



Electronics for the Future

# Financial Results for FY2023

(From April 1, 2023 to March 31, 2024)

As of May 9, 2024

- | Financial Results for FY2023**
- | Plan for FY2024**
- | Capital Expenditures**
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- | Long Tail Industrial Equipment Strategies**
- | Returns to Shareholders**
- | Progress of the Medium-term Management Plan**
- | Synergies Through Collaboration with Toshiba**

# Financial Results for FY2023 (vs Revised Plan (Nov. 2023) and YoY)

(¥billion)

	FY2023 Results	FY2023 Revised Plan	vs Plan	FY2022 Results	YoY
Net Sales	<b>467.7</b>	<b>470.0</b>	<b>-0.5%</b>	<b>507.8</b>	<b>-7.9%</b>
Operating Profit	<b>43.3</b>	<b>44.0</b>	<b>-1.5%</b>	<b>92.3</b>	<b>-53.1%</b>
(Ratio)	<b>( 9.3%)</b>	<b>( 9.4%)</b>	<b>-</b>	<b>( 18.2%)</b>	<b>-</b>
Ordinary Profit	<b>69.2</b>	<b>64.0</b>	<b>+8.1%</b>	<b>109.5</b>	<b>-36.8%</b>
(Ratio)	<b>( 14.8%)</b>	<b>( 13.6%)</b>	<b>-</b>	<b>( 21.6%)</b>	<b>-</b>
Net Profit	<b>53.9</b>	<b>48.0</b>	<b>+12.4%</b>	<b>80.3</b>	<b>-32.9%</b>
(Ratio)	<b>( 11.5%)</b>	<b>( 10.2%)</b>	<b>-</b>	<b>( 15.8%)</b>	<b>-</b>
EBITDA	<b>115.3</b>	<b>117.4</b>	<b>-1.7%</b>	<b>148.4</b>	<b>-22.3%</b>
(Ratio)	<b>( 24.7%)</b>	<b>( 25.0%)</b>	<b>-</b>	<b>( 29.2%)</b>	<b>-</b>

Average Exchange Rate (¥/US\$) (¥144.40)

(¥142.12)

(¥134.95)

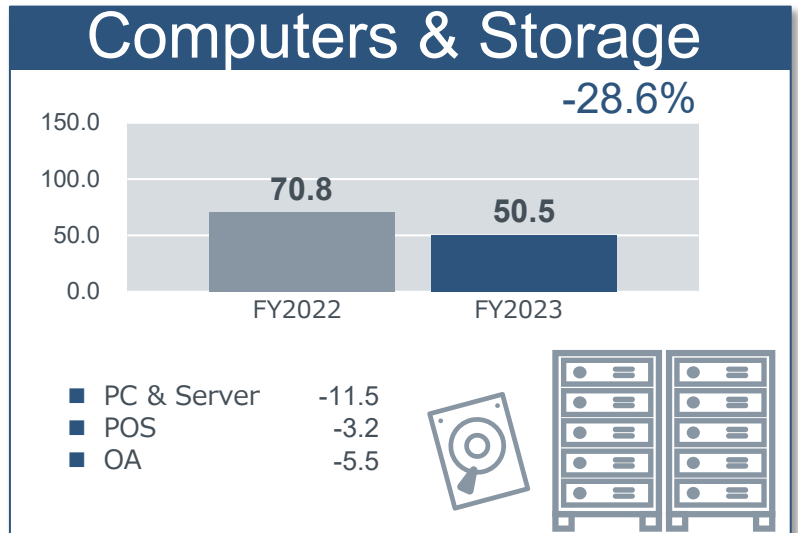
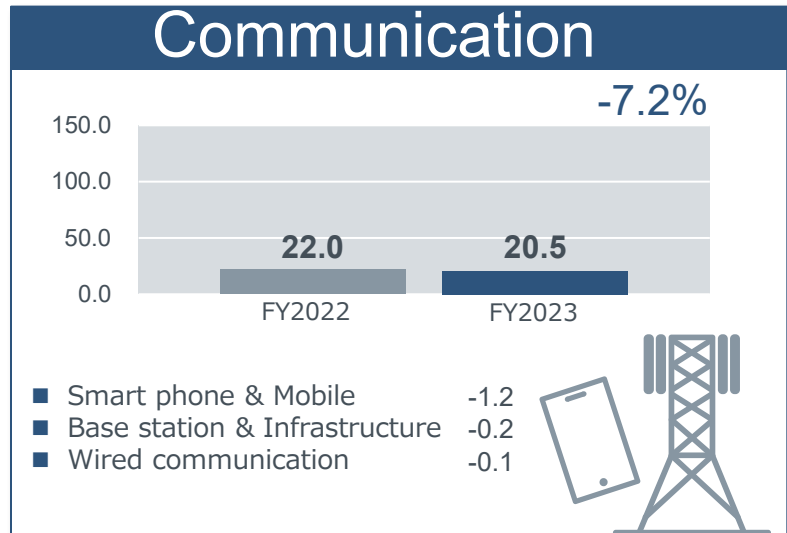
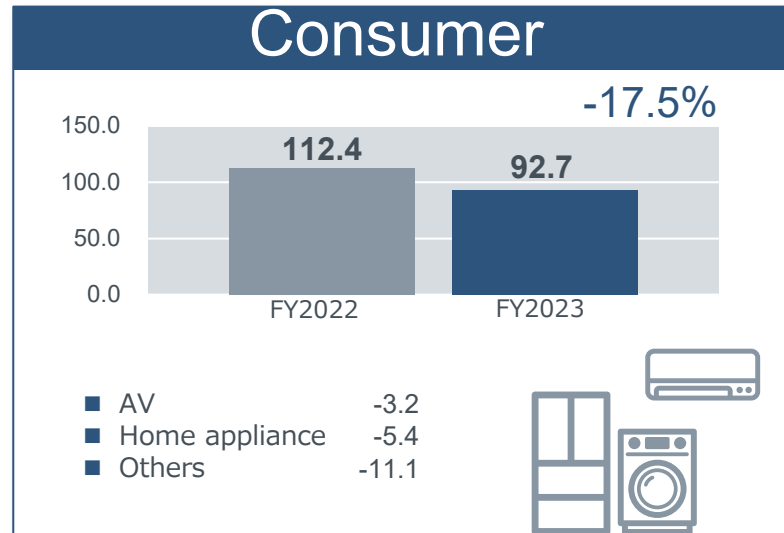
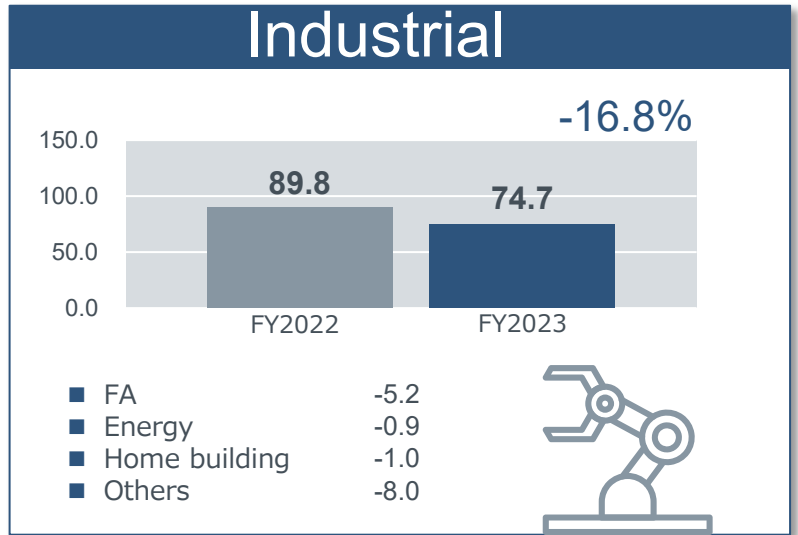
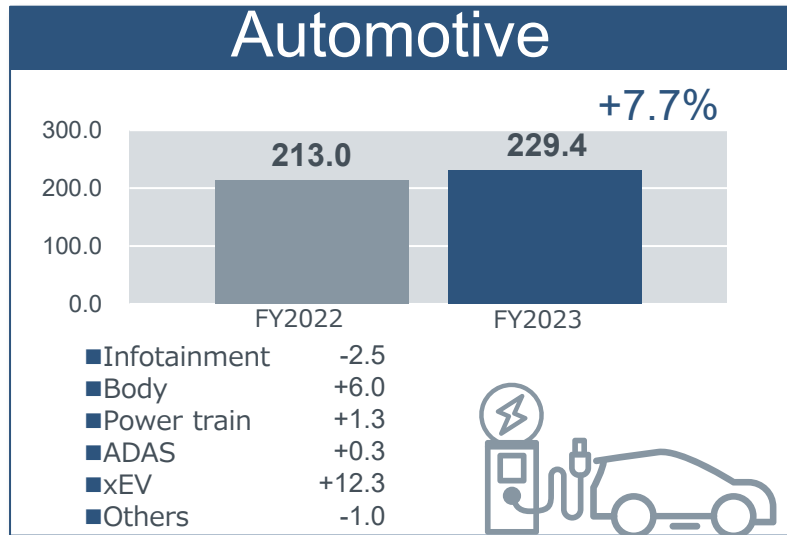
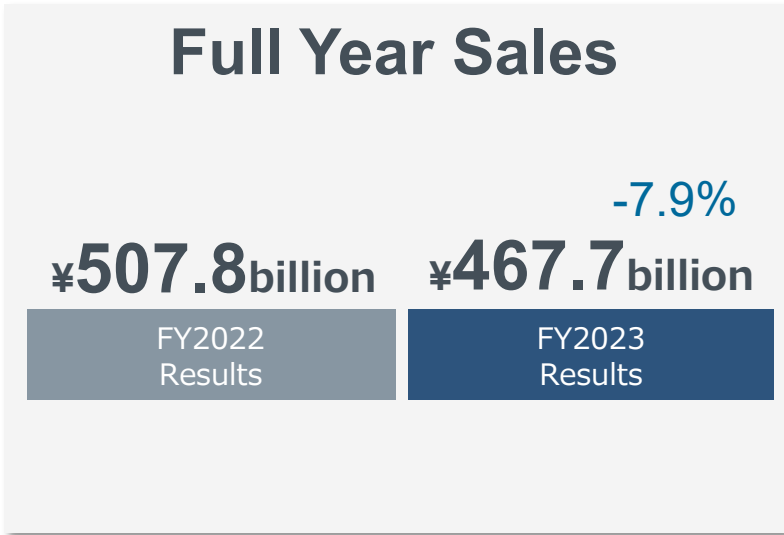
End of Term Rate (¥/US\$) (¥151.41)

(¥140.00)

(¥133.53)

# FY2023 Sales Trend by Market Segments (YoY)

(¥billion)



# FY2023 Sales Trend by Customer Nationality (YoY)

Full Year Sales

¥507.8 billion

¥467.7 billion

FY2022 Results

FY2023 Results

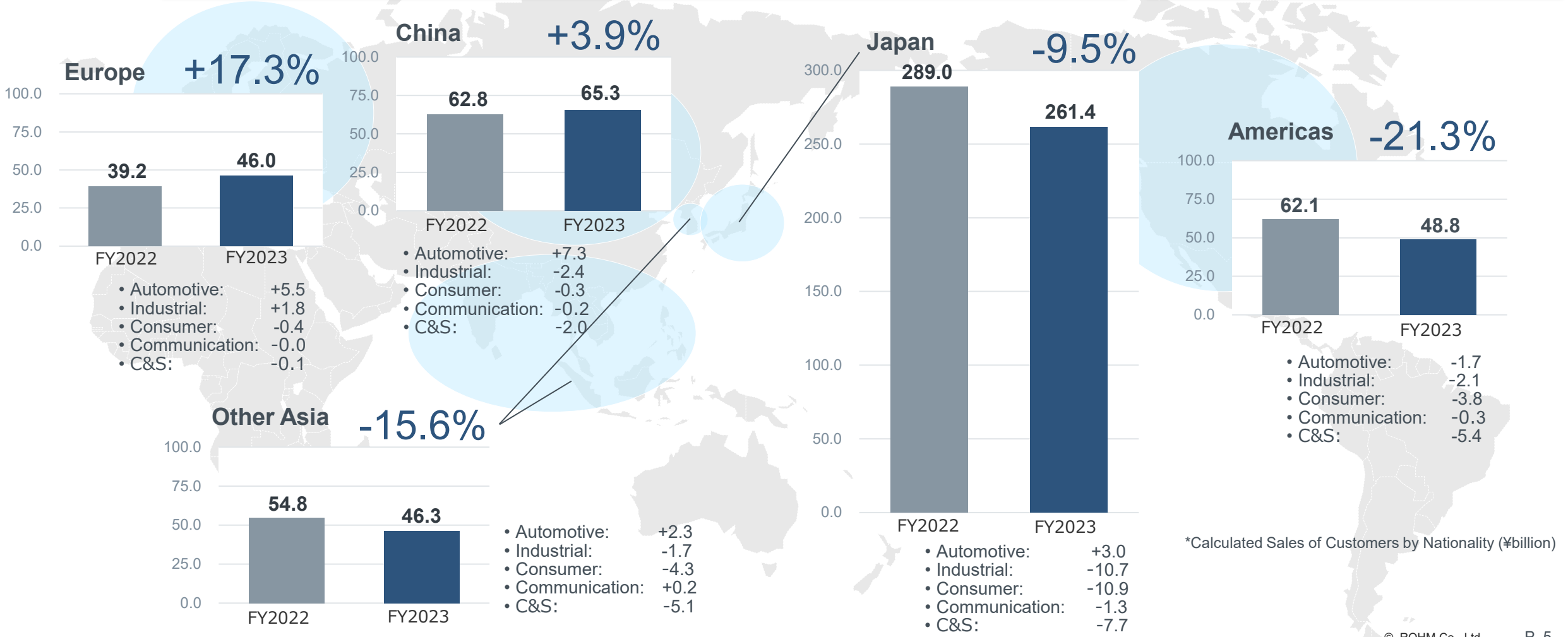
-7.9%

Sales ratio outside of Japan

43.1%  
FY2022

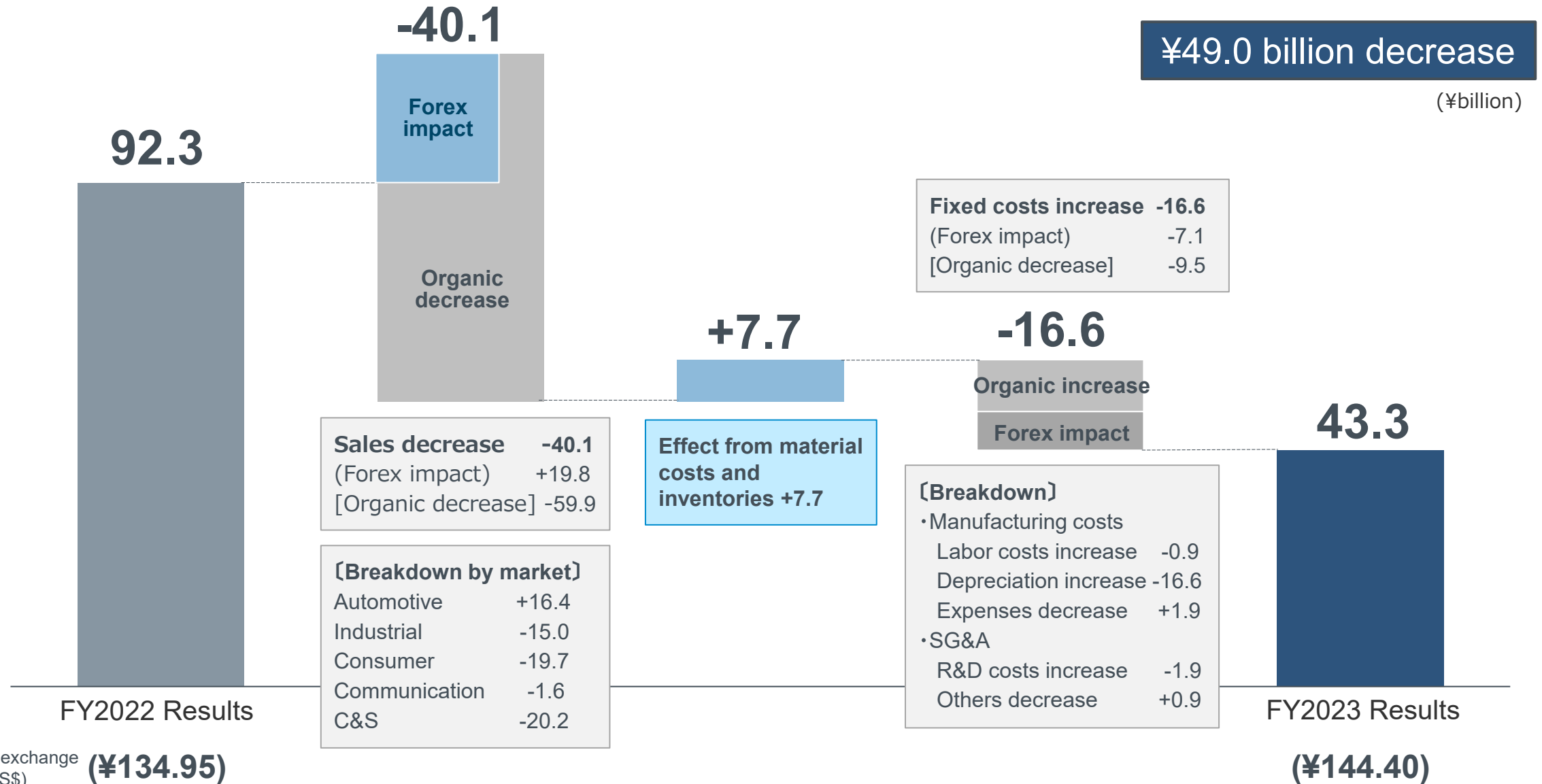
44.1%  
FY2023

Full Year YoY



\*Calculated Sales of Customers by Nationality (¥billion)

# FY2023 Changes in Operating Profit (YoY)



# Financial Results for FY2023 by Segment (YoY)

(¥billion)

		FY2023 Results	FY2022 Results	Difference in Amount	Difference in %
<b>ICs</b>	Sales	207.2	233.7	-26.5	-11.3%
	Segment Profit	21.2	48.1	-26.9	-55.8%
	(Ratio)	( 10.3%)	( 20.6%)	-	-
<b>Discretes</b>	Sales	201.9	212.2	-10.3	-4.8%
	Segment Profit	12.9	34.5	-21.6	-62.5%
	(Ratio)	( 6.4%)	( 16.3%)	-	-
<b>Modules</b>	Sales	32.9	34.3	-1.4	-4.1%
	Segment Profit	2.0	4.2	-2.2	-53.2%
	(Ratio)	( 6.1%)	( 12.5%)	-	-
<b>Others</b>	Sales	25.7	27.6	-1.9	-6.9%
	Segment Profit	2.1	5.0	-2.9	-57.7%
	(Ratio)	( 8.4%)	( 18.4%)	-	-

# Plan for FY2024 (YoY)

(¥billion)

	FY2024 Plan	FY2023 Results	Difference in Amount	Difference in %
Net Sales	<b>480.0</b>	<b>467.7</b>	<b>+12.3</b>	<b>+2.6%</b>
Operating Profit	<b>14.0</b>	<b>43.3</b>	<b>-29.3</b>	<b>-67.7%</b>
(Ratio)	<b>( 2.9%)</b>	<b>( 9.3%)</b>	-	-
Ordinary Profit	<b>18.0</b>	<b>69.2</b>	<b>-51.2</b>	<b>-74.0%</b>
(Ratio)	<b>( 3.8%)</b>	<b>( 14.8%)</b>	-	-
Net Profit	<b>14.0</b>	<b>53.9</b>	<b>-39.9</b>	<b>-74.1%</b>
(Ratio)	<b>( 2.9%)</b>	<b>( 11.5%)</b>	-	-
EBITDA	<b>106.7</b>	<b>115.3</b>	<b>-8.6</b>	<b>-7.5%</b>
(Ratio)	<b>( 22.2%)</b>	<b>( 24.7%)</b>	-	-

Average Exchange Rate (¥/US\$) (¥145.49) (¥144.40)

End of Term Rate (¥/US\$) (¥145.00) (¥151.41)



# FY2024 ROHM Net Sales Forecast Summary



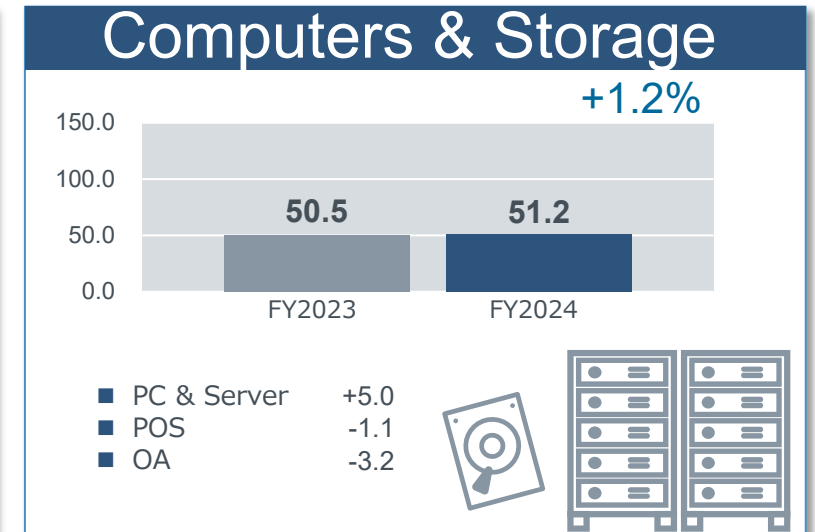
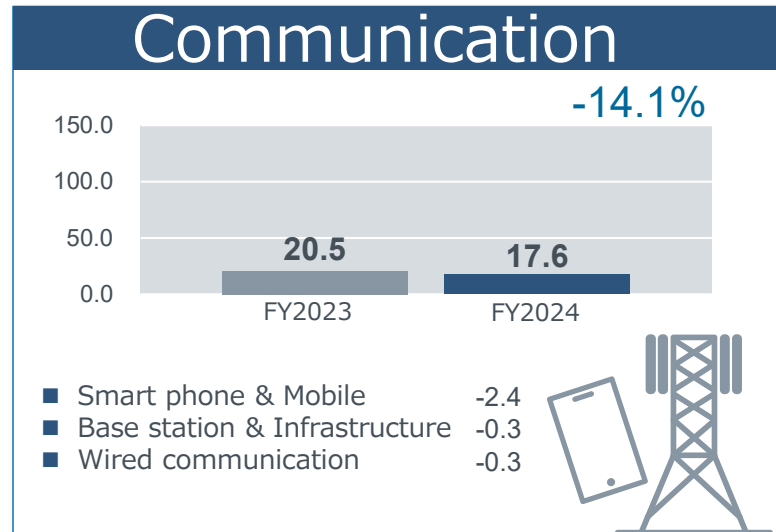
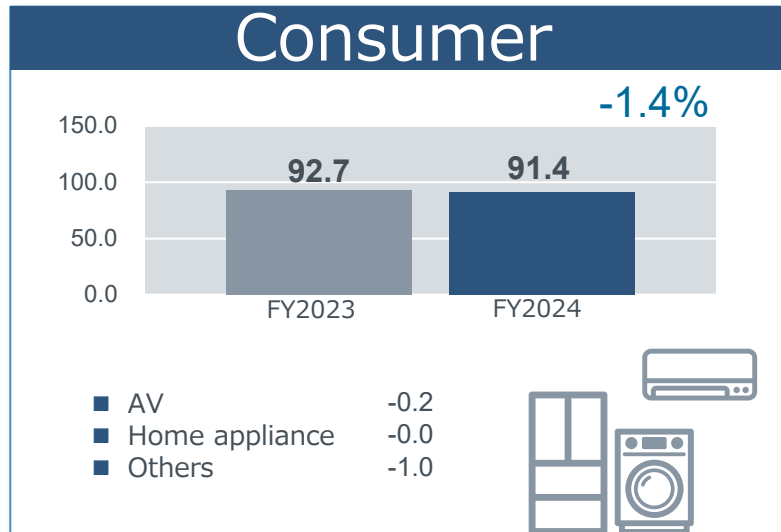
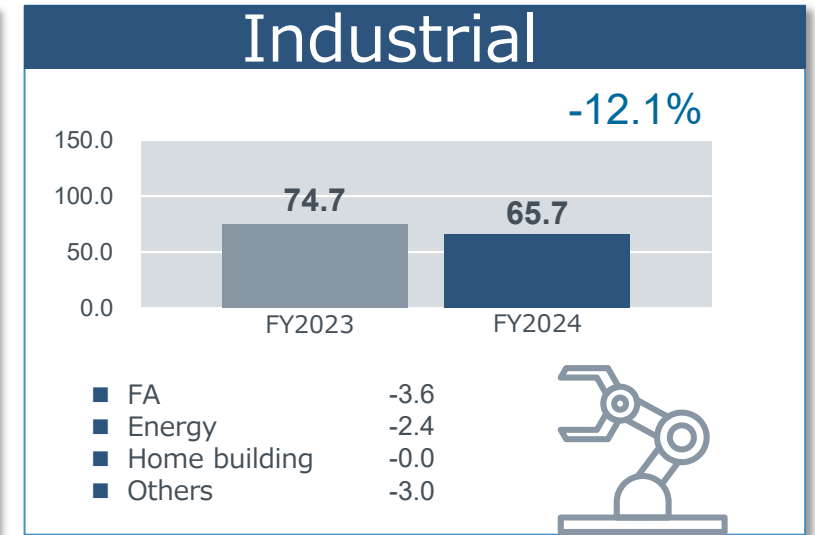
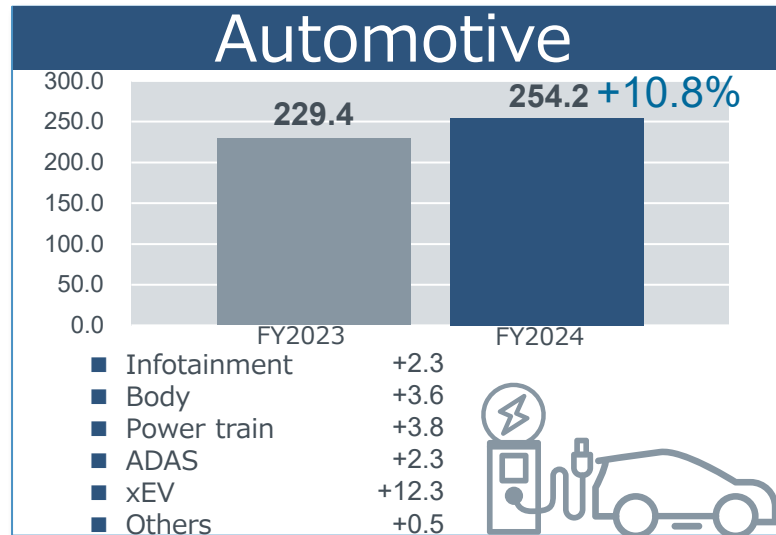
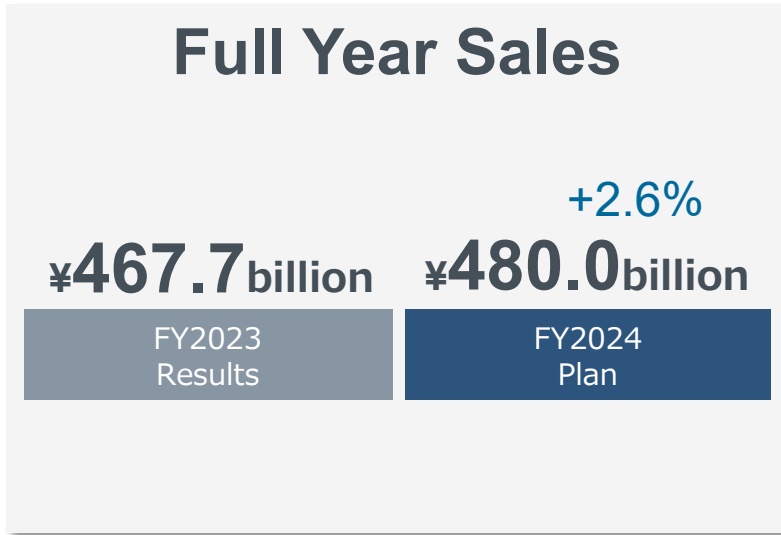
【YoY】 
 +10%~ 
 +10%~+2% 
 +2%~▲2% 
 ▲2%~▲10% 
 ▲10%~

Market	Forecast	1H	2H
Automotive (+10.8%)	<ul style="list-style-type: none"> <li>BEV growth expected to slow, but remain strong in 2024. Vehicle production to increase as well.</li> <li>Stable growth expected mainly in power and analog products as electrification progresses and inventory adjustments settle.</li> <li>Strong sales of power devices, especially in xEVs, power trains and body-related products.</li> </ul>		
Industrial (-12.1%)	<ul style="list-style-type: none"> <li>Overall demand for all products and segments expected to trend downward in 1H due to continued sluggish demand caused by inventory adjustments.</li> <li>Energy segments to recover in 2H and beyond, but to be lower for the full year due to large decline in 1H.</li> <li>FA to also recover from 2H, but return expected to be weak.</li> </ul>		
Consumer (-1.4%)	<ul style="list-style-type: none"> <li>Overall recovery expected in 2H and beyond, especially in home appliances such as air conditioners.</li> </ul>		
Communication (-14.1%)	<ul style="list-style-type: none"> <li>Smartphones, which account for the majority of communication market sales, to decline throughout the year.</li> </ul>		
Computers & Storage (+1.2%)	<ul style="list-style-type: none"> <li>Expectations for recovery in PC &amp; server segments expected to recover on the back of generated AI and PC renewal demand.</li> </ul>		

( )=YoY ROHM sales

# FY2024 Plan by Market Segments (YoY)

(¥billion)



# FY2024 Plan by Customer Nationality (YoY)

Full Year Sales

¥467.7 billion

¥480.0 billion

FY2023 Results

FY2024 Plan

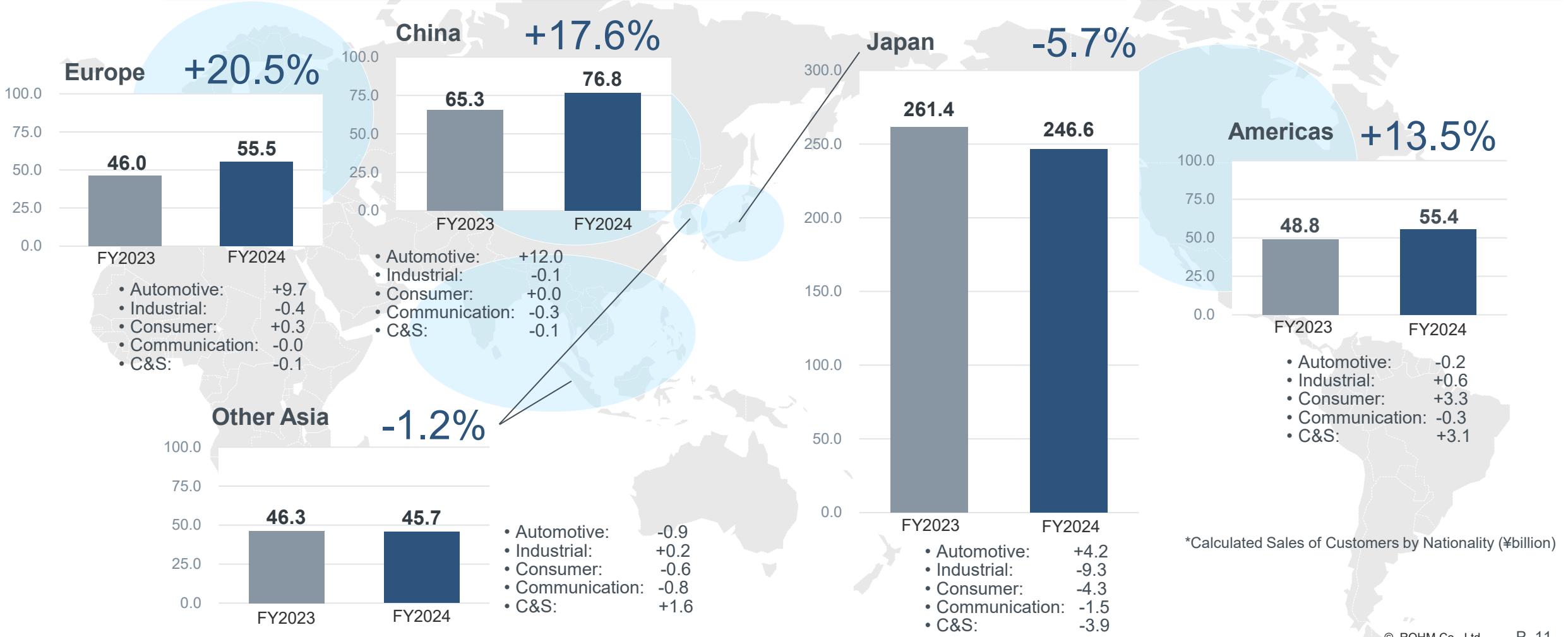
+2.6%

Sales ratio outside of Japan

44.1%  
FY2023

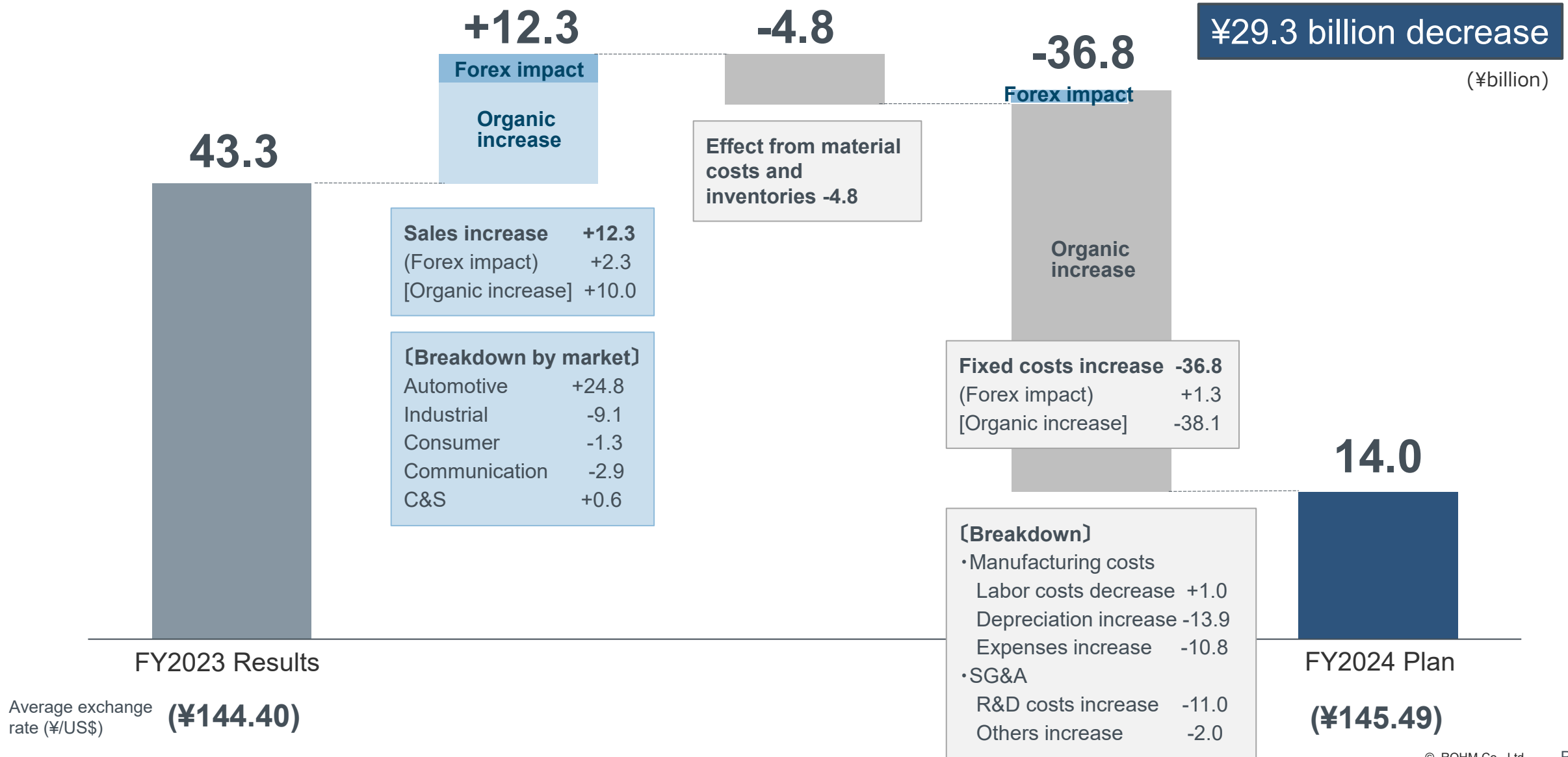
48.6%  
FY2024

Plan YoY

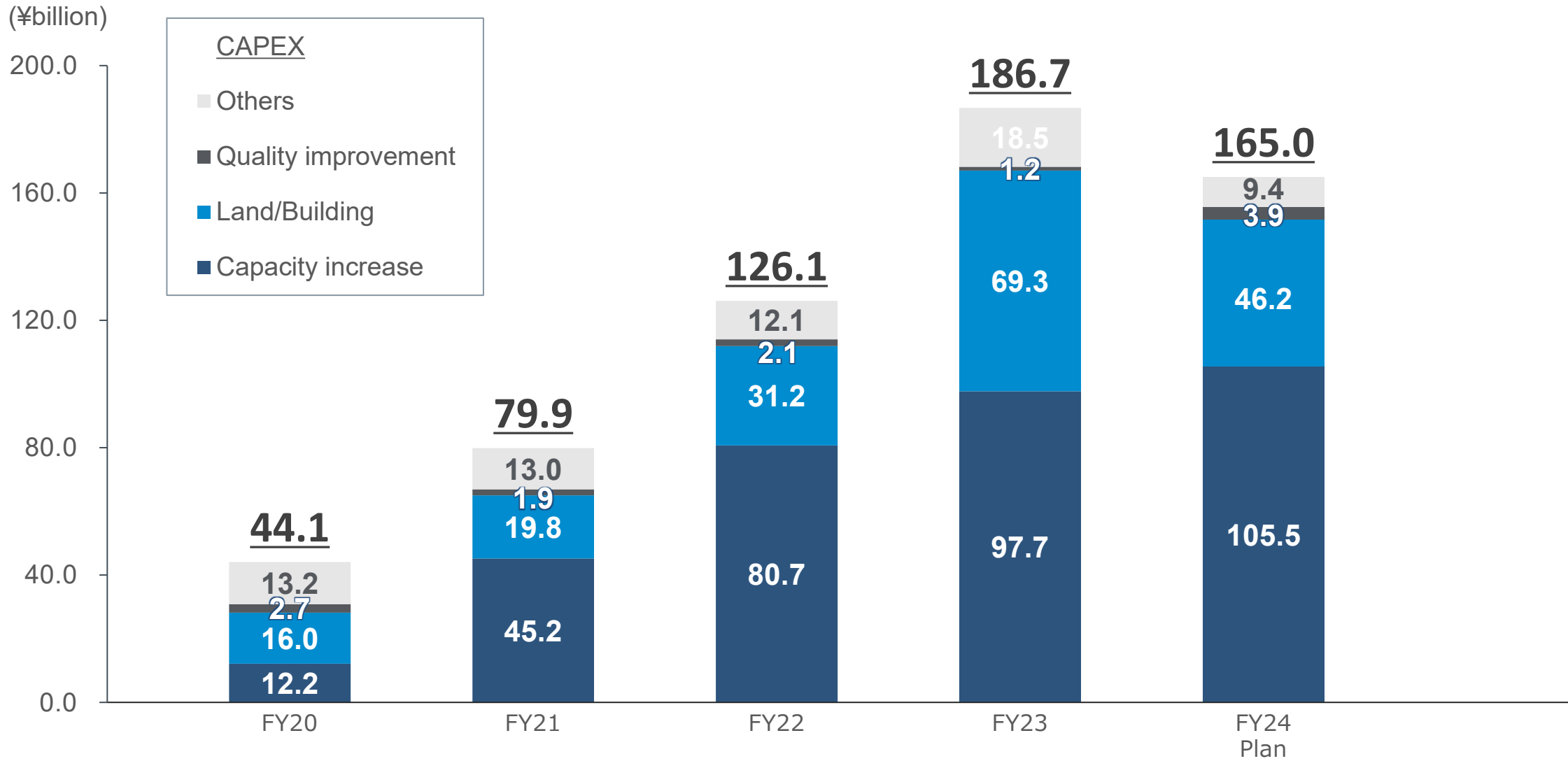


\*Calculated Sales of Customers by Nationality (¥billion)

# FY2024 Plan Changes in Operating Profit (YoY)

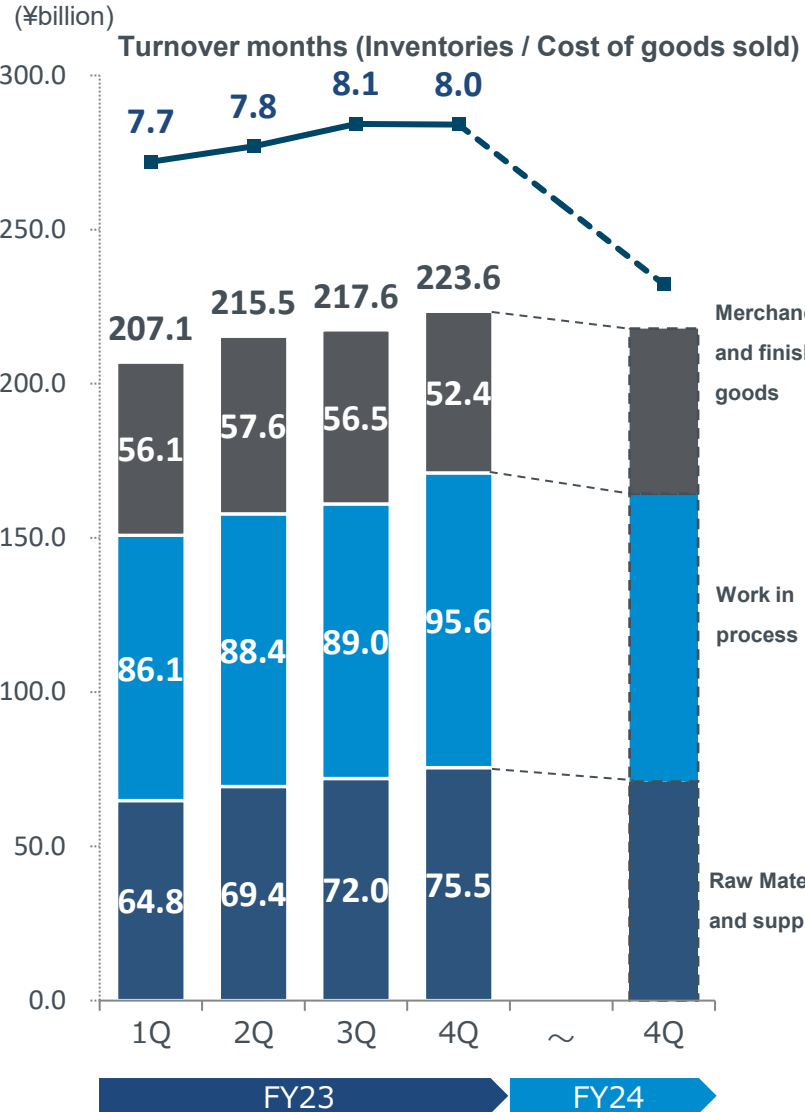


# Capital Expenditures

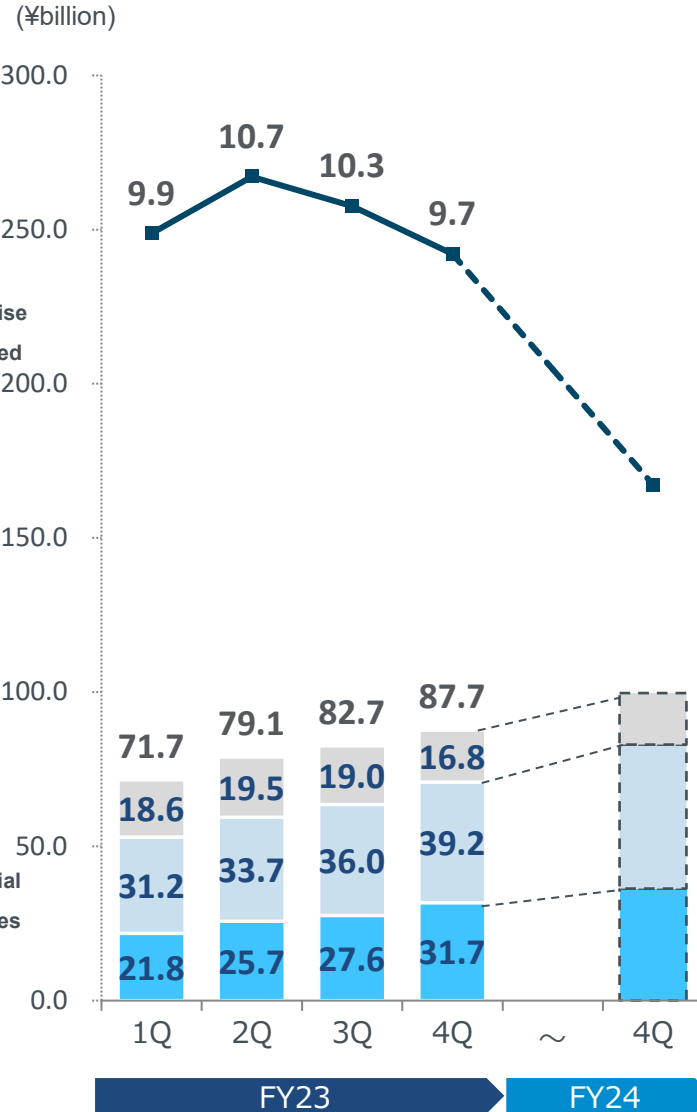


# Inventories (Amount)

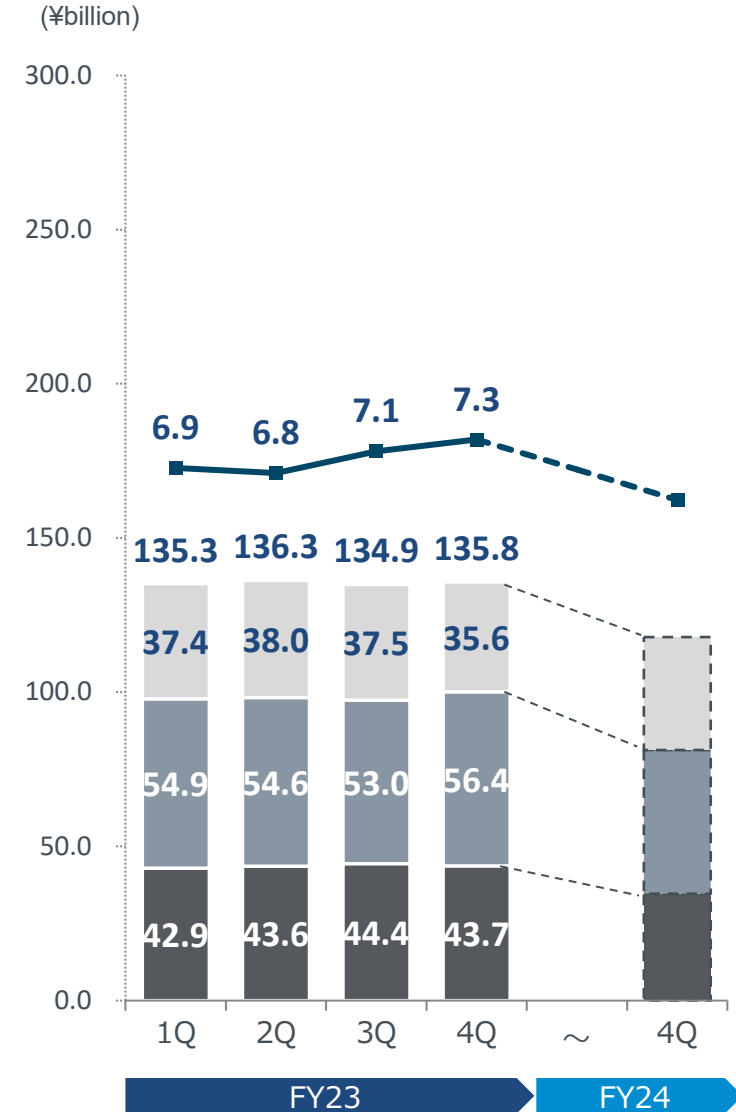
## Consolidated Total

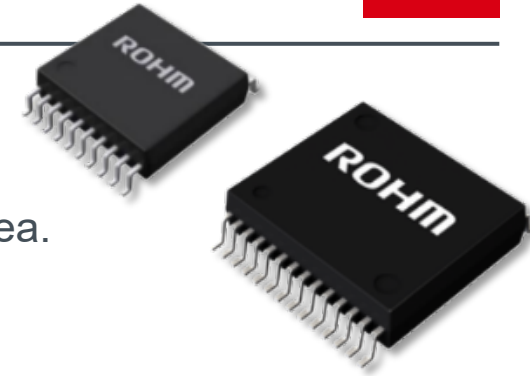


## Power Devices



## Non-Power Devices

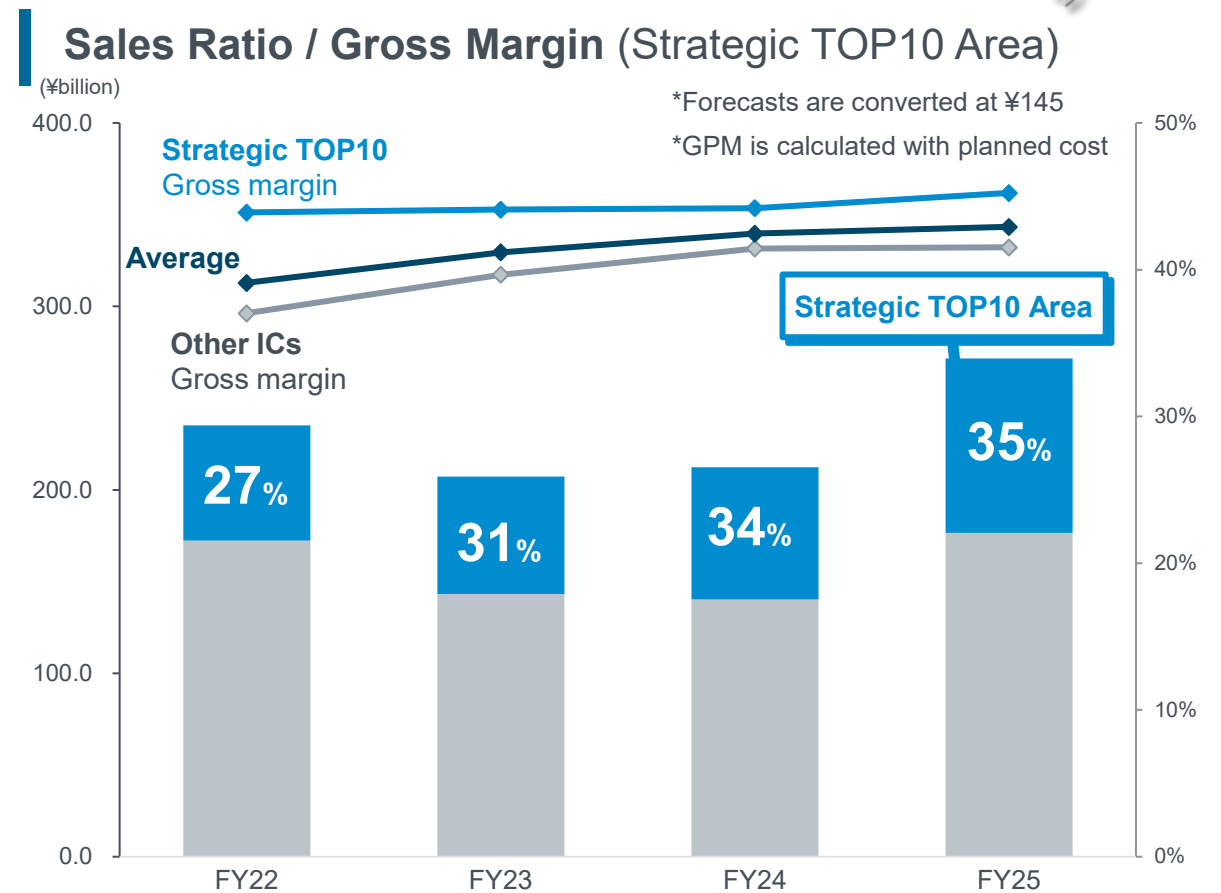
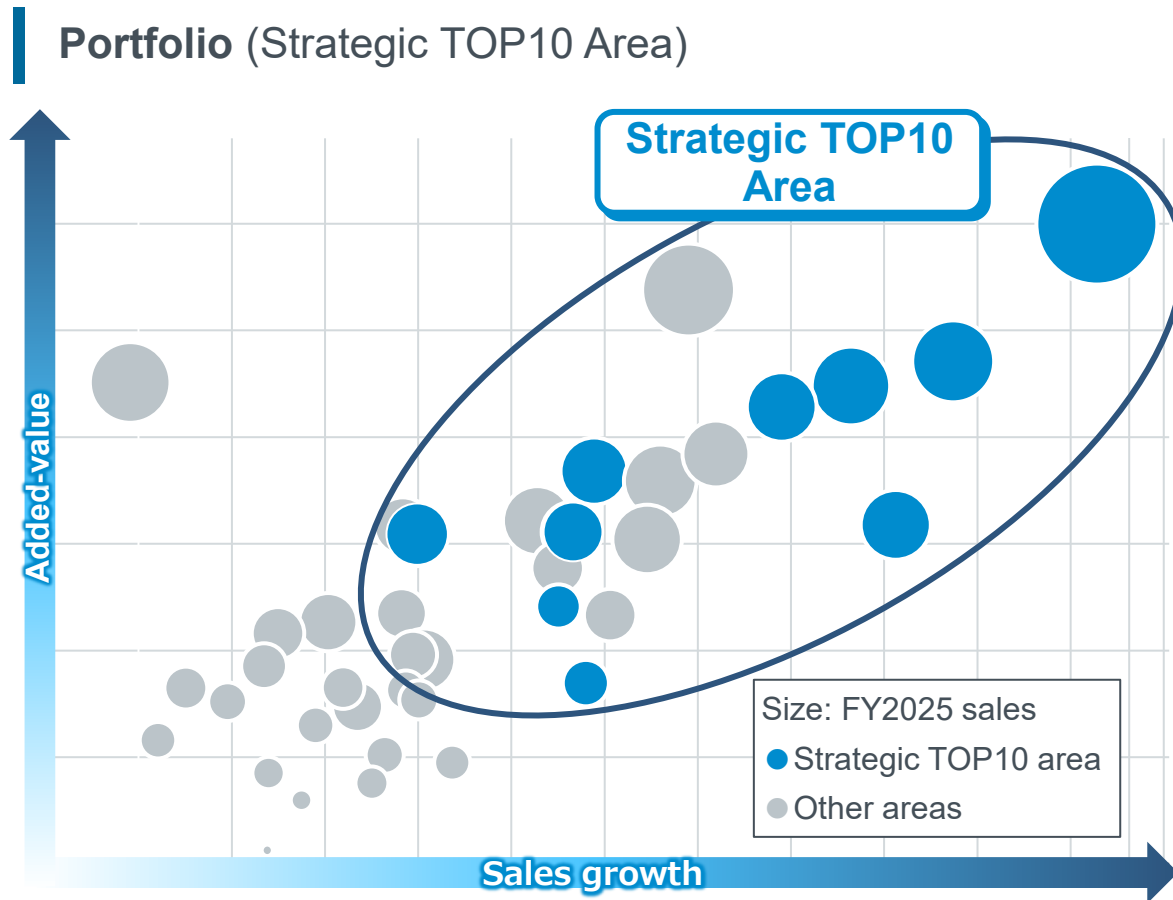




## Enhance development/support in the strategic TOP10 area of ASSP products

Defined the TOP10 ASSP products with **high sales growth and added-value** as the strategic TOP10 area.

Raise the **sales ratio** of the top 10 strategic products to **expand sales and profits**.



## Expand sales in the focused area of automotive solutions

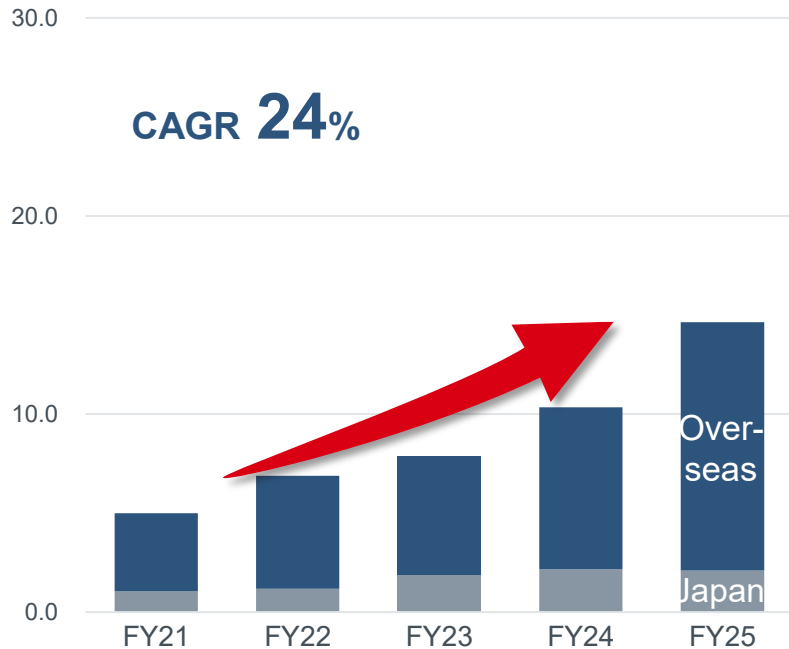
Continue to introduce **value-added** products in the automotive market, which is expected to grow further due to the **increasing use of electronics and electrification.**

**Increase sales to customers outside of Japan** and expand the scale of overall automotive sales.



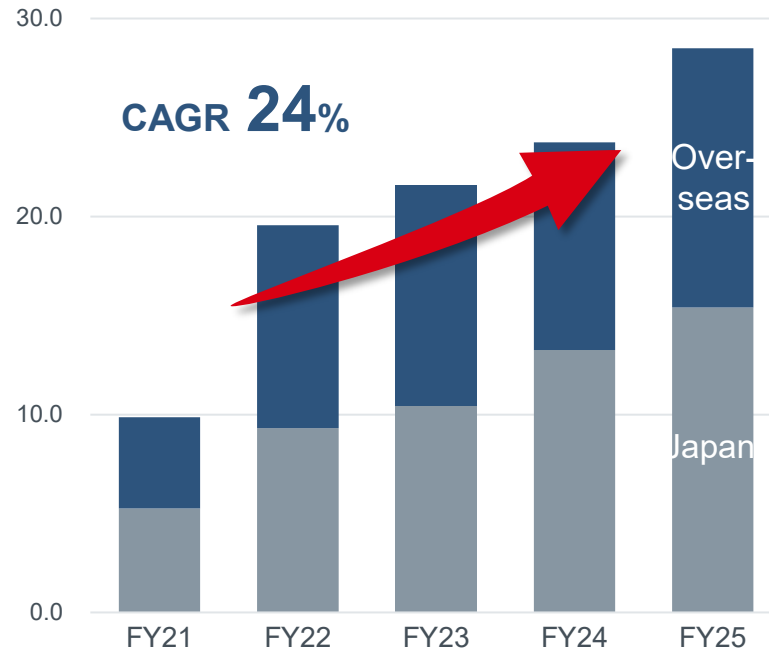
### LED Drivers

(¥billion)



### Isolated Gate Drivers

(¥billion)



### ADAS Solution (SerDes+AFE+PMIC)

(¥billion)



\*Forecasts are converted at ¥145



- Realize highly efficient solution by adding MCU and control technology to industry-proven power devices
- Provide solutions for middle- and high-power bands by adding MCU control to MCU-less control

## MCU

- U8/U16
- Arm® Cortex® -M0+/M3/M33
- High-speed, highly integrated circuit core technology
- Low-power circuit core technology
- Software control technology



### [Advantages]

- Timely specification changes possible due to high degree of control freedom
- Easier to convert to ASSP
- Added-value of products can be heightened depending on software

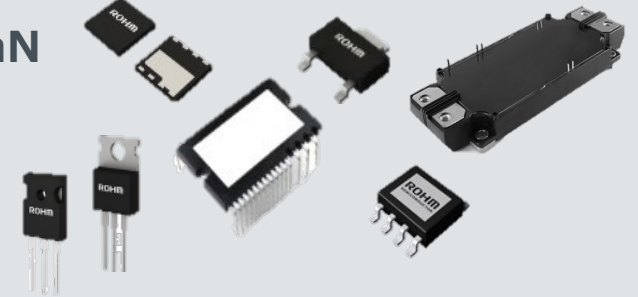
## Control Technology

- Gate drive control technology



## Power Devices

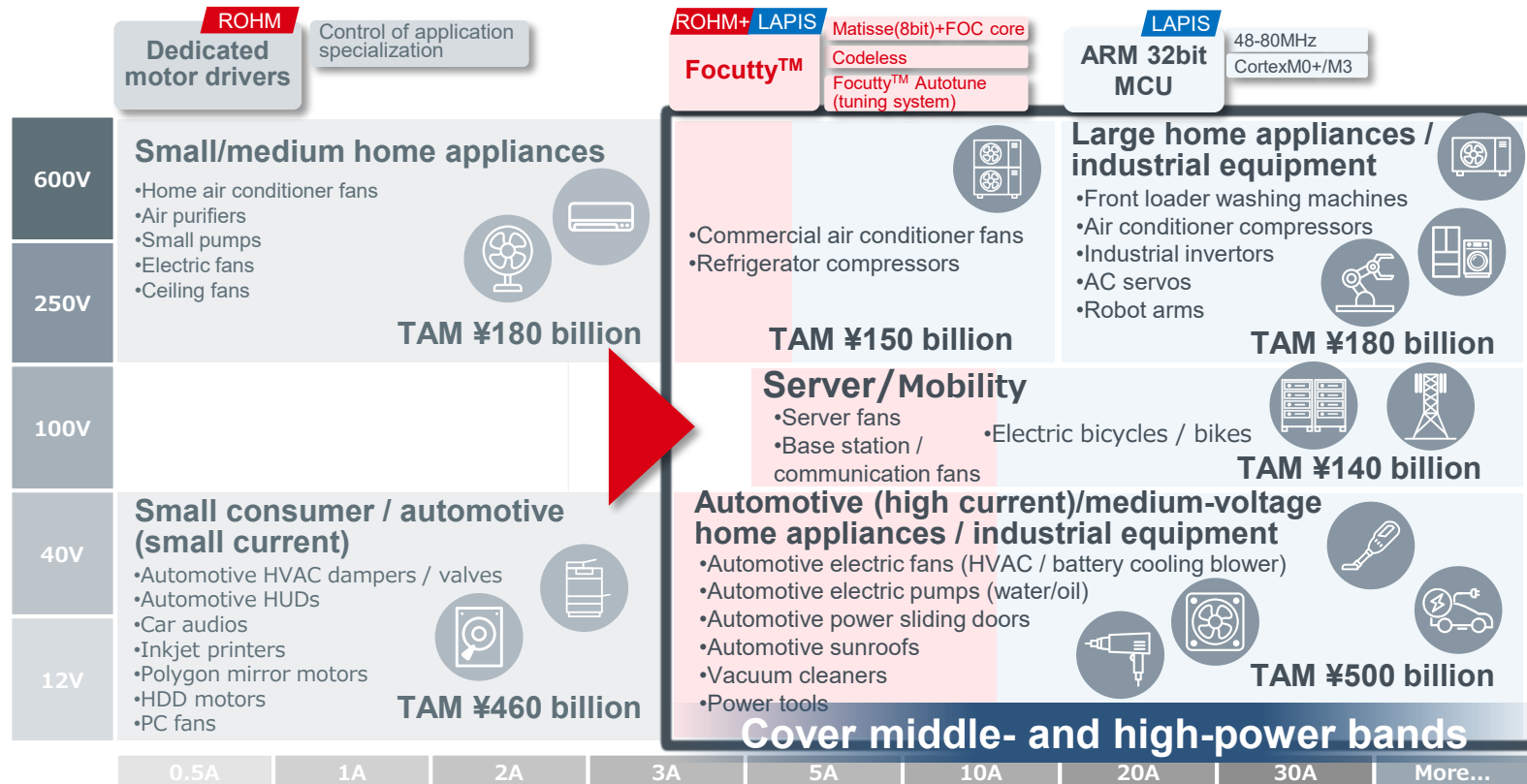
- SiC / SiC modules
- Intelligent power devices (IPD)
- MOSFET / Bipolar transistors
- IGBT
- GaN



# Development of high-value-added products

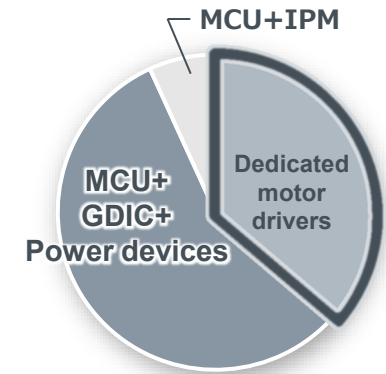
## Increase ROHM's market share through acceleration of high-value-added solution proposals by combining power devices+MCU+control technology

### Target Applications

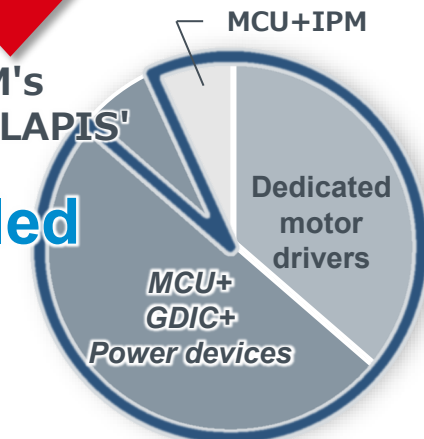


### Motor Control + Power Device Market Value

FY2025  
TAM ¥640 billion  
(Market size: ¥1.76 trillion)



By combining ROHM's power/analog with LAPIS' MCU technology, **TAM is doubled** to **¥1.61 trillion**

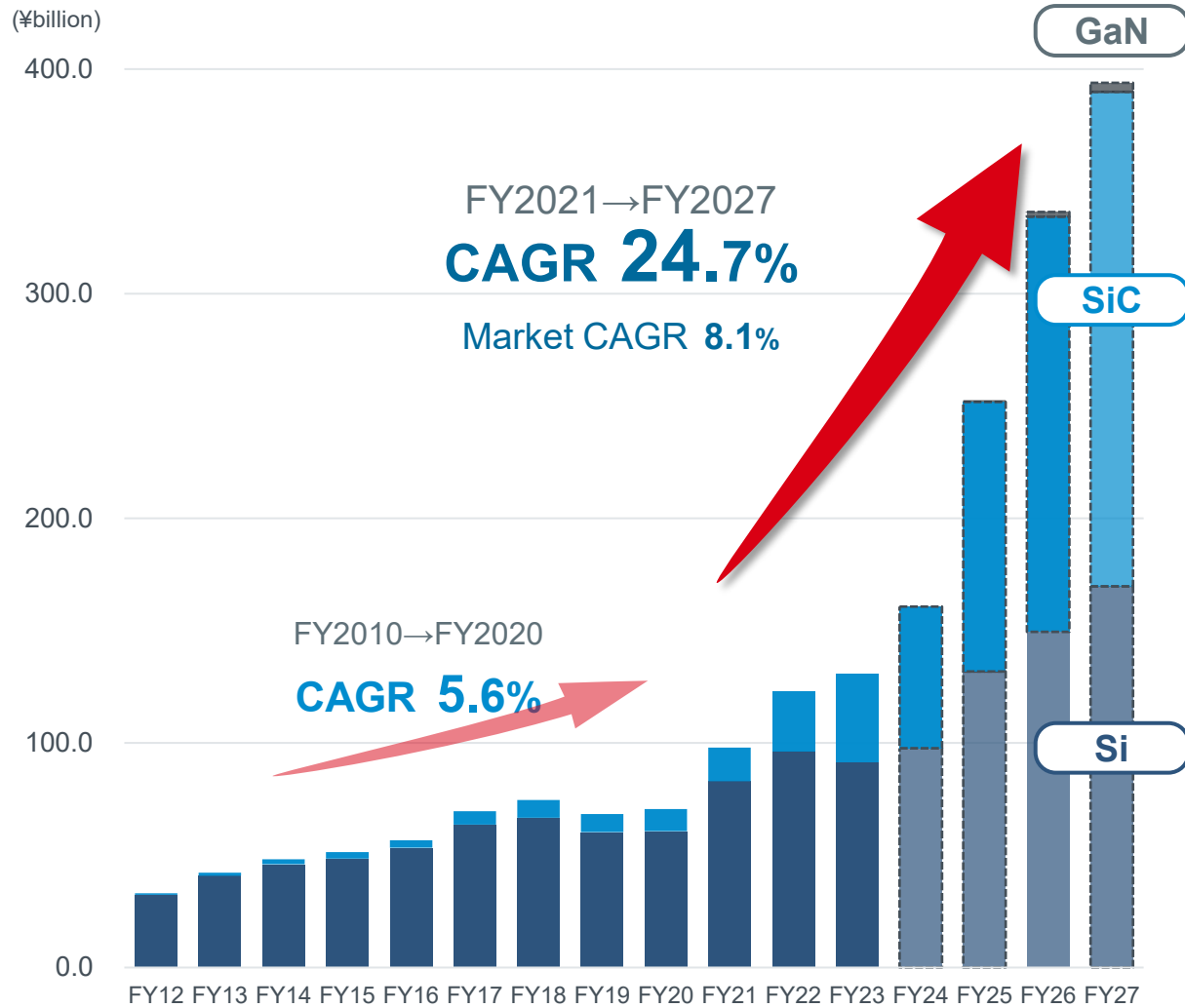


Source: 精密小型モータ市場領域における応用機器別・部材別市場の将来展望 (Fuji Keizai) / Estimation by ROHM

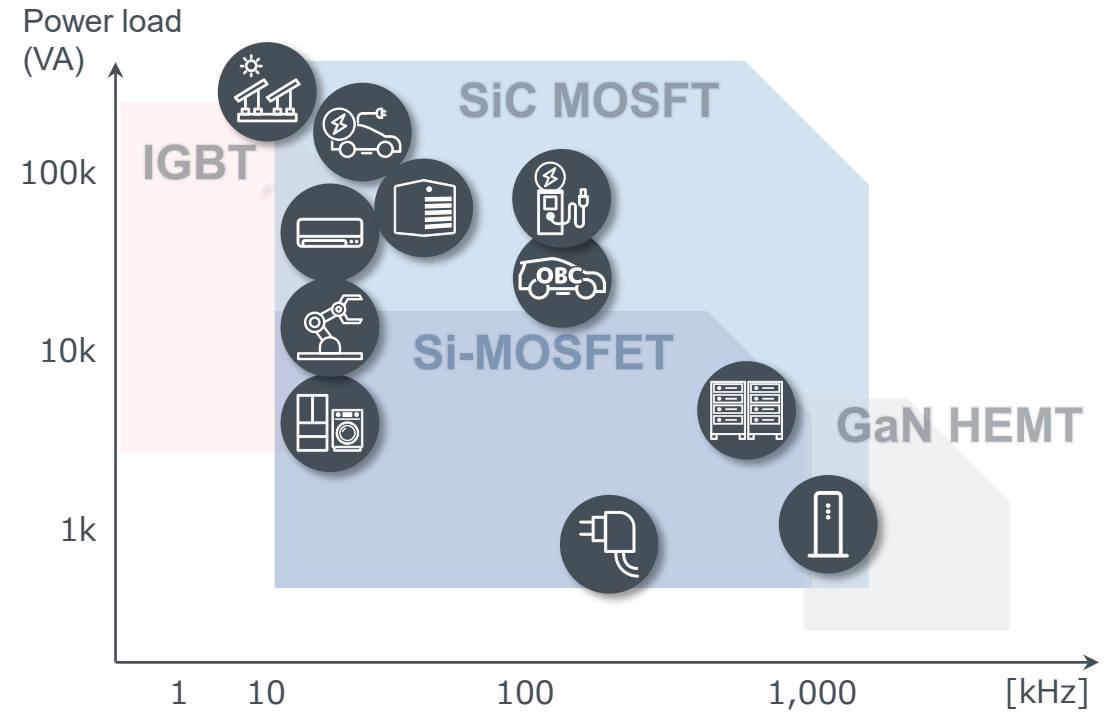
\*TAM (FY2025) is a calculation by ROHM.

# Sales Target for Power Device Business

## Sales Target for Power Device Business



## Range of Power Device Applications



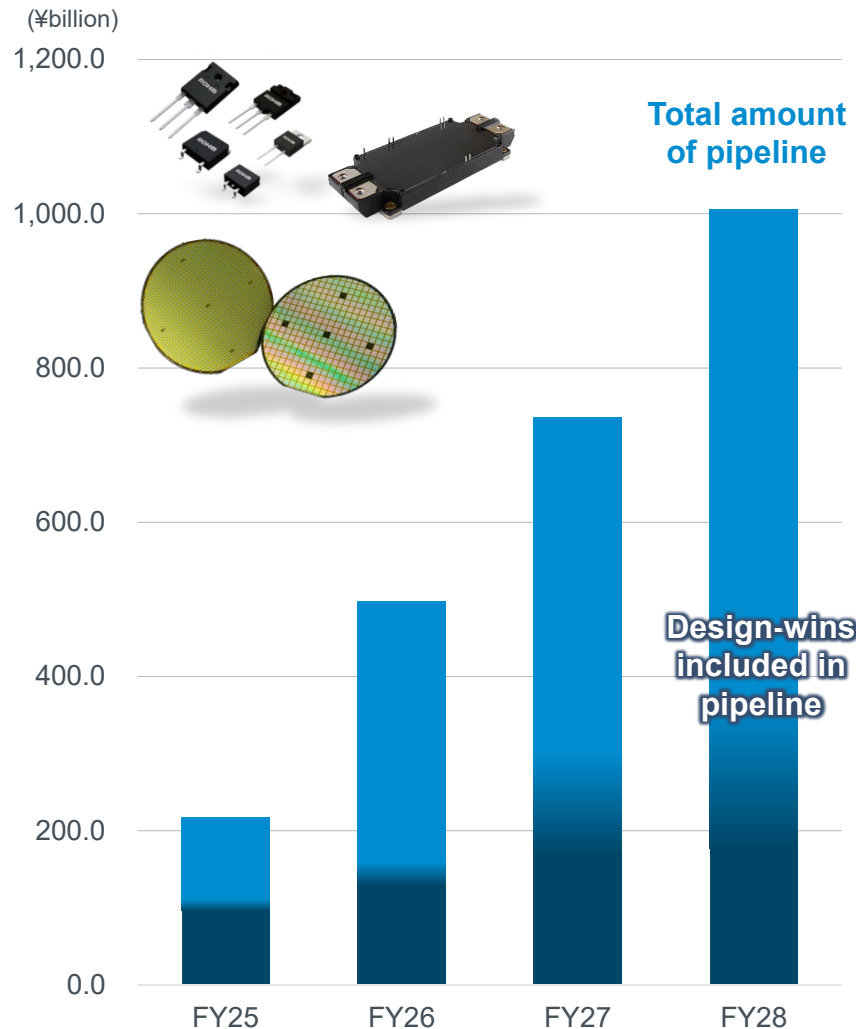
### SiC

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

### GaN

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

## Pipeline of the SiC Business

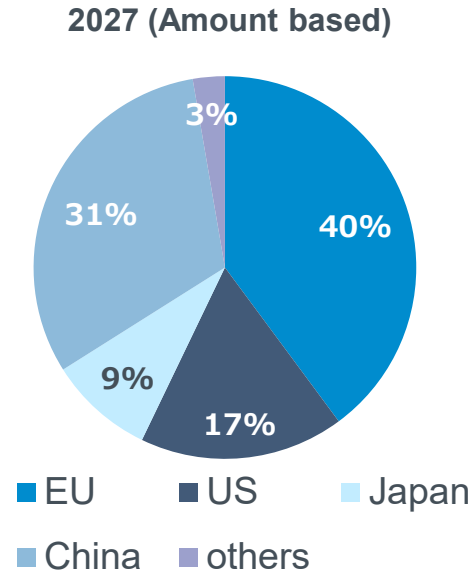


## Targets for the SiC Business

**Sales Target** > ¥110billion (FY2025) > ¥220billion (FY2027)

\*Converted at ¥145

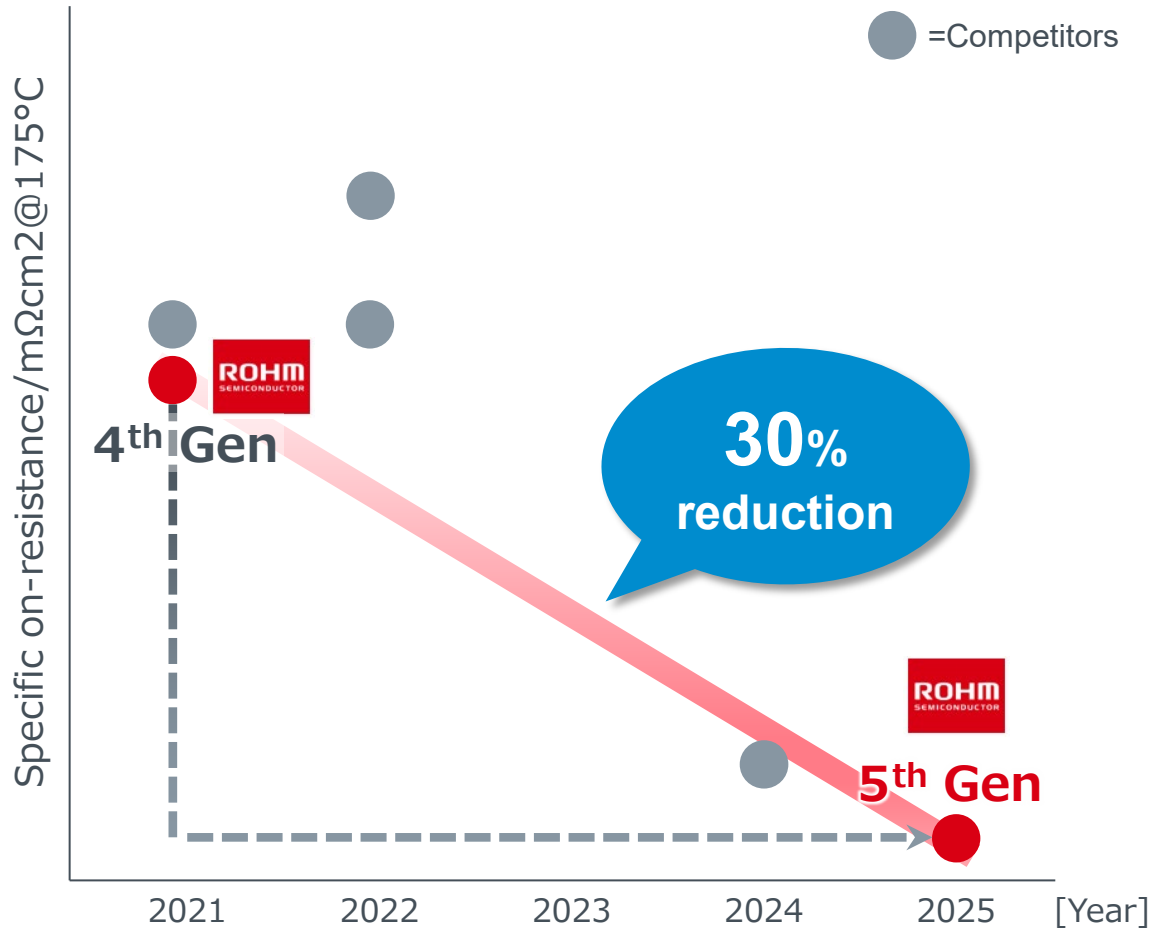
A good balance of design-wins achieved worldwide.  
Confirmed design-wins with over 130 companies.



Region	Number of design-win companies
Europe	24
Americas	14
Japan	43
China	39
Others	18

## 1200V MOSFET Benchmark

5th Gen. MOSFETs realize a **30% reduction** of on-resistance at high temperatures compared to current Gen.



## Conversion to 8-inch

Chikugo Plant: **Planned to start supplying** using 8-inch line **from 2025**



Miyazaki Plant No. 2 will also **begin production** of 8-inch substrates **in 2024**



## Aim to standardize TRCDRIVE PACK™, a molded module that can contribute to improving power density of inverters

### ROHM's power module business

- 2015: Started mass production of the world's first full SiC-IPM for automotive powertrains (case-type module)
- 2024: Started mass production of molded modules TRCDRIVE PACK™

IPM: Intelligent Power Module

Sales target of the SiC business which can also contribute to investment efficiency improvement

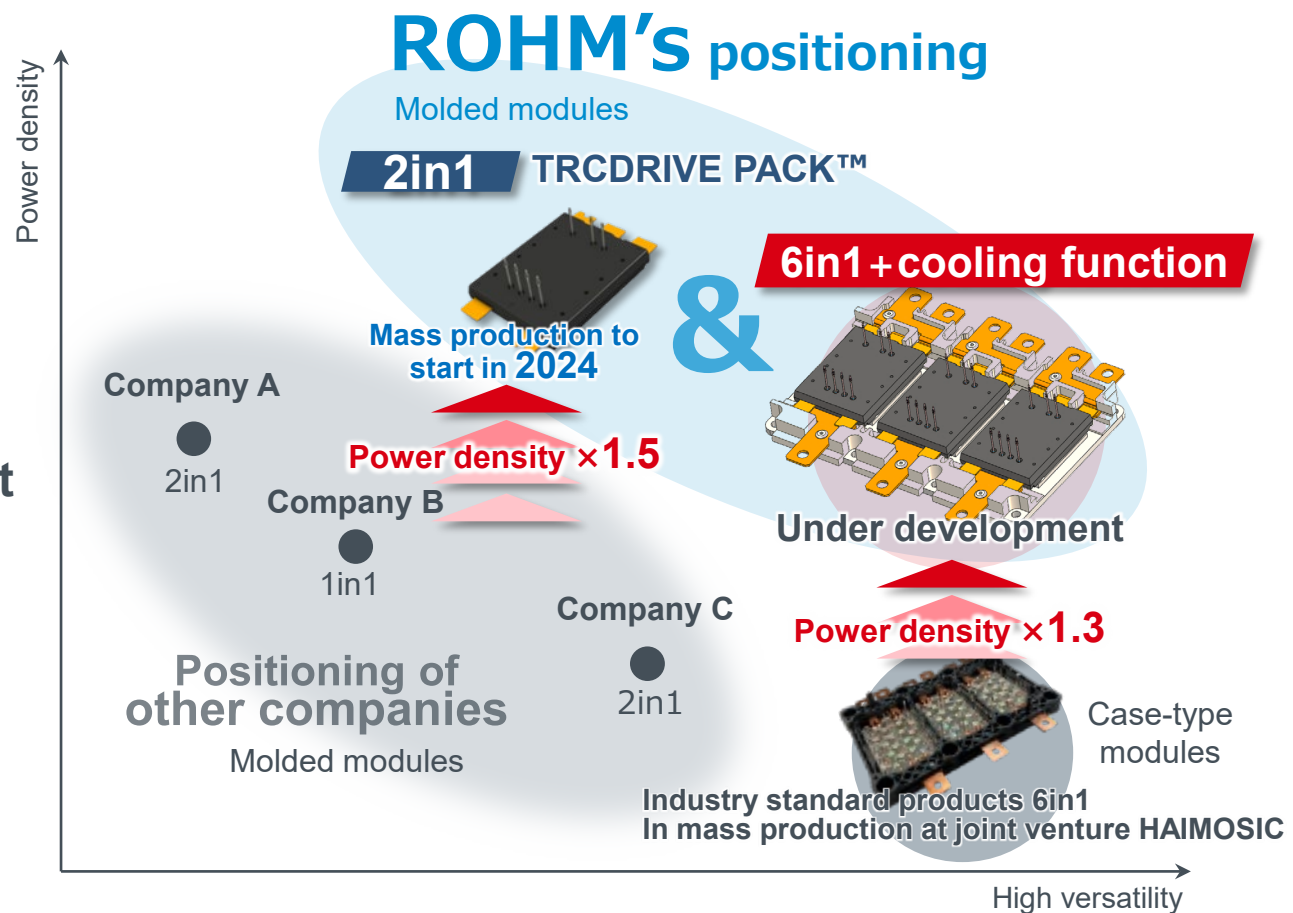
### Sales target

FY2027

>¥60 billion

\*Converted at ¥145

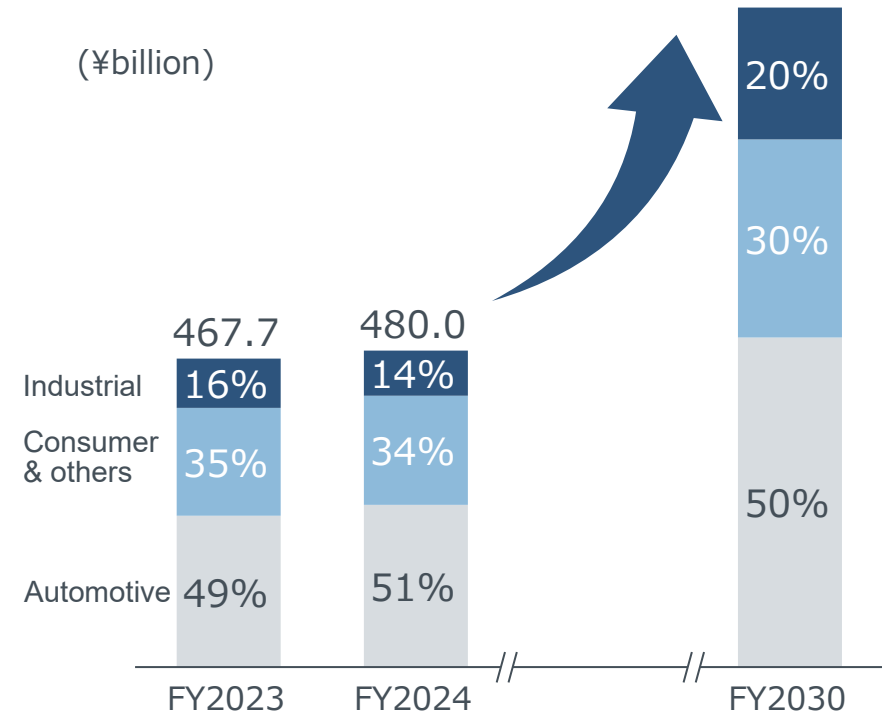
### Design-in by 21 companies, design-wins by 3 companies



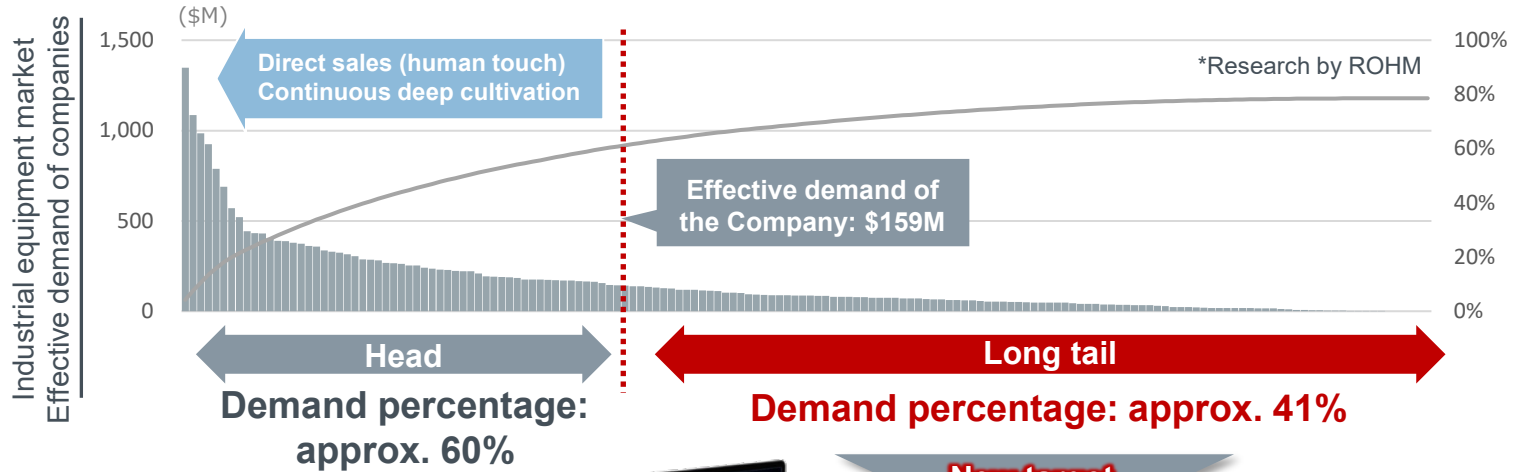
## Expand touchpoints with the broad market through DX and dramatically increase ROHM fans

### Market sales percentage

- Change portfolio towards becoming a major global player in 2030
- Aim to achieve 20% and higher sales percentage for industrial equipment market



### New platform released to provide engineering support to the broad market



### Pre-released

- Long-term supply program Newly started July 2023
- Cross-reference (Product search) Updated April 2024



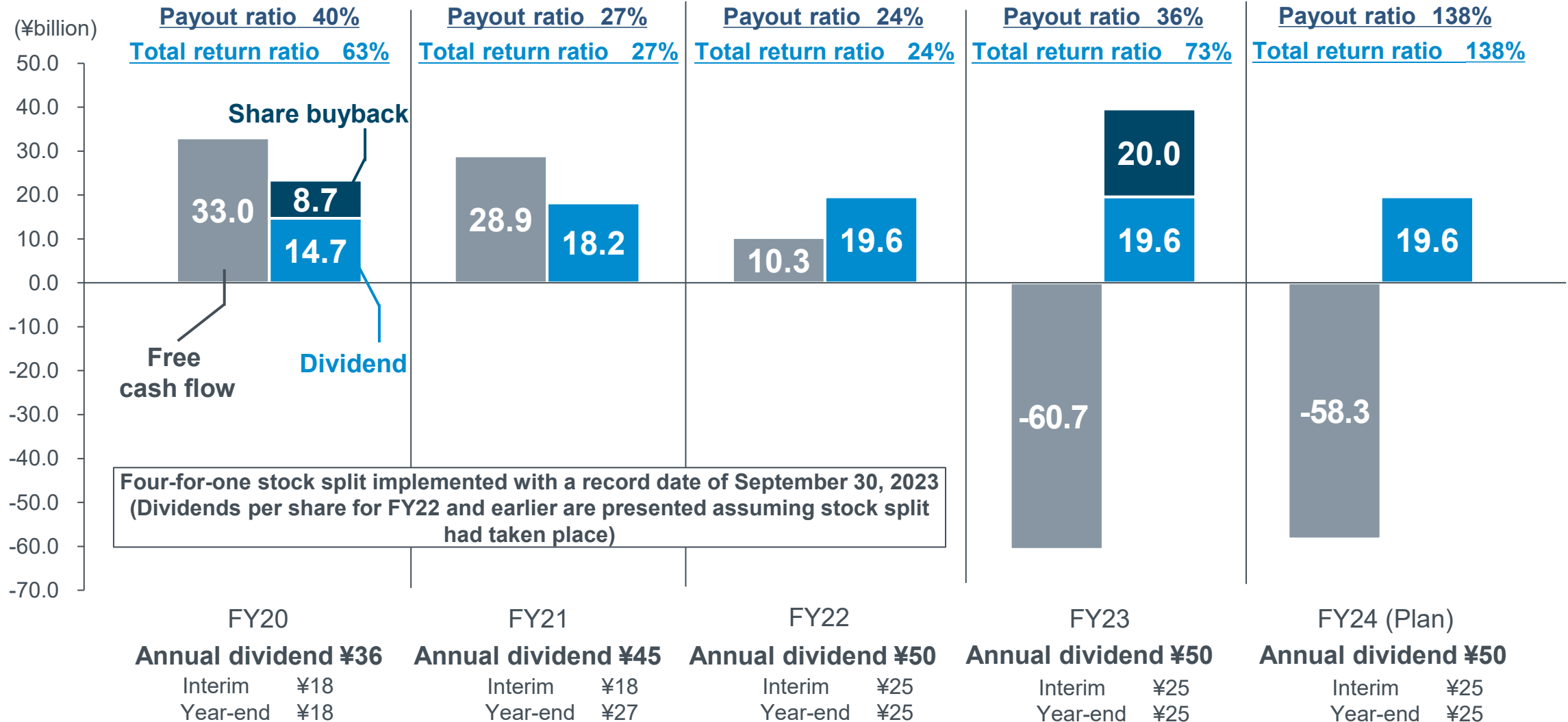
New target  
DX=technical touch

Launch planned for July 2024

### Engineer Social Hub

- Forum/Community
- FAQ
- Manned chat
- Chatbot
- Inquiries

# Returns to Shareholders



\*Free cash flow: Net profit + depreciation – CAPEX



# Progress of the Medium-Term Management Plan

## Medium-Term Management Plan (MOVING FORWARD to 2025)

FY2021-FY2025

Achieve growth in the "automotive segment " and "markets outside of Japan" and build a foundation for further growth

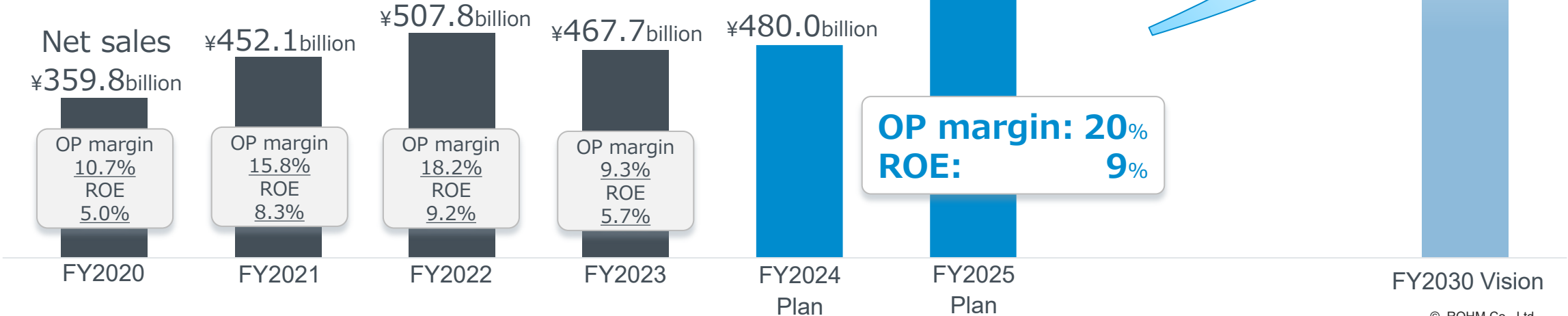
- Five years to return to growth trajectory
- Establish global top market share in the electric vehicle market (SiCs, Isolated gate drivers)
- Achieve outside of Japan sales ratio of **50% or more**
- Strengthen profit structure (raise unit prices and further improve production efficiency through high value-added products)
- Establish sales/development structures that can compete globally

FY2030

Become a major global player

- Become one of the top 10 companies in power and analog
- Achieve sales of ¥1 trillion

Accelerate growth



## Financial Targets

**Net sales**      **¥600+**billion

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**Operating margin**      **20%+**

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**ROE**      **9%+**

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## Non-Financial Targets (Abridged)

### Environment (FY2030)

- Reduce GHG emissions by **50.5%** (vs FY2018)
- Promote 100% introduction of renewable energy by FY2050
- Achieve zero waste emissions

### Diversity and Employees

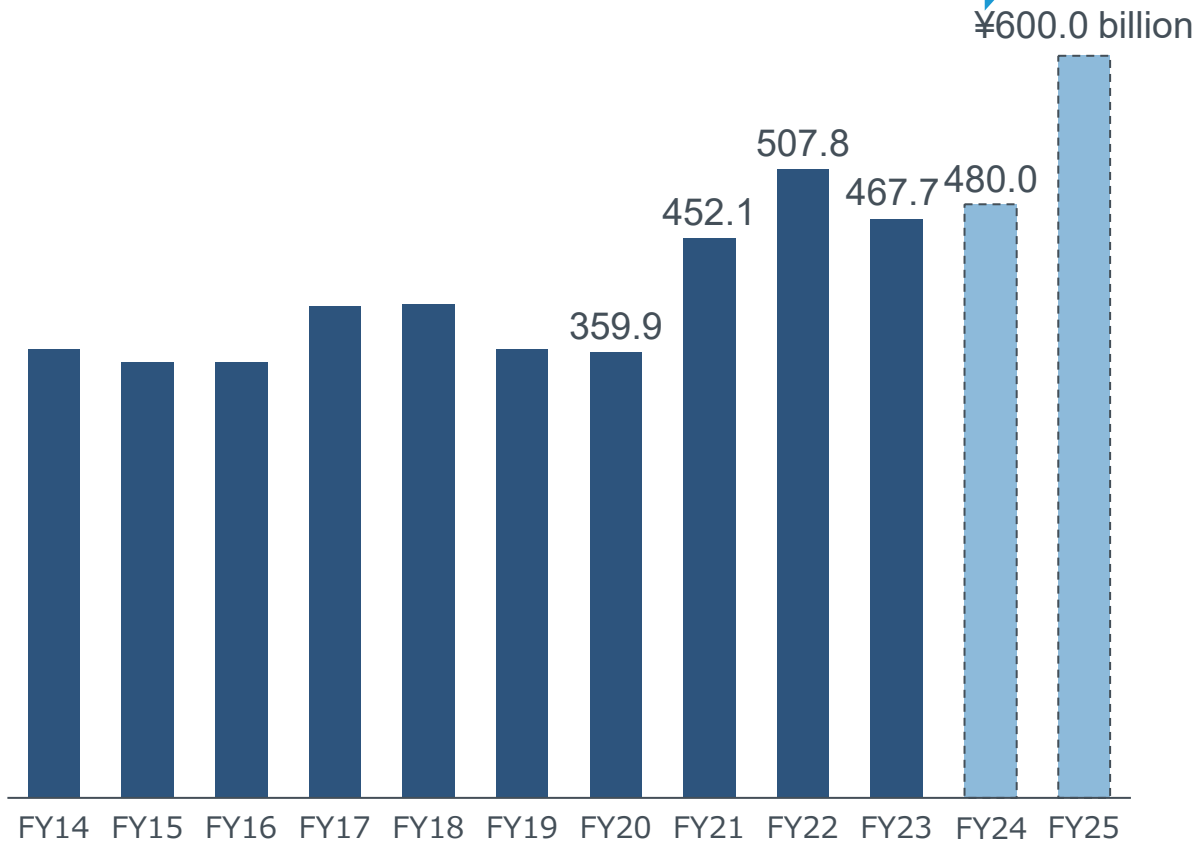
- Achieve global female manager ratio of 15%
- Reach employee engagement score above industry average

### Customers

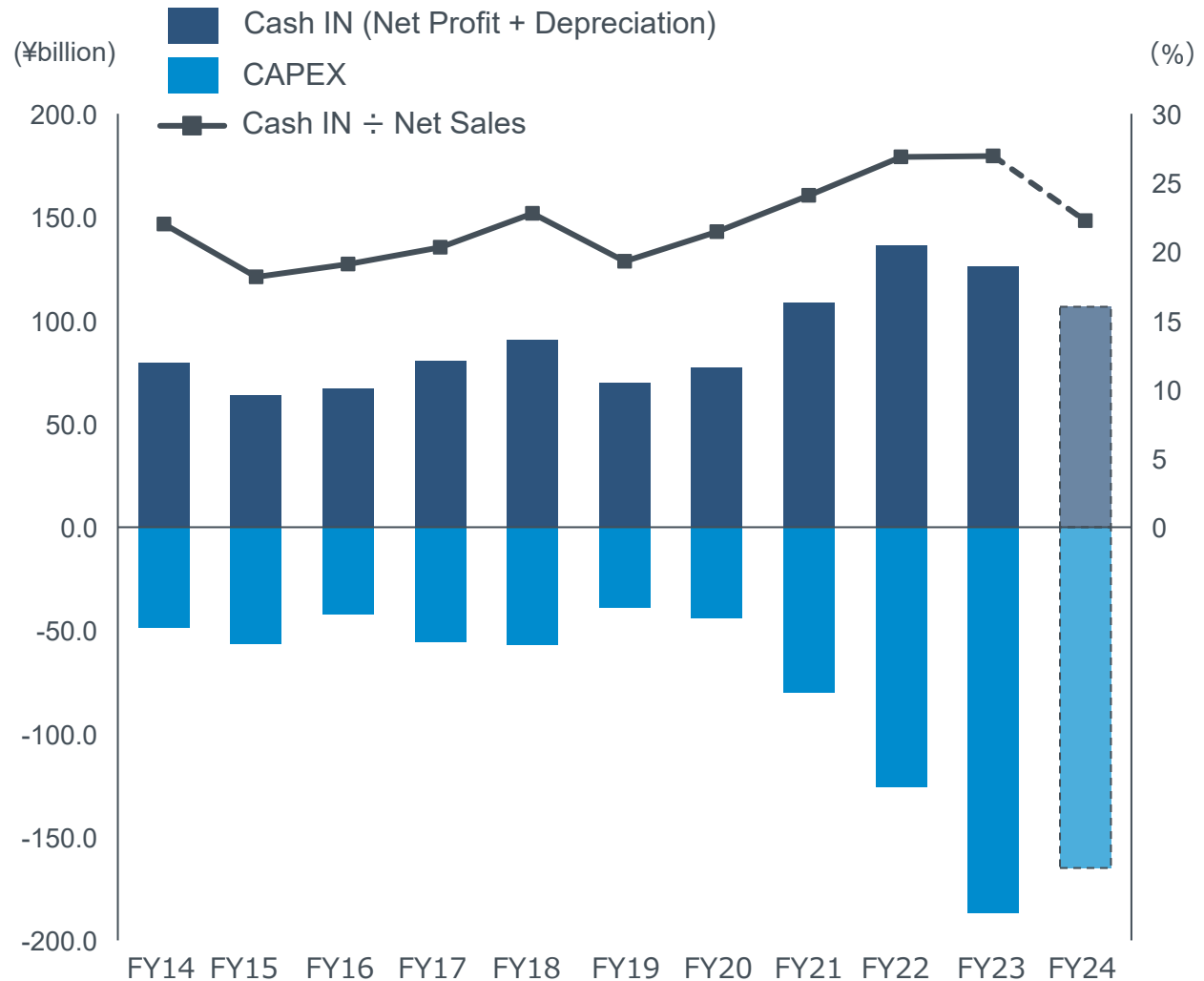
Improve quality satisfaction score by +10% (vs FY2020)

## Net Sales

Medium-term Management Plan  
"MOVING FORWARD to 2025"



## Cash Flow Balance

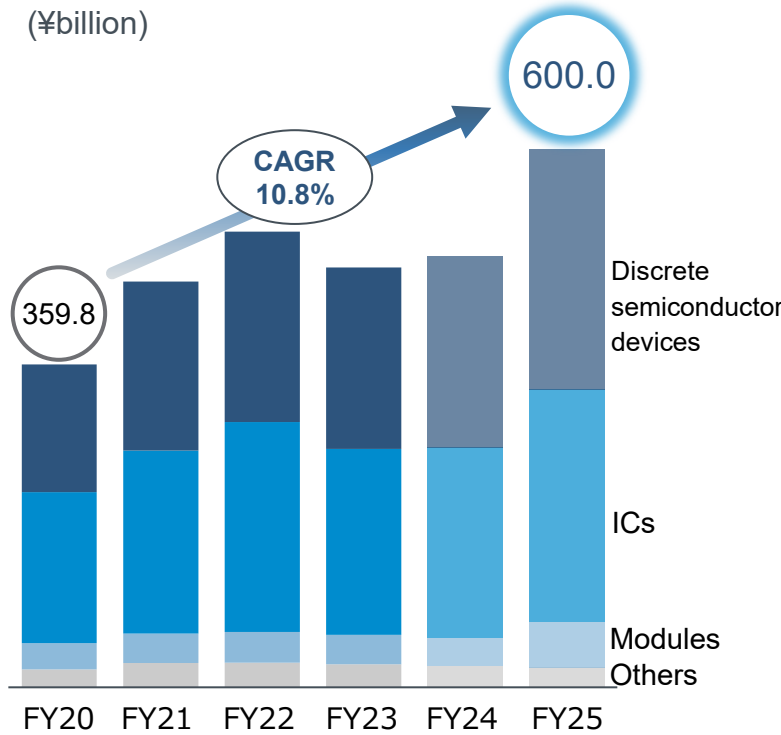


# Company-Wide Growth Policy in the Medium-Term Management Plan

**Achieve significant growth in power and analog, mainly in automotive segment and markets outside of Japan (policy remains unchanged)**

## Medium-Term Management Sales Plan

(¥billion)



38% 40% 43% 44% → **50%+**  
Sales ratio outside of Japan

## Growth Policies per Business

### Grow

Significantly increase sales in core growth businesses

### Evolve

Achieve qualitative transformations including shift to higher value-added products and markets outside of Japan

### Create

Plant new seeds for growth for FY2025 and beyond

### Automotive



### Industrial equipment



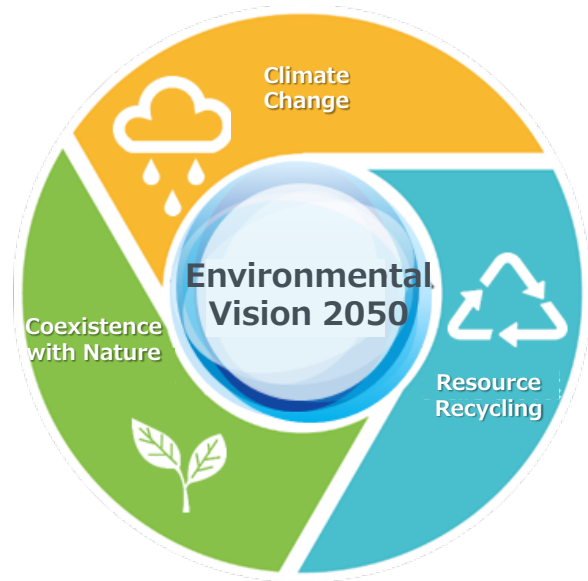
### Consumer



Product Category	Growth Policy		
	Automotive	Industrial equipment	Consumer
Discrete semiconductor devices	<ul style="list-style-type: none"> <li>Expand market share of 4th-gen. SiC-MOS</li> <li>Enter markets for 5G/6G servers/base stations with 6th-gen. Si-MOS</li> </ul>		<ul style="list-style-type: none"> <li>Expand high-efficiency products for energy-saving home appliances and accelerate overseas expansion</li> </ul>
	<ul style="list-style-type: none"> <li>Develop SiC power modules for electric vehicle main inverters</li> <li>Develop IGBT devices for electric vehicle main inverters</li> </ul>		<ul style="list-style-type: none"> <li>IGBT</li> <li>FRD</li> <li>Si-MOS</li> </ul>
ICs	<ul style="list-style-type: none"> <li>Increase product value through miniaturization while maintaining top share as a cash cow business</li> <li>Build a production system capable of responding to changes in demand</li> </ul>		
	<ul style="list-style-type: none"> <li>Strengthen products for electric vehicles</li> <li>Expand entry into automotive segment outside of Japan</li> </ul>	<ul style="list-style-type: none"> <li>Develop new products for base stations and data centers</li> </ul>	<ul style="list-style-type: none"> <li>Maintain consumer sales with compact, high-efficiency products</li> </ul>
Modules Others	<ul style="list-style-type: none"> <li>Isolated gate drivers</li> <li>Power management ICs (PMICs)</li> <li>LED driver ICs</li> </ul>		<ul style="list-style-type: none"> <li>IPM, ACDC for energy-saving home appliances</li> </ul>
Modules Others			<ul style="list-style-type: none"> <li>Focus on self driving support modules and sensing devices for security (certification)</li> </ul>

# Initiatives to Address Environmental Issues (Progress)

- Steady progress on annual goals to achieve "Environmental Vision 2050"  
 - Accelerating efforts to reduce environmental impact, including active introduction of renewable energy



- Member of RE100
- Disclosures based on the TCFD Framework
- Cooperative agreements with government



Important SDG issues	Category	Targets for FY2030	FY2023
<p>Climate Change</p> <p>Net zero CO<sub>2</sub> emissions</p>	Reduction of GHG	- Reduce GHG emissions by 50.5% vs FY2018 - Reduce emissions per unit of production by 45% vs FY2018	○
	Promotion of use of renewable energy	- Promote shift to renewable energy with the goal of 100% introduction by FY2050	○
<p>Resource Recycling</p> <p>Zero emissions</p>	Reduction of resources	- Improve water recovery/reuse rate by 5.5% or more vs FY2019	○
	Reduction of waste	- Achieve zero waste emissions	○
<p>Coexistence with Nature</p> <p>Harmonize business activities with natural cycles</p>	Promotion of greening	- Promote factory greening at all locations - Improve conservation of organisms inhabiting each region	○
	Management of chemical substances	- Respond to policies and regulations in various countries around the world regarding chemical substances - Reduce the use of chemical substances	○

- Diverse employees with rich humanity and intelligence will maintain high engagement and create innovation continuously  
 - Achieve sustainable corporate growth along with effective governance reforms



## ■ Promote Diversity

- Promote career development for women
- Promote women and foreign nationals to management position

### FY2025 Targets

- Ratio of global female managers: 15%
- Ratio of female and foreign board members at head office: 10%

### FY2023 Results

- Ratio of global female managers **12.6% → 13%**
- Ratio of female and foreign board members at head office **23%**  
 Ratio of female board members **15%** + Ratio of foreign board members **8%**

## ■ Improve Employee Engagement

- Conduct engagement surveys
- Promote reform of organizational culture and work style

### FY2025 Targets

- Achieve the following in employee engagement scores:
- Annual score improvement
  - At or above industry average
  - Implemented in entire group

### FY2023 Results

- **Achieved above industry average**
- **Implemented in entire group**

## ■ Governance Reform

- Further increase the ratio of independent outside directors
- Introduce compensation system linked to the Medium-Term Management Plan

### FY2023 Results

- Ratio of independent outside directors: **54%**
- Continued discussions on compensation structure and directors' ownership of the Company's stock

## Manufacturing facilities where renewable energy is installed as of FY2024



SiCrystal (Germany)



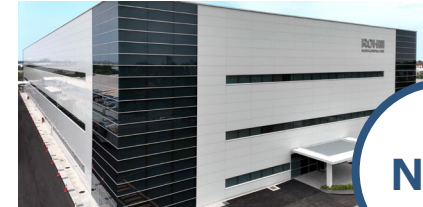
ROHM Apollo  
(Chikugo, Fukuoka)



RIST (Thailand)



REPI (Philippines)



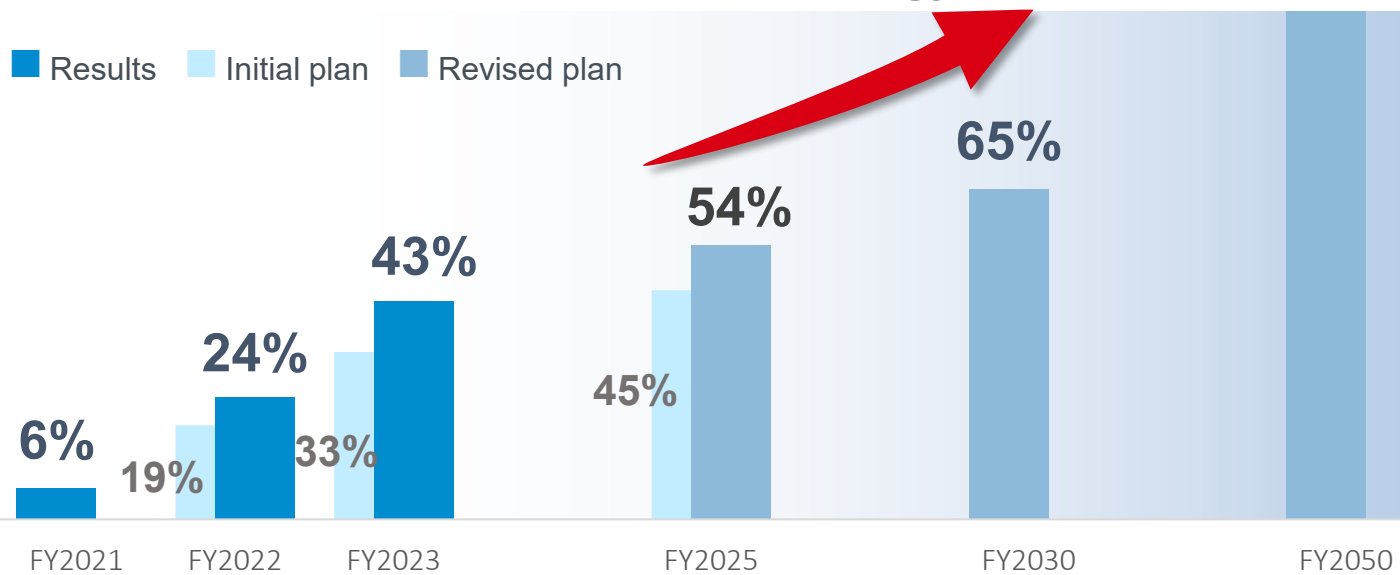
REMA (Malaysia)



## ROHM Group's Ratio of Renewable Energy

100%

■ Results ■ Initial plan ■ Revised plan



Progressing ahead of schedule toward  
**100% in FY2050**

# External Assessment of Sustainability



Selected by S&P Global as a "Sustainability Yearbook Member" for the first time this year as one of the top 15% companies in the semiconductor and semiconductor manufacturing equipment industry



ROHM Co., Ltd  
Semiconductors & Semiconductor Equipment

**Sustainability Yearbook Member**

S&P Global Corporate Sustainability Assessment (CSA) Score 2023

S&P Global CSA Score 2023: 66/100  
Score date: February 7, 2024  
The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches.  
Position and scores are industry specific and reflect exclusion screening criteria.  
Learn more at <https://www.spglobal.com/esg/csa/yearbook/methodology/>

S&P Global Sustainable1



Selected as highest rating "A-List" in CDP Water Security Questionnaire  
Selected as A- in Climate Change



Rated gold in EcoVadis' Sustainability Rating



Rated AA in MSCI ESG Ratings

**MSCI**  
ESG RATINGS

**AA**

CCC B BB BBB A **AA** AAA



Continuously selected for  
FTSE4Good Index Series  
FTSE Blossom Japan  
FTSE Blossom Japan Sector Relative Index





# Financial Policy (Medium-Term Management Plan FY21~FY25 Total)

- Increase 5-year growth investment total of 600 billion yen to **700 billion yen** by compensating decrease in operating CF due to deteriorating market conditions with government subsidies
- Participated in Toshiba's privatization by financing 300 billion yen. Plan to enhance corporate value by strengthening collaboration in semiconductor business
- Issued convertible bonds (CBs) to partially repay bridge loan taken out in connection with participation in Toshiba's privatization
- Redemption of remaining bridge loan and face value of CBs maturing in Dec. 2024 will be funded with **liquidity on hand or debt financing** (bank loans, bonds)
- No changes in policy for returns to shareholders
- Accelerate use of cash on hand, **revised plan to less than 1/3 of annual sales** from initial plan of less than 1/2

## Cash allocation (Medium-Term Management Plan FY21~25 5-year total)

IN	OUT
Financing CF <b>¥300 billion</b>	Strategic investment (Toshiba) <b>¥300 billion</b>
Operating CF + Government subsidy Approx. <b>¥650 billion</b>	Returns to shareholders
Liquidity on hand* Approx. <b>¥320 billion</b>	Investments for growth (Capital expenditures) <b>¥700 billion</b>
	<b>Cash on hand</b>

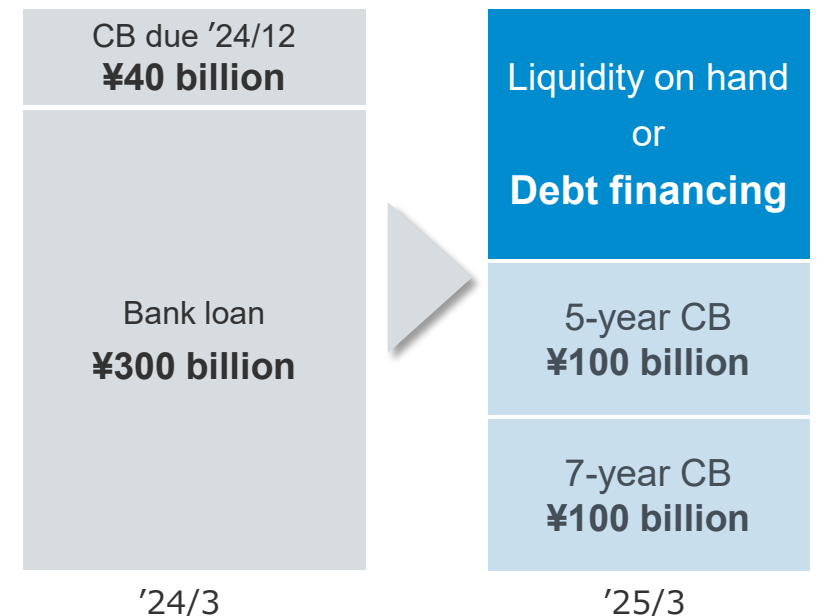
### Returns to shareholders

- Dividend payout ratio on a consolidated basis: around 30%
- Timely share buybacks to improve capital efficiency

### Investments for growth

- SiC power devices: Increase 8-inch production capacity
  - ROHM Apollo Chikugo Plant New plant
  - LAPIS Miyazaki Plant No. 2 (New site)
- IC: Enhance 12-inch Bi-CDMOS production line

## Financing policy for debt

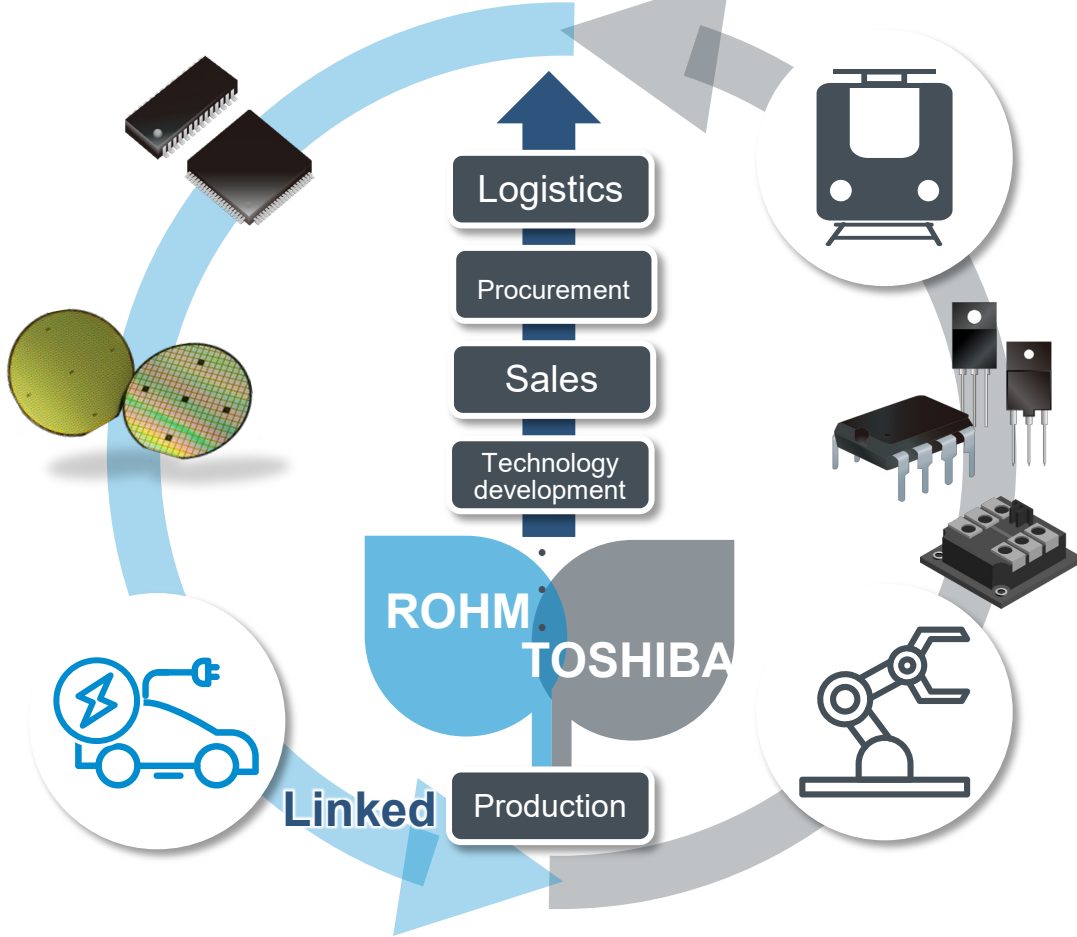


\*As of the end of FY20

**Less than 1/3 of annual sales**

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

**Aim to enhance the corporate value of both ROHM and Toshiba**



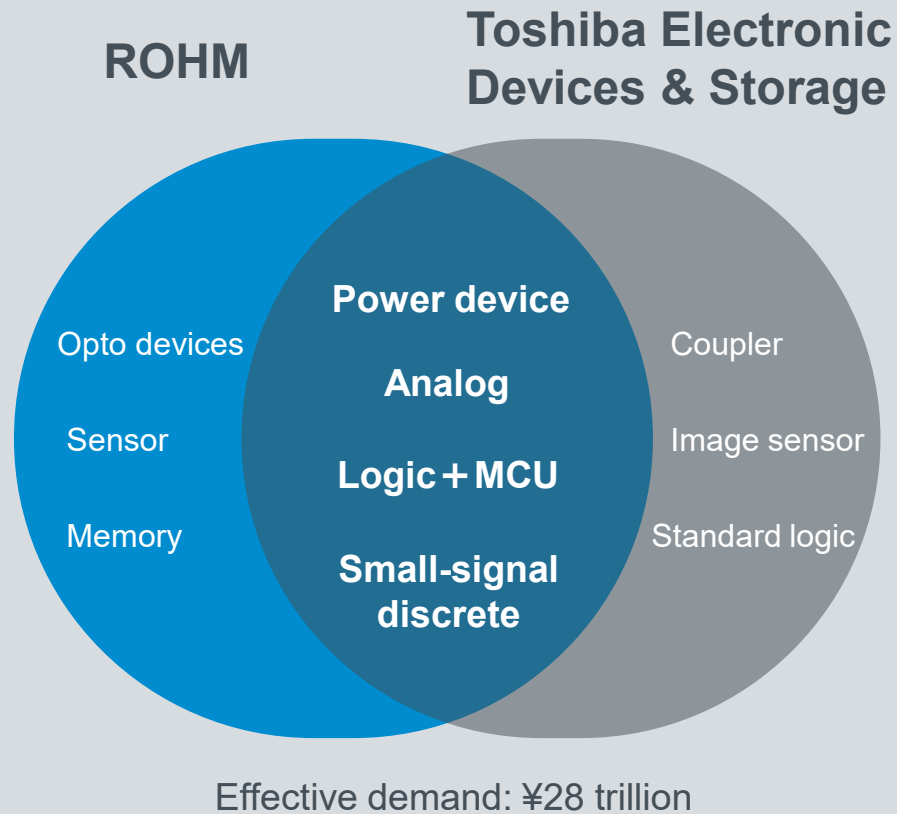
## Outline of Proposal

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

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

**Planned to commence negotiations to strengthen alliance from June**

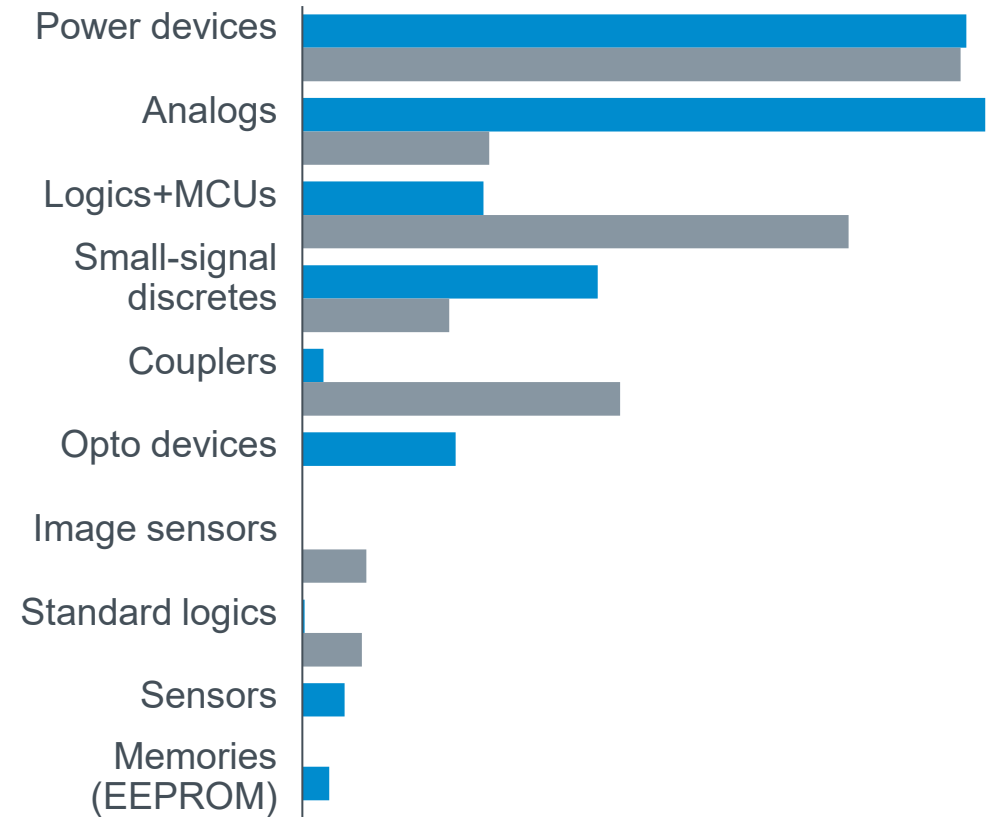
## High affinity in business areas and focused product categories



## Sales (2023)

1USD=¥144.4

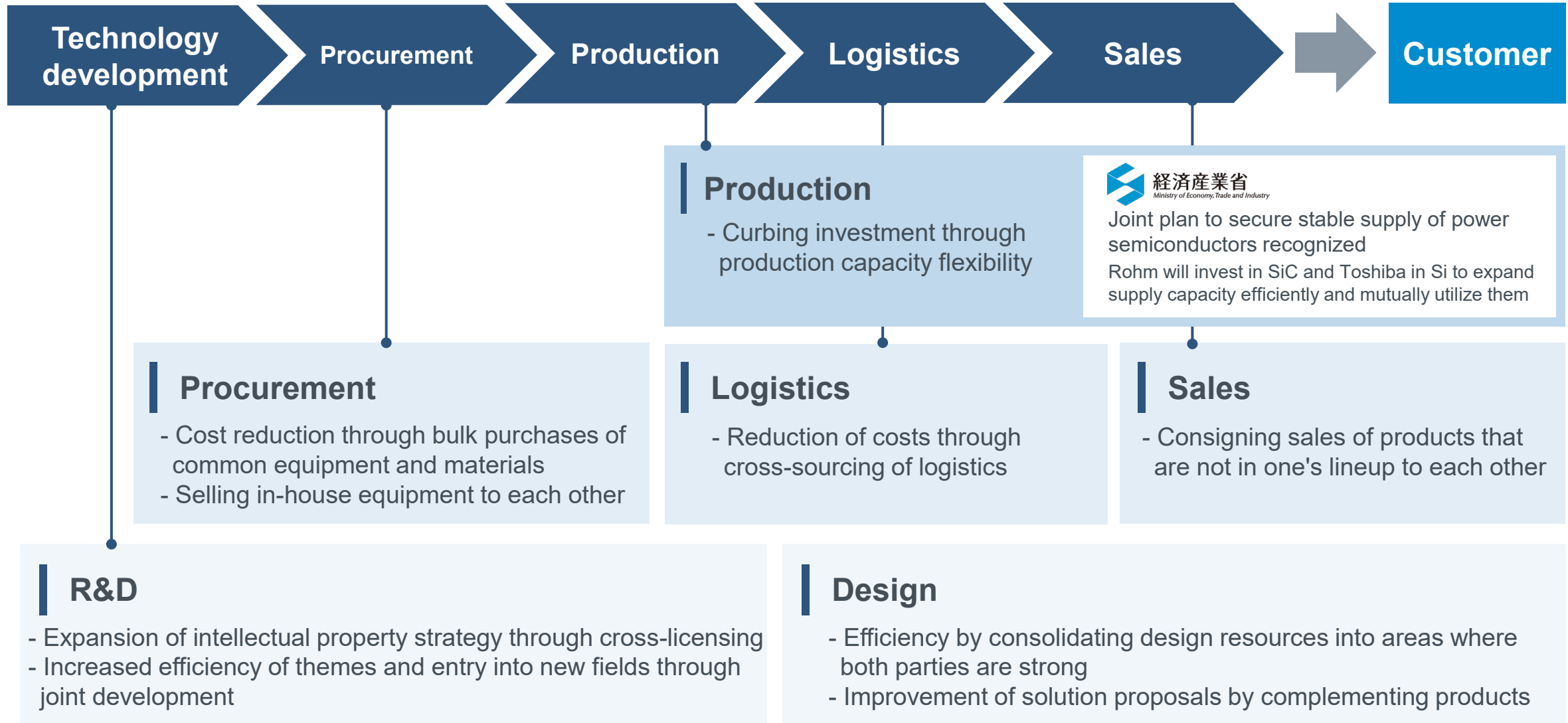
■ ROHM ■ Toshiba Electronic Devices & Storage



Source: OMDIA (Competitive Landscaping Tool CLT Annual Pivot 4Q23)

Power device: Bipolar PT, FET PT, IGBT PT, Rectifier & Power Diodes, Thyristor / Analog: Analog Application Specific, General Purpose Analog / Logic+MCU: General Purpose DSP, Logic Application Specific, Microcontroller / Small-signal discrete: Bipolar SST, FET SST, Other Small Signal / Coupler: Coupler  
 Opto device: Laser Diodes, LEDs, Other Optical / Image sensor: CCD Image Sensors, CMOS Image Sensors / Standard logic: Standard Logic / Sensor: Sensors & Actuators / Memory (EEPROM): EEPROM

# Possible Synergies Through Collaboration with Toshiba



### [Note]

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

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Electronics for the Future

# [Reference] Background and Purpose of Issuance of Convertible Bonds (CB)



## Purpose of financing

Issued to partially repay bridge loan taken out in connection with participation in Toshiba's privatization

## Why CB was chosen

Considered a wide range of debt financing options, including bank loans, SBs and CBs, and selected CBs that can offer favorable terms under the current market environment, taking advantage of the Company's credit and stock price characteristics.

The bonds will be issued as zero coupon and will not incur interest costs on a cash basis, thus minimizing funding costs.

By granting a conversion restriction clause, the possibility of subscription rights being exercised even when the share price exceeds the conversion price can be suppressed to a considerable degree.

By applying an acquisition clause (par value cash settlement type), immediately prior to maturity, the par value portion can be redeemed for cash at the option of the Company in light of its financial condition, thereby substantially avoiding dilution that would result from future share issuance. This highly debt-sensitive design significantly mitigates the impact of share issuance on net income per share (EPS) and ROE.

CBs will preserve highly flexible indirect financial capacity and enable flexible implementation of strategic actions that require capital funds in the future.

## Issuance conditions

Form of issuance	Zero Coupon Convertible Bonds	
Target markets	Markets outside Japan, centered around Europe and Asia (excluding America and Canada)	
Determination date / Issuance date	April 8, 2024 / April 24, 2024	
Closing price of determination date	¥2431.5	
Limit	5 years	7 years
Issued amount	100 billion yen	100 billion yen
Interest rate (coupon)	0%	
Supplementary clause	(1) Conversion restriction clause (2) Acquisition clause (par value cash settlement type)	
Conversion price (Increase percentage from closing price of determination date)	¥3,063 (25.97%)	¥2,943 (21.04%)

# [Reference] Product Design of CB

- By applying a **conversion restriction clause**, we have **adopted a highly debt-linked scheme** whereby CB investors cannot request conversion unless the share price during the period exceeds 150% of the conversion price (~1 year prior to maturity) or 130% of the conversion price (1 year~3 months prior to maturity) for a certain period of time.
- By applying an **acquisition clause** that allows cash delivery for an amount equivalent to the face value of the bonds, **future dilution can be substantially reduced** at the Company's option.

Image of CB product design<sup>1</sup>

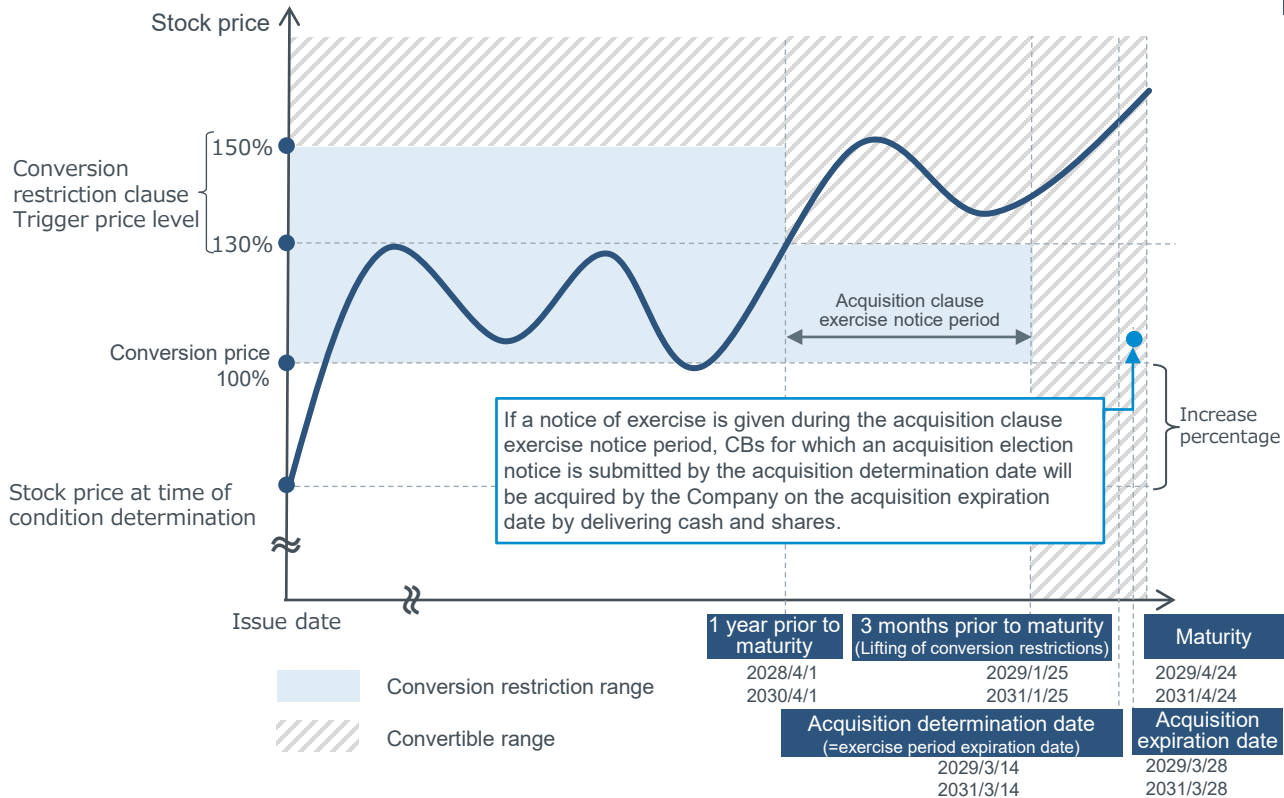
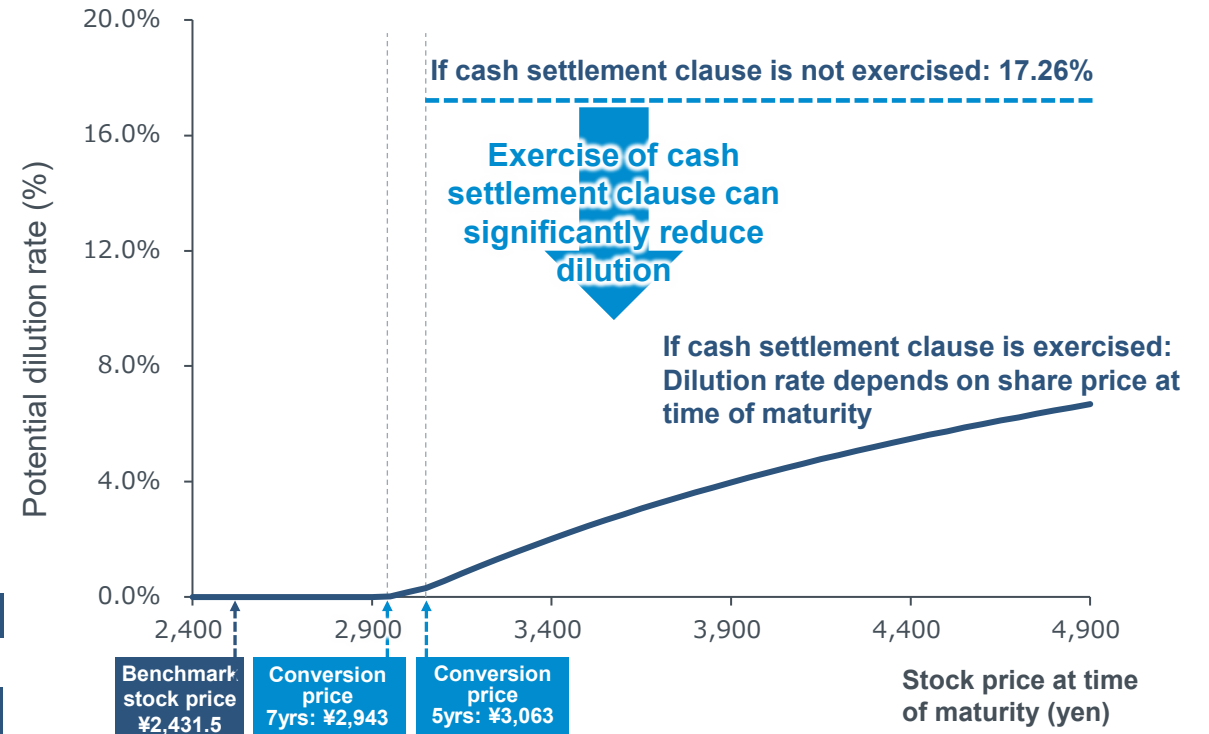


Image of dilution control at the time of exercise of the acquisition clause (par value cash settlement type)<sup>2</sup>



<sup>1</sup> The stock price fluctuation is an image and not a prediction or guarantee of the Company's stock price movement. Although the last day of the exercisable period of stock acquisition rights is set as 2029/4/10 and 2031/4/10, if the Company exercises the acquisition clause, the day before the lifting of the conversion restriction date will be the effective exercise period expiration date for bondholders of stock acquisition rights.

<sup>2</sup> The dilution rate for the acquisition clause is the figure at the time of issuance, and if the conversion price is adjusted in the future, the dilution rate will change accordingly. In calculating the dilution rate, it is assumed that the conversion restriction clause has never been lifted during the period. The graphs shown assume the aggregate value of both the 5-year and 7-year maturity tranches.