

Electronics for the Future



# ROHM Integrated Report 2024

ROHM Co., Ltd.

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#### Editorial Policy

ROHM publishes this Integrated Report as a tool for communication with shareholders, investors, and other stakeholders to promote further understanding of our unique business model and our initiatives to sustainably enhance our corporate value. To strengthen the connection between financial and non-financial information, we have enhanced our financial logic tree to show how non-financial initiatives in particular lead to the enhancement of our corporate value. Building on the previous report, this year's report features more messages from employees and delves deeply into how ROHM's culture and DNA, both of which place importance on quality, positively impact our business model and give rise to innovation.

While valuing two-way communication with our stakeholders, ROHM will continue to aim for sustainable development. We hope that this report will aid readers in understanding ROHM's value creation story.

#### Reporting Period

Fiscal year 2023 (April 1, 2023 to March 31, 2024) \*Some information from April 2024 and after is included.

#### Data Published

November 2024

#### Guidelines Used for Reference

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

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## 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/investor-relations/library/annual-interim-securities-business-report>



### Fact Book

We prepare a collection of materials for investors and shareholders, summarizing facts about financial results and financial position.

<https://www.rohm.com/investor-relations/library/factbook>



### 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>



### 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.

"ROHM Co., Ltd.," "ROHM non-consolidated," "Head Office" refers to ROHM Co., Ltd. as a non-consolidated entity.

## 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.



### 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.

### Material Issues Risks and Opportunities

➤ P.24-27

### 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.

**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.28

**2030****Becoming a  
“major global player”****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.

**1 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.

**2 Establishing the ROHM brand as a provider of power and analog 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.

**3 Targeting a position among the global top ten power and analog 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.

## 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

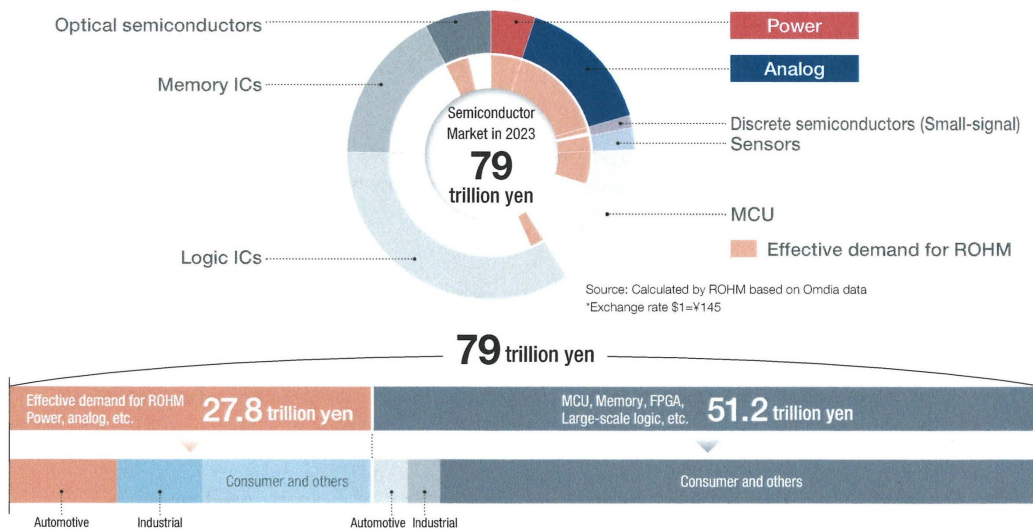
Silicon carbide (SiC) power devices can achieve significantly lower loss and miniaturization compared to conventional silicon (Si) semiconductors. Amid ever-growing needs for energy savings, ROHM has been a global pioneer in the development and enhancement of its SiC power devices lineup, which has been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

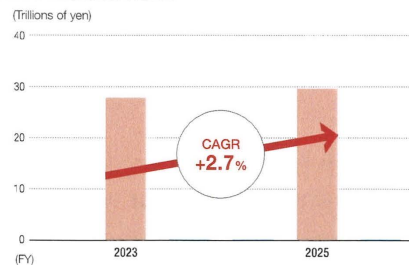
Analog technologies are elemental technologies that process continuously changing information as electrical signals. These are widely applied to power supply control circuits that support the stable operation of electronic equipment, motors, and more. Electronic equipment demand will continue its dramatic 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)



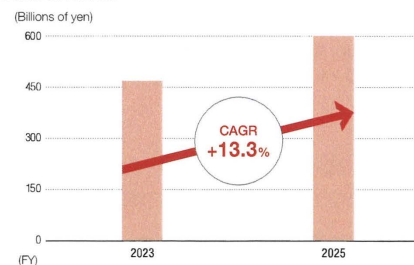
Source: Calculated by ROHM based on Omdia data  
\*Exchange rate \$1=¥145

#### Effective Demand for ROHM



ROHM products with effective demand: discrete, analog, etc.

#### Net Sales of ROHM



Source: Calculated by ROHM based on Omdia data

\*Exchange rate \$1=¥145

### 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%       |

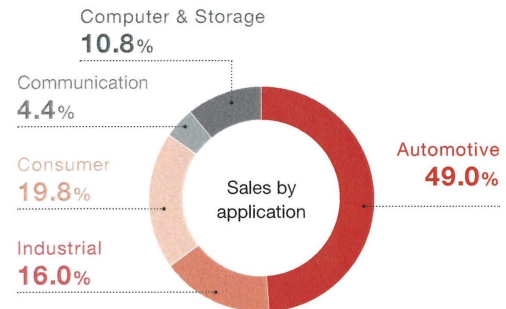
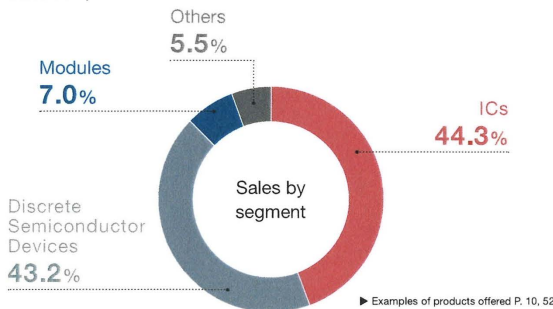
Source: Competitive Landscaping Tool CLT, Annual 2Q24

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

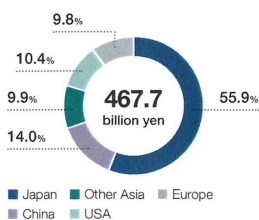
### FY2023 Results

Net sales **467.7** billion yen

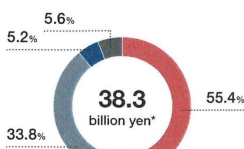
Sales composition



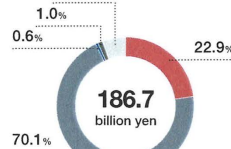
Sales by region



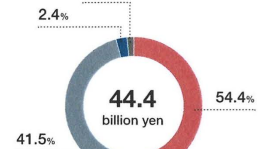
Operating profit



Capital expenditures



R&D expenses



\* 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.

## 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 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

**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.

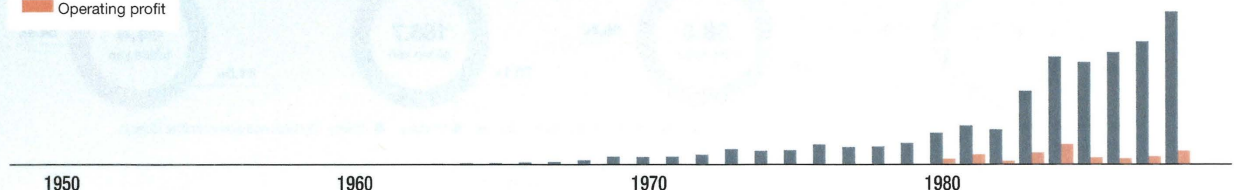
**1982** Started development and sales of digital transistors

**1985** Commercialization of microcontrollers, gate arrays, and VTR digital servos

**1989** Listed on the First Section of the Tokyo Stock Exchange

Net sales/Operating profit

■ Net sales  
■ Operating profit



## 2000s

## Globalization of the electronics market

- LCD TV
- Car navigation system



## ► Boosting R&amp;D and embracing M&amp;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.

**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 mass production and sales of SiC power devices
- 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

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

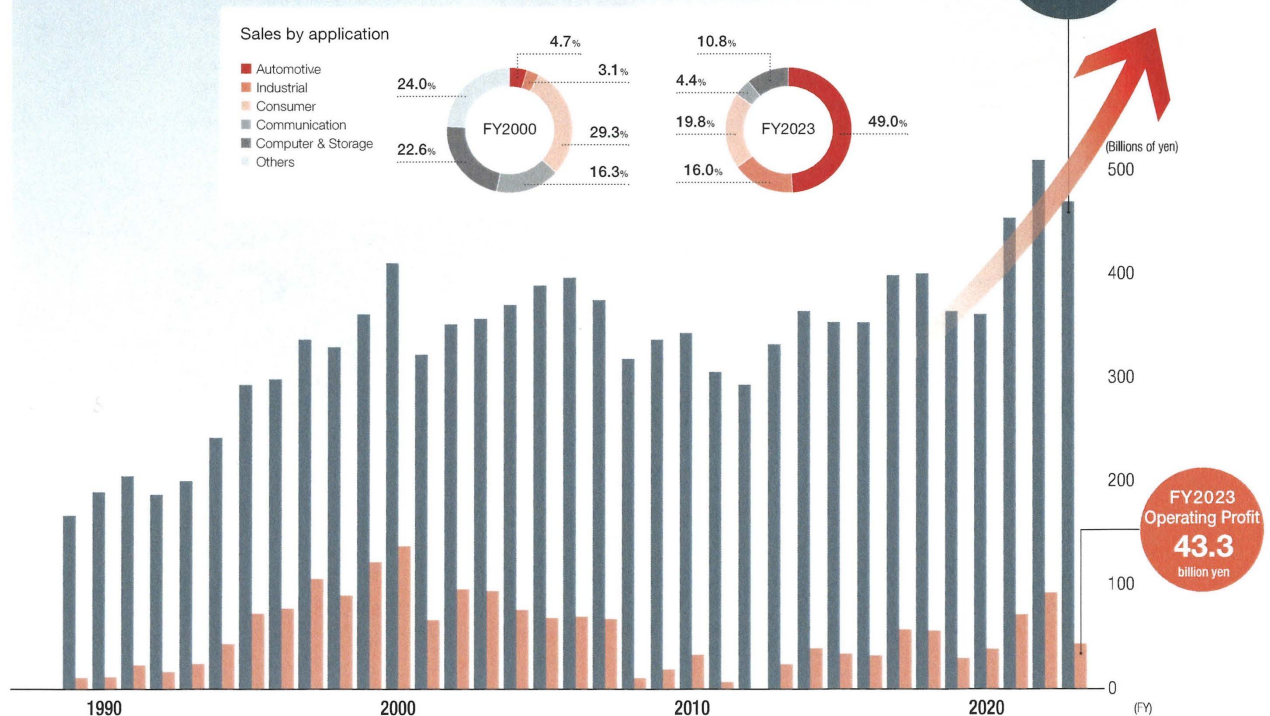
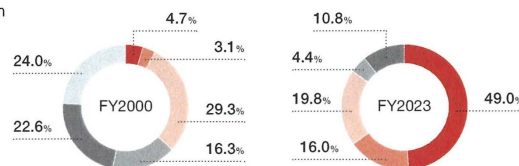
**2021** Formulated the Medium-Term Management Plan "Moving Forward to 2025"

**2022** Transferred from the First Section of the Tokyo Stock Exchange to the Prime Market

\* Explained in the Glossary

Sales by application

- Automotive
- Industrial
- Consumer
- Communication
- Computer & Storage
- Others



## 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 quality-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

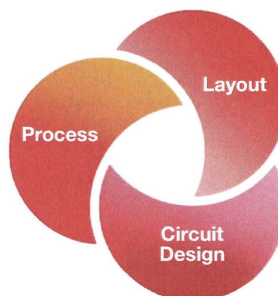
We develop the manufacturing processes that will be necessary in the future by working closely with design engineers who are familiar with customer requirements and expectations. The wafer processes are optimized by adjusting factors such as pressure resistance, size, and device characteristics.

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.

#### 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.



#### 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.

### 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.

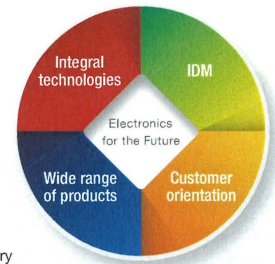
IPDs are products created through coordination between engineers specializing in manufacturing processes, packaging, and circuit design. They realize the previously challenging issues of heat suppression and low on resistance. These advancements were made possible thanks to ROHM's technologies and capabilities 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.



**Tetsuo Yamato**

Group Leader, PME\*G  
Power Management &  
Standard LSI Segment  
LSI Business Unit

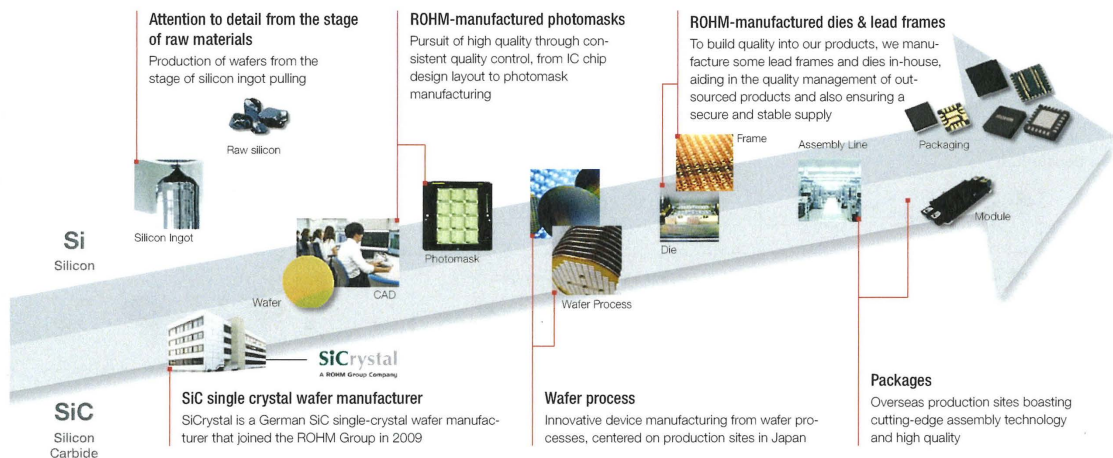


\* Explained in the Glossary

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

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<sup>\*</sup>) 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<sup>\*</sup>," 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 and tuning of manufacturing equipment since our founding, and operate at production sites around the world every day. 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.

**Yuki Tanaka**

Manager, System Department  
AP Advanced Manufacturing  
Division  
Hirokawa Plant  
ROHM Apollo Co., Ltd.

## 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

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



#### Video ICs



#### SiC Power Devices



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



#### Transistors



#### Diodes



#### LEDs / Laser Diodes



#### Resistors



#### Thermal Printheads



### 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.



**Sae Sugimoto**

Automotive High Power  
Solution G  
Electric Power Train FAE  
Section  
FA E2 Department  
System Solutions Engineering  
Headquarters

## Customer orientation

## Solution proposals from the customer's point of view

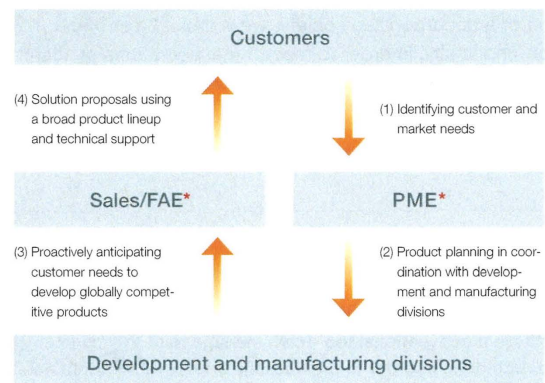
During the 1980s and 1990s, ROHM achieved significant growth through custom ICs. Our strength lay in our ability to respond to the latest needs rapidly and reliably while also developing products that were one step ahead. This proposal-driven business model has been passed down to the present, where 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 quickly 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 customer 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 thoroughly, and developed a customized solution that not only met but exceeded the customer's expectations. ROHM's 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 long-term 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.



**Clint Studebaker**

Director of Sales, SW Region  
OVERSEAS SALES (USA)  
AMERICAN SALES USA WEST

## 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.

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### 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.

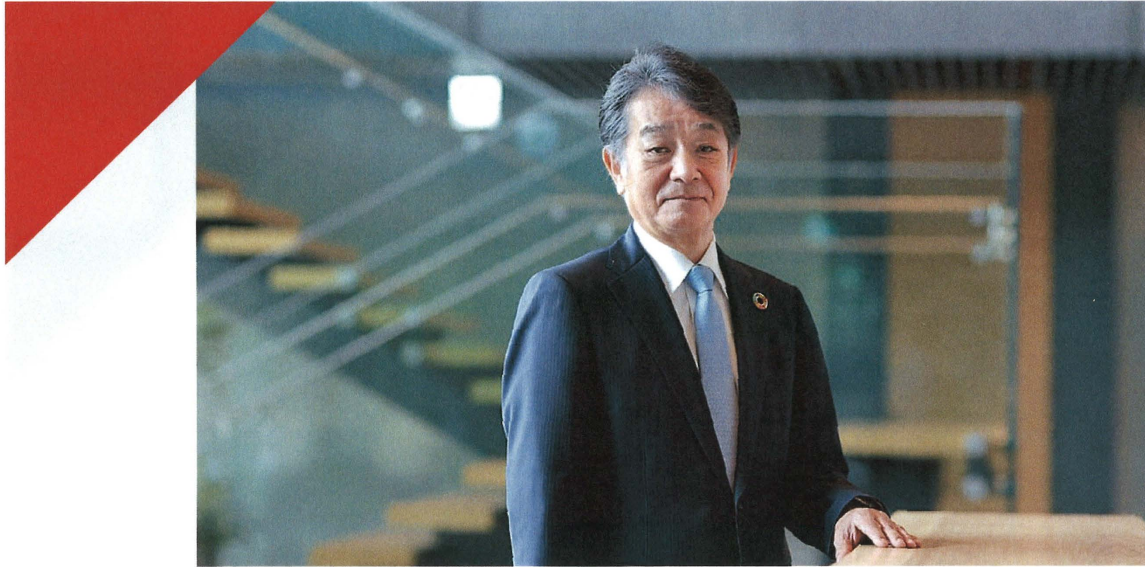


**Isao Matsumoto**

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

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.

\* 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.

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 long-term 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 medium- to 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  
(Representative Director),  
Chief Executive Officer

## 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.

### Social Issues

▶P.24

#### 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.26

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                   | 65.3%             |
| Market capitalization          | 937.2 billion yen |
| Equity                         | 968.1 billion yen |
| Cash and deposits + securities | 244.5 billion yen |

#### Manufactured Capital

|                                                                                              |                   |
|----------------------------------------------------------------------------------------------|-------------------|
| Capital expenditures (past 5 years)                                                          | 475.9 billion yen |
| Domestic production bases                                                                    | 12                |
| Overseas production bases                                                                    | 9                 |
| Manufacturing technology development (internal development to improve production efficiency) |                   |
| Capital expenditures for increasing production capacity (past 5 years)                       | 252.9 billion yen |
| Capital expenditures for quality improvement (past 5 years)                                  | 10.4 billion yen  |

#### Intellectual Capital

|                                                               |       |
|---------------------------------------------------------------|-------|
| Expertise accumulated in-house over many years of development |       |
| R&D expenses as a percentage of sales                         | 9.5%  |
| Universities we have industry-academic partnerships with      | 28    |
| Industry-academia collaborative research projects             | 50    |
| Number of patents held (FY2022 results)                       | 9,310 |

#### Human Capital

|                                                                                      |                                |
|--------------------------------------------------------------------------------------|--------------------------------|
| Employees (consolidated basis)                                                       | 23,319                         |
| Of these, 16,606 are foreign employees                                               |                                |
| R&D personnel                                                                        | 3,170                          |
| Percentage of female employees                                                       | 27.7%                          |
| New graduates hired                                                                  | 163 (non-consolidated basis)   |
| Mid-career hires                                                                     | 86 (non-consolidated basis)    |
| Engineers (STEM*-related positions)                                                  | 2,399 (non-consolidated basis) |
| * 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                  | 11,588,000 m <sup>3</sup> |
| Total energy use                          |                           |
| Total consumption of non-renewable energy | 917,000 MWh               |
| Total consumption of renewable energy     | 700,000 MWh               |

\*FY2023 actual values

### Business Model

▶P.20



### ROHM's strengths

▶P.8

Integral technologies

IDM

Growth Strategy /  
Medium-Term Management Plan



## Impact

Development of products that contribute to energy conservation

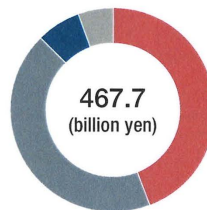
»» Contributing to motor and power supply efficiency improvements

Development of products that contribute to miniaturization

»» Material and waste reduction

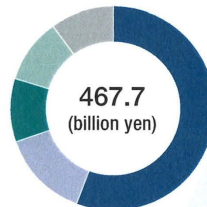
## Outputs

## Sales by Segment in FY2023



|                                  |                   |       |
|----------------------------------|-------------------|-------|
| ■ ICs                            | 207.2 billion yen | 44.3% |
| ■ Discrete semiconductor devices | 201.9 billion yen | 43.2% |
| ■ Modules                        | 32.9 billion yen  | 7.0%  |
| ■ Other                          | 25.7 billion yen  | 5.5%  |

## Sales by Region in FY2023



|              |                   |       |
|--------------|-------------------|-------|
| ■ Japan      | 261.3 billion yen | 55.9% |
| ■ China      | 65.2 billion yen  | 14.0% |
| ■ Other Asia | 46.2 billion yen  | 9.9%  |
| ■ USA        | 48.8 billion yen  | 10.4% |
| ■ Europe     | 46.0 billion yen  | 9.8%  |

## Outcomes

## Economic Value



## Financial Capital

|                                                        |                                              |
|--------------------------------------------------------|----------------------------------------------|
| Shareholder return                                     | 50 yen/share                                 |
| Total return ratio                                     | 73%                                          |
| Total shareholder returns (TSR) over the last 10 years | +146.9% (9.5% annually)                      |
| Share buybacks                                         | 20.0 billion yen                             |
| Amount of tax paid                                     | 31.8 billion yen (27.4 billion yen in Japan) |

## Social Value



## Manufactured Capital



## Intellectual Capital



## Human Capital



## Social Capital



## Natural Capital

|                                                                                                   |                                                                                                               |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Number of patents held                                                                            | 9,589 (increased by 279 year-on-year)                                                                         |
| Customer quality satisfaction score                                                               | 3.72/5 points                                                                                                 |
| Percentage of women in management positions                                                       | 13.0%                                                                                                         |
| Percentage of male employees taking childcare leave (non-consolidated basis)                      | 55.6%                                                                                                         |
| Average annual percentage of employees taking paid vacation (non-consolidated basis)              | 81.7%                                                                                                         |
| Average annual hours of human resource development training per person (non-consolidated basis)   | 9.6 hours                                                                                                     |
| Average annual amount of human resource investment per person (non-consolidated basis)            | 33,142 yen                                                                                                    |
| Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations | 87.5%                                                                                                         |
| Percentage of purchases from suppliers with CSR procurement self-assessment rating of B or higher | 80.6%                                                                                                         |
| Water discharge                                                                                   | 9,881,000 m <sup>3</sup><br>(decreased by 359,000 m <sup>3</sup> year-on-year)                                |
| Greenhouse gas (GHG) emissions                                                                    | 6,767,000 t-CO <sub>2</sub><br>(decreased by 2,154,000 t-CO <sub>2</sub> year-on-year)<br>* Including Scope 3 |
| Total waste volume                                                                                | 14,606t<br>(decreased by 2,114 t year-on-year)                                                                |
| Waste recycling rate                                                                              | 98.6%<br>(increased by 0.6 percentage points year-on-year)                                                    |
| Donations (including sponsorships)<br>(non-consolidated basis)                                    | 379.8 million yen                                                                                             |

\*FY2023 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.

### 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. 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.

#### 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 anticipate 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

- 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

##### 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

- 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



■ Material issues

\* Explained in the Glossary

## 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.

### 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)
- Strong trusting relationships with customers through direct sales, customer-focused systems

### 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**

- 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

## 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.

### 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

- Manufacturing technology development capabilities with a focus on power and analog
- 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**

- 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

## 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.

### 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, photo-masks, 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 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.

### Relationships with stakeholders



Customers

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.



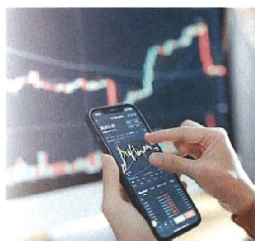
Employees

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.



Suppliers

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.



Shareholders and Investors

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.



Social and Environmental Contribution

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.

| Stakeholder expectations                                                                                                                                                                                                                                                                                                                                                                             | Dialogue methods and opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Examples of major stakeholder initiatives                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Improving the value of customers' products</li> <li>Meeting requests to facilitate new products or improve existing products</li> <li>Achieving optimum product quality</li> <li>Providing a stable supply of products</li> <li>Appropriately disclosing our product information</li> </ul>                                                                   | <ul style="list-style-type: none"> <li>Promoting our products through customer visits and online consultations</li> <li>Taking part in exhibitions</li> <li>Holding product briefing meetings and technical exchange events</li> <li>Engaging in joint R&amp;D</li> <li>Conducting surveys on customer quality satisfaction</li> </ul>                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Improving our systems for proactively gaining an understanding of customers' needs and linking those needs to product planning .....▶P.8, 11</li> <li>Providing comprehensive solutions to customers' need for miniaturized products with low energy usage .....▶P.10, 11</li> <li>Improving customer quality satisfaction score and harnessing the results of that survey to produce improvements .....▶P.39</li> </ul> |
| <ul style="list-style-type: none"> <li>Ensuring health and safety in the workplace</li> <li>Respecting human rights and eliminating discrimination</li> <li>Developing human resources and making full use of our employees' talents</li> <li>Respecting diversity</li> <li>Realizing the well-being of employees</li> </ul>                                                                         | <ul style="list-style-type: none"> <li>Conducting engagement surveys</li> <li>Conducting employee attitude surveys</li> <li>Engaging in direct dialogue with the company president</li> <li>Holding internal earnings release briefings</li> <li>Providing a compliance hotline (whistleblowing system)</li> </ul>                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Enhancing job satisfaction by fostering a corporate culture that creates challenges .....▶P.46</li> <li>Improving the scores in our engagement survey and harnessing the results to produce improvements .....▶P.48</li> <li>Promoting diversity .....▶P.48, 49</li> <li>Ensuring the health and safety of employees .....▶P.49</li> </ul>                                                                               |
| <ul style="list-style-type: none"> <li>Ensuring thorough fairness and transparency in our transactions</li> <li>Upholding our commitment to human rights, labor, health and safety, and environmental protection throughout our global supply chain</li> <li>Ensuring all our suppliers maintain a reliable business continuity plan (BCP)</li> <li>Promoting green procurement</li> </ul>           | <ul style="list-style-type: none"> <li>Engaging in face-to-face/online procurement activities</li> <li>Conducting due diligence in procurement through the following activities: <ul style="list-style-type: none"> <li>Briefing meetings for the promotion of CSR procurement</li> <li>CSR procurement audits</li> <li>CSR procurement self-assessment (CSR survey)</li> </ul> </li> <li>Providing a supply chain hotline</li> </ul>                                                                                                                   | <ul style="list-style-type: none"> <li>Increasing CSR procurement from suppliers with strong BCM and ESG systems .....▶P.66</li> <li>Understanding our supply chain to facilitate rapid investigations into the impacts of unforeseen events .....▶P.67</li> </ul>                                                                                                                                                                                              |
| <ul style="list-style-type: none"> <li>Improving corporate value</li> <li>Generating shareholder returns that exceed the cost of capital</li> <li>Fair, appropriate and timely disclosure</li> <li>Achieving strong corporate governance</li> </ul>                                                                                                                                                  | <ul style="list-style-type: none"> <li>Holding Annual General Meetings of Shareholders</li> <li>Holding executive-led briefing meetings for analysts and institutional investors (2)*</li> <li>Holding face-to-face and online IR briefing meetings (more than 550 times)*</li> <li>Holding factory tours (15)*</li> </ul> <p>* Number of times held in FY2023</p>                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Feeding back the opinions and requests received through our IR activities to our management and reflecting them on operations .....▶P.85</li> <li>Improving our disclosure and IR tools to promote more substantial dialogue with shareholders and investors .....▶P.85</li> <li>Expanding our disclosure on ESG initiatives .....▶P.26</li> </ul>                                                                       |
| <ul style="list-style-type: none"> <li>Reducing our footprint and protecting the natural environment</li> <li>Contributing to the development of each community through participation in activities that meet each community's needs</li> <li>Collaborating with NPOs and other organizations that contribute to society</li> <li>Engaging in other activities for the benefit of society</li> </ul> | <ul style="list-style-type: none"> <li>Reducing environmental impacts from our manufacturing and business activities</li> <li>Contributing to society based on the following three areas <ul style="list-style-type: none"> <li>Support for education (visiting schools to hold lectures, etc.)</li> <li>Environmental protection (improving the environment through tree-planting and providing environmental education by creating a biotope on company premises)</li> <li>Cultural and community exchange (support for music)</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Reducing GHG emissions, water resource usage, and waste production, thoroughly controlling the use of chemical substances .....▶P.60</li> <li>Promoting stronger dialogue with communities hosting our facilities, supporting biodiversity .....▶P.61, 71</li> </ul>                                                                                                                                                     |

## 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.

| Social Issues (Demands from Stakeholders) |                                                                          | Details of Risks and Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |
|-------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Technology                                | Increasing demand for electronic products that respond to social changes | <b>Risks</b><br>Medium- to long-term 1 Intensifying competition to develop energy-saving and miniaturized devices<br>Medium- to long-term 2 Decreasing market share due to appearance of competition, including in emerging countries<br><b>Opportunities</b><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                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
|                                           | Manufacturing that meets the trust and expectations of our customers     | <b>Risks</b><br>Short- to medium-term 1 Decreasing trust due to failure to meet customer quality requirements<br><b>Opportunities</b><br>Short- to medium-term 2 Growing need for quality assurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
| Sustainability Priority Issues            | Environment                                                              | <b>Risks</b><br>Medium- to long-term 1 Decreasing sales due to stagnation in development of products that contribute to energy saving and miniaturization<br>Short- to medium-term 2 Soaring material prices and restrictions on production activities due to resource shortages (rare metals, water, etc.)<br>Medium- to long-term 3 Mandatory GHG emissions reductions and full-scale carbon taxation of GHG emissions<br>Medium- to long-term 4 Adverse effects on the environment due to lack of chemical substance management<br><b>Opportunities</b><br>Short- to medium-term 5 Rising demand for electronic components due to growing new automobile sales in the electric vehicle (xEV) market<br>Medium- to long-term 6 Expansion in sales for the industrial equipment market, such as products for use in solar panels, with the introduction of renewable energy |  |
|                                           | Society                                                                  | <b>Risks</b><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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
|                                           | Governance                                                               | <b>Risks</b><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>Medium- to long-term 3 Increase in number of large-scale disasters (earthquakes, flooding, typhoons, fires, etc.)<br>Short- to medium-term 4 Delays in responding to cyberattacks and information leaks from security breaches<br>Short- to medium-term 5 Litigation, including infringement of intellectual property such as patent rights owned by other companies<br><b>Opportunities</b><br>Short- to medium-term 6 Ensuring management stability through a robust financial foundation                                                                                                                                                    |  |
|                                           |                                                                          | <b>Risks</b><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                                                                                                                                                                                                                                                                                                                                                                                                            |  |
|                                           |                                                                          | <b>Risks</b><br>Short- to medium-term 1 Quality problems due to inadequate quality control system                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |

Note: Short-term: 2022 to 2025, Medium-term: 2026 to 2030, Long-term: 2031 to 2050