

Last Update: March 31, 2021

ROHM Co, Ltd.

Isao Matsumoto, President

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Securities Code: 6963

<https://www.rohm.com>

The corporate governance of ROHM is described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### 1. Basic Views

1. We strive to pursue the best possible corporate governance in order to achieve our mission and policy as described in the Company Mission and the Basic Management Policy.
2. We recognize that a company is supported by all of its stakeholders including its customers, business partners, employees, shareholders, investors, and local communities. We believe that the management and conduct of a company must be based on fairness, integrity, and transparency. Our basic view on corporate governance is to achieve sustainable corporate growth and maximize corporate value over the mid- to long-term from the stakeholders' perspective after accurately identifying the Company's cost of capital. We strive to improve corporate governance in accordance with the following guidelines.
  - (1) To properly cooperate with all stakeholders including shareholders into consideration, and properly address and deal with ESG (environmental, social, and governance) issues.
  - (2) To respect the rights of shareholders, secure their equal treatment, and engage in constructive dialog with shareholders to enhance corporate value.
  - (3) To disclose corporate information in a timely and appropriate manner as a part of ensuring our transparency.
  - (4) To make the roles and responsibilities of the Board of Directors clear, hold meetings of the Board of Directors in a timely and appropriate manner, facilitate decision-making processes, and ensure that Outside Officers proactively express their views from an independent and objective standpoint and that the Board of Directors oversees the execution of business.

### [Reasons for Non-compliance with the Principles of the Corporate Governance Code]

ROHM has implemented all of the Principles of the Corporate Governance Code revised in June 2018.

### [Disclosure Based on the Principles of the Corporate Governance Code]

ROHM had established the "ROHM Corporate Governance Policy" (hereinafter referred to as the "Policy") at the meeting of the Company's Board of Directors held on November 5, 2015 and revised on March 12, 2021. The Policy is available at ROHM's website:  
URL: <https://www.rohm.com/investor-relations/corporate-governance>

#### • Principle 1-4 【Cross-shareholdings】

1. The basic policy on cross-shareholdings of listed companies and the exercise of voting rights with respect to cross-shareholdings is established by the Board of Directors as follows:

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< Basic Policy on Cross-shareholdings of Listed Companies >

To achieve sustainable corporate growth and increase corporate value over the mid- to long-term of the ROHM Group, we believe that cross-shareholding of our major business partners in order to maintain strong business relationships with them is an important way.

With this end in view, annually the Board of Directors quantitatively and qualitatively examines each of cross-shareholdings in terms of economic rationality, the benefits of holding and other factors.

And shares unneeded to continue holding will be gradually reduced.

< Basic Policy on the Exercise of Voting Rights with Respect to Cross-shareholdings >

We exercise the right to vote after scrutinizing proposals based on the purpose of shareholding and verifying that proposals will contribute to increase corporate value. Votes against such proposals may be casted if there is a situation that could damage corporate value or a concern that could arise over corporate governance for reasons like social misconduct.

• Principle 1-7 【Related Party Transactions】

1. In order to protect the interests of shareholders, we endeavor to prevent directors, employees, and other persons related to ROHM from engaging in any transactions that may be detrimental to ROHM or its shareholders by exploiting their position.

2. When we engage in transactions with officers or major shareholders, we follow the proper approval procedures of the Board of Directors in accordance with the Company's rules and regulations.

• Principle 2-6 【 Roles of Corporate Pension Funds as Asset Owners】

1. Regarding the management of the reserve funds of the defined-benefit corporate pension plan, because the management of such funds impacts stable asset formation for our employees and the Company's own financial standing, we endeavor to allocate and develop personnel with necessary experience and qualification to perform monitoring and other necessary activities on the management institution.

2. We ensure appropriate management of such funds without causing a conflict of interest between the pension fund beneficiaries and the Company, asset management institutions are selected from among those having declared the adoption of Japan's Stewardship Code and entrusted to select individual investment destinations and to exercise the right to vote.

• Principle 3-1 【Complete information disclosure】

ROHM endeavors to disclose information actively, disclosing in a timely and accurate disclosure in accordance with laws, and to secure transparency and fairness in our decision making and realize effective corporate governance.

1. Management philosophy and business strategies, business plans

Our company's mission is to 'contribute to the advancement and progress of society through a consistent supply, under all circumstances, of high quality products in large volumes to the global market by making quality our top priority at all times.'

In order to build the foundations for mid-to long-term growth needs to serve continuously markets, the ROHM Group is promoting the following growth strategies.

The ROHM Group is bolstering its product lineups for automotive and industrial equipment markets, where growth is anticipated for the mid-to long-term and continues to make effort to build up its sales operations in overseas market, and is developing new products and new technology where the group particularly excels, to note "analog", "power", etc., with a view to increase future earnings. Moreover, ROHM Group continues to strengthen production innovation.

2. Basic views and guidelines on corporate governance

Please refer I. 1. "Basic Views" in this report.

3. Policies and procedures for determining director remuneration

Please refer II. 1. "Director Remuneration" "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in this report.

4. Policies and procedures in the appointments/dismissals of the President and Directors with title and Corporate Officer with title and for nominating Director candidates

Please refer II. 1. "Directors" "Committee's Name, Composition, and Attributes of Chairperson" in this report.

5. Reasons for the appointments/dismissals of the President and Directors with title and Corporate Officer with title and the individual nominations of Director candidates

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Reasons for the appointments/dismissals of the President and Directors with title and Corporate Officer with title and the individual nominations of Director candidates are disclosed on our website etc.  
Please refer II. 1. "Directors" "Outside Directors' Relationship with the Company (2)" in this report about outside directors.

Reasons for the individual nominations of directors are described in the notice of the 62th Ordinary General Shareholders Meeting.

- Supplemental Principle 4-1-1 **【Scope of delegation to the management team】**

The rules governing the Board of Directors specify matters related to board resolutions, while company rules specify matters delegated to each director.

- Principle 4-8 **【Effective use of independent Outside Directors】**
- Principle 4-9 **【Qualifications and standards for judgment of independence of independent Outside Directors】**

The Board of Directors establishes standards of independence for independent directors.

Please see "Independence Standards for Outside Officers" published in our website for details.

We have designated all of five Outside Directors as Independent Outside Directors based on Outside Director's requirement by Companies Act and independent officer's requirement by the Tokyo Stock Exchange and "Independence Standards for Outside Officers". Also, we reported that information to the Tokyo Stock Exchange.

- Supplemental Principle 4-11-1 **【Balance, diversity and scale for the Board of Directors, and policies and procedures for election of the Directors】**

1. We take into consideration the diversity of the members of the Board of Directors in establishing selection criteria for directors.

2. The Company Director candidates who are not Audit and Supervisory Committee are nominated by the Board of Directors on the basis of reports from the Officer Nomination Council, a majority of the member shall be independent Outside Directors, in accordance with the preceding Paragraph.

3. The Company Director candidates who are Audit and Supervisory Committee are nominated by the Board of Directors after agreement by the Audit and Supervisory Committee on the basis of reports from the Officer Nomination Council, a majority of the member shall be independent Outside Directors, in accordance with the first Paragraph.

- Supplemental Principle 4-11-2 **【Situation of concurrent posts for Directors】**

Directors devote the time required to execute their respective duties and, if they also serve as officers at other listed companies, they disclose their positions.

Please refer to the notice of the general shareholders meeting that published in our website for details.

- Supplemental Principle 4-11-3 **【Analysis and Evaluation of Effectiveness for the Board of Directors】**

Assessment procedure;

At ROHM, each Officer is given a questionnaire evaluating the effectiveness of the Board of Directors, and the Board of Directors holds discussions based on these questionnaires' results to analyze and assess the effectiveness of the Board.

Overview of results and future actions:

The Board of Directors as a whole is evaluated as being largely effective, with the adequate dates and held frequency, in that it makes an adequate decision through the decision of the important management of business, reports the progress and result that the matters were solved in the past, exchanges information and opinion with outside directors, considers appropriate information from inside or outside of office to be provided.

However, the consensus is that there is room for improvement in terms of the timing to distribute the handout and ensuring sufficient time for deliberation, and functioning as one of the healthy incentive for sustainable corporate growth by the remuneration system of Inside Director.

The Board of Directors will take steps to heighten its effectiveness based on the results of this evaluation.

- Supplemental Principle 4-14-2 **【Training policy for Directors】**

Based on the Basic Policy for Education and Training, directors must always and proactively collect information on and endeavor to familiarize themselves with the Company's financial condition, legal

compliance, corporate governance, and any other issues, in order to perform their respective roles.

• Principle 5-1 【Policy concerning constructive dialog with shareholders】

1. We engage in constructive dialogue with shareholders in order to contribute to sustainable growth and increase corporate value over the mid- to long-term.
2. The senior management, directors, and the IR Department respond to shareholder requests for dialogue (or meetings) to the extent possible.
3. In order to promote constructive dialogue with shareholders, we:
  - (1) Appoint a director who is responsible for ensuring that constructive dialogue takes place;
  - (2) Establish an IR Department that works with the relevant departments including the General Affairs Department and the Accounting Department, with the aim of supporting dialogue with shareholders;
  - (3) Organize financial results briefings, briefings for private investors, and IR tours for overseas investors in order to explain the Company's financial health or business strategies;
  - (4) Regularly report shareholder information and views learned through dialogue to senior management and the Board of Directors, and;
  - (5) Establish company rules to control insider information.

## 2. Capital Structure

|                            |               |
|----------------------------|---------------|
| Foreign Shareholding Ratio | More than 30% |
|----------------------------|---------------|

### [Status of Major Shareholders]

| Name / Company Name                                  | Number of Shares Owned | Percentage (%) |
|--|------------------------|----------------|
| Rohm Music Foundation                                | 10,385,066             | 10.58          |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 8,932,200              | 9.10           |
| Custody Bank of Japan, Ltd. (Trust account)          | 5,686,500              | 5.79           |
| The Bank of Kyoto, Ltd.                              | 2,606,824              | 2.65           |
| GIC PRIVATE LIMITED - C                              | 1,785,400              | 1.81           |
| Custody Bank of Japan, Ltd. (Trust account 5)        | 1,733,300              | 1.76           |
| JP MORGAN CHASE BANK 385781                          | 1,352,889              | 1.37           |
| STATE STREET BANK WEST CLIENT - TREATY 505234        | 1,279,934              | 1.30           |
| STATE STREET BANK AND TRUST COMPANY 505001           | 1,208,393              | 1.23           |
| Custody Bank of Japan, Ltd. (Trust account 9)        | 1,102,000              | 1.12           |

|   |      |
|---|------|
| Controlling Shareholder (except for Parent Company) | None |
| Parent Company                                      | None |

### Supplementary Explanation

\*Treasury stock (4,864,423) as of the end of September, 2020 is excluded from the above list.

\*The shares owned by The Master Trust Bank of Japan, Ltd. (Trust account) and Japan Custody Bank of Japan, Ltd. (Trust account), Custody Bank of Japan, Ltd. (Trust account 5), Custody Bank of Japan, Ltd. (Trust account 9) are held in an investment trust by each bank.

\*On December 5, 2019, BlackRock Japan Co., Ltd., and six co-owners of shares announced their major shareholdings report to authorities. Even though we received a report of their owing our shares as follows as of November 29, 2019, because the shares owned by them as of September 30, 2020 could not be confirmed, that information is excluded from the above list.

Name and address : BlackRock Japan Co., Ltd., 1-8-3, Marunouchi, Chiyoda-ku, Tokyo

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|   |
|---|
| Number of shares : 1,242 thousands, Ratio to outstanding shares : 1.13%   |
| Name and address : BlackRock Fund Managers Limited., 12 Throgmorton Avenue, London, UK  |
| Number of shares : 127 thousands, Ratio to outstanding shares : 0.12%   |
| Name and address : BlackRock (Luxembourg) S.A., 35A, Avenue John F. Kennedy, L-1855, Grand Duchy of Luxembourg  |
| Number of shares : 119 thousands, Ratio to outstanding shares : 0.11%   |
| Name and address : BlackRock Asset Management Ireland Limited., 1st floor, 2 Ballsbridge Park, Ballsbridge, Dublin, Republic of Ireland   |
| Number of shares : 673 thousands, Ratio to outstanding shares : 0.61%   |
| Name and address : BlackRock Fund Advisors., 400 Howard Street, San Francisco, California, USA  |
| Number of shares : 1,416 thousands, Ratio to outstanding shares : 1.29%   |
| Name and address : BlackRock Institutional Trust Company, N.A., 400 Howard Street, San Francisco, California, USA   |
| Number of shares : 1,443 thousands, Ratio to outstanding shares : 1.31%   |
| Name and address : BlackRock Investment Management (UK) Limited., 12 Throgmorton Avenue, London, UK   |
| Number of shares : 657 thousands, Ratio to outstanding shares : 0.60%   |
| <br>*On June 19, 2020, Sumitomo Mitsui Trust Asset Management Co., Ltd., and Nikko Asset Management Co., Ltd., which is co-owner of shares announced changes to their major shareholdings report to authorities. Even though we received a report of their owing our shares as follows as of June 15, 2020, because the shares owned by them as of September 30, 2020 could not be confirmed, that information is excluded from the above list. |
| Name and address : Sumitomo Mitsui Trust Asset Management Co., Ltd., 1-1-1 Shibakoen, Minato-ku, Tokyo  |
| Number of shares : 3,119 thousands, Ratio to outstanding shares : 2.84%   |
| Name and address : Nikko Asset Management Co., Ltd., 9-7-1 Akasaka, Minato-ku, Tokyo  |
| Number of shares : 2,398 thousands, Ratio to outstanding shares : 2.18%   |
| <br>*On July 21, 2020, Nomura Securities Co.,Ltd. and two co-owners of shares announced changes to their major shareholdings report to authorities. Even though we received a report of their owing our shares as follows as of July 15, 2020, because the shares owned by them as of September 30, 2020 could not be confirmed, that information is excluded from the above list.  |
| Name and address : Nomura Securities Co.,Ltd., 1-9-1, Nihonbashi, Chuo-ku, Tokyo  |
| Number of shares : 1,072 thousands, Ratio to outstanding shares : 1.03%   |
| Name and address : Nomura International plc, 1 Angel Lane, London EC4R 3AB, UK  |
| Number of shares : 68 thousands, Ratio to outstanding shares : 0.07%  |
| Name and address : Nomura Asset Management Co., Ltd., 1-12-1, Nihonbashi, Chuo-ku, Tokyo  |
| Number of shares : 4,072 thousands, Ratio to outstanding shares : 3.95%   |

### 3. Corporate Attributes

|  |  |
|--|--|
| Listed Stock Market and Market Section                                       | Tokyo Stock Exchange<br>First Section      |
| Fiscal Year-End  | March                                      |
| Type of Business   | Electric Appliances                        |
| Number of Employees (consolidated) as of the End of the Previous Fiscal Year | More than 1000                             |
| Sales (consolidated) as of the End of the Previous Fiscal Year               | From ¥100 billion to less than ¥1 trillion |
| Number of Consolidated Subsidiaries as of the                                | From 10 to less than 50                    |

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|                                 |  |
|---------------------------------|--|
| End of the Previous Fiscal Year |  |
|---------------------------------|--|

**4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder**

|      |
|------|
| None |
|------|

**5. Other Special Circumstances which may have Material Impact on Corporate Governance**

|      |
|------|
| None |
|------|

**II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management**

**1. Organizational Composition and Operation**

|                   |                                    |
|-------------------|------------------------------------|
| Organization Form | Company with Supervisory Committee |
|-------------------|------------------------------------|

**[Directors]**

|   |           |
|---|-----------|
| Maximum Number of Directors Stipulated in Articles of Incorporation | 20        |
| Term of Office Stipulated in Articles of Incorporation              | 1 years   |
| Chairperson of the Board  | President |
| Number of Directors   | 11        |
| Number of Outside Directors   | 5         |
| Number of Independent Directors                                     | 5         |

**Outside Directors' Relationship with the Company (1)**

| Name                | Attribute                   | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |  |
|---------------------|-----------------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|--|
|                     |                             | a                              | b | c | d | e | f | g | h | i | j | k |  |
| Koichi Nishioka     | From another company        |                                |   |   |   |   |   |   |   |   |   |   |  |
| Hiroyuki Nii        | From another company        |                                |   |   |   |   |   |   |   |   |   |   |  |
| Hidero Chimori      | Lawyer                      |                                |   |   |   |   |   |   |   |   |   |   |  |
| Toshiro Miyabayashi | Certified Public Accountant |                                |   |   |   |   |   |   |   |   |   |   |  |
| Kumiko Tanaka       | Certified Public Accountant |                                |   |   |   |   |   |   |   |   |   |   |  |

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

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- \* “●” when a close relative of the director presently falls or has recently fallen under the category;  
“▲” when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

#### Outside Directors' Relationship with the Company (2)

| Name            | Membership of Supervisory Committee | Designation as Independent Director | Supplementary Explanation of the Relationship | Reasons of Appointment  |
|-----------------|-------------------------------------|-------------------------------------|---|---|
| Koichi Nishioka |                                     | ○                                   | -   | Koichi Nishioka gives advices and suggestions to the Company in terms of management and other issues by sharing broad-based insight and rich experience as a longtime economic press reporter. Though never having previously engaged in company management in any way other than serving as outside officer, the Company is certain that he will carry out his duties as an Independent Outside Director properly for this reasons. The Company has appointed him as an Outside Director   |
| Hiroyuki Nii    | ○                                   | ○                                   | -   | Hiroyuki Nii is expected to be able to utilize knowledge and insight through long-time experience at a financial institution and abundant experience as the full-time Company Auditor of the Company to coordination with the Internal Audit Department and to strengthen audit and supervisory functions of the Board of Directors from an independent perspective. Though never having previously engaged in company management in any way other than serving as outside officer, the Company is certain that he will carry out his duties as an Independent Outside Director properly for this reasons. The Company has appointed him as an Outside Director who is an Audit and Supervisory Committee Member. |
| Hidero Chimori  | ○                                   | ○                                   | -   | Hidero Chimori is expected to be able to utilize professional knowledge and experience, wide insight as an attorney-at-law to ensuring the proper decision-making of the Board of Directors and to strengthen audit and supervisory functions   |

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|                     |   |   |   |   |
|---------------------|---|---|---|---|
|                     |   |   |   | of the Board of Directors from an independent perspective. Though never having previously engaged in company management in any way other than serving as outside officer, the Company is certain that he will carry out his duties as an Independent Outside Director properly for this reasons. The Company has appointed him as an Outside Director who is an Audit and Supervisory Committee Member.   |
| Toshiro Miyabayashi | ○ | ○ | - | Toshiro Miyabayashi is expected to be able to utilize professional knowledge and experience, wide insight as a certified public accountant to strengthen decision-making functions and audit and supervisory functions of the Board of Directors from an independent perspective. Though never having previously engaged in company management in any way, the Company is certain that he will carry out his duties as an Independent Outside Director properly for this reasons. The Company has appointed him as an Outside Director who is an Audit and Supervisory Committee Member.  |
| Kumiko Tanaka       | ○ | ○ | - | Kumiko Tanaka is expected to be able to utilize professional knowledge and experience as a certified public accountant as well as a global perspective nurtured through overseas assignments to strengthen decision-making functions and audit and supervisory functions of the Board of Directors from an independent perspective. Though never having previously engaged in company management in any way, the Company is certain that she will carry out her duties as an Independent Outside Director properly for this reasons. The Company has appointed her as an Outside Director who is an Audit and Supervisory Committee Member. |

### [Supervisory Committee]

#### Committee's Composition and Attributes of Chairperson

|                       | All Committee Members | Full-time Members | Inside Directors | Outside Directors | Chairperson      |
|-----------------------|-----------------------|-------------------|------------------|-------------------|------------------|
| Supervisory Committee | 4                     | 1                 | 0                | 4                 | Outside Director |

|  |           |
|--|-----------|
| Appointment of Directors and/or Staff to Support the Supervisory Committee | Appointed |
|--|-----------|

#### Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

We set the Audit and Supervisory Committee's Secretariat to help the Audit and Supervisory Committee's duty and post multiple full-time staff with adequate practical ability. Also we respect the opinion from the Audit and Supervisory Committee about the personnel transfers, shift and performance evaluation to secure effectiveness of instructions to those employees.

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Cooperation among Supervisory Committee, Accounting Auditors and Internal Audit Departments

The Audit and Supervisory Committee, the Internal Audit Department and Accounting Auditors regularly hold report meetings, consistently maintain close cooperation and coordination, and proactively exchange information and opinions. Sharing information obtained through individual audits enhances the accuracy of audits and allows for constant improvements in operating processes.

In addition, all 4 members of the Audit and Supervisory Committee are independent outside directors, and they have appropriate experience and ability, and they have necessary knowledge of financial and accounting and legal affairs. Also, the Audit and Supervisory Committee, Hidero Chimori has capacity of the lawyer and has enough knowledge of legal affairs.

The Audit and Supervisory Committee, Toshiro Miyabayashi and Kumiko Tanaka, are certified public accountants (CPA) that possess considerable knowledge of finance and accounting.

**[Voluntary Establishment of Nomination/Remuneration Committee]**

|   |             |
|---|-------------|
| Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee | Established |
|---|-------------|

Committee's Name, Composition, and Attributes of Chairperson

|                       | Committee Corresponding to Nomination Committee | Committee Corresponding to Remuneration Committee |
|-----------------------|---|---|
| Committee's Name      | Officer Nomination Council                      | Director Remuneration Council                     |
| All Committee Members | 5   | 5   |
| Full-time Members     | 0   | 0   |
| Inside Directors      | 2   | 2   |
| Outside Directors     | 3   | 3   |
| Outside Experts       | 0   | 0   |
| Other                 | 0   | 0   |
| Chairperson           | Inside Director                                 | Inside Director                                   |

Supplementary Explanation

The following procedures about appointments/dismissals of the President and Directors with title and Corporate Officer with title and for nominating Director candidates are established.

1. We take into consideration the diversity of the members of the Board of Directors in establishing selection criteria for directors.
2. The appointments/dismissals of the President and Directors with title and Corporate Officer with title are nominated by the Board of Directors on the basis of reports from the Officer Nomination Council.
3. The Company Director candidates who are not Audit and Supervisory Committee are nominated by the Board of Directors on the basis of reports from the Officer Nomination Council.
4. The Company Director candidates who are Audit and Supervisory Committee are nominated by the Board of Directors after agreement by the Audit and Supervisory Committee on the basis of reports from the Officer Nomination Council.

**[Independent Directors]**

|                                 |   |
|---------------------------------|---|
| Number of Independent Directors | 5 |
|---------------------------------|---|

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| Matters relating to Independent Directors |
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| ROHM judges that the independency of the outside officers is secured and appoint all outside officers to an independence officers, because we devise the independency standards of the outside officers in addition to requirements in the company law, and we elect outside officers based on this independency standards, Please refer to "Independence Standards for Outside Officers" in our website for the independency standards of the outside officers. |
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| URL: <a href="https://www.rohm.com/investor-relations/corporate-governance">https://www.rohm.com/investor-relations/corporate-governance</a> |
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### [Incentives]

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| Incentive Policies for Directors |
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| Performance-linked Remuneration |
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| Supplementary Explanation |
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| Please refer II. 1. "Director Remuneration" "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in this report. |
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|                             |
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| Recipients of Stock Options |
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|------|
| None |
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| Supplementary Explanation |
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| None |
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### [Director Remuneration]

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| Disclosure of Individual Directors' Remuneration |
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|                          |
|--------------------------|
| No Individual Disclosure |
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| Supplementary Explanation |
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| ROHM discloses amount of remuneration paid to Directors by their Director's classification in Annual securities report. |
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| Amount of remuneration paid to Directors (excluding Outside Directors) in the fiscal year ended in March 2020: 285 million yen. |
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| Amount of remuneration paid to Outside Directors and Outside Auditors in the fiscal year ended in March 2020: 65 million yen. |
|---|

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|---|
| (Note) 1. The amount of remuneration paid to Directors does not include the amount of employee salaries paid to employee Directors. |
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|---|
| (Note) 2. The 61th General Shareholders Meeting on June 27, 2019 resolved that the maximum amount of annual remuneration for the Company Directors who are not Audit and Supervisory Committee should be within ¥900 million (for outside directors within ¥100 million) and the maximum amount of annual remuneration for the Company Directors who are Audit and Supervisory Committee should be within ¥100 million. |
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| Besides, the 48th General Shareholders Meeting on June 29, 2006 resolved that the maximum amount of annual remuneration for Directors should be within ¥600 million, and the 36th General Shareholders Meeting on June 29, 1994 resolved that the maximum amount of monthly remuneration for Auditors should be within ¥6 million. |
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| The 62th General Shareholders Meeting on June 26, 2020 resolved restricted shares remuneration plan to Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) with the aim of giving incentives to the Eligible Directors for sustainable growth in our corporate value and making them further share values with our shareholders, and the maximum amount of annual remuneration should be within ¥100 million. |
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|  |             |
|--|-------------|
| Policy on Determining Remuneration Amounts and Calculation Methods | Established |
|--|-------------|

#### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Based on the Director Remuneration Council's recommendations, the Company's Board of Directors resolved at the Board meeting held on March 12, 2021 to adopt the following policies for determining the Remunerations of each Director:

1. The basic policy

The remuneration and bonuses (hereinafter referred to as the "Remunerations") of Directors shall be linked to the profits of shareholders in order to clarify management responsibilities and to fully operate as a sound incentives for sustainable corporate growth and increase corporate value over the mid- to long-term. In determining the Remunerations of each Directors, the basic policy shall be to set an appropriate level based on the responsibilities of each position.

To be specific, the Remunerations of an Executive Director consist of fixed remuneration, performance-linked remuneration and non-monetary remuneration (stock options), while the Remunerations of an Independent Outside Director, who performs an oversight function independently from the execution of the Company's operations, consist only of fixed remuneration.

We establish the Director Remuneration Council, a majority of the member shall be independent Outside Directors, as an advisory body to the Board of Directors, and discusses a system of Director remuneration and each Director's Remunerations based on this system in order to raise independency and objectivity and transparency of the Remunerations of Directors.

2. Policy for determining the amount of fixed remuneration (including the timing for payment of Remunerations)

The amount of fixed remuneration for the Company's Directors shall be determined according to the positions and responsibilities of the Directors by comprehensively taking into consideration all relevant factors, including the remuneration levels of peer companies. The fixed remuneration shall be paid in cash monthly.

3. Policy for determining the content and amounts of performance-linked remuneration and non-monetary remuneration (including the timing for payment of Remunerations)

Performance-linked remuneration, which is a monetary remuneration that reflects the Company's achievement of performance indicators, is designed to serve as an incentive for Directors to further increase awareness about their contribution to improvements in the Company's business performance for each fiscal year. The amount of performance-linked remuneration shall be calculated according to the level of achievement of the Company's consolidated net sales and operating profit targets for the immediately preceding fiscal year and shall be paid in cash at a certain time each fiscal year.

Non-monetary remuneration shall be provided in the form of restricted stock options to further promote value sharing with shareholders. Based on the resolution of the Company's Board of Directors, Executive Directors shall make in-kind contribution of all monetary remuneration receivables that are to be granted under the Restricted Stock Option Plan, and shall, in return, receive shares of the Company's common stock that will be issued or disposed of by the Company. Restricted stock options shall be granted to Executive Directors at a certain time each fiscal year.

4. Policy for determining the remuneration ratio by type of Remunerations for each Director

Based on the levels of remuneration identified by benchmarking peer companies of comparable business size to the Company in related industries and business categories, the Director Remuneration Council shall consider the remuneration ratio by type of Remunerations.

If the target financial performance indicator is achieved 100%, the approximate ratio by type of Remunerations shall be fixed remuneration: performance-linked remuneration: non-monetary remuneration = 6:3:1.

5. Policy for determining the content of Remunerations for each Director

With regard to the Remunerations of the Directors, based on the Director Remuneration Council's recommendations, the Company's Board of Directors shall adopt, by resolution, the Director Remuneration Rules which specify the director remuneration system, remuneration ratio by type and calculation methods, among other things.

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The Company's Board of Directors shall respect the Director Remuneration Council's recommendations and shall determine the Remunerations of each Director in accordance with the Director Remuneration Rules.

**[Supporting System for Outside Directors]**

Outside directors hold their meetings on a regular basis to exchange information, views and ideas on business operations or corporate governance.  
 Outside directors may, at any time when they deem it necessary or appropriate, request directors and employees to provide explanations or reports or to submit internal documents, and may also, if they deem it necessary, consult with external specialists at the expense of the Company.

**[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]**

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

| Name              | Job title/position | Responsibilities                                   | Employment terms<br>(Full/part time, with/without compensation, etc.) | Date when former role as president/CEO ended | Term                         |
|-------------------|--------------------|--|---|--|------------------------------|
| Tadanobu Fujiwara | Komon              | Advice and support to consultation from management | part time, with compensation  | 2020/5/11                                    | 2 years from retirement date |

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

1

Others

None

**2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)**

In order to implement our objectives and policies such as the Company Mission and Management Policy, ROHM consistently pursues the best possible corporate governance, seeking to view things from the perspective of our shareholders and other stakeholders, and realize sustainable growth and medium- to long-term maximization of corporate value. In addition, ROHM has established the ROHM Corporate Governance Policy with the goal of clearly stating our basic stance and policies regarding corporate governance, in light of the spirit and objectives of the Tokyo Stock Exchange Corporate Governance Code applied to all listed companies.

ROHM made a transition to a company with Audit and Supervisory Committee at the 61th General Shareholders Meeting on June 27, 2019. This is for the strength of supervision functions by the Board of Directors and improvement of the company value and corporate governance by the Company Director who are Audit and Supervisory Committee having proxy on the Board of Directors.

ROHM believes that an agile and effective management system with emphasis on competitive enhancements in the semiconductor and electronic component industry, where the business environment is undergoing accelerated change, can be established so Directors familiar with ROHM's businesses and technologies have executive power and supervise each other. The Articles of Incorporation limit the number of directors on the

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Board of Directors to ten in order to encourage sufficient discussion while allowing adequate and swift decision making. Additionally, two outside Directors have been designated to enhance mutual supervision among the Directors. As part of the executive supervision, ROHM maintains the existing auditing system, which is implemented only by outside Company Auditors, based on the idea that internal supervision over the executive branch will function sufficiently by improving and enhancing the system.

The Board of Directors is consisted of 11 members(5 members are independent Outside Directors), and the Audit and Supervisory Committee is consisted of 4 members(4 members are independent Outside Directors). Independent Outside Directors are more than one third of the Board of Directors, for that reason we can be quick and decisive in making decision after constructive discussion under clear and fair system of the Board of Directors.

In order to complement functions of the Board of Directors and establish a more flexible management structure which can appropriately and swiftly respond to the rapidly, we introduce Corporate Officer System on September 2019. ROHM also establishes Executive Meeting which is consisted of the Corporate Officers to help the decision of the President and discuss the important execution of duties for practical and efficient decision.

In addition ROHM establishes the Directors Compensation Committee and the Officer Nomination Council which are consisted more than half of independent Outside Directors each, these are for improvement of independency and objectivity and clearness regarding remuneration and appointment for Directors.

Remuneration system and for Directors and Remuneration for each Director based on this system is discussed by the Directors Compensation Committee. And the result about the Company Director who are not Audit and Supervisory Committee is reported to the Board of Directors and the result about the Company Director who are Audit and Supervisory Committee is reported to the Audit and Supervisory Committee.

Also, the Officer Nomination Council discuss the appointments/dismissals of the President, Directors with title and Corporate Officers with title (excluding Senior Corporate Officers) and the individual nominations of Director candidates and the result is reported to the Board of Directors.

The Audit and Supervisory Committee decide the audit policy, audit standard and audit plan. And Audit and Supervisory Committee Members audit the legality and compliance of Directors' performance of duties by visiting each division of the Company and Group companies, research of operations and financial conditions, application of the internal control system in cooperation with internal audit division which is independent from business execution division.

ROHM is under contract with Deloitte Touche Tohmatsu LLC for its accounting audits and internal control audits related to financial reporting and abides by both the Japanese Corporation Law and the Financial Instruments and Exchange Law. ROHM has an established environment where the auditing organization can perform audits from a fair, unbiased position as an independent third party. The following are the names of certified public accountants (CPAs) who audited ROHM's accounts for the fiscal year ended March 31, 2020, the number of consecutive years they have been engaged in auditing ROHM and information on the assistants involved in the audits.

CPAs who audited ROHM

Designated limited liability partners (in charge of performing the audits) of Deloitte Touche Tohmatsu:

Tomoyuki Suzuki, Hiromi Ueda

Major assistants in the audits

11 CPAs and 11 others

### 3. Reasons for Adoption of Current Corporate Governance System

That's described in detail in "2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions(Overview of Current Corporate Governance System)"

## III. Implementation of Measures for Shareholders and Other Stakeholders

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## 1. Measures to Vitalize the General Shareholders Meetings and Smooth Exercise of Voting Rights

|  | Supplementary Explanations  |
|--|---|
| Early Notification of General Shareholders Meeting | ROHM sends out notices of general shareholders meetings up until about four weeks prior to the day of the meetings. Also, ROHM posts it in the Tokyo Stock Exchange, electronic voting platform and our website on the day before the shipment day. |
| Allowing Electronic Exercise of Voting Rights      | ROHM has enabled its shareholders to exercise their voting rights via the Internet from PCs, smartphones and mobile phones.   |
| Participation in Electronic Voting Platform        | ROHM has participated in an Electronic Voting Rights Exercise Platform, and conducted IR and promotion activities on voting rights exercise via a shareholder identification survey. In addition, Rohm posts relevant information on the website.   |
| Providing Convocation Notice in English            | ROHM is providing shareholder meeting notifications in English.   |

## 2. IR Activities

|   | Supplementary Explanations   |
|---|--|
| Preparation and Publication of Disclosure Policy                    | Our disclosure policy has been compiled and posted on our website.   |
| Regular Investor Briefings for Individual Investors                 | Briefings for individual investors are held appropriately.   |
| Regular Investor Briefings for Analysts and Institutional Investors | Financial results briefings given by the President and each responsible Director are held twice a year to provide domestic securities analysts and corporate investors with information on business results, forecasts and strategies.   |
| Regular Investor Briefings for Overseas Investors                   | The President and each responsible Director hold a meeting with investors in the US, Europe and all over the world.  |
| Posting of IR Materials on Website                                  | ROHM has an investor relations section on its website that provides a wealth of information including legally stipulated disclosure documents such as financial reports, voluntary information including materials for financial results briefings, materials for briefings for private investors, annual reports, performance trend charts and long-term financial data, an IR calendar and information on paperwork for shareholders.<br>Japanese: <a href="https://www.rohm.co.jp/investor-relations">https://www.rohm.co.jp/investor-relations</a><br>English: <a href="https://www.rohm.com/investor-relations">https://www.rohm.com/investor-relations</a> |
| Establishment of Department and/or Manager in Charge of IR          | ROHM has Investor Relations Div. that is responsible for IR activities.  |
| Other   | ROHM proactively discloses information to satisfy the needs of investors by accepting interviews by securities analysts and corporate investors and so on.   |

## 3. Measures to Ensure Due Respect for Stakeholders

|   | Supplementary Explanations  |
|---|---|
| Stipulation of Internal Rules for Respecting the Position of Stakeholders | Since it was first established, the ROHM Group has promoted the sustainable growth of the Group and the healthy advancement of society by pursuing the Corporate Mission, Management Policy, and other missions and policies so as to build a solid relationship of mutual trust with its |

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|  |  |
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|  | <p>stakeholders.</p> <p>On the basis of the Corporate Mission, Management Policy, etc., ROHM has formulated the ROHM Group CSR Policy, which defines the Group's approach to sincere execution of business activities with a global perspective, and contributions to the sustainable advancement of society, from a CSR (Corporate Social Responsibility) standpoint. The Group has also established the ROHM Group Business Conduct Guidelines, which are a fundamental code of ethics for sincere implementation of the above-described corporate policies.</p> <p>The ROHM Group's missions and policies such as the Corporate Mission and Management Policy will remain universal, but to meet the expectations of our stakeholders, the ROHM Group CSR Policy and ROHM Group Business Conduct Guidelines continue to evolve in line with changing social conditions and the most recent international standards such as the United Nations Global Compact (UNGC), ISO 26000, and the RBA (Responsible Business Alliance) Code of Conduct.</p> <p>ROHM Group Business Conduct Guidelines:<br/> <a href="https://www.rohm.com/company/about-rohm/rohm-group-business-conduct-guidelines">https://www.rohm.com/company/about-rohm/rohm-group-business-conduct-guidelines</a></p> <p>ROHM Group CSR Policy:<a href="https://csr.rohm.com/csr_management/">https://csr.rohm.com/csr_management/</a></p> |
| Implementation of Environmental Activities, CSR Activities etc.  | <p>The ROHM Group is pursuing initiatives oriented toward seven core subjects, defined in 2011 on the basis of the ISO 26000 standards, so as to verify the validity of our business activities from a CSR standpoint. In addition, we create opportunities for dialogue with stakeholders worldwide, and consider all of the opinions, requests, areas of interest, and issues of concern that arise in the course of this dialogue. The ROHM Group has designated six CSR Priority Issues. We report our efforts on these issues on the CSR website.</p> <p>Information on ROHM's CSR initiatives: <a href="https://csr.rohm.com/">https://csr.rohm.com/</a></p>   |
| Development of Policies on Information Provision to Stakeholders | <p>ROHM's policies on information disclosure to stakeholders are outlined in in-house rules on information disclosure including the requirements for fairness and legal compliance.</p> <p>We provide information in an appropriate and timely manner, guided by an Information Disclosure Committee under the auspices of the CSR Committee.</p>  |
| Other  | <p>The ROHM Group will continue implementing a wide range of environmental conservation activities based on our Environmental Policy.<br/> <a href="https://csr.rohm.com/environment/">https://csr.rohm.com/environment/</a></p> <p>ROHM is making efforts to establish and maintain programs through which employees can continue working after major life events such as transfer, marriage, child-rearing, and nursing care to family members. For that, in 2018 we introduced programs that allows to change working place and re-joining system.</p> <p>Also many employees use the system of a shortened-hours work schedule and the system that allows to change working hours.</p> <p>For realize more friendly working environment, we introduced a program offering paid holiday by the hour newly.</p>  |

#### IV. Matters Related to the Internal Control System

##### 1. Basic Views on Internal Control System and the Progress of System Development

Regarding the reinforcement of the internal control system as one of the major corporate missions, ROHM

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Group intends to carry out its corporate social responsibilities by maintaining compliance of the operational processes of the entire Group. The Board of Directors of the Company has resolved the basic policies to build the internal control system and the improvement of the system, as listed below:

ROHM made a transition to a company with an Audit and Supervisory Committee on the Ordinary General Shareholders Meeting on June 27, 2019 and the detail mentioned below is the system after the transition, but even before the transition, we operated the same system about Company Auditors.

(1) The system to ensure the compliance of the execution of duties of the Directors under applicable laws as well as the Articles of Incorporation

- a. In order to promote further progress of globalization, ROHM Group will not only comply with laws and regulations but also support the 10 principles of the United Nations Global Compact for a wide range of problems in the areas of human rights, labor, the environment, anti-corruption, etc. and contribute to solve these social challenges (Sustainable Development Goals) through ROHM's products, technology, and services. And the Company will promote the management focusing on CSR by complying with "ISO26000" the international standards for social responsibility, as well as the Code of Conduct of the Responsible Business Alliance (RBA).
- b. Directors should perform their duties based on the in-house regulations such as "ROHM Group Business Conduct Guidelines" and the Basic Rules of the Board of Directors and ensure the compliance with all applicable laws and regulations as well as the Articles of Incorporation
- c. The Director or Directors who are highly informed in a specific field should be responsible for the duties related to such field, while all Directors should hold discussions and monitor each other on a daily basis concerning the respective individual fields.
- d. Should a Director be found having committed an illegal act by another Director, it should be promptly reported to the Board of Directors and the Audit and Supervisory Committee.
- e. Independent Outside Directors should regularly hold the meeting to exchange information and opinions with each other and constantly check that Directors perform their duties in compliance with all applicable laws and regulations as well as the Articles of Incorporation.
- f. The Compliance Hotline (the internal hotline system (including the case where the hotline system independent from the management is set up at an outside law firm) and hotline system for suppliers) should be deployed to the entire ROHM Group including overseas entities to discover any illegal conduct of a Director and to prevent recurrence thereof.
- g. The Company establish the independent internal audit division and monitor and evaluate the effectiveness of the internal control system.

(2) System to save and control information related to Directors' performance of duties

- a. Decisions regarding Directors' performance of their duties, such as the minutes of general shareholders meetings, the minutes of the meetings of the Board of Directors, executive proposals, business plans for individual fiscal years, etc., should be saved in writing. The documents should be saved and controlled in compliance with all applicable laws and regulations as well as all in-house regulations.
- b. The directions and notices provided to Group companies or in-house divisions concerned shall be issued via email or in writing as a rule. The directions and notices shall be saved so as to be inspected at any time by Directors.
- c. Information related to Directors' performance of duties should be kept and controlled duly by relevant sections or divisions concerned, and the leak and unjust use of such information must be prevented by giving internal notice and information security training to all employees to ensure that they are fully aware of and comply with such rule.

(3) Rules and other systems to control the risk of loss

- a. Under the CSR Committee chaired by the President himself, Committees of Corporate Safety and Health, Risk Management/BCM, Compliance, Information Disclosure, Environmental Conservation, etc. should be established as company-wide cross-sectional committees. These committees will appropriately respond to various management issues and risks in each responsible area by taking necessary measures, giving directions and solving problems.
- b. The Risk Management/BCM Committee should be organized to identify, analyze and control major risks that may occur in the course of the performance of business operations. In order to avoid or minimize the effect of unforeseeable circumstances such as sudden natural disasters as much as possible and enable the

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survival of our business as a consequence, the Risk Management/BCM Committee will verify the activities of each section in charge of risk management, establish a business continuity plan and take any and all possible preliminary measures or preparations across ROHM Group.

- c. As a corporate effort to eradicate antisocial groups, a Risk Management Office should be established in the Department of General Affairs. The Office should cooperate and exchange information with external specialist organizations such as the police department, promote specific actions and perform them thoroughly, to eradicate antisocial groups. In-house regulations should be established to eradicate antisocial groups and should be strictly observed. All ROHM Group employees should be informed by way of the “ROHM Group Business Conduct Guidelines”, as distributed to all employees, or by other means, that they must take a firm stand against antisocial groups. Further, the necessity of taking a firm stand against antisocial groups should be communicated to all employees through various in-house training sessions.

(4) System to ensure that Directors perform their duties efficiently

- a. By narrowing down the number of Directors who have executive power and introducing Corporate Officer System, the Company perform the specific duties based on the segregation of duties and to realize prompt executive decision-making.
- b. To assist the President’s decision-making, the Company establish the Executive Meeting consists of Corporate Officers.
- c. Issues that may have a considerable influence on corporate management should be examined, analyzed and reported by in-house project teams established separately for individual issues. Upon completion of such examination, prompt decisions should be made by way of a meeting of Board of Directors or executive proposals, as appropriate, based on the Articles of Incorporation and in-house regulations.
- d. The in-house written standards of in-house control procedures regarding various managerial issues such as risk control and information control should be strictly observed.
- e. To increase the competitiveness of ROHM Group and to ensure a fair amount of profits, business performance targets should be established as part of annual profit-raising projects for the entire ROHM Group and individual divisions, and progress and achievement status of such projects and targets should be controlled.

(5) System to ensure that employees perform their duties in compliance with all applicable laws and regulations as well as the Articles of Incorporation

- a. The Compliance Committee should be organized and across-the-group compliance actions should be taken by implementing the “ROHM Group Business Conduct Guidelines”. A compliance system of the Group companies should be created based on the system of our company, and a leader for each division should be nominated as a leader to raise the awareness of the importance of compliance and to ensure the ongoing compliance of each division.
- b. To appropriately cope with proprietary laws and regulations in a proper manner, not only the CSR Committee but also the Corporate Safety and Health Committee, Compliance Committee, Information Disclosure Committee, and Environmental Conservation Committee, should be committed to such actions as checking the status of compliance for the entire Group and performing ongoing educational activities.
- c. Under the control of the Information Disclosure Committee, individual sections and divisions should properly control insider information and educate employees in the interest of and raising awareness of the importance of strict information handling, to prevent insider trading.
- d. The Compliance Hotline (the internal hotline system (including the case where the hotline system independent from the management is set up at an outside law firm) and hotline system for suppliers) should be deployed to the entire ROHM Group including overseas entities, to uncover any illegal conduct of an employee and to prevent any recurrence thereof.

(6) System to ensure compliance of the Group’s corporate operations

- a. ROHM Group shares the corporate mission and policy, which are the basis of the founding spirit of the Company, and carries out the business activities with the concerted efforts as the Group in order to enhance the corporate values of the entire Group.
- b. Each Committee under the Company’s CSR Committee should supervise and control Group companies comprehensively to ensure proper execution of duties in each responsible area.
- c. Written standards applicable to the entire ROHM Group should be established and implemented.
- d. As a parent company, the Company appropriately associate with nominations of Directors of the group

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companies by establishing “The Group Company Officer Nomination Council” in the Company. Furthermore, the Company monitor appropriateness of their business executions by properly appointing Directors and Auditors in Group companies.

- e. As for important matters of Group companies, approvals of the Board of Directors of the Company or through executive proposals are required as well as reports are regularly made to each section of the Company, thereby the Company controls the Group companies.
- f. An internal control system that includes the Company and significant Group companies should be established and reinforced through a framework that ensures financial reporting compliance and through efforts to conform to the auditing system.
- g. The Company’s internal auditing division under the direct control of the President should perform internal audits to check each Group company’s situations of execution of duties, compliance with all applicable laws and regulations as well as in-house regulations, risk management, etc.

(7) Directors and employees to assist the Audit and Supervisory Committee’s duties, independence of the Directors and employees from Directors(except the Company Director who are Audit and Supervisory Committee) and to ensure effectiveness of the instruction to such Directors and employees

- a. The Company can appoint staff employees with necessary practical capabilities.
- b. The staff employees should not do duties related to the business execution. In the employment, transfer and evaluation of performance of those staffs, opinions from the Audit and Supervisory Committee shall be respected.

(8) System of report to the Audit and Supervisory Committee, and system for employees not to be treated disadvantageously by the reason of such reports

- a. Should a Director be found having committed an illegal conduct in the performance of Directors’ duties or neglected the obligation of being duly conscious as good Directors, or any fact be found having a threat to damage the Company considerably, etc. by another Director, it should be promptly reported to the Audit and Supervisory Committee.
- b. The meetings of committees, not only the CSR Committee but also the Risk Management/BCM Committee, Compliance Committee, and Information Disclosure Committee should be attended by full-time Audit and Supervisory Committee Member as observers, and individual committees should make periodical reports on their activities to the Audit and Supervisory Committee by submitting meeting minutes or by other appropriate means.
- c. A system should be retained whereby the status and results of business operations can be properly reported to the Audit and Supervisory Committee through executive proposals and reports.
- d. Directors and employees of the Company and Group companies should promptly make a necessary report if they are asked by the Audit and Supervisory Committee to make a report of their business operations.
- e. A section in charge of the Compliance Hotline should make periodical reports on situations and results thereof to the Audit and Supervisory Committee.
- f. If each Director or Auditor of the group company find violation of laws or the Articles of Incorporation or other in-house regulations or any fact that may damage the ROHM Group considerably regarding the execution of business, it should be promptly reported to the Audit and Supervisory Committee by those or a person who received a report from those.
- g. Employees that have reported to the Audit and Supervisory Committee shall not disadvantageously treated by the reason of such reports according to applicable laws and regulations as well as in-house regulations.

(9) Other systems to ensure that the audits by the Audit and Supervisory Committee are performed effectively

- a. Concerning the status of the operation of the internal control system, Directors should report to the Audit and Supervisory Committee where requested.
- b. The internal audit division should strengthen the collaboration with the Audit and Supervisory Committee and report the results of audit periodically.
- c. The Audit and Supervisory Committee should be all Outside Directors. the Audit and Supervisory Committee should be a strongly independent group consisting of diversified experts, including legal specialists, accounting specialists, and those who used to work for financial institutions.
- d. The Audit and Supervisory Committee should exchange opinions with Directors who are not Audit and Supervisory Committee Members whenever necessary.
- e. The expenses that the Audit and Supervisory Committee deem to be necessary when they perform their

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duties should be borne by the Company.

ROHM Group is striving to build the internal control system and properly operate it based on the aforementioned basic policies. The outline of the status of the operation of the internal control system during the fiscal year ended March 31, 2020 is as follows:

(1) Compliance system

- a. ROHM Group not only makes all Directors and employees fully aware of the “ROHM Group Business Conduct Guidelines” as their codes of conduct to comply with when they practice the mission and policy such as “Company Mission” and “Management Policy” but also thoroughly ensures that they act according to such Guidelines.
- b. ROHM Group regularly holds the Compliance Committee in order to formulate a plan to reinforce the compliance system, implement education by rank and by role in accordance with the plan, send the message from the top concerning the compliance with the “ROHM Group Business Conduct Guidelines,” etc.
- c. ROHM Group operates the internal hotline system to prevent compliance violations, discover violations early, and take appropriate measures. ROHM Group also regularly reports the status of the operation to the Board of Directors and the Audit and Supervisory Committee.
- d. The Company establish the internal audit division which is independent from business execution division and the division monitor/evaluate the effectiveness of the internal control system, and that improves transparency and effectiveness of the work.

(2) Risk management system

ROHM Group holds the Risk Management/BCM Committee as needed to identify, analyze and control major risks that may occur in the course of the performance of business operations. Also, in order to avoid or minimize the effect of unforeseeable circumstances such as sudden natural disasters as much as possible and enable the survival of our business as a consequence, the Risk Management/BCM Committee verifies the activities of each section in charge of risk management, establishes a business continuity plan (BCP) and takes any and all possible preliminary measures or preparations across ROHM Group.

(3) Subsidiary management system

- a. ROHM Group manages Group companies by operating the system that requires the approval of the Company’s Board of Directors and final decision on executive proposals regarding important projects in Group companies, and also by each division of the Company regularly receiving the report with respect to the status of its operation.
- b. Based on an annual plan, the Company’s internal auditing division under the direct control of the President performs internal audits to check each Group company’s situations of execution of duties, compliance with all applicable laws and regulations as well as in-house regulations, risk management, etc., and confirms the compliance of business. Also, the results of audits are periodically reported to Directors and the Audit and Supervisory Committee.

(4) Directors’ performance of duties

- a. The regular meetings of Board of Directors are held according to the annual plan and extraordinary meetings of Board of Directors are held where necessary to resolve matters stipulated in laws and regulations or Articles of Incorporation as well as matters which are important for management and to mutually supervise the performance of Directors’ duties.
- b. Matters to be delegated to each Director are made clear in the Basic Rules of the Board of Directors and in the in-house regulations and introducing Corporate Officer System to ensure Directors’ efficient and agile performance of their duties.
- c. In the Executive Meeting, the Company deliberate primary management policies, plans, and business operations in order to assist the President’s decision-making.
- d. Information related to Directors’ performance of duties is properly kept and controlled duly according to the in-house regulations, and the leak and unjust use of such information are prevented.

(5) Performance of duties of the Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee

- a. Such selected members attend not only the meetings of Board of Directors but also other important

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meetings such as those of the CSR Committee to offer opinions as needed.

b. Such selected members visit each division of the Company and Group companies for auditing and confirm the legality and compliance of business operations.

d. Such selected members regularly exchange information and opinions with Directors, accounting auditors and internal auditing divisions to improve effectiveness of auditing.

## 2. Basic Views on Eliminating Anti-Social Forces

As one of the most important policies, ROHM strictly prohibits its association with antisocial forces such as organized crimes, corporate extortionists, antisocial political groups, gang-related companies, and antisocial activist groups and individuals.

As a corporate effort to eradicate antisocial groups, a Risk Management Office should be established in the Department of General Affairs. The Office should cooperate and exchange information with external specialist organizations such as the police department, promote specific actions and perform them thoroughly, to eradicate antisocial groups. In-house regulations should be established to eradicate antisocial groups and should be strictly observed. All ROHM Group employees should be informed by way of the “ROHM Group Business Conduct Guidelines”, as distributed to all employees, or by other means, that they must take a firm stand against antisocial groups. Further, the necessity of taking a firm stand against antisocial groups are communicated to all employees through various in-house training sessions.

## V. Other

### 1. Adoption of Anti-Takeover Measures

|                                    |             |
|------------------------------------|-------------|
| Adoption of Anti-Takeover Measures | Not Adopted |
|------------------------------------|-------------|

#### Supplementary Explanation

As for so-called takeover defenses, the Company believes that the best strategy is to achieve a higher stock price as well as to gain, to the fullest extent, the confidence of its shareholders by mutual communications through ongoing and comprehensive investor relations activities. And if a takeover proposal is put forward, we consider that the ultimate decision as to whether or not to accept the takeover proposal should be made by the shareholders of that time. The Company considers that, in the process of the ultimate decision making, it is not acceptable that the Board of Directors make arbitrary judgments in order to protect their own interests, for instance. Moreover, the Company has determined that, when a takeover is proposed, it is necessary to have our shareholders be able to make an appropriate decision based on sufficient information and within a reasonable time period for the purpose of securing and improving the corporate value and the common interests of the shareholders.

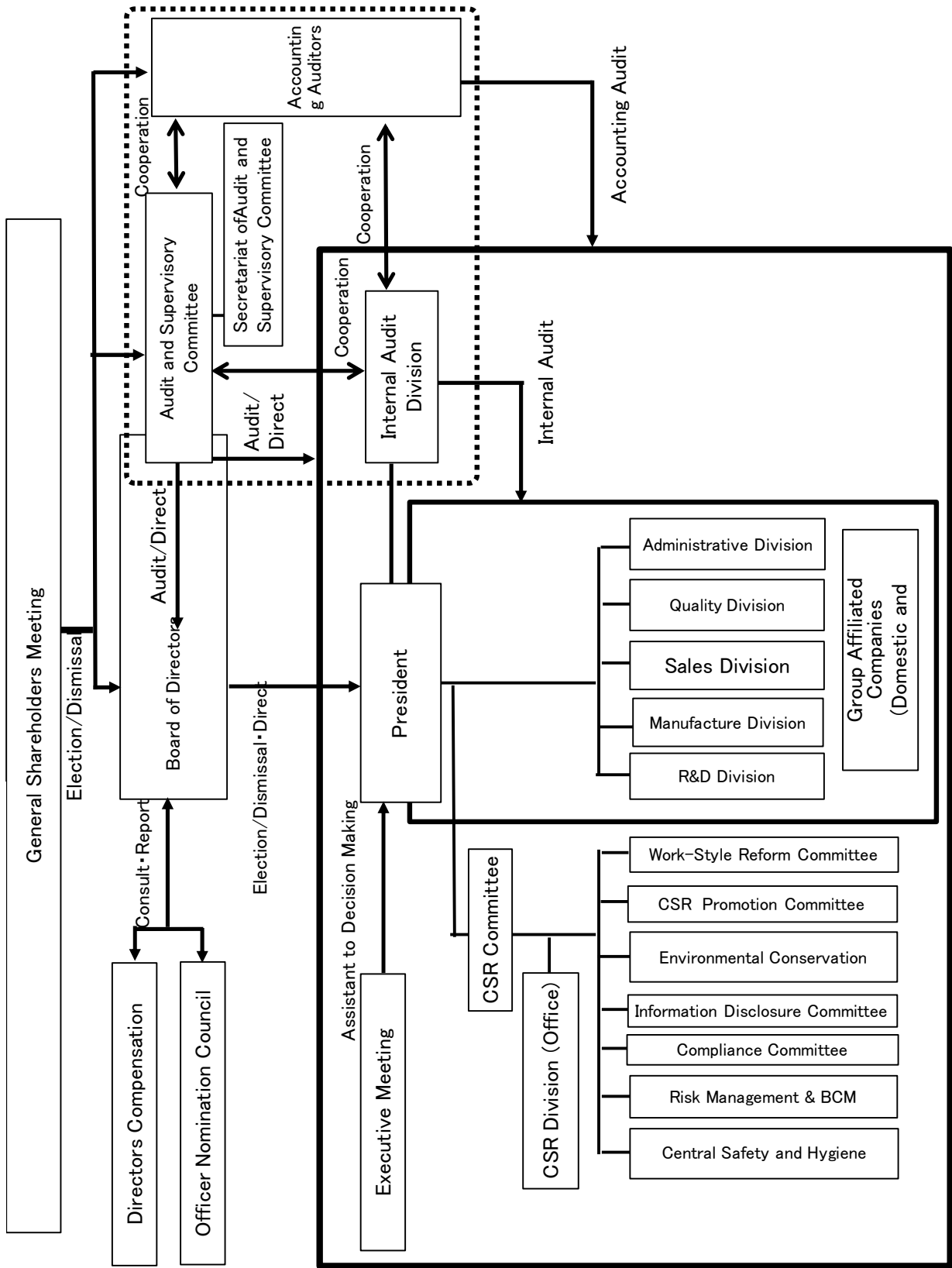
### 2. Other Matters Concerning to Corporate Governance System

(1)The corporate governance system of ROHM is shown as “Corporate Governance Figures” in Attachment No.1.

(2)The current state of ROHM’s internal system on the timely disclosure of corporate information is shown as “Summary of internal system for timely disclosure (Attachment to written oath pertaining to timely disclosure)” in Attachment No.2.

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Attachment No.1 : Corporate Governance Figures



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Summary of internal system for timely disclosure  
 (Attachment to written oath pertaining to timely disclosure)

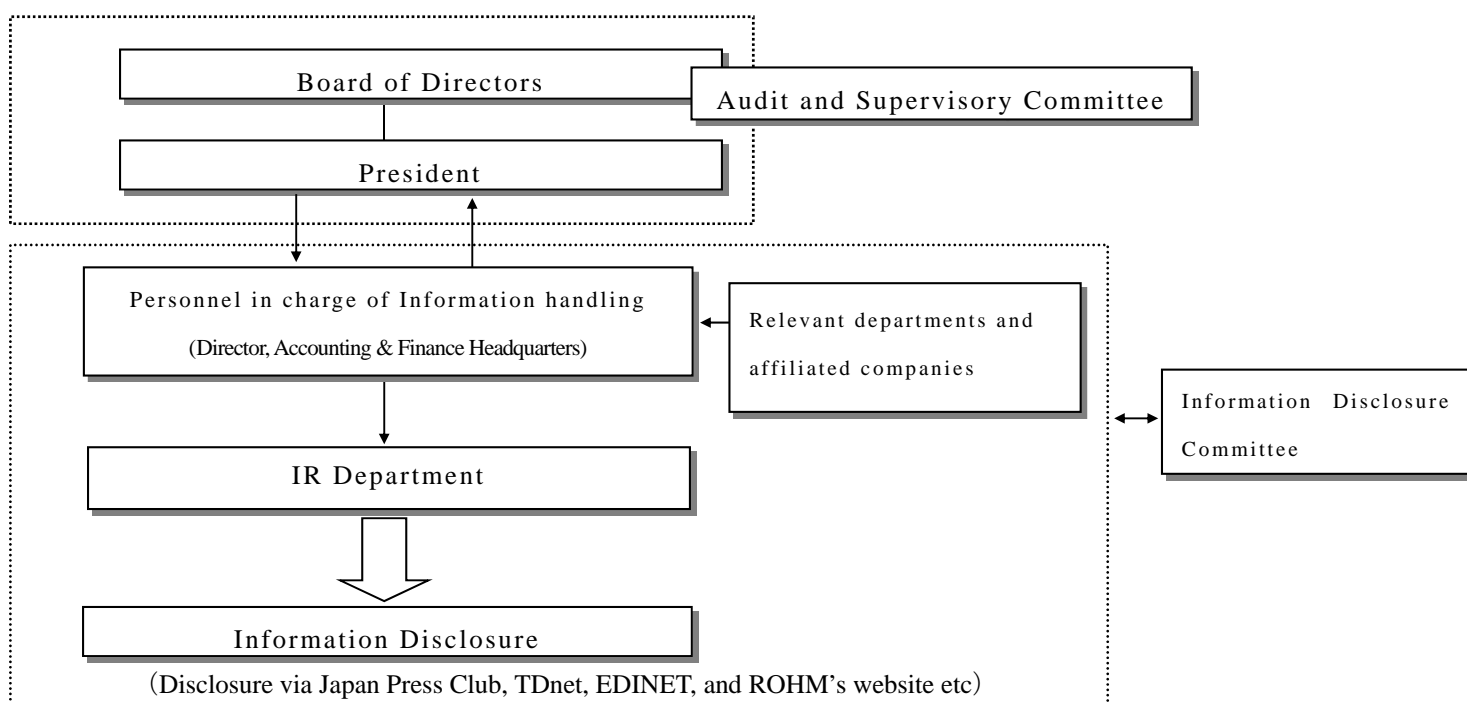
Company name: ROHM Co, Ltd.

(Security Code : 6963 ,First Section, Tokyo Stock Exchange)

The current state of ROHM Co., Ltd.’s internal system on the timely disclosure of corporate information is as follows.

ROHM Co., Ltd. appropriately manages and discloses information in a timely manner by instructing internal departments and affiliated companies to ensure thorough information management, and by making efforts to educate and enlighten employees through the dissemination of employee conduct standards and the implementation of in-house training based on company regulations (including rules concerning the prevention of insider trading, rules on information disclosure procedures, and rules on the control of classified information, etc.) .

Information in regards to significant decisions and important emerging facts is judged by personnel in charge of information handling as to whether the said information is relevant to items stipulated in the rules on timely disclosure or not. And if it is such, the director promptly takes the necessary steps to ensure the timely disclosure through the Public Relation and Investor Relations Division, and posts disclosed information on ROHM’s website, bearing in mind to make the utmost efforts to publicize information as best we can.



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