

May 14, 2025

## FY2024 Year-End Presentation Q&A

No.1	<p>Q. Regarding the reorganization of manufacturing sites as one of the measures to improve profitability, which specific areas do you feel need to be reorganized at this time? What measures need to be taken at which locations?</p> <p>A. ROHM Group has seven manufacturing sites in Japan and six overseas (excluding SiC). The domestic sites are mainly for front-end processing, while the overseas sites are for back-end processing. In Japan, we would like to consolidate sites with low utilization ratio and hold only sites with high utilization ratio. Rather than closing down the entire factory, it is possible to close down some of the factory floors. In overseas, we would like to close down sites with low production volumes and either relocate the lines to another site or replace them with OSAT. In either case, we would need to obtain approval for the new production line from customers, which would take some time.</p>
No.2	<p>Q. Are the SiC manufacturing sites also included in the reorganization?</p> <p>A. Although SiC sites are not included in the reorganization, we will adjust the schedule for equipment installation and start of operation. Regarding SiC substrate production lines, both SiCrystal (Germany) and Miyazaki Plant No.2 can adequately respond to the current market environment with the current production capacity. Therefore, we have stopped installing equipment at both sites. As for the device production lines, the Chikugo Plant and the first Miyazaki Plant will be operated at full capacity, while adjusting the operation Miyazaki Plant No.2 according to market conditions.</p>
No.3	<p>Q. Why are the discussions with Toshiba about business cooperation taking so long?</p> <p>A. The semiconductor market was strong in July 2023, when the decision to invest was made, but the market entered an adjustment phase from 2024 to 2025, and both companies are now reviewing one another's strategies and performance targets. We have previously commented that we would like to communicate our decision in June 2025, but we will proceed with the discussions without rushing to a conclusion.</p>
No.4	<p>Q. There was reference to marketing and product development initiatives as organic growth strategies, but what are the current challenges?</p> <p>A. In recent years, ROHM had fallen into the tendency to develop only what could be developed with existing acquired technologies. In the recent reorganization, the Marketing Division was established and personnel were reallocated. From now on, the Marketing Division will take the lead in developing challenging products and gaining sales.</p>
No.5	<p>Q. What is the profit/loss outlook for the SiC business going forward?</p> <p>A. Although sales of SiC substrates are uncertain, sales of SiC devices for traction inverters, which account for 60~70% of the SiC market, remain strong. Going forward, growth is expected in the European and Chinese markets. Profitability is expected to bottom out in FY24 and expected to improve through cost improvement by switching to 8-inch substrates and increasing added value through device generation renewal and modularization. The SiC business was originally expected to become profitable in a single month during FY26, but it has been pushed back to FY27.</p>
No.6	<p>Q. What is the amount of SiC-related investment in FY24 and FY25 plan?</p>

	A. Each is approximately 70% of the company-wide figures (FY24: 133 billion yen, FY25 plan: 85 billion yen).
No.7	<p>Q. What is the adequate level of inventory for products and work in process, and utilization ratio?</p> <p>A. Turnover months as of the end of March 2025 is 7 months, which is still high, even when 0.5 months of BCP inventory is taken into account. Further reduction is needed. In FY25, the utilization ratio is expected to be slightly below 60% in the first half, and above 60% in the second half as an overall view, but we would like to promote the consolidation of manufacturing sites mentioned above to maintain at least 70% in the medium to long term.</p>
No.8	<p>Q. It was stated in the media that the company is aiming for sales of 500 billion yen and operating profit ratio of 20%, but will there be concrete measures in the 1H results announcement?</p> <p>A. We recognize that this is a minimum goal to be achieved and a passing point. We plan to announce the specific details for achieving this goal as our second medium-term management plan this fall.</p>
No.9	<p>Q. How do you think the U.S. tariff measures will affect your business performance?</p> <p>A. The impact of tariffs on products delivered directly to the U.S. is not that significant, but it is difficult to read how the exchange rate and overall market conditions will change. The impact has not been factored into the current FY25 earnings forecast.</p>