

# Our Past Key Strategies and Progress of the Medium-Term Management Plan

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. At present, we are working to further strengthen our management foundation under the Medium-Term Management Plan formulated in FY2021.

## Major strategies from FY2016 onward

Setting market reform, product reform, and production innovation as the themes of our management strategy, we undertook business portfolio transformation and structural reforms, together with changes in our business model that had been focused on Japanese customers of the consumer equipment market. We set a new focus on automotive, industrial equipment, and overseas markets, and worked to strengthen our

lineup of power and analog semiconductors, and other products that had been our strength.

The result was expansion of our sales composition ratio for automotive and industrial equipment products to 48% and recovery of sales to well over 300 billion yen. To place the company on a full-scale growth trajectory, however, we had to further strengthen our management foundation.

## The positioning and goals of our Medium-Term Management Plan

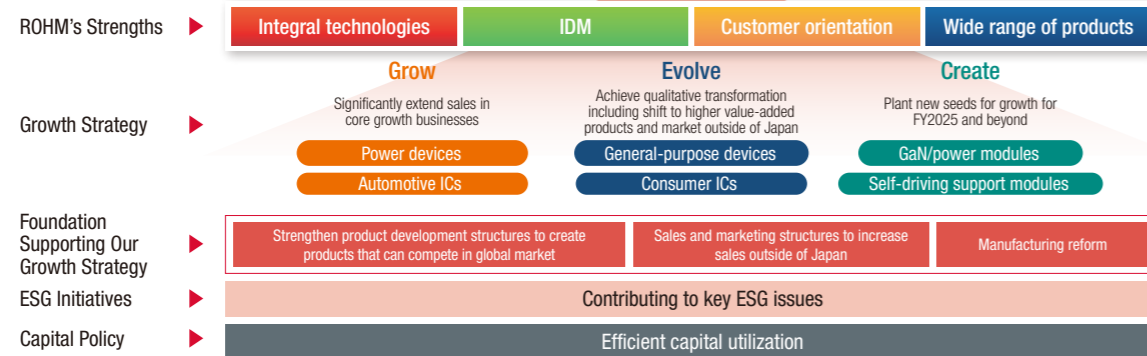
"MOVING FORWARD to 2025," our first Medium-Term Management Plan announced in FY2021, is a five-year plan for building a solid management foundation that will achieve growth in the automotive and overseas areas, with a view toward dramatic growth as we approach FY2030. Under an overall strong

semiconductor market, we made steady progress through its second year. In FY2023, however, the third year of the plan, market stagnation and customer inventory adjustments created difficult conditions. To achieve our plan for FY2025, we will work to improve earnings and return to a growth track.

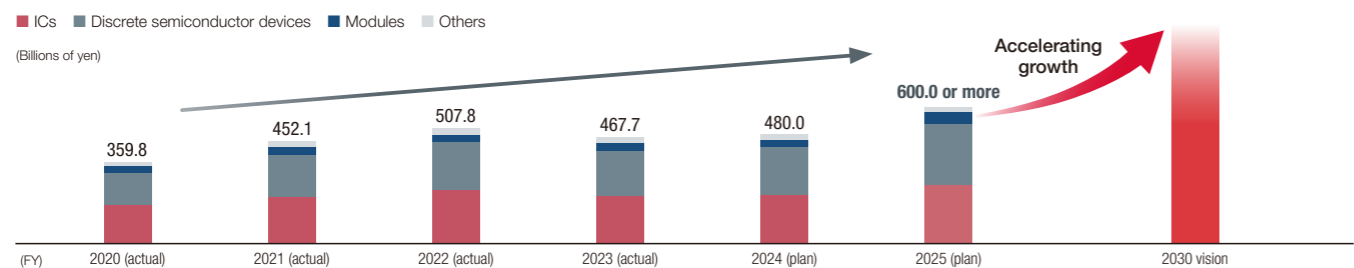
### Overview of Management Policy

**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

**Vision for FY2025** Achieve growth in "automotive segments" and "market outside of Japan" and build a foundation for further growth



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



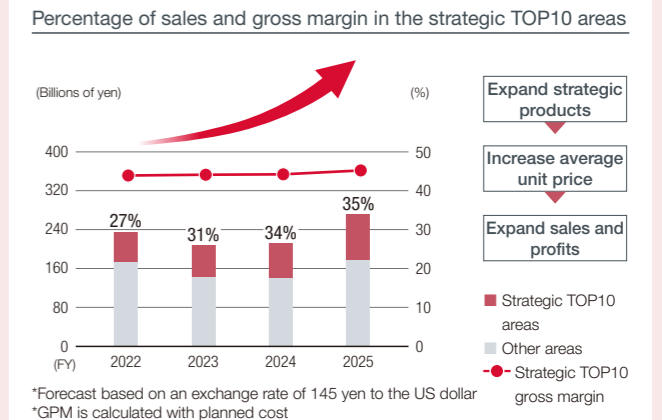
Financial Goals	FY2020	FY2021	FY2022	FY2023	FY2025 targets
Operating profit ratio	10.7%	15.8%	18.2%	9.3%	20% or higher
ROE	5.0%	8.3%	9.2%	5.7%	9% or higher

## Progress on the Growth Strategy

### IC Business ▶ P.52

#### Expand sales and profit by enhancing strategic products

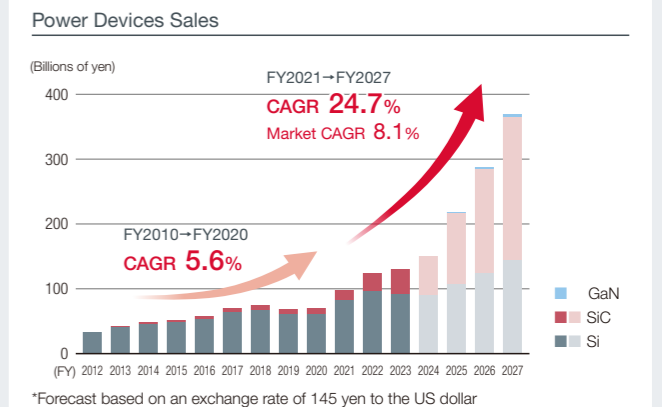
We had built up a track record of providing products customized for specific customers, primarily for the consumer equipment market. Taking development efficiency and excess dependence on customers into consideration, however, a degree of versatility must be built into some products. We are now advancing a strategy for the development of application specific standard products (ASSPs) that meet shared market needs at a high level in each market based on research done in advance. By raising the sales composition ratios of the high-value-added ASSP strategic TOP10 products, including isolated gate driver ICs and LED driver ICs, we plan to improve the profitability of the IC business overall.



### Discrete Semiconductor Devices Business ▶ P.54

#### Raise the top line and grow into a core business

ROHM is engaged in two businesses related to discrete semiconductor devices: power devices and general-purpose devices. Power devices are expected to grow in the future as they can contribute greatly to energy savings and miniaturization. In the SiC power device business, which can contribute to a decarbonized society, we aim to build a system that can provide products beginning with wafer materials and attain the top market share in the industry. In the general-purpose device business, we will continue to secure further earnings and maintain the top market share by further improving productivity through measures such as the introduction of elemental technologies of flexible lines.



## Progress on Non-Financial Goals

	Goals	Main Initiatives in FY2023	Main Results in FY2023
Environment	• Reduce GHG emissions by 50.5% by FY2030 (vs. FY2018 levels)	• Upgraded to highly efficient chiller at plant in Thailand • Reduced heavy fuel oil use by upgrading once-through boiler at LAPIS Semiconductor's Miyazaki plant	• 34.9% reduction in GHG emissions (vs. FY2018 levels)
	• Advancement toward 100% implementation of renewable energy by FY2050	• Achievement of 100% renewable energy at manufacturing site in the Philippines	• Renewable energy ratio: 43.0% (19 percentage point increase vs. FY2022)
	• Zero emissions	• Effective use of sulfuric acid waste liquid	• Domestic consolidated: Zero emissions, Overseas consolidated: 95.9% (Domestic and overseas consolidated: 98.6%)
Diversity and Employees	• Reach global female manager ratio of 15% or higher • Increase the ratio of head office executives who are female and/or foreign nationals to 10%	• Promote career development for women	• Global female manager ratio: 13.0% • Maintained 23% ratio of head office executives who are female and/or foreign nationals
	• Reach employee engagement score above industry average	• Conducted employee engagement survey at the head office • Creating opportunities for "dialogue" among employees	• Conducted second employee engagement survey at the head office, resulting in decrease of 1 point from the previous survey
Customers	• Customer quality satisfaction score: 10% improvement (vs. FY2020)	• Provided feedback on survey results to customers	• Customer quality satisfaction score improved by 4.5% (vs. FY2020)