensuring product safety and strengthening product quality

## Material Issues
▶ P.30

Evolution of Technologies to Contribute to the Advancement and Progress of Culture

Stable Supply of High-quality Products

**Sustainability Priority Issues**

Strengthening Sustainable Technologies, Developing and Supplying Innovative Products

Mitigation of Climate Change

Effective Use of Resources

Strengthening Employee Engagement

Diversity Development

Ensuring the Health and Safety of Employees

Enhancing Corporate Governance

Risk Management

Sustainable Supply Chain Management

Strengthening Product Safety and Quality

## Inputs

**Financial Capital**

| | |
|---|---|
| Equity ratio | 61.7% |
| Market capitalization | 551.3 billion yen |
| Equity | 889.6 billion yen |
| Cash and deposits + securities | 248.6 billion yen |

**Manufactured Capital**

| | |
|---|---|
| Capital expenditures (past 5 years) | 569.9 billion yen |
| Domestic production bases | 11 |
| Overseas production bases | 9 |

Manufacturing technology development (internal development to improve production efficiency)

| | |
|---|---|
| Capital expenditures for increasing production capacity (past 5 years) | 311.4 billion yen |
| Capital expenditures for quality improvement (past 5 years) | 9.9 billion yen |

**Intellectual Capital**

Expertise accumulated in-house over many years of development

| | |
|---|---|
| R&D expenses as a percentage of sales | 12.8% |
| Universities we have industry-academic partnerships with | 28 |
| Industry-academia collaborative research projects | 56 |
| Number of patents held (FY2023 results) | 9,589 |

**Human Capital**

| | |
|---|---|
| Employees (consolidated) | 22,608 |

Of these, 15,770 are foreign employees

| | |
|---|---|
| Percentage of female employees | 27.5% |
| New graduates hired | 142 (non-consolidated) |
| Mid-career hires | 30 (non-consolidated) |
| Engineers (STEM*-related positions) | 2,760 (non-consolidated) |

* Science, Technology, Engineering and Mathematics

Implementing training to disseminate the Company Mission and Basic Management Policy

**Social Capital**

ROHM brand in the semiconductor market cultivated over many years

Trusting relationships with customers/suppliers

**Natural Capital**

| | |
|---|---|
| Quantity of water intake | 11,410,000m³ |

Total energy use

| | |
|---|---|
| Total consumption of non-renewable energy | 877,000MWh |
| Total consumption of renewable energy | 731,000MWh |

*FY2024 actual values

## Business Model
▶ P.24


**ROHM's strengths**
▶ P.18

Integral technologies | IDM | Wide range of products | Customer orientation

**Growth Strategy / Medium-Term Management Plan**

"MOVING FORWARD to 2025"
▶ P.12

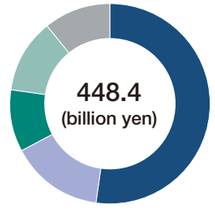
## Outputs

**Sales by Segment in FY2024**




| | | |
|---|---|---|
| ICs | 203.8 billion yen | 45.5% |
| Discrete semiconductor devices | 187.0 billion yen | 41.7% |
| Modules | 32.5 billion yen | 7.2% |
| Other | 25.0 billion yen | 5.6% |

**Sales by Region in FY2024**




| | | |
|---|---|---|
| Japan | 234.4 billion yen | 52.3% |
| China | 66.9 billion yen | 15.0% |
| Other Asia | 45.3 billion yen | 10.1% |
| Americas | 53.9 billion yen | 12.0% |
| Europe | 47.7 billion yen | 10.6% |

## Outcomes

### Economic Value

**Financial Capital**

| | |
|---|---|
| Shareholder return | 50 yen/share |
| Total return ratio | –% |
| Total shareholder returns (TSR) over the last 10 years | -9.5% (-1.0% annually) |
| Amount of tax paid | 3.6 billion yen |

### Social Value

**Manufactured Capital** | **Intellectual Capital** | **Human Capital** | **Social Capital** | **Natural Capital**

| | |
|---|---|
| Number of patents held | 8,011 (decreased by 1,578 year-on-year) |
| Customer quality satisfaction score | 3.82/5 points |
| Percentage of women in management positions | 13.8% |
| Percentage of male employees taking childcare leave (non-consolidated) | 58.1% |
| Average annual percentage of employees taking paid vacation (non-consolidated) | 82.7% |
| Average annual hours of human resource development training per person (non-consolidated) | 7.6 hours |
| Average annual amount of human resource investment per person (non-consolidated) | 15,023 yen |
| Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations | 94.5% |
| Percentage of purchases from suppliers with CSR procurement self-assessment rating of B or higher | 90.7% |
| Water discharge | 9,839,000 m³ (decreased by 42,000 m³ year-on-year) |
| Greenhouse gas (GHG) emissions | 5,437,000 t-$CO_2$ (decreased by 1,330,000 t-$CO_2$ year-on-year) * Including Scope 3 |
| Total waste volume | 12,672 t (decreased by 1,934 t year-on-year) |
| Waste recycling rate | 98.8% (increased by 0.2 percentage points year-on-year) |
| Donations (including sponsorships) (non-consolidated) | 675.0 million yen |

* FY2024 actual values

# Refining Our Value Chain

**ROHM effectively and efficiently utilizes various capital resources in its value chain to promote its business activities and ensure a stable supply of high-quality products. The source of our strength as an IDM lies in our assurance of high-quality products through rigorous quality control based on front-loading and employee education aimed at a mindset grounded in our Company Mission.**

**Stable Supply of High-quality Products**

**Strengthening Product Safety and Quality**

▶ P.38


Material issues

## 1. R&D ▶ P.40

Focusing on power and analog, the Office for Technology Innovation inputs research and development themes to the R&D Division with a view to the medium- to long-term future to strengthen our R&D capabilities. In addition to the key areas of automotive and industrial equipment, we are also working to gather information on new areas.

### Major Capital and Resources

**Human capital**
Human resources portfolio for R&D

**Intellectual capital**
Technology portfolio for R&D themes, industry-academia collaboration

**Social capital**
Collaboration with customers/ suppliers

**Financial capital**
Financial foundation supporting R&D
→ R&D expense ratio: up to 9% of net sales

### ROHM's Features and Strengths

- Strategic development of R&D themes to expand existing products and technology portfolio
- Development capability to maximize value by integrating elemental technologies
  → R&D system in cooperation with product development and manufacturing divisions
- Open innovation
- Research advancing themes in industry-academia collaboration

### Action Areas for Further Strengthening

**Evolution of Technologies to Contribute to the Advancement and Progress of Culture**

**Strengthening Sustainable Technologies, Developing and Supplying Innovative Products**

- Business expansion in new/key markets by utilizing corporate venture capital (CVC*), etc., and planting seeds for new market development
- Securing highly skilled technical human resources through the introduction of a specialist system
- Strengthening front-loading by promoting AI-based R&D

## 2. Marketing / Product Planning ▶ P.18, 21

ROHM is moving forward with a strategy of taking the lead in developing products that already possess the necessary functions. In addition to researching the performance and functions demanded by markets throughout the world, which is primarily handled by the marketing divisions, we concentrate on product plans from the perspective of to what extent we can include the most appropriate functions while taking into consideration market needs.

### Major Capital and Resources

**Human and intellectual capital**
PME (Human resources with a thorough knowledge of cutting-edge technologies and the authority to develop new products)

**Social capital**
Trusting relationships with customers

**Intellectual capital**
Accumulated knowledge of market needs and customer requirements

### ROHM's Features and Strengths

- Advanced integral technologies from experienced product developers
- Ability to plan products that meet diverse customer needs
- Serving customers around the world by dispatching our PMEs to overseas centers

### Action Areas for Further Strengthening

**Evolution of Technologies to Contribute to the Advancement and Progress of Culture**

**Strengthening Sustainable Technologies, Developing and Supplying Innovative Products**

- Reinforcing product planning that anticipates customer and market needs through the newly established Marketing Headquarters
- Conducting product planning with an eye toward solutions
- Enhancing/developing PME human resources

## 3. Product Development ▶ P.18, 20, 21

With an understanding of both our customers' needs and our own manufacturing processes' features, we deliver optimal design by integrating elemental technologies cultivated over many years. Our total optimization covers integral technologies with semiconductor manufacturing, heat dissipation design, package technology, measurement technology, and more.

### Major Capital and Resources

**Human and intellectual capital**
Abundant development human capital meeting customer needs

**Intellectual capital**
Extensive core technologies utilizing IDM*

**Social capital**
Trusting relationships with customers

### ROHM's Features and Strengths

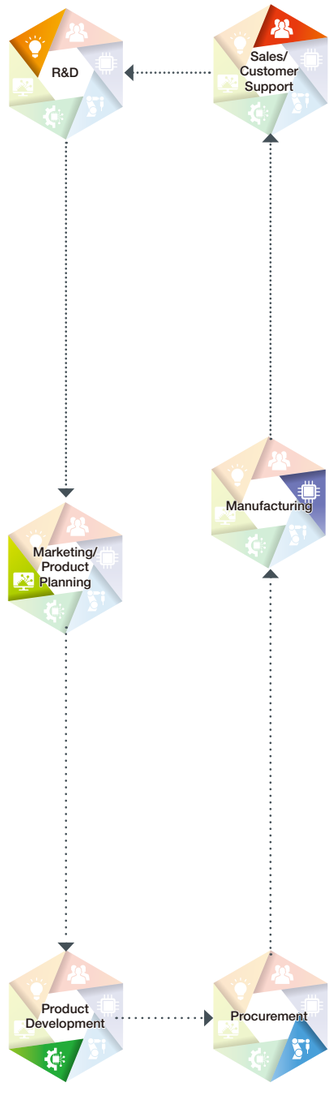
- High-value-added product development utilizing IDM in cooperation with manufacturing divisions
- Product development pursuing energy savings/miniaturization and functional safety
- Circuit design and product development capabilities with a focus on power and analog
- Test development for ensuring high-quality products

### Action Areas for Further Strengthening

**Evolution of Technologies to Contribute to the Advancement and Progress of Culture**

**Strengthening Sustainable Technologies, Developing and Supplying Innovative Products**

- Reinforcing other markets such as consumer electronics to accelerate the speed of technical innovation
- Strengthening development of high-value-added products
- Enhancing/developing product development human capital
- Securing highly skilled technical human resources through the introduction of a specialist system




## 6. Sales / Customer Support ▶ P.20, 21

ROHM offers a rigorous customer support system and solution proposals optimally combining ROHM's technologies and broad product lineup to provide the performance our customers demand, with a thorough understanding of the functions and characteristics of their products, as well as peripheral circuit configuration.

### Major Capital and Resources

**Human and intellectual capital**
FAEs, sales human resources

**Social capital**
Trusting relationships with customers

### ROHM's Features and Strengths

- Solution proposals from the customer's point of view
- Sales human resources capable of QCDS (Q: Quality, C: Cost, D: Delivery, S: Service/Satisfaction)
- Meticulous support system based on strong trust with customers through direct sales and a customer focus

### Action Areas for Further Strengthening

**Evolution of Technologies to Contribute to the Advancement and Progress of Culture**

**Strengthening Sustainable Technologies, Developing and Supplying Innovative Products**

- Reinforcing solution proposals that integrate FAE and sales
- Gathering customer and market needs to provide feedback to the marketing department
- Improving efficiency in taking in customer needs and increasing customer quality satisfaction scores by leveraging digital transformation (DX)
- Diversifying sales channels by utilizing trading companies, etc.
- Increasing brand awareness

## 5. Manufacturing ▶ P.19, 36, 38

We are building an IDM that completes the majority of production processes within the Group in order to ensure quality ourselves. In addition, we develop our own production equipment to improve production efficiency and reduce costs.

### Major Capital and Resources

**Human and intellectual capital**
Accumulated human resources in the areas of process technology and manufacturing technology, plus expertise in manufacturing technology

**Social capital**
Trusting relationships with customers/ suppliers

**Financial capital**
Robust financial foundation enabling flexible capital investment

**Manufacturing capital**
A worldwide production network

**Environmental capital**
Water, electricity, metals, gases, raw materials, etc.

### ROHM's Features and Strengths

- Specialized production technology development capabilities
- Robust quality assurance and supply system based on integrated manufacturing system of front-end, back-end, and testing processes
- Actively introducing renewable energy in manufacturing processes

### Action Areas for Further Strengthening

**Risk Management**

**Mitigation of Climate Change**

**Ensuring the Health and Safety of Employees**

**Effective Use of Resources**

- Reinforcing production system and acquiring cutting-edge technology through the use of foundry/OSAT
- Accelerating productivity improvement and automation of assembly process (utilizing elemental technologies of flexible lines*)
- Using multiple manufacturing sites
- Reducing GHG emissions, reducing water resources, reducing waste volume, and thoroughly managing chemical substances

## 4. Procurement ▶ P.60, 62

By ensuring quality and stable supply of components and materials, as well as practicing CSR procurement that is mindful of labor, ethics, and the environment, we enable high-quality, safe, and stable manufacturing. We value ongoing relationships of trust and cooperation with our suppliers, and aim to conduct procurement activities that enable sustainable growth for both parties.

### Major Capital and Resources

**Human and intellectual capital**
Procurement human resources ensuring quality of ROHM products

**Intellectual capital**
Accumulated procurement expertise supporting a broad product lineup

**Social capital**
Trusting relationships with suppliers

**Environmental capital**
Procurement of environmentally friendly components and materials

### ROHM's Features and Strengths

- Trusting relationships and alliances with suppliers
- Centralized management of the procurement network from raw materials to finished products
- Taking measures against risk components such as advance arrangements and market monitoring of industry trends (for raw materials such as wafers, photomasks, lead frames)
- Stable supply chain management through multi-supplier purchase

### Action Areas for Further Strengthening

**Sustainable Supply Chain Management**

**Effective Use of Resources**

**Risk Management**

- Strengthening procurement from suppliers with a BCM* system/ ESG initiatives in place
- Rapidly investigating impact of emergency situations through understanding of the supply chain
- Improving the cash conversion cycle (CCC)

# Building Value Together with Stakeholders

**ROHM aims to become a company that continues to be chosen by its stakeholders by solving environmental and social issues. To achieve this goal, we are working to strengthen our relationship of trust with our stakeholders by proactively creating opportunities to communicate with them and meet their various expectations.**


| Relationships with stakeholders | Stakeholder expectations | Dialogue methods and opportunities | Examples of major stakeholder initiatives |
|---|---|---|---|
| **Customers**<br>ROHM works to build trusting relationships with final product and component manufacturers in the automotive, industrial, and consumer appliance industries by providing high-quality products. In addition, through joint research and development with our customers, we aim to create new value. We also work to maintain strong relationships with trading companies. | • Improving the value of customers' products<br>• Meeting requests to facilitate new products or improve existing products<br>• Achieving optimum product quality<br>• Providing a stable supply of products<br>• Appropriately disclosing our product information | • Promoting our products through customer visits and online consultations<br>• Taking part in exhibitions<br>• Holding product briefing meetings and technical exchange events<br>• Engaging in joint R&D<br>• Conducting surveys on customer quality satisfaction | • Improving our systems for proactively gaining an understanding of customers' needs and linking those needs to product planning ▶ P.18, 21<br>• Providing comprehensive solutions to customers' need for miniaturized products with low energy usage ▶ P.20, 21<br>• Improving customer quality satisfaction score and harnessing the results of that survey to produce improvements ▶ P.38 |
| **Employees**<br>The Basic Management Policy of ROHM is "to search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity." The history, technology, and other assets established since our foundation are of huge importance to our company, but the driving force behind these assets is our people. That is why we invest in the growth of our employees to maximize their potential, and provide an environment in which wide-ranging talented individuals can thrive and create a virtuous circle that drives further employee and company growth. | • Ensuring health and safety in the workplace<br>• Respecting human rights and eliminating discrimination<br>• Developing human resources and making full use of our employees' talents<br>• Respecting diversity<br>• Realizing the well-being of employees | • Conducting engagement surveys<br>• Conducting employee attitude surveys<br>• Engaging in direct dialogue with the company president<br>• Holding internal earnings release briefings<br>• Providing a compliance hotline (whistleblowing system) | • Enhancing job satisfaction by fostering a corporate culture that creates challenges ▶ P.45<br>• Improving the scores in our engagement survey and harnessing the results to produce improvements ▶ P.46<br>• Promoting diversity ▶ P.46, 47<br>• Ensuring the health and safety of employees ▶ P.47 |
| **Suppliers**<br>Stable and reliable high-quality manufacturing not only relies on the stable procurement of high-quality components and supplies, but also requires corporate social responsibility (CSR) in procurement. ROHM works to ensure that our procurement takes account of environmental, labor, and ethical issues. We focus on building trusting, cooperative relationships with our suppliers that facilitate the sustainable growth of both parties. | • Ensuring thorough fairness and transparency in our transactions<br>• Upholding our commitment to human rights, labor, health and safety, and environmental protection throughout our global supply chain<br>• Ensuring all our suppliers maintain a reliable business continuity plan (BCP)*<br>• Promoting green procurement | • Engaging in face-to-face/online procurement activities<br>• Conducting due diligence in procurement through the following activities:<br>Briefing meetings for the promotion of CSR procurement<br>CSR procurement audit<br>CSR procurement self-assessment (CSR survey)<br>• Providing a supply chain hotline | • Increasing CSR procurement from suppliers with strong BCM and ESG systems ▶ P.63<br>• Understanding our supply chain to facilitate rapid investigations into the impacts of unforeseen events ▶ P.63 |
| **Shareholders and Investors**<br>ROHM prioritizes mutual dialogue-based communication with shareholders and investors. We provide timely disclosure, and work to maximize corporate value by feeding back the expectations and opinions of investors and shareholders into our operations. | • Improving corporate value<br>• Generating shareholder returns that exceed the cost of capital<br>• Fair, appropriate and timely disclosure<br>• Achieving strong corporate governance | • Holding Annual General Meetings of Shareholders<br>• Holding executive-led briefing meetings for analysts and institutional investors (2)*<br>• Holding face-to-face and online IR briefing meetings (more than 600 times)*<br>• Holding factory tours (17)*<br>* Number of times held in FY2024 | • Feeding back the opinions and requests received through our IR activities to our management and reflecting them on operations ▶ P.77<br>• Improving our disclosure and IR tools to promote more substantial dialogue with shareholders and investors ▶ P.77<br>• Expanding our disclosure on ESG initiatives ▶ P.30 |
| **Social and Environmental Contribution**<br>Since its founding, ROHM has strived, as a responsible corporate citizen, to contribute to the healthy development of society, engaging deeply with the communities that host its operations. We work to address the needs of local communities and wider society, contributing to the further advancement of society and culture and the creation of an improved social environment. | • Reducing our footprint and protecting the natural environment<br>• Contributing to the development of each community through participation in activities that meet each community's needs<br>• Collaborating with NPOs and other organizations that contribute to society<br>• Engaging in other activities for the benefit of society | • Reducing environmental impacts from our manufacturing and business activities<br>• Contributing to society based on the following three areas<br>- Support for education (visiting schools to hold lectures, etc.)<br>- Environmental protection (improving the environment through tree-planting and providing environmental education by creating a biotope on company premises)<br>- Cultural and community exchange (support for music) | • Reducing GHG emissions, water resource usage, and waste production, thoroughly controlling the use of chemical substances ▶ P.57, 58<br>• Promoting stronger dialogue with communities hosting our facilities, supporting biodiversity ▶ P.58 |

# Risks and Opportunities

**We summarized the social changes and issues which are important to ROHM over the medium to long term based on external assessments, international guidelines, social norms, and requests, etc. from internal and external stakeholders. From here, we are extracting the "opportunities" for business growth and the "risks" which will become threats to business activities, assessing the issues which will lead to solving social issues (CSV) through our main business and the negative impact that ROHM's business has on society, and establishing measures aimed at solving each issue.**

| Sustainability Priority Issues | Social Issues (Demands from Stakeholders) | Details of Risks and Opportunities | Responses to Risks and Opportunities | Material Issues |
|---|---|---|---|---|
| Technology | Increasing demand for electronic products that respond to social changes | **Risks**<br>Short- to medium-term ① Intensifying competition to develop energy-saving and miniaturized devices<br>Short- to medium-term ② Declining market share due to competition with rivals, including China<br>**Opportunities**<br>Medium- to long-term ③ Increasing numbers of electronic components installed in electronic equipment due to their increasing functionality and the growing need for energy savings | ① Anticipating and understanding customer and market needs and reinforcing the system that links them to product planning<br>① Develop advanced technologies and high-value-added products such as energy-saving and compact devices<br>② Deploy PMEs overseas to expand overseas sales<br>③ Technology joint development and collaboration with customers, research institutions, etc.<br>③ Solution proposals to customers using a broad product lineup ▶ P.18, 20, 21, 40 | Evolution of Technologies to Contribute to the Advancement and Progress of Culture |
| | Manufacturing that meets the trust and expectations of our customers | **Risks**<br>Short- to medium-term ① Decreasing trust due to failure to meet customer quality requirements<br>**Opportunities**<br>Short- to medium-term ② Growing need for quality assurance | ① Use front-loading to achieve appropriate quality satisfying customers<br>① Improve rigorous employee quality awareness in line with our Company Mission<br>② Earn customer trust by achieving traceability through IDM activities ▶ P.19, 36, 38 | Stable Supply of High-quality Products |
| Environment | Negative impacts of climate change<br>Serious resource depletion | **Risks**<br>Short- to medium-term ① Soaring material prices and restrictions on production activities due to resource shortages (rare metals, water, etc.)<br>Medium- to long-term ② Mandatory GHG emissions reductions and full-scale carbon taxation of GHG emissions<br>Medium- to long-term ③ Adverse effects on the environment due to lack of chemical substance management<br>**Opportunities**<br>Short- to medium-term ④ Rising demand for electronic components due to growing new automobile sales in the electric vehicle (xEV) market<br>Medium- to long-term ⑤ Expansion in sales for the industrial equipment market, such as products for use in solar panels, with the introduction of renewable energy | ① Reduction of resource usage by developing and producing products that contribute to energy saving and miniaturization<br>① Reduction of water usage by introducing water recycling systems and other means<br>② Reduction of GHG emissions and waste, as well as promotion of renewable energy introduction<br>③ Rigorous implementation of chemical substance management systems and reduction of chemical substance use<br>④ Expansion of a broad product lineup (from resistors to ICs) and strengthening of production systems to support electrification<br>⑤ Enhance customer development and support systems through digital marketing for wide-ranging industrial equipment market ▶ P.56, 59 | Strengthening Sustainable Technologies, Developing and Supplying Innovative Products<br>Mitigation of Climate Change<br>Effective Use of Resources |
| Society | Securing human resources within a declining labor force | **Risks**<br>Short- to medium-term ① Intensifying competition to secure human resources and sluggish retention rates<br>Short- to medium-term ② Decreasing human capital capabilities due to delays in reforming legacy personnel systems and corporate culture<br>Short- to medium-term ③ Negative impact on employees due to occupational accidents and work-related illnesses | ① Enhance employee engagement by fostering a corporate culture that creates challenges<br>② Promote diversity and inclusion<br>②③ Promote work style reforms, health and productivity management, and strengthen occupational health and safety systems ▶ P.44 | Strengthening Employee Engagement<br>Diversity Development<br>Ensuring the Health and Safety of Employees |
| Governance | Strengthening our management and business activity foundations | **Risks**<br>Short- to medium-term ① Occurrence of incidents due to legal/business ethics violations, etc.<br>Medium- to long-term ② Stricter shareholder evaluations of management due to growing ESG investment, etc.<br>Short- to medium-term ③ Delay in responding to heightened geopolitical risk and economic security risks<br>Short- to medium-term ④ Increase in number of large-scale disasters (earthquakes, flooding, typhoons, fires, etc.)<br>Short- to medium-term ⑤ Delays in responding to cyberattacks and information leaks from security breaches<br>Short- to medium-term ⑥ Litigation, including infringement of intellectual property such as patent rights owned by other companies<br>**Opportunities**<br>Short- to medium-term ⑦ Ensuring management stability through a robust financial foundation | ① Further evolve management (execution and supervision) systems and functions<br>① Ensure transparency in information disclosure<br>② Review remuneration system aimed at enhancing corporate value over the medium to long term<br>② Ensure effectiveness of the Board of Directors ▶ P.70<br>③ Monitoring and implementing countermeasures to geopolitical risks that impact the business by establishing the Economic Security Office<br>④ Diversify risks through establishing multiple production systems, seismic isolation of plants, and flood control measures<br>⑤ Implement training to improve security literacy and implement measures to combat information system vulnerabilities<br>⑥ Implement training to strengthen collection of patent-related information and reduce the risk of infringement<br>⑦ Earn growth opportunities through aggressive capital expenditures and M&A ▶ P.32, 40, 80 | Enhancing Corporate Governance<br>Risk Management |
| | Fulfilling social responsibility throughout our supply chain | **Risks**<br>Short- to medium-term ① Suspension of stable supply to customers due to shutdown or decline in utilization rates at manufacturing sites<br>Short- to medium-term ② Suspension of transactions with overseas companies and supply of materials such as rare metals due to changes in international affairs<br>Short- to medium-term ③ Compliance violations due to human rights violations in the supply chain or procurement of banned substances | ① Use multiple production sites and diversify suppliers<br>② Global business continuity plan (BCP) for avoiding geopolitical risks in production, procurement, and sales<br>③ Establish management systems in line with OECD Due Diligence Guidance ▶ P.60, 62, 78 | Sustainable Supply Chain Management |
| | Ensuring product safety and strengthening product quality | **Risks**<br>Short- to medium-term ① Quality problems due to inadequate quality control system | ① Reinforce quality control system enabling prompt sharing of serious quality issues with management<br>① Improve rigorous employee quality awareness and practice the Company Mission ▶ P.38 | Strengthening Product Safety and Quality |

Note: Short-term: 2025, Medium-term: 2026 to 2030, Long-term: 2031 to 2050

# Material Issues

**ROHM regards contributing to the evolution of technologies which lead to the advancement and progress of culture based on the Company Mission and realizing the stable supply of high-quality products as important management issues. Moreover, to pursue sustainable development for both society and the company, we have identified "sustainability priority issues" by considering the concerns of our shareholders and the impact on our business. Together, these issues are set forth as "material issues = important management issues," and we aim to enhance our corporate value by creating social and economic value through our business activities.**

Process for identifying sustainability priority issues

**STEP1** Identifying Sustainability Priority Issues Candidates

**STEP2** Evaluation from a Stakeholder Perspective

**STEP3** Identifying and Prioritizing Priorities

**STEP4** Approval

Identifying Sustainability Priority Issues https://www.rohm.com/sustainability/sustainability_issues

Sustainability Priority Issues

| Material issues | Value for ROHM to create | Initiatives | FY2024 results | Main KPIs (Medium-Term Management Plan) | SDGs |
|---|---|---|---|---|---|
| **Technology** | | | | | |
| Evolution of Technologies to Contribute to the Advancement and Progress of Culture | ・Reduce environmental burden caused by promotion of automobile electrification<br>・Save labor and improve production efficiency through evolving production equipment functionality | ・Develop new, high-value-added products that contribute to energy saving and miniaturization<br>・Reinforce product planning that anticipates customer and market needs by establishing the new Marketing Headquarters<br>・Propose solutions from a customer perspective through our integrated capabilities that extend from resistors to power devices and LSIs | ・Net sales: **448.4 billion yen**<br>・Percentage of sales to customers outside Japan: **47.7%**<br>・SiC sales: **approx. 36.0 billion yen** | ・Achieve net sales of **more than 600.0 billion yen** as the total amount of social contribution (FY2025 target)<br>・Percentage of sales to customers outside Japan: **More than 50%** (FY2025 target)<br>・Aim to capture the top share for the SiC business (target from FY2027 onward) | |
| Stable Supply of High-quality Products | ・A supply chain providing stable supply | ・Strengthen production systems through IDM activities<br>・Improve productivity by introducing flexible lines<br>・Implement rigorous quality control and employee quality training | ・Capital expenditures for quality improvement: **2.0 billion yen**<br>・Capital expenditures for increasing production capacity: **75.6 billion yen**<br>・Launched next-generation line Unit 0 utilizing elemental technologies of flexible lines and currently verifying operation | ・Investments for growth over five years: **610.0 billion yen** (FY2025 target)<br>・Develop next-generation line utilizing elemental technologies of flexible lines (launch Unit 0 at the Head Office in FY2024, and deploy to production sites in FY2026 and beyond). | |
| **Environment** | | | | | |
| Strengthening Sustainable Technologies, Developing and Supplying Innovative Products | ・Realize a recycling-oriented society | ・Reduce resource usage through product development that contributes to energy savings and miniaturization for customers | ・Net sales: **448.4 billion yen** | ・Achieve net sales of **more than 600.0 billion yen** as the total amount of social contribution (FY2025 target) | |
| Mitigation of Climate Change | ・Reduce environmental impact by reducing GHG emissions | ・Reduction in GHG emission<br>・Reduction of energy consumption<br>・Promotion of introduction of renewable energy | ・**Reduced** GHG emissions **by 42.2%** vs. FY2018 levels<br>・**Reduced** GHG emissions per unit **by 48.7%** vs. FY2018 levels<br>・**45.5%** introduction of renewable energy completed | ・**Reduce** GHG emissions **by 50.5%** vs. FY2018 levels (FY2030 target)<br>・**Reduce** emissions per unit **by 45.0%** vs. FY2018 levels (FY2030 target)<br>・Promote the shift to renewable energy with the goal of **100%** implemented (FY2050 target) | |
| Effective Use of Resources | ・Realize a recycling-oriented society through effective use of resources | ・Water resource consumption reduction<br>・Reduction of waste | ・**Increased** water recovery and reuse rate **by 4.6%** vs. FY2019 levels<br>・Recycling rate of **98.8%** for consolidated companies worldwide | ・**Increase** water recovery and reuse rate **by 5.5%** vs. FY2019 levels (FY2030 target)<br>・Zero emissions (waste recycling rate of 99.0% or higher) on a worldwide consolidated basis (FY2030 target) | |
| **Society** | | | | | |
| Strengthening Employee Engagement | ・An organization of challenge, improve motivation<br>・Developing professional human resources with an autonomous, growth-oriented mindset<br>・Realizing well-being of each employee | ・Foster a corporate culture that creates challenges<br>・Enhancement of job satisfaction<br>・Improve employee engagement scores | ・Sent three employees to Master of Business Administration (MBA) and Management of Technology (MOT) programs and introduced a support system for doctoral candidates who possess high specialization<br>・Completed introduction of engagement survey throughout the group. Next survey scheduled for FY2025. | ・Establish a system to train world-class next-generation leaders and professionals (FY2025 target)<br>・Introduce the engagement survey across the entire Group worldwide, improve scores annually, and achieve employee engagement score at or above the industry average (FY2025 target) | |
| Diversity Development | | ・Promote women's active participation<br>・Global capacity development and personnel allocation | ・Female manager ratio for the ROHM Group: **13.8%**<br>・Implemented successor training program for highly critical positions | ・Increase female manager ratio for the Group to **15.0%** by FY2025 and to **20.0%** by FY2030<br>・Accumulate strategic data on evaluation, remuneration, promotion, and assignment | |
| Ensuring the Health and Safety of Employees | | ・Securing a safe workplace<br>・Promotion of health management | ・Serious accidents: 2 (3 lost-workday injuries) | ・Achieve and maintain **zero** lost-workday injuries in the Group (FY2025 target) | |
| **Governance** | | | | | |
| Enhancing Corporate Governance | ・Build trusting relationships with society through correcting information imbalances and effective governance | ・Secure diversity of the Board of Directors<br>・Review of compensation system to improve medium- to long-term corporate value<br>・Secure the effectiveness of management | ・A **21.4%** ratio of female and foreign directors (ratio of female directors: **14.3%** and ratio of foreign directors: **7.1%**)<br>・Achieved a **54.5%** ratio of independent outside directors on the Board of Directors<br>・Reviewed remuneration system and set policy on directors holding the company's shares<br>・Continued to provide support for effectiveness evaluations by outside agencies, and reviewed questions based on factors such as requests related to in-house and outside environment | ・Increase the ratio of executives who are female and/or foreign nationals to **10%** (FY2025 target)<br>・Increase the number of independent outside directors to a majority of the Board of Directors (FY2025 target)<br>・Introduce a remuneration system linked to the Medium-Term Management Plan (FY2025 target)<br>・Conduct evaluations by outside agencies once in three years (FY2025 target) | |
| Risk Management | ・A supply chain providing stable supply | ・Strengthening BCM system | ・Conducted BCP training for issuing temporary information on the Nankai Trough Earthquake at the head office. Additionally, the same training tools were deployed to domestic group companies.<br>・Distributed the fire risk assessment content for cleanrooms to domestic group companies. Furthermore, three other risk assessment tools were developed. | ・Strengthen the BCM system through company-wide risk management | |
| Sustainable Supply Chain Management | | ・Strengthening BCM system<br>・Promotion of green procurement<br>・Promotion of CSR procurement activities | ・Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations: **94.5%**<br>・Manufacturing site survey ratio for tier 1 suppliers: **90.0%**<br>・Prior agreement ratio for emergency response among key suppliers: **86.0%**<br>・Percentage of purchases from suppliers with CSR procurement self-assessment rating of B or higher: **90.7%** | ・Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations: **More than 90%** (FY2025 target)<br>・Manufacturing site survey ratio for tier 1 suppliers: **100%** (FY2025 target)<br>・Prior agreement ratio for emergency response among key suppliers: **100%** (FY2025 target)<br>・Percentage of purchases from suppliers with CSR procurement self-assessment ratings of B or higher: **More than 90%** (FY2025 target) | |
| Strengthening Product Safety and Quality | | ・Establishment and entrenchment of a quality assurance system through front loading<br>・Achieving appropriate quality by incorporating the customer's perspective | ・Customer quality satisfaction score **improved by 7.3%**<br>・Percentage of "Satisfactory" and "Somewhat satisfactory" responses selection rate: **improved by 13.0%** (Reason: Increase in high score for all items. In particular, a dramatic increase in "content of problems," "involvement of top," and "lateral expansion and recurrence prevention")<br>・Percentage of "Unsatisfactory" and "Somewhat unsatisfactory" response selection rate: **improved by 0.1%**<br>* All three items above are calculated relative to FY2020 | ・Customer quality satisfaction score: **+10.0%** (FY2025 target vs. FY2020) | |

# Message from the Chief Financial Officer

## Moving forward with structural reforms in line with financial strategies that reinforce a shareholder perspective

**Peter Kenevan**
Member of the Board,
Senior Executive Officer,
Chief Financial Officer and Sustainability

I served as an outside director for ROHM from 2022, and took up the position of executive director in charge of finance in June 2025. In August of the same year, I also took up the position of executive director in charge of sustainability. My goal is to improve ROHM's ROE and raise its PBR by further refining the company's strengths through financial and non-financial means.

## Determination when taking up the position of officer in charge of finance

I have been connected with Japan for about 30 years. In addition to studying abroad here in Japan during my university days, I worked in China for several years after joining McKinsey & Company and then became a partner at the Tokyo Office in 2000. When I subsequently took up the position of Head of Japan at the major online payment service PayPal, I was asked by ROHM to serve as an outside director and took up the position in 2022. After that, my term at PayPal ended and in June 2025, I accepted the offer to become an internal director at ROHM to reinforce finances because I felt that not only management, including President Azuma, but the company itself was appealing.

I have been involved with the semiconductor industry for many years as a consultant starting with my time at McKinsey, and while ROHM is wonderful in various ways, such as its integrity, technical capabilities, and honesty, I could see room for improvement in terms of flexibly responding to changes and boldly making decisions. My impression is that ROHM faces the same problems that many Japanese companies do.

The company is now earnestly working to implement a structural reform program that touts "returning to ROHM's strengths." The reforms entail pain as the changes are substantial, but I think that I can provide much advice precisely because I am from outside the company and unfettered. I firmly believe that ROHM can dramatically change with support for reforms provided from a detached, objective perspective.

However, what I have deeply felt since taking charge of finances is that ROHM's accounting and finance departments are extremely sound, and the company possesses an extensive IR system. Information and systems are well-organized, and high-quality in-house material, such as monthly reports, as well as disclosure material, including securities reports and integrated reports, are being created. Therefore, I shun interfering with the details of improving operations, and want to provide support for reforms from a more overall perspective.

At the beginning of July, immediately after taking up my position, I traveled around Europe and met with institutional investors of about 20 companies, which made me once again realize that they could provide opinions on how to make ROHM an even better company. One of my duties is to reflect those opinions in management decisions, and I will continue to undertake dialogue in order to deepen both of our understanding after clearly explaining my ideas.

Financial position

| | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|
| Total assets (millions of yen) | 926,240 | 1,029,132 | 1,123,283 | 1,481,274 | **1,440,765** |
| Shareholders' equity (millions of yen) | 768,972 | 839,817 | 914,912 | 967,471 | **889,033** |
| Cash and deposits + Securities (millions of yen) | 319,430 | 342,400 | 329,247 | 244,575 | **248,602** |
| Equity ratio (%) | 83.0 | 81.6 | 81.4 | 65.3 | **61.7** |
| Dividend per share (yen) | 37.50 | 46.25 | 50.00 | 50.00 | **50.00** |
| Payout ratio (%) | 39.9 | 27.2 | 24.4 | 36.0 | **–** |
| ROE (%) | 5.0 | 8.3 | 9.2 | 5.7 | **(5.4)** |

* The company implemented a four-for-one common stock split, effective October 1, 2023. The "dividend per share" prior to FY2022 is calculated by taking said stock split into account.

## Role of finance officer in structural reforms

We should first strive to regain a muscular, agile system. ROHM now faces problems in terms of both revenue and costs. Regarding revenue, we must improve our business portfolio and pricing, while in terms of costs, we must optimize personnel and manufacturing sites. It is important that we regain our former selves when we were competitive despite being medium-sized and reinforce our management foundation. Striving for growth comes after that.

When supporting structural reforms from the financial side, I consider things from three levels. The most basic level is linked to recent implementation, such as product strategy, pricing, business portfolio, and in what form we should possess manufacturing sites, from a near future perspective based on the profit/loss statement (P/L) and balance sheet (B/S). At the next higher level, there are several capital efficiency indicators, including ROIC, ROE, and ROA, which combine P/L and B/S elements. Positioned at the highest level are PBR and PER, which are related to share price, and this field is entrusted to capital market valuation. At the most basic level, we will steadily raise ROIC and other indicators by improving performance through strict valuation of investments and assets. We are also moving forward with discussions regarding shrinking assets that have grown too large, and are working to improve our capital efficiency. If these are successful, our share price will rise, driving our PBR and PER to the required level.

One important indicator that we can control is ROE, and I think that we should aim for a double digit ROE. Furthermore, I envision a cost of shareholders' equity of 7%-9%, but shareholder value will not improve unless we achieve profitability that exceeds this. I would like to aim to improve both shareholder and corporate value by achieving an ROE of 10% or more through greater profitability and capital efficiency.

In addition to promoting management that is conscious of share price and capital cost, we should expand a stock-based remuneration system in the medium and long terms in order to foster a performance culture mindset in employees, too. Restricted stock units (RSUs) are now granted only to management and corporate officers, but broadening that to employees, too, would spread a shareholder perspective throughout the company and lead to sustainable improvement in corporate value. Because it is now necessary to also reform the personnel system, I would like to examine developing a system design that incorporates experts.

## Cash management and shareholder return

The current percentage of overseas customer sales is about 50%, but that should be higher considering the size of the Japanese and overseas markets. To further increase the percentage of overseas customer sales, it is important that we focus on the SiC product lineup and markets such as the automotive, industrial equipment, and AI server markets. Already possessing sufficient production capacity, we will push ahead with optimizing production lines while controlling capital expenditures with an eye on demand. Furthermore, we will plant the seeds for future growth through initiatives such as M&As by adding or incorporating new functions offered by startup companies with technology, products, and sales networks required by ROHM.

We are now in a transition phase, but we will restore cash flows to a positive level in FY2026. Despite lackluster profit, this fiscal year, too, is not too bad on an EBITDA basis because depreciation remains high. The benefits of structural reforms will further raise our ability to generate cash in the medium term.

Once structural reforms are near completion, and our cash balance is stabilized, we will aggressively direct free cash flows to shareholder return. With a goal of an ROE of 10% as discussed above, it is necessary to shrink net assets. Many of ROHM's shareholders expect stable dividends, and thus we have adopted a policy of maintaining our dividend level even when struggling with performance. While our current target is a dividend payout ratio of 30%, I do not consider this to be etched in stone.

Decisions regarding elements other than investments for growth and working capital will be made taking all factors into consideration, including dividends and purchase of treasury shares, while monitoring the share price.

## 300 billion yen in assets and liabilities related to collaboration with Toshiba

The purpose of the investment in Toshiba is to generate synergies. We are, however, cautiously moving forward with deliberations because of strong market volatility due to the ferocious changes in the industry. Because of this, we issued convertible bonds (CBs), which was judged an appropriate method to procure funds that limits the burden on the P/L as interest rates were rising. I think that we should have made the decision from a slightly broader perspective, such as risk of dilution and capital cost if bonds are converted, which many investors are concerned about. Ultimately, however, I want to appropriately handle things in a way that wins the understanding of everyone. Deliberations with Toshiba are cautiously moving forward, and if it is determined that a partnership will not create shareholder value, we will immediately clean up both sides of the B/S.

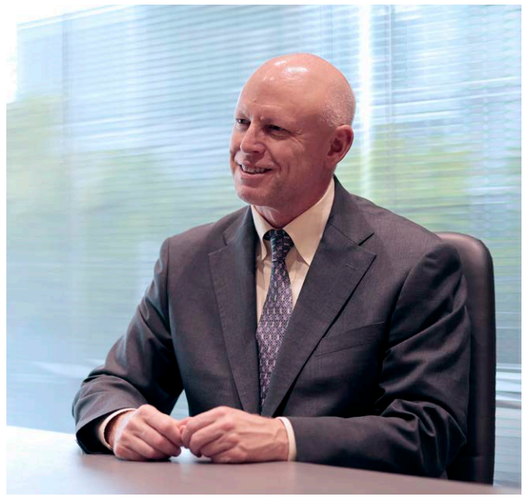
## 2nd Medium-Term Management Plan

As for the Medium-Term Management Plan "Moving Forward to 2025," we initially made firm progress, but fell behind in achieving the targets halfway through the plan as a result of changes in the semiconductor market. Even so, we were excessively tied to faithfully executing the plan, which resulted in us being slow to make decisions and unable to flexibly respond to the changes. For this and other reasons, I do not think it is essential to devise a Medium-Term Management Plan. It is necessary, however, to clearly indicate to both inside and outside the company the path we should move forward on when undertaking this kind of fundamental structural reform. So as not to fall in the same trap, we are pushing ahead with developing realistic plans based on the theme of "return to ROHM's strengths" in the 2nd Medium-Term Management Plan.

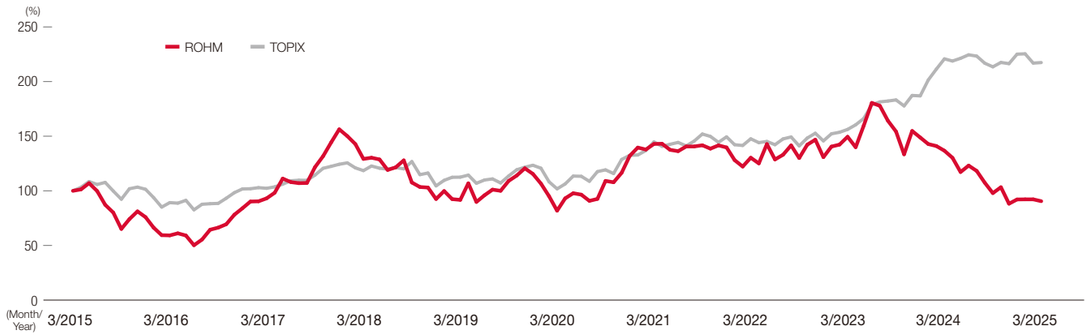
When formulating the plan, it is important to clearly indicate the targets we should achieve and then link those to structural reforms. The sure way forward is to incorporate reform elements being examined by function into a bottom-up plan, which is centered on business units, and then integrating those. I think that of these financial targets, the profit target is more challenging than the net sales target, but it can be argued that it is more controllable than a plan focused on business growth. This is because cost-focused measures are the core. At the implementation stage, we will repeatedly verify whether things are progressing as planned, and if additional measures are required, we will quickly respond. I would like to improve effectiveness through more lively business debates based on more detailed information.

As for KPI in the plan, decisions will ultimately be made from a perspective of the degree of their impact on P/L items, such as labor costs and depreciation. There is a general tendency to focus on the number of facilities and employees when promoting structural reforms, but there are differences in labor costs depending on the individual, and while some equipment at facilities have been fully depreciated, there is also equipment that has not. Numerous improvement measures are proposed at meetings, but ones that have little impact on profit have low priority. Even for capital expenditure, which has grown over the past several years, will be written down or sold if they are not expected to be used.

Until these structural reforms bear fruit, we will push forward with all we have, and thus, I request the continued support of all our stakeholders.



TSR (10 years, dividends included)




| | 1 year | 3 years | | 5 years | | 10 years | |
|---|---|---|---|---|---|---|---|
| | | Cumulative | Annualized | Cumulative | Annualized | Cumulative | Annualized |
| ROHM | -39.1% | -34.2% | -13.0% | +12.1% | +2.3% | -9.5% | -1.0% |
| TOPIX | -1.5% | +47.2% | +13.8% | +113.4% | +16.4% | +117.4% | +8.1% |

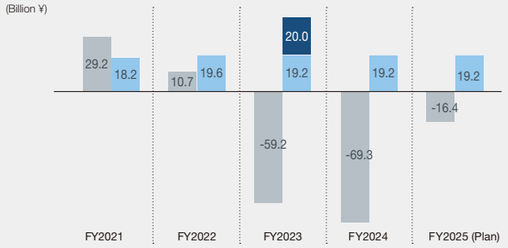
* Total shareholder return (TSR): Total rate of return on investment that combines capital gains with dividends
* TSR for ROHM is calculated based on cumulative dividends and stock price fluctuations. TSR for TOPIX is calculated with a stock price index including dividends. (Created by ROHM using Bloomberg data and other sources.)
* TSR values in the graph are indexed to market prices as of March 31, 2015, as 100 (assuming the stock was held until March 31, 2025)

## The 1st Medium-Term Management Plan from FY2021 to FY2025

### Investment for Growth and Returns to Shareholders

- Investment for growth curbed from ¥700 billion to ¥610 billion.
- FCF improved in FY2025 and will be positive in FY2026, with a D/E ratio of <0.5 and cash on hand of ¥200 billion as a benchmark for financial discipline to ensure financial soundness
- No change in shareholder return policy.

Free cash flow and returns to shareholders




* Free cash flow = profit attributable to owners of parent + depreciation + impairment losses - capital expenditures

The company conducted a four-for-one common stock split on October 1, 2023. (The dividend per share prior to FY2022 is calculated by taking said stock split into account)

Cash Allocation (Medium-Term Management Plan from FY2021 to FY2025, five-year cumulative)

**Returns to shareholders**
- Dividend payout ratio on a consolidated basis: approx. 30%
- Timely share buybacks to improve capital efficiency

**Investment for growth**
- Increase production capacity of 8-inch SiC power devices
  - New production building at ROHM Apollo's Chikugo Plant
  - LAPIS Semiconductor's Miyazaki Plant No. 2
- Expand 12-inch IC Bi-CDMOS manufacturing lines

| IN | OUT |
|---|---|
| Cash flow from financing activities 400 billion yen | Strategic investment (Toshiba) 300 billion yen |
| | Shareholder return |
| Cash flow from operating activities + government subsidies Approx. 460 billion yen | Growth investment (Capital investment) Approx. 610 billion yen |
| Liquidity on hand* Approx. 320 billion yen | Cash on hand |

* As of the end of FY2020

### ROHM's Financial Logic Tree

PBR≈ROE×PER

| Logic for improvement | | | Major KPIs, related indicators | Medium-Term Management Plan Targets (FY2025) |
|---|---|---|---|---|
| Increase shareholder value (PBR improvement) | ROE improvement | Earning power increase: Sales increase | • Sales growth rate<br>• Number of new customers<br>• Number of new products developed<br>• New product sales ratio<br>• Market share | • Sales of 600 billion yen or more<br>• Operating profit margin of 20% or more<br>• ROE of 9% or more<br>• Overseas customer sales ratio of 50% or more |
| | | Earning power increase: Operating profit margin improvement | • Gross profit ratio<br>• High added value product ratio<br>• SG&A expenses ratio | |
| | | Earning power increase: Taxation management | • Effective tax rate by region | |
| | | Capital efficiency improvement: Asset turnover increase | • ROA<br>• Inventory turnover<br>• Fixed asset turnover<br>• CCC | • CCC improvement (approximately 190 days)<br>• Reduce cash on hand<br>• Performance management based on ROIC by business segment, PPM |
| | | Capital efficiency improvement: Leverage effect utilization / Optimal capital structure | • D/E ratio<br>• WACC | |
| | PER increase | Capital cost reduction: Appropriate shareholder return policy | • Payout ratio<br>• Total return ratio<br>• Efficient share buybacks (EPS amplification effect) | • Consolidated dividend payout ratio: 30% target<br>• Timely share buybacks |
| | | Capital cost reduction: Market trust: Promotion of sustainability management / Management risk reduction | • Decarbonization-related indicators<br>• Various environmental indicators<br>• Employee engagement assessment<br>• Risk related indicators | • Reduce GHG emissions by 50.5%* (vs. FY2018)<br>• 100% implementation ratio of renewable energy by FY2050*<br>• Zero waste emissions*<br>• Global female manager ratio of 15%<br>• Employee engagement score at or above the industry average<br>• Quality satisfaction score: 10% improvement (vs. FY2020)<br>* FY2030 target |
| | | Capital cost reduction: Market trust: Enhanced IR activities and information disclosure | • Improvement in assessment by various institutions<br>• Customer quality satisfaction score | |
| | | Future growth expectations | • Medium-Term Management Plan growth targets<br>• Investment in growth areas<br>• R&D<br>• Non-organic growth (M&As, alliances) | • Growth investment: 610 billion yen (cumulative over 5 years)<br>• Partnership with Toshiba<br>• R&D expense ratio to sales: less than 9% |
| | | | • Continuous investment in human resources | |

# Discussion: The IDM ROHM Aims to Be

## A Partial Breakaway from IDM for One-of-a-Kind Manufacturing

Syoji Higashida — Executive Officer, FI and Director of General Purpose Devices & Modules Business Headquarters

Satoshi Fujitani — Director of LSIs Production Headquarters

## A partial breakaway from IDM to resolve IDM issues

**Higashida** Most of what are considered major semiconductor manufacturers are now generally breaking away from IDM. To win out over those companies, I believe ROHM has to create an environment within the company where IDM can be a strength. On the other hand, we also need to strengthen IDM by utilizing external organizations like foundries and OSAT. ROHM sees making IDM a strength while utilizing external resources as a partial breakaway from IDM.

Specifically, we will not make investments based on fluctuating demand that have production costs that then become fixed costs, but we will make them variable costs by outsourcing to foundries and OSATs. This will also lead to maintaining profit. For example, we will make a management decision to outsource products that are not technologically unique and will not lead to future technological innovation, making them into variable costs.

However, even if we are outsourcing now, ROHM has technology in-house to create what we want to create whenever we like. The strength of IDM is that it can maintain in-house production efficiency according to demand and maintain costs. On the other hand, if we complete all processes in-house, we will have no experience with other companies' technology and will lack knowledge of the outside world. Utilizing outside resources is also important to acquire and study a variety of information.

**Fujitani** On top of guaranteeing high quality, IDM can refine original production technology. That is also connected to ROHM's "quality first" corporate philosophy. Up to now, LSI has secured competitiveness with a sense of speed unique to IDM, in which the development cycle moves quickly in a way that closely aligns with customers. As for discrete semiconductor devices, we have acquired and maintained a significant market share thanks to the development of lines that can produce large quantities of good-quality products in-house. The IDM system can be further enhanced, but depreciation expenses from investments made when demand was active become a large burden when demand slows down. So I agree that it is difficult to respond to the risk of fluctuating orders with 100% IDM.

In addition, development in IDM tends to veer toward products that are limited by the capacity and types of production lines within our own company, with the resulting risk that it is difficult to create new products. We have to temporarily outsource the manufacturing of products that can be stably produced, allocate our in-house resources to more important places where we need to hone our strengths, and pursue new information from outside the company too. A partial breakaway from IDM is also meaningful from the perspective of making sure that IDM does not constrain or hinder the evolution of the development field.

## Concrete image of the partial breakaway and measures against competition

**Higashida** We should determine which parts of IDM to break away from depending on the circumstances. In the field of semiconductor miniaturization, especially, the production system of foundries is well-established in terms of scale. For example, in the future, we could change to a method in which the production volume of miniature semiconductors of 90nm or smaller would first be expanded through skillful use of foundry technology, then be strengthened with the in-house IDM system. Conversely, in fields where there are still no large foundries, like SiC semiconductors, there is the advantage of gaining sales as a pioneer by launching products with IDM, starting from R&D, to lead to technological innovation. Moreover, too much reliance on the outside will degrade the technology that is our strength and make it harder to distinguish our superiority over other companies' products.

**Fujitani** ROHM has competed using our own design and integral technologies. To return to such manufacturing, it is necessary for the future growth of the LSI business to secure the good parts of IDM while partially breaking away to delegate work externally for opportunities to gain new technology.

I also think there is still room to seek cost reductions within ROHM for discrete semiconductor devices. ROHM's in-house engineers have built an innovative production system that did not previously exist, so the launch of products on the market has been very fast, and we have also been ahead of our competition in reducing costs. However, there have been no dramatic improvements in productivity in recent years, and our overseas competitors are also catching up. I think that creating added value beyond expectations while curbing costs by adopting new materials and studying assembly techniques is something we should strive for in the discrete semiconductor device field in the future to compete with those overseas manufacturers.

**Higashida** Since the emphasis tends to be on costs for general-purpose products, it is definitely difficult to compete head on with Chinese manufacturers. However, I think that we have a sufficient chance to come out on top if we differentiate ourselves in the aspect of added value, such as functions and abilities, by leveraging the IDM system. The international market is vast, and there are fields into which Chinese manufacturers still have not entered.

At the same time, we are always paying attention to the cost structure of Chinese manufacturers, and we are continuously comparing them to ROHM's costs. The Chinese government's assistance measures for the semiconductor field may not continue in the future, so I think we have to be sure to grasp our chances to win while ascertaining changes in the situation.

**Fujitani** Regarding costs, it is also important to optimize efficiency in the manufacturing process. We verified a trial introduction of quantum technology solutions into the EDS process in our collaboration with Quanmatic in 2023. IDM requires fairly complex calculations to digitalize operations while anticipating every pattern, like facility installations and process variations, but the time for such calculations can be greatly shortened by quantum computers. It is groundbreaking that installations that used to rely on the skills of very experienced employees—one might even call them artisans—can now be reproduced with software. This technology not only reduces costs but is also expected to demonstrate effectiveness for saving labor and changing to unmanned processes in a country with a declining labor force.

In addition, our in-house engineers as human resources for manufacturing are also a significant strength of ROHM. From a human resource perspective, ROHM has what it takes to create world-first technology. In the future, the partial breakaway from IDM will lead to adopting outside technology, and the hope is that our in-house engineers' development and proposal abilities will be even more refined, and we will once again be able to create world-first manufacturing proposals.

## Responding quickly to changes in market conditions and improving corporate value through structural reforms

**Higashida** ROHM was originally a company where IDM was launched vertically by business unit. However, if businesses are too vertically integrated, we cannot exhibit our strengths as an IDM. I believe that a matrix structure is ideal for the organization. That is why, from my point of view as the person in charge of the Wafer Process (WP) Production Headquarters, I have worked cross-divisionally to share technology to various divisions. Overlooking everything in this way shows that one division's technology can be used in other divisions too.

**Fujitani** I have also worked to optimize the overall production structure across business units while in charge of the Assembly Process (AP) Production Headquarters. I think this has produced certain results, such as eliminating the waste of overlap between businesses in the production system and leading to standardization, but the business system has now returned to vertical division to start rebuilding a strong business foundation. I think this is an important management decision from the viewpoint of optimal business.

**Higashida** I feel the same. What ROHM needs now is to create a strong IDM. Vertically integrated businesses will actually show their strength remarkably if market conditions decline. That is why I think it is a very good thing that the company made a swift decision in response to changes in the current market conditions. It is important in management to maintain the matrix structure and flexibly determine whether to place importance on vertical or horizontal integration according to the environment at the time.

In fact, the strategic divisions for WP and AP remain as cross-divisional organizations. I would like to create an IDM that is unique to ROHM by leveraging the sense of speed that comes with vertical integration, supplementing where necessary with cross-divisional organization for overall optimization.

**Fujitani** I would like to aim to become an attractive company like nowhere else, not a company one can find anywhere. Although fewer companies are using IDM production, I think it is still in the field of IDM that ROHM can discover a way out of difficulties. The partial breakaway from IDM, making efforts in that field without adhering to it too much, and doing some outsourcing, is also the embodiment of our policy of creating a stronger IDM.

# Quality and Manufacturing

## Instilling the value of “Quality = Profit” across the Company to achieve quality that satisfies customer expectations

**Takashi Miki**
Executive Officer,
SCM and Director of Corporate Quality Headquarters

In FY2024, quality divisions focused on reducing “defects across multiple units,” which inconvenience our customers the most, and on bolstering quality assurance through front-loading. As a result, with the reinforcement of our on-site management structure, we successfully reduced defective product counts by half. Going forward, we will further streamline and simplify this system to evolve it into a structure that continuously generates results. Additionally, by constantly administering front-loading assurance standards and rules within routine operations, we will endeavor to establish a stable supply structure for high-quality products that meet customer expectations.

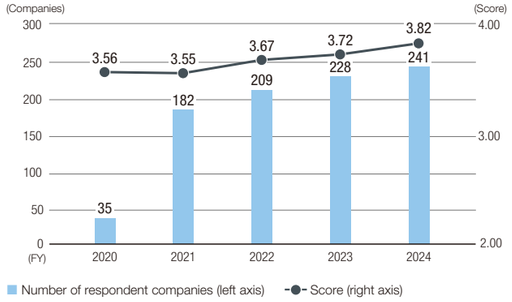
Currently, quality divisions and supply chain management (SCM) divisions are working in tandem as a unified corporate function to enable them to constantly maintain the highest standards across all four basic elements of quality-building: Man, Machine, Material, and Method. Through this arrangement, we are seeking to evolve into an organization that actively functions to realize strategies from an SCM perspective across ROHM. Furthermore, we are endeavoring to stabilize our mass production structure through systemic improvements to initial flow and to elevate reliability at the design stage. While focusing on risk analysis tools such as technical and design reviews and Failure Mode and Effects Analysis (FMEA*), we rigorously promote reliability design as a company-wide project. In the structural and awareness reforms to take place over the next four years, quality divisions will be called upon to ensure that quality assurance activities are tied into “profit.” This requires instilling the value that “Quality = Profit,” rather than “Quality = Cost,” across the company. It will be essential for us to thoroughly promote the elimination of waste and enhancement of efficiency under a constantly optimized quality assurance system and to entrench a seamless PDCA cycle that transcends divisions and bases. This will also link directly to us gaining customer trust and boosting our market competitiveness as a corporation.

We need to continue meeting our customers’ ever-changing expectations. To that end, it is critical we have a sense of speed allowing us to react sensitively to change. Equally essential is a structure that enables us to collect, analyze, and even reflect information companywide in an integrated manner. We are striving to evolve into an organization that actively functions to realize strategies from a company-wide perspective through collaboration with the quality, SCM, manufacturing, and other divisions. Going forward, quality divisions intend to function as a corporate department that laterally connects all of ROHM and to evolve into an organization that makes seamless collaboration a reality.

## Implementation of Quality Satisfaction Surveys

Since FY2020, ROHM has been conducting quality satisfaction surveys once a year that target the development, procurement, and quality divisions of customers who directly use ROHM products. Through the survey, we ask respondents to relatively rate ROHM on a five-point scale, on which “comparable to competitors” is 3 points, to analyze the company’s strengths and weaknesses and the gap with our ideal form, linking these efforts to activities for improvement. Through such activities based on the results of this survey, we received a score of 3.82 in FY2024. Additionally, the rate of high ratings (4 or 5) came to 62.6% overall, improving 13 points over the benchmark. We provide feedback on results both internally and to customers as we pursue optimal quality for customers that gives our global customers the confidence to choose ROHM.

Quality satisfaction score



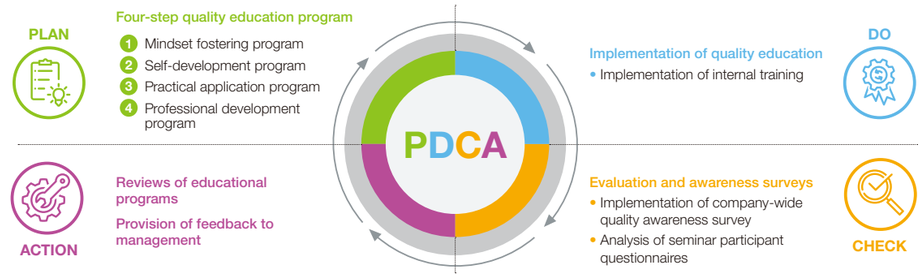





## Human Resource Training

In the Basic Management Policy, ROHM indicates that the achievement of the Company Mission through the quality of actions and the quality of the people who realize those actions represents one system. The mindset by which every division performs its work with quality as a prerequisite and the employees conduct quality assurance as one is part of the DNA of ROHM. At ROHM, we founded an organization that is dedicated to training human resources who can put this mindset into practice. We established a program that consists of “Mindset,” “Self-Development,” “Practice,” and “Professional Training” which combines in-person and live online training with senior colleagues and experts along with on-demand training that can be attended over the company intranet to provide the optimal training according to their occupation and career history. In particular, they focus on the “Company Mission and Basic Management Policy Immersion Training” to learn about the Company Mission and Basic Management Policy established in 1966, which is carried out every year for all employees.

PDCA cycle for ongoing quality education




## Flexible Lines

The flexible lines, which integrate our uniquely cultivated technologies to automate our assembly process, began operation in April 2021. As a result, we achieved an improvement in product quality by increasing processing performance through Failure Mode and Effects Analysis (FMEA). Moreover, we minimized variation through automation of production instructions, transportation and supply of materials and products, tool changes, and human tasks, doubling the existing labor productivity through labor-saving. In addition, the lead time was reduced to one-tenth of the existing figure by implementing process design from the planning stages.

In the automotive and industrial equipment markets, many customers want a long-term, stable supply of products even in small quantities. These concept lines enable the high-quality production of a wide variety of products in small quantities intended to meet the needs of such customers. We are currently carrying out verification efforts in order to establish various core technologies that we devised for the purpose of achieving this concept. Our immediate mission is to apply the elemental technologies obtained through this process to the next-generation lines concurrently under development, and deploy them to mass production plants.

Column **Challenges for the future**

### Development of next-generation lines with the use of flexible lines

**Junki Kato**
Engineer
Group 1
Advanced Production System Department
Manufacturing Innovations Division

The duties I oversee are the development of next-generation lines that will succeed existing production lines. Flexible lines are used as lines for technological demonstration to accumulate practical know-how regarding development and operation.

Flexible lines are production lines in which the latest technology is introduced based on the concepts of “quality first, labor-saving, and short lead times.” Traceability, in particular, is an advantage of these lines. For each individual transistor or diode produced on these lines, it is possible to analyze within minutes data such as the coordinates of where on the wafer the chips were located, the conditions under which they were bonded, molded, plated, or formed, and the duration for which they remained between each process. This data helps to both maintain consistent product quality and quickly identify causes of abnormalities should they occur.

Flexible lines are the only production lines in the industry in which all processes, from material input to finished product transport, are automated and unmanned, the result of the meticulous design of the items on the lines and associated data. The lines make it possible to realize the establishment of a supply structure that “delivers the necessary quantity quickly when needed.” Currently, we have been progressively and steadily accumulating know-how by addressing defects triggered by component wear that occurs gradually over several years with the aim of achieving fully unmanned nighttime operation. We intend on leveraging the technology and insight that has been cultivated in this fashion to develop next-generation lines that will lead the industry in the future.

# R&D and Intellectual Property

## Engaging in R&D that ties into innovation while treating our intellectual property as historical assets of ROHM

Ken Nakahara Director of R&D Center

FY2024 proved a fruitful year for ROHM's R&D department as exemplified by the requests for sample evaluation we received from potential customers and the proactive commercialization efforts commenced by our business divisions. There were also visible cases of pre-product-development design technologies being integrated into processes and linking to positive outcomes.

R&D is also conducted to prepare for future uncertainties. We believe adopting a perspective of supporting areas that our business divisions cannot fully focus on, rather than investing in fields because they are high-priority ones, is crucial. For that purpose, we must grasp the market information business divisions are not following up on and proactively disseminate it. Moreover, rather than pursuing specific performance alone, design thinking that anticipates how technology will yield benefits as an application and allows for some degree of "variance" is of the essence. The reality is that in technological development efforts, there needs to be a balanced advancement of multiple technologies for a single application to be realized. We must also turn our attention to the unexplored areas that lie behind fields in the spotlight, and achieve differentiation there. By having our engineers personally relive the challenges customers face and plan solutions with the use of existing production and manufacturing technology, we are striving to reduce entirely new development efforts and shorten the road to commercialization.

In order to safeguard and enhance ROHM's competitive advantage going forward, the strategic application of the reinforcement of intellectual property is an absolute must. Whether taking a "defensive" or "offensive" approach, unless we accurately evaluate the value of the intellectual property in our possession, we cannot formulate effective strategies and will end up resorting to ad-hoc actions. We need to leverage the patents we have developed thus far and other historical assets of ours to build a value system for ROHM, even if it takes time. We are also looking at the possibility of incorporating developments in AI technology for processing natural language to statistically and quantitatively improve our intellectual property activities. As the term "intellectual property" itself suggests, we would ideally like to "produce property through intelligence."

Above all else, the mission of our R&D and intellectual property departments going forward is to bring forth new products. With the needs of society in constant flux, we believe that the timely provision of new products that meet those needs is the key to achieving ROHM's corporate purpose of "contributing to the advancement and progress of culture." For the sake of that as well, we will reinforce our structure for becoming well-versed in market and internal trends and taking action with a flexible, progressive perspective.

## Our R&D Structure and Resource Allocation

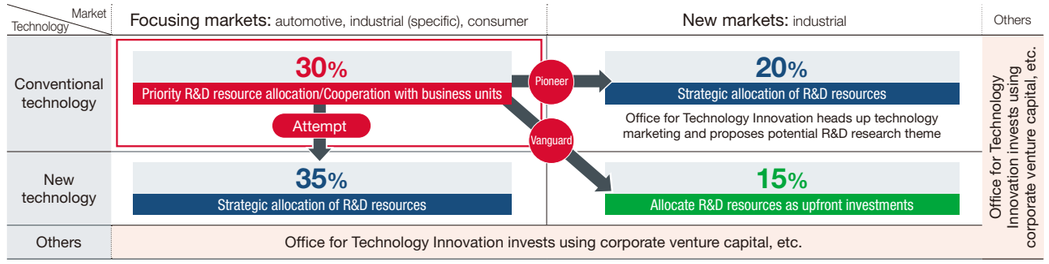
Portfolio management is necessary for R&D in companies, which face demands for business growth. Accordingly, ROHM divides its technologies and its markets into the existing and the new, and uses the resulting four areas to visualize the allocation of R&D resources. To devote more resources toward new technology development in the interest of future growth, we conduct review of resource allocation since 2024.

In R&D, ROHM also emphasizes the linking of individual efforts to recognition. All technological initiatives, including failures, yield knowledge that we can deploy laterally in some way. Efforts that do not result in commercialization can also earn recognition of engineers' achievements in technical presentations outside the company. This recognition from outside the company stokes the enthusiasm of engineers and forms a stepping stone on our path to becoming a major global player. We are working to build up R&D capabilities that generate sustainable growth over the long term by actively releasing papers and making presentations at academic conferences, as well as by partnering with universities through our open research solicitation system and by creating an environment that facilitates a broad perspective in research.





ROHM's R&D resource allocation




## Acquisition and Development of R&D Human Resources

In R&D, we adopt a human resource strategy that makes capabilities a basis for evaluation. Capabilities form our criteria for personnel assignment as well as for the acquisition and development of human resources. As a result, we achieve high diversity in R&D, which yields powerful synergies.

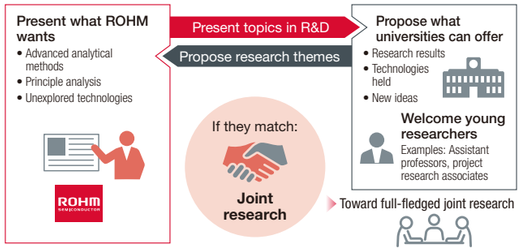
Enhancing the capabilities of our human resources boosts the level of activity in our R&D. We continue to invest in technology and people for the future by means that include acquiring cutting-edge technology through joint R&D with universities and other research institutions, and providing environmental support to engineers who seek doctoral degrees after joining ROHM.

In human resource acquisition, however, ROHM also faces the issue of low recognition due to its status as a B2B manufacturing business. To directly communicate information on ROHM and its initiatives, our members have begun activities such as heading out to academic meetings where the next generation of R&D human resources gather, to take part in technology presentations.

## Promotion of Innovation Through Open Research Solicitation System

ROHM actively engages in open innovation as a means of effectively advancing future-oriented R&D. An example of this is our open research solicitation system.

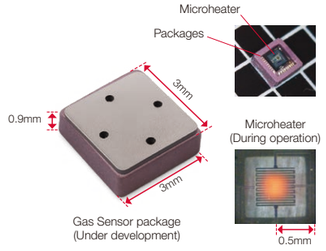
We position this as an introductory form of joint research that seeks results through industry-academia collaboration, as opposed to support for academic research through subsidies, and we secure the resources needed to continuously operate the system. The initiative solicits proposals for solutions and ideas not obtainable through our efforts alone, and selects promising collaborative proposals as themes for joint research lasting up to three years, nurturing the seeds of future R&D. When further progress can be expected, we move to full-fledged joint development with an expanded scale and time frame to achieve outcomes.




### Example of R&D

**Shifting our future hydrogen-based society into a higher gear with a new hydrogen gas sensor that boasts energy-saving properties, a long life, and high precision**

Hydrogen derived from renewable energy is gaining attention as a next-generation energy source, one whose use is anticipated to expand greatly in the future. However, hydrogen gas is extremely prone to leaking, and poses the risk of exploding in the air. This makes sensors that detect leaks with high precision indispensable. We at ROHM have developed a new hydrogen sensor as a compact, low-power device using MEMS gas sensor technology that not only realizes high-precision measurement despite employing a non-catalytic heat conductivity system, but also keeps its performance over the long term. While conventional heat conductivity sensors have been considered to offer little in the way of precision, our sensor overcomes this challenge through structural and drive method optimization. As hydrogen infrastructure becomes more prevalent and the number of sensors installed grows immensely in the future, curbing maintenance costs will prove to be a considerable challenge. By simultaneously achieving high precision and long-term reliability, this sensor mitigates the associated maintenance burden and contributes to the establishment of a safe, economical hydrogen society.




Hydrogen gas sensor by ROHM

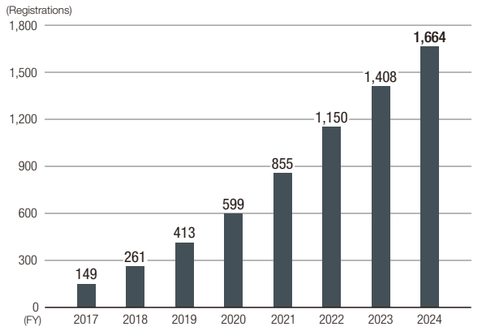
## Intellectual Property Strategy as Part of Management Reforms

The strength of the IDM adopted by ROHM is the fact that productivity and reliability can be improved by integrating technologies. The integrated technologies of semiconductor manufacturing consisting of "circuit design," "layout," and "process" are our bodies of know-how accumulated over many years and the most important form of intellectual property for ROHM to grow sustainably.

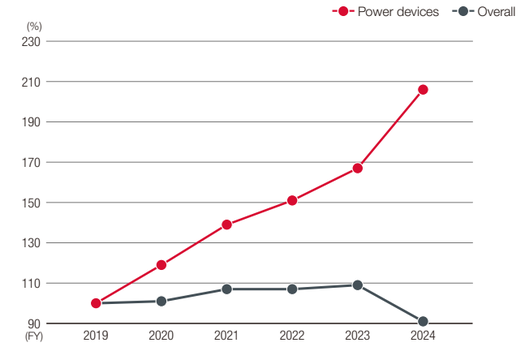
At ROHM, we have been registering know-how in an internal database since FY2016 to utilize it as shared wisdom rather than individual expertise. The number of registered know-how entries is increasing every year with around 150 entries in FY2017 growing to over 1,600 in FY2024. The registered know-how is developed into standards, guidelines, and design rules and embedded into mass production workflows, equipment, and tools, which has led to increased reliability and productivity.

In terms of strategy, we are focusing on know-how related to SiC, IGBT*, GaN, and other power devices and securing our competitive advantage by acquiring patent rights for technological inventions that realize high added value in these areas.

Number of know-how registrations (Cumulative)

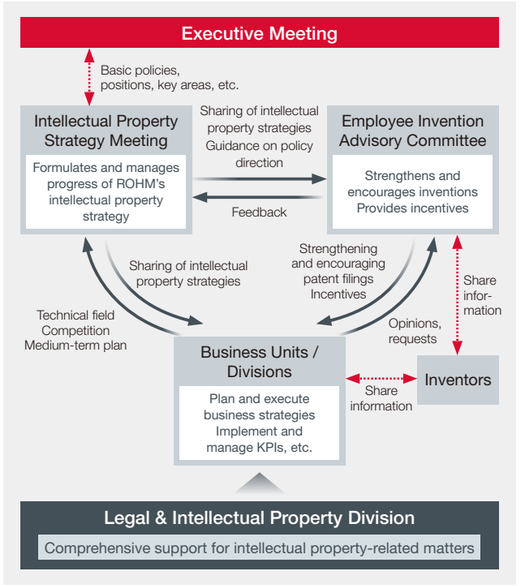



Increase rate of patents held since FY2019 in ROHM priority areas




## Intellectual Property Governance Structure

Intellectual Property Strategy Councils, headed by the General Manager of Intellectual Property and composed of business unit heads and senior corporate officers, are held four times a year. During each meeting, the members discuss and formulate intellectual property strategies for the entire company. The formulated intellectual property strategies are reported once a year to the executive meeting, which is attended by executive officers including the President, and become the guidelines for intellectual property management. Important matters deliberated at executive meetings are also reported to the Board of Directors, and the Directors can supervise intellectual property. These intellectual property policies are also shared with the business units, and the intellectual property strategy is promoted in a top-down manner. In addition, the Expert Committee on Employee Inventions composed of General Managers from research, development, and manufacturing plays a central role and coordinates with the Intellectual Property Strategy Council to create new inventions in a bottom-up manner and encourage the conversion of those inventions into intellectual property. Each year, we recognize inventors who have satisfied the requirements with an award to promote the conversion of inventions created at ROHM into intellectual property through incentives.



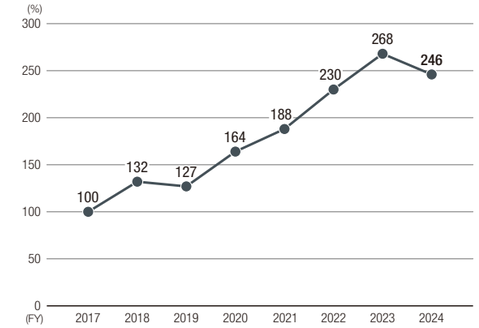

## Securing and Developing Human Resources to Promote Intellectual Property Strategy

At ROHM, we believe it is important to nurture young, flexible minds for the continuous creation of innovation. This is why we have been striving to foster a mindset of intellectual property creation among young engineers since FY2016. For example, we have a system which grants a "new inventor award" to engineers who have applied for a patent or registered their know-how by the fifth year after joining the company. In the last six years, the number of young employees who filed such notifications by their fifth year after joining the company increased by roughly 2.5 times, showing that the seeds of innovation creation are clearly taking root.

To create an invention, one must have considerable technical capabilities in their field. We are building a foundation for invention by creating a ranking list of patents that have contributed to ROHM sales and sharing how those patented technologies were created and the key conceptual points with other engineers.

For ROHM to grow further in the future, it is essential that we nurture intellectual property personnel who can play an active role on a global level. To that end, we are systematically promoting both off-the-job training and on-the-job training. In addition, we promote the upskilling of each team member through semi-annual discussions between supervisors and subordinates about their skills and career path.

Change in the ratio of inventors in their first five years after joining the company



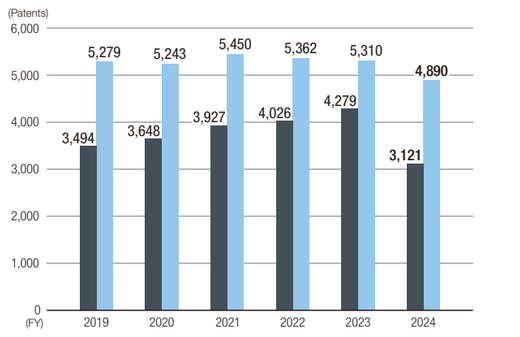

*1 Change in the ratio of inventors in their first five years after joining the company calculated based on the number of inventors in 2017
*2 Employees at the Head Office

## Proactive Filing of Patent Applications for Sustainable Growth

Due to the correlation between the market share of sales and the number of patents in the semiconductor industry, ROHM has set a target number of applications for each year based on our plan which aims to enter the top 10 in power and analog semiconductors in FY2030. The foundation of our patent application strategy is to ascertain the number of U.S. patents with respect to ROHM's sales share and apply for enough patents to maintain our competitiveness.

In priority technology areas, we are filing not only our own applications but also procuring patent rights from outside the company. Furthermore, we are monetizing patents that are underutilized due to changes in the business environment through sales and licensing to strengthen our intellectual property portfolio while swapping out patents as needed.

Number of patents held in the Group overall




## Record of External Recognitions

Two positive outcomes from such initiatives for inventions came in the form of the "Kyoto Institute of Invention and Innovation Chairman's Award" and the "Invention Encouragement Award" that were granted to us at the 2024 Kinki Local Commendation for Invention, where the Japan Institute of Invention and Innovation recognized engineers and R&D personnel who brought forth outstanding inventions, utility models, or designs. Our invention recognized with the Kyoto Institute of Invention and Innovation Chairman's Award was the "package insulation method for insulated gate drive IC," a technology that establishes an insulation method for the inside of packages and is built into our insulated gate drivers, a leading product by ICs.

# Human Capital Initiatives

**ROHM's Basic Management Policy states that we will "search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity." Our company's history, technologies, and assets accumulated since our foundation are important assets for the company, and it is undeniably our human resources that have cultivated these assets. That is why ROHM invests in the growth of each employee with the determination to fully demonstrate his or her capabilities, focuses on human resource development, and aims for the cyclical growth of the company and its employees through the provision of a stage where a wide range of talented personnel can play an active role.**

Human Capital Management (P.93-139 Sustainability Report)
https://www.rohm.com/sustainability/download

Material issues

- Strengthening Employee Engagement
- Diversity Development
- Ensuring the Health and Safety of Employees

▶ P.31 FY2024 results and KPIs

## ROHM's Definition of Human Capital Management

ROHM defines human capital management as "incorporating employees' growth into the company's corporate value, and reinvesting the corporate profit into human resources so that employees' personal value in the labor market can be enhanced, thereby achieving a sustainable growth cycle that involves individual employees and the company."

The company provides employees with the appropriate environment and opportunities for growth, and actively supports their development. Attracted by these, individuals gather at ROHM, grow through their work, and enhance their own market value. As a result, the company grows, enhances its corporate value over the medium to long term, and further reinvests in its employees. This continuous cycle is the essence of ROHM's human capital management.

Furthermore, our image of the ideal human resources and organization we need to realize our Management Vision includes professionals who empathize with the company's mission, policies, and vision and who continue to grow autonomously. While respecting diverse personalities, these professionals come together as ONE ROHM to contribute to the growth of our business. By promoting human capital management, ROHM aims to achieve sustainable business growth and increase corporate value in the medium to long term.

## Human Resources Strategy

To strongly promote human capital management at ROHM, we formed Human Resources as Business Partner (HRBP) in April 2024 and altered the structure of the Human Resources Department at the Head Office as part of our corporate transformation. In doing so, we are addressing diverse human resource challenges across various divisions. Under such a framework, we are exploring the people and organizations that support the realization of our Management Vision and promoting actions targeting our material issues such as "Strengthening Employee Engagement," "Diversity Development," and "Ensuring the Health and Safety of Employees."

Meanwhile, within our challenging business environment, we are working on normalizing headcount for the purpose of allocating management resources in an optimal fashion and improving profitability. In March 2025, we implemented a voluntary retirement program at the Head Office that applied to roughly 200 employees. Going forward, we will continue promoting the optimization of our personnel structure on an ongoing basis in line with the realignment of our manufacturing sites and review of our business portfolio. More than just a cost-cutting measure, this headcount optimization is an initiative to boost ROHM's overall competitiveness by reassigning talent to growth fields and improving operational efficiency. ROHM will continue to promote the creation of an organization resilient to change while respecting the value of human capital.


## Strengthening Employee Engagement

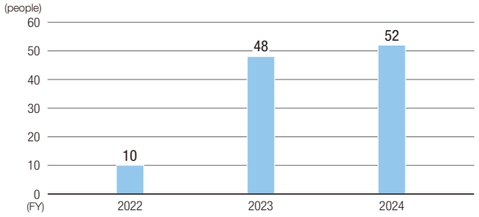
To ensure the continuous development and retention of human resources over the long term, it is crucial to create a stage where a wide range of talented personnel can play an active role. We are promoting the strengthening and enhancement of human resource measures and systems to increase employee engagement and productivity, and to ensure that each employee can fully demonstrate their capabilities.

### Job Posting System

To provide opportunities for employees to voluntarily apply for a transfer, we established the "Job Posting System." Since the introduction of the system in December 2022, a cumulative total of 52 employees have begun working in their requested departments as of FY2024. By supporting each employee as they independently and continuously engage in the shaping of their own career, we are invigorating career development and boosting the internal mobility of human resources. Through this system, we will enable swift response to rapid changes in our environment and, in doing so, secure the human resources we require in our core operations.

A survey conducted among 30 employees within 1-2 months of transferring using the system showed increased satisfaction with their work content and career, as well as greater motivation to engage with their tasks.

Number of employee transfers through Job Posting System (Cumulative)



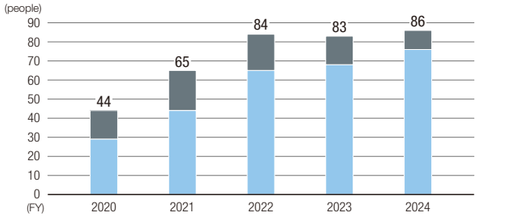

### Specialist System

At ROHM, we recognize that elevating individual specialization and engineers' capability is essential for developing products that are chosen by customers in a global market. To enable highly specialized human resources who underpin our sustainable growth to manifest their capability to the fullest, in FY2019, we established the Specialist System that recognizes employees who contribute to the company using their advanced specialized skills as "Specialists" regardless of whether they have subordinates and clarifies their career path as an authority in their field.

Moreover, highly specialized professionals who are at the top of Specialists are awarded the titles of "Fellow" or "Senior Fellow." Over the next five years, we intend to appoint approximately ten Fellows. Five of these have been appointed as of 2025. For Senior Fellows, we have a system in place under which they receive treatment equivalent to that of Headquarters directors or executive officers, thereby enabling them to grow as highly motivated, highly specialized professionals. Furthermore, Specialists are not only required to make considerable contributions in that capacity, but they also bear the important responsibilities of "developing the next generation" and "passing on specialization and technology."

ROHM will link the Specialist System to greater motivation to improve specialization and to human resource development as well as use the system to facilitate the acceleration of the technological development that underpins our competitiveness, and, by extension, help along our further growth and development as a company.

Appointments of specialists



## Conducting engagement surveys

To further reinforce unified Group management, ROHM recognizes that understanding and empathy from employees regarding the company's goals and desired outcomes are essential. Since FY2021, we have conducted engagement surveys every two years across the entire Group. (Next survey scheduled for FY2025)

Through the survey conducted in FY2023, we recognized the following challenges: "perceived understanding of employees by management," "employees' understanding of the connection between their work and customers," and "whether different opinions are accepted, and employees feel comfortable voicing their opinions." To address these challenges, in FY2024, we planned and implemented measures such as "Web Café," a forum for interaction between fellow young employees and between management and those young employees, in addition to efforts by leaders in our organization to engage in dialogue with employees and link that dialogue to actions for problem-solving. In doing so, we endeavored to foster a culture of "dialogue."

As we move forward, we will continue to apply the Organizational Health Index (OHI) and the like to form a grasp of our organization's strengths and areas for improvement, after which we will create an environment where capable human resources can challenge themselves and grow while honing their expertise.

## Promoting Diversity

ROHM has manufacturing and sales bases around the world that employ individuals with various nationalities. Our belief is that diverse human resources manifesting their individuality and capability and enhancing their teamwork as a unified group leads to innovation and contributes to the provision of products that help resolve social challenges and to the enhancement of corporate value. This belief is why we endeavor to promote diversity. In decision-making in particular, we feel that incorporating diverse views as opposed to relying on homogeneity enables us to boost our competitive advantage.

### Women's active participation

The active participation of women delivers multifaceted benefits that go beyond helping to secure capable human resources. Those benefits include improving positive outcomes through ascertaining and solving problems from different perspectives, enhancing the career aspirations of young women through the presence of role models, and reforming corporate culture by fostering a climate in which everyone can play an active role regardless of their gender. Based on this line of thinking, we have positioned "Promoting Diversity" as an important challenge of ours, and have set the encouragement of women's career development and promotion of women and foreign nationals to management roles as non-financial goals in our Medium-Term Management Plan. We have adopted "increase the ratio of female managers in the entire Group to at least 15% and increase the ratio of female or non-Japanese executives at ROHM Co., Ltd. to at least 10% by FY2025" as a KPI, and aim to achieve these goals by revising existing systems, implementing new ones, and enhancing training opportunities.

Training for promoting the active participation of women

| Training | Purpose | Target participants | Number of participants |
|---|---|---|---|
| Career design training for core position staff* | Training intended to give employees an opportunity to confront their future life plan and career plan and consider how they can play an active role in the future, and to cultivate a vision for that future | Core position staff | Total of 100 participants (since June 2020) |
| Career design training for limited core position staff* | | Limited core position staff | Total of 300-plus participants (since FY2019) |
| Female leader development training | Training intended to discover and develop future female leaders capable of playing active roles in management as well | Core position staff | 20 |
| Diversity management training for division managers | Training for employees in a management position to reflect on their awareness and behavioral changes in developing subordinates and to rethink their role in that position so that women can play active roles in a wide array of scenarios | Employees in management positions | Total of 100-plus participants (since FY2019) |

### Discovering and developing global human resources

From ROHM's perspective, the ability of global human resources goes beyond language proficiency to include autonomous thinking, the acceptance of different cultures and diverse values with a broad perspective, and the creation of new value. As we look to expand our global operations, we recruit human resources who possess the required skills and expertise across all kinds of fields, including research, technology, sales, and management, without regard to their nationality. Every year, we also hire a certain number of foreign nationals, mostly international students. In our human resource development efforts, we carry out training activities that go beyond the boundaries of ROHM to include industry-academia collaboration and exchanges with other companies based on the demands of the semiconductor industry.

### Course Change System

ROHM has revised its career track system to promote change of career for limited position staff who wish to become core position staff to broaden the scope of their duties and take on the challenge of further career advancement. Under this system, all employees who wish to apply for core positions can do so, and those who pass the examination can transfer career tracks.

To date, 252 employees have successfully transferred to core positions and expanded the scope of their work.

### Active participation of senior employees

With the advent of the era of the 100-year lifespan, work and lifestyles are changing dramatically and it is crucial to create an environment where senior employees with the willingness and ability to work can play an active role. The experience, skills, and internal and external human networks that seniors have cultivated over their long careers are precious assets for ROHM. By introducing systems such as post-retirement reemployment and career design training, we will continue to improve the environment for senior employees to play an active role, aiming to strengthen the organizational framework that enables them to consistently produce significant output.

### Active participation of people with disabilities

In promoting diversity and inclusion, we are proactively hiring people with disabilities and promoting their participation with the aim of creating a working environment where employees with disabilities can play an active role.

As of June 2025, our domestic Group employs 113 people with disabilities, an employment rate of 2.34%.

## Ensuring the Health and Safety of Employees

Accidents in the workplace threaten the lives of employees and can also cause significant impact business continuity. We consider it important to create a workplace environment where all employees, as well as stakeholders involved in operations, can work safely in order to protect the lives and human rights of our employees. Moreover, for each employee to find purpose in their work and maximize their potential, it is essential for them to be both physically and mentally healthy. Therefore, we actively work to ensure a safe, secure, and sanitary workplace while promoting and maintaining the physical and mental health of employees.

### Ensuring a safe workplace

The Head Office conducts on-site checks for group locations with the aim of strengthening the operation status of the safety and health management system and reducing risks. By checking manufacturing sites through the eyes of a third party, we prevent the omission of risk identification and bias at the safety management level. In FY2024, we conducted safety checks and discussions with members at a total of five manufacturing sites in Japan and overseas, and are systematically taking corrective measures against the risks and issues identified to implement continuous verification.

### Efforts to promote health management

We have positioned realization of well-being by each and every employee as a material issue for achieving the goals of the Medium-Term Management Plan and for ROHM's sustainable growth. ROHM has set up the "Health Up Challenge 7" as a priority area for health promotion, in which each employee makes efforts to achieve the seven health-related goals (sleep, stress, exercise, diet, drinking, non-smoking, and communication) with the aim of improving their presenteeism (the act of showing up to work while ill, injured, or otherwise unwell, resulting in reduced productivity and performance) and achieving well-being.

Column **Challenges for the future**

### Transforming the broadened perspective and profound takeaways I gained through changing course into the ability to develop human resources and organizations

**Rie Hashimoto**
Manager
Safety and Health Promotion Office
Corporate Sustainability Division
Administrative Headquarters

For twenty years until my transfer to the Safety and Health Promotion Office in April 2025, I belonged to the Human Resources Department. During my time there, I took on the challenge of changing course twice, moving from a contract employee to a core position. While broadening the scope of my duties, I also took childcare leave three times. My awareness of time management skills cultivated through balancing work and childcare, as well as my appreciation for others, continue to benefit me in my current duties.

In 2024, as someone in a management role, I completed the Women's Executive Leadership Program at Kyoto University's Graduate School of Management. Through this six-month program, I gained not only management knowledge but also insight based on the experiences of mentally strong and charismatic female instructors and, as a result, a significantly broader perspective. I had many takeaways that directly tied into my day-to-day duties, such as clarifying and sharing a vision according to the growth stage of the organization, communication based on the premise of diverse values, and flexible thinking approaches that strike a balance between elements that appear to be contradictory on the surface. Leveraging this experience of mind, I hope to do my part to enhance ROHM's corporate value through the promotion of safety and health, management tailored to individuals, and human resource development while aiming to create a workplace where everyone can enjoy their work.

# Business Overview by Segment

# ICs

## Sowing the seeds for renewed growth by enhancing technologies under the ICs business and transitioning to "winning management"

**Tetsuo Tateishi**
Member of the Board, Senior Executive Officer,
LSIs Business and IT

In the IC business during FY2024, we were unable to secure profit on a standalone basis, leaving us with unsatisfactory results. There were sizeable downturns in the automotive and industrial equipment markets, and although we managed to cover this to some degree with sales for home appliances, the impact of suppressed operating rates accompanying inventory adjustments also came into play, leading to a substantial decline in profit as a whole. Our primary challenge is dealing with our inability to continuously develop and launch new products with high added value that are capable of generating sufficient profit.

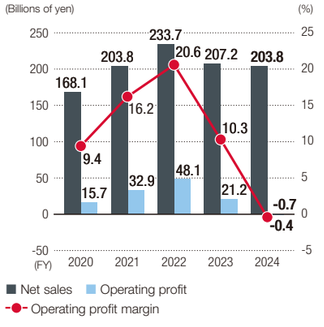
At present, we are focused on the field of solutions for AI servers. While we got off to a slightly later start than our competitors, we are working on rapid product deployment that includes joint endeavors. We combine ICs and power devices to provide solutions that cover a wide range, from high to low voltage. In order to demonstrate our surefooted technological prowess in applications such as power management and motor drivers, it is essential that we reinforce system and application technologies in addition to product development. We will actively utilize partnerships with external partners as well and take action with a sense of urgency.

ROHM's possession of diverse portfolio of power devices that include SiC, Si-MOSFET, Si-IGBT, and GaN-HEMT in addition to ICs for power supplies and motors give it an advantage. Our understanding is that very few companies can match our product mix in this respect. While having a lineup with high added value at the ready for standalone ICs as well is important, we are able to further elevate our value proposition for customers by developing ICs optimized as solutions in combination with our own power devices. With ICs and power devices developed collaboratively as a solution, we pursue ease of use for customers and improved system performance, enabling us to deliver comprehensive added value that is not easily duplicated by our competitors.

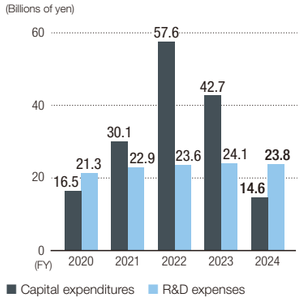
In the future, we will further deepen our technological perspectives through vibrant discussions among our in-house engineers and cooperate with our newly formed Marketing Headquarters to fulfill our aim of erecting a structure that lets the ICs business steadily develop a product lineup with high added value and generate earning power. In the immediate term, for the purpose of prioritizing the improvement of profitability, we will steer toward steady management with full discussions of management risk while also firmly advancing the "sowing of seeds" aimed at making future dramatic leaps.

## Performance Highlights

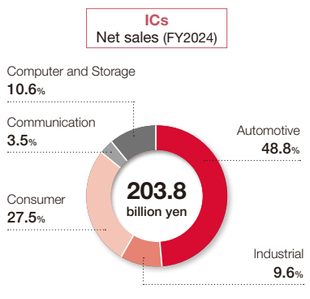
### Net sales/Operating profit/Operating profit margin




### Capital expenditures/R&D expenses




### Sales by application




## Key Products

**Isolated gate driver ICs**

Controlling power devices, such as those in the drive units of electric vehicles. ROHM's unique microfabrication technology contributes to miniaturization and higher efficiency of inverters for automobiles.

**Power management/ Power supply ICs (PMICs)**

We have a diverse lineup of application-specific system power supplies to meet various uses and specifications. In addition to consumer products, we are expanding the product lineup of various PMICs for each electronic control unit (ECU) for automotive use.


**Image ICs**

We offer a lineup of products that enhance the display safety and performance of automotive infotainment systems featuring high resolution and larger screen sizes.

## ROHM's position (2024)

Sales ranking of worldwide analog IC manufacturers

(Millions of U.S. dollars)

| Rank | Company name | Sales |
|---|---|---|
| 1 | Texas Instruments | 11,995 |
| 2 | Qualcomm | 8,794 |
| 3 | Analog Devices | 8,469 |
| 4 | STMicroelectronics | 4,804 |
| 5 | MediaTek | 4,740 |
| ⋮ | | |
| 17 | **ROHM** | **832** |

Source: Competitive Landscaping Tool CLT, Annual 2Q25

**Worldwide analog IC market**

Total market **79,703 million U.S. dollars**

ROHM's share **17th 1.0%**

**Automotive–Analog ASSP, Automotive–Analog ASIC**

Total market **13,429 million U.S. dollars**

ROHM's share **12th 2.3%**

**Industrial & Other–Analog ASSP, Industrial & Other–Analog ASIC**

Total market **4,276 million U.S. dollars**

ROHM's share **19th 0.8%**

## Progress of the Medium-Term Management Plan

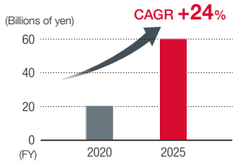
**Improving profit margins in the ICs business and expanding its markets through value creation**

In our ICs business, we positioned fields that hold the promise of sales growth and have high added value as our "Strategic Top 10." We endeavored to raise the average selling price by elevating the sales mix of these fields, aiming to improve profit margins for the business as a whole over the five-year period of our Medium-Term Management Plan. While market conditions in the immediate term are challenging and sales of ICs overall are stagnant, sales from the Strategic Top 10 continue to grow steadily.

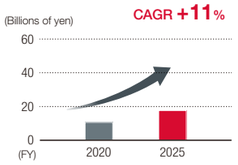
At the same time, looking at specific markets, while we have achieved some positive outcomes in the automotive market in line with progress in electrification, growth rates in other markets are currently low. Going forward, we must proceed to strengthen our product lineups for the industrial equipment and consumer markets. To that end, we will collaborate with our newly formed Marketing Headquarters to reinforce mechanisms for tying market needs into new product development.

In addition to the development of IC products with high added value, we will cover the spectrum from high- to low-voltage applications by combining those products with power devices, provide our customers with optimal solutions, and link those efforts to revenue growth over the medium to long term.

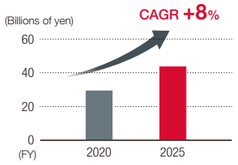
**xEV-related** (Inverters, OBC, etc.) CAGR +24%



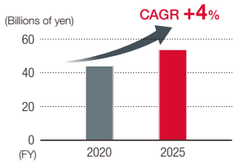

**ADAS* & autonomous driving** CAGR +11%




**Body** CAGR +8%




**Infotainment** CAGR +4%




### Column Examples of value creation

**Making it easier to detect faults early using microcontrollers equipped with AI functionality, thereby contributing to stable equipment operation**

In recent years, amid the need for the efficient operation of equipment and machinery, the application of AI to predict and detect faults and improve maintenance efficiency have emerged as key themes. On the other hand, conventional AI processing models necessitate network connectivity, high-performance CPUs, and so forth, which posed challenges with cost and installation environments. To address such challenges, as of March 2025, ROHM has developed the industry's first*1 microcontroller equipped with AI functionality, which makes both learning and inference possible on the microcontroller itself without requiring a network. This product utilizes a proprietary AI accelerator*2 to achieve AI processing speeds 1,000 times faster than ROHM's microcontrollers employing conventional software-based systems (Condition: theoretical value at 12 MHz operation). It is also able to flexibly accommodate disparities across installation environments and devices. Additionally, ROHM offers a simulation tool online, called "Solist-AI™ Sim," that makes it possible to verify the product's effects before implementing it. We also have a model development and implementation support structure in place through an ecosystem in collaboration with partner companies. In this way, by detecting signs of device failure before it occurs and lowering both maintenance costs and the risk of line stoppage with its microcontrollers equipped with AI functionality, ROHM contributes to the stable operation of equipment and devices and to the further enhancement of their efficiency.


Microcontrollers equipped with AI functionality

*1 As of March 18, 2025. According to research by ROHM on microcontroller products.

*2 Dedicated hardware that improves processing speeds by using hardware to handle processing that would otherwise be left to the processor (CPU) using software when realizing AI functionality.

Business Overview by Segment

# Discrete Semiconductor Devices

## Structural reforms with a priority on improving profitability by accelerating development and capturing new demand

**Kazuhide Ino**
Member of the Board,
Managing Executive Officer, Power Devices Business

Despite having pushed forward with prior investments in line with the Medium-Term Management Plan to achieve business growth, we were unable to achieve the envisioned growth in sales because of major changes in the market and other factors. As a result, in FY2024, the discrete semiconductor devices business experienced a dramatic decline in profit, weighed down by fixed costs, including depreciation. As the executive officer in charge, I feel a strong responsibility for this and will first give the greatest priority to improving profitability as well as push forward with other measures, particularly structural reforms.

In addition to working to improve productivity and reduce costs for each production line and plants, we will lower the profit break-even point by advancing initiatives to consolidate and restructure production lines and plants. We are working to lower the percentage of production carried out on small-diameter wafer lines and terminate production of products that offer low profitability in order to improve profitability.

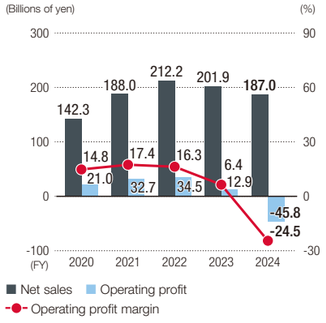
On the other hand, it is important to ascertain the market and demand to expand the business, and the medium- and long-term outlook is for the overall automotive market to steadily shift to electrification despite recent slow growth in the electric vehicle (EV) market. For SiC power devices, too, we are aware that it is critical to not simply rely on EVs but accelerate efforts to introduce them into a wide range of applications for which the market is expected to grow, including plug-in hybrid electric vehicles (PHEVs), hybrid electric vehicles (HEVs), and AI servers. For both PHEVs and HEVs, it has already been decided to launch mass production from this year through next year, which can be expected to compensate for the weak EV market. In order to survive in the automotive market, we must improve device performance. As a result of initiatives over the past two years to reinforce the development system, we have been able to shorten the next-generation device release time, which has conventionally been four years or more, to two years. In addition to steadily moving forward with the shift to mass production of the most advanced fifth-generation SiC MOSFETs, we are working to increase our competitiveness by further accelerating the development of sixth and seventh generation products.

As for AI servers, the SiC device market is expected to grow more than 100.0 billion yen over the next couple of years as high voltage inverters are introduced into data centers. We will accelerate the introduction of new Si power devices and GaN products, markets that are expected to see even greater growth. While moving forward with the reallocation of development resources, we are striving to reinforce our sales, marketing, and development systems for AI servers. Developing cutting-edge technologies for markets and fields with rapid new technology development and technical innovation, such as AI servers and consumer electronics, will also result in improved product development capabilities in the automobile and industrial equipment markets. In collaboration with the newly established Marketing Headquarters, we will accelerate the introduction of new products that meet market needs.

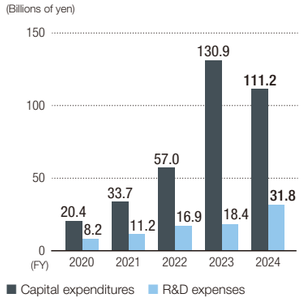
Having overcome numerous trials over the years, ROHM has found ways to survive and stay united to reach its goals. If management correctly indicates the direction forward, we have the capability to ensure success. Improving profitability is the priority issue for four years, through FY2028, and I will take the lead to promote initiatives to increase the speed of all businesses and specialization in order to achieve an increase in corporate value.

## Performance Highlights

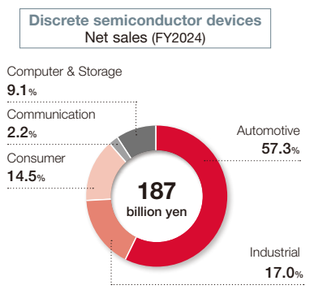
Net sales/Operating profit/Operating profit margin



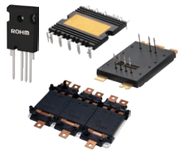

Capital expenditures/R&D expenses



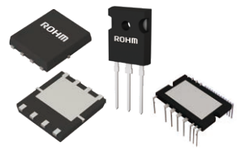

Sales by application




## Key Products



**SiC power devices**
We offer a broad lineup of bare chips, discrete products, and modules that contribute to miniaturization and efficiency in high-power applications.



**Power MOSFETs and IGBTs**
These products are used in power electronics equipment including solar power generation equipment and power supply systems, and can achieve energy saving by reducing power consumption.

**Power diodes**
Through overwhelming production volume and an extensive lineup, these products meet the requirements of numerous applications in areas including consumer, industrial equipment, and automotive.

## ROHM's position (2024)

Sales ranking of worldwide power device manufacturers

(Millions of U.S. dollars)

| Rank | Company name | Sales |
|---|---|---|
| 1 | Infineon Technologies | 6,617 |
| 2 | onsemi | 2,829 |
| 3 | STMicroelectronics | 2,216 |
| 4 | Mitsubishi Electric | 1,484 |
| 5 | Fuji Electric | 1,245 |
| ⋮ | | |
| 10 | ROHM | 819 |

Source: Competitive Landscaping Tool CLT, Annual 2Q25

**Worldwide power device market**
Total market **27,751 million U.S. dollars**
ROHM's share **10th 3.0%**

**Power transistors**
Total market **23,912 million U.S. dollars**
ROHM's share **10th 2.4%**

**Power diodes**
Total market **3,839 million U.S. dollars**
ROHM's share **4th 6.6%**

## Progress of the Medium-Term Management Plan

### Expanding the sales of power devices and developing them into a core business

Having launched mass production of GaN devices in addition to devices made with Si and SiC, ROHM is contributing to the reduced energy use of customers and miniaturization by providing optimal solutions for the particular use. With the advent of new applications such as AI servers in addition to EVs and HEVs/PHEVs, there is growing demand for power devices that handle large currents and voltages. In FY2024, sales fell year on year due to transitory market conditions, but the medium- and long-term outlook remains unchanged. Through technical capabilities that lead the industry, we will capture new market share and accelerate business growth.

### An SiC business leading the industry through innovative technologies and cost competitiveness

In order to remain a technology leader, ROHM will accelerate the development of SiC power devices to a speed that rivals cannot match. As a result of a 30% increase in on resistance per unit surface area of fifth-generation SiC MOSFETs compared to the previous generation, the products are expected to offer the greatest performance in the industry. In 2024, we launched mass production of TRCDRIVE pack™, which have been adopted by several EV manufacturers because of their high power density and ease of installation. Following steady progress in introducing larger diameter wafers in order to boost production efficiency, we launched shipments of mass produced 8-inch wafer samples for certification. We will also strive to further improve cost competitiveness by constructing a production line for products that make use of 8-inch wafers.

## Column Message from the Director

### Increasing SiC specialization and expanding sales by developing highly competitive products

At a time when we posted a net loss for the first time in twelve years, the power semiconductor business has played an important role in achieving sales growth and securing appropriate profits. The SiC power device business is one business that should drive growth.

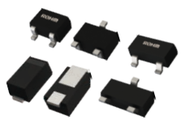
This time, the purpose of reorganizing the SiC power device business into an independent headquarter was to accelerate decision making and clarify responsibility. While company-wide optimization through functions that extend horizontally is effective for production and quality, a business unit system is effective for increasing speed, particularly that of development, and clarifying responsibility for business. In particular, there are major differences in the product strategy and technical requirements for SiC products and traditional Si products, and thus, increasing independent specialization leads to increased speed.

In order to not simply maintain but also further strengthen our competitive advantage through quick mass production of fifth-generation MOSFETs, which offer greater device performance, we are accelerating the development of distinctive new devices, such as sixth and seventh generation products. These will be introduced into the fields of not only PHEVs and HEVs but also non-BEV fields, such as AI servers. We are also aiming to expand sales by focusing on expanding high value-added products, such as modules and high-heat dissipation packages. Having built a mass-production line based on 8-inch wafers, we are shipping samples to customers before competitors. We will accelerate greater business growth by increasing device performance and cost competitiveness.

**Masanori Tanimura**
Executive Officer,
Director of SiC Power Devices Business Headquarters

# Business Overview by Segment

## Key Products

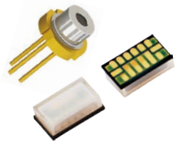


**Small-signal devices**

Small-signal transistors
(less than 1 W)
Small-signal diodes
(less than 500 mA)
Used universally in a variety of applications.

**Light-emitting diodes (LED)**

Discrete semiconductor devices which emit light when voltage is applied. Used for lighting and status indications, etc. in all kinds of electronic devices.



**Laser diodes**

ROHM's laser diodes boast the industry's leading production volume. They are used in laser printers and multifunction printers, and in recent years in laser ranging devices and as a light source for LiDAR, etc.

## ROHM's position (2024)

Sales ranking
of worldwide small signal device (SSD) manufacturers

(Millions of U.S. dollars)

| Rank | Company name | Sales |
|---|---|---|
| 1 | Nexperia | 687 |
| 2 | onsemi | 502 |
| 3 | **ROHM** | **353** |
| 4 | Diodes | 260 |
| 5 | Vishay Intertechnology | 237 |

Source: Competitive Landscaping Tool CLT, Annual 2Q25

**Worldwide SSD market**

Total market
**3,617 million U.S. dollars**

ROHM's share
**3rd 9.8%**

**Small signal transistors**

Total market
**1,576 million U.S. dollars**

ROHM's share
**4th 10.0%**

**Small signal diodes**

Total market
**2,041 million U.S. dollars**

ROHM's share
**5th 9.6%**

## Progress of the Medium-Term Management Plan

**Maintaining a top-class market share as a cash cow business**

In the discrete semiconductor devices business, there is a focus on power devices, but demand for small signal general-purpose devices is expected to steadily grow as the performance of various types of devices increases and more extensive use is made of electronics. For example, small signal general-purpose devices (transistors and diodes) for 1 watt or less, which are used in control circuits and similar items, are necessary parts for electrification of automobiles and industrial equipment, and ROHM boasts a large share on account of the development, manufacturing, and sales know-how it has acquired over many years. While maintaining our large share as a cash cow business, having the business contribute to ROHM growth is a topic related to the general-purpose device business in the Medium-Term Management Plan.

For general-purpose devices, it is necessary to provide customers with a stable, low-cost supply because large volumes of them are used in numerous applications. By introducing highly efficient production lines and labor-saving lines, ROHM is increasing its productivity and capacity in addition to achieving stable supply, lower costs, and improved services. As semiconductors used in automobile must be of particularly high quality, we leverage the strengths of IDM and thoroughly manage quality. Through these initiatives, we are steadily fulfilling the desires of customers and contributing to profit growth in the medium and long term.

Column **Message from the Director**

### Expanding share and strengthening global competitiveness by accelerating product development that leverages Si characteristics

At a time when there are strong demands for building a strong business foundation due to changes in the market, we recognize that for the Si Power Devices Business Headquarters, the following are four key issues: concentrating resources related to and accelerating development of highly profitable products; promoting the use of OSAT and integrating the product line up to reorganize manufacturing sites; increasing sales in markets for AI servers, which are expected to see strong growth; and continuing to capture greater share in the automotive market.

By separating the business from the power device business field and creating a small group, we are accelerating product development appropriate for the characteristics of Si power devices and market needs. Building a development system geared for each product will lead to increased speed as well as profit maximization. As for the development of packages and modules, we will maintain efficiency by horizontally introducing technology due to the importance of cross-divisional cooperation. In the future, optimizing Si products and improving operations throughout the company by moving forward with changes to the product portfolio and manufacturing sites will also contribute to ROHM's structural reforms. In order to generate greater growth, we will reinforce our lineup of high value-added products, such as MOSFETs for AI servers that have won high praise throughout the world, and increase our competitiveness to capture global markets.

**Tetsuhiro Tanabe**
Executive Officer,
Director of Si Power Devices Business Headquarters





Column

# Strategic Partnerships that Support Future Mobility and Decarbonized Society—Through Collaboration With DENSO and Toshiba Electronic Devices & Storage

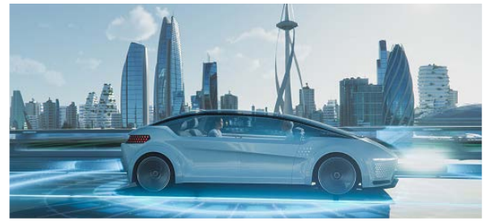
### Cooperative framework for more advanced automotive systems, centered on the development of analog ICs

ROHM began to study and discuss a strategic partnership in the semiconductor industry with DENSO CORPORATION in September 2024, and a basic agreement on forming a partnership was concluded in May 2025. DENSO has already acquired ROHM shares, and efforts are moving forward to reinforce capital relationship as well in order to create a more stable and sustainable partnership between the two companies.

In recent years, the development of electric vehicles and autonomous driving technology has rapidly progressed as we move toward achieving carbon neutrality and a society with zero traffic accidents. Semiconductors, which support these technical innovations, are becoming even more important. With an extensive product lineup and cutting-edge semiconductor technology acquired in the consumer electronics market, ROHM has reinforced its partnership in the automotive field through business and joint development with DENSO up to now.

Through this partnership, we will meld the advanced system building capabilities possessed by DENSO and ROHM's technical capabilities, and deepen collaboration related to advanced semiconductors, particularly analog ICs. Not limiting ourselves to simply reinforcing our relationship with suppliers, we have our eyes on even broader collaboration and aim to provide a stable supply to global markets in fields highly compatible with both companies' semiconductor businesses.

This collaboration is an initiative to build the foundation for a next-generation mobility society by melding the technology, knowledge, and assets possessed by both companies. With a sustainable future based on technical innovation in mind, ROHM will continue to take on the challenge of achieving a better society through cocreation with partners.



### System for stable supply of power semiconductors to accelerate electrification and energy savings

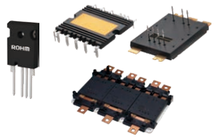
ROHM is working to reinforce its power semiconductor production system through manufacturing collaboration with Toshiba Electronic Devices & Storage Corporation. To meet the needs of a society in which there is electrification and energy savings, both companies are increasing their SiC and Si power semiconductor supply capabilities by leveraging their respective technical strengths.

This manufacturing collaboration was recognized by the Ministry of Economy, Trade and Industry in December 2023 as an initiative supporting the Japanese Government's plan to secure a stable semiconductor supply. Responsible for capital expenditures and production of SiC power semiconductors, ROHM is moving forward with expanding its production capacity, primarily that of the LAPIS Semiconductor Miyazaki Plant No. 2. At the same time, Toshiba Electronic Devices & Storage is responsible for the manufacturing of Si power semiconductors and capital investment in 300mm lines at Kaga Toshiba Electronics Corporation. In this way, under a division of roles that leverage each other's strengths, manufacturing collaboration is progressing steadily.

Demand for power semiconductors, an indispensable technology for creating highly efficient, smaller electric vehicles and industrial equipment, is expected to grow in the future. Due to many years of R&D and mass production that employs SiC technology, ROHM has won high praise for the performance and reliability of its products and aims to further reinforce its superiority through manufacturing collaboration.

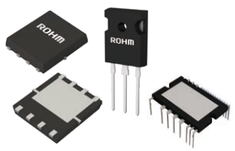
This initiative is not limited to improving the international competitiveness of both companies, but also contributes to establishing a more robust semiconductor supply chain in Japan. Through its manufacturing collaboration with Toshiba Electronic Devices & Storage, ROHM will fulfill its responsibility related to creating a sustainable society as well as establish both stable supply and technical innovation in global markets.

LAPIS Semiconductor's Miyazaki Plant No. 2



**SiC Power Device**

We offer a broad lineup of bare chips, discrete products, and modules that contribute to miniaturization and efficiency in high-power applications.



**Power MOSFETs and IGBTs**

These products are used in power electronics equipment including solar power generation equipment and power supply systems, and can achieve energy savings by reducing power consumption.

Business Overview by Segment

# Modules and Others

## We will transition to a business structure that generates profit by expanding our market share through new product development that leverages our proprietary technology

**Syoji Higashida**
Executive Officer, FI and Director of General
Purpose Devices & Modules Business Headquarters

In the module and others (resistors) segment, because of stagnant performance, we are moving forward with reducing fixed costs and fixed assets through business organization restructuring and production site consolidation, terminating production of unprofitable products, and concentrating on high-value-added products in order to increase our profit margin.

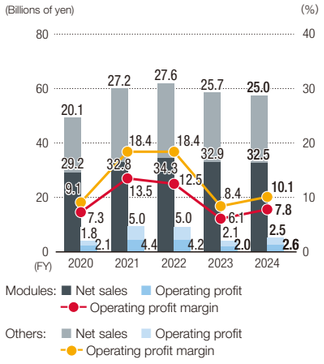
Despite firm demand for sensors for Chinese consumer electronics and smartphones, the module business in FY2024 faced overall weak demand due to drawn out inventory adjustments in the domestic industrial equipment market. In the future, we will accelerate the development of optical modules to expand the AI server market while continuing to focus on sensor-related technology, one of ROHM's strengths. In addition to focusing on the development of thermal printheads for barcode label printers used in the smart factory and smart logistics field, ROHM aims to expand its share in the global market for new products that offer high speed and image quality through proprietary technology.

The resistor business continues to face harsh conditions as sales stagnate due to weak market conditions. However, our high value-added products that we have continued to develop since around 2000 have won high praise from automobile customers, and sales of high-performance products, including anti-surge resistors and wide terminal resistors based on proprietary device designs, have been growing in recent years. While, of course, ensuring a stable supply and quality of general-purpose chip resistors, we are placing great focus on the development of special resistors that offer high performance and reliability, which will contribute to the greater performance of customers' products.

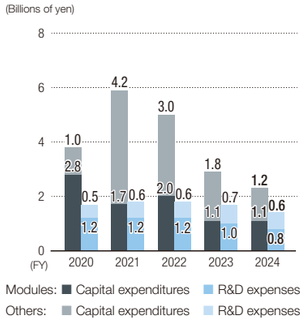
Both businesses have generated stable profits despite the harsh market conditions, and we will continue to implement structural reforms with the goal of achieving ROHM's intrinsic more muscular business. Keeping in mind that improving profit margin is the greatest priority, we will strive to develop revolutionary new products to grow the module and resistor business into one that accounts for about one third of ROHM sales.

## Performance Highlights

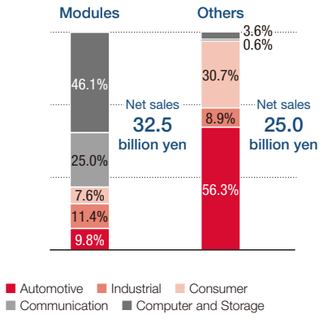
Net sales/Operating profit/Operating profit margin




Capital expenditures/R&D expenses



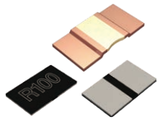

Sales by application (FY2024)




## Key Products

**Thermal printheads**
These use ROHM's proprietary semiconductor technology, thick-film printing and thin-film deposition technologies which achieve small-sizes, energy saving, high image quality and high quality.

**Sensor modules**
ROHM can propose total solutions by combining the world's top-level sensor variations with ROHM's core technologies.




**Shunt resistors**
Resistors for current detection applications which detect the circuit current. We have a broad lineup to support everything from mobile devices such as smartphones to automobiles, industrial equipment, and other applications which require high reliability.

## ROHM's position (2024)

Sales share ranking of worldwide thermal printhead manufacturers

ROHM's share **2nd 21.8%**

| Rank | Company name | Share of sales |
|---|---|---|
| 1 | Kyocera | 30.3% |
| **2** | **ROHM** | **21.8%** |
| 3 | SHEC | 19.7% |
| 4 | Toshiba Hokuto Electronics | 7.7% |
| 5 | AOI ELECTRONICS | 5.5% |
| 6 | ALPS ALPINE | 3.2% |

Source: CHUNICHISHA Co., Ltd.

Sales share ranking of worldwide resistor manufacturers

ROHM's share **4th 10.1%**

| Rank | Company name | Net Sales | Share of sales |
|---|---|---|---|
| 1 | Company A | — | 25.2% |
| 2 | Company B | — | 13.2% |
| 3 | Company C | — | 11.3% |
| **4** | **ROHM** | **20.9 billion yen** | **10.1%** |
| — | Other | — | 40.2% |

Source: Researched by ROHM

## Progress of the Medium-Term Management Plan

### Achieving high added value in modules and working toward qualitative transformation

We have set qualitative transformation of our module business, such as higher added value and a shift to overseas sales, as a major goal in our Medium-Term Management Plan. In FY2024, sales of printheads for office equipment declined, but those of printheads for payment terminals and sensor modules for smartphones increased. We will focus on expanding our modules for autonomous driving and sensor modules for security (authentication). The practical application of low-speed, compact delivery robots has accelerated due to labor shortages in recent years, and demand for modules with laser diodes for sensor applications is also growing. Through achievements such as superior high-temperature properties, we will work to differentiate our products from those of competitors and will seek to increase our revenue.

### Expanding our lineup of special resistors

By application, automotive applications account for over half of our sales of resistors, which have earned the trust of numerous customers. Although sales declined due to a weaker demand for general-purpose resistors in FY2024, strong growth is expected going forward as greater use of high-value-added high power shunt resistors is made in the automobile market. High-density mounting is expected to increase as the number of motors and ECUs mounted grows in line with the shift to higher performance in automobiles. By enhancing our lineup of shunt resistors and other special resistors adaptable to small sizes and high electrical power, we will contribute to miniaturization and higher reliability in customer applications.

Column **Examples of value creation**

### Contributing to advances in electronic components through highly reliable high-power MCRx series even though they are compact.


ROHM considers miniaturizing and increasing the performance of electronic components as important issues on account of the diversification of electronic devices and electrification. Particularly in the automobile industry, there has been a rapid increase in the number of electronic components used as electric vehicles (xEVs) become more common. In the industrial equipment market, too, greater performance and efficiency of products have resulted in growing demand for compact, high-performance electronic components. In November 2024, ROHM introduced the new MCRS series and MCRL series as parts of the MCR series of general-purpose chip resistors to meet this demand.

The MCRS series boasts improved rated power and thermal characteristics (temperature coefficient of resistance (TCR)*1) due to optimized internal structure and use of new materials, which makes it possible to use more compact components that are one size smaller than traditional ones. The MCRL series, which is a low-resistance version of the MCRS series, is best suited for detecting electrical current. Furthermore, the MCRx series, all sizes of which are compliant with in-vehicle electronic component reliability standard AEC-Q200,*2 has contributed to the growth of various markets, including the xEV, telecommunication infrastructure (base stations, servers, etc.) and FA equipment markets. This also supports a continuous supply for uses conditioned on long useful lives, such as for products in industrial fields and infrastructure equipment.

In the future, for the MCRS series, we expect to develop compact resistors capable of operating at +155°C. As for the MCRE series, we will also start to supply more compact lead-free products. In this way, ROHM will meet the diverse needs of customers in global markets and contribute to the evolution of electronic components by strengthening our response to both the greater need for miniaturization and voluntary regulations, exports controls, and other constraints through environmental awareness.

*1 Temperature coefficient of resistance (TRC)
This is an indicator of the extent that resistance changes as temperature changes. The lower the TCR, and smaller the change in resistance due to temperature change, making it possible to offer stable performance.

*2 These are reliability standards for in-vehicle electronic components set by the Automotive Electronics Council (AEC), which is composed of major car manufacturers and major U.S. electronic component manufacturers. Having in-vehicle components compliant with these standards ensures their reliability under harsh environmental conditions. Q200 is special standard for passive components, such as resistors, capacitors, and inductors.

# Environmental Initiatives

**At ROHM, we believe that the continued existence of a sustainable society in harmony with the natural environment underpins our corporate activities. Therefore, we are strengthening our efforts to address environmental issues through production activities that prioritize balancing nature's regenerative and purifying capabilities with economic activity, reducing environmental impact by manufacturing environmentally friendly products, and promoting the effective use of resources.**

Environmental Management (ROHM Group Sustainability Report P.47-92)
https://www.rohm.com/sustainability/download

**Material issues**

- Mitigation of Climate Change
- Effective Use of Resources
- Strengthening Sustainable Technologies, Developing and Supplying Innovative Products

▶ P.31 FY2024 results and KPIs

## The ROHM Group Environmental Vision 2050 Roadmap

Human economic activities are having a negative impact on the Earth, and problems such as climate change, resource depletion, and loss of biodiversity are becoming increasingly serious. In 2021, we presented the ROHM Group Environmental Vision 2050 to demonstrate our commitment to leave the global environment in a better state for future generations. In this vision, we identified climate change, resource recycling, and coexistence with nature as the three important themes to address, and further formulated targets for FY2030 as an intermediate step. We will undertake activities aimed at achieving our targets as we work to resolve environmental issues.

ROHM is also participating in international environmental initiatives. While setting incremental medium-term environmental targets leading up to the target year of 2050, we are accelerating our efforts to achieve these goals.

| | |
|---|---|
| **Climate Change**<br>Net Zero GHG Emissions | We consider climate change countermeasures to be an important indicator of the effectiveness of sustainability, and aim to achieve net zero GHG emissions in all business activities by 2050. |
| **Resource Recycling**<br>Zero Emissions | Through business activities from development to procurement, production and sales, we will work to maximize resource recycling to eliminate the waste of limited resources. |
| **Coexistence with Nature**<br>Harmonizing Business Activities with Natural Cycles | We value the blessings of nature created by Earth's biodiversity, and hope to pass them on to future generations in a better state. |

**2021**
**Formulation of the ROHM Group Environmental Vision 2050**
- ✓ Endorsed the TCFD
- ✓ Obtained SBTi certification

**2022**
**Formulation of FY2030 Medium-term Environmental Targets**
- ✓ Joined RE100
- ✓ Began disclosing information in accordance with the TCFD Recommendations

**2023**
**Achievement of a renewable energy procurement ratio of 43%**
All electricity for SiCrystal / ROHM Apollo/ RIST/REPI/RMPI and part of electricity for other plants

**2024**
**Introduction of ICP (internal carbon pricing)**
Promoted the adoption of energy-saving equipment and accelerate activities toward net-zero

**2030**
**Reduction of GHG emissions by 50.5% (versus FY2018)**
**Achievement of a renewable energy procurement ratio of 65%**
Achievement pursued through balanced procurement covering PPAs, self-generation, and non-fossil fuel certificates

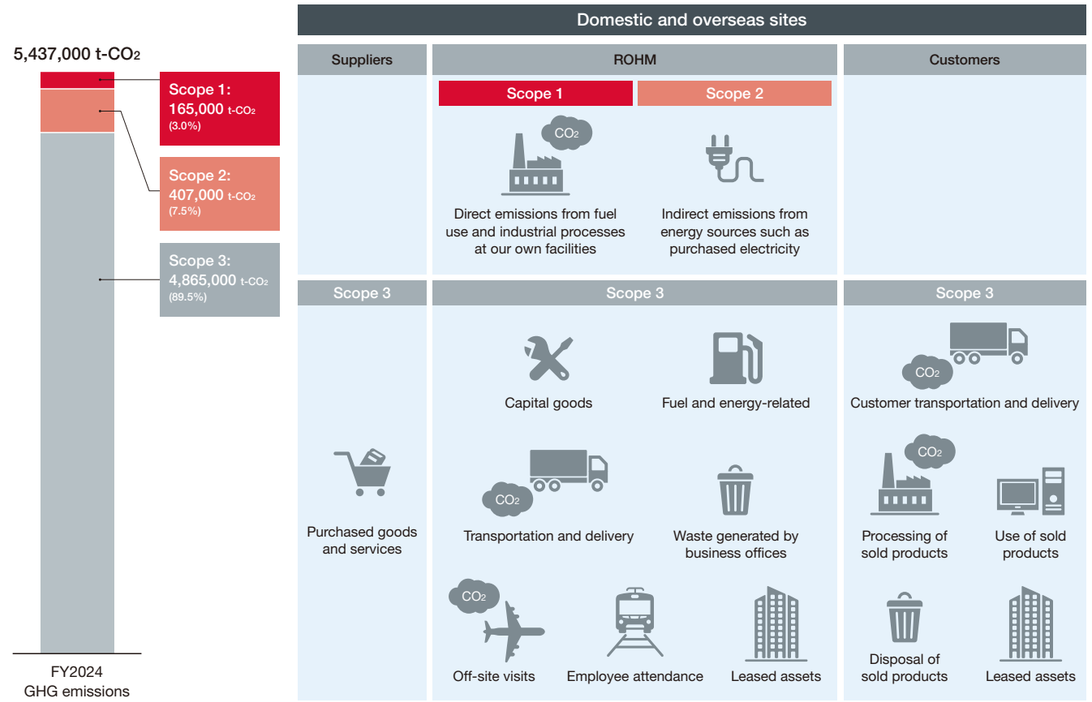
**2050**
**Environmental Vision 2050 Achievement of net-zero GHG emissions**
- ✓ Shift to 100% renewable energy
- ✓ Offset through environmental credits
- ✓ Continue energy-saving measures

**Continuous implementation of GHG emission reduction measures**
Introduction of energy-saving equipment and PFC abatement equipment / Energy conversion (electrification) / Production process optimization / Raw material review, etc.

## Initiatives Aimed at Achieving Our FY2030 Medium-Term Environmental Targets

**Ratio of Scope 1, 2, and 3 emissions related to ROHM's business activities**

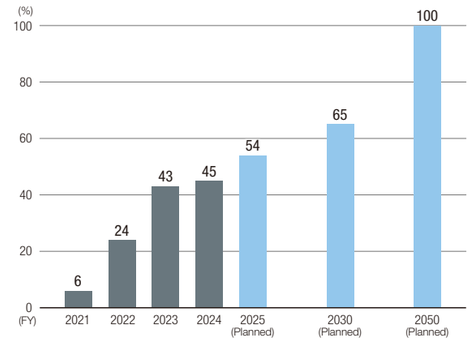
One of our 2030 environmental targets related to climate change is to reduce greenhouse gas (GHG) emissions from business activities (Scope 1 and 2) by at least 50.5% compared to FY2018 levels. GHG emissions in FY2024 were reduced by 11.2% compared to the previous year and by 42.2% compared to FY2018 levels. For Scope 3 (Category 11), we have set a target to reduce emissions by at least 15% by FY2030 compared to FY2018. Additionally, we have introduced an Internal Carbon Pricing (ICP) system to enhance group awareness of carbon neutrality goals. This system serves as a decision-making tool for the introduction of ancillary facilities costing 10 million yen or more and PFC* abatement equipment.




**Expanding the introduction of renewable energy**

ROHM is promoting environmental management in an integrated approach both in Japan and overseas based on the ROHM Group Environmental Vision 2050 formulated in April 2021, aiming to achieve net zero GHG emissions by FY2050. In May 2021, we announced our Medium-Term Management Plan "Moving Forward to 2025," and we presented a plan which calls for 100% of electricity used in all business activities in Japan and overseas to be derived from renewable energy sources (hydroelectric, geothermal, solar power) by FY2050. Based on this Medium-Term Management Plan, we started using 100% renewable energy in FY2021 for our main SiC wafer manufacturing processes (Germany Plant and new SiC building at the Chikugo Plant in Fukuoka, Japan), and in FY2022, for our Thailand Plant (our main manufacturing site), as well as in FY2023, for our Philippines Plant. We plan to introduce renewable energy at our Miyazaki Plant and Miyazaki Plant No. 2 in FY2025.

ROHM group renewable energy usage ratio



**Estimated contribution to environmental impact reduction**

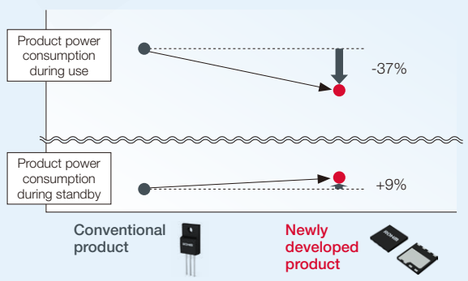
ROHM is committed to solving and mitigating environmental issues through the development of environmentally friendly products that meet customer needs for energy saving and miniaturization. In particular, we are conducting calculations to quantitatively evaluate the contribution of reduced environmental impact resulting from lower power consumption during product use.

For example, for the GaN devices developed in FY2022, we estimated the contribution to environmental impact reduction to be 332 tons of $CO_2$. This figure was calculated by comprehensively considering not only the power consumption reduction achieved by the product itself but also sales performance and the assumed service life.

Going forward, we will aim to establish evaluation and calculation methods that take into account not only the environmental impact during use, but also diverse factors such as reviewing manufacturing processes, selecting components, and product usage methods.

Example: FY2022 development product (GaN device)

GNP1150TCA-Z
EcoGaN™, 650V 11A DFN8080AK,
E-mode Gallium-Nitride(GaN) FET




Estimated contribution to environmental impact reduction

**332 t-$CO_2$**

* Considerations for making the estimation:
- Reduction in power consumption per unit (compared to the conventional product)
- FY2023 sales performance (units shipped)
- Assumed product lifespan

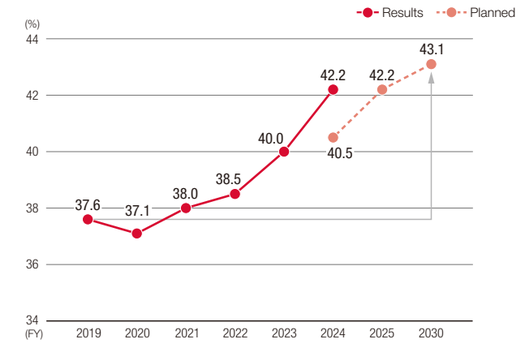
**Examples of factors to consider going forward:**
- Changes to the manufacturing process
- Changes in the types and quantities of materials used in manufacturing
- Consideration of usage as system components or applications (e.g., effects of reducing the number used)
- Period during which $CO_2$ reduction effects are anticipated for new products

**Addressing water risks**

ROHM recognizes securing and recycling water resources as a critical challenge due to the large volume of water used in semiconductor manufacturing. The company has set a target to increase its water recovery and reuse rate by at least 5.5% compared to FY2019 levels by FY2030. The water recovery and reuse rate for FY2024 was 42.2%, an improvement of 4.6% from 2019. We will continue to maintain this standard going forward.

We are also working to reduce water intake. At the ROHM Apollo Chikugo Plant, we filter grinding wastewater—discharged from the silicon wafer grinding process—using membrane filtration equipment and reuse it as source water for our pure water production facilities. Currently, these initiatives enable a reduction in water intake of approximately 5,330 $m^3$ per month. We will continue to reduce water risks through these initiatives.

Water recovery and reuse rate




**Biodiversity conservation**

Biodiversity is a vital source of natural capital as a management resource and is indispensable for the further sustainable growth of society and ROHM. The ROHM Group Environmental Vision 2050, formulated in 2021, identifies “Coexistence with Nature” as one of its important themes and also sets environmental targets for 2030 as interim goals. Additionally, based on the ISO 14001 management system, we conduct environmental impact assessments at each manufacturing site. We are promoting activities for coexistence with nature across the entire group, including reducing environmental pollution and impacts on ecosystems, actively promoting tree planting, and participating in and supporting social contribution activities, to foster a global environment that can be passed on to future generations.

**Management of chemical substances in products**

ROHM complies with environmental laws and regulations in Japan and overseas, as well as customer requirements, and is committed to procuring materials with low environmental impact. We have formulated the “Control Standard of Chemical Substances in Products,” and we accurately assess information on chemical substances contained in materials and parts in order to confirm compliance with laws and regulations. Furthermore, we have established a management system to ensure prohibited substances are not introduced, used, or shipped, which enables us to provide products that customers can use with confidence. In addition, we regularly verify the chemical substances contained in materials and parts furnished by suppliers, as well as in products delivered to customers.





# Climate Change-Related Disclosure in Accordance with the TCFD Recommendations

**ROHM endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in September 2021. In order to achieve the goals of the “ROHM Group Environmental Vision 2050”, ROHM will promote efforts to reduce its environmental impact and focus on more transparent information disclosure, including the resilience of its strategies based on climate-related scenario analysis.**

Disclosure Based on the TCFD Framework (Sustainability Report P.55-73)
https://www.rohm.com/sustainability/download

## Governance

ROHM has created a system in which the EHSS General Committee* deliberates and makes decisions regarding TCFD-based initiatives. The Environmental Preservation Committee, which is under the EHSS General Committee, formulates our 2030 medium-term environmental targets and promotes progress in environmental management toward achieving those targets as well as issues related measures to address climate change, including the introduction of renewable energy.

Directors who are members of the Audit and Supervisory Committee attend the EHSS General Committee and the monthly meetings of the Environmental Preservation Committee to continuously monitor and verify the execution status of overall environmental management, led by the President (Representative Director).

In order to further promote value sharing with our shareholders, we have also adopted GHG emissions as one of the performance indicators in our performance-linked transfer-restricted stock-based remuneration system for directors.

* EHSS (Environment, Health and Safety, Sustainability) General Committee: A committee composed of executive officers in charge of eight subordinate management systems (environment, health and safety, labor, ethics, information, supply chain, quality, and risk management BCM) and responsible for ensuring that the PDCA cycle for each system is properly implemented.

Promotional system (Sustainability Report P.62)
https://www.rohm.com/sustainability/download

## Strategy (Scenario Analysis)

ROHM is accelerating climate change countermeasures, such as improving the efficiency of semiconductor products and building an environmentally conscious business structure. In order to do this, we have analyzed the impact of climate change on business activities in 2050, using scenarios published by the UN Intergovernmental Panel on Climate Change (IPCC), among others as reference.

For the 1.5°C/2°C scenario, in which society as a whole succeeds in transforming toward decarbonization and controlling the global temperature rise, sales are expected to increase as a result of the majority of stakeholders accelerating their initiatives to decarbonize in order to become carbon neutral, and new technologies being developed. For the 4°C scenario, in which economic development takes priority and global temperatures rise, initiatives to strengthen resilience against wind and flood damage accelerate, and it is expected that ROHM will contribute to the development of new technologies as temperatures rise.

Financial Impact of Risks and Opportunities (Sustainability Report P.59-60)
https://www.rohm.com/sustainability/download

## Risk Management

ROHM oversees and manages all significant risks related to business continuity, including climate change response, through the Risk Management and BCM Management System under the umbrella of the EHSS General Committee. In addition, the Environmental Management System identifies all risks related to the environment, including those with a long-term perspective.

Furthermore, the Risk Management and BCM Committee and Environmental Preservation Committee not only report on climate change risk to the EHSS General Committee, which consists of parties responsible for each management system, but also work to formulate a business continuity plan in case risks materialize, and educate all group companies about the plan.

## Indicators and Targets

ROHM has set environmental targets for 2030 for each of the three priority issues of climate change, resource recycling, and coexistence with nature, which are included in the “ROHM Group Environmental Vision 2050.”

As for climate change, the GHG emissions reduction targets are recognized as having a scientific basis (1.5°C level) for achieving the 2°C target of the Paris Agreement, and in February 2022, ROHM received certification from Science Based Targets Initiative (SBTi).

In April 2022, we joined RE100 (100% Renewable Electricity), an international corporate initiative that aims for 100% renewable energy for electricity used in business operations.

In addition to climate change, we are also working to promote resource recycling by improving our water recovery rate and setting targets related to waste emissions per unit of production.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# Toward a More Advanced Supply Chain Management


**Masashi Ikemoto**
Assistant Manager, Procurement Planning Department Group, SCM Planning Division, Supply Chain Management Headquarters

**Yoshitaka Horie**
Director of Supply Chain Management Headquarters

**Tetsuo Takiguchi**
Group Leader, Group 2, Production Control Department, General Purpose Devices Division, General Purpose Devices Business Segment, General Purpose Devices & Modules Business Headquarters

## Future of Sustainable Supply Chain Cocreated with DX

### ROHM's SCM for continuous production under all circumstances

**Horie** The sentence "Our objective is to contribute to the advancement and progress of culture through a consistent supply, under all circumstances, of high quality products in large volumes to the global market" is in ROHM's Company Mission, and our role is summarized in this ideal. What is important is that we do not halt production but meet the volume and delivery times demanded of customers. This makes a sophisticated supply chain management (SCM) strategy indispensable. In addition to optimizing inventory, ROHM secures multiple suppliers and is strategically moving forward with risk management. Another important issue is standardizing components and materials so that it is easy to use alternate items when there is a problem.

**Ikemoto** Having experienced not only damage at its factories as a result of the Great East Japan Earthquake and floods in Thailand, but also the COVID-19 pandemic, ROHM has positioned building a disaster-resilient supply network as an urgent issue. Therefore, ROHM established the SCM divisions, and I have been involved in the introduction of a core procurement system and procurement-related DX since 2021. At that time, overseas centers were managing information independently, but information on orders and material inventories from the six overseas centers is now shared in real time, creating a system that makes it possible to quickly respond when issues arise.

**Takiguchi** I have worked on production control operations since I joined the company. The production control divisions ensure sales and profits by not only building and maintaining a system to supply the necessary volume by the appropriate delivery time for orders, but also maximizing limited resources, including workers and equipment. Developing appropriate production plans are particularly important, and we focus through repeated study as there is the risk that any one of our decisions could hurt profit, and make it impossible to fulfill our supply-related responsibilities.

**Horie** In terms of ensuring profit, ROHM's Basic Management Policy is to "Secure reasonable profit through a concerted company-wide effort for a comprehensive quality assurance program." Without profits, we cannot protect our research and development and our employees' ways of life. Therefore, we are clearly aware of our "purchasing-related responsibilities." In the past, there were situations when the same product was purchased by different divisions at different prices, but with the introduction of RoProS, ROHM's proprietary procurement system, we have now made prices throughout the company visible. This system can immediately analyze past business data, and is used as negotiating material.

**Ikemoto** DX is also helpful for standardizing procurement. Until now, procurement operations were dependent on particular individuals and individually optimized as there was a procurement specialist at each facility. To standardize the production control system, we spent about two years centralizing and making visible information that each facility had managed individually. For the next stage, we are working to automate material requirements planning (MRP), which also incorporates order information. We introduced the model in Japan in FY2024, and plan to expand its use to overseas bases in FY2025.

**Horie** However, the production control system and RoProS automated order system have not been linked together, and it would be ideal to conduct MRP with the two systems linked together. This should eliminate various problems, including excess inventory and logistic delays.

### Optimizing procurement by building trust with customers and promoting DX

**Horie** The most important point is establishing trust with suppliers. The management of ROHM and one hundred of our main suppliers attend the annual Partners Meeting, where there are presentations on our business environment and corporate strategy. The meeting also serves as a venue for frank two-way communication. One of the goals of the meeting is to further reinforce the system of cooperation with ROHM through dialogue among upper management.

**Ikemoto** I think that the Supplier Award also strengthens our partnerships. Through this program, we evaluate suppliers using KPI established by ROHM, and present awards. Scores are automatically tabulated based on clear standards, such as delivery time compliance rate, response speed, and costs, and evaluations are based on the resulting scores. We work to strengthen communication with suppliers by being sure to pass on the evaluation results.

**Takiguchi** From the perspective of production control, we have secured multiple suppliers thanks to the procurement staff developing cooperative relations with suppliers. Even in such situations as the COVID-19 pandemic and Noto Earthquake, we have maintained production without major procurement problems due to alternate suppliers.

**Horie** It is important that suppliers possess outstanding technical and supply capabilities in these fields. For major suppliers, we share information on recent issues and the outlook during quarterly business reviews. What is important is how close our dialogue is so that there are no opportunity losses for either one of us. I think that, without a doubt, it is precisely because of our relationships that customers have expectations of and support ROHM. Of course, we also strive to meet those expectations.

**Ikemoto** Suppliers who are trading companies share information on production sites in various regions with us, and this information is incorporated into our BCP, which makes visible alternate sites in the case of emergencies. Furthermore, following the Noto Earthquake, we created a system for automated survey delivery and collection confirming the state of suppliers of materials that impact us. The other day, our suppliers participated in the test survey, which included feedback. This has also strengthened our relationship.

**Horie** The system has made things much easier for procurement staff. The creation of a system that makes it possible to immediately report disaster conditions to management has also reinforced our risk management system.

**Takiguchi** It is extremely important that things are made visible by such systems, and increasing the accuracy of information through greater systemization will lead to greater operation efficiency. In particular, it is very helpful that, with this system, we can quickly search suppliers.

**Horie:** We also play an important role in concluding purchasing agreements with the best terms and conditions. I think that, for the most part, not concluding long-term agreements (LTAs) is the primary way of conducting purchasing. This is because if long-term conditions are set, it is not possible to respond to changes in market conditions. For several years starting in FY2021, we concluded LTAs for some items because of continuing shortages in wafers and other materials, but we ultimately ended up with excess inventory when the market collapsed in the second half of FY2023.

**Ikemoto** Therefore, what is important is communication with ROHM's buyers and suppliers. The system-based automation allows us to secure enough time for proper negotiations with suppliers. This makes it possible to get an overall view of business flows and make strategic decisions.

### SCM for ROHM's sustainable growth

**Horie** If we try to increase sales and profit, there will be an increase in the number and volume of items purchased, number of suppliers, and other items. A proportional growth in the number of procurement staff would squeeze profits by increasing fixed costs. We should quit this style of business. Automation is the key to doing that.

**Ikemoto** I agree. As for materials directly related to production, to further improve quality, cost, and delivery (QCD), human resources should be concentrated in vital areas, such as buyers, a strength of ROHM, who will take the lead in negotiations. Therefore, I would like to move forward with system automation.

**Takiguchi** I basically have the same idea, but also think that it is important to standardize operations. While simultaneously promoting both, it is, of course, vital to maintain people-based systems in fields that require decisions and dialogue.

**Horie** If we can achieve a smooth SCM through DX and other initiatives, this will naturally lead to greater labor productivity and improved performance. ROHM aims to create a robust, flexible supply chain through close trust with suppliers, optimal assignment of resources with DX, and the formulation of a BCP to manage risks.

# Supply Chain Initiatives

**High-quality, safe, and stable manufacturing demands the assured quality and stable supply of procured components and materials, as well as CSR procurement initiatives that consider labor, ethics, and the environment. Valuing our ongoing relationships of trust and cooperation with suppliers, we aim for procurement activities that allow both sides to grow sustainably.**

Supply chain management (ROHM Group Sustainability Report P.140-163)
https://www.rohm.com/sustainability/download

Material issues ■ Sustainable Supply Chain Management

▶ P.31 FY2024 results and KPIs

## Promotion Structure

Our supply chain management system, positioned as a sub-organization of the Board of Directors and the EHSS General Committee, bears the role of appropriately managing and supervising supply chain risks within the Group. The EHSS General Committee evaluates and checks whether the PDCA cycle is functioning properly within the supply chain management system. It reports to and consults with the Board of Directors as necessary to maintain and improve the precision of the management system. The Board of Directors works with the Sustainability Management Committee to discuss policies, directions, long-term targets, and other matters related to sustainability. It submits its decisions to the EHSS General Committee and, through supervision, ensures that the decisions are acted upon.

## Working Together with Suppliers

Having adopted the RBA* Code of Conduct with the goal of undertaking sound and sustainable procurement activities, ROHM requests that its suppliers also strive to adhere to that code. Furthermore, we work to reinforce our mutual relationship through the Supplier Evaluation and Audit Program.

* RBA (Responsible Business Alliance) Code of Conduct: A code created by a group of electronics-related manufacturers as well as automobile, toy, airplane, and IoT technology companies

Evaluation and audit programs

| | | |
|---|---|---|
| 1. Comprehensive evaluation of activities | a) Product quality, b) Delivery time, c) Price, d) Continuity of supply, e) Results of CSR procurement self-assessment shown below | * BCP initiative evaluation, financial evaluation by an external evaluation organization |
| 2. CSR procurement self-assessment | We conduct self-assessment of labor (including human rights), safety and health, environment, ethics, and management system in accordance with the RBA Code of Conduct, as well as in the areas of information security, BCP for procurement, logistics and quality compliance set uniquely by ROHM. For suppliers defined as high-risk suppliers, we take corrective action and provide support for improvement. | |
| 3. CSR procurement audits | Through dialogue with suppliers, we confirm the contents of self-assessments, check factories, and request improvements as necessary, with the aim of gaining their understanding and endorsement of ROHM's policies and approach to CSR procurement, the importance of consideration for the environment, safety, and human rights, as well as the content of our activities. | |
| 4. BCP for procurement | We assess risks associated with providing a stable supply and related impacts and check the state of responses to the identified key risks each quarter. | |

## A Supply Chain Providing Stable Supply

ROHM has set "risk management," "sustainable supply chain management," and "strengthening product safety and quality" as its three materialities for ensuring a stable supply of products. We also strive to reinforce our BCM system and promote green procurement and CSR procurement activities to achieve that.

## Sustainable Supply Chain Management

### Our initiatives—Their significance and background

In order to provide, throughout the world, a stable supply of high-quality products that meet society's needs, it is necessary to establish a robust procurement system and build strong partnerships with suppliers, critical partners.

From a quality, safety, environment, human rights, and BCM perspective, it is also indispensable to build a management system with all suppliers involved with the group and improve the quality of overall supply chain management. This makes it possible to prepare for natural disasters and infectious disease outbreaks, which pose a risk to business continuity, as well as provide society with high quality products.

In order to work with suppliers to provide society with high quality products based on the concept of mutual reliability and prosperity, ROHM strives to establish a procurement system that meets the expectations of society and to build a sound supply chain.

KPI by key topic and progress in achieving them (Medium-Term Management Plan)

| Themes | Achievement targets (FY2025) | FY2024 target | FY2024 results | FY2025 target |
|---|---|---|---|---|
| Strengthening BCM system | (1) Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations: more than 90.0% | 90.0% | 94.5% | 90.0% |
| | (2) Manufacturing site survey ratio for tier 1 suppliers: 100.0% | 80.0% | 90.0% | 100.0% |
| | (3) Prior agreement ratio for emergency response among key suppliers: 100.0% | 80.0% | 86.0% | 100.0% |
| Promotion of green procurement | Passing rate for self-assessments of suppliers' environmental management systems: 100% | 92.0% | 93.6% | 100.0% |
| Promotion of CSR procurement activities | Percentage of purchases from suppliers with CSR procurement self-assessment rating of B or higher*: more than 90.0% | 85.0% | 90.7% | 90.0% |

* For FY2025 target figures, only material suppliers are included.

### Strengthening BCM system

As one element of its BCP, ROHM is reinforcing its partnerships with suppliers during non-emergency times and moving forward with the preparation of a recovery system and alternative materials in order to maintain business even during emergencies. We are also maintaining and improving BCP by establishing a Risk Management and BCM Committee and reinforcing the procurement divisions' risk management and BCM system.

Procurement divisions evaluate risks related to not only quality, delivery time, price, and compliance but also stable supply, in addition to conducting a quarterly check of material risks. The divisions also select suppliers that can maintain their supply to ROHM and request that they submit a letter of intent regarding ROHM's basic stance when starting business with ROHM.

In order to immediately determine the scope of the impact of an emergency, there is a database of suppliers' production site information, and a system is being created to promptly ascertain the scope of the impact of emergencies. Through FY2025, primary suppliers that provide about 70,000 items were surveyed, and while by 2024, 86% of suppliers agreed to provide key materials in the event of an emergency, the goal is to reach 100%.

### Promotion of green procurement

As laws and regulations regarding chemical substance controls grow stricter, ROHM has promoted green procurement through greater precision of audits of chemical substances in components and materials it purchases. We are constructing a mechanism that avoids the procurement of prohibited substances by screening substances contained in components and materials according to ROHM's proprietary standards and registering only products that meet the standards of our procurement system. Furthermore, we issue Control Standard of Chemical Substances in Products* to suppliers and request their confirmation of compliance with specified standards for components and materials.

*2 Control Standard of Chemical Substance in Products
https://fscdn.rohm.com/en/company/sustainability/ROHM_Control+Standard-of+Chemical-Substances-in-Products_004en.pdf

**Assessments**

To raise the level of suppliers' environmental management systems to a passing level under ROHM's standards, we request self-assessments by suppliers. By continuously engaging in feedback and improvement activities based on the assessment results, we aim to achieve a 100% passing rate for self-assessments of suppliers' environmental management systems in FY2025.

In FY2024, efforts to handle revisions moved forward, and the rate of compliance rose. We check the status of suppliers that fail to meet ROHM's standards or that have not responded to the assessments, work to understand those suppliers' issues, and enact initiatives aimed at improvement.

Assessment results for the overall Group

| Evaluation category | Rate of compliance with ROHM's standards | FY2023 Number of companies | FY2023 Rate | FY2024 Number of companies | FY2024 Rate | Actions taken |
|---|---|---|---|---|---|---|
| A | 70% or higher | 1,115 | 87.7% | 957 | 93.6% | – |
| C | Less than 70% | 16 | 1.3% | 7 | 0.7% | ● Confirm results of suppliers' environmental management system self-assessments and understand the status and issues of suppliers, beginning with low-scoring items<br>● Send requests for improvement to suppliers |
| Correction requested | | 9 | 0.7% | 5 | 0.5% | Provide support for improvements to raise suppliers' environmental management system self-assessments to 40% or higher |
| No response | | 131 | 10.3% | 53 | 5.2% | – |
| Total | | 1,271 | 100% | 1,022 | 100% | – |

# Supply Chain Initiatives

## Promotion of CSR procurement activities

### CSR procurement assessment

To confirm the level of achievement of suppliers' CSR activities, every year ROHM asks suppliers to perform self-assessments in the areas of labor (including human rights), safety and health, environment, ethics, and management systems in accordance with the RBA Code of Conduct, as well as in the areas of information security, BCP for procurement, logistics and quality compliance set uniquely by ROHM. We rank suppliers based on overall self-assessment scores and identify suppliers' ESG risks. We recognize suppliers with a rank of C or worse, or a rank of B or worse in the case of critical suppliers, as "sustainability high-risk suppliers" toward which we request corrective action and provide support for improvements. Our FY2025 target is a rating of B or better for suppliers that collectively account for 90% of our annual purchasing amount. In FY2024, suppliers with this rating accounted for 90.7%.

Self-assessment achievement target

| FY2025 target | FY2024 target | FY2024 results |
|---|---|---|
| 90% or higher (Monetary value basis) | 85.0% | 90.7% |

### CSR procurement audits

Procurement audits are conducted in the form of second party audits by CSR procurement personnel, who perform document checking on-site or online along with checks of plants and dormitories. ROHM conducts audits of critical suppliers and reviews target suppliers every year. When an audit finds a need for corrections, we consult with the supplier, request the preparation and submission of an improvement plan, and track the corrective actions until completed. We view these audits not only as opportunities for assessing the state of suppliers but also as training opportunities for communicating ROHM's CSR procurement policies and approach to suppliers and for deepening mutual understanding of CSR activities. In FY2024, we conducted audits of 3 companies.

Identifying critical suppliers (ROHM Group Sustainability Report P.145)
https://www.rohm.com/sustainability/download

CSR procurement audit results

| FY | 2022 | 2023 | 2024 |
|---|---|---|---|
| Number of suppliers visited | 13 | 23 | 3 |

## Responsible Procurement of Minerals

ROHM strives to responsibly procure minerals throughout the supply chain in response to not only conflicts, but also mineral issues such as tin, tantalum, tungsten, gold, cobalt, and mica, which are related to risks and fraud involving human rights violations and environmental destruction, including OECD Annex II risks.

To ensure that customers can use ROHM products with confidence, we conduct an assessment process that follows OECD Due Diligence Guidance, with the Supply Chain Management Headquarters taking the lead. Our survey revealed a CFS* rate of 97% in FY2024, same as in the previous fiscal year. We will continue to encourage the remaining 3% of uncertified smelters to switch to CFS. In the event that any use of conflict minerals, which are a source of funds for armed forces, is found in ROHM's products, we will enact corrective measures with all due speed.

3TG Survey Results

**Suppliers subject to surveys:** 145 companies
**Suppliers who responded:** 145 companies; response rate 100%
**Identified supplier smelters:** 196 companies for all minerals (of which, 190 have received RMAP certification)

| | Gold | Tantalum | Tin | Tungsten | Overall |
|---|---|---|---|---|---|
| Total number of smelters | 94 | 30 | 43 | 29 | 196 |
| Number of CFS* certified smelters | 90 | 30 | 41 | 29 | 190 |
| CFS* certification rate | 96% | 100% | 95% | 100% | 97% |

* CFS stands for Conflict Free Smelter (smelter that does not use conflict minerals). ROHM defines CFS as a smelter certified by the Responsible Minerals Assurance Program (RMAP) of the Responsible Mineral Initiative (RMI).

## Enforcement of Fair Transactions

Our "ROHM Group Business Conduct Guidelines," our rules of ethics for the conduct of business activities, call for fair and equal transactions, and require all officers and employees to adhere to procurement-related laws and rules. In the future, we will thoroughly educate and inform employees of these in order to conduct fair and ethical business with suppliers.

ROHM Group Business Conduct Guidelines
https://www.rohm.com/company/about/rohm-group-business-conduct-guidelines

## Declaration of Partnership Building

In January 2021, ROHM put forth a "Declaration of Partnership Building." This declaration is a mechanism created by the "Council for Promotion of Partnership Building to Open Up the Future," a group comprising the Chairman of the Japan Business Federation (Keidanren), the Chairman of the Japan Chamber of Commerce and Industry, the President of the Japanese Trade Union Confederation (RENGO), and relevant government Ministers. It aims to build new partnerships by promoting collaboration, co-existence, and co-prosperity with business operators to create value in supply chains.

Partnership Building Declaration
https://www.rohm.com/sustainability/supply-chain/fair-business-dealings





# Human Rights Initiatives

**ROHM, which aims to become a major global player, recognizes discrimination or harassment on the basis of race, ethnicity, nationality, social status, gender, ideology, or beliefs, anywhere in the world, as absolutely unacceptable. Moreover, by respecting freedom of association, the right to collective bargaining, and responsible labor practices including provision of safe working environments, securing of minimum wages, and management of appropriate working hours, we also seek to be a sustainable company.**

Human Rights (Sustainability Report P.208-213)
https://www.rohm.com/sustainability/download

Material issues ■ Sustainable Supply Chain Management

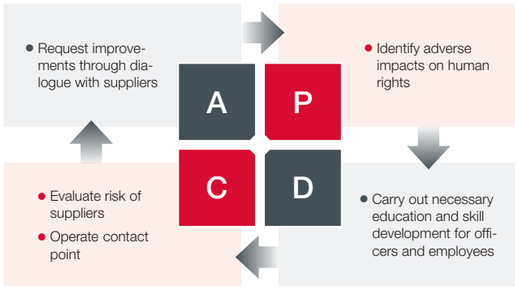
▶ P.31 FY2024 results and KPIs

## Our Basic Approach

Under the view that "Human rights are the fundamental right, freedom, and standard for treatment that individuals around the world possess," we have established the ROHM Group Human Rights Policy. Furthermore, we respect international principles and norms as a global corporation. In cases in which the laws and regulations of a country differ from international human rights norms, we follow the higher standards and, in cases of conflict, pursue means of maximizing respect for human rights in accordance with internationally recognized principles and norms.

## Human Rights Due Diligence

ROHM identifies adverse human rights risks related to our business activities and conducts human rights due diligence to prevent and mitigate these. In the event that our activities are found to have caused or encouraged adverse effects on human rights, we enact appropriate and effective remedial measures. When there is a need to prioritize initiatives, we place priority on addressing the most severe adverse effects on human rights, taking into account their scale, their scope, and the difficulty of corrective action.




## Human Rights Assessments in the Supply Chain

Aiming to build a sustainable society in which human rights are respected, ROHM conducts initiatives in compliance with the RBA Code of Conduct. While respecting the human rights of suppliers, we also ask suppliers to engage in initiatives following the same norms, and promote respect for human rights throughout the supply chain.

In particular, ROHM asks suppliers to perform self-assessments in the areas of labor, safety and health, environment, ethics, management systems, and BCP for procurement in accordance with the RBA Code of Conduct, and make improvements to items with a low score based on the response to self-assessments and CSR procurement audits. Furthermore, in audits and conferences, we work to raise awareness of the importance of respect for human rights and the necessity of CSR procurement.

## Human Rights Training

We conduct level-specific human rights training for new employees, mid-career hires, department heads, and officers, to instill respect for the cultures, religions, customs, and legal systems of other countries and regions and promote conduct grounded in an understanding of the diversity of values. As a part of employee education aimed at understanding ROHM's initiatives regarding customer requirements, the RBA Code of Conduct, and other international norms, we conduct "Labor and Ethics e-learning" for all employees.

Past Labor and Ethics e-learning

| | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|
| Participants | 3,350 | 3,832 | 3,941 | **4,511** |
| Response rate (%) | 83.6 | 99.7 | 98.5 | **95.6** |

# Outside Directors' Roundtable Discussion

**Peter Kenevan**
Director,
Member of the Board*

**Tadanobu Nagumo**
Outside Director, Member of the Board,
Chairperson of the Board

**Keita Nakagawa**
Outside Director, Member of the Board,
Audit and Supervisory Committee Member (Full-time)

* Served as an Outside Director of ROHM Co., Ltd. from June 2022 to June 2025.

## The responsibility of Outside Directors in supporting transformation Walking alongside leaders toward ROHM's future

### Please share your insights on the factors behind the extremely challenging business performance and the management challenges ROHM faces, reflecting on your activities as Outside Directors.

**Nagumo** First off, from FY2021 to FY2022, market conditions were exceptionally favorable. ROHM also recorded strong results, and, at the time, everyone believed in steady upward growth. However, precisely because of that strong performance, we misjudged the changing trends of the times. The poor performance in FY2024 stems from delayed responses to these changes. From my years of experience managing manufacturing operations, I have learned that during smooth sailing, our ability to sense change dulls, and we sometimes push forward solely on momentum. When frontline awareness fades, minor rules become neglected. If ROHM had not been swept up in the momentum of strong performance and had instead adhered to its fundamental processes and proceeded cautiously, the situation would not have deteriorated to this extent.

**Nakagawa** While we have pursued aggressive investment aiming for 1 trillion yen in net sales, I do not believe the direction itself was misguided. However, despite our best efforts internally to address changes in the external environment, we were unable to make a strict judgment about the future and failed to accurately identify the right timing to take action. I also believe we were not sufficiently prepared for risks. However, it is true that at that time, it was extremely difficult to accurately assess changes in the external environment.

**Kenevan** In 2021, as the entire industry was in a growth phase, ROHM proactively initiated aggressive investments to seize business opportunities. However, despite subsequent changes in market conditions, the industry's overall response was sluggish, and ROHM found itself swept along by that trend. People find it difficult to abandon policies they have committed to, or to plants and products they have invested in. I believe ROHM was no exception.

**Nagumo** Shifting the blame for poor performance to external factors like market conditions was also problematic. What was lacking was the sense of responsibility and determination within myself to see the mission through no matter what. Furthermore, management should have made the decision to implement new measures the moment they sensed, in response to changing market conditions, that the situation would be dangerous if left unaddressed. Although we assigned directors responsible for each business unit, the transition was not completed in time, leaving us constantly playing catch-up and falling into a negative spiral—a regrettable outcome.

**Nakagawa** As an Audit and Supervisory Committee Member, I have voiced opinions on compliance with internal processes and strengthening defensive systems. However, I must reflect on my failure to press harder on certain points. Drawing on my experience in internal auditing at financial institutions, I questioned preparations for worsening conditions. Yet I cannot say that was sufficient.

**Kenevan** I myself served as an Outside Director until FY2024, but looking back, I reflect on whether I adequately fulfilled that role. When market conditions changed, I believe I also had a responsibility to make more restrictive judgments. In such situations, sound governance and objective perspectives from institutional investors are crucial. Starting in FY2025, I will assume the role of Chief Financial Officer within the company. I intend to accurately provide institutional investors and Outside Directors with the necessary financial information to enable them to make appropriate decisions, and I also plan to establish a system to thoroughly gather their opinions. I have already received many valuable opinions from institutional investors and intend to appropriately share this information to aid management's decision-making.

### Please tell us about the presidential selection process and what you expect from President Azuma.

**Nakagawa** At ROHM, the Board of Directors receives recommendations from the Officer Nomination Council regarding the appointment and dismissal of the President and Representative Director, as well as the nomination of other director candidates. In this instance, former President Matsumoto submitted his resignation, and, in response, we commenced deliberations on selecting his successor. Following the change in president, the impact extended broadly to other executive appointments and organizational positions. Consequently, the Officer Nomination Council convened multiple extraordinary meetings. Through repeated, candid discussions, free from constraints of position, the announcement of the president's succession was made in January 2025.

**Nagumo** We naturally gave careful consideration to how former President Matsumoto wished to hand over the reins to the next president. Furthermore, we believe that the successor was selected in a manner acceptable to all members of the Officer Nomination Council.

**Nakagawa** We have high hopes for President Azuma's decisiveness and leadership. It has been two years since I joined ROHM as an Outside Director. Throughout various internal discussions, I have observed that President Azuma is someone who can make clear decisions in a top-down fashion. This experience has reaffirmed my belief that he is the right person to lead the company going forward.

**Kenevan** I also have high expectations for President Azuma's decisiveness. What's even more important is that he himself deeply understands this company's DNA. He had close ties to the founder, has thoroughly inherited the company's history and values, and understands what must be preserved and what must be changed. It is precisely because he loves this company so much that he is the person who can accurately discern the areas where transformation is necessary.

**Nagumo** The key points I valued in selecting President Azuma were not only the decisiveness and drive mentioned by everyone else, but above all, the strong passion I sensed in him. In challenging times like these, strong leadership is essential. It must be someone like him.

**Kenevan** Immediately after assuming the presidency, he implemented bold measures such as sending division heads overseas in order to restructure operations. I feel he is a president who possesses a deep understanding of the company's history combined with bold, forward-looking initiative, enabling him to drive balanced reform.

**Nagumo** What is most expected of President Azuma now is to achieve results within the next three years or so and overcome this critical situation. Leadership is essential for this, but it is not just about pulling people along; it is crucial to maintain an attitude of openness to diverse opinions. Otherwise, he risks becoming an emperor with no clothes. To prevent the President from becoming isolated, we believe the role required of us Outside Directors is to consistently offer firm opinions, ensuring he maintains an objective perspective.

**Kenevan** To that end, I believe my role as the Chief Financial Officer is to assess the numbers objectively. Even for beloved products, if they are not generating profit, it is my responsibility to present the facts candidly while providing solid figures to back that up.

**Nakagawa** Observing President Azuma's efforts over the past few months since the management change, what strikes me is the intensity of his sense of crisis. Such individuals tend to develop a heightened awareness of the need for change and they take bold action. In times like these, when management reform is essential, I feel we truly needed a leader with a strong sense of urgency.

**Nagumo** I agree. President Azuma is now strongly urging all directors to actively go out into the field. This stems from his belief that without going out to the front lines and gathering information directly, it is impossible to accurately assess what crises lie ahead in the future business environment.

## What do you consider to be your role in advancing ROHM's management reforms, and what mindset should each individual involved in the reforms have?

**Kenevan** The immediate challenges to address include correcting excessive investment through reduced capital expenditures and eliminating stagnant inventory. In response to the poor performance, we are first implementing bold measures akin to "draining the wound." In the medium to long term, improving development efficiency is crucial. ROHM's strength lies in its close relationships with customers. Currently, the U.S. AI data center market is rapidly gaining attention, and we see this as a significant business opportunity for ROHM. Working closely with local customers, we must first steadily address the low-hanging fruit (i.e., immediate challenges) while also nurturing areas that will become ROHM's core strengths in the future.

**Nagumo** As we move forward with formulating the new Medium-Term Management Plan, I expect various initiatives to emerge. Alongside cost reduction initiatives, reforms such as newly establishing the Marketing Headquarters as part of structural reforms have already begun. I believe our role is to thoroughly evaluate whether the proposed measures are adequate.

**Nakagawa** To achieve business recovery and strengthen profitability, improving governance alone is insufficient. All organizations and employees must proactively review their own work and engage in reform. In particular, we must adopt an attitude of mutual cooperation across divisions, boldly overcoming the barriers between organizations. As industry conditions grow increasingly challenging, rapidly restoring sales and enhancing profitability requires that each individual involved in reform resolves to start by changing themselves without being confined to their own domain or role.

**Nagumo** Motivating each and every employee is also key to improving performance. This is because both the quality and quantity of work change significantly depending on whether motivation is present. To achieve this, it is essential that President Azuma first becomes a figure trusted and respected by the employees. If the leader inspires employees to think "I want to work hard for this President," productivity should increase without adding staff, and improved performance can be expected. The same applies to managers on the front lines. They must become figures respected by their subordinates and seriously consider how to motivate their team members. Such efforts enhance the efficiency and collaboration of the entire organization, ultimately leading to positive impacts on performance.

**Nakagawa** As a full-time Audit and Supervisory Committee Member directly engaged with frontline voices, I have come to realize that ROHM employs a great many talented individuals. To translate that strength into corporate profitability and growth, creating an environment where employees feel a sense of fulfillment is essential. It is my firm belief that when individuals approach their work with a sense of conviction, the organization's pace naturally accelerates—even without micromanagement. It is crucial that top management communicates that change is happening now, so that everyone embraces this mindset.

**Kenevan** Furthermore, I believe that above all else, it is crucial for a company to project an image of being oriented toward the future, in order to make the company better. Strong leadership makes employees believe that the company's future will definitely improve. Especially now, when many employees are feeling anxious, that trust becomes the driving force that boosts their motivation. We should aim to build momentum among employees based on the belief that if the company improves, individual employees can also grow, and we should take it a step further by fostering a corporate culture where employees support the company with the same perspective as shareholders.

**Nakagawa** President Azuma advocates return to ROHM's strengths, but this surely doesn't mean reverting to past times and sticking to the established course. It means to reaffirm the spirit of ROHM as our Corporate Philosophy. Should this principle falter, we risk losing the very foundation of our manufacturing nucleus. That is precisely why I believe all employees must embrace this spirit, uphold our core values, and simultaneously challenge ourselves company-wide to transform where necessary.

## After implementing management reforms, what should ROHM aim to become in the medium to long term?

**Nagumo** ROHM has pioneered the development of SiC power devices and strived for success. Looking toward 2030, China's actions represent the greatest concern. Moving forward, we must carefully assess China's technological progress and market movements while developing our technological capabilities and competitive products with the resolve to never lose. To achieve this, technological development is essential as a prerequisite for progress. ROHM believes it possesses latent technological capabilities of great significance, and the key to its future growth lies in how effectively it can present these capabilities as value to society.

**Kenevan** ROHM is a company that can continue to grow innovatively and with great flexibility, based on its technological capabilities. We possess both agility and the ability to maximize resource utilization. Under this framework, we believe the ideal is to achieve continuous growth while discovering new added value together with our customers. If ROHM continues to be that kind of company going forward, it should be able to chart a growth trajectory that leads to increased shareholder value and maximized corporate value. I believe that is precisely the style of a company that can make all stakeholders happy.

**Nakagawa** I believe we should aim for ROHM's long-term growth and the building of trust from the perspective of achieving corporate objectives. Generally speaking, ROHM is recognized as a company that combines strong technical capabilities with a high degree of customer orientation, offering user-friendly solutions and possessing the technology to accurately meet customer needs. I feel that further enhancing this appeal and evolving into a presence that commands respect from our customers is the ideal state we should strive for.

**Kenevan** To realize our ideal state, the President and all employees are exploring reform proposals that fully embrace the multifaceted expectations and perspectives of our stakeholders. I myself strongly feel that we should all unite to make this company better going forward.

**Nakagawa** As an Audit and Supervisory Committee Member, I will support the organization from a process perspective to enhance the effectiveness of the Board of Directors and ensure sound and stable performance through the execution of duties. The soundness of operations—whether duties are being performed appropriately and whether there are any issues with accounting or finances—is naturally something all directors should oversee. However, in practice, it can be difficult to delve into every single detail. From a specialized position such as working in the Internal Audit Division or serving on the Audit and Supervisory Committee, I aim to perform my duties by thoroughly monitoring processes and ensuring I accurately verify the key points I must oversee.

**Nagumo** ROHM is a manufacturing company, so it should be a technology-driven company. It is crucial to steadily advance reliable manufacturing centered on technological strength, including cost considerations. This return to technology is precisely what defines ROHM's ideal state. Achieving this vision will enable our stakeholders to genuinely feel that this company is moving in the right direction. I firmly believe that ROHM possesses the capability to reliably meet stakeholder expectations. Therefore, I am committed to contributing to building a company that never fails to meet those expectations.

## Message from the New Director

**Takaaki Oda**
Outside Director,
Member of the Board

After being admitted to the bar in 1988, Mr. Oda joined the Miyake Joint Partnership Law Office (now Miyake & Partners) and has served as a partner since 1995. With extensive experience in corporate legal affairs, primarily in commercial law, corporate law, financial law, and insurance law, he has provided precise advice and practical solutions to corporate legal issues. Furthermore, he has served as an outside auditor and outside director for multiple companies.

### Fulfilling the role of Audit and Supervisory Committee Member as a guardrail for swift decision-making, while contributing to ROHM's reforms.

Since 1988, I have worked as an attorney handling corporate legal affairs. Over this period, I have witnessed the diverse facets of corporations in various settings: contract negotiations, litigation, M&A, shareholder meetings, and third-party committees. Throughout these experiences, I have repeatedly felt the intense power inherent in the corporate organization. As a director of ROHM, I now bear part of the responsibility for determining the direction of that power, and I feel this responsibility keenly. At the same time, as a lawyer, I have observed that companies, due to their size, can lack flexibility and make decisions slowly, which is frustrating to see from the outside. However, it seems that Japanese companies are gradually transforming into more flexible and agile organizations, albeit step by step. ROHM is also advancing reforms to establish an organization, structure, and corporate culture that enable the determination and execution of strategies and tactics at a globally competitive pace. By its very nature, auditing requires maintaining a certain distance from management execution. It must sometimes act like a guardrail, controlling that speed. Fully aware of the responsibilities and role of this Audit and Supervisory Committee position, I intend to fulfill my duties side by side with management.

# Corporate Governance

## Our Basic Policy

ROHM strives to pursue the best possible corporate governance in order to achieve our purposes and policies such as the Company Mission and the Basic Management Policy.

We believe that our corporate operations and actions must be rooted in fairness, soundness, and transparency, based on the recognition that ROHM is supported by all of our stakeholders.

Based on an accurate understanding of the capital cost of the company from a stakeholder perspective, we have stated that the basic idea of corporate governance is to maximize sustainable corporate growth and medium- to long-term corporate value, and we are working to enhance corporate governance.

Corporate Governance (Sustainability Report P.165-176)
https://www.rohm.com/sustainability/download

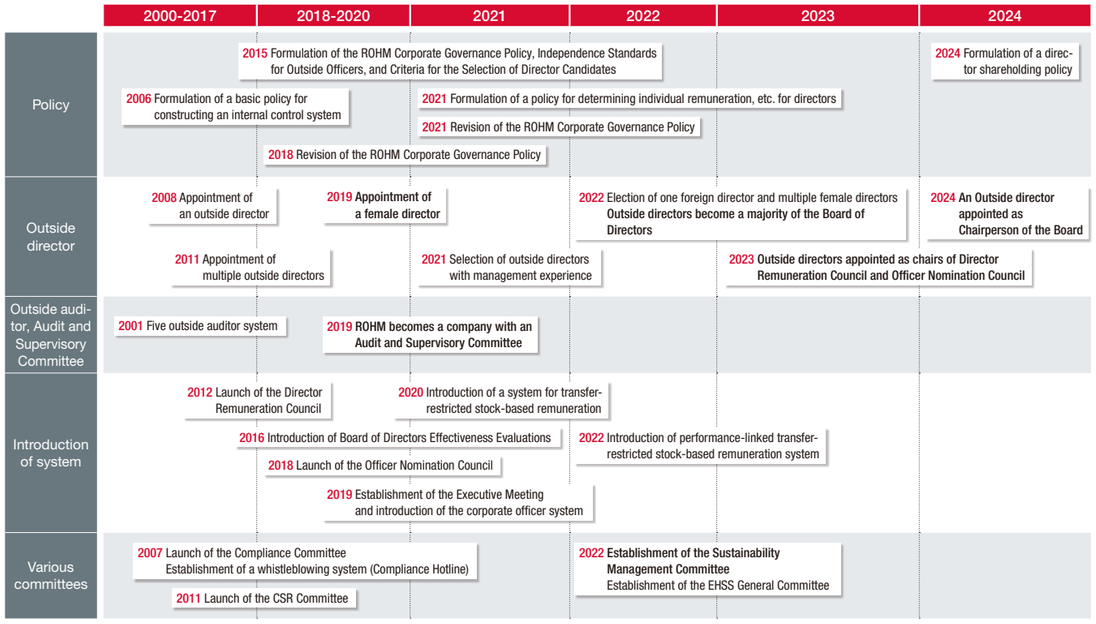
**Basic Policy**

1. To properly cooperate with all stakeholders, including shareholders, and appropriately consider and respond to issues in sustainability management, including ESG (Environmental, Social, and Governance) factors.
2. To respect the rights of shareholders, secure their equal treatment, and engage in constructive dialogue with shareholders who share the mid- to long-term perspective.
3. To disclose corporate information in a timely and appropriate manner as a part of ensuring our transparency.
4. To make the roles and responsibilities of the Board of Directors clear, hold meetings of the Board of Directors in a timely and appropriate manner, facilitate decision-making processes, and ensure that outside officers proactively express their views from an independent and objective standpoint and that the Board of Directors oversees the execution of business.

## Change Through Governance Reforms

ROHM regards corporate governance as one of the most important management issues and has been working toward its reform and strengthening. We strengthened our monitoring functions via measures such as transitioning to a company with an Audit and Supervisory Committee and introducing a corporate officer system, and worked to create an organization that will allow for more flexible decision-making. We also established the EHSS General Committee in charge of operating eight sustainability-related management systems and built a governance system on the executive side. Furthermore, we are striving to enhance governance by promoting diversity on the Board of Directors and ensuring that the Board of Directors consists of a majority of outside directors to ensure objectivity and transparency.

Change through governance reforms




**Material issues** ■ Enhancing Corporate Governance

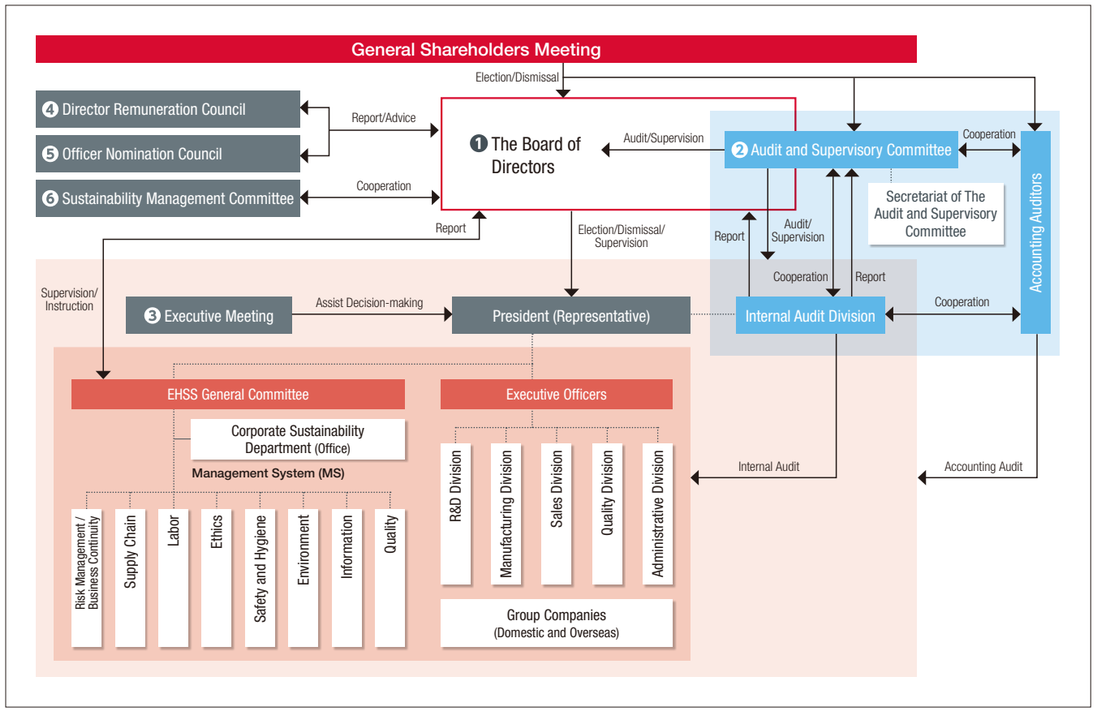
▶ P.31 FY2024 results and KPIs

## Corporate Governance System

ROHM has established an appropriate governance system based on the ROHM Corporate Governance Policy and ensures fairness and transparency in management.

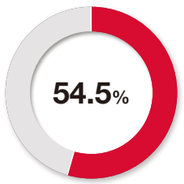
In order to press ahead with separation of the Board's supervisory and execution functions and ensure that the Board supervises management effectively, since April 2024 an outside director has been serving as Chairperson of the Board.

We are making continuous efforts to strengthen our corporate governance, such as by establishing the Officer Nomination Council and the Director Remuneration Council as advisory bodies to the Board and by strengthening the executive side via the Executive Meeting, which assists the President (Representative) with decision-making.




## Outside Directors

Percentage of outside directors in Board of Directors

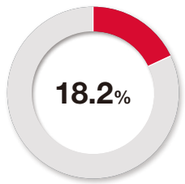



Currently, 54.5% of the members of the Board of Directors are outside directors.

Percentage of outside directors that are independent officers


ROHM has formulated Independence Standards for outside officers to supervise and advise management from an independent perspective. Currently, all six of our outside directors meet these standards.

Percentage of female directors in Board of Directors




Currently, 18.2% of the members of the Board of Directors are female directors.

Independence Standards for Outside Officers
https://micro.rohm.com/en/financial/governance/independence_standards_e.pdf

# Corporate Governance

Members and number of meetings held for individual organizations (as of June 27, 2025)

Internal directors　Outside directors　Executive officers

| Organization | ❶ Board of Directors | | ❷ Audit and Supervisory Committee | | ❸ Executive Committee Meeting | |
|---|---|---|---|---|---|---|
| Structure | Chairperson | 11 directors (of which 6 are outside directors) | Chairperson | 4 Audit and Supervisory Committee members (of which 3 are outside directors) | President | 12 executive officers (of which 4 are directors) |
| Number of times held in FY2024 | 19 times | | 16 times | | 12 times | |

| Organization | ❹ Director Remuneration Council | | ❺ Officer Nomination Council | | ❻ Sustainability Management Committee | |
|---|---|---|---|---|---|---|
| Structure | Chairperson | 3 directors (of which 2 are outside directors) | Chairperson | 3 directors (of which 2 are outside directors) | Chairperson | 5 directors (of which 1 outside director) |
| Number of times held in FY2024 | 5 times | | 14 times | | 10 times | |

## ❶ Board of Directors

The Board of Directors provides strategic corporate direction under a transparent and fair system in order to achieve sustainable growth for the company and improve its corporate value. It makes management decisions based on the diverse experience and expertise of its members, and also supervises business execution. The Board is currently chaired by an independent outside director.

Attendance status of each director in FY2024 (See page 7 of the Notice of the 67th Ordinary General Shareholders Meeting)
https://www.rohm.com/ir/stock/shareholders-meeting

## ❷ Audit and Supervisory Committee

The Audit and Supervisory Committee establishes audit policies, standards, and plans, audits the legality and appropriateness of directors' execution of their duties and, in case of any misconduct on the part of a director, maintains a reporting line to receive direct reports from the Internal Audit Division, an organization independent from business execution. The Committee also coordinates with the Internal Audit Division in auditing the entire Group.

## ❸ Executive Committee Meeting

The Executive Meeting, consisting of executive officers, deliberates important matters related to the management of ROHM such as the allocation of management resources. These matters include the execution of strategies related to the business portfolio, management of human capital, promotion of focused businesses and strengthening of sales structures. In this way, the Executive Meeting assists the President (Representative) in decision-making.

## ❹ Director Remuneration Council

The Director Remuneration Council discusses the remuneration system for directors and the remuneration of each director based on this system, and reports the results of discussions to the Board of Directors and the Audit and Supervisory Committee. It is chaired by an independent outside director.

## ❺ Officer Nomination Council

The Officer Nomination Council discusses the appointment and dismissal of the company's President and any director or corporate officer with titles, as well as the nomination of director candidates, and reports the results of discussions to the Board of Directors. It is chaired by an independent outside director.

## ❻ Sustainability Management Committee

The Sustainability Management Committee decides on sustainability policies, aims and long-term targets, applies these in the EHSS General Committee, and builds a framework for their implementation. It also deliberates important matters related to the sustainability management issues of ROHM and coordinates with the Board of Directors to ensure appropriate decision-making.

## Director Skill Matrix

We have identified the skill sets (such as knowledge, experience, and ability) that the Board of Directors needs to achieve sustainable growth for ROHM and to enhance the Group's corporate value over the medium to long term. We hereby define the following skill sets that are especially expected of directors.

| Name | | Corporate Management | ESG/ Sustainability | Global | Innovation/ Technology | HR Development | Legal/ Compliance | Finance/ Accounting | Industry Expertise |
|---|---|---|---|---|---|---|---|---|---|
| Katsumi Azuma | | ● | ● | | | ● | | | ● |
| Kazuhide Ino | | ● | | ● | ● | | | | ● |
| Tetsuo Tateishi | | | | ● | ● | | ● | | ● |
| Peter Kenevan | | ● | | ● | | | | ● | ● |
| Tadanobu Nagumo | ■■ | ● | ● | ● | | ● | | | |
| Fukuko Inoue | ■■ | | | ● | | ● | | | |
| Aiko Kozaki | ■■ | | ● | | | | | ● | |
| Koji Yamamoto | ■ | | ● | | | | ● | | ● |
| Keita Nakagawa | ■■■ | | ● | | | | ● | ● | |
| Tomoyuki Ono | ■■■ | | ● | | | | | ● | |
| Takaaki Oda | ■■■ | | ● | | | | ● | | |

■ Audit and Supervisory Committee Member ■ Outside ■ Independent

* As of the end of June 2025

| Fields | Definition |
|---|---|
| Corporate Management | Strive to further enhance corporate value by foreseeing changes in the environment surrounding the company's business, developing strategies from medium- to long-term perspectives and making decisions and running an organization effectively. |
| ESG/Sustainability | Contribute to the sustainable development and prosperity of the world, society and companies through conducting business activities with integrity, fairness and transparency, working towards the achievement of the United Nations' Sustainable Development Goals (SDGs) and establishing and maintaining a good relationship with stakeholders. |
| Global | Given the rapidly changing international situation, gain increased confidence from international markets by developing strategies and conducting business from global perspectives. |
| Innovation/ Technology | Promote the creation, establishment and expansion of businesses by capturing the needs of society and customers and focusing time and resources on the development of new technologies and products that are essential for the sustainable growth of the company. |
| HR Development | Discover human resources who can be the next generation of managers, and conduct human resources development and medium- to long-term human resources investment that are linked to the company's management strategy. |
| Legal/Compliance | Perform appropriate risk management by understanding all applicable laws and regulations related to the company's business and recognize and understand risks that may materially affect the company's business by constantly viewing matters from the standpoint of ensuring legal and other compliances. |
| Finance/Accounting | Appropriately identify the company's business management issues based on the full understanding of accounting, taxation and finance, and develop and monitor the progress of financial strategies and measures that are linked to the company's management strategy. |
| Industry Expertise | Possess insight on semiconductors and a wide network of personal connections in the semiconductor industry, and look to optimize the company's business portfolio by appropriately monitoring competitive and market trends. |

## Improving Discussion at Board of Directors Meetings

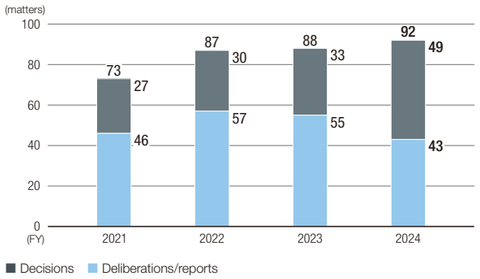
**In order to improve the quality of discussions at Board of Directors meetings, ROHM has made efforts to increase the level of involvement of directors in management issues and their monitoring functions by devising innovative deliberation methods, such as selecting items for discussion, providing ample explanatory materials, and ensuring sufficient deliberation time. Furthermore, outside Board of Directors meetings, the company proactively exchanges opinions and provides information to outside directors, ensuring management transparency and the validity of decision-making.**

### Number of matters and time allocated at Board of Directors meetings

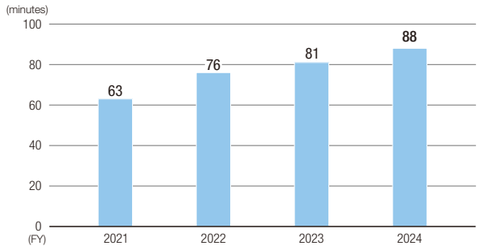
In FY2024, the meetings mainly deliberated on important management-related questions, such as capital expenditures under our management strategy and growth strategy, investor relations, human capital management stories, and management that is conscious of the cost of capital and stock price.

A total of 92 agenda items were submitted. The average deliberation time per item was 88 minutes, so we continued to be able to devote the time necessary for lively discussion.

Number of matters




Average time per matter




### Discussion topics and discussion details of Board of Directors meetings

| Topics | Discussion details |
|---|---|
| Management strategy | Management targets, progress of the Medium-Term Management Plan, business portfolio, investor relations, etc. |
| Investment | Capital expenditures on key businesses, M&A (including Group reorganization), capital investment, etc. |
| Other | Strategic partnerships, human capital management stories, progress on company-wide projects, etc. |

Activity of voluntary committees

| Voluntary committees | Matters discussed |
|---|---|
| Director Remuneration Council | Review of the performance-linked remuneration system to help secure talented personnel, remuneration for each director, etc. |
| Officer Nomination Council | Representative director appointments and successor candidate selection in response to management issues, nomination of director candidates, etc. |

### Activities outside the Board of Directors meetings

**Pre-Board meeting briefings**

- Prior to Board meetings, the company provides an opportunity for an overview of the agenda to be explained to outside directors and directors who are Audit and Supervisory Committee members.

**Outside directors' information exchange meeting**

- Outside directors participate in this meeting, providing an opportunity to exchange opinions and share information on business and governance.

## Evaluation of Effectiveness for the Board of Directors

ROHM believes that in order to continually improve corporate value, it is important for the Board of Directors to adequately exercise its duties and enhance governance.

Since introducing the "Board of Directors Effectiveness Evaluations" in 2016, each director is given a questionnaire on the effectiveness of the Board of Directors every year, and the Board of Directors analyzes and evaluates its effectiveness based on those results.

Since FY2022, we are using third-party analysis and evaluation, conducted by an external organization, to ensure that our evaluations are both objective and effective. Furthermore, since FY2023, we are not only analyzing and evaluating the questionnaire results, but we are also making the process even more objective by increasing our support in terms of creating and modifying questionnaire items and having the external organization aggregate questionnaire items using web systems.

Based on the results of the analysis and evaluation, the Board discusses issues involved in improving its own effectiveness as well as future initiatives, and the Board strives to work more effectively.

### Effectiveness evaluation process

**Anonymous questionnaire for all directors**
↓
**Analysis/evaluation of results by a third party**
↓
**Analysis/evaluation by Board of Directors**
↓
**Discuss issues and future efforts for improving effectiveness**
↓
**Initiatives**

**Evaluation items**

**(1) Operation of the Board of Directors**
(decision items, report items, frequency of meetings, length of deliberations, materials distributed, discussion content, reporting of results, adequacy of information sharing regarding company/business, etc.)

**(2) Roles and functions of the Board of Directors**
(roles and functions under the ROHM Corporate Governance Policy, appropriate decision-making, supervisory functions, fulfillment of the Medium-Term Management Plan, identification and diversification of skills, etc.)

**(3) Discussions by the Board of Directors**
(management strategy, business portfolio, cost of capital, share price, allocation of management resources, strategy regarding intangible assets (i.e., intellectual property and human capital), sustainability-related issues, Group governance, dialogue with investors, etc.)

**(4) Roles and responsibility of Directors**
(roles and responsibilities of directors, information sharing and exchanging of opinions among outside directors, systems for gathering internal and external information, etc.)

**(5) Functions and operation of the Director Remuneration Council and the Officer Nomination Council**
(effectiveness, agenda items (i.e., board succession, method for appointing members, selecting of candidates, remuneration system), frequency of meetings, length of deliberations, etc.)

### Evaluation results for FY2024 and action policy for FY2025

| | |
|---|---|
| FY2023 evaluation results | We observed improvement in the decision-making process for nominating officers and in the sharing of the status of dialogue with investors, which were among the issues for FY2022. Likewise, the results of the evaluation questionnaires, and the third-party analysis and evaluation, determined that the Board of Directors was generally effective overall. |
| Efforts in FY2024 | Participants deepened their understanding by sharing the details of discussions at the Officer Nomination Council and the Director Remuneration Council, and acquired the knowledge and perspective necessary to carry out their duties through director training. |
| FY2024 evaluation results | The supervisory function of the Board of Directors has been maintained by strengthening the outside director system, and lively discussions have been held at Board of Directors meetings, including pre-meeting briefing sessions, with appropriate deliberation time. The results of the evaluation questionnaire and third-party analysis and assessment also indicated that the effectiveness of the Board of Directors has been generally ensured overall. |
| Challenges for FY2025 | We recognize that there is room for further improvement in monitoring the Medium-Term Management Plan and in topics that require further discussion at Board of Directors meetings (strategies and investments related to human capital management, intellectual property and other intangible assets, management that is conscious of the cost of capital and stock price, etc.). |

## Officer Remuneration

### Policy for determining remuneration, etc.

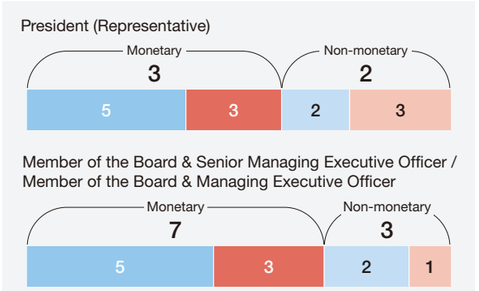
The remuneration for Directors shall be based on a remuneration system that shares value with shareholders to clarify their management responsibility and fully function as a sound incentive for the company's sustainable growth and medium- to long-term enhancement of corporate value. In determining the remuneration of individual directors, the company's basic policy is to set an appropriate level based on the responsibilities of each position.

Specifically, remuneration for executive directors shall consist of fixed remuneration and performance-linked remuneration as monetary remuneration, and stock-based remuneration as non-monetary remuneration. Remuneration for independent outside directors and non-executive directors shall be paid only as fixed remuneration from the viewpoint of their supervisory function independent of business execution.

In addition, to further boost directors' willingness to continuously enhance corporate value, and to strengthen value-sharing with shareholders and other stakeholders, we formulated a policy regarding holdings of the company's shares.

| | | Executive Director | Independent outside directors and non-executive directors |
|---|---|---|---|
| Monetary | Fixed remuneration | Paid in cash monthly according to position and responsibilities | Paid in cash monthly |
| | Performance-linked remuneration | Calculated according to the level of achievement of the company's consolidated net sales and operating profit targets for the immediately preceding period | — |
| Non-monetary remuneration (stock remuneration) | | Consists of a fixed pre-delivery type (RS: Restricted Stock) and a post-delivery type linked to performance targets (PSRSU: Performance Share Restricted Stock Unit). PSRSUs shall be calculated based on the degree of achievement against targets linked to the Medium-Term Management Plan | — |

Estimated Ratio of Remuneration (If Targets Are 100% Achieved)




Note: Because PSRSUs are paid in a lump sum after the completion of the Medium-Term Management Plan, the approximate percentage is calculated assuming that they are paid in each fiscal year.

(Reference) Performance cycle and indicators for PSRSUs

| | | |
|---|---|---|
| Performance evaluation cycle | From FY2022 to FY2025 (4 years) | |
| Performance indicators | Financial | ROE |
| | Non-financial | GHG emissions |
| | | Diversity & inclusion (Percentage of women in managerial positions) |
| | | ROHM Group engagement scores |

### Director shareholding policy

We recommend that holdings of the company's shares by executive directors be as indicated below.

**President (Representative)**

By the later of two years after the date of enactment of this provision (June 27, 2026) or five years after the date on which they assume their office, they must hold shares equivalent to 3.0 times the amount of their (fixed) monetary compensation.

**Other executive directors**

By the later of two years after the date of enactment of this provision (June 27, 2026) or five years after the date on which they assume their office, they must hold shares equivalent to 1.0 time the amount of their (fixed) monetary compensation.

Total director remunerations in FY2024

| Category | Total remunerations (million yen) | Total remunerations by type (million yen) | | | Number of subject officers |
|---|---|---|---|---|---|
| | | Fixed remuneration | Performance-linked remuneration | Non-monetary remuneration | |
| Directors (excluding Audit and Supervisory Committee Members and outside directors) | 270 | 208 | 6 | 55 | 6 |
| Directors who are Audit and Supervisory Committee Members (excluding outside directors) | 30 | 30 | — | — | 1 |
| Outside directors | 109 | 109 | — | — | 8 |

* The amount of remunerations paid to directors does not include the amount of employee salaries paid to employee directors.





# Dialogue with Shareholders and Investors

**ROHM's investor relations (IR) activities place a strong emphasis on interactive communication through dialogue with shareholders and investors. Our goal is to promote communication with shareholders and investors by disclosing information in a fair, just, and timely manner, providing internal feedback regarding their expectations and assessment of ROHM, and maximizing corporate value by applying that feedback to management.**

## IR Structure and Activities

We established the Public & IR Division to oversee IR activities. To meet the diverse needs of a broad range of shareholders and investors, it hosts various IR events such as factory tours and company information sessions for individual investors in addition to the typical IR meetings and biannual financial results briefings to communicate with various shareholders and investors throughout the year. In FY2024, in addition to activities conducted in-person and online, we resumed overseas investor visits that we had suspended due to the COVID-19 pandemic, fielding over 600 interviews. Furthermore, ESG meetings focusing on ESG themes are being conducted in cooperation with relevant divisions amid a growing interest in ESG.

▶ FY2024 results P.26 Building Value Together with Stakeholders

Primary dialogue themes and concerns

| Themes | Concerns | |
|---|---|---|
| Business environment and overall performance | • EV production volume forecast and impact on the business<br>• Trends and future outlook in each market<br>• Future trends in capital expenditures and depreciation<br>• Inventory policy, future inventory levels, and operational status | • Product price trends<br>• Collaboration and synergy with Toshiba<br>• Partnership with DENSO<br>• Impact of tariff measures by the U.S. |
| Medium-Term Management Plan | • Progress in the Medium-Term Management Plan<br>• Structural reforms aimed at improving earnings | • Shareholder return policy and cash allocation<br>• Growth investment and M&A approach |
| Business related | • Targets, investment plan, and competitive situation in the SiC business | • Progress on the ASSP strategic top 10 |
| Financial matters | • Circumstances leading up to issuance of convertible bonds (CB) | |
| ESG related | • Progress on reducing GHG emissions<br>• Human resource strategy tied to the management strategy | • Initiatives to increase the ratio of female managers<br>• Overall corporate governance (Officer nominations, compensation, etc.) |


The 67th Ordinary General Shareholders Meeting

Financial results briefings for investors

Factory tours for investors

## Examples of Dialogue Feedback Applied to Management and IR Activities

Assessment and opinions obtained through dialogue with shareholders and investors are reported to the Board of Directors and discussed by the executives each quarter in an effort to improve management and IR activities. In addition, we are also focusing on internal IR activities such as sharing data on our quarterly performance results and market evaluations with our employees.

Furthermore, we also consider the evaluation of the Integrated Report as an important form of feedback for management and strive to be able to increase the corporate value working together as a company by reporting and discussing it with the Board of Directors and related divisions.

| Themes | Improvements |
|---|---|
| Video streaming of financial results briefings | Since 2023, we have been posting videos of the financial results briefings and Q&A scripts of the briefings on our website. Furthermore, we newly added an "Answers to Frequently Asked Questions by Investors (FAQ)" section to the materials for the financial results briefings. |
| Definition of corporate value | After it was advised that it would be good for ROHM to clearly document its corporate value, we listed a financial logic tree for the first time on the financial strategy page of the Integrated Report 2023. The logic tree was further improved in the Integrated Report 2024 to include non-financial KPIs as well. |
| Conducting factory tours | We conducted tours of ROHM Apollo Co., Ltd.'s new SiC building and ROHM Hamamatsu Co., Ltd.'s plant for securities analysts and institutional investors. |
| Disclosure of tax payments by country | Since 2024, we disclose the tax payments by country. |
| Chairperson of the Board | In response to suggestions that an outside director rather than the President chair meetings of the Board of Directors, we changed the Chairperson to an outside director as of 2024. |
| Appointment of a Director in Charge of Finance | In response to suggestions that it would be advisable to welcome a finance specialist as a Director and appoint them as the Director in Charge of Finance, Director Kenevan was appointed at the General Meeting of Shareholders held in June 2025. |
| Incentive Compensation for Directors | For the purpose of providing long-term incentives to executive directors and sharing value with shareholders, in addition to establishing a policy on Director shareholdings in 2024, we increased the percentage of stock compensation under our compensation system. |

# Risk Management

**For the sake of sustainably improving corporate value, ROHM recognizes risks with the potential to adversely impact operations and performance, and implements management and countermeasures for keeping the impact of those risks to a minimum. We also establish a structure for adhering to compliance and commit ourselves to managing the risk of legal and corporate ethics violations to live up to the trust placed in us by our stakeholders.**

Risk Management (Sustainability Report P.181-199)
https://www.rohm.com/sustainability/download

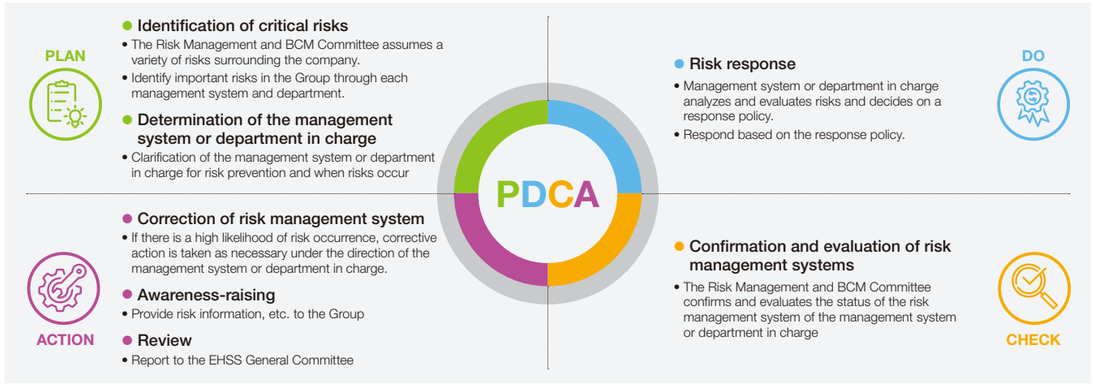
Material issues ■ Risk Management

▶ P.31 FY2024 results and KPIs

## System for Promoting Enterprise Risk Management

To respond to risk concerning overall management, ROHM is working to reinforce its enterprise risk management, and is implementing a PDCA cycle for risk countermeasures. The Risk Management and BCM Committee, which convenes four times annually and reports directly to the EHSS General Committee, identifies key risks, evaluates how frequently they occur and how much they impact our operations, and manages and promotes risk countermeasures. Additionally, in tandem with each management system, the Risk Management and BCM Committee reports the status of enterprise risk management activities, and risk assessments and management indicators to the EHSS General Committee once every six months. Key risks disclosed externally are reported to and approved by the Board of Directors.

Activity cycle for risk management




### Internal and external audits

Every year, the Risk Management and BCM Committee conducts internal checks based on the PDCA cycle to verify its effectiveness. The Internal Audit Department performs control audits as an independent organization, and coordinates with management systems after key items organized in an assurance map are shared with each management system through the Committee. Meetings of the Risk Management and BCM Committee are attended by Directors (including Outside Directors), full-time Audit and Supervisory Board Members, and the General Manager of the Internal Audit Department, who provide oversight and advice on our risk management structure. Each management system is also periodically subject to external audits to confirm their ongoing effectiveness.

### Risk management indicators and reporting structure

The Risk Management and BCM Committee analyzes and evaluates key risks based on their frequency and impact and reviews them at its four annual meetings, after which it lists them up in the form of a risk map. Additionally, by using key risk indicators to quantitatively grasp and visualize early signs of financial and non-financial risks and progress in countermeasures, the Committee makes it possible to quickly incorporate them in management decisions. Additionally, the Committee has prepared a global emergency reporting community tool for reporting and responding upon the occurrence of risk events as well as a dedicated hotline for responding to compliance and quality risks.

### Business risks

The main risks that we recognize as having the potential to significantly impact ROHM's financial position, operating results, and cash flow are as follows. Note that each risk is accompanied with an assessment of their degree of impact and occurrence frequency based on the three tiers of "High," "Medium," or "Low."

Annual Securities Report P.37-43 (In Japanese only)
https://www.rohm.co.jp/ir/library/annual-interim-securities-business-report

| Risks | Development frequency | Impact |
|---|---|---|
| Business strategy and market fluctuations ▶ ROHM's Unique Qualities, "Customer orientation" P.21 | Medium | High |
| M&A | Medium | High |
| Foreign exchange | Medium | High |
| Tax matters | Medium | Medium |
| Financial market fluctuations | Medium | Medium |
| Natural disasters | Low | High |
| Climate change | Medium | High |
| Geopolitics | High | High |

| Risks | Development frequency | Impact |
|---|---|---|
| Compliance | Low | High |
| Intellectual property | Medium | Medium |
| Environmental regulations | Medium | Medium |
| Securing of human resources | Medium | High |
| Information security | Medium | High |
| Human rights | Low | High |
| Research and development activities | Low | High |
| Product defects | Medium | Medium |
| Production and procurement activities | Medium | Medium |

## Business Continuity Management

ROHM conducts development, manufacturing, and sales activities throughout the world. Therefore, we believe that one of the key issues for our management is Business Continuity Management (BCM). We have established and are implementing the ROHM Group Risk Management and Business Continuity Policy as well as the ROHM Group Fire and Disaster Prevention Policy. In particular, at domestic and overseas sites with production functions, we take various measures to prepare for contingencies, including identifying disaster and other risks and use this to organize countermeasure committees, formulate Business Continuity Plan (BCP), and conduct drills based on such plans.

## [Actions for Water Risks]

### Identification of water risks by using the WRI Aqueduct tools and countermeasures

In semiconductor manufacturing, an industry that consumes large volumes of water, securing and recycling water resources is vital to operations.

The ROHM Group utilizes the "WRI Aqueduct," a global assessment tool for identifying water risks, to perform evaluations of those risks (drought and flooding) in its efforts to reduce them.

To give specific examples, we conducted evaluations after defining items for "water stress" and "water scarcity" as "drought risk" and items for "river flood risk" and "coastal flood risk" as "flood risk," and identified bases where those risks are high.

For "drought risk," we set targets for the improvement of water recovery and reuse rates, and are working to maximize resource circulation through means such as the introduction of wastewater recycling equipment. Additionally, for "flood risk," we perform risk assessments and analysis through the Risk Management and BCM Committee, and are working to reduce the risk of production stoppages that accompany the occurrence of floods by designing BCP inventory based on the estimated number of stoppage days from a BCP standpoint.

### Conducting drills based on lessons learned from the flooding in Thailand

During Thailand's massive floods in 2011, ROHM's local production bases also suffered damage. Learning from that lesson, every year, we now conduct flood simulation drills through the local BCM Countermeasures Headquarters. We verify phase-specific countermeasures based on the action plans we formulated and bolster our practical response capabilities through drills for erecting water barriers and activating drainage pumps, among other efforts.

## [Responding to Other Risks]

### Earthquake risks

For the sake of the guarantee of employee safety and business continuity, we have introduced the “Building Safety Judgment Support System” at our main domestic bases. By analyzing building vibrations right after an earthquake takes place and issuing an immediate determination of structural safety based on a three-tier scale, we have a structure in place that enables us to swiftly determine whether the buildings are safe to enter. In turn, this makes it possible to minimize damage during earthquakes and issue instructions for safe behavior, and also ties into greater trust places in us by our stakeholders. Also, for the purpose of bolstering our emergency response capability, we established a BCM Countermeasures Headquarters and conduct regular training and education on an ongoing basis. In FY2024, we carried out an action simulation based on emergency information on the Nankai Trough Earthquake that was actually announced, and clarified actions that should be taken even before an earthquake occurs.

Other Risks (Sustainability Report P.197-198)
https://www.rohm.com/sustainability/download

## Actions for Information Security

### Information management system

At ROHM, we have established information security governance, cybersecurity, and IT governance as priority challenges, and our Information Management Committee oversees risk management and system operation. Areas overseen include everything from the planning and development of internal information systems to the manufacture and sale of electronic components. Additionally, our head office and certain bases have obtained ISO/IEC 27001 certification, an international standard for information security management, as well as TISAX (Trusted Information Security Assessment Exchange) certification, which was developed by the German Association of the Automotive Industry for the assessment of information security. Going forward, we will further reinforce the prevention of leaks and unauthorized use of important information related to operations through audits and diagnostics as well as an expanded scope of certification.

Information Security (Sustainability Report P.214-224)
https://www.rohm.com/sustainability/download

## Fostering a Risk Culture

ROHM engages in training and various measures intended to boost risk sensitivity and promote countermeasures. As means of responding to geopolitical and economic security risks, we conduct lectures for and provide reports to officers as well as promote disaster prevention education using e-learning and videos among employees. Moreover, we solicit improvement proposals for addressing risks from our employees, recognize them with the likes of rewards and President’s Awards, and otherwise endeavor to elevate risk awareness and foster a culture of improvement.

Main education and training results

| Education/training | Number of participants | Participation rate |
|---|---|---|
| e-learning on Fire Prevention and Disaster Preparedness 2024 | 3,814 | 99% |
| e-learning on Fire Prevention and Disaster Preparedness 2023 | 3,755 | 99% |

Column **Challenges for the future**

### Enhancing ROHM’s “survival capability” from the standpoint of economic security

In recent years, the impact of geopolitical risk such as the destabilization of world affairs and intensifying conflicts between nations on business activities has become impossible to ignore. Against this backdrop, we established the Economic Security Office in order to enhance our “survival capability” in dealing with geopolitical risk as a corporation.

Currently, our activities in the Office are centered on three pillars: (1) Establishing intelligence functions to detect changes in the external environment, including world affairs; (2) Raising the level of internal literacy regarding economic security; and (3) Transforming our risk management structure into one capable of responding to geopolitical risk. In particular, given our nature as a semiconductor manufacturer, we are prioritizing our efforts on response to the risk of disruption along supply chains (through resilience) and measures to safeguard core technologies.

In an era of uncertainty, the importance of taking an approach of detecting early warning signs and proactively controlling risks cannot be overstated. I believe we can mitigate unforeseen risks through our economic security initiatives and do our part for the sustainable growth of ROHM and the securing of its competitive advantage in the market.

**Tsutomu Irie**
Manager
Economic Security Office
Administrative Headquarters





# Compliance Initiatives

**ROHM must continuously comply with laws, international norms, business ethics and in-house rules and fulfill its social responsibility as a company in order to continue to gain the trust of various stakeholders in relation to its business activities. ROHM has the awareness and responsibility that “the company is a public institution of society” and establishes a system for compliance in accordance with the ROHM Group Basic Ethics Policy and the ROHM Group Business Conduct Guidelines, committed to rigorous management of risks of legal and corporate ethics violations.**

## Whistleblowing Sysytem

ROHM has established a compliance hotline established by an external law firm as a whistleblowing system to accept reports and consultations regarding compliance violations from all employees, including non-regular employees, of Group companies in Japan. As for overseas Group companies, in addition to setting up hotlines, we have also established a global compliance hotline that allows employees to report misconduct or potential misconduct by officers to the ROHM Head Office.

In order to ensure the appropriate operation of the system, we have established internal regulations to ensure that those who make reports or seek consultation are not treated unfairly for use of the whistleblowing system and that we thoroughly ensure that information provided or uncovered through investigations is kept confidential. We also provide in-house training to employees who are engaged in compliance hotline-related work.

Furthermore, we are working to identify information on risks such as violations at an early stage as well as respond promptly and appropriately by distributing ROHM Compliance Cards and promoting awareness of the hotline through noticeboards and internal training.

* Number of whistleblower reports in FY2024 (from April 1, 2024 through March 31, 2025): 73

## Education and Training System

ROHM must increase the level of compliance literacy for each individual employee for compliance of business ethics. In order to spread and increase compliance awareness, ROHM conducts regular compliance-themed training as well as in-house education and awareness-raising activities such as legal e-learning. By also conducting level-specific compliance training from management (directors) through new employees, all employees are able to understand and acquire knowledge of the rules that they must observe at each level.

Compliance (Sustainability Report P.200-207)
https://www.rohm.com/sustainability/download

Compliance training

| Items | | | Scope | Unit | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of compliance training sessions for officers (sessions/year) | | | Non-consolidated | Times | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of compliance training sessions for employees (sessions/year) | | | Non-consolidated | Times | 8 | 9 | 5 | 9 | 7 | 4 |
| | | | Consolidated | Times | 1 | 1 | 1 | 1 | 2 | 1 |
| Provision of the ROHM Group Business Conduct Guidelines | Employees | Coverage | Consolidated | % | 100 | 100 | 100 | 100 | 100 | 100 |
| | | Written consent | Consolidated | % | 100 | 100 | 100 | 100 | 100 | 100 |
| | | Training | Consolidated | % | 100 | 100 | 100 | 100 | 100 | 100 |

## Tax Compliance Response

### Basic policy

ROHM strives to pay taxes appropriately in compliance with national and regional laws and regulations under its system that appropriately ascertains and manages tax relationships in its business activities. We respond to domestic and international tax reforms, including the Organisation for Economic Co-operation and Development’s (OECD) Base Erosion and Profit Shifting (BEPS) Project, fulfilling our corporate social responsibility (CSR) at an even higher level.

Tax Policy, Tax Data by Country and Region (Sustainability Report P.177-178)
https://www.rohm.com/sustainability/download

# Members of the Board and Executive Officers


## Directors

### ❶ Katsumi Azuma

President (Representative Director)

Number of ROHM Shares Held: 27,416 shares

Apr. 1989 Joined the Company
Jun. 2013 Member of the Board, Director of Discrete Production Headquarters
Jul. 2017 Senior Managing Director, Member of the Board, Discrete and Optical Module
Sep. 2019 Member of the Board, Senior Managing Executive Officer, Business and Strategy
Jun. 2020 Member of the Board, Senior Managing Executive Officer, COO, Senior Director of Sales
Jan. 2021 Member of the Board, Senior Managing Executive Officer, COO, Senior Director of Production · Quality ·Sales
Jun. 2021 Member of the Board, Senior Managing Executive Officer, COO
Jun. 2023 President of ROHM Apollo Co., Ltd.
Apr. 2024 Member of the Board, Senior Managing Executive Officer, Quality, Production, General Purpose Device Business and Module Business
Apr. 2025 President (Representative Director), Chief Executive Officer (current position)

### ❷ Kazuhide Ino

Member of the Board

Number of ROHM Shares Held: 16,946 shares

Apr. 1999 Joined the Company
Sep. 2019 Executive Officer, Director of Power Devices Production Headquarters
Jun. 2020 Member of the Board, CSO and Senior Director of Power Devices Business
Jan. 2021 Member of the Board, Senior Executive Officer, CSO
Jun. 2021 Member of the Board, Managing Executive Officer, CSO and Director of Accounting & Finance Headquarters
Apr. 2023 Member of the Board, Managing Executive Officer, CFO (Chief Financial Officer)
Apr. 2024 Member of the Board, Managing Executive Officer, Power Devices Business (current position)

### ❸ Tetsuo Tateishi

Member of the Board

Number of ROHM Shares Held: 12,209 shares

Jul. 2014 Joined the Company
Jun. 2019 Member of the Board, Director of LSI Development Headquarters
Sep. 2019 Member of the Board, Senior Executive Officer, Director of LSI Development Headquarters
Jun. 2020 Member of the Board, CTO and Senior Director of LSI Business
Jan. 2021 Member of the Board, Senior Executive Officer, CTO
Apr. 2024 Member of the Board, Senior Executive Officer, Research & Development, IT, Legal & Intellectual Property and LSIs Business
Apr. 2025 Member of the Board, Senior Executive Officer, LSIs Business and IT (current position)

### ❹ Peter Kenevan

Member of the Board

Number of ROHM Shares Held: 700 shares

Jun. 1995 Admitted to California Bar
Sep. 1995 Joined McKinsey & Company, Inc.
Jun. 2000 Partner of McKinsey & Company, Inc. (Tokyo office)
Jun. 2012 Senior Partner of McKinsey & Company, Inc. (Tokyo office)
Apr. 2021 VP, Head of Japan of PayPal Pte. Ltd. (Tokyo branch)
Jun. 2022 Member of the Board
Mar. 2025 Outside Director of MonotaRO Co., Ltd. (current position)
Jun. 2025 Member of the Board, Senior Executive Officer, Chief Financial Officer
Aug. 2025 Member of the Board, Senior Executive Officer, Chief Financial Officer and Sustainability (current position)

### ❺ Tadanobu Nagumo

Outside Director (Chairperson of the Board)

Number of ROHM Shares Held: 5,300 shares

Apr. 1969 Joined The Yokohama Rubber Co., Ltd.
Jun. 1999 Director of The Yokohama Rubber Co., Ltd.
Jun. 2004 President and Representative Director of The Yokohama Rubber Co., Ltd.
Jun. 2011 Chairman and CEO and Representative Director of The Yokohama Rubber Co., Ltd.
Outside Company Auditor of The Zeon Corporation
Jun. 2015 Outside Director of The Zeon Corporation (current position)
Mar. 2016 Chairman and Representative Director of The Yokohama Rubber Co., Ltd.
Mar. 2019 Senior Advisor of The Yokohama Rubber Co., Ltd.
Jun. 2021 Member of the Board (Outside)
Mar. 2024 Honorary Advisor of Yokohama Rubber Co., Ltd. (current position)
Apr. 2024 Member of the Board, Chairperson of the Board (current position)

### ❻ Fukuko Inoue

Member of the Board (Outside)

Number of ROHM Shares Held: 200 shares

Apr. 1987 Joined UCC UESHIMA COFFEE CO., LTD.
Sep. 1996 Human Resources Officer, Training Officer at Budget Personnel Bureau of Human Resources Department of Asian Development Bank
May 2004 Human Resources Development Manager at General Affairs and Human Resources Headquarters of Vodafone Japan Co., Ltd.
Jun. 2006 Human Resources Manager of Tiffany & Co.
Sep. 2011 Executive Officer of Human Resources, General Manager of Human Resources Headquarters of SAP Japan Co., Ltd.
Jan. 2013 Section Chief of Human Resources Planning Division at Human Resources Department of International Atomic Energy Agency
Jul. 2017 Senior Human Resources Officer at Management Bureau of International Atomic Energy Agency
Apr. 2018 Professor at Doshisha Business School at Doshisha University (current position)
Jun. 2022 Outside Director of EXEDY Corporation (current position)
Jun. 2023 Member of the Board (Outside) (current position)

### ❼ Aiko Kozaki

Member of the Board (Outside)

Number of ROHM Shares Held: 300 shares

Apr. 1996 Joined Nomura Asset Management Co., Ltd. (Resigned in Mar. 2000)
Apr. 2006 NPO Social Innovation Japan
Apr. 2007 ESG Research Center of The Japan Research Institute, Limited
Jul. 2013 Manager at ESG Research Center of The Japan Research Institute, Limited
Sep. 2015 Work Again Business Manager of Waris Co., Ltd.
Nov. 2020 Strategy Development Division at Strategy Development and Management Bureau of Financial Services Agency (Resigned in Oct. 2022)
Mar. 2023 Representative Director of stream-i Co., Ltd. (current position)
Mar. 2023 Outside Director of Central Tank Terminal Co., Ltd. (current position)
Jan. 2024 Manager at Investment Department of General Incorporated Foundation Japan Network for Public Interest Activities (current position)
Jun. 2024 Member of the Board (Outside) (current position)

### ❽ Koji Yamamoto

Member of the Board, Audit and Supervisory Committee Member (Full-Time)

Number of ROHM Shares Held: 14,737 shares

Apr. 1985 Joined the Company
Sep. 2019 Executive Officer, Director of LSI Production Headquarters and in charge of Development of ATP Rationalization
Jun. 2020 Executive Officer, Director of Supply Chain Management Headquarters
Jun. 2021 Member of the Board, Senior Executive Officer, Director of Supply Chain Management Headquarters, Director of Administrative Headquarters and Sustainability
Jun. 2022 Member of the Board, Senior Executive Officer, CAO and Sustainability
Apr. 2023 Member of the Board, Senior Executive Officer, CSO
Apr. 2024 Member of the Board, Senior Executive Officer, SCM and Administration
Apr. 2025 Member of the Board, Senior Executive Officer
Jun. 2025 Member of the Board, Audit and Supervisory Committee Member (Full-Time) (current position)

### ❾ Keita Nakagawa

Member of the Board (Outside), Audit and Supervisory Committee Member (Full-Time)

Number of ROHM Shares Held: 900 shares

Apr. 1988 Joined Daiwa Bank Co., Ltd.
Aug. 1997 Singapore Branch of Daiwa Bank Co., Ltd.
Mar. 2003 Employees' Union of Resona Bank, Ltd. (Until Jul. 2004)
Oct. 2015 Senior Auditor at Internal Audit Department of Resona Bank, Ltd.
Apr. 2017 Manager at Internal Audit Department of Resona Holdings, Inc.
Apr. 2019 Corporate Officer in charge of Compliance Supervisory of Kansai Mirai Bank, Limited
Apr. 2022 Managing Director of Resona Card Co., Ltd.
Apr. 2023 Advisor of Resona Card Co., Ltd.
Jun. 2023 Member of the Board (Outside), Audit and Supervisory Committee Member (Full-Time) (current position)

### ❿ Tomoyuki Ono

Member of the Board (Outside), Audit and Supervisory Committee Member

Number of ROHM Shares Held: 400 shares

Apr. 1982 Joined Sumitomo Chemical Industry Co., Ltd. (Currently Sumitomo Chemical Co., Ltd.)
Oct. 1989 Eiwa Audit Corporation (currently KPMG AZSA LLC)
Mar. 1993 Registered as CPA
Mar. 1994 Joined Ono Property Appraisal Office
Aug. 1998 Joined Asahi Audit Corporation (currently KPMG AZSA LLC)
Jun. 2007 Partner of KPMG AZSA LLC
May 2021 Chairman of the Board of Partners of KPMG AZSA LLC
Jul. 2022 Founded Ono Accounting Office. Chief of the Office (current position)
Jun. 2023 Outside Director of NITTA Corporation (current position)
Jun. 2023 Member of the Board (Outside), Audit and Supervisory Committee Member (current position)

### ⓫ Takaaki Oda

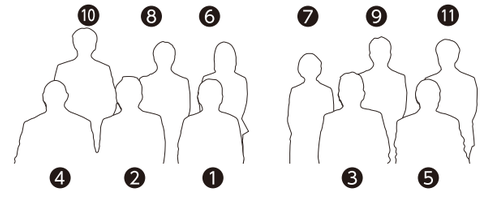
Member of the Board (Outside), Audit and Supervisory Committee Member

Number of ROHM Shares Held: -

Apr. 1988 Attorney at law (Member of Osaka Bar Association) Joined Miyake & Partners
Jan. 1995 Partner of Miyake & Partners (current position)
Jun. 2011 Outside Corporate Auditor of New Japan Chemical Co., Ltd.
Jun. 2014 Outside Corporate Auditor of Duskin Co., Ltd.
Jun. 2016 Outside Director, Audit and Supervisory Committee Member of New Japan Chemical Co., Ltd. (current position)
Jun. 2025 Member of the Board, Audit and Supervisory Committee Member (current position)

## Executive Officers

| | | |
|---|---|---|
| Katsumi Azuma | Chief Executive Officer | |
| Kazuhide Ino | Managing Executive Officer | Power Devices Business |
| Tetsuo Tateishi | Senior Executive Officer | LSIs business and IT |
| Peter Kenevan | Senior Executive Officer | Chief Financial Officer and Sustainability |
| Masaki Sakai | Senior Executive Officer | Director of Sales Headquarters |
| Tetsuo Aoki | Senior Executive Officer | Director of Sales Headquarters for Japanese Accounts |
| Motohiro Ando | Executive Officer | Director of Corporate Strategy Headquarters |
| Sumihiro Takashima | Executive Officer | Director of Marketing Headquarters |
| Masanori Tanimura | Executive Officer | Director of SiC Power Devices Business Headquarters |
| Tetsuhiro Tanabe | Executive Officer | Director of Si Power Devices Business Headquarters |
| Syoji Higashida | Executive Officer | FI and Director of General Purpose Devices and Modules Business Headquarters |
| Takashi Miki | Executive Officer | SCM and Director of Corporate Quality Headquarters |

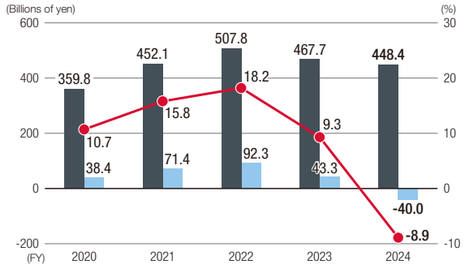



* The number of shares held is as of March 31, 2025.

# Financial and Non-Financial Highlights

## Financial Highlights (Consolidated)

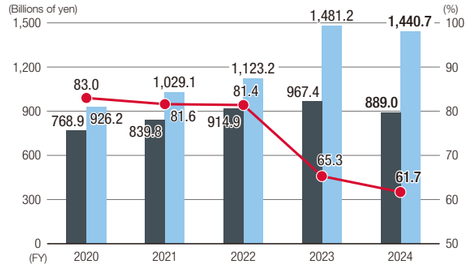
### Business Performance




■ Net sales ■ Operating profit (loss) -●- Operating profit margin (Right axis)

Sales decreased 19,314 million yen from the previous fiscal year to 448,466 million yen as sales fell dramatically in the industrial equipment market as well as in the automotive market. Operating profit fell 83,388 million yen from the previous fiscal year, resulting in an operating loss of 40,061 million yen due to a lower utilization rate accompanying the decline in sales and production adjustments in addition to an increase in fixed costs to increase production capacity of SiC power devices and handle the production of 8-inch wafers.

### Shareholders' Equity and Total Assets




■ Shareholders' equity ■ Total assets -●- Equity ratio (Right axis)

Total assets decreased 40,509 million yen from the end of the previous fiscal year to 1,440,765 million yen, primarily due to a decline in cash and deposits, investment securities, and inventories. Equity fell 78,438 million yen to 889,033 million yen as a result of a decrease in shareholder's equity and valuation difference on available-for-sale securities. Therefore, the equity ratio shrank to 61.7% from 65.3%.

### Profit (Loss) Attributable to Owners of Parent and ROE




■ Profit (loss) attributable to owners of parent -●- ROE (Right axis)

Loss attributable to owners of parent of 50,065 million yen was recorded (for the previous fiscal year, profit attributable to owners of parent of 53,965 million yen) primarily because of the posting of a large impairment loss on non-current assets and extra retirement payments accompanying structural reforms. As a result, ROE fell 11.1 ppt to -5.4%.

### Capital Expenditures and Depreciation




■ Production capacity expansion ■ Land and buildings
■ Quality improvement ■ Others ■ Depreciation

In response to the weak semiconductor market, we restrained overall capital expenditures, including for LSI. Furthermore, we revised our capital expenditure plans related to SiC power devices due to the recent stagnant EV market. As a result, capital expenditures decreased 53,738 million yen from the previous fiscal year to 133,017 million yen.

### Earnings (Loss) Per Share and Net Assets Per Share




■ Earnings (loss) per share ■ Net assets per share

Earnings per share decreased 268.59 yen, resulting in a loss per share of 129.78 yen. Net assets per share decreased 203.53 yen from the end of the previous fiscal year to 2,303.25 yen.

### Dividends and Consolidated Payout Ratio



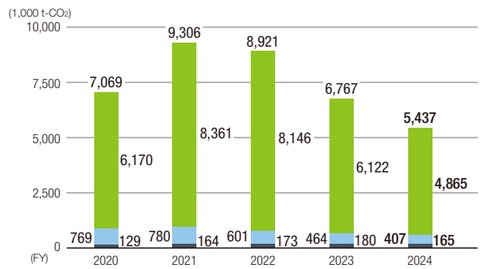

■ End of first six months ■ End of year -●- Consolidated payout ratio (Right axis)

ROHM aims to pay a consolidated dividend payout ratio of 30% as part of its shareholder return policy. Despite a lackluster performance, in FY2024, we maintained the annual dividend of 50.00 yen per share, the same level as the previous fiscal year, as we value stable dividends to our shareholders.

* On October 1, 2023, the company conducted a 4-for-1 stock split of its common stock. "Earnings per share," "net assets per share," and "dividend per share" up to FY2022 are calculated taking the stock split into consideration.

## Non-Financial Highlights (Consolidated)

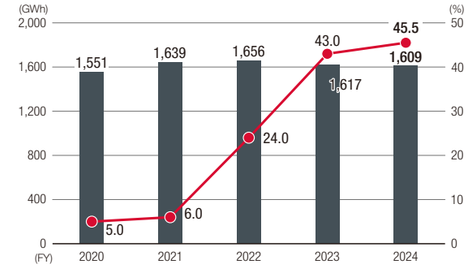
### GHG Emissions




■ Scope 1 ■ Scope 2 ■ Scope 3

To realize the "ROHM Group Environmental Vision 2050," which aims to achieve net zero GHG emissions by FY2050, our medium-term environmental goal is to reduce GHG emissions (Scope 1 and 2) by more than 50.5% by FY2030 compared to FY2018 levels. In FY2024, we achieved a 42.2% reduction compared to FY2018.

### Power Consumption and Percentage of Renewable Energy Used




■ Power consumption -●- Percentage of renewable energy used (Right axis)

We have announced a plan which calls for 100% of electricity used in all business activities in Japan and overseas to be derived from renewable energy sources (hydro, geothermal, solar power, etc.) by FY2050. Since FY2024, the ROHM Apollo Hirokawa Plant has been powered by 100% renewable energy, bringing the overall adoption rate across the company to 45.5%.

### Waste Emission Volume and Recycling Rate




■ Waste emission volume -●- Recycling rate (Right axis)

Resource recycling initiatives, which are touted in "ROHM Group Environmental Vision 2050," target 99% resource reuse in 2030. In FY2024, the percentage rose 1.9% compared to FY2020, and we are implementing planned measures to achieve the goal.

### Percentage of Women in Management Positions




As stated in the Medium-Term Management Plan, our aim is to increase the percentage of women in management positions in the whole Group to 15% by FY2025 and to 20% by FY2030. We will make every effort to achieve our goals by continuing to enhance training opportunities, revising existing systems, and implementing new systems.

### Male/Female Ratios by Occupation (Non-Consolidated)




■ Management level ■ Core position staff ■ Expert and engineering staff
■ Limited position staff

When the average wage of all employees is calculated by gender, there is a discrepancy between men and women at ROHM. We have determined the main reason to be differences in the male/female ratios by occupation. We do not intend to forcibly rectify this situation, as it relates to the way each individual wishes to work. However, we have established a "Course Change System" to provide employees who wish to do so with opportunities to take on new challenges. (→P.47 Human Capital Initiatives: Course Change System, P.89 Primary ESG Data: Average benefit amount during the year)

### Number of Directors and Percentage of Outside Directors




* As of the end of June 2025

■ Number of directors
-●- Percentage of outside directors (Right axis)

In FY2025, we achieved the target of "increasing the number of outside directors to a majority," touted in the Medium-Term Management Plan.

# Eleven-Year Financial Summary

(Millions of yen)

| Financial Data / Fiscal year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net sales | 362,772 | 352,397 | 352,010 | 397,106 | 398,989 | 362,885 | 359,888 | 452,124 | 507,882 | 467,780 | **448,466** |
| ICs | 169,916 | 164,080 | 161,195 | 183,430 | 183,313 | 170,432 | 168,103 | 203,895 | 233,704 | 207,222 | **203,833** |
| Discrete semiconductor devices | 129,047 | 126,436 | 130,036 | 149,915 | 152,861 | 139,038 | 142,389 | 188,093 | 212,241 | 201,948 | **187,052** |
| Modules | 36,083 | 36,370 | 39,608 | 41,829 | 40,158 | 33,275 | 29,213 | 32,835 | 34,326 | 32,908 | **32,557** |
| Others | 27,725 | 25,510 | 21,169 | 21,930 | 22,655 | 20,139 | 20,181 | 27,299 | 27,610 | 25,701 | **25,023** |
| Cost of sales | 235,042 | 230,662 | 234,967 | 252,591 | 254,727 | 251,125 | 242,252 | 289,803 | 314,220 | 322,088 | **374,203** |
| Gross profit | 127,729 | 121,734 | 117,042 | 144,515 | 144,262 | 111,759 | 117,635 | 162,320 | 193,661 | 145,692 | **74,263** |
| Selling, general and administrative expenses | 88,929 | 88,099 | 85,215 | 87,510 | 88,352 | 82,269 | 79,146 | 90,841 | 101,344 | 102,365 | **114,324** |
| Operating profit/loss | 38,800 | 33,635 | 31,827 | 57,004 | 55,909 | 29,489 | 38,488 | 71,479 | 92,316 | 43,327 | **(40,061)** |
| ICs | 22,286 | 7,660 | 9,064 | 20,181 | 15,990 | 12,578 | 15,752 | 32,988 | 48,158 | 21,269 | **(767)** |
| Discrete semiconductor devices | 15,909 | 21,504 | 20,916 | 32,193 | 30,054 | 10,407 | 21,053 | 32,774 | 34,529 | 12,964 | **(45,899)** |
| Modules | 2,086 | 4,594 | 1,793 | 3,793 | 5,918 | 3,491 | 2,145 | 4,442 | 4,284 | 2,005 | **2,691** |
| Others | (900) | 262 | 1,497 | 2,968 | 4,093 | 1,948 | 1,846 | 5,018 | 5,088 | 2,154 | **2,524** |
| Adjusted amount | (581) | (387) | (1,444) | (2,132) | (146) | 1,063 | (2,308) | (3,744) | 256 | 4,932 | **1,389** |
| Ordinary profit/loss | 59,218 | 36,625 | 35,579 | 54,213 | 64,689 | 35,774 | 40,672 | 82,551 | 109,530 | 69,200 | **(29,698)** |
| Profit/loss attributable to owners of parent | 45,296 | 25,686 | 26,432 | 37,249 | 45,441 | 25,632 | 37,002 | 66,827 | 80,375 | 53,965 | **(50,065)** |
| EBITDA | 73,267 | 71,973 | 72,628 | 100,411 | 101,325 | 73,817 | 78,656 | 113,507 | 148,456 | 115,396 | **43,357** |
| Capital expenditures | 48,739 | 56,686 | 42,182 | 55,911 | 57,291 | 38,941 | 44,114 | 79,985 | 126,116 | 186,755 | **133,017** |
| ICs | 24,031 | 20,973 | 16,484 | 25,077 | 17,119 | 8,550 | 16,568 | 30,130 | 57,673 | 42,714 | **14,660** |
| Discrete semiconductor devices | 15,784 | 21,991 | 17,704 | 23,148 | 30,407 | 22,001 | 20,460 | 33,789 | 57,061 | 130,969 | **111,255** |
| Modules | 4,362 | 4,695 | 2,709 | 1,185 | 1,979 | 1,922 | 2,893 | 1,793 | 2,054 | 1,188 | **1,178** |
| Others | 2,188 | 1,315 | 1,925 | 4,407 | 4,694 | 2,735 | 1,079 | 4,237 | 3,077 | 1,808 | **1,298** |
| Adjusted amount | 2,373 | 7,709 | 3,358 | 2,091 | 3,089 | 3,731 | 3,111 | 10,034 | 6,249 | 10,074 | **4,624** |
| Depreciation | 34,467 | 38,338 | 40,801 | 43,407 | 45,415 | 44,328 | 40,167 | 42,027 | 56,140 | 72,069 | **83,418** |
| R&D expenses | 39,996 | 40,868 | 37,277 | 38,852 | 39,578 | 33,384 | 31,537 | 36,126 | 42,560 | 44,423 | **57,245** |
| Cash flow from operating activities | 72,381 | 78,901 | 67,397 | 74,727 | 65,990 | 79,130 | 45,975 | 92,181 | 98,628 | 82,858 | **83,956** |
| Cash flow from investing activities | (100,638) | (22,436) | (38,742) | (54,517) | (53,997) | (8,676) | (40,844) | (55,437) | (88,738) | (431,952) | **(115,678)** |
| Dividends paid | 8,085 | 16,038 | 12,164 | 21,154 | 20,625 | 15,675 | 14,822 | 14,721 | 20,610 | 19,463 | **19,298** |
| Purchase of treasury shares | 15 | 17,006 | 6 | 10 | 10,003 | 41,295 | 8,715 | 9 | 6 | 20,005 | **1** |
| Total assets | 864,380 | 804,134 | 834,503 | 870,034 | 874,427 | 848,873 | 926,240 | 1,029,132 | 1,123,283 | 1,481,274 | **1,440,765** |
| Total liabilities | 111,946 | 97,883 | 109,051 | 118,156 | 107,673 | 133,393 | 156,750 | 188,778 | 207,817 | 513,172 | **551,110** |
| Total net assets | 752,433 | 706,251 | 725,452 | 751,877 | 766,754 | 715,479 | 769,490 | 840,353 | 915,465 | 968,102 | **889,655** |
| **Per Share Data** | | | | | | | | | | | |
| Net income/loss per share (yen) | 105.04 | 60.48 | 62.47 | 88.04 | 107.82 | 61.91 | 94.06 | 170.15 | 204.66 | 138.81 | **(129.78)** |
| Net assets per share (yen) | 1,743.77 | 1,668.08 | 1,713.50 | 1,776.01 | 1,833.01 | 1,796.46 | 1,958.87 | 2,139.29 | 2,330.49 | 2,506.78 | **2,303.25** |
| Dividend per share (yen) | 32.5 | 32.5 | 32.5 | 60.0 | 37.5 | 37.5 | 37.5 | 46.3 | 50.0 | 50.0 | **50.0** |
| **Key Indicators** | | | | | | | | | | | |
| Operating profit margin (%) | 10.7 | 9.5 | 9.0 | 14.4 | 14.0 | 8.1 | 10.7 | 15.8 | 18.2 | 9.3 | **(8.9)** |
| ROE (%) | 6.4 | 3.5 | 3.7 | 5.0 | 6.0 | 3.5 | 5.0 | 8.3 | 9.2 | 5.7 | **(5.4)** |
| (Ratio of net income to net sales) (%) | 12.5 | 7.3 | 7.5 | 9.4 | 11.4 | 7.1 | 10.3 | 14.8 | 15.8 | 11.5 | **(11.2)** |
| (Total asset turnover) (turnover) | 0.45 | 0.42 | 0.43 | 0.47 | 0.46 | 0.42 | 0.41 | 0.46 | 0.47 | 0.36 | **0.31** |
| (Financial leverage) (%) | 114.4 | 114.5 | 114.5 | 115.5 | 114.9 | 116.3 | 119.6 | 121.5 | 122.7 | 138.4 | **157.4** |
| ROA (%) | 5.6 | 3.1 | 3.2 | 4.4 | 5.2 | 3.0 | 4.2 | 6.8 | 7.5 | 4.1 | **(3.4)** |
| Equity ratio (%) | 87.0 | 87.8 | 86.9 | 86.4 | 87.6 | 84.2 | 83.0 | 81.6 | 81.4 | 65.3 | **61.7** |
| Dividend payout ratio (%) | 30.9 | 53.7 | 52.0 | 68.2 | 34.8 | 60.6 | 39.9 | 27.2 | 24.4 | 36.0 | **—** |
| Total return ratio (%) | 30.9 | 119.7 | 52.0 | 68.2 | 56.7 | 220.8 | 63.3 | 27.2 | 24.4 | 72.8 | **—** |
| Year-end share price (yen) | 2,057.5 | 1,185.0 | 1,850.0 | 2,532.5 | 1,725.0 | 1,482.5 | 2,702.5 | 2,397.5 | 2,742.5 | 2,428.5 | **1,428.5** |
| Market capitalization (millions of yen) | 887,220 | 501,379 | 782,736 | 1,071,492 | 721,095 | 590,006 | 1,060,843 | 941,146 | 1,076,625 | 937,257 | **551,371** |
| Price earnings ratio (PER) (times) | 19.6 | 19.6 | 29.6 | 28.8 | 16.0 | 23.9 | 28.7 | 14.1 | 13.4 | 17.5 | **—** |
| Price book-value ratio (PBR) (times) | 1.2 | 0.7 | 1.1 | 1.4 | 0.9 | 0.8 | 1.4 | 1.1 | 1.2 | 1.0 | **0.6** |
| Dividend yield (%) | 1.6 | 2.7 | 1.8 | 2.4 | 2.2 | 2.5 | 1.4 | 1.9 | 1.8 | 2.1 | **3.5** |
| Cash conversion cycle (CCC) (months) | 6.3 | 6.4 | 6.1 | 6.1 | 7.1 | 7.6 | 8.0 | 7.7 | 8.4 | 9.7 | **8.5** |
| **Exchange Rate Data** | | | | | | | | | | | |
| Foreign exchange rate (average yen-dollar rate) | 110.0 | 120.0 | 109.0 | 110.8 | 110.7 | 109.1 | 106.2 | 112.9 | 135.0 | 144.4 | **152.5** |

* ROHM conducted a four-for-one common stock split on October 1, 2023. Net income/loss per share, net assets per share, dividend per share, and year-end share price through FY2022 are calculated adjusted for the stock split.

# Primary ESG Data

## Environment

| | | Scope | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|
| **GHG Emissions** | | | | | | | | |
| SCOPE1 | $CO_2$ Emissions from fuel combustion | Consolidated | t-$CO_2$ | 33,206 | 38,934 | 39,513 | 36,688 | **35,869** |
| | PFC | Consolidated | GWP-t | 96,773 | 125,246 | 134,198 | 144,083 | **129,362** |
| SCOPE2 | | Consolidated | t-$CO_2$ | 769,234 | 780,811 | 601,299 | 464,414 | **407,497** |
| SCOPE3 | | Consolidated | t-$CO_2$ | 6,170,646 | 8,361,894 | 8,146,551 | 6,122,363 | **4,865,055** |
| Total | | Consolidated | t-$CO_2$ | 7,069,859 | 9,306,885 | 8,921,562 | 6,767,548 | **5,437,784** |
| **Energy Consumption** | | | | | | | | |
| Total non-renewable energy consumption | | Consolidated | MWh | 1,480,876 | 1,525,665 | 1,259,119 | 917,398 | **877,663** |
| Total renewable energy consumption | | Consolidated | MWh | 70,020 | 113,336 | 396,493 | 700,097 | **731,770** |
| **Water Usage** | | | | | | | | |
| Total municipal water supplies (or from other water utilities) (a) | | Consolidated | 1,000m³ | 5,993 | 6,515 | 6,423 | 6,264 | **6,214** |
| Fresh surface water (lakes, rivers, etc.) (b) | | Consolidated | 1,000m³ | 727 | 822 | 875 | 934 | **848** |
| Fresh groundwater (c) | | Consolidated | 1,000m³ | 4,366 | 4,443 | 4,447 | 4,390 | **4,348** |
| Total net fresh water consumption [(a)+(b)+(c)-(d)] | | Consolidated | 1,000m³ | 1,701 | 1,643 | 1,506 | 1,707 | **1,571** |
| **Water Discharge** | | | | | | | | |
| Total (d) | | Consolidated | 1,000m³ | 9,385 | 10,137 | 10,240 | 9,881 | **9,839** |
| Freshwater surface water intake | | Consolidated | 1,000m³ | 3,657 | 4,035 | 4,075 | 3,651 | **3,308** |
| Wastewater discharged into rivers and lakes | | Consolidated | 1,000m³ | 5,727 | 6,102 | 6,165 | 6,230 | **6,531** |
| **Total Pure Water Consumption** | | | | | | | | |
| Ultra-pure water usage | | Consolidated | 1,000m³ | 6,269 | 6,946 | 6,784 | 6,140 | **5,867** |
| **Waste** | | | | | | | | |
| Total waste disposed | | Consolidated | t | 13,775 | 17,175 | 16,720 | 14,606 | **12,672** |
| Waste landfilled | | Consolidated | t | 432 | 362 | 326 | 205 | **154** |
| Waste recycled | | Consolidated | t | 13,343 | 16,813 | 16,394 | 14,401 | **12,518** |
| Rate of waste recycled | | Consolidated | % | 96.9 | 97.9 | 98.0 | 98.6 | **98.8** |
| **Hazardous Waste (Specifically Controlled Industrial Waste in Japan)** | | | | | | | | |
| Total waste disposed | | Consolidated | t | 3,432 | 4,570 | 4,447 | 3,829 | **2,806** |
| Waste landfilled | | Consolidated | t | 2 | 2 | 2 | 1 | **1** |
| Waste recycled | | Consolidated | t | 3,430 | 4,568 | 4,445 | 3,828 | **2,805** |
| Rate of waste recycled | | Consolidated | % | 99.9 | 99.9 | 99.9 | 99.9 | **99.9** |
| **Chemicals** | | | | | | | | |
| VOC | | Consolidated | t | 127 | 138 | 136 | 103 | **92** |
| NOx | | Consolidated | t | 18 | 22 | 25 | 20 | **21** |
| SOx | | Consolidated | t | 14 | 7 | 10 | 8 | **8** |

## Social

| | | Scope | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|
| **Employee Demographics** | | | | | | | | |
| Consolidated | Male | Consolidated | Person | 15,950 | 16,727 | 17,125 | 16,862 | **16,400** |
| | Female | Consolidated | Person | 6,420 | 6,674 | 6,629 | 6,457 | **6,208** |
| | Total | Consolidated | Person | 22,370 | 23,401 | 23,754 | 23,319 | **22,608** |
| | Percentage of women | Consolidated | % | 28.7 | 28.5 | 27.9 | 27.7 | **27.5** |
| Engineers (STEM-related positions) | Male | Non-consolidated | Person | — | 2,145 | 2,144 | 2,247 | **2,548** |
| | Female | Non-consolidated | Person | — | 139 | 124 | 152 | **212** |
| | Percentage of women | Non-consolidated | % | — | 6.1 | 5.5 | 6.3 | **7.7** |
| Consolidated (by area) | Japan | Consolidated | Person | 5,844 | 6,015 | 6,262 | 6,575 | **6,716** |
| | Asia | Consolidated | Person | 15,988 | 16,816 | 16,846 | 16,016 | **15,120** |
| | America | Consolidated | Person | 176 | 185 | 183 | 156 | **162** |
| | Europe | Consolidated | Person | 362 | 385 | 463 | 572 | **610** |
| | Number of consolidated foreign employees | Consolidated | Person | 16,402 | 17,242 | 17,354 | 16,606 | **15,770** |
| **Management Demographics** | | | | | | | | |
| Total number of employees in management positions (including junior, middle and senior classes) | Male | Consolidated | Person | 1,608 | 1,089 | 1,134 | 1,205 | **1,233** |
| | Female | Consolidated | Person | 186 | 131 | 163 | 180 | **197** |
| | Total | Consolidated | Person | 1,794 | 1,220 | 1,297 | 1,385 | **1,430** |
| | Percentage of women | Consolidated | % | 10.4 | 10.7 | 12.6 | 13.0 | **13.8** |
| **Average Years of Service** | | | | | | | | |
| Average years of service | Male | Non-consolidated | Years | 15.7 | 15.9 | 15.7 | 15.6 | **14.1** |
| | Female | Non-consolidated | Years | 10.9 | 11.4 | 11.8 | 12.4 | **12.2** |
| | Total | Non-consolidated | Years | 14.7 | 14.9 | 14.9 | 14.9 | **13.7** |

## Social

| | | Scope | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|
| **Recruitment** | | | | | | | | |
| Number of new employees (total) | | Non-consolidated | Person | 130 | 207 | 269 | 249 | **172** |
| Number of new graduates employed | Total | Non-consolidated | Person | 111 | 131 | 180 | 163 | **142** |
| | Male | Non-consolidated | Person | 83 | 95 | 137 | 130 | **128** |
| | Female | Non-consolidated | Person | 28 | 36 | 43 | 33 | **14** |
| Number of mid-career hires | Total | Non-consolidated | Person | 19 | 76 | 89 | 86 | **30** |
| | Male | Non-consolidated | Person | 18 | 69 | 81 | 77 | **27** |
| | Female | Non-consolidated | Person | 1 | 7 | 8 | 9 | **3** |
| Percentage of mid-career hires | | Non-consolidated | % | 14.6 | 36.7 | 33.1 | 34.5 | **17.4** |
| **Age Groups** | | | | | | | | |
| Percentage of employees by age group | Under 30 years old | Consolidated | % | 27.7 | 28.4 | 31.4 | 29.1 | **25.8** |
| | 31-50 years old | Consolidated | % | 62.3 | 60.9 | 56.9 | 58.1 | **60.0** |
| | 51 years old or older | Consolidated | % | 10.0 | 10.7 | 11.7 | 12.8 | **14.1** |
| Average age (consolidated) | Male | Consolidated | Age | 36.8 | 37.4 | 37.9 | 38.7 | **39.6** |
| | Female | Consolidated | Age | 33.9 | 34.2 | 35.0 | 35.5 | **36.3** |
| | Total | Consolidated | Age | 36.0 | 36.5 | 37.1 | 37.7 | **38.7** |
| **People with Disabilities** | | | | | | | | |
| Percentage of employees with disabilities | | Consolidated (Japan) | % | 2.33 | 2.30 | 2.38 | 2.27 | **2.34** |
| **Salary** | | | | | | | | |
| Executive level*1 (base salary only) | Male | Non-consolidated | Yen | 27,770,004 | 26,791,380 | 24,582,406 | 28,235,916 | **26,255,775** |
| | Female | Non-consolidated | Yen | 0 | 0 | 0 | 0 | **0** |
| | Difference Ratio*2 | Non-consolidated | % | — | — | — | — | **—** |
| Management level (base salary only) | Male | Non-consolidated | Yen | 7,843,080 | 7,823,748 | 8,238,501 | 9,723,126 | **9,889,038** |
| | Female | Non-consolidated | Yen | 7,260,000 | 7,054,800 | 7,714,420 | 9,788,307 | **9,788,307** |
| | Difference Ratio*2 | Non-consolidated | % | 93 | 90 | 94 | 101 | **99** |
| Non-managerial level (base salary only) | Male | Non-consolidated | Yen | 5,549,082 | 5,545,128 | 5,653,390 | 6,073,645 | **5,777,386** |
| | Female | Non-consolidated | Yen | 3,306,399 | 3,427,186 | 3,603,169 | 4,040,877 | **3,819,523** |
| | Difference Ratio*2 | Non-consolidated | % | 60 | 62 | 64 | 67 | **66** |
| Average benefit amount during the year - full-time employees | | Non-consolidated | Yen | 7,500,300 | 7,712,674 | 8,563,727 | 8,920,579 | **8,102,348** |
| **Uptake of Available Systems** | | | | | | | | |
| Percentage of annual paid leave taken | | Non-consolidated | % | 63.3 | 72.9 | 80.1 | 81.7 | **82.7** |
| Number of employees using the parental leave system | Male | Non-consolidated | Person | 17 | 35 | 48 | 55 | **64** |
| | Female | Non-consolidated | Person | 48 | 52 | 47 | 35 | **27** |
| | Total | Non-consolidated | Person | 65 | 87 | 95 | 90 | **91** |
| Acquisition rate of childcare leave | Male | Non-consolidated | % | 15.4 | 30.2 | 42.9 | 55.6 | **58.1** |
| | Female | Non-consolidated | % | 100 | 100 | 100 | 100 | **100** |
| Return to work rate for childcare leave | | Non-consolidated | % | 91.7 | 96.6 | 97.8 | 98.9 | **98.9** |
| **Human Capital Development** | | | | | | | | |
| Average annual educational development hours per capital | | Non-consolidated | Hours | — | 12.7 | 13.2 | 9.6 | **7.6** |
| Average annual educational development cost per capital | | Non-consolidated | Yen | — | 23,000 | 40,118 | 33,142 | **15,023** |
| Average annual educational development hours per capital | | Consolidated | Hours | — | — | — | — | **—** |
| Average annual educational development cost per capital | | Consolidated | Yen | — | — | 12,471 | 14,023 | **12,015** |
| **Accidents and Diseases** | | | | | | | | |
| Accident frequency rate | | Consolidated | % | 0.041 | 0.037 | 0.018 | 0.116 | **0.151** |
| Accident intensity rate | | Consolidated | % | 0.00114 | 0.00159 | 0.00021 | 0.00215 | **0.00397** |

*1 Executive level: internal directors and executive officers
*2 Formulas for calculating the difference ratio between male and female salaries: Average female salary / Average male salary x 100

## Governance

| | Scope | Unit | June 2021 | June 2022 | June 2023 | June 2024 | June 2025 |
|---|---|---|---|---|---|---|---|
| **Top Management** | | | | | | | |
| Total*1 | Non-consolidated | Person | 11 | 13 | 13 | 14 | **11** |
| Independent directors*1 | Non-consolidated | Person | 5 | 7 | 7 | 7 | **6** |
| Female directors*1 | Non-consolidated | Person | 1 | 2 | 2 | 2 | **2** |
| Non-Japanese directors*1 | Non-consolidated | Person | 0 | 1 | 1 | 1 | **1** |
| Average age*2 | Non-consolidated | Age | 60.2 | 61.0 | 61.8 | 61.5 | **61.5** |
| Enrollment period as chief executive officer | Non-consolidated | Years | 1 | 2 | 3 | 4 | **0** |
| Average tenure of directors*3 | Non-consolidated | Years | 4.0 | 4.2 | 3.8 | 4.5 | **3.7** |

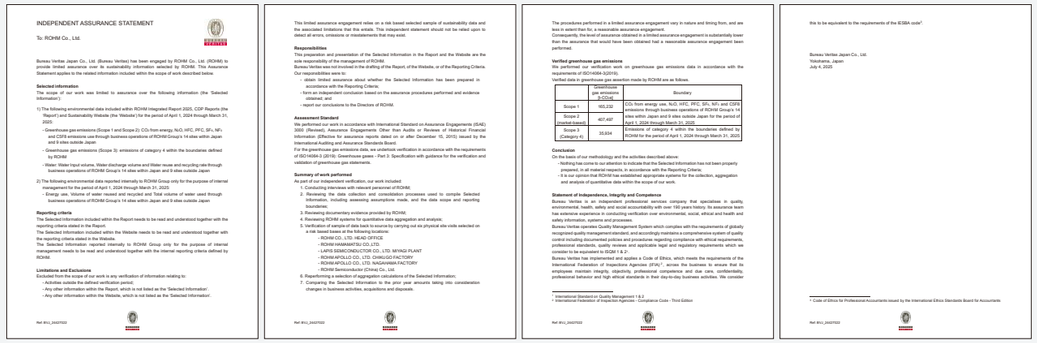
*1 Number of persons elected or appointed at the General Meeting of Shareholders in June each year.
*2 Age of those who are elected or appointed at the General Meeting of Shareholders in June each year.
*3 The term of office for newly appointed directors is counted as 0. The tenure for directors, who were formally corporate auditors and then appointed as directors (members of the Audit & Supervisory Committee) includes years in office as corporate auditors.

ESG Data

https://www.rohm.com/sustainability/esg

# Independent Assurance Statement

**To present society with information with even greater transparency and reliability, the environmental impact data contained in this report has undergone third-party verification by Bureau Veritas Japan Co., Ltd.**



INDEPENDENT ASSURANCE STATEMENT

To: ROHM Co., Ltd.

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by ROHM Co., Ltd. (ROHM) to provide limited assurance over its sustainability information selected by ROHM. This Assurance Statement applies to the related information included within the scope of work described below.

**Selected information**

The scope of our work was limited to assurance over the following information (the 'Selected Information'):

1) The following environmental data included within ROHM Integrated Report 2025, CDP Reports (the 'Report') and Sustainability Website (the 'Website') for the period of April 1, 2024 through March 31, 2025:
- Greenhouse gas emissions (Scope 1 and Scope 2): $CO_2$ from energy, $N_2O$, HFC, PFC, $SF_6$, $NF_3$ and CSF8 emissions use through business operations of ROHM Group's 14 sites within Japan and 9 sites outside Japan.
- Greenhouse gas emissions (Scope 3): emissions of category 4 within the boundaries defined by ROHM
- Water: Water Input volume, Water discharge volume and Water reuse and recycling rate through business operations of ROHM Group's 14 sites within Japan and 9 sites outside Japan.

2) The following environmental data reported internally to ROHM Group only for the purpose of internal management for the period of April 1, 2024 through March 31, 2025:
- Energy use, Volume of water reused and recycled and Total volume of water used through business operations of ROHM Group's 14 sites within Japan and 9 sites outside Japan

**Reporting criteria**

The Selected Information included within the Report needs to be read and understood together with the reporting criteria stated in the Report.
The Selected Information included within the Website needs to be read and understood together with the reporting criteria stated in the Website.
The Selected Information reported internally to ROHM Group only for the purpose of internal management needs to be read and understood together with the internal reporting criteria defined by ROHM.

**Limitations and Exclusions**

Excluded from the scope of our work is any verification of information relating to:
- Activities outside the defined verification period;
- Any other information within the Report, which is not listed as the 'Selected Information';
- Any other information within the Website, which is not listed as the 'Selected Information'.

Ref: RVJ_24427522

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

**Responsibilities**

This preparation and presentation of the Selected Information in the Report and the Website are the sole responsibility of the management of ROHM.
Bureau Veritas was not involved in the drafting of the Report, of the Website, or of the Reporting Criteria.
Our responsibilities were to:
- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of ROHM.

**Assessment Standard**

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Effective for assurance reports dated on or after December 15, 2015) issued by the International Auditing and Assurance Standards Board.
For the greenhouse gas emissions data, we undertook verification in accordance with the requirements of ISO 14064-3 (2019): Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

**Summary of work performed**

As part of our independent verification, our work included:
1. Conducting interviews with relevant personnel of ROHM;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by ROHM;
4. Reviewing ROHM systems for quantitative data aggregation and analysis;
5. Verification of sample of the data back to source by carrying out an physical site visits selected on a risk basis, which included the following:
   - ROHM CO., LTD. HEAD OFFICE
   - ROHM HAMAMATSU CO., LTD.
   - LAPIS SEMICONDUCTOR CO., LTD. MIYAGI PLANT
   - ROHM-APOLLO CO., LTD. CHIKUGO FACTORY
   - ROHM-APOLLO CO., LTD. NAGAHAMA FACTORY
   - ROHM Semiconductor (China) Co., Ltd.
6. Reperforming a selection of aggregation calculations of the Selected Information;
7. Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals.

Ref: RVJ_24427522

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.
Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Verified greenhouse gas emissions**

We performed our verification work on greenhouse gas emissions data in accordance with the requirements of ISO14064-3(2019).
Verified data in greenhouse gas assertion made by ROHM are as follows.

| | Greenhouse gas emissions (t-CO2e) | Boundary |
|---|---|---|
| Scope 1 | 163,232 | $CO_2$ from energy use, $N_2O$, HFC, PFC, $SF_6$, $NF_3$ and CSF8 emissions through business operations of ROHM Group's 14 sites within Japan and 9 sites outside Japan for the period of April 1, 2024 through March 31, 2025 |
| Scope 2 (market-based) | 407,407 | |
| Scope 3 (Category 4) | 10,604 | Emissions of category 4 within the boundaries defined by ROHM for the period of April 1, 2024 through March 31, 2025 |

**Conclusion**

On the basis of our methodology and the activities described above:
- Nothing has come to our attention to indicate that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria;
- It is our opinion that ROHM has established appropriate systems for the collection, aggregation and analysis of quantitative data within the scope of our work.

**Statement of Independence, Integrity and Competence**

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.
Bureau Veritas operates Quality Management System which complies with the requirements of globally recognized quality management standard, and accordingly maintains a comprehensive system of quality control including documented policies, procedures and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2.
Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)*, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behavior and high ethical standards in their day-to-day business activities. We consider

* International Standard on Quality Management 1 & 2
* International Federation of Inspection Agencies - Compliance Code - Third Edition

Ref: RVJ_24427522

this to be equivalent to the requirements of the IESBA code*.

Bureau Veritas Japan Co., Ltd.
Yokohama, Japan
July 4, 2025

* Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

# Statement of Authenticity

With the aim of continuously improving its corporate value, ROHM has been issuing an integrated report every year since FY2017 as a communication tool that emphasizes dialogue with shareholders, investors, and other stakeholders.

This report was produced primarily by the Public & Investor Relations Division of the Corporate Strategy Headquarters in collaboration with management and related divisions. It is also used when explaining ROHM's vision and medium- to long-term strategies during IR interviews and other meetings. Opinions gained through these dialogue sessions are not only shared with the Board of Directors to improve management, but are also reflected in the planning of the following year's integrated report.

The ROHM Integrated Report 2025 looks back on the business situation during the first Medium-Term Management Plan period and introduces the structural reforms and other initiatives being implemented under our new management structure. It also includes a statement of the management's determination to restore business performance and build a management foundation that is resilient to market fluctuations. We hope that this report will help stakeholders to better understand the company.

As the person responsible for this integrated report, I hereby declare that this report has been produced through a proper process and that the contents are accurate.

An integrated report is a self-report card for management and external feedback is essential for improving the quality of management. We look forward to receiving readers' frank opinions and requests as we accelerate our efforts to improve corporate value and reform.

**Motohiro Ando**
Executive Officer,
Director of Corporate Strategy Headquarters





# Glossary

| Term | Meaning |
|---|---|
| ADAS | Advanced Driver Assistance System, which is a system that helps drivers operate their automobiles. |
| BCM | Business Continuity Management. |
| BCP | Business Continuity Plan. |
| Core position staff* | Job category that plays a core role in business strategy through corporate planning, R&D, etc. |
| CVC | Corporate Venture Capital, which is a program whereby a business firm uses its own funds to support or invest primarily in nonpublic emerging companies (start-ups). |
| FAE | Field Application Engineer, which is a job in which an individual who does not belong to the product development division is responsible for selling products to particular regions or customers. This position is held by an engineer who provides customers with technical support for products and various applications. |
| Flexible line* | A production line that can manufacture various products on the same production line without human intervention. |
| FMEA | Failure Mode and Effects Analysis. A method for evaluating and eliminating risks associated with products and manufacturing processes at the design stage. |
| GaN | Gallium Nitride, which is a compound semiconductor material used in next-generation power devices. This substance is superior to silicon, which is the material normally used in semiconductors, in its physical properties, and it is starting to be used for its high-frequency properties. |
| Hoop line* | A production line for mass production. |
| IDM | Integrated Device Manufacturer. This means that the manufacturer has all the facilities necessary for doing everything in-house, from product development through manufacturing. |
| IGBT | Insulated Gate Bipolar Transistor, which is a transistor that combines a MOSFET and a bipolar transistor. It has both low on resistance and relatively rapid switching, and it is currently used in a broad range of areas for voltage control of large power. |
| Limited position staff* | Job category that ensures smooth execution of business operations through routine and essential work tasks. |
| MOSFET | Metal Oxide Semiconductor Field Effect Transistor. This type of transistor is commonly used in various electronic devices because it allows high-speed switching and low-power consumption compared with bipolar transistors. |
| OSAT | Outsourced Semiconductor Assembly and Test. A manufacturer that undertakes assembly and testing, which are post-processes in the manufacturing of semiconductors. |
| PFC | Perfluorocarbon. PFCs, which are a type of fluorine, are compounds comprising carbon and fluorine and are generated in the semiconductor wafer manufacturing process. PFCs cause global warming. |
| PME* | Product Marketing Engineer. A person who possesses full knowledge of advanced technology and authority for new product development. This position is affiliated with the product development division and is responsible for both planning and sales of products developed by the development division. |

* ROHM's terminology

# Company Information / Stock Information

| | |
|---|---|
| Company Name | ROHM Co., Ltd. |
| Date Established | September 17, 1958 |
| Headquarters | 21 Saiin Mizosaki-cho, Ukyo-ku, Kyoto 615-8585, Japan<br>Tel: +81-75-311-2121<br>Fax: +81-75-315-0172 |
| Capital | 86,969 million yen<br>(fiscal year ended March 2025) |
| Representative | President Katsumi Azuma |
| Sales Volume | Consolidated 448,466 million yen<br>(fiscal year ended March 2025) |
| Number of Employees | Consolidated 22,608<br>(as of March 31, 2025) |

| | |
|---|---|
| Total Number of Shares Authorized to be Issued | 1,200,000,000 |
| Total Number of Shares Issued | 403,760,000<br>(Including 17,769,970 shares of treasury stock) |
| Total Number of Shareholders | 107,900 (as of March 31, 2025) |
| Listing Stock Markets | Prime Section, Tokyo Stock Exchange |
| Securities Code | 6963 |
| Administrator of the Registry of Shareholders | Mitsubishi UFJ Trust and Banking Corporation |
| Independent Auditor | Deloitte Touche Tohmatsu LLC |

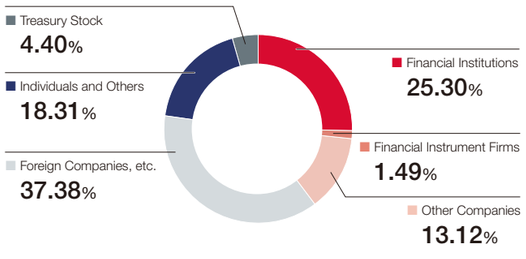
Major Shareholders (Top 10 Shareholders)

(As of March 31, 2025)

| Name | Number of Shares Held (Thousands of shares) | Ownership (%) |
|---|---|---|
| The Master Trust Bank of Japan, Ltd. (Trust account) | 56,017 | 14.51 |
| Rohm Music Foundation | 41,540 | 10.76 |
| Custody Bank of Japan, Ltd. (Trust account) | 23,064 | 5.97 |
| STATE STREET BANK AND TRUST COMPANY 505301 | 14,541 | 3.76 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 12,951 | 3.35 |
| The Bank of Kyoto, Ltd. | 10,427 | 2.70 |
| NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT | 9,830 | 2.54 |
| JP MORGAN CHASE BANK 380684 | 6,805 | 1.76 |
| STATE STREET BANK AND TRUST COMPANY 510312 | 5,273 | 1.36 |
| THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT | 5,125 | 1.32 |

Notes 1. The number of shares held is rounded down to the nearest thousand, and the percentages of ownership are rounded down to the second decimal place.
2. 17,769 thousand shares of treasury stock are excluded from the list above. Treasury stock does not include the company's shares held by the ESOP trust (10 thousand shares).
3. Ownership is calculated by deducting the number of treasury stock from the total number of shares issued.

Breakdown of Shareholders




For further information, please visit:
https://www.rohm.com/ir/stock

# FAQ from Investors

**Q1 Answer**

**Previously, you had set the goal of expanding sales with the aim of becoming a "major global player," but it appears that you will not achieve the financial targets of your Medium-Term Management Plan. Are you planning to announce a new Medium-Term Management Plan? Also, will there be any changes to the company's vision?**

We are currently reviewing our Medium-Term Management Plan and intend to announce it at an appropriate time.

In light of our projected loss for FY2024, we have positioned improving profitability through cost structure reform as our top priority. To that end, we have temporarily reconsidered our previous target of becoming a "major global player," and have set our first goal as transforming our business structure into one that can generate sustainable profits.

Meanwhile, our long-term vision remains unchanged: to be ranked among the world's top 10 in the fields of power and analog semiconductors. We want to become a company that can demonstrate a strong presence not only in Japan but also in the global market. First, we will work together as a company to implement structural reforms in order to build a business foundation that is resilient to market fluctuations.

(→P.2 Company Mission and Vision, P.6 Message from the President)

**Q2 Answer**

**What are the reasons for not being able to achieve the financial targets of the Medium-Term Management Plan? Can you also share details of the structural reforms?**

Looking at our business performance during the period of the Medium-Term Management Plan, while the selection of markets and products to focus on was not mistaken, our delayed response to rapid changes in market conditions led to excessive capital expenditure and an increase in inventory, resulting in a deterioration in profitability and asset efficiency. In order to fundamentally reconsider this issue, we have designated the period from FY2025 to FY2027 as a "structural reform period" and have begun to strengthen our business foundation. Specifically, we are reorganizing our production bases, partially moving away from IDM, and streamlining our workforce, in an effort to swiftly strengthen our profitability under a new management structure. The entire company will work together to promote reforms in order to build a strong corporate structure that can flexibly respond to market fluctuations.

(→P.6 Message from the President, P.12 Medium-Term Management Plan and Structural Reforms to Improve Profitability, P.14 Determination to Achieve Our Goals)

**Q3 Answer**

**How was the new Chief Financial Officer appointed?**

In light of the deterioration in business performance in FY2024, strengthening our financial base and ensuring thorough accountability have become urgent priorities. In line with a recognized need for a CFO from outside the company, we have appointed Peter Kenevan, who has extensive experience in finance and the semiconductor industry, and has supported ROHM as an outside director, as our Chief Financial Officer. Going forward, we will further strengthen our investor relations activities and strive to restore corporate value through dialogue with shareholders.

(→P.32 Message from the Chief Financial Officer)

**Q4 Answer**

**With Chinese SiC manufacturers on the rise, will you make any changes to your SiC business strategy going forward?**

There will be no major changes to ROHM's SiC business strategy. We aim to achieve the top market share by leveraging our device and module technologies. Furthermore, we believe that we can maintain a cost advantage in the manufacturing of SiC substrates. For these reasons, we will continue to maintain our vertically integrated production system.

The market environment surrounding SiC is undergoing major changes, but ROHM will continue to work towards expanding its SiC business as one of its key focus areas and achieving profitability as soon as possible.

(→P.50 Business Overview by Segment: Discrete Semiconductor Devices)

**Q5 Answer**

**Could you tell us about the strategic partnership with DENSO?**

The strategic partnership between ROHM and DENSO is expected to combine the technological capabilities and business foundations of both companies and accelerate efforts to realize a next-generation mobility society. In particular, as demand for automotive semiconductors surges with the advancement of electric vehicles and autonomous driving technologies, the joint development of advanced semiconductors, particularly analog ICs, will enable the creation of innovative products.

Furthermore, strengthening capital ties will make the collaboration between the two companies more stable and sustainable, leading to the establishment of a stable supply system for semiconductors to the global market. This will also contribute to solving social issues such as improving the reliability of the supply chain, reducing environmental impact, and improving safety.

(→P.53 Strategic Partnerships that Support Future Mobility and Decarbonized Society)

**Q6 Answer**

**ROHM invested 300 billion yen in taking Toshiba private. What kind of synergies can you expect?**

The semiconductor businesses of ROHM and Toshiba Electronic Devices & Storage not only focus on power devices, where they are promoting manufacturing collaboration, but also have many overlapping business areas, such as analog ICs, logic, microcontrollers, and small signal devices. As the product categories they focus on are similar and have a high degree of affinity, we believe that by complementing each other, we will be able to generate significant synergies.

(→P.10 Message from the President, P.53 Strategic Partnerships that Support Future Mobility and Decarbonized Society)