



Electronics for the Future

Financial Results for the First Half of FY2024

(From April 1, 2024 to September 30, 2024)

As of Nov 8, 2024

- | Financial Results for FY2024 1H**
- | Revised Plan for FY2024**
- | Capital Expenditures**
- | Inventories**
- | Returns to Shareholders**
- | Power Device Strategies**
- | IC Strategies**
- | Measures to Improve Profitability**
- | Strategic Partnership with Denso**
- | Synergies from Collaboration with Toshiba**

Financial Results for FY2024 1H (vs Initial Plan, YoY)



(¥billion)

	FY2024 1H Results	FY2024 1H Initial Plan	Difference in %	FY2023 1H Results	Difference in %
Net sales	232.0	225.0	+3.1%	239.3	-3.0%
Operating profit	-0.9	6.0	-	29.8	-
(Ratio)	(-0.4%)	(2.7%)	-	(12.5%)	-
Ordinary profit	-0.1	8.0	-	50.0	-
(Ratio)	(-0.1%)	(3.6%)	-	(20.9%)	-
Net income	2.0	7.5	-72.4%	37.3	-94.5%
(Ratio)	(0.9%)	(3.3%)	-	(15.6%)	-
EBITDA	39.3	48.0	-18.0%	61.3	-35.8%
(Ratio)	(17.0%)	(21.3%)	-	(25.6%)	-

Average rate (¥/US\$)

(¥152.30)

(¥145.92)

(¥141.31)

Current rate (¥/US\$)

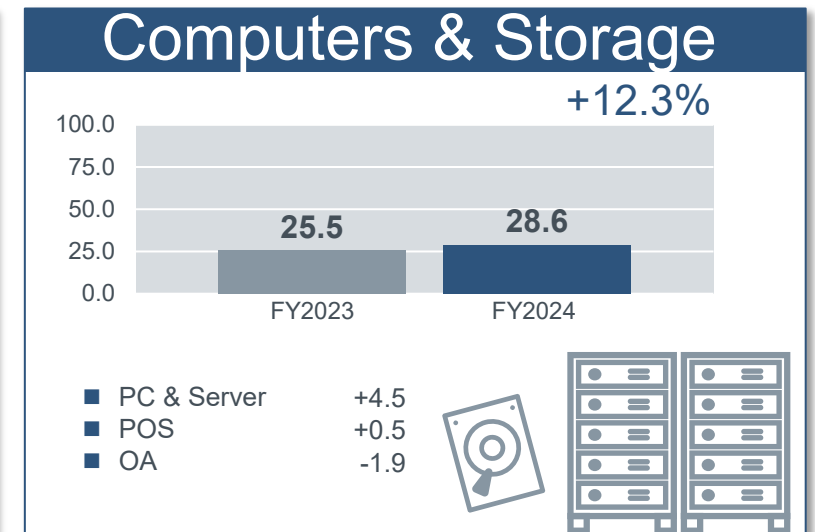
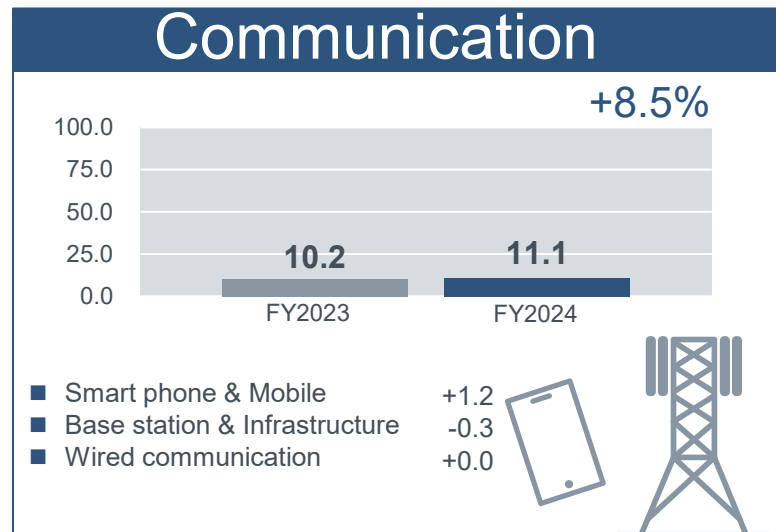
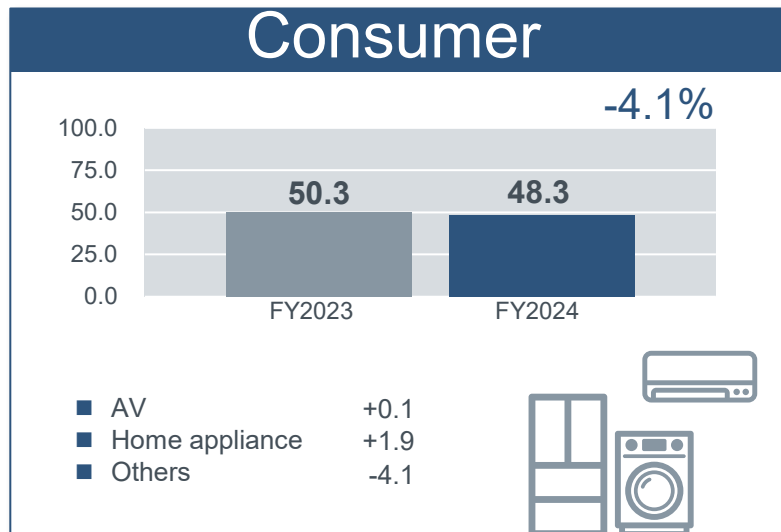
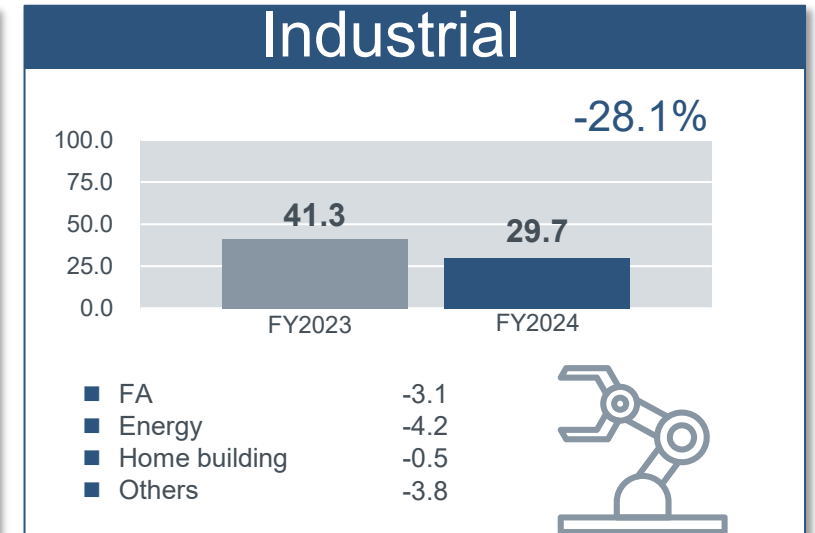
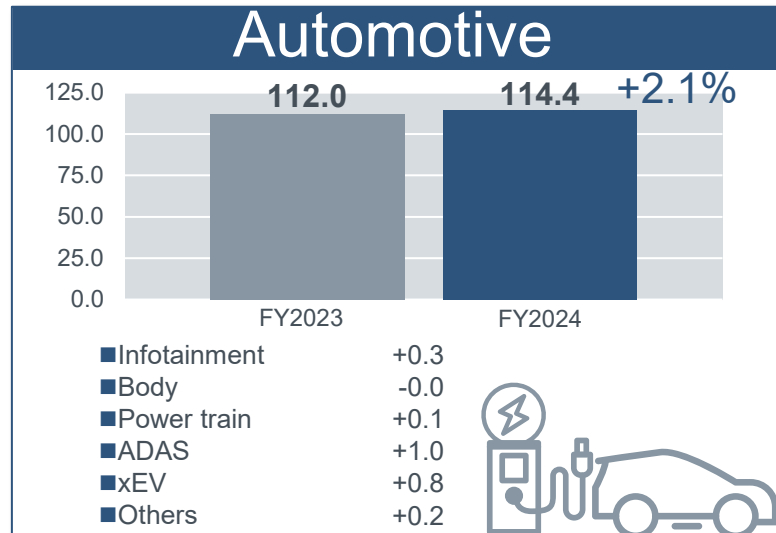
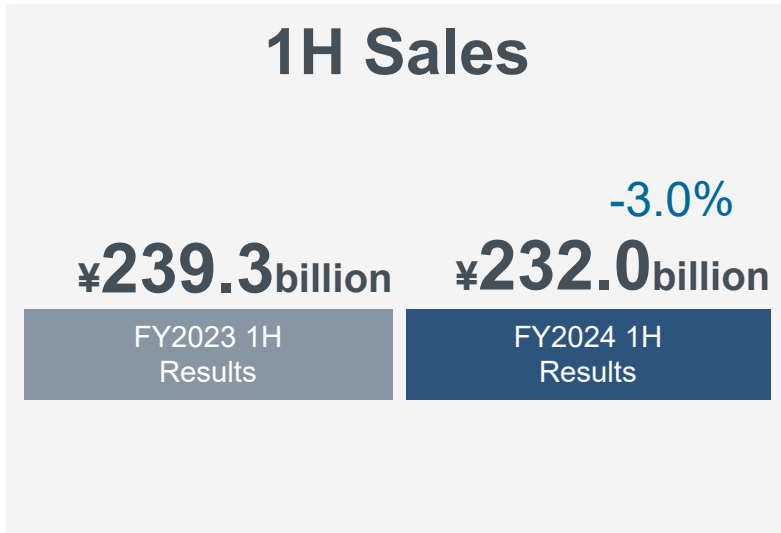
(¥142.73)

(¥145.00)

(¥149.58)

FY2024 1H Sales Trend by Market Segments (YoY)

(¥billion)



FY2024 1H Sales Trend by Customer Nationality (YoY)

1H Sales

¥239.3billion ¥232.0billion

FY2023 1H Results

FY2024 1H Results

-3.0%

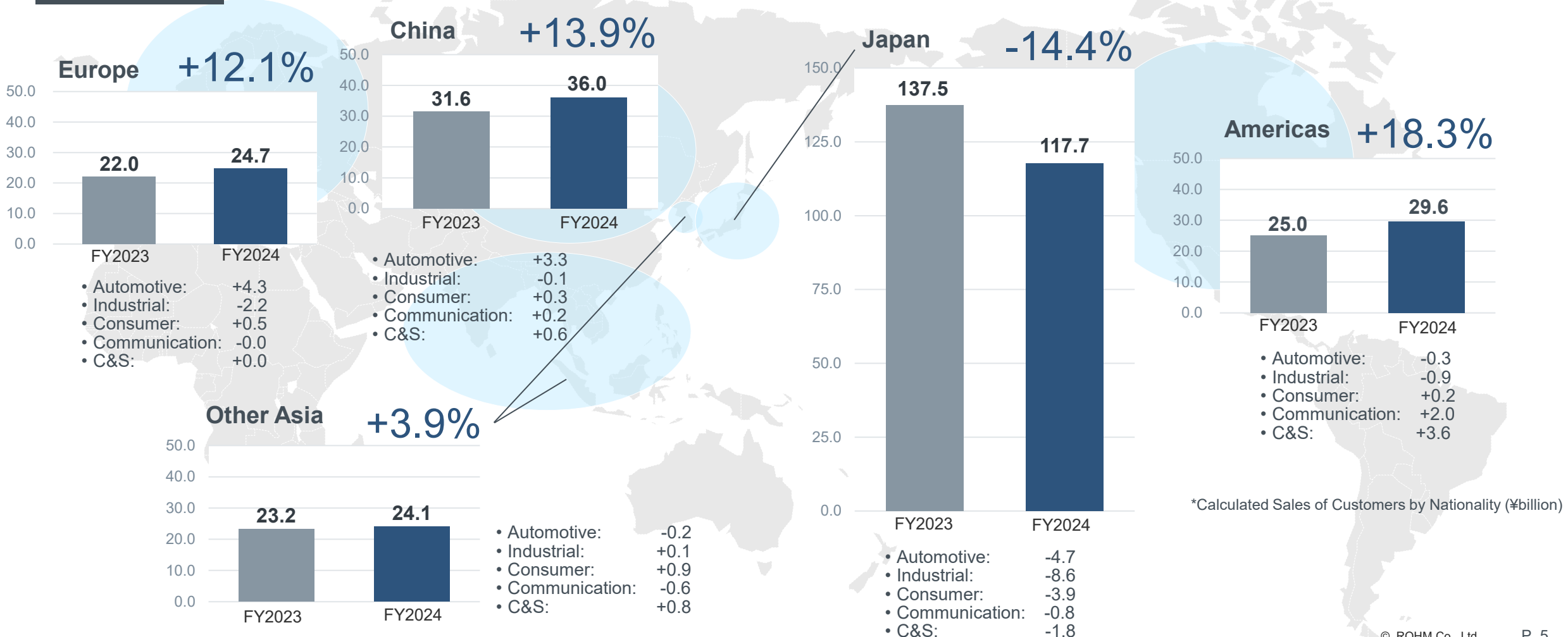
Sales ratio outside of Japan

42.5% 49.3%

FY2023 1H

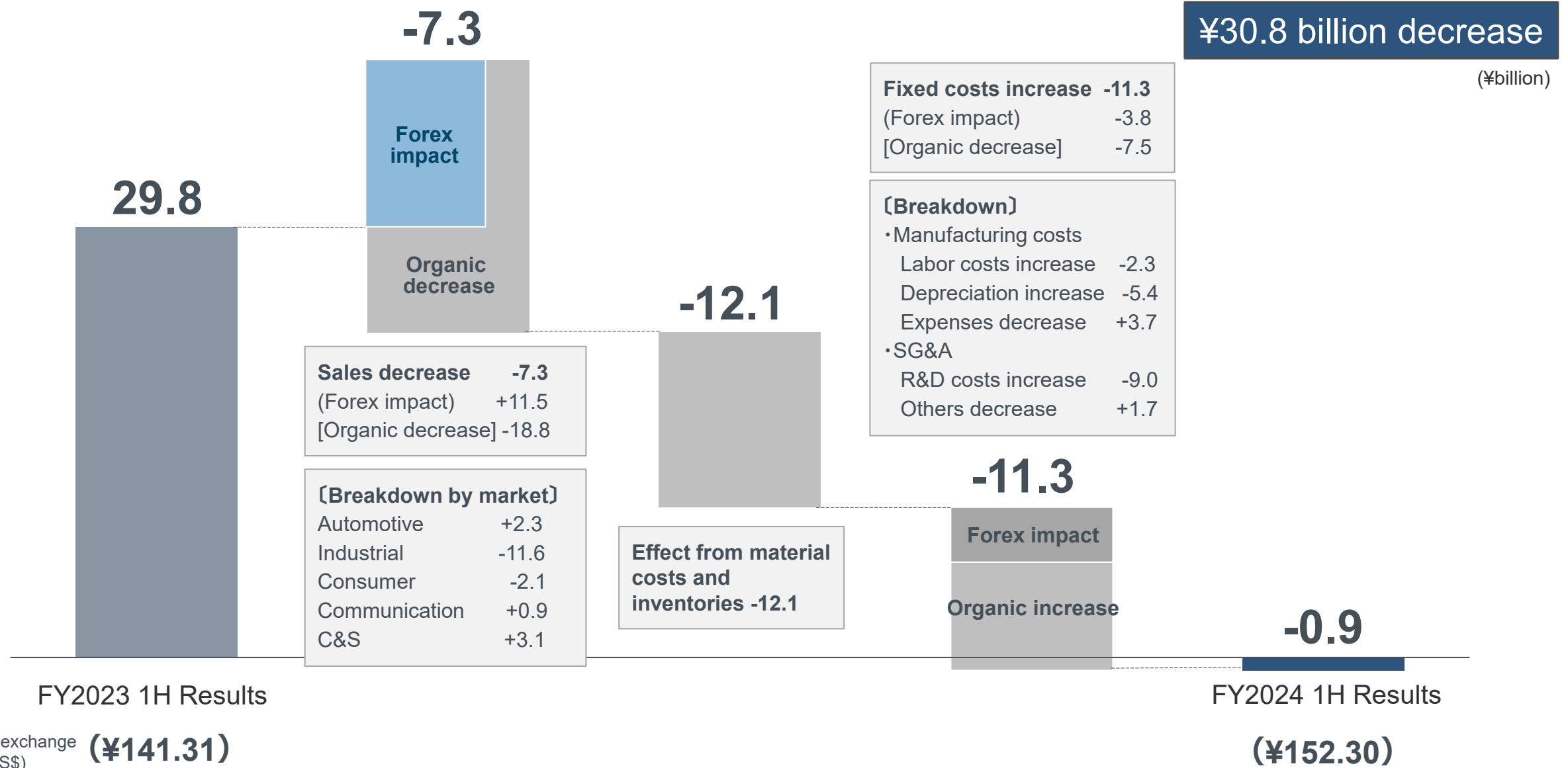
FY2024 1H

1H YoY



*Calculated Sales of Customers by Nationality (¥billion)

FY2024 1H Changes in Operating Profit (YoY)



Financial Results for FY2024 1H by Segment (YoY)

(¥billion)

		FY2024 1H Results	FY2023 1H Results	Difference in Amount	Difference in %
ICs	Net Sales	104.2	107.3	-3.1	-2.9%
	Segment profit	5.5	12.2	-6.7	-54.8%
	(Ratio)	(5.3%)	(11.4%)	-	-
Discretes	Net Sales	97.2	102.0	-4.8	-4.7%
	Segment profit	-10.4	13.0	-23.4	-
	(Ratio)	(-10.7%)	(12.7%)	-	-
Modules	Net Sales	17.7	16.9	+0.8	+4.8%
	Segment profit	2.1	1.9	+0.2	+11.0%
	(Ratio)	(12.1%)	(11.4%)	-	-
Others	Net Sales	12.7	12.9	-0.2	-1.5%
	Segment profit	1.5	1.2	+0.3	+22.7%
	(Ratio)	(12.0%)	(9.6%)	-	-

FY2024 Full Year Plan (vs Initial Plan, YoY)

✳Revised

(¥billion)

	FY2024 Revised Plan	FY2024 Initial Plan	Difference in %	FY2023 Results	Difference in %
Net sales	450.0	480.0	-6.3%	467.7	-3.8%
Operating profit	-15.0	14.0	-	43.3	-
(Ratio)	(-3.3%)	(2.9%)	-	(9.3%)	-
Ordinary profit	-10.0	18.0	-	69.2	-
(Ratio)	(-2.2%)	(3.8%)	-	(14.8%)	-
Net income	-6.0	14.0	-	53.9	-
(Ratio)	(-1.3%)	(2.9%)	-	(11.5%)	-
EBITDA	74.2	106.7	-30.5%	115.3	-35.7%
(Ratio)	(16.5%)	(22.2%)	-	(24.7%)	-

Average rate (¥/US\$) (¥148.93)

(¥145.49)

(¥144.40)

End of term rate (¥/US\$) (¥145.00)

(¥145.00)

(¥151.41)

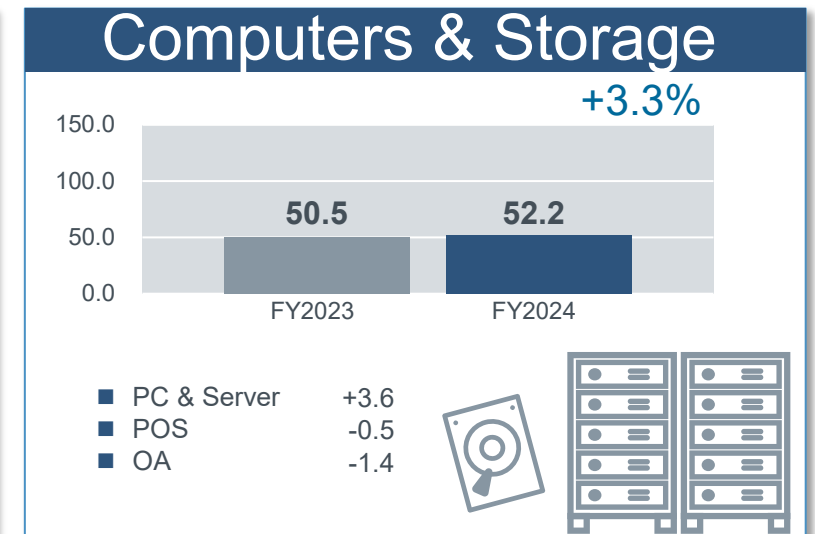
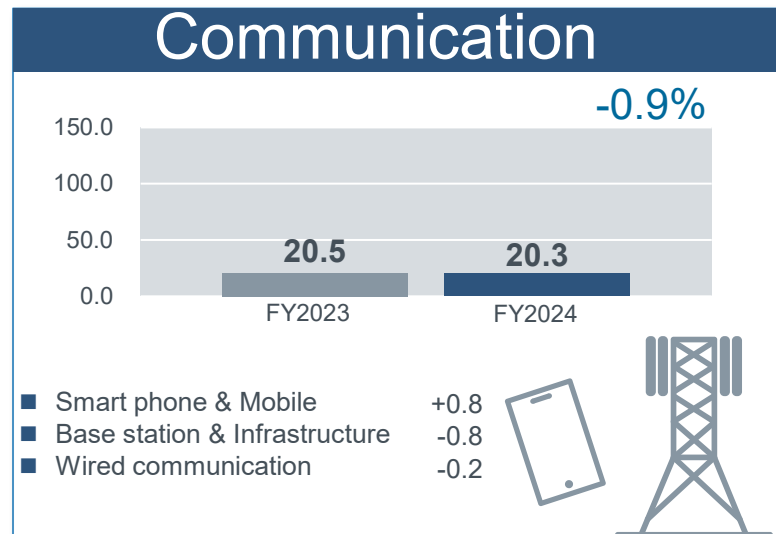
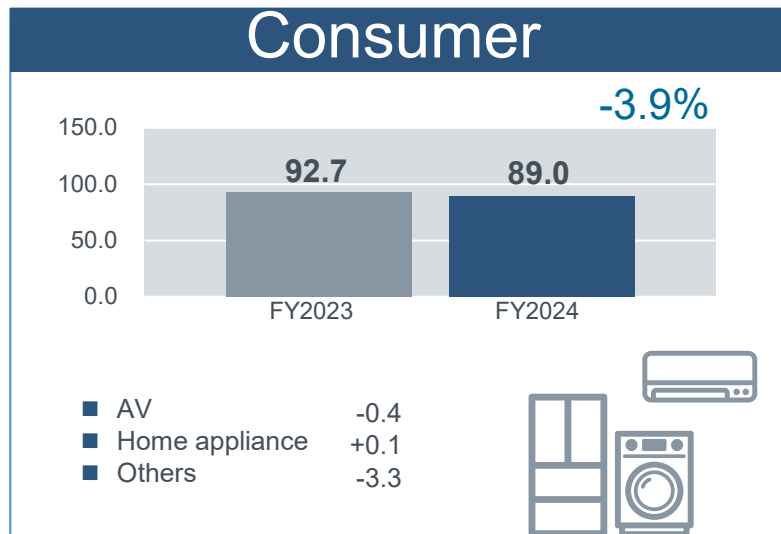
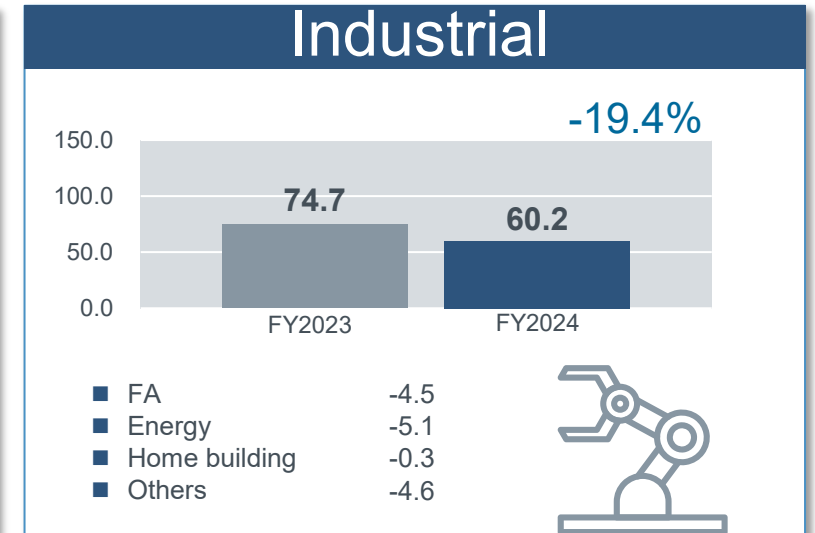
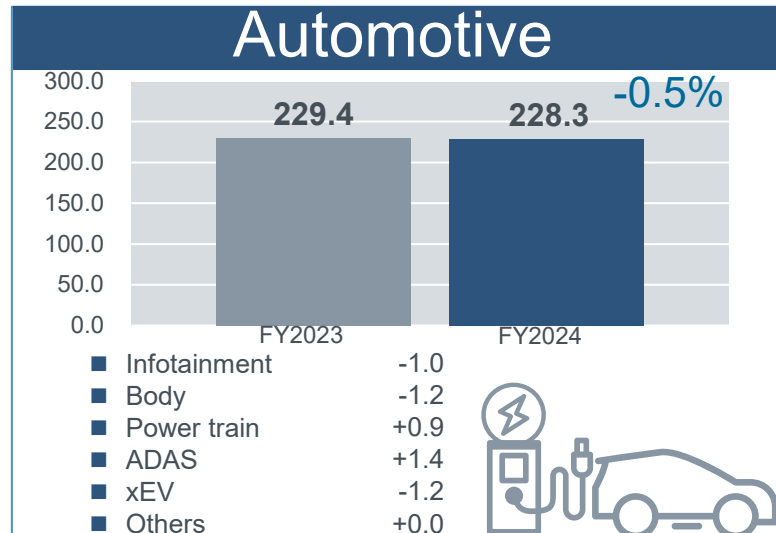
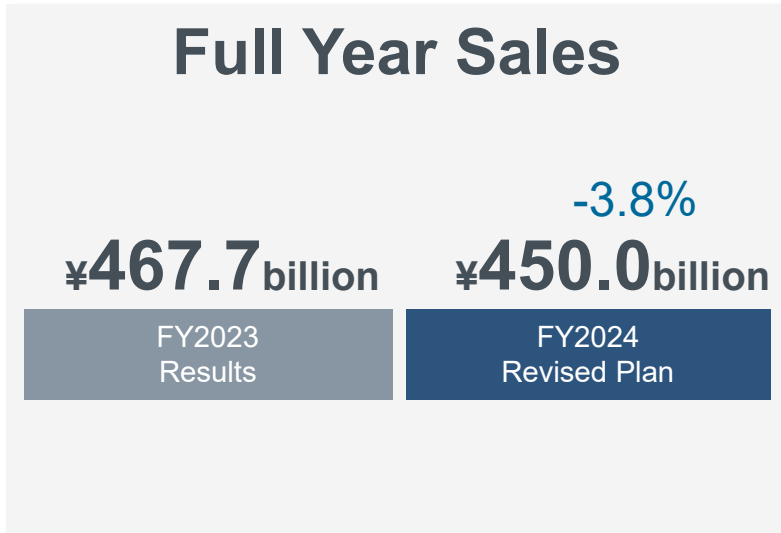
FY2024 ROHM Net Sales Forecast Summary

【YoY】 +10%~ +10%~+2% +2%~▲2% ▲2%~▲10% ▲10%~

Market	Forecast	1H	2H
Automotive (-0.5%)	<ul style="list-style-type: none"> ■ Growth in power devices will be limited due to slowdown in the spread of BEVs. ■ Factored in weak sales to China by Japanese OEMs and impact from production cutbacks due to the certification issue. 		
Industrial (-19.4%)	<ul style="list-style-type: none"> ■ Inventory adjustment will continue, and a full-scale recovery is expected to take place in the next fiscal year or later. 		
Consumer (-3.9%)	<ul style="list-style-type: none"> ■ Although white goods are on the way to recovery, other consumer products are expected to remain in an adjustment phase. 		
Communication (-0.9%)	<ul style="list-style-type: none"> ■ Recovery of smartphones is contributing, but overall demand is weak in the second half of the fiscal year. 		
Computers & Storage (+3.3%)	<ul style="list-style-type: none"> ■ Sales for server-related will be strong, but PC recovery will be weaker than expected in the second half of the fiscal year. 		

FY2024 Plan by Market Segments (YoY)

(¥billion)



FY2024 Plan by Customer Nationality (YoY)

Full Year Sales

¥467.7 billion

¥450.0 billion

FY2023 Results

FY2024 Revised Plan

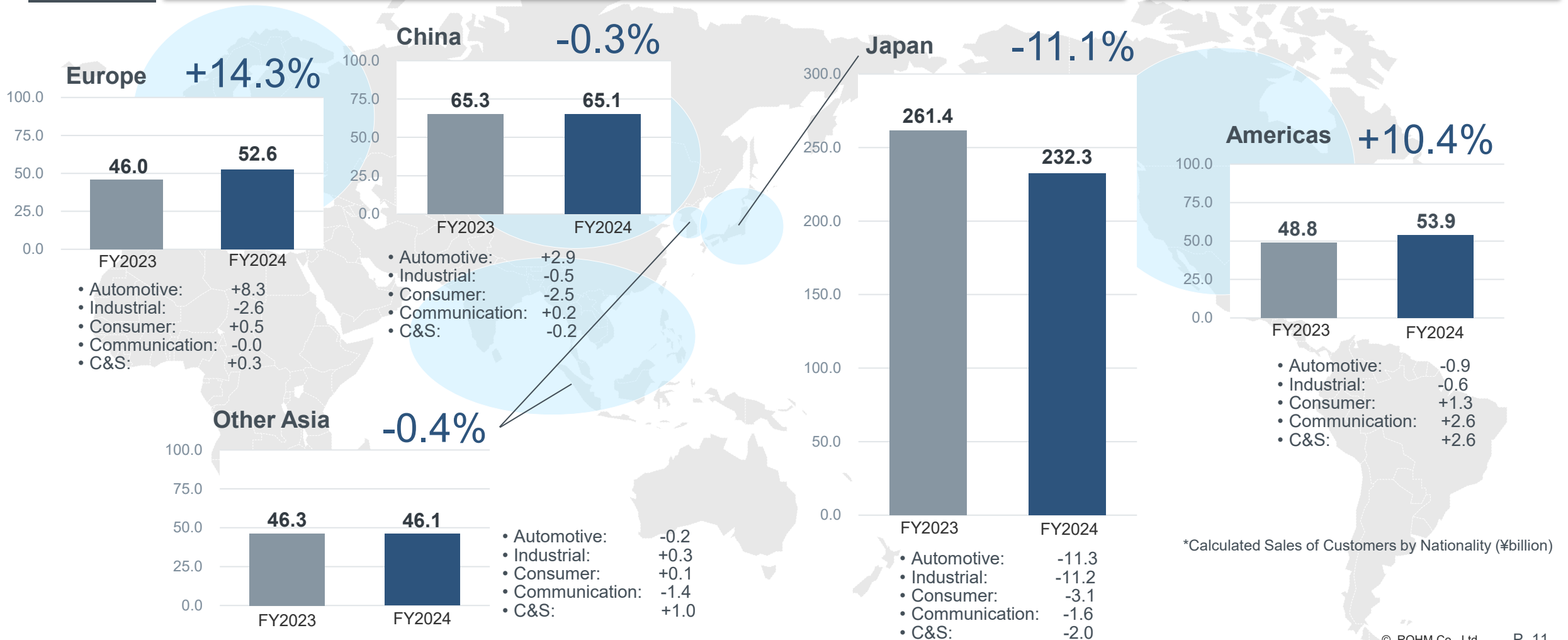
-3.8%

Sales ratio outside of Japan

44.1%
FY2023

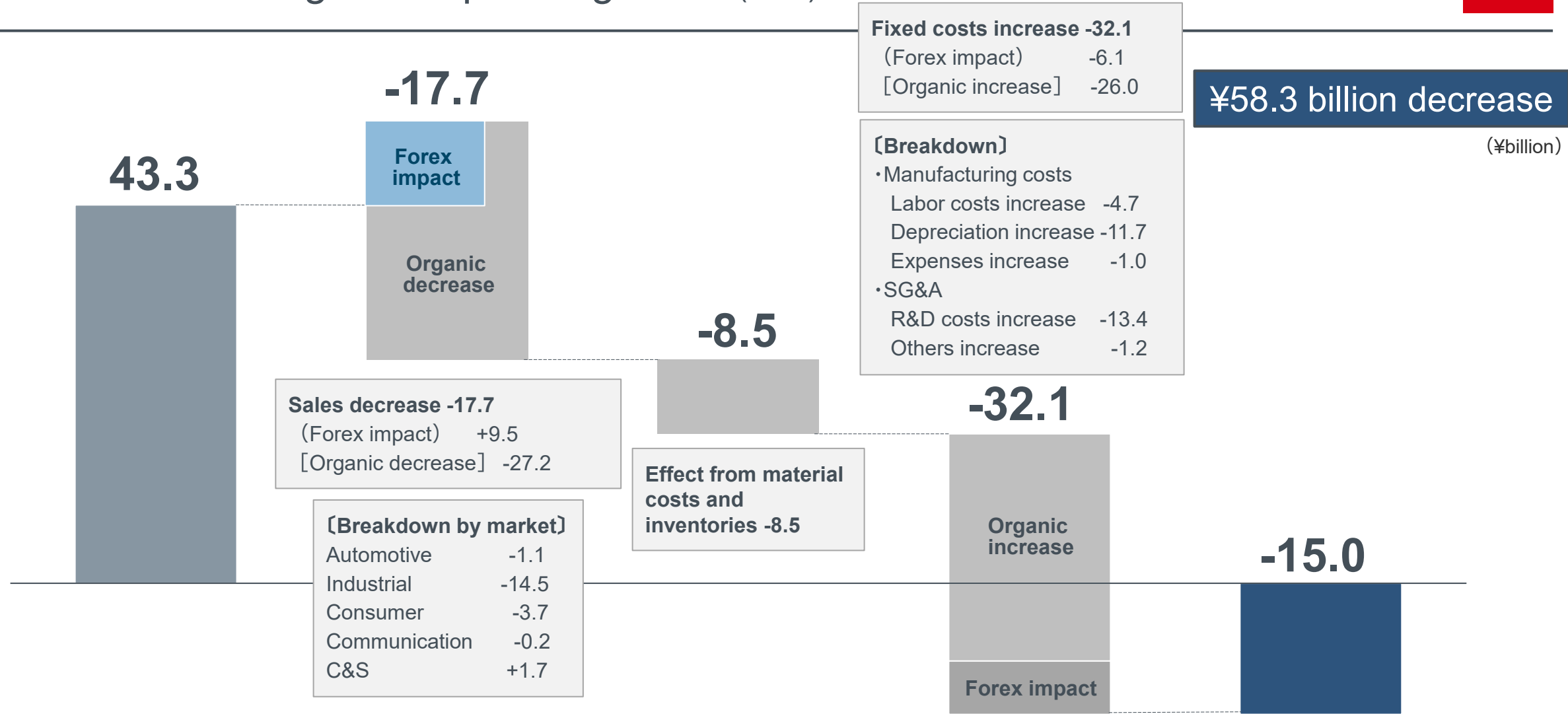
48.4%
FY2024

Plan YoY



*Calculated Sales of Customers by Nationality (¥billion)

FY2024 Plan Changes in Operating Profit (YoY)



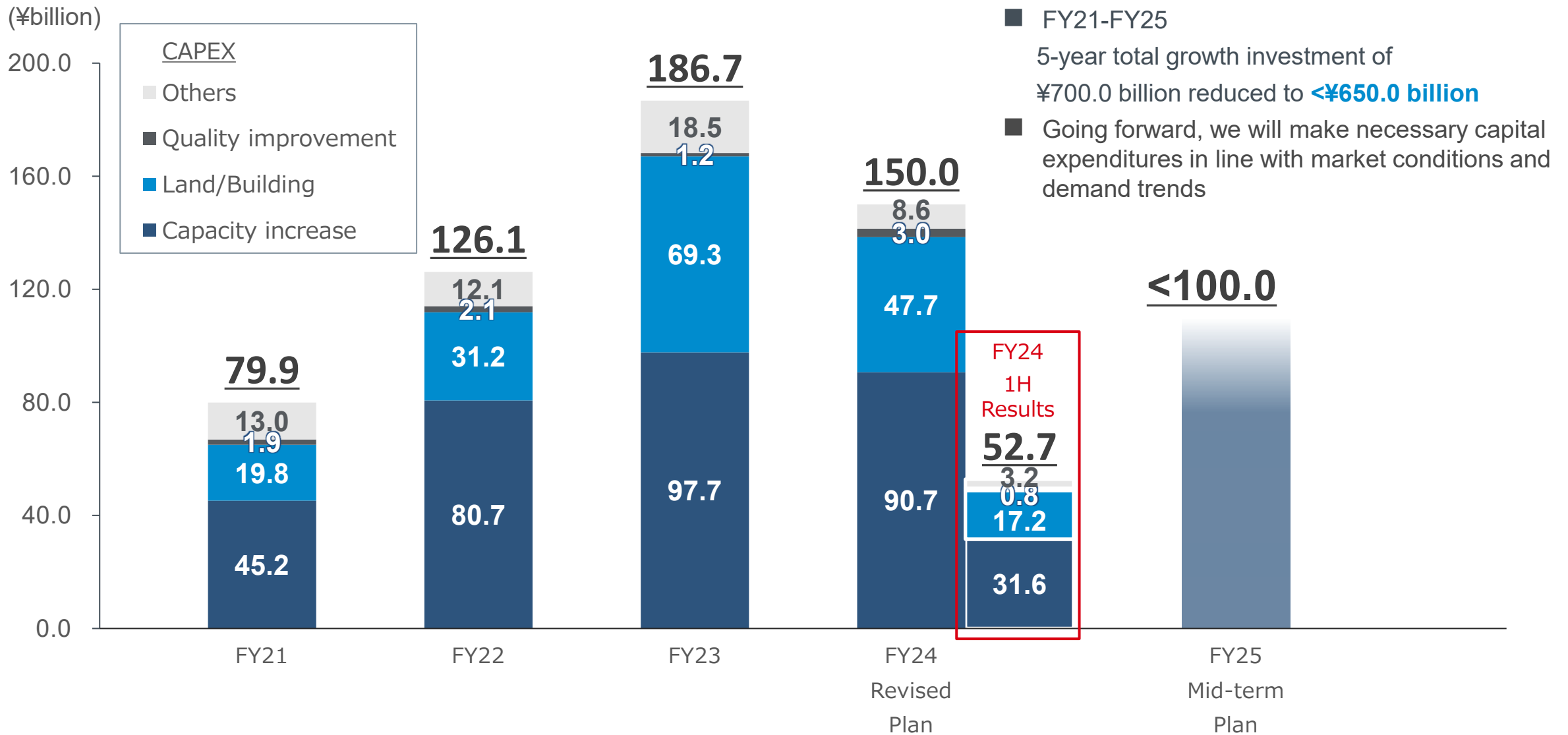
FY2023 Results

FY2024 Revised Plan

Average exchange rate (¥/US\$) **(¥144.40)**

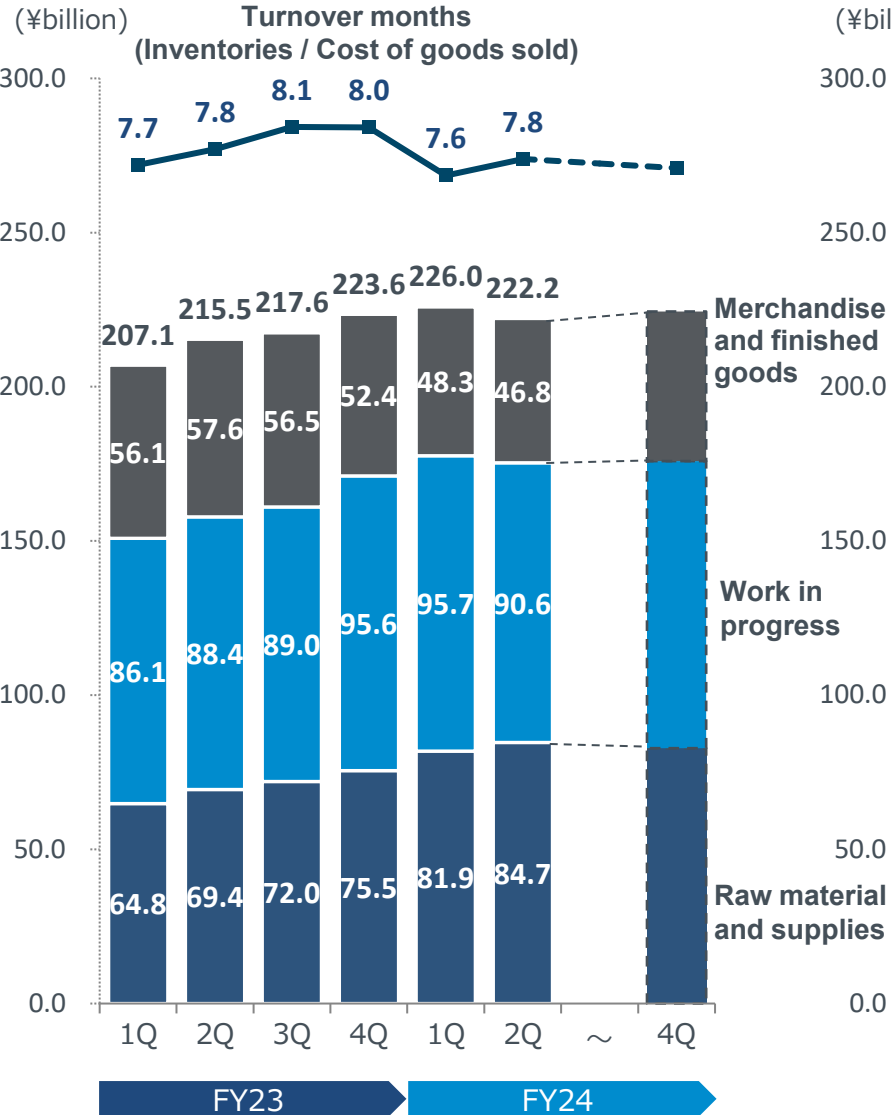
(¥148.93)

Capital Expenditures

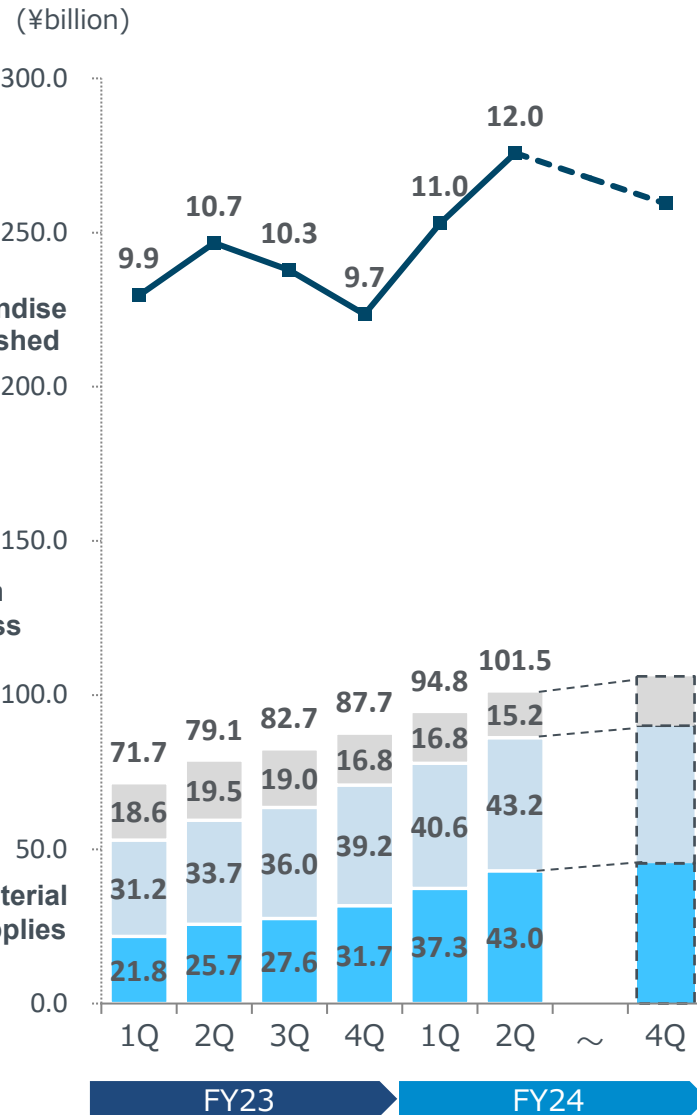


Inventories (Amount)

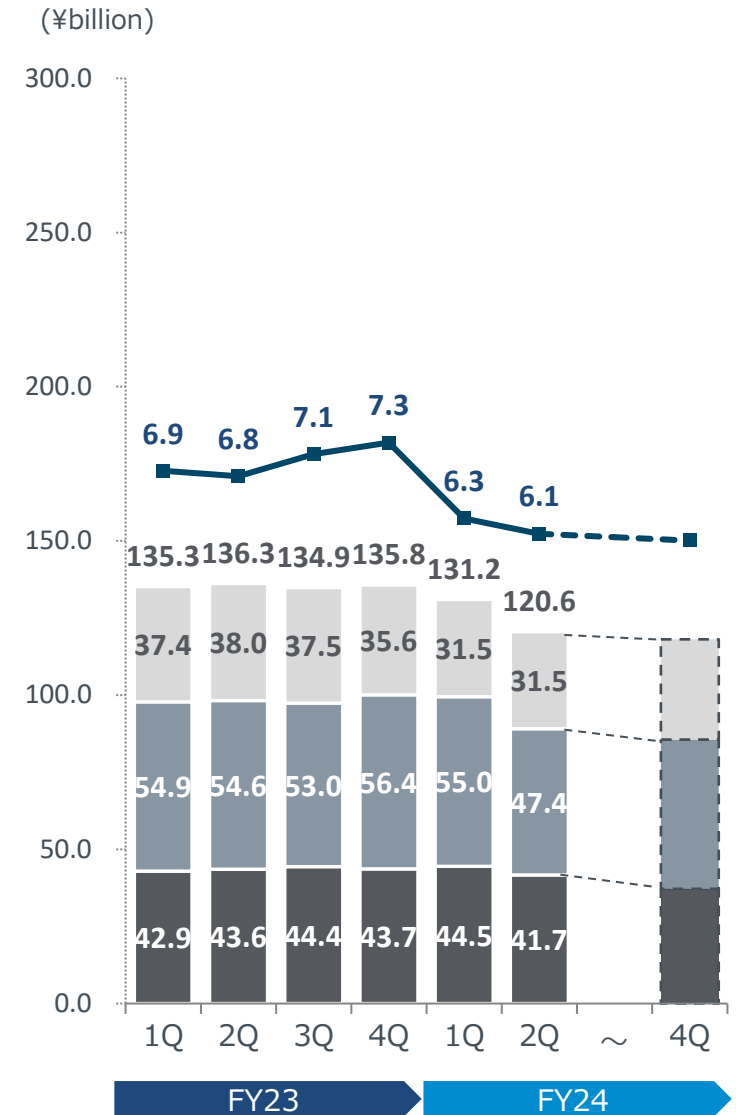
Consolidated Total



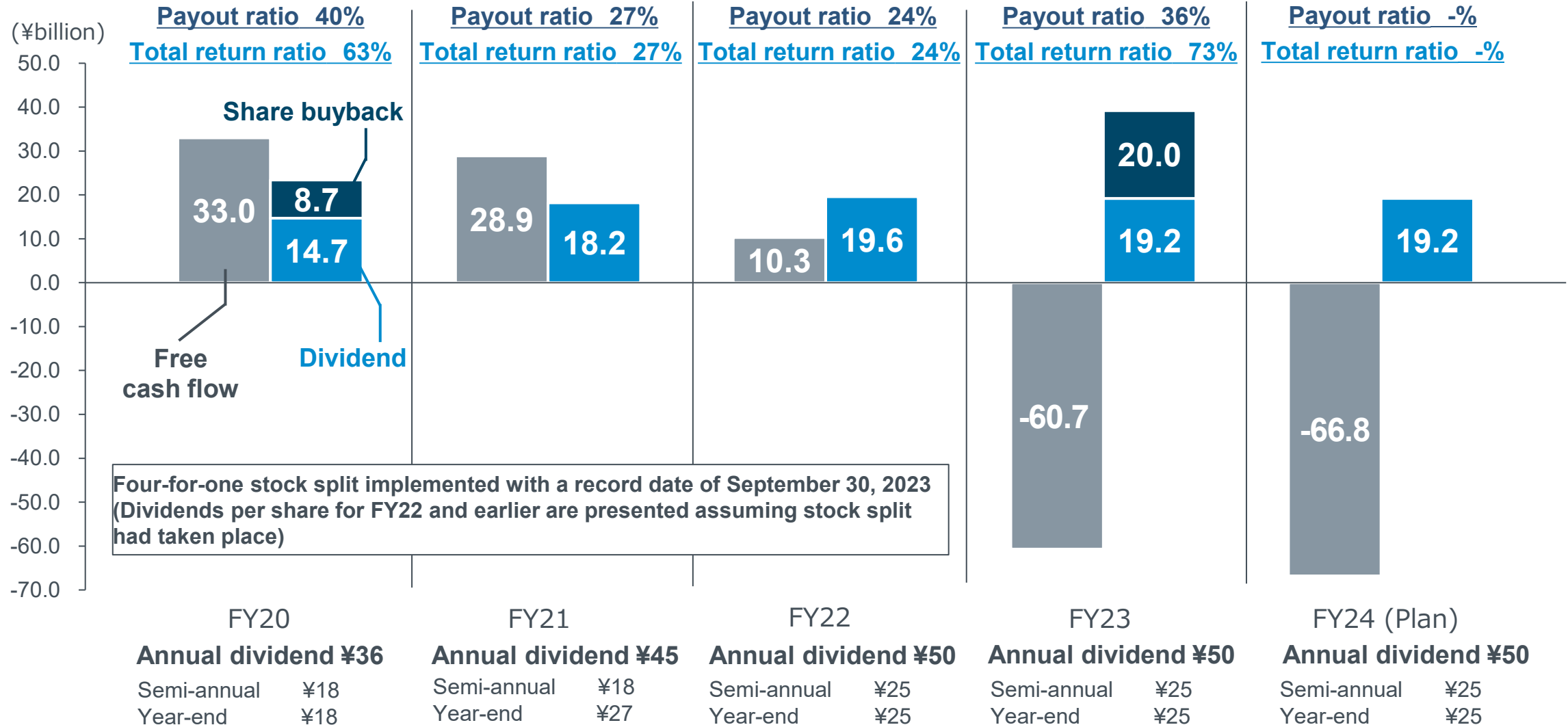
Power Devices



Non-Power Devices



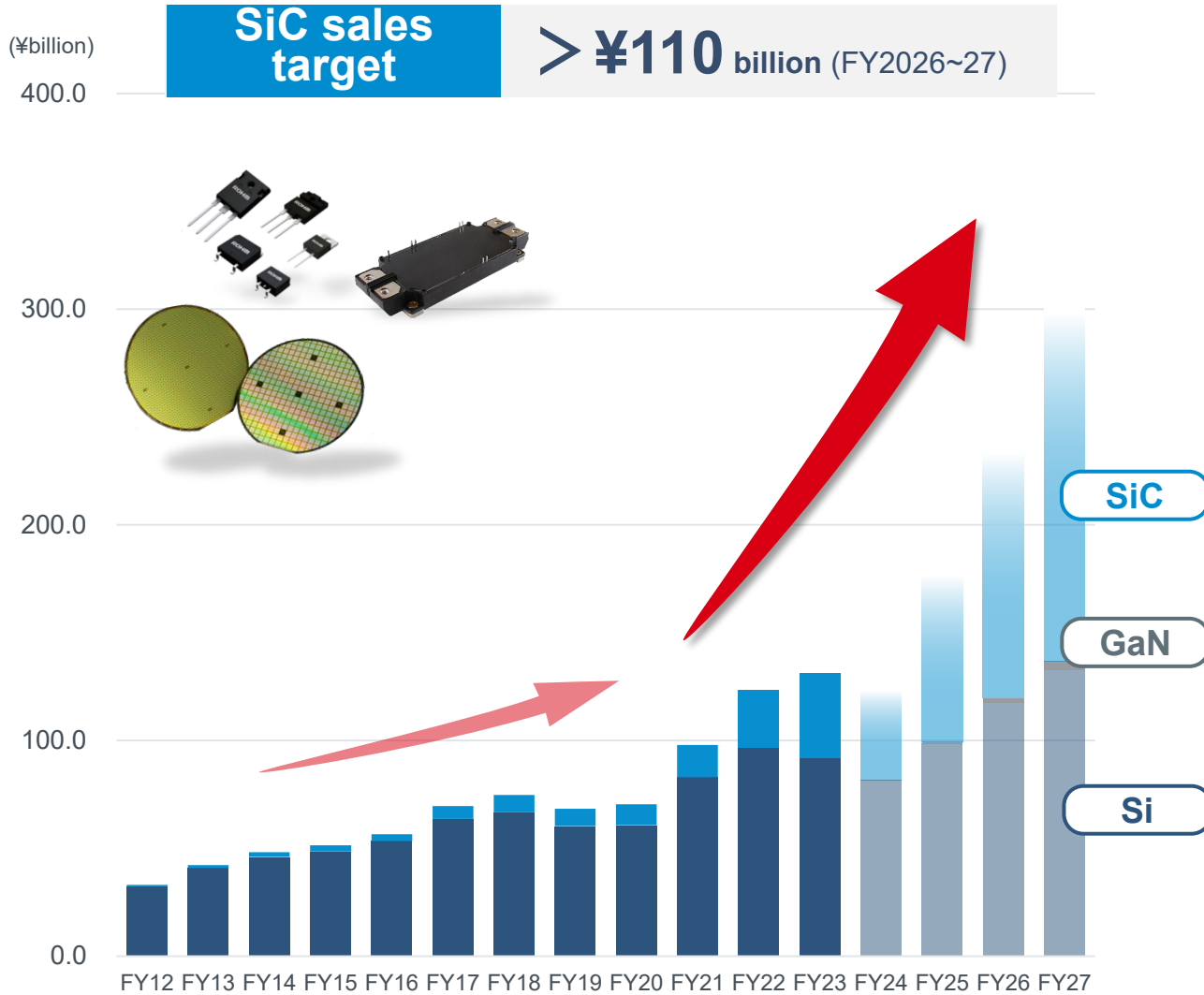
Returns to Shareholders



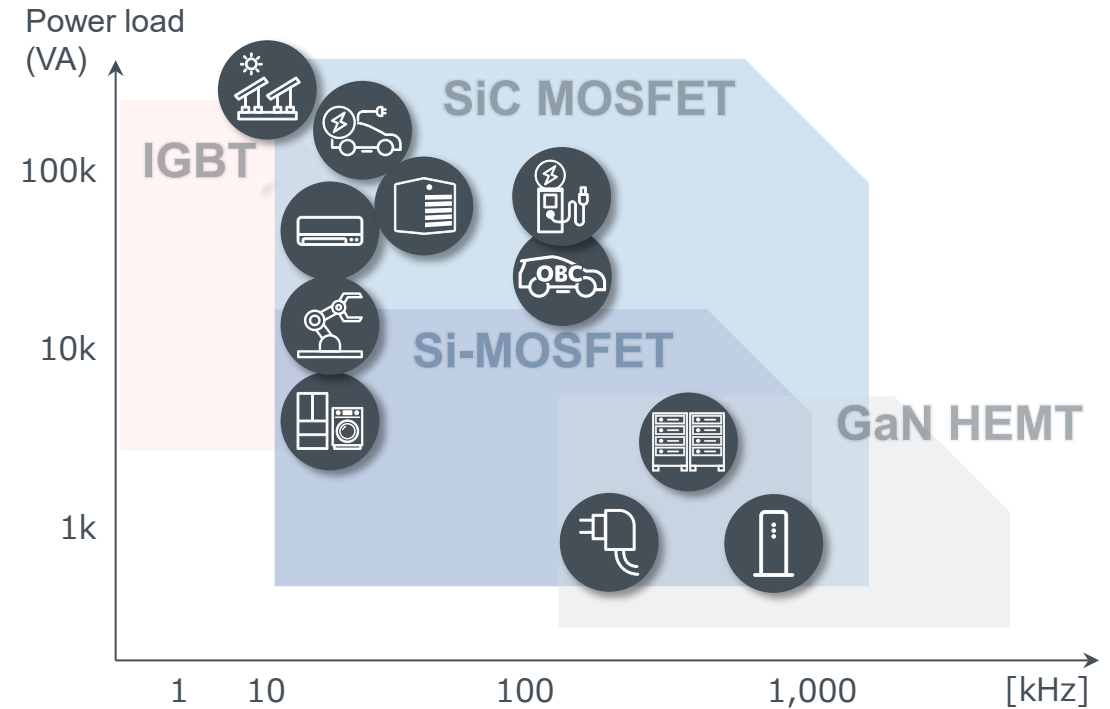
*Free cash flow: Net profit + depreciation – CAPEX

Sales Target for Power Device Business

Sales Target for Power Device Business



Range of Power Device Applications



SiC

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

GaN

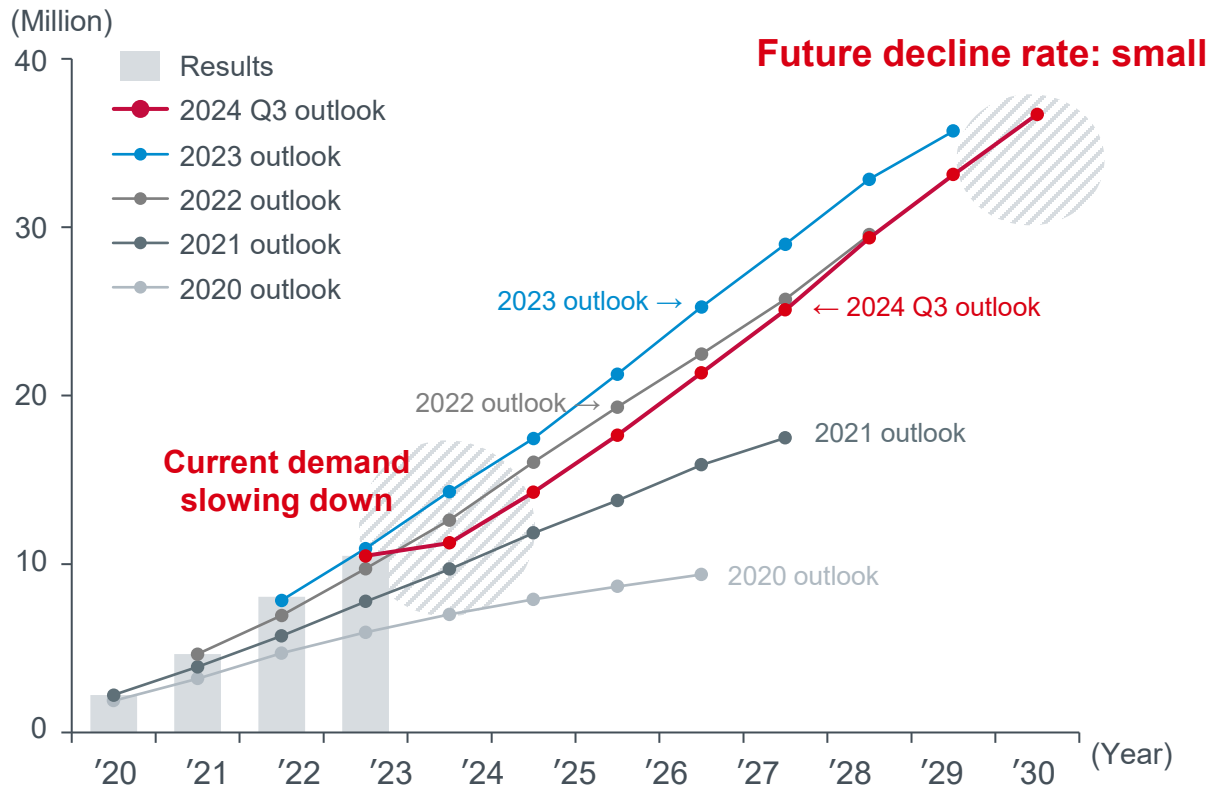
- Middle power
- Middle voltage (100-600V)
- High frequency (Over 200kHz)

Medium- to Long-Term Outlook for the Number of BEVs / SiC Conversion Rate

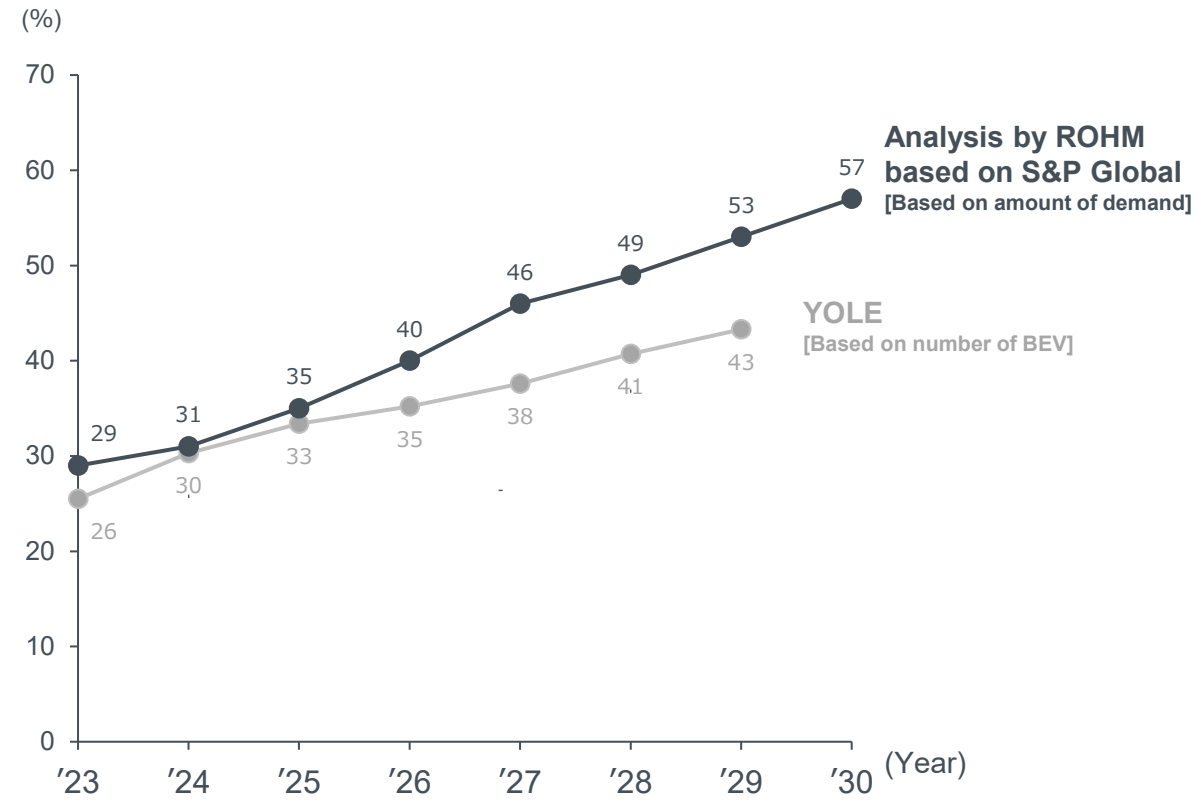


Current demand for BEVs is slowing, but the rate of change in the forecasted number of BEVs in the future is small. Growth in SiC conversion rate of BEV inverters is expected to continue in the medium to long term.

Number of BEVs Outlook Comparison



SiC Conversion Rate of BEV Inverters Outlook Comparison



Design-wins with over 140 companies achieved worldwide

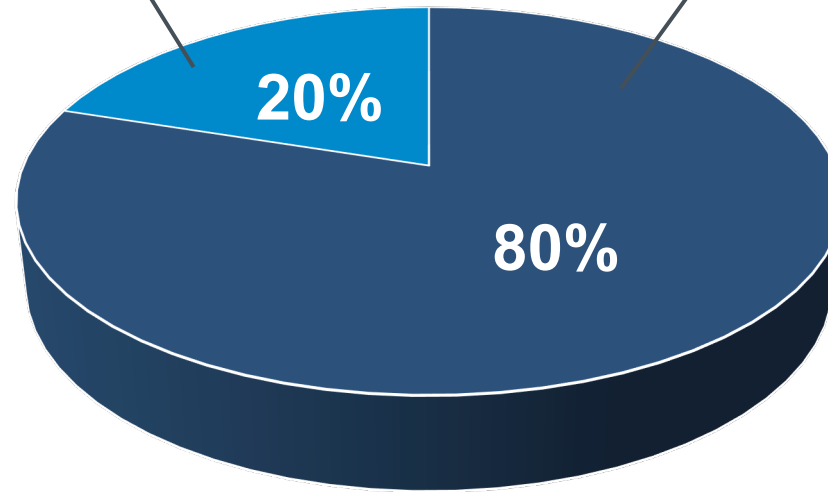
Over 90 companies

Industrial, Other

Automotive

Over 50 companies

2027
Design wins by market
Amount ratio



OEMs



LUCID



XPENG

Tier1·2s

Astemo



KOSTAL



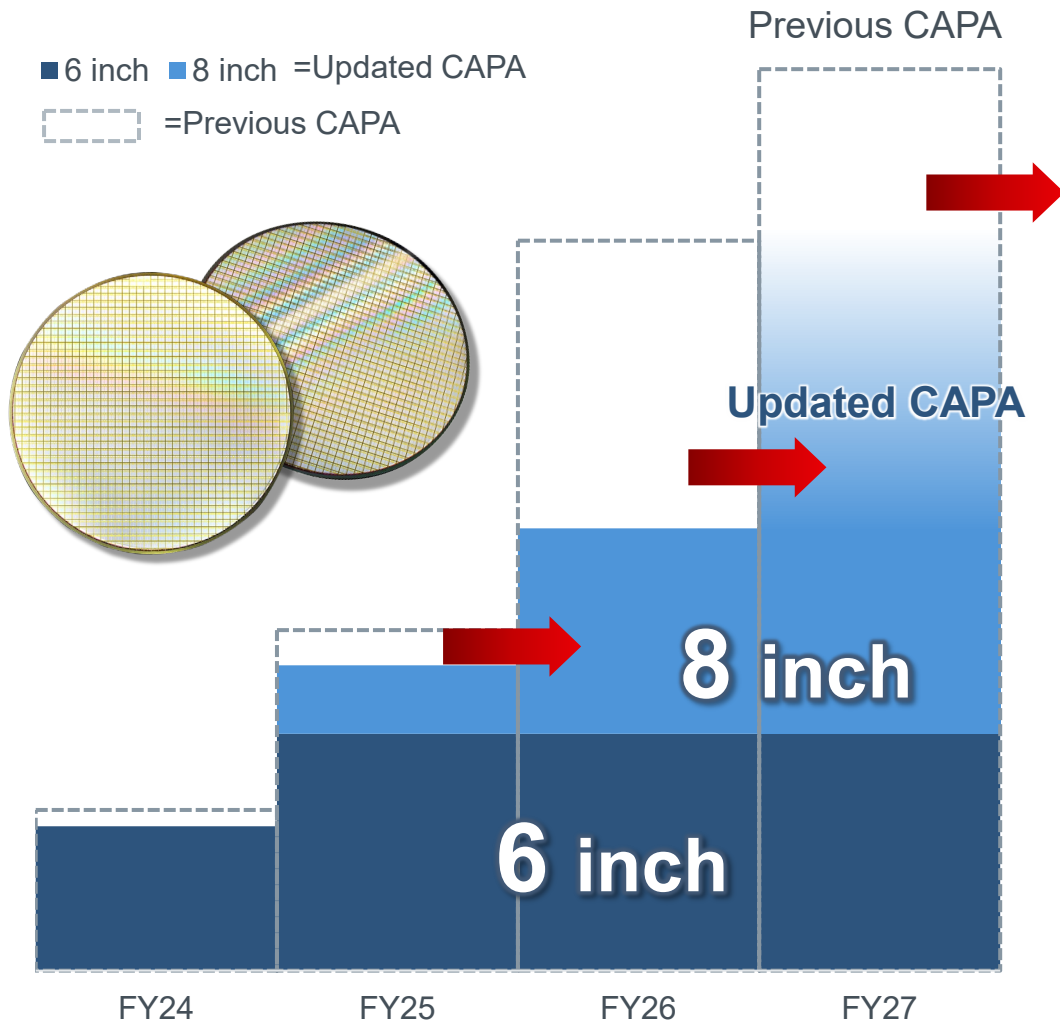
SCHAEFFLER



UAES

Shift to 8-inch for SiC Power Device Production

Progress of 8-inch production is on track, and timing of investment is adjusted according to recent market conditions. Operation preparations for Miyazaki Plant No.2 complete. Manufacturing equipment to be installed based on future demand.



Chikugo Plant



Device production to start in **2025** on 8-inch lines

Miyazaki Plant No.2

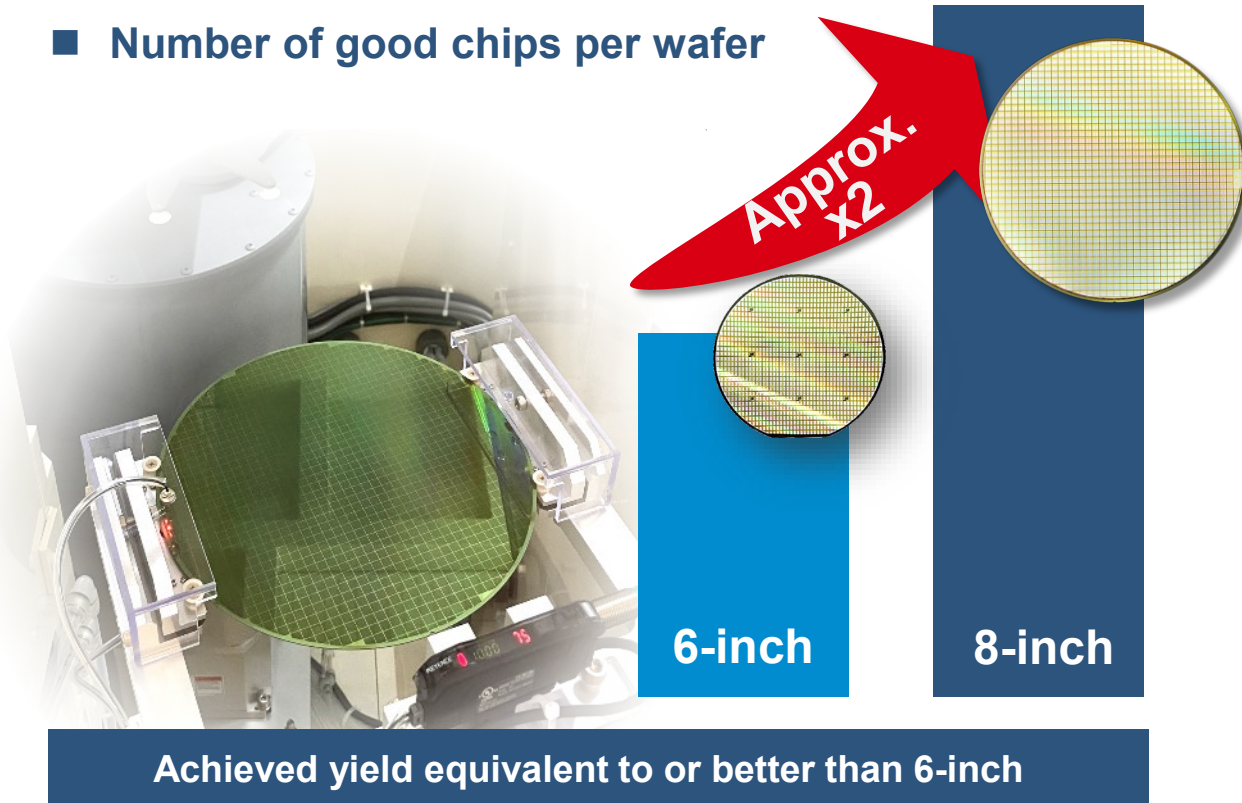


- 2024 Ready for production of 8-inch substrates
- 2025 Start of substrate production**
- 2026 Start of device production

Development progress of 8-inch SiC MOSFET lines

- Production of devices to start at Chikugo Plant from 2025
- Number of chips produced to exceed area ratio (production efficiency approximately doubled)

Number of good chips per wafer



SiC MOSFET development trend after 5th Gen.

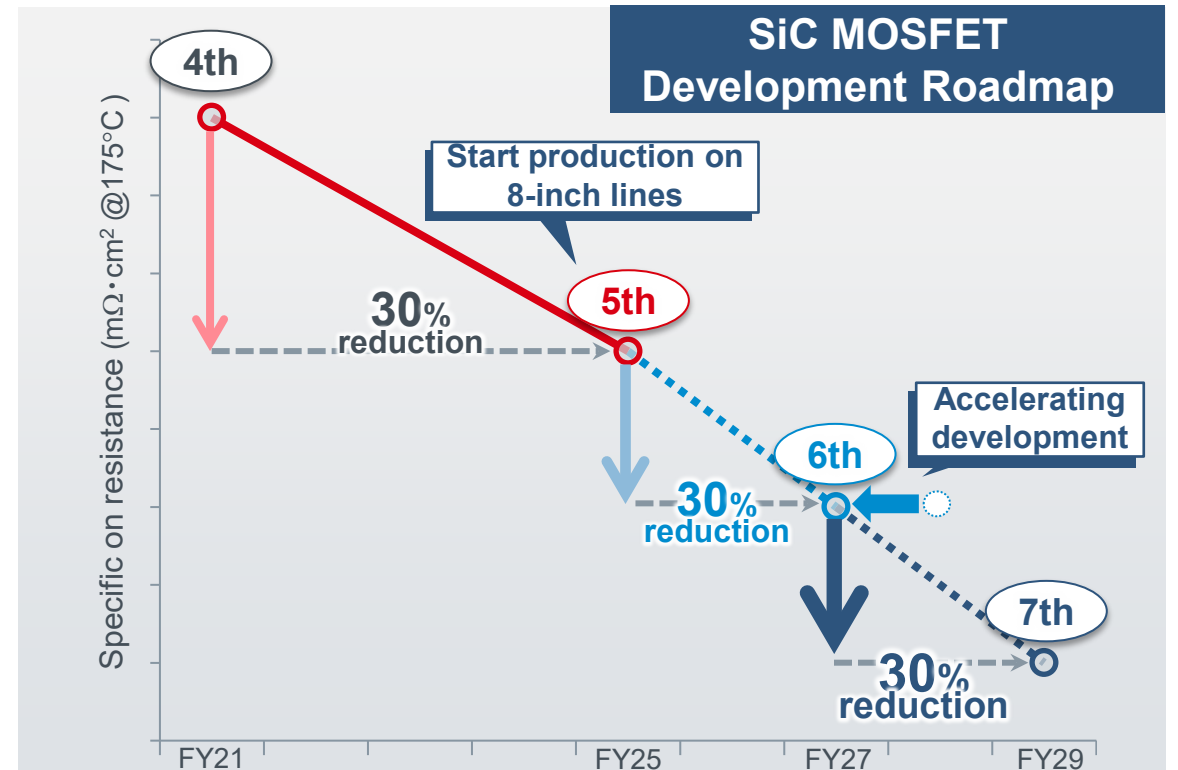
- Accelerating development for 6th Gen. and beyond
- Reduce on-resistance by 30% in each generation

Benefits for customers

Performance upgrade: 19%* increase in rated current for the same chip area

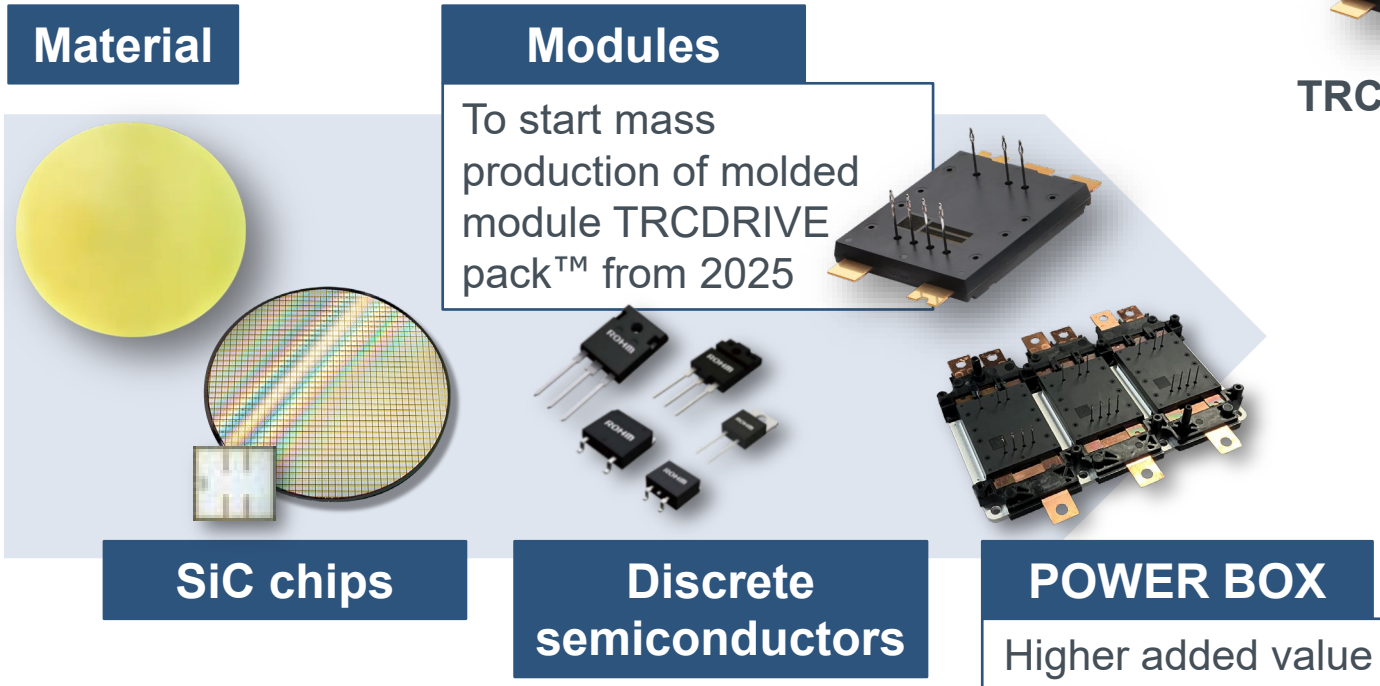
Cost reduction: 16%* reduction in chip area at the same rated current

*Best case. Depends on module performance.



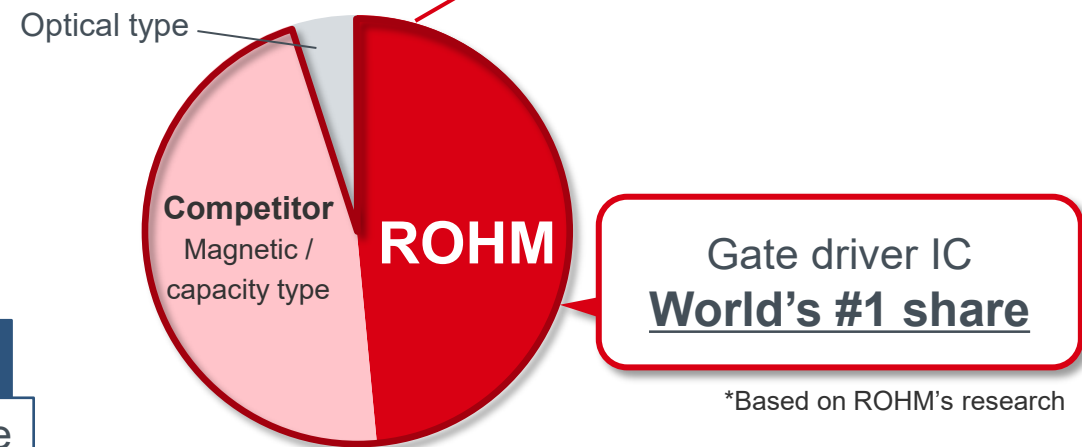
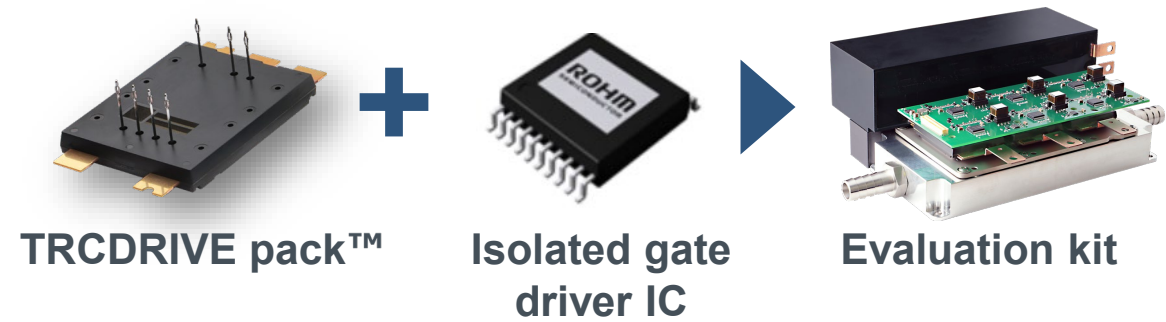
Business expansion in traction inverters

- Flexible business model from SiC substrates to power modules
- Provide higher added value with POWER BOX

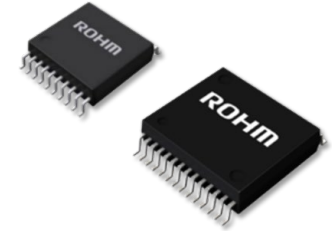


Solution proposals with GDIC

Propose solutions with isolated gate drivers ICs which holds the world's No.1 share and SiC power modules

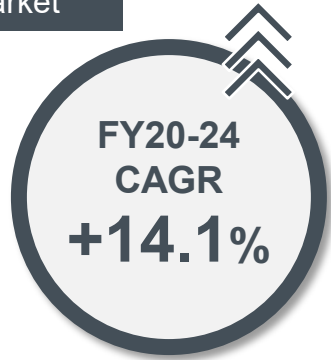


Strategic TOP 10 fields are growing faster than market growth, driving the IC business. Other fields are showing sluggish growth.

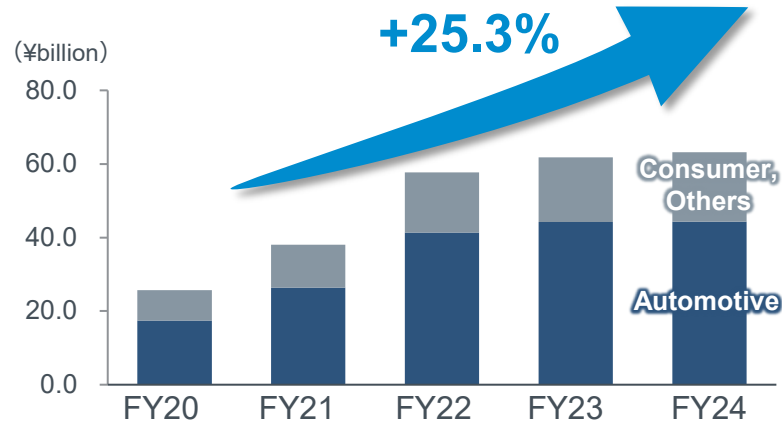


Strategic TOP 10 fields

Market



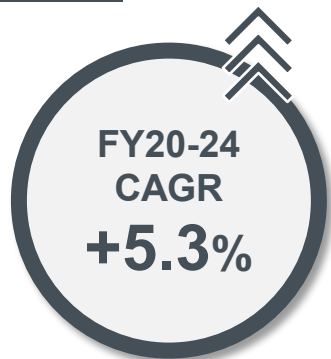
ROHM sales



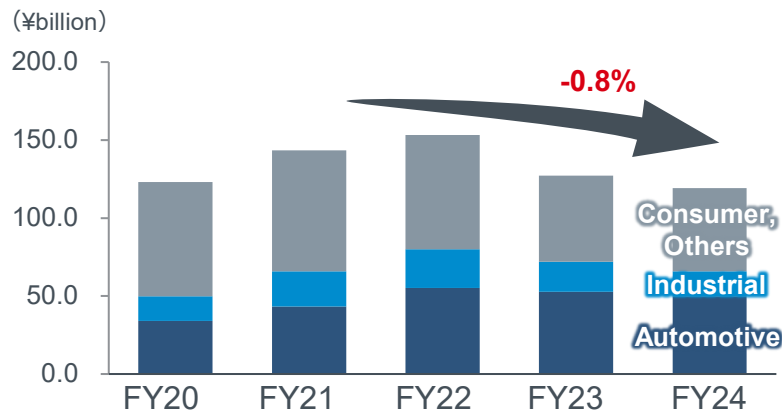
- Sales growth is outpacing market growth by introducing isolated gate driver ICs and other high-value-added ASSP products.
- The majority of products in the strategic TOP 10 fields are for automotive applications, and there is a bias in target markets.

Other fields

Market



ROHM sales



- Are yet to enter areas where high growth is expected in the industrial equipment market, a key market for the company.
- Decline of sales in the consumer market has not been covered in other markets.

Shifting from single-product proposal to system solution proposal

Past ROHM

- Single-product proposal
- Custom-centered
- High ratio for consumer

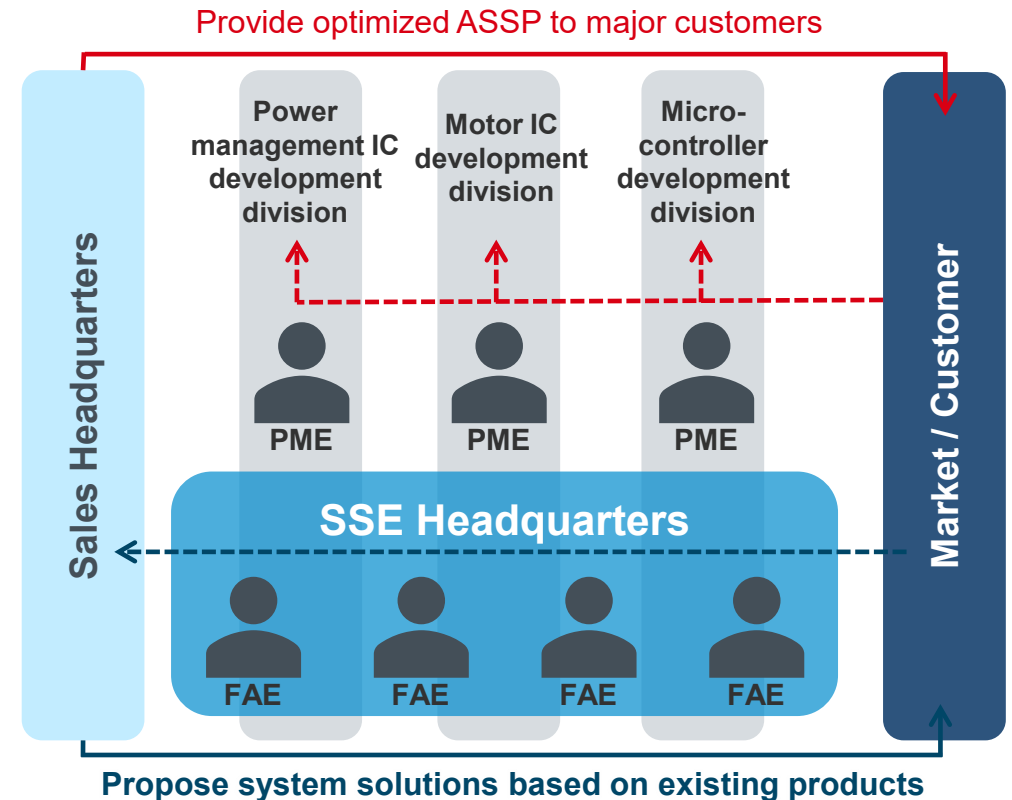
Current ROHM

- Improved product competitiveness (PME)
- ASSP/General purpose
- Automotive-focused

Current issues

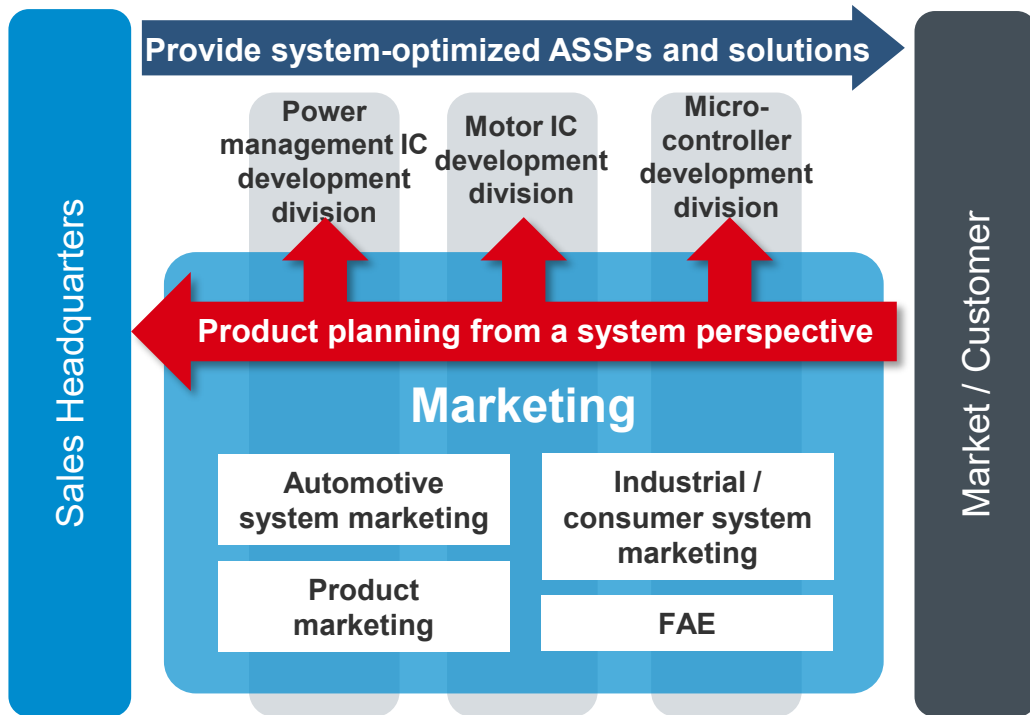
- Although FAEs have had some success in proposing solutions for existing products, they have not been able to propose solutions with a view to new development.
- PMEs belong to development divisions, and development proposals are mainly for single products.
- Emphasis is on development for major customers, and the focus is on the performance and cost of individual products, not on solution proposals.

Further enhance system solution proposals by resolving these issues!

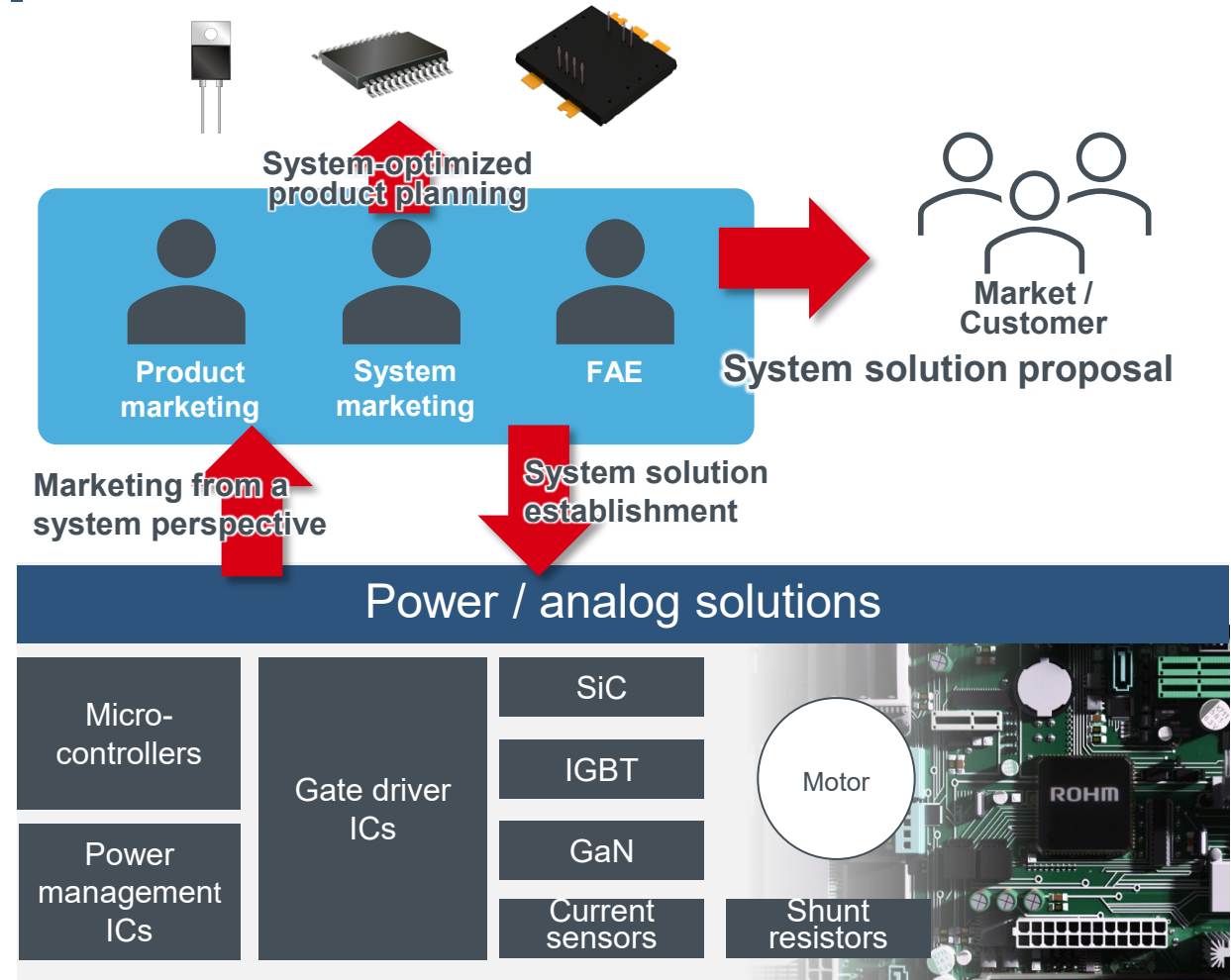


Strengthen marketing based on systems

- System solution proposal
- System-optimized ASSP and general-purpose
- Focus on industrial equipment in addition to automotive



Marketing based on system proposals



*FAE : Field Application Engineer

Sales structure that proposes solutions for key applications in each market

Current ROHM

- Sales structure based on region and customer
- Single-product proposal based on product
- Sales mix weighted toward automotive

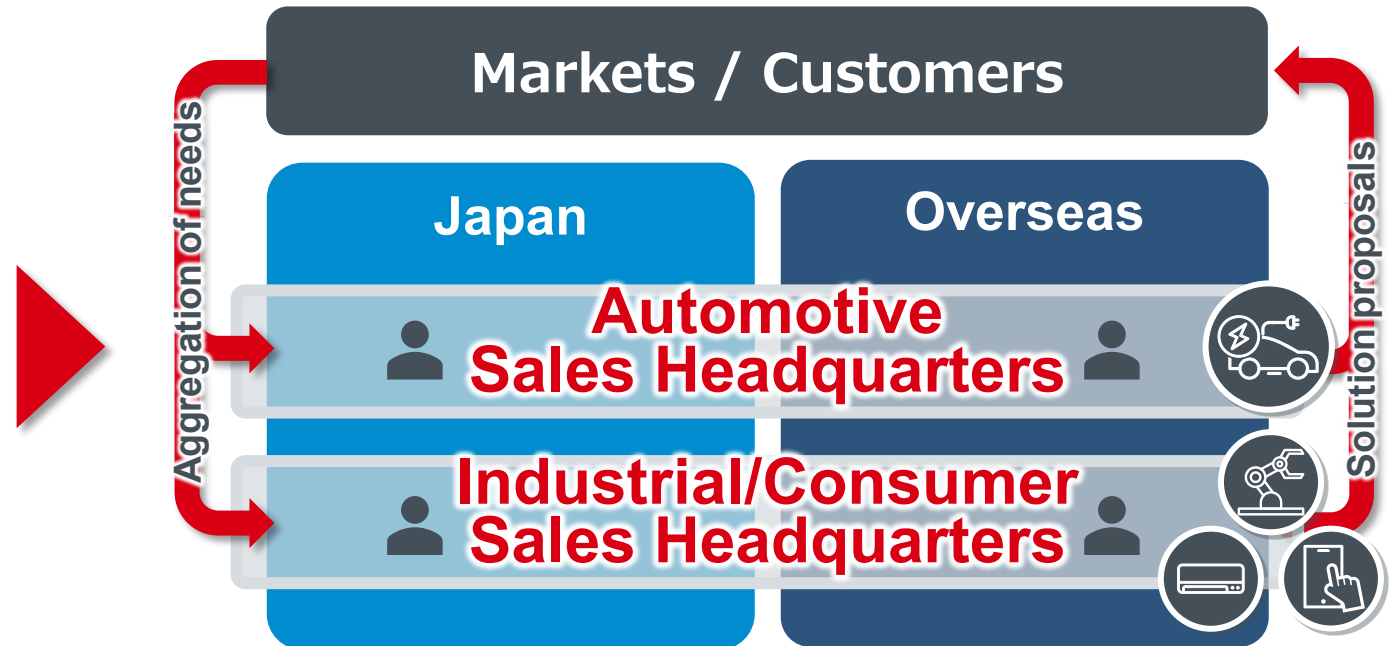
Japanese markets/customers

Overseas markets/customers



Future ROHM

- Aggregation of needs based on market and application
- Solution proposals based on application
- Review of market portfolios



Implement fundamental structural reforms to build a business foundation capable of generating stable profits

Profitability improvement outside of sales growth

Currently, depreciation costs are being curbed through investment cuts and prices are being optimized. Over the next three years, we plan to reduce annual fixed costs by 20-30 billion yen .



Reorganization of manufacturing sites



Economies of scale and productivity improvements through consolidation of sites, etc.



Partial shift from IDM



IC foundry production ratio: 1→15% (2030)
OSAT production ratio: 7→30% (2030)

Also started outsourcing of analog ICs in September 2024



Reduction of capital expenditures



Shift from a pre-investment phase to a demand-driven investment strategy, Improvement of investment efficiency



Optimization of the number of personnel



Improvement of operational efficiency, Control increase in workforce in the short term



Price optimization



Price review of unprofitable products and replacement with new products

The two companies have been cooperating for many years and in recent years have been working together on joint development of isolated gate driver ICs. Strategic partnerships are now being considered to further strengthen collaboration. [Released September 30]

DENSO Crafting the Core

- Product competitiveness (planning, technology development, knowledge) in application development centered on automotive
- Ability to build systems with a wide assortment of products

Strengthen cooperation
as a strategic partner



- Technical development capabilities and mass production track record centered on analog and power devices
- Extensive product lineup and supply capacity for automotive and industrial equipment



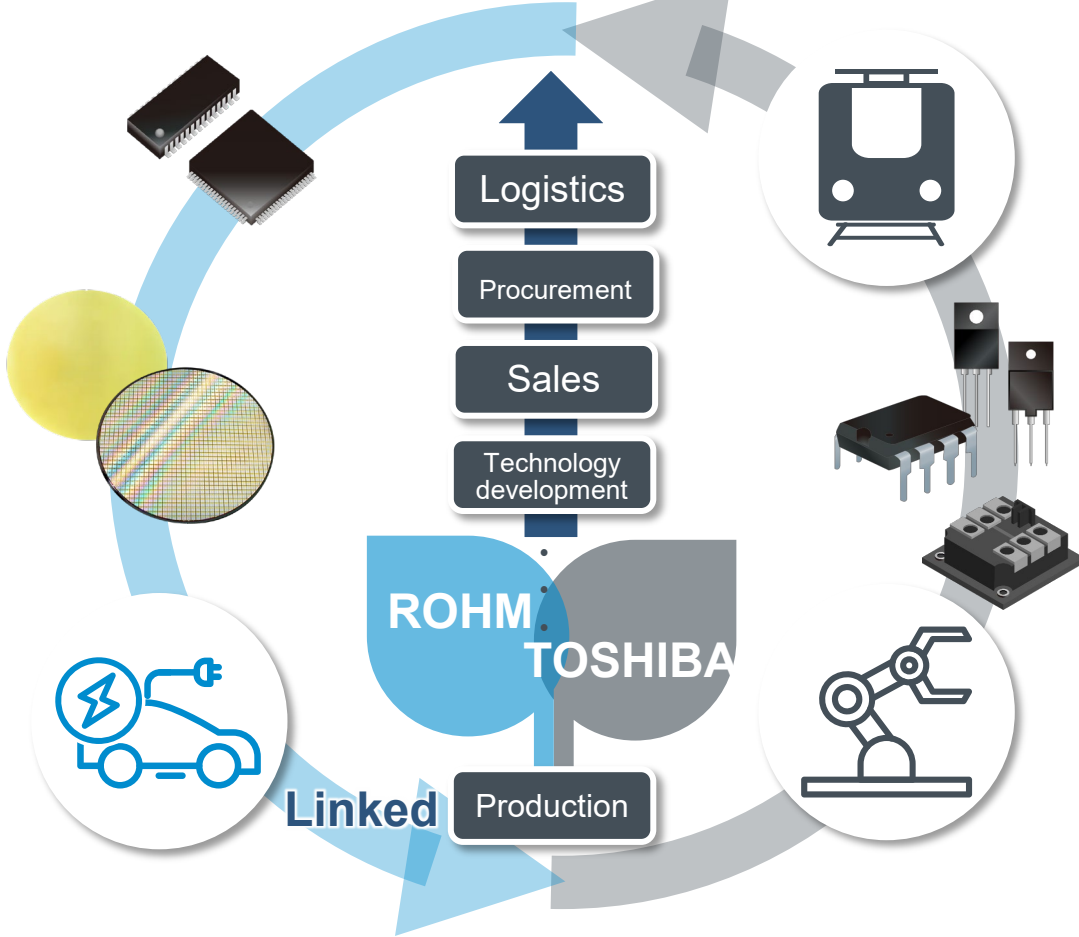
Considering various partnerships in the semiconductor field

Development of high-quality, high-efficiency semiconductors

Stable supply of high-reliability products

Toshiba's semiconductor business has a high affinity with ROHM and can create various synergies. We have made this proposal to commence negotiations to strengthen alliance. [Released March 29]

Aim to enhance the corporate value of both ROHM and Toshiba



Outline of Proposal

To enhance corporate value of both companies by strengthening alliances in various business activities including technology development, production, sales, procurement, and logistics of their semiconductor business centering on Toshiba Electronic D&S's semiconductor business division.

- Increase presence in power semiconductors
- Strengthen technical capabilities
- Expand supply capacity

Commenced negotiations in July with Toshiba and JIP to strengthen alliance. Discussions are ongoing.

[Note]

1. This material is originally written in Japanese. In the event of any differences or discrepancies in the contents including contexts, figures, and others between Japanese and English version of the material, Japanese original version shall govern.
2. The forecasts for the fiscal year ending March 2025 are based upon the information which the company considers reasonable at this time. Actual results may differ considerably by the changes of environment and so forth.

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