ROHM's 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 and society 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. What is more, ROHM has set itself the goal of becoming a major global player in FY2030 and has backcast from that goal to formulate its Medium-Term Management Plan. In planning its strategy, ROHM has determined that material issues are the most important management challenges that ROHM must resolve and has identified related risks and opportunities in order to sketch out a value-creation model for the medium to long term.



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.28

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.

Material Issues

Risks and Opportunities

> P.24-27

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

Becoming a "major global player"

ROHM aims to become a "major global player" in FY2030. To achieve this goal, it is necessary to establish the ROHM brand on a global scale and be recognized as a company that is necessary to society.

Providing irreplaceable services to our customers and society

In our Company Mission, we mention our priority commitment to product quality. Based on that commitment, we work hard to further develop technology that optimally integrates power and analog semiconductors. This allows us to contribute to "energy savings" and the "miniaturization" of our customers' products, helping us address the needs of society and play an indispensable social role.

Establishing the ROHM brand as a provider of power and analog 4 semiconductors

With a particular focus on power and analog semiconductors for automotive and other industrial applications, we are working to inform customers and wider society of our deep commitment to quality and reliability. Our goal is to establish a firm connection between our brand and the provision of power and analog semiconductors, ensuring that ROHM becomes the first name customers think of when they think of those fields.

Targeting a position among the global top ten power and analog 0 semiconductor manufacturers with sales revenue of 1 trillion yen

We have established the goal of becoming one of the top 10 largest global providers of power and analog semiconductors, with annual sales of over 1 trillion yen. We have set these goals as we believe that we must expand the scope of our business to win the solid trust of our customers and play an indispensable role in society. We also believe that sales reflects the total value of our social contribution.

ROHM

ROHM Co., Ltd.

2030 **Becoming** a "major global player"

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. * Explained in the Glossary

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=¥145 ROHM products with effective demand: discrete, analog, etc.

ROHM's Position Power & analog device manufacturers ranked by share of worldwide sales (2023)

As part of its strategy for becoming a major global player in FY2030, in the field of power and analog semiconductors ROHM is aiming to become one of the top 10 manufacturers worldwide, with sales of 1 trillion yen. ROHM aims to reach this goal mainly through organic growth, yet it is also giving consideration to strategic alliances and M&A and is increasing its operating capital in order to reach its goal.

							(Millions of U.S. dollars)
	2023 Rank	2022 Rank	Company Name	2023 Sales	2022 Sales	'22-'23 Growth	2023 Share
	1	1	Texas Instruments	12,916	15,416	-16.2%	11.4%
	2	2	Analog Devices	10,837	11,142	-2.7%	9.6%
	3	4	Infineon Technologies	9,535	8,707	9.5%	8.4%
	4	3	Qualcomm	8,067	10,302	-21.7%	7.1%
	5	5	STMicroelectronics	7,915	7,007	13.0%	7.0%
	6	7	onsemi	5,311	5,136	3.4%	4.7%
	7	10	NXP	4,313	4,425	-2.5%	3.8%
	8	6	Renesas Electronics Corporation	4,243	5,158	-17.7%	3.8%
	9	8	Skyworks Solutions	3,855	4,447	-13.3%	3.4%
	10	9	MediaTek	3,827	4,441	-13.8%	3.4%
	11	11	Qorvo	2,820	3,272	-13.8%	2.5%
	12	12	Broadcom Limited	2,564	2,551	0.5%	2.3%
	13	15	Marvell Technology Group	1,965	1,882	4.4%	1.7%
	14	14	Microchip Technology	1,909	1,883	1.4%	1.7%
	15	16	ROHM Semiconductor	1,852	1,825	1.5%	1.6%
	16	17	Monolithic Power Systems	1,821	1,794	1.5%	1.6%
	17	13	Cirrus Logic	1,741	1,961	-11.2%	1.5%
	18	18	Mitsubishi Electric	1,703	1,497	13.8%	1.5%
	19	20	Fuji Electric	1,427	1,267	12.6%	1.3%
	20	23	Robert Bosch	1,306	1,044	25.1%	1.2%
Source: Co	mnetitive L	andscaping	Tool CLT Annual 2024				

FY2023 Results



* Operating profit for the period was 43.3 billion yen, but we are showing the details of 38.3 billion yen excluding general and administrative expenses and the settlement adjusted amount.

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

History of Innovation

1950s

> The challenge of producing radio

Developing the first small resistor in Japan

BOHM'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

fixed resistor," the first small resistor in Japan, and as

1954, he obtained utility-model rights for a "parallel-lead

Expanding demand from

manufacturers of

Transistor radio

parts:

Color TV

consumer products

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 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.



2000s

Globalization of the electronics market

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 mar-

major changes, and the company devoted effort to

adding more R&D topics, entering into collaboration

and shifting its business portfolio. ROHM's primary

ket; the company gradually expanded its automotive

ket, entered difficult times. Society was also undergoing

with universities, engaging in mergers and acquisitions.

focus was on aggressively entering the automotive mar-

product lineup to include items such as car audio prod-

ucts that capitalized on its consumer electronics tech-

more globally oriented and strengthening its worldwide

nology. The company also focused on overseas

setup for boosting sales

markets, making its product-development process

· LCD TV · Car navigation system



and electrification

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).

10	Started mass proc
	power devices
12	Started developme
	of isolated gate dr
13	Started developme
	of shunt resistors
15	Started developme
	C 11 1 11 C 1

29.3%

16.3%

20 20 20

20

FY2000

subsidiarv 2009 Acquired SiCrystal GmbH, a German SiC wafer manufacturer, as a subsidiary

Communication

Others

Computer & Storage

2008 Acquired OKI SEMICONDUCTOR Co., Ltd.

(now LAPIS Semiconductor Co., Ltd.) as a

Sales by application 4.7% Automotive 3.1% 24.0% Industrial Consumer

22.6%



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 Started development of ICs 1969
- 1979 Changed corporate trademark from R.ohm to ROHM



of society

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

1980 to 1990s

Advancing of the digitalization

- **1981** Changed registered company name to ROHM Co., Ltd.
- transistors
- arrays, and VTR digital servos
- Stock Exchange

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
1050	Established Taxa Electropics Industry

1958 Established Toyo Electronics Industry Corporation





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.

- 1982 Started development and sales of digital
- 1985 Commercialization of microcontrollers, gate
- 1989 Listed on the First Section of the Tokyo

2010s Growing needs for energy savings





Transforming the business portfolio: Ramping up development for the automotive and

duction and sales of SiC

- ent and mass production iver ICs ent and mass productior



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

Decarbonization is a pressing issue for society, and countries around the world are switching from gasoline-powered to electrified vehicles. Semiconductors play an increasing role in reducing energy consumption, and with expectations from society and customers growing, we are focusing on developing power and analog semiconductors in accordance with our business vision. In addition to expanding our development and mass-production system for power devices, particularly SiC, we are also speeding up how we supply power solutions, including peripheral components such as isolated gate driver ICs that maximize device performance.



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

* Explained in the Glossar



ROHM's Unique Qualities

As a manufacturer of semiconductors and electronic components, ROHM has accumulated design and manufacturing technologies, quality assurance technologies, and solution proposal capabilities for over 60 years since our founding. Developed over our long history, these technologies and capabilities can be characterized by four key features: integral technologies, IDM, a wide range of products, and customer orientation. Combined with a guality-first culture deeply ingrained in our employees, these features ensure the stable supply of high-quality products. Moving forward, ROHM will continue to focus on power and analog technology areas, where we can leverage our strengths to deliver the unique value that only ROHM can provide.

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 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 necessarv 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.

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.

Process

Employees' Perspective

Taking on the challenge of advancing integral technologies with a strong mindset to develop high value-added products

I work as a Product Marketing Engineer (PME*) for semiconductor switches called Intelligent Power Devices (IPDs). My job involves accurately identifying product market trends and developing products in anticipation of customer needs.

IPDs are products created through coordination between engineers specializing in manufacturing processes, packaging, and circuit design. They realize the previously challenging issues of heat suppression and low on resistance. These advancements were made possible thanks to ROHM's technologies and capabilities accumulated over more than 60 years of history. This technology offers a higher level of protection upon load short circuits and heat generation and is widely used in automotive and industrial equipment applications to improve safety and comfort.

ROHM's engineers have a mindset of gathering experience, element technologies and know-how to develop high value-added products that meet customer and market needs. I also believe that ROHM's great strength is its ability to propose products and solutions that maximize customer value and have a thorough customer support system by gathering

technologies accumulated over many years and utilizing integral technologies. Moving forward, we aim to contribute to solving energy issues and reducing environmental impact by developing products that promote energy savings and miniaturization. Additionally, we intend to focus on nurturing highly specialized human resources to further refine our unique development capabilities.



Lavout

Layout

Circuit

Design

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 consid-

eration of variations and other factors to

technology ensures reliability by prevent-

ing malfunctions caused by external fac-

tors such as noise or static electricity.

fully realize circuit performance. This

Tetsuo Yamato Group Leader, PME*G Power Management & Standard I SI Segment LSI Business Unit

For over 60 years, ROHM has pursued a quality-first approach to manufacturing. This is supported by our vertically integrated device manufacturing (IDM) business model. We complete all production processes within the Group, from raw materials to finished products, enabling us to establish a consistent quality assurance and stable supply system, and build a Business Continuity Management (BCM*) system that ensures continued supply even in natural disasters and other unexpected situations.

At ROHM, we manufacture in-house items typically outsourced, such as wafers, photomasks, lead frames, and even dies. This enables a level of traceability only possible through IDM and reflects the deep commitment of ROHM employees to the principle of quality first.

Vertically Integrated Production System



Employees' Perspective

Building a next-generation production line unbound by conventional thinking

Our next-generation post-process production line "flexible line*," is based on the concept of an unmanned, high-mix production line. When developing this, we had to significantly change our approach while basing it on existing process controls. ROHM Apollo Co., Ltd., with its expertise in process design, worked together with the Manufacturing Innovation Division and other business divisions at the head office, to realize a completely new production line that defies common practice. The ability to handle all aspects of manufacturing in-house through the IDM business model, including production lines, is ROHM's strength. This model allows seamless feedback of production process insights into design and development, enabling front-loading. Additionally, by developing many of our own production systems and product testing equipment, we can make improvements in production efficiency and reduce costs.

Our production lines are infused with an abundance of technology and know-how accumulated in the development Division Hirokawa Plant and tuning of manufacturing equipment since our founding, and operate at production sites around the world every day. BOHM Apollo Co. 1 td. I feel that the challenges in making further quality and productivity improvements hereon include both an aspect of having not yet achieved what we should, and an aspect of having to choose a new direction if we are to succeed. While steadily working on what we have cultivated so far, I think we should aim to maintain a perspective of breaking through the status quo with ideas that defy conventional thinking like the flexible line.



Rigorous quality control, stable supply, and cost competitiveness



Yuki Tanaka Manager, System Department AP Advanced Manufacturing



ROHM's Unique Qualities

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. ROHM has continued taking on challenges in response to market and customer needs, expanding its product range. As a result, we are able to offer comprehensive proposals that resolve customer issues.

Product Lineup



Sae Sugimoto

Automotive High Powe

Electric Power Train FAE

System Solutions Engineering

FA E2 Department

Headquarters

Solution G

Employees' Perspective

Enhancing our proposal capabilities by leveraging our strength in designing new circuits that combine various products

As a Field Application Engineer (FAE*), my job is to provide technical support and propose applications to customers. Specifically, I offer circuit proposals using ROHM products, provide application support, evaluate device applications, handle customer inquiries, and design evaluation boards and sets. I visit customers with sales and business unit engineers to resolve issues that arise during customer evaluations.

For example, while switching from Si to SiC enables high-speed switching, surges and the like can make SiC unusable. Since ROHM handles both Si and SiC, we can propose products that capture the characteristics of each and match customer needs. In this case, we proposed a circuit combining ROHM's ICs and general-purpose devices, successfully suppressing SiC surges and leading to customer adoption.

I believe our corporate culture that encourages tackling new technologies is unique to ROHM. We can design circuits that combine various products to form new technologies, and incorporate them into customer proposals. To leverage this strength in solving social issues, we need to develop products that customers truly need. I aim to gather feedback from customers about the functions and characteristics that ROHM currently lacks and provide this input to business units to drive next-generation development.



During the 1980s and 1990s, ROHM achieved significant growth through custom ICs. Our strength lay in our ability to respond to the latest needs rapidly and reliably while also developing products that were one step ahead. This proposal-driven business model has been passed down to the present, where we conduct product development and provide proposals with an emphasis on communication with customers.

When determining product development specifications, engineers familiar with both electronic device technology and ROHM's design and manufacturing capabilities carefully consider optimal circuit configurations, characteristics, and reliability to achieve the performance customers seek, also taking into account product functions and features, as well as the configuration of surrounding circuits. In the prototyping stage, we fine-tune characteristics based on customer validation results, enabling us to guickly provide products and solutions that optimize the characteristics of electronic devices.

Additionally, ROHM conducts an annual Quality Satisfaction Survey with customers. By gathering feedback not only on product specifications and quality but also on delivery and support systems, we carefully listen to customer opinions and strive to provide products and services that meet their quality requirements.

Our Ability to Plan and Propose Products that Anticipate Customer Needs

In areas with notable growth, such as xEVs, our strategy is to develop application specific standard products (ASSPs) already equipped with the functions required by markets. It is important to determine how best to incorporate functions based on market needs, and our Product Marketing Engineers (PMEs*) investigate the performance and functions required by markets worldwide and refine product planning accordingly. Field Application Engineers (FAEs*), who are well-versed in customers' development trends and other technical information, are responsible for proposing optimal solutions sought by customers and providing them with detailed technical support. With this dual structure of PMEs and FAEs, we are strengthening our ability to propose solutions on a global basis.

Employees' Perspective

Building trust with customers through our strong commitment to quality

As the Director of Sales for ROHM Semiconductor USA, my work revolves around selling ROHM's products to customers across various applications within the Southwest Region of the USA. This entails understanding the needs and requirements of our customers, providing them with tailored solutions, and ensuring satisfaction throughout the sales process.

An episode that highlighted the strength of ROHM's customer orientation occurred when we were working with a cus-**Clint Studebaker** tomer who required a highly specialized component. Despite initially facing challenges in meeting the exact specifications, ROHM's engineers collaborated and communicated closely with the customer to understand their requirements Director of Sales, SW Region OVERSEAS SALES (USA) thoroughly, and developed a customized solution that not only met but exceeded the customer's expectations. ROHM's AMERICAN SALES USA WEST culture is customer-centric and customer-oriented. We deliver the highest quality products and services to our customers, and instead of focusing solely on short-term transactions, we prioritize the establishment and maintenance of longterm relationships. This is supported by core values of integrity, trust, and ethical conduct in our interactions. To respond to evolving customer needs and contribute to solving social issues, ROHM must prioritize efforts to further strengthen our customer-oriented values and support systems. By staying true to customer-centric values while also addressing broader societal challenges, I believe ROHM will continue to prosper as a leading semiconductor company







Message from the President

We will contribute to solving social issues through power and analog semiconductors, and aim to become a company chosen by society and our customers as a major global player.

As efforts to realize a sustainable society accelerate around the world, companies are also emphasizing activities that help solve various social issues, such as environmental problems. For ROHM, these ideas are not new, and we have been contributing to the advancement and improvement of culture through the supply and manufacture of high-quality products based on the Company Mission that we have touted since our founding.

In the more than 60 years since our founding, the size of the company and its business environment have changed dramatically, but our Company Mission has remained constant, passed down from generation to generation as part of ROHM's DNA. With the importance of semiconductors growing as we advance toward the realization of a decarbonized society, we will build a stronger management foundation, both financially and non-financially, in order to meet the expectations of society and our customers and achieve dramatic growth toward FY2030, based on our Medium-Term Management Plan.

My mission as President, carrying on the company's founding spirit

While firmly inheriting the founder's ideas, such as the "Company Mission" and "focus on the field," the company will shift from conventional top-down management to sustainability management that emphasizes dialogue with a variety of stakeholders. In order to grow for the future, we will continue to build our foundations by emphasizing dialogue with our stakeholders and gaining their empathy.

The year 2020, when I became President, was a turning point for both society and for ROHM, with the passing of our founder and the COVID-19 pandemic. In the midst of requirements for great changes, as President, I have emphasized dialogue and unified ROHM to build a foundation for sustainable growth.

This is also the management style that I have always striven for, but it all started when I was transferred to the "Asuka Project," which was launched in 2001. The organization was jointly established by major semiconductor manufacturers in Japan to promote the development of cutting-edge technologies through an all-Japan effort, and brought together engineers from renowned manufacturers. The experience I gained there gave me a good opportunity to rethink my own career as a leader. In an environment filled with engineers with strong eccentricities and personalities, one-sided instructions did not move anyone. I learned that being frank and open with my

own thoughts to those around me, while at the same time listening to their thoughts, naturally brings people together. Since then, I have become more conscious of motivating my employees by managing in a way that people can empathize with.

What I also learned from the founder, Kenichiro Sato, was that "the field is the most important." When I was making frequent long-term business trips to our Group companies in the U.S., Mr. Sato would also often visit the same factories and engage in dialogue with each employee. Watching Mr. Sato drilled into me the idea that by being in direct contact with factory operators and observing the field closely, I would be able to have my own thoughts that would be resonant and persuasive to those around me. I will guide ROHM as a leader who is field-oriented and interacts and empathizes with employees, based on my own experience and the teachings of our founder.

Isao Matsumoto

President (Representative Director), Chief Executive Officer



Message from the President



Leveraging ROHM's strengths in power and analog semiconductors to become a major global player

Stable growth centered on power and analog semiconductors is anticipated due to the increase in automobile production and the promotion of vehicle electrification. The company aims to become a "major global player" by FY2030 by achieving significant sales growth mainly in the automotive and overseas markets.

In 2021, ROHM launched its Medium-Term Management Plan "Moving Forward to 2025." The formulation of this Medium-Term Management Plan was a new challenge for ROHM. In the Plan, we have set the goal of becoming a "major global player" by FY2030. This means that we will aim to earn the trust and confidence of society and customers with all of our products, including power and analog semiconductors for the automotive and industrial equipment markets, on which we are focusing our efforts; have brand power that makes "ROHM" the first name that comes to mind when customers need semiconductors and electronic components; and be recognized as a company essential to society. These three ideas are built into our ambition. Put simply, the definition is "to continue to be a company that is absolutely necessary in the world." Our quantitative goals are to become one of the world's top 10 companies in the fields of power and analog semiconductors, which we are focusing on, and to achieve net sales of 1 trillion yen.

Backcasting from those goals, we formulated "Moving Forward to 2025" as a five-year plan to build a solid management foundation. Our financial targets for FY2025 are net sales of 600 billion yen or more, operating margin of 20% or more, and ROE of 9% or more. Looking back, the two years from FY2021 started out well in the midst of the pandemic, thanks to special demand for semiconductors and the weak yen.

However, in FY2023, the third year, sales and profits were down year on year due to the slowdown in the overall market and inventory adjustments by customers. Net sales increased in the automotive market, our focus market, but fell below the previous year's level in other markets, including the industrial equipment market. Due to a significant increase in the fixed cost burden associated with aggressive investment in the SiC power device business, our operating margin also declined significantly.

We are also expecting extremely tough results for FY2024, due in part to the increase in fixed costs associated with capital expenditures over the past two years. However, we recognize that this is also the bottom of the market now, and we will work to improve earnings once again over the next year. As part of this effort, we changed the duties of our directors in April 2024. This is a time-limited measure to clarify responsibilities in each area of business and to promote much more powerful business execution. Sales and earnings reached a plateau in the third year of the Medium-Term Management Plan, and the company is entering a difficult phase. In such an environment, our directors will be much more closely aligned and united with the field as we resolve to get back on the growth track towards attaining our Medium-Term Management Plan. On the other hand, our policy of greatly expanding power and analog semiconductors, especially in the automotive and

overseas markets, remains unchanged. In the automotive market there is a high-profile slowdown in the EV market and the current growth rate is slackening. Nevertheless, stable growth centered on our focus fields of power and analog semiconductors is expected, due to the increase in automobile production and the promotion of vehicle electrification. Specifically, in power devices, we aim to achieve the goals of the Medium-Term Management Plan by expanding our market share of SiC power devices in traction inverters for EVs, and by increasing the net sales ratio of strategic top 10 products in ICs, including those of Lapis Technology.* In particular, demand for SiC power devices for EVs is expected to grow steadily in the future, and we believe that quickly establishing a supply system that can stably meet such demand will help us

* Effective April 1, 2024, ROHM merged with Lapis Technology, formerly a wholly owned subsidiary of ROHM.

Business model transformation to become a major global player

For further growth, it is essential to reform the business model in readiness for market changes and geopolitical risks. Collaboration with other companies and M&A will always be considered. In preparation for the business alliance with Toshiba's semiconductor business, which has a high affinity with our operations, we will strengthen cooperation in all business activities, including technology development, production, sales, procurement, and logistics, with the aim of increasing the corporate value of both companies.

In becoming a major global player, we must keep an eye on market changes and geopolitical risks. In terms of markets, we operate in the automotive, industrial equipment, and consumer electronics fields, and by region, we operate primarily in Japan, but also in China, other Asian countries, Europe, and the Americas. If we become too biased toward a particular customer or region, sales of the company will plummet when a sudden problem arises. We strive to build a well-balanced business design to avoid such a situation. For example. in the SiC power device business, we are not dependent on a specific regional customer, but have more than 130 worldwide customers who have decided to adopt our products. We intend to take firm measures against geopolitical risks, including the dispersal of our production sites.

In addition, we will promote M&A and collaboration with other companies, while continuing to pursue organic growth as a basic policy. One example is the power semiconductor manufacturing collaboration we are pursuing with Toshiba Electronic Devices & Storage. The project has been approved for a grant from the Ministry of Economy, Trade and Industry as a measure supporting the Japanese Government's target of secure and stable semiconductor supply, and ROHM expects to receive up to 96.4 billion yen.

improve our international competitiveness in power and analog semiconductors. Therefore, in the announcement of financial results for FY2023, we announced an increase in growth investment from 600 billion yen to 700 billion yen for the years FY2021 to FY2025, including government subsidies. Capital expenditure percentage in sales continues to be high, and although it is a heavy burden, we believe it is essential to make strategic investments to capture market share in our focus products, particularly SiC power devices.

In order to achieve the goals of the Medium-Term Management Plan and recover our business performance in FY2025, the final year of the plan, we will make a thorough review in FY2024 to build a solid management foundation and enhance our corporate value.

ROHM and Toshiba have many overlapping business areas, including analog ICs, logic ICs, microcontrollers, and small-signal devices, as well as the power devices where our manufacturing collaboration is already underway. Since the categories of products we focus on are close and have a high affinity for each other, we believe that we can generate significant synergies. Therefore, ROHM participated in taking Toshiba private in 2023. In June 2024, discussions began to enhance the corporate values of both companies by strengthening collaboration in all business activities, including technology development, production, sales, procurement, and logistics, with Toshiba Electronic Devices & Storage's semiconductor business. Over the next year, we would like to move the conversation forward firmly, leading to a better form of collaboration.

We understand that the lack of concrete explanations on this matter has raised concerns from the market. Please understand that we will endeavor to find a path for collaboration as soon as possible, and to communicate the details of such collaboration. Despite the difficult market environment, we will strive to create a solid track record of growth and clearly communicate ROHM's intentions to shareholders and stakeholders.



Message from the President

Improving the quality of the company by achieving human capital management

One of the major issues ROHM needs to address is human capital management, and the Board of Directors began discussing this in earnest in FY2023. We aim to establish a foundation for becoming a major global player by developing human resources and creating a corporate culture that shares the Company's vision and respects people's autonomous growth and diversity.

We believe that in order to become a company trusted by our stakeholders, it is important to improve the quality of the company, and we are promoting the advancement of sustainability management with ONE ROHM. We recognize that human capital management, including DE&I*, is one of the key issues, and the Board of Directors began deep discussions on this issue in FY2023.

The Board first discussed the overall human capital management story. We have set forth our Basic Policy and Management Vision as the company's vision, and our longterm goal is to become a major global player. When we identified the human resources required to achieve this, we came to the conclusion that we need people who share our Corporate Philosophy and vision, and are able to grow autonomously while respecting diversity. The challenge here is to acquire and train such human resources on a global level and to change their awareness. To that end, ROHM has been implementing a variety of initiatives in recent years. One initiative was the establishment of the Human Resources as

Business Partner (HRBP) in the Human Resources Department at the head office in April of this year. We will take on the role of working closely with each business and Group company to solve strategic and human resource issues, such as acquiring and developing global talent that will contribute to the sustainable development of the entire group on the world stage. Beyond that, we will also contribute to the development of highly skilled human resources with autonomous and growth-oriented mindsets, and build our foundation for becoming a major global player. A culture of dialogue is indispensable for changing awareness toward respect and mutual recognition of diversity, and we hope to foster an environment and culture in which people can speak frankly regardless of their position

The Board of Directors will continue to discuss this issue so that it can lead to sustainable business growth and mediumto long-term enhancement in corporate value. *DE&I: Diversity, Equity, and Inclusion

Further strengthen corporate governance to maximize corporate value

In order to overcome the tough times and achieve the Medium-Term Management Plan, an outside director will chair the Board of Directors and promote governance reform.

ROHM constantly pursues the best corporate governance in order to realize its objectives and policies, including the Company Mission and Basic Management Policy. Based on the recognition that ROHM is supported by all stakeholders, we believe that the company's operations and actions must be rooted in fairness, soundness, and transparency.

Governance reform efforts have produced steady results, including increasing the ratio of independent outside directors and continuing discussions on the composition of compensation and how directors should hold shares in the company. From April 2024, we have asked Tadanobu Nagumo, an outside director, to chair the Board of Directors, a position previously held by the President. When I was chairperson, there

were lively exchanges of opinions, but on the other hand, I began to feel uncomfortable with the fact that my comments and thoughts as President would also be those of the Board's chairperson. Mr. Nagumo, who served as President and Chairman of Yokohama Rubber Co., Ltd., has a wealth of knowledge and experience, and a proven track record of proactively promoting global strategies. With Mr. Nagumo as chairperson, it has become easier for me to express my opinions frankly, and I think we have more active discussions than before.

In addition. Ms. Aiko Kozaki, who has been appointed as an outside director, will join the Board of Directors and the Sustainability Management Committee. We look forward to

her advice on how to realize management that integrates both financial and non-financial aspects of the company, based on her extensive experience in business creation through the utilization of her expertise in sustainability finance. We also expect her to actively communicate with our employees and support the creation of an environment in which a diverse range of employees can take on challenges.

In June 2024, we reviewed our policy and system for directors' stock compensation with the aim of further deepening value sharing with our shareholders. In order to become a major global player, we will continue to search for the optimal compensation system that will lead to the sustainable enhancement of corporate value.

To become a company that continues to support people's affluent lives and social development 50 years and 100 years from now

Although it is difficult to predict the future 100 years from now, ROHM will continue to hold on to its founding belief that it will be a company that produces good products and is useful to society.

The outlook for the global economy is uncertain due to a variety of factors, including geopolitical risks. However, in the electronics market, in addition to further promotion of energy-saving measures to combat climate change and to achieve a decarbonized society, investment in factory automation and digitalization is expected to continue in many countries. In particular, in the automotive and industrial equipment markets, which ROHM has been focusing on, technological innovation is progressing with a focus on electrification in order to reduce environmental impact and achieve carbon neutrality. Power and analog semiconductors are key to that process. One of the major developments in recent years has been the spread of AI. There is concern that the spread of AI will expand the demand for servers which consume large amounts of power. I believe that ROHM's power and analog technologies can contribute in that kind of situation as well.

As society and our customers' expectations of us grow, we believe that ROHM's mission is to solve social issues through electronics (products and technologies), and we have clearly stated this in our Statement and Management Vision. Based on them, until around 2050, we will continue to hold on to our desire to be a company that is useful to society by using electronics technology to solve the world's problems and to create products that enrich people's lives. For further years, say



100 years from now, it is of course impossible to predict the future with accuracy. What we can say, however, is that our Company Mission since the foundation of the company, "contributing to the advancement and progress of culture through the consistent supply of good products in large quantities, on a permanent basis both domestically and internationally," will continue.

"High-quality products" 100 years from now might not be electronics, but if we conduct business activities based on our Company Mission, we will create new products that are useful to society. To that end, we will build a solid management foundation. I will take the lead in striving to contribute to the environment and society through our technologies and products under the Basic Management Policy, to "secure reasonable profit through a concerted company-wide effort for a comprehensive quality assurance program."

We thank all of our stakeholders for their understanding and support.

September 2024 President Chief Executive Officer

(Representative Director), Isao Mata

ROHM's Value Creation Process



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.

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

ROHM's Features and Strengths Action Areas for Further Strengthening

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

- Strategic development of R&D themes to expand existing products and technology portfolio Development capability to maxi-
- mize value by integrating elemental technologies →R&D system in cooperation with product development and man-
- ufacturing divisions Open innovation
- Research advancing themes in industry-academia collaboration
- Evolution of Technologies to Contribute to the Advance and Progress of Culture Strengthening Sustainable Technologies, Developing and plying 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. Product Planning ▶P.8, 11

Our strategy is to develop, in advance, application specific standard products (ASSPs*) equipped with the functions required by markets, Product marketing engineers (PMEs) investigate the performance and functions required by markets worldwide, and then refine product planning from the perspective of how best to incorporate functions based on market needs.

ROHM's Features and Strengths Action Areas for Further Strengthening

Major Capital and Resources

ough knowledge of cutting-edge

technologies and the authority to

Trusting relationships with customers

Accumulated knowledge of market

needs and customer requirements

develop new products)

Intellectual capital

Social capital

Human and intellectual capital Advanced integral technologies PME* (Human resources with a thorfrom experienced product developers

- Ability to plan products that anticipate customer needs
- Serving customers around the world by dispatching our PMEs to overseas centers
- Evolution of Technologies to Contribute to the Advancemen and Progress of Culture Strengthening Sustainable Technologies, Developing and plying Innovative Products
- Enhancing/developing PME human resources Increasing PME headcount (planning and development of unique products)

3. Product Development ▶P.8, 10, 11

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

Extensive core technologies utilizing

meeting customer needs

Trusting relationships with

Intellectual capital

Social capita

customers

ROHM's Features and Strengths Action Areas for Further Strengthening

- Human and intellectual capital High-value-added product devel-Abundant development human capital opment 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
- Evolution of Technologies to Contribute to the Advanceme and Progress of Culture trengthening Sustainable Technologies, Developing and upplying Innovative Products
- Enhancing/developing product development human capital Securing highly skilled technical human resources through the introduction of a specialist system
- · Enhancing the ratio of sales to overseas customers through strengthened development of high-value-added products

Stable Supply of High-quality Products

Strengthening Product Safety and Quality

▶P.39

6. Sales/Customer Support ▶P.10, 11

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

Human and intellectual capital FAEs*, sales human resources

Major Capital and Resources

Social capital Trusting relationships with customers

- tomer's point of view Sales human resources capable of QCDS (Q: Quality, C: Cost, D: Delivery, S: Service/Satisfaction)
- Strong trusting relationships with customers through direct sales, customer-focused systems

on power and analog

energy in manufacturing

processes

processes

5. Manufacturing ▶P.9, 38

To ensure quality in-house, we have become an IDM providing a complete production process from materials to finished products within the Group. In addition, we develop our own production equipment to improve production efficiency and reduce costs.

ROHM's Features and Strengths Action Areas for Further Strengthening

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

Major Capital and Resources

flexible capital investment

A worldwide production network

Water, electricity, metals, gases, raw materials. etc.

4. Procurement ▶P.66

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.

ROHM's Features and Strengths Action Areas for Further Strengthening

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

 Stable supply chain management through multi-supplier purchase

20 ROHM Co., Ltd.

IDM*

Social capital Trusting relationships with customers/suppliers Financial capital Robust financial foundation enabling

Manufacturing capital

Environmental capital

Major Capital and Resources • 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)



ROHM's Features and Strengths Action Areas for Further Strengthening

- · Solution proposals from the cus-
- Evolution of Technologies to Contribute to the Advancem and Progress of Culture
- Strengthening Sustainable Technologies, Developing and pplying Innovative Products
- · Proposing solutions through the integrated work of our sales teams and FAEs to increase the proportion of sales made to overseas customers
- · 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
- · Manufacturing technology development capabilities with a focus
- Robust quality assurance and supply system based on integrated manufacturing system of front-end, back-end, and testing
- Actively introducing renewable
- Risk Management
- Mitigation of Climate Change
- Ensuring the Health and Safety of Employee
- Effective Use of Resources
- Reducing GHG emissions, water resources used, and waste volume, and conducting rigorous chemical substance management
- Accelerating productivity improvement and automation of assembly process (utilizing elemental technologies of flexible lines*)
- Using multiple manufacturing sites and OSAT*
- Promoting zero defects

- Sustainable Supply Chain Managem 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 major global player 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.



pportunities		Examples of major stakeholder initiatives
ustomer visits and and technical quality satisfaction	>	 Improving our systems for proactively gaining an understanding of customers' needs and linking those needs to product planning P.8, 11 Providing comprehensive solutions to customers' need for miniaturized products with low energy usage P.10, 11 Improving customer quality satisfaction score and harnessing the results of that survey to produce improvements P.39
veys le company priefings histleblowing	>	 Enhancing job satisfaction by fostering a corporate culture that creates challenges → P.46 Improving the scores in our engagement survey and harnessing the results to produce improvements → P.48 Promoting diversity → P.48, 49 Ensuring the health and safety of employees → P.49
ocurement irement through ion of CSR ent	>	 Increasing CSR procurement from suppliers with strong BCM and ESG systems
of Shareholders etings for (2)* briefing	>	 Feeding back the opinions and requests received through our IR activities to our management and reflecting them on operations P.85 Improving our disclosure and IR tools to promote more substantial dialogue with shareholders and investors P.85 Expanding our disclosure on ESG initiatives P.26
rom our manufac-		 Reducing GHG emissions, water resource usage, and
he following three		waste production, thoroughly controlling the use of chemical substances
chools to hold lec-		 Promoting stronger dialogue with communities hosting our facilities, supporting biodiversity
in a dia a sur incor		