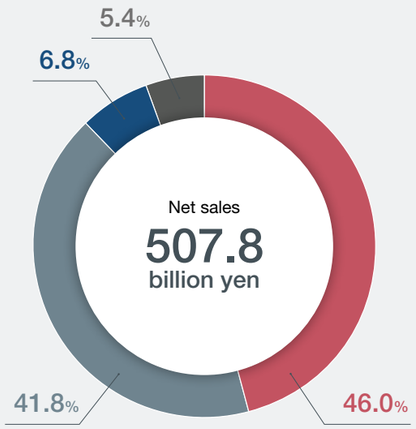
At a Glance

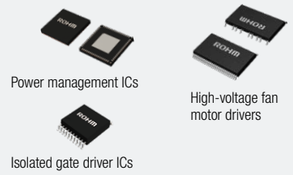
ROHM produces and sells a wide range of power and analog semiconductors, including everything from ICs and discrete semiconductor devices to modules and resistors. We aim to serve society by meeting our customers' needs for "energy savings" and "miniaturization" of their products.

Sales by segment (FY2022)



Key Products

ICs Net sales **233.7** billion yen



Power management ICs

High-voltage fan motor drivers

Isolated gate driver ICs

Discrete Semiconductor Devices Net sales **212.2** billion yen

SiC schottky barrier diodes

SiC MOSFETs

Multi-beam lasers

Small chip LEDs with reflector

Modules Net sales **34.3** billion yen

Ultra-high speed thermal printheads for industrial equipment

Highly durable print-heads for receipt and label Printers

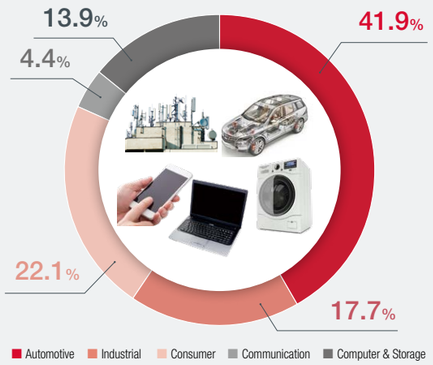
Others Net sales **27.6** billion yen

High-power shunt resistors

PSR series

GMR series

Sales by application (FY2022)



Principal use

Automotive
- xEV
- Engine control unit
- Air bag
- Car navigation
- ADAS

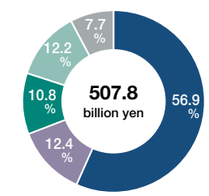
Industrial
- Electrical measuring equipment
- Machine tool
- Solar power
- Smart meter
- Medical equipment
- Security equipment
- Casino machine

Consumer
- Audio visual equipment
- White goods
- Video game console
- Smart speaker
- Wearable (Watch/Fitness)

Communication
- Smart phone
- IoT
- Base station

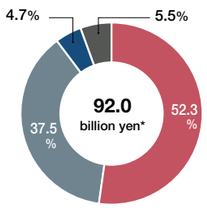
Computer & Storage
- PC/Tablet PC
- Data center/Server
- Printer/PPC
- Data storage (HDD/SSD/DVD)
- Point of Sales (POS)

Sales by region (FY2022)



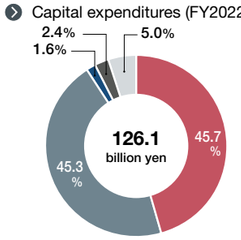
Japan, USA, China, Europe, Other Asia

Operating profit (FY2022)



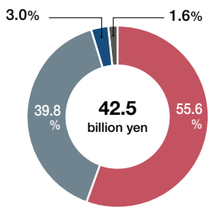
* Operating profit for the period was 92.3 billion yen, but we are showing the details of 92.0 billion yen excluding general and administrative expenses and the settlement adjusted amount.

Capital expenditures (FY2022)

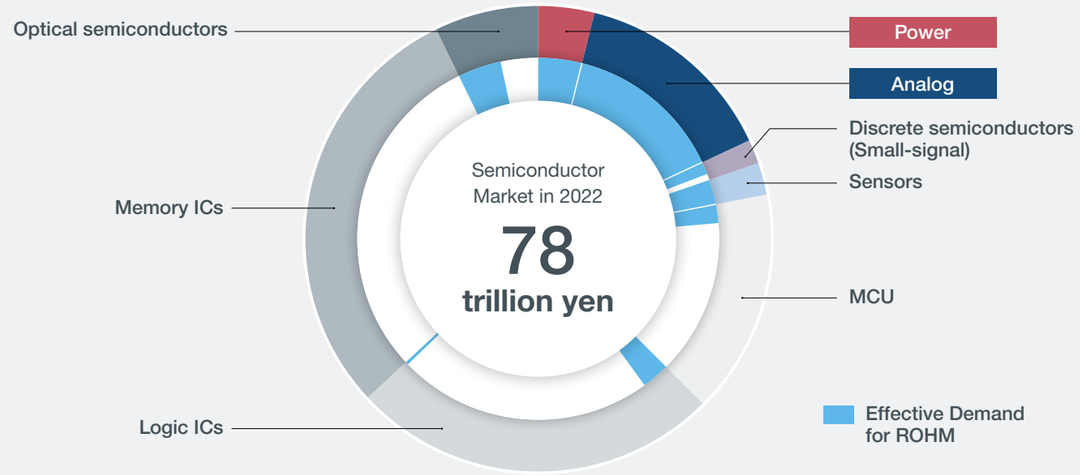


ICs, Discrete semiconductor devices, Modules, Others, Sales and administrative division

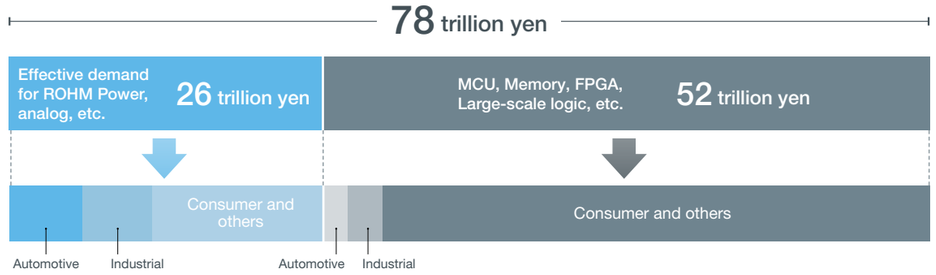
R&D expenses (FY2022)



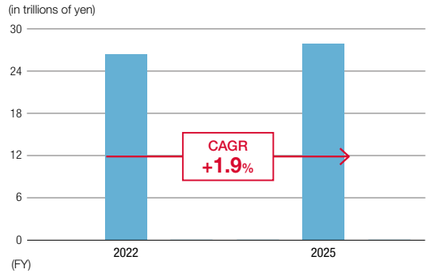
Market size of ROHM's target: power and analog (effective demand for ROHM)



Source: Calculated by ROHM based on Omdia data
*Exchange rate $1=¥130

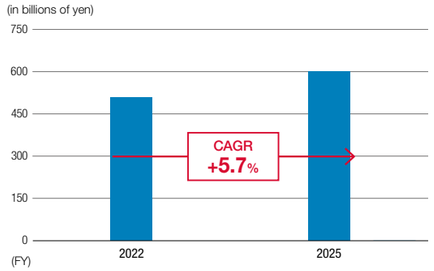


Effective Demand for ROHM



ROHM products for effective demand: discrete, analog, etc.
Source: Calculated by ROHM based on Omdia data
*Exchange rate $1=¥130

Net Sales of ROHM



ROHM's Strengths

As a manufacturer of semiconductors and electronic components, ROHM has expanded its business domain by building up its design and manufacturing technologies, quality assurance technologies, and solution proposal capabilities for more than 60 years since its establishment. These technologies and capabilities accumulated over its long history carry four main features: integral technologies, IDM (vertical integration as an integrated device manufacturer), a wide range of products, and customer orientation.

By focusing on power and analog technology solutions where we can maximally leverage these strengths, we will provide high added value to our customers and contribute to solving social issues.

Development capability to maximize value by integrating elemental technologies

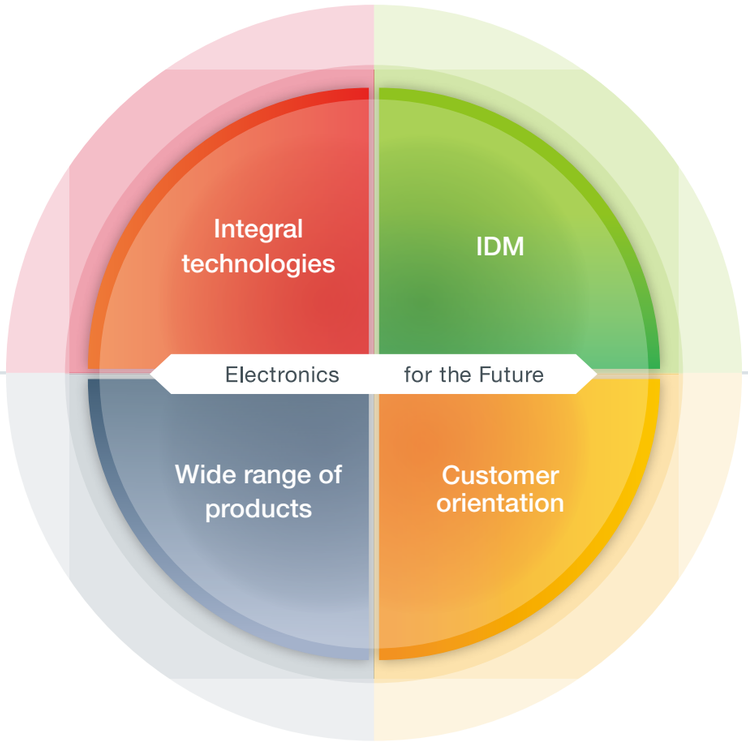
In ROHM's focus areas of power and analog, the source of our competitiveness is understanding the features of our own manufacturing processes and optimizing our designs based on customer needs. In addition to integral technologies with semiconductor manufacturing, consisting of circuit design, layout, and manufacturing processes, we also have significant strength in assembly, like optimization of comprehensive technologies such as heat dissipation design, package technology, and measurement technology.

ROHM integrates elemental technologies accumulated over many years and utilizes integral technologies to provide products and solutions that maximize customer value.

Comprehensive capabilities; from passive components to ICs and power devices

ROHM launched its business with resistors as its founding product, entered the discrete semiconductor device and IC markets, and subsequently expanded its business domain to optical devices and modules. In recent years, it has focused on the power device field, best known for SiCs.

This wide range of products and trove of accumulated technical expertise, which support a wide range of electronics equipment, enable us to propose the right solutions and provide comprehensive technical support to our customers.



Rigorous quality control, stable supply, and cost competitiveness

ROHM has been pursuing "quality first" manufacturing for more than 60 years. This pursuit is supported by the vertically-integrated IDM business model.

By providing a complete production process from materials to finished products within the Group, we have established a one-stop system for quality assurance and stable supply, as well as a business continuity management (BCM) system offering uninterrupted product supply even in disasters and other unforeseen circumstances. We also promote production efficiency improvement and cost reduction through advanced production technology, including in-house development of production equipment.

Solution proposals from the customer's point of view

ROHM values communication with its customers in all business processes.

When determining a product's development specification, engineers who are well-versed in technologies related to electronic equipment and in the Company's own design and manufacturing capabilities examine elements such as optimal circuit configuration, characteristics, and reliability before specification design in order to achieve the performance required by customers. This examination includes product functions, characteristics, and peripheral circuit configuration. In addition, by matching characteristics based on the results of verification at the customer's side during the prototype stage, we can swiftly provide the best product possible and optimize electronic equipment characteristics.

ROHM has earned high praise from customers for its rigorous customer support system and solution proposals, optimally combining ROHM's technologies and products with a thorough understanding of customer needs.

Power and Analog Technologies: ROHM's Focus Areas

■ Power

SiC power devices can achieve significantly lower loss and miniaturization compared to conventional silicon (Si) semiconductors. Amid ever-growing needs for energy savings, ROHM has been a global pioneer in the development and enhancement of its SiC product lineup, which has been broadly adopted in a range of applications, especially in the automotive and industrial equipment-related markets.

We will continue to propose optimal power solutions to our customers by integrating our element development and module technologies, not only for SiC power devices, but also for conventional Si power devices and other electronic components.

■ Analog

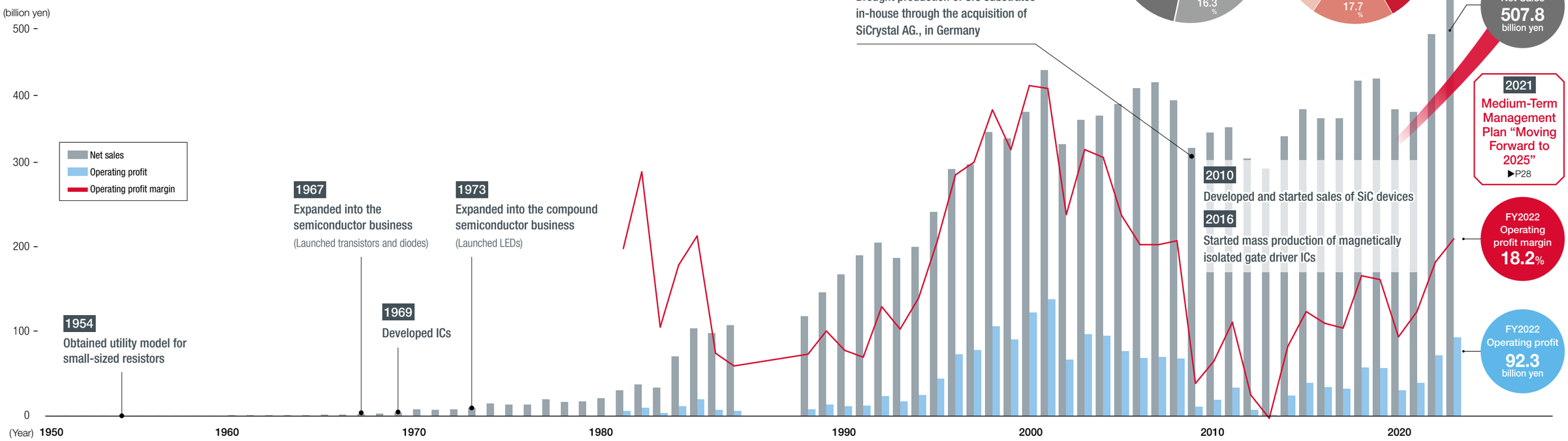
Analog technologies are elemental technologies processing continuously changing information into electrical signals. These are widely applied to power supply control circuits that support the stable operation of electronic equipment, motors, and more. Electronic equipment demand will continue its dramatic growth, including the use of data through IoT and artificial intelligence (AI) and the expansion of autonomous driving. The analog semiconductors used in this equipment are expected to achieve even higher performance, energy savings, and miniaturization. ROHM is able to meet customer needs through its engineers' in-depth familiarity of analog technologies and optimal designs, and its advanced elemental and integral technologies cultivated over many years.

Our Ability to Plan and Propose Products that Anticipate Customer Needs

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

History of Innovation

Since our foundation, we at ROHM have been working to expand our fields of business while contributing to the advancement of society and culture in line with our Company Mission, always maintaining an absolute priority on product quality. We aim to continue our contributions to the improvement of living standards within a sustainable society, harnessing our electronics technology, and our in-house technical capabilities, to solve various issues and meet the needs of society.



1950s

Expanding demand from manufacturers of consumer products

- Transistor radio
- Color TV

Responding to the needs of society

Became the top resistor manufacturer through quality-first manufacturing

1970s

Increasing global demand for ICs

- Portable cassette audio
- VCR
- CD player

The first Japanese company to expand operations to Silicon Valley, USA, which was at the forefront of IC technology

1990s

Advancing of the digitalization of society

- Digital camera
- Personal computer
- DVD
- Mobile phone

Contributed to the development of the digital market as "custom IC manufacturer ROHM"

2000s

Globalization of the electronics market

- LCD TV
- Car navigation system

Strengthened development of new products for the global market

2010s

Growing needs for energy savings and electrification

- Smartphone
- Tablet PC
- Hybrid electric vehicle

Increased focus on automotive and industrial equipment markets

2020s

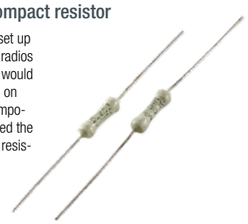
Trending toward decarbonization and a recycling-oriented society

- xEV (Electric vehicle)
- Charging station

Promote development of products that contribute to energy savings and miniaturization

Episode 1 Advancing the miniaturization of electronic components by producing Japan's first compact resistor

ROHM's founder, Kenichiro Sato was motivated to set up the Company after taking a part-time job repairing radios and deciding that "simply doing repairs is boring. I would rather make my own products." He started working on the development of a resistor, an indispensable component of valve radios at the time. In 1954, he released the "parallel lead fixed resistor," the first-ever compact resistor to be made in Japan. As the demand for transistor radios accelerated, Sato's resistor eventually won a 60% share of the domestic resistor market.



Episode 2 Contributing to technical innovation in the electronics industry through participation in the integrated circuit business

As technical innovation in the electronics industry led to a shift from valve technology to transistors, and from transistors to integrated circuits, the Company began to research and develop semiconductors. Although it was a major risk to enter the semiconductor industry, due to the huge investment required, the entire company worked together on development, eventually succeeding in the commercialization of transistors and diodes. Later, the Company also succeeded in the development of integrated circuits, leading to a great increase in the number of Japanese companies adopting customized integrated circuits from ROHM in their digital devices.

Episode 3 Contributing to miniaturization and energy-saving through the development of next generation semiconductor materials

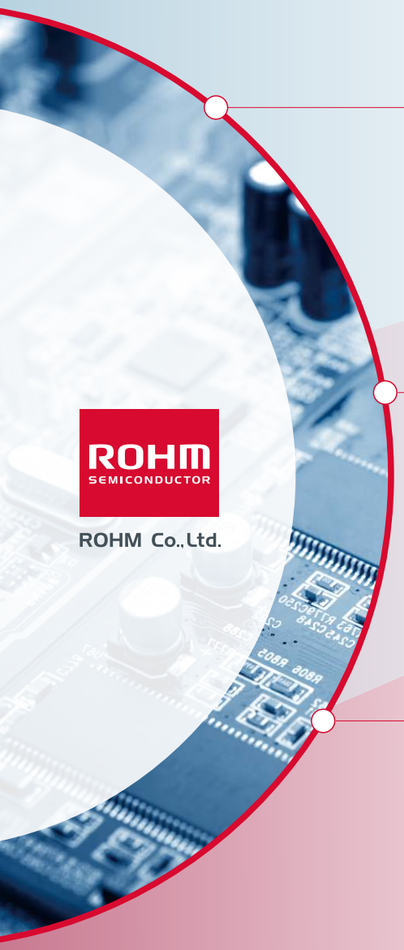
As ROHM's focus shifted toward the automotive and industrial equipment markets, the Company worked to win more customers outside Japan through heavy investment in the development of power semiconductors. With the incorporation of Europe's largest manufacturer of single crystal silicon wafers, the Group obtained the capacity to consistently manufacture and supply substrates, dies, lead frames and packaging. ROHM was also the first company in the world to start the mass production of SiC MOSFET and full SiC modules.

Episode 4 Helping customers meet society's needs through power and analog semiconductor solutions

The trend towards smart technology and electrification in automotive and industrial equipment is creating demand for the highly advanced power and analog semiconductor technology that is required by various devices and equipment. This technology must also realize safe operation and further energy savings and miniaturization. ROHM has developed many analog ICs designed to maximize the capacity of various power devices, particularly SiC devices. Together with other peripheral components such as shunt resistors, which are used for detecting electric currents, ROHM delivers products that ensure the optimum performance of each system.

ROHM's Company Mission and Vision

Since our founding, ROHM has consistently worked to deliver on the same Company Mission: contributing to the advancement and progress of culture and society through the consistent supply of high-quality products and precision manufacturing. To clarify what we mean by contributing to culture and society, we published the statement "Electronics for the Future" as part of our Medium-Term Management Plan, before establishing our goal of becoming a major global player by 2030 and setting our Vision of "focusing on power and analog solutions and solving social problems by contributing to our customers' needs for "energy savings" and "miniaturization" of their products."



ROHM Co.,Ltd.

Company Mission

Quality is our top priority at all times. Our objective is to contribute to the advancement and progress of culture through a consistent supply, under all circumstances, of high quality products in large volumes to the global market.

Statement

Electronics for the Future

ROHM will continue to support the development of society and the enrichment of people's lives into the future by solving a variety of social issues with our electronics technology.

Management Vision

We focus on power and analog solutions and solve social problems by contributing to our customers' needs for "energy savings" and "miniaturization" of their products.

Origin on the company name

The company name of ROHM, a semiconductor manufacturer, combines "R" the first letter of our original main product, resistors, with the unit for resistance "ohm." The "R" now also stands for Reliability. Quality First is ROHM's corporate policy.

2030

Becoming a "major global player"

2025

Medium-Term Management Plan "Moving Forward to 2025"

Achieve growth in "automotive segments" and "markets outside Japan" and build a foundation for further growth

→ P.28

Becoming a "major global player"

ROHM aims to become a "major global player" at 2030. To achieve this goal, it is necessary to establish the ROHM brand on a global scale and be recognized as a company that is necessary to society.

1 Providing irreplaceable services to our customers and society

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

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

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

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

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

Message from the President

Becoming a major global player needed and trusted by society in 2030

Isao Matsumoto
President, CEO
(Representative)

In our Medium-Term Management Plan, we state that our vision for ROHM in 2030 is being a major global player, which has three main elements. First of all, customers and overall society can trust all of our products, including power and analog semiconductors for automobiles and industrial equipment, our core products, and use them with a peace of mind because "ROHM can be trusted." Second, this implies that our brand is so strong that when customers need semiconductors and electronic components, ROHM is the first company that comes to their mind. Finally, the most important point is being seen as a company that society needs.

As for numerical targets, for the power and analog semiconductor field, we have set the targets of being one of the top ten companies in the world and posting net sales of 1 trillion yen. Although there is growing uncertainty regarding conditions in society, we will continue to not only steadily implement the Medium-Term Management Plan and build a firm management foundation impervious to changes in the outside environment, but also accelerate integrated Group management and work to achieve true growth and enhancement of corporate value through ONE ROHM.

ROHM's strength in the field of power and analog semiconductors

The market for power and analog semiconductors is expected to continue to grow in the future because of the electrification and more extensive use of electronics in automobiles and industrial equipment. Based on our Company Mission, which we have touted since our founding, ROHM has contributed to solutions to social issues by leveraging its strengths related to quality-first manufacturing, advanced integral technologies, and its integrated development and manufacturing system to supply high-value-added products.

It is said that in 2022, the semiconductor market was about 78 trillion yen, but power and analog semiconductors, the main type of semiconductors ROHM handles, accounted for only 26 trillion yen, about one-third of that total. Demand for power and analog semiconductors, however, is expected to continue to grow in the future because of greater electrification and more extensive use of electronics in various products, particularly automobiles and industrial equipment.

In the field of digital semiconductors, such as microcontrollers and memory, investments in miniaturization and other capabilities provide competitiveness, and most players in the industry have adopted horizontal specialization that leverages such assets as foundries. On the other hand, for power and analog semiconductors, developing optimal designs that meet the needs of customers by leveraging the distinguishing aspects of our production process is the source of our competitiveness. With a system that integrates circuit design, layout, and production processes, ROHM provides high-value-added products that meet the needs of customers and the market by matching those technologies and know-how at a high level. What supports this product development is our vertically integrated production system known as integrated development and manufacturing (IDM), in which production processes, from the material stage to completed product, are completed within the Group. (See p.4)

This makes it possible not only to increase value added for design and realize thorough product quality but also contributes to the construction of a stable supply system. This forms the foundation of our Company Mission, which we have touted since the Company was established, and "making quality our top priority and contributing to the advancement and progress of culture through a supply, under all circumstances, of high quality products" has been passed down through the years as ROHM's DNA.

The true value of this was demonstrated during the floods in Thailand in 2011. Production at local plants in Thailand was suspended because of flooding, and there was the danger of a stoppage in automobile production because automobile manufactures use many of the products manufactured in Thailand but we could not supply them. However, ROHM possesses advanced know-how related to all production processes within the Group, and it was possible to relaunch production within only one month as a result of the support provided by Group engineers with expertise in each production process. Furthermore, we were able to fully restore the supply of products within

about two and a half months, which was dramatically quicker than initially expected, through the quick introduction of alternative production.

The floods in Thailand were an emergency, and I, too, hastily supervised the alternative production in the Philippines. We received words of encouragement from many customers, and I truly felt a sense of responsibility as ROHM supports the Japanese industry, and the incident made it possible to once again recognize the advanced production technology ROHM has acquired since its founding and the Group's immense power when it unites.

ROHM has pursued quality-first manufacturing for more than 60 years, which is supported by our IDM business model. We aim to become a major global player by supplying customers with high value added products and contributing to solutions to social issues by sticking to our integrated production system.

Actively investing in growth fields to become a major global player

We are also moving forward with aggressive capital expenditures, and the target value of investments for growth through FY2025 was increased to 600.0 billion yen. In addition to reinforcing our production lines for products used in fields where the market is rapidly growing, particularly SiC power devices, we are building a system to steadily capture growth opportunities through aggressive M&As and other activities.

FY2022 was the second year of the Medium-Term Management Plan "Moving Forward to 2025," which covers the period FY2021–FY2025. During the fiscal year, we were able to record strong performance as net sales hit a record high, rising 12.3% year on year to 507.8 billion yen, on account of growth in automobiles and industrial equipment, and operating profit, ordinary profit, and profit attributable to owners of parent grew at double-digit paces. However, a major factor behind this strong performance was an overall robust semiconductor market and weaker-than-expected yen, and we have to improve performance even more.

In particular, since FY2021, capital expenditures as a percentage of net sales has remained high. Although these expenditures are a heavy burden, we are aware that they are necessary to capture market share, and because of this, we will continue to make large-scale investments and have increased the amount of investments for growth through FY2025 to 600 billion yen from 500 billion yen. Capital expenditures primarily are related to improving production capacity, acquiring land and buildings, particularly for handling 8-inch SiC power devices, and reinforcing 12-inch Bi-CDMOS for IC production lines.

For the SiC power device business, the market is quickly growing as electrification of automobiles progresses, and it is important to rapidly develop a system to provide a stable supply in response to this strong demand. Therefore, we brought forward SiC investments and plan to invest 510 billion yen over seven years, through 2027, and in July of this year, we agreed the acquisition of SOLAR FRONTIER K.K.'s former Kunitomi Plant, which will be our 4th SiC FAB. On the other hand, for the IC business, we are reinforcing the development of application specific standard products (ASSP) that meet a broad range of needs, and plan to reinforce our production line in order to expand high-value-added strategic products.

We are also moving forward with capital investments and M&As with an eye toward expanding future business opportunities and announced that ROHM will participate in efforts to privatize Toshiba Corporation in July 2023. As for procuring investment funds (300 billion yen in total), we plan to borrow the funds, which is separate from the 600 billion yen in investments for growth. We will also carefully consider M&A deals to expand our business portfolio, but will not acquire new businesses unrelated to our existing businesses. In order to achieve the vision in the Medium-Term Management Plan, we want to actively examine M&As if there are any that would generate synergies in the long term.

Since taking up the position of President in 2020, I have implemented various management reforms, and our ability to steadily generate cash flows has increased over the past several years, with cash flows from operating activities expected to grow to 650 billion yen over the five years of the Medium-Term Management Plan. While working to improve investment efficiency, we will increase our ability to generate cash flows, such as making aggressive capital expenditures, to the extent possible with our own funds, and lay the groundwork to implement the Medium-Term Management Plan one piece at a time.

Improving the "quality of the company" by further increasing the sophistication of sustainability management

To become a company trusted and selected by stakeholders, it is important to increase the quality of not only products but also the company itself. Based on our Management Vision and Statement, we will move forward with efforts to increase the sophistication of our sustainability management, which includes reinforcing governance.

For ROHM to become a company trusted and selected by stakeholders, it is important to improve the quality of not only products but also the company itself. Therefore, we are moving forward with introducing more sophisticated sustainability management. As part of this effort, we have been clearly separating management and execution roles since April 2022 by establishing the Sustainability Management Committee on the management side and EHSS General Committee on the executive side, which was done to accelerate decision making and reinforce supervision functions. In FY2022, the Sustainability Management Committee met once a month and deepened deliberations regarding sustainability issues, such as TCFD, measures to strengthen governance, and indicators related to human capital.

To strengthen governance, we welcomed three newly appointed outside directors in FY2023. One of the newly appointed outside directors is involved in actual operations and possesses broad knowledge of human capital management and global management, and it is expected that she will provide advice based on her experience. The person was appointed on account of expectations that they will work with us on considering how ROHM should be, not take a critical perspective of a commentator. I would like the two Audit and Supervisory Committee members to use their knowledge to provide advice regarding the ideal type of audits and information management for integrated Group management, and this is one aspect of our governance reforms.

By formulating a Management Vision in 2020, we have clarified that "we focus on power and analog solutions and solve social problems by contributing to our customers' needs for "energy savings" and "miniaturization" of their products." In addition to clarifying the direction that ROHM should move, this also clearly states our intention to raise the awareness of all Group employees and to make additional contributions to society as a Group. In the statement based on the Management Vision, we tout the phrase "Electronics for the Future," and aim to "solve a variety of social issues with our electronics technology." Among these "variety of social issues," the most serious ones that require

a quick response are the ones related to the environment, as you might expect. Power and analog semiconductors are becoming more important as key devices for decarbonization and energy savings, and I consider it our mission to improve the efficiency of motors and power supplies, which are said to account for a majority of the electricity consumed globally. The trend towards electrification of automobiles is accelerating throughout the world on account of growing awareness of climate change and the environment, and this is leading to greater need for energy savings and miniaturization of devices used in automobiles. It can be argued that we live in an era in which power and analog products that can do that are what the world needs.

Furthermore, we set Environmental Vision 2050 as a decarbonization promotion measure for ROHM's business activities. Based on this vision, we are actively working to achieve carbon neutrality (net zero CO_2 emissions) and zero emissions and actively undertake various environmental preservation activities and make environmental investments, all of which are centered on the three topics of "climate change," "resource recycling," and "coexistence with nature." In April 2022, we joined "RE100 (100% Renewable Electricity)," an international corporate initiative that aims for 100% renewable energy for electricity used in business operations. With the goal of "100% of electricity used in all business activities in Japan and overseas to be derived from renewable energy sources by FY2050," we are gradually increasing the volume of renewable energy that we use.

In addition to developing solutions to social issues through product development, ROHM is working to reduce the environmental burden of its business activities and will contribute to the realization of a sustainable society.

Creating a system in which each employee can envision a career path that leverages their individuality and hold dreams

One of the main issues that ROHM should work on now is human capital management. ROHM will move forward with building a system in which each employee can identify with ROHM's vision and take the initiative in achieving that dream.

ROHM will not be a major global player unless its products are considered indispensable for making people's lives more affluent and envisioning the future. The idea underlying the formulation of the Medium-Term Management Plan is to firmly build up our strength through FY2025. The Medium-Term Management Plan is centered on formulating and implementing the measures necessary to reinforce the management foundation for the overall Group as ONE ROHM. In particular, production worksites and all administrative divisions will consider for themselves what is necessary for ROHM to become a major global player and what must be done to achieve that. On all fronts, including organization and finances, I want to create a system in which each and every Group employee envisions what it means for ROHM to be a major global player and works with a dream.

We recognize that human capital management is an important issue to achieve that. We have implemented various human resource measures in order to continue to win the competition for global human resources, but are aware that we still lack a sufficient human capital strategy linked to the management strategy. It is necessary to firmly develop an overall image of various points, including what type of human resources we need to train by backcasting from our vision for ROHM in FY2030 and what impact the percentage of managers who are women will have on that.

In addition, what is important is not only each employee's individuality but also the creation of an environment in which each employee can envision what type of career they can achieve if they stay at ROHM because each employee is different. Therefore, we have established mechanisms to promote autonomous career development and skill development. The Specialist System, which was created in FY2019, is based on this idea.

Promoting diversity is also important to leverage the individuality of employees. First of all, I think that it is important to listen to diverse opinions, including those of non-Japanese and female employees. In particular, in terms of decision making, we are aware that incorporating diverse ideas, not relying on uniformity, is necessary for superior decisions. In order to communicate this idea to employees, we routinely use various media, including online channels, and have created opportunities for direct dialogue with employees at round-table discussions. I would like to continue these efforts in the future because direct dialogue through round-table discussions makes it possible to deepen the mutual understanding of participants.

Desire to become a company that contributes to the enrichment of people's lives 50 or 100 years into the future

I want ROHM, which provides "Electronics for the Future," to continue to be a company that contributes to the enrichment of people's lives through its products and technology regardless of how the world evolves.

Demand for semiconductors continues to grow as the world transitions to a decarbonized society. Furthermore, SiC power devices are indispensable for generating renewable energy, and demand for power and analog semiconductors will continue to grow as society shifts to a recycling-oriented society.

It is impossible to accurately forecast what society will be like in the future. Perhaps we will return to a way of living in which people are in harmony with nature, or society may become one in which people get around in flying cars. Of course, when the world changes, the issues that must be solved also change. The statement "Electronics for the Future" is based on the idea of using electronics to respond to social issues through around 2050. It is, however, very likely that 100 years in the future, the "Electronics" part may change even if "for the Future" remains the same.

Even so, since the founding of the Company, the Company Mission has stayed the same—our objective is to contribute to the advancement and progress of culture through a consistent supply, under all circumstances, of high quality products in large volumes to the global market—and I would like ROHM to continue to be a company that can contribute to society through manufacturing no matter how society changes. Therefore, we will work to develop new technology and offer a stable supply of high quality products while always playing a leading role in the time.

I think that the structural reforms we have implemented since the 2000s are bearing fruit and have placed ROHM on a growth trajectory. We will move forward so that we can contribute to the environment and society through our technology and products in order to continue to be a company that the world needs as it changes.

I hope for the understanding and support of all our stakeholders.

President, CEO
(Representative)
September 2023

ROHM's Value Creation Process

ROHM's Company Mission is quality first, focusing on power and analog technologies and seeking to solve social problems and improve corporate value by contributing to our customers' needs for "energy savings" and "miniaturization." By leveraging our ability to plan and propose products that anticipate customer needs, and by promoting integrated business activities from R&D to sales and customer support, we are able to provide products that guarantee the quality level required by our customers.

Impact

- Development of products that contribute to energy conservation → Contributing to motor and power supply efficiency improvements
- Development of products that contribute to miniaturization → Material and waste reduction

Social Issues ▶P22

Technology

Increasing demand for electronic products that respond to social changes

Manufacturing that meets the trust and expectations of our customers

Environment

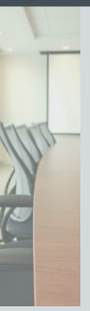
Negative impacts of climate change

Serious resource depletion

Society

Securing human resources within a declining labor force

Governance



Strengthening our management and business activity foundations

Fulfilling social responsibility throughout our supply chain

Ensuring product safety and strengthening product quality

Material Issues ▶P24

Evolution of Technologies to Contribute to the Advancement and Progress of Culture

Stable Supply of High-quality Products

Sustainability Priority Issues

- Strengthening Sustainable Technologies, Developing and Supplying Innovative Products
- Mitigation of Climate Change
- Effective Use of Resources
- Strengthening Employee Engagement
- Diversity Development
- Ensuring the Health and Safety of Employees
- Enhancing Corporate Governance
- Risk Management
- Sustainable Supply Chain Management
- Strengthening Product Safety and Quality

Inputs

Financial Capital

Equity ratio	81.4%
Market capitalization	1.766 trillion yen
Equity	915.4 billion yen
Cash and deposits + securities	329.2 billion yen

Manufactured Capital

Capital expenditures (past 5 years)	346.4 billion yen
Worldwide production network	18
Manufacturing technology development (independent development to improve production efficiency)	
Capital expenditures for increasing production capacity (past 5 years)	183.7 billion yen
Capital expenditures for quality improvement (past 5 years)	12.5 billion yen
Full-scale introduction of flexible production lines	
Full operation of new building for SiC (ROHM Apollo)	

Intellectual Capital

Expertise accumulated in-house over many years of development	
R&D expenses as a percent of sales	8.4%
Universities we have industry-academic partnerships with	33
Industry-academia collaborative research projects	62
Number of patents held	9,377

Human Capital

Employees (consolidated basis)	23,754
Of these, 17,354 are foreign employees	
R&D personnel	3,022
Percentage of female employees	27.9%
New graduates hired	180 (non-consolidated basis)
Mid-career hires	89 (non-consolidated basis)
Engineers (STEM*-related positions)	2,268 (non-consolidated basis)

* Science, Technology, Engineering and Mathematics

Implementing training to disseminate the Company Mission and Basic Management Policy

Social Capital

ROHM brand in the semiconductor market cultivated over many years

Trusting relationships with customers/suppliers 1,848

Natural Capital

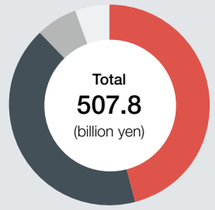
Quantity of water intake	11,762,000 m³
Total energy use	
Total consumption of non-renewable energy	1,354,000 MWh
Total consumption of renewable energy	398,000 MWh

Business Model ▶P18

Growth Strategy / Medium-Term Management Plan "MOVING FORWARD to 2025" ▶P28

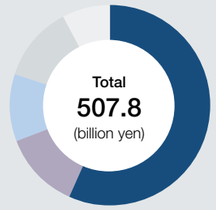
Outputs

Sales by Segment in FY2022



ICs	233.7 billion yen	46.0%
Discrete semiconductor devices	212.2 billion yen	41.8%
Modules	34.3 billion yen	6.8%
Other	27.6 billion yen	5.4%

Sales by Region in FY2022



Japan	288.9 billion yen	56.9%
China	62.8 billion yen	12.4%
Other Asia	54.8 billion yen	10.8%
USA	62.0 billion yen	12.2%
Europe	39.2 billion yen	7.7%

Outcomes

Economic Value

Financial Capital

Shareholder return	200 yen/share
Total return ratio	24%
Total shareholder returns (TSR) over the last 10 years	+ 264.1% (13.8% annually)

Social Value

Manufactured Capital / Intellectual Capital / Human Capital / Social and Relationship Capital / Natural Capital

Customer quality satisfaction score	3.70/5 points
Percentage of male employees taking childcare leave (non-consolidated basis)	42.9%
Average annual number of human resource development training hours per person (non-consolidated basis)	13.2 hours
Average annual amount of human resource investment per person (non-consolidated basis)	40,118 yen
Percentage of women in management positions	12.6%
Average annual percentage of employees taking paid vacation (non-consolidated basis)	80.1%
Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations	95.4%
Percentage of purchases from suppliers with CSR procurement self-assessment rating of B or higher	78.3%
Donations (including sponsorships)	363.9 million yen
Number of patents held	9,310
Water discharge	8,973,000 m³ (decreased by 13,000 m³ year-on-year)
GHG emissions	8,921,000 t-CO_2 (decreased by 385,000 t-CO_2 year-on-year) * Including Scope 3
Total waste volume	16,720t (decreased by 455t year-on-year)
Waste recycling rate	98.5% (increased by 0.6 percentage points year-on-year)

* FY2022 actual values

Refining Our Value Chain

ROHM effectively and efficiently utilizes various capital resources in its value chain to promote its business activities and ensure a stable supply of high-quality products. As an IDM, the source of our strength is that we ensure high quality in our products through rigorous quality control based on front-loading and quality education that puts quality first.

Stable Supply of High-quality Products

Strengthening Product Safety and Quality

▶P50

Material issues

* Explained in the Glossary

1 R&D ▶P52

Focusing on power and analog, the Office for Technology Innovation inputs research and development themes to the R&D Division with a view to the medium- to long-term future to strengthen our R&D capabilities. In addition to the key areas of automotive and industrial equipment, we are also working to gather information on new areas.

Major Capital and Resources

Human capital
Human resources portfolio for R&D

Intellectual capital
Technology portfolio for R&D themes (basic research), industry-academia collaboration

Social capital
Collaboration with customers/suppliers

Financial capital
Financial foundation supporting R&D
→ R&D expense ratio: up to 9% of net sales

ROHM's Features and Strengths

- Strategic development of R&D themes to expand existing products and technology portfolio
- Development capability to maximize value by integrating elemental technologies
  → R&D system in cooperation with product development and manufacturing divisions
- Open innovation
- Research advancing themes in industry-academia collaboration

Action Areas for Further Strengthening

Evolution of Technologies to Contribute to the Advancement and Progress of Culture

Strengthening Sustainable Technologies, Developing and Supplying Innovative Products

- Implementation of an open-close strategy
- Business expansion in new/key markets by utilizing corporate venture capital (CVC)*, etc., and planting seeds for new market development
- Securing highly skilled technical human resources through the introduction of a specialist system
- Strengthening front-loading by promoting AI-based R&D

2 Product Planning ▶P4, 36

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

Major Capital and Resources

Human and intellectual capital
Product marketing engineers (PMEs)*: Product planning human resources with comprehensive capabilities and expertise in development, manufacturing, and customer needs

Social capital
Trusting relationships with customers

Intellectual capital
Accumulated knowledge of market needs and customer requirements

ROHM's Features and Strengths

- Advanced integral technologies from experienced product developers
- Ability to propose products that anticipate customer needs
- Serving customers around the world by dispatching our Product Marketing Engineers (PMEs) to overseas centers

Action Areas for Further Strengthening

Evolution of Technologies to Contribute to the Advancement and Progress of Culture

Strengthening Sustainable Technologies, Developing and Supplying Innovative Products

- Enhancing/developing PME human capital
- Increasing PME headcount (planning and development of unique products)
- Deploying PMEs overseas to become a major global player

3 Product Development ▶P4, 36

With an understanding of both our customers' needs and our own manufacturing processes' features, we deliver optimal design by integrating elemental technologies cultivated over many years. Our total optimization covers integral technologies with semiconductor manufacturing, heat dissipation design, package technology, measurement technology, and more.

Major Capital and Resources

Human and intellectual capital
Abundant development human capital meeting customer needs

Intellectual capital
Extensive core technologies utilizing IDM*

Social capital
Trusting relationships with customers

ROHM's Features and Strengths

- High-value-added product development utilizing IDM in cooperation with manufacturing divisions
- Product development pursuing energy savings/miniaturization and functional safety
- Circuit design capabilities with a focus on power and analog
- Test development for ensuring high quality products

Action Areas for Further Strengthening

Evolution of Technologies to Contribute to the Advancement and Progress of Culture

Strengthening Sustainable Technologies, Developing and Supplying Innovative Products

- Enhancing/developing product development human capital
- Securing highly skilled technical human resources through the introduction of a specialist system
- Strengthening the development system for global growth

4 Procurement ▶P68

By ensuring quality and stable supply of components and materials, as well as practicing CSR procurement that is mindful of labor, ethics, and the environment, we enable high-quality, safe, and stable manufacturing. We value ongoing relationships of trust and cooperation with our suppliers, and aim to conduct procurement activities that enable sustainable growth for both parties.

Major Capital and Resources

Human and intellectual capital
Procurement human capital ensuring quality of ROHM products

Intellectual capital
Accumulated procurement expertise supporting a broad product lineup

Social capital
Trusting relationships with suppliers

Environmental capital
Procurement of environmentally-friendly components and materials

ROHM's Features and Strengths

- Trusting relationships and alliances with suppliers
- Centralized management of the procurement network from raw materials to finished products
- Taking measures against risk components such as advance arrangements and market monitoring of industry trends (for raw materials such as wafers, photomasks, lead frames)
- Stable supply chain management through multi-supplier purchase

Action Areas for Further Strengthening

Sustainable Supply Chain Management

Effective Use of Resources

Risk Management

- Strengthening procurement from suppliers with a business continuity management (BCM)* system/ESG initiatives in place
- Rapidly investigating impact of emergency situations through understanding of the supply chain
- Improving the cash conversion cycle

5 Manufacturing ▶P48

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

Major Capital and Resources

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

Social capital
Trusting relationships with customers/suppliers

Financial capital
Robust financial foundation enabling flexible capital investment

Manufacturing capital
A worldwide production network

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

ROHM's Features and Strengths

- Manufacturing technology development capabilities with a focus on power and analog
- Robust quality assurance and supply system based on integrated manufacturing system of front-end, back-end, and testing processes
- Introduction of renewable energy in manufacturing processes

Action Areas for Further Strengthening

Risk Management

Mitigation of Climate Change

Ensuring the Health and Safety of Employees

Effective Use of Resources

- Reducing greenhouse gas (GHG) emissions, reducing water resources used, reducing waste volume, and conducting rigorous chemical substance management
- Accelerating productivity improvement and automation of assembly process (full-scale introduction of flexible lines*)
- Using multiple manufacturing sites and outsourced semiconductor assembly & test (OSAT)*
- Establishing the Monozukuri (Manufacturing) Innovation Center staffed by manufacturing engineers responsible for an integrated service from design to evaluation
- Promoting zero defects

6 Sales/Customer Support ▶P4, 36

ROHM offers a rigorous customer support system and solution proposals optimally combining ROHM's technologies and broad product lineup to provide the performance our customers demand, with a thorough understanding of the functions and characteristics of their products, as well as peripheral circuit configuration.

Major Capital and Resources

Human and intellectual capital
Field application engineers (FAEs)*, sales human capital

Social capital
Trusting relationships with customers

ROHM's Features and Strengths

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

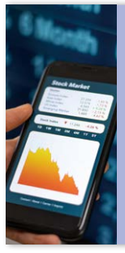
Action Areas for Further Strengthening

Risk Management

- Proposing solutions through the integrated work of our sales teams and our Field Application Engineers (FAEs) to increase the proportion of sales made to overseas customers
- Improving efficiency in taking in customer needs and increasing customer quality satisfaction scores by leveraging digital transformation (DX)
- Diversifying sales channels by utilizing trading companies, etc.
- Increasing brand awareness

Building Value Together with Stakeholders

ROHM's aim is to become a company continually chosen by stakeholders as we seek to fulfill our management vision to "focus on power and analog solutions and solve social problems by contributing to our customers' needs for energy savings and miniaturization of their products." To achieve this vision, we engage in dialogue with all our stakeholders, building strong relationships as we work to move sustainably forward.

	Relationships with stakeholders	Stakeholder expectations	Dialogue methods and opportunities	Examples of major stakeholder initiatives
 **Customers**	ROHM works to build trusting relationships with final product and component manufacturers in the automotive, industrial, and consumer appliance industries. In addition, through joint research and development with our customers, we aim to create new value. We also work to maintain strong relationships with trading companies.	• Improving the value of customers' products • Meeting requests to facilitate new products or improve existing products • Achieving optimum product quality • Providing a stable supply of high-quality products • Appropriately disclosing our product information	• Promoting our products through customer visits and online consultations • Taking part in exhibitions • Holding product briefing meetings and technical exchange events • Engaging in joint R&D • Conducting surveys on customer quality satisfaction	• Improving our systems for proactively gaining an understanding of customers' needs and linking those needs to product planning → P4, 36 • Providing comprehensive solutions to customers' need for miniaturized products with low energy usage → P4, 36 • Improving customer quality satisfaction score and harnessing the results of that survey to produce improvements → P50 • Enhancing joint R&D with our customers → P36
 **Employees**	The Basic Management Policy of ROHM is "to search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity." The history, technology, and other assets established since our foundation are of huge importance to our company, but the driving force behind these assets is our people. That is why we invest heavily in fostering the growth of our employees, providing an environment in which talented individuals can thrive and create a virtuous circle that drives further employee and company growth.	• Ensuring health and safety in the workplace • Respecting human rights and eliminating discrimination • Developing human resources and making full use of our employees' talents • Respecting diversity • Work-life balance	• Conducting engagement surveys • Conducting employee attitude surveys • Engaging in direct dialogue with the company president • Holding internal earnings release briefings • Providing a compliance hotline (whistleblowing system)	• Securing highly skilled technical human resources through the introduction of a specialist system → P56 • Enhancing job satisfaction by fostering a corporate culture that creates challenges → P56 • Improving the scores in our engagement survey and harnessing the results to produce improvements → P56 • Promoting active participation by women → P56 • Developing capabilities and allocating human capital at the global level → P56
 **Suppliers**	Stable and reliable high-quality manufacturing not only relies on the stable procurement of high-quality components and supplies, but also requires corporate social responsibility (CSR) in procurement. ROHM works to ensure that our procurement takes account of environmental, labor, and ethical issues. We focus on building trusting, cooperative relationships with our suppliers that facilitate the sustainable growth of both parties.	• Ensuring thorough fairness and transparency in our transactions • Upholding our commitment to human rights, labor rights, health and safety, and environmental protection throughout our global supply chain • Ensuring all our suppliers maintain a reliable business continuity plan (BCP) • Promoting green procurement	• Engaging in face-to-face/online procurement activities • Conducting due diligence in procurement through the following activities: Briefing meetings for the promotion of CSR procurement CSR procurement audits CSR procurement self-assessment (CSR survey) • Providing a supply chain hotline	• Increasing CSR procurement from suppliers with strong BCM and ESG systems → P68 • Understanding our supply chain to facilitate rapid investigations into the impacts of unforeseen events → P68
 **Shareholders and Investors**	ROHM prioritizes mutual dialogue-based communication with shareholders and investors. We provide timely disclosure, and work to maximize corporate value by feeding back the expectations and opinions of investors and shareholders into our operations.	• Improving corporate value • Generating shareholder returns that exceed the cost of capital • Fair, appropriate and timely disclosure • Achieving strong corporate governance	• Holding Annual General Meetings of Shareholders • Holding executive-led briefing meetings for analysts and institutional investors (2)* • Holding face-to-face and online IR briefing meetings (540)* • Holding technical seminars and factory tours (7)* • Holding briefings for individual investors (2)* * Number of times held in FY2022	• Feeding back the opinions and requests received through our IR activities to our management and reflecting them on operations • Improving our disclosure and IR tools to promote more substantial dialogue with shareholders and investors • Expanding our disclosure on ESG initiatives
 **Social and Environmental Contribution**	Since its founding, ROHM has strived, as a responsible corporate citizen, to contribute to the healthy development of society, engaging deeply with the communities that host its operations. We work to address the needs of local communities and wider society, contributing to the further advancement of society and culture and the creation of an improved social environment.	• Reducing our footprint and protecting the natural environment • Contributing to the development of each community through participation in activities that meet each community's needs • Collaborating with NPOs and other organizations that contribute to society • Engaging in other activities for the benefit of society	• Reducing environmental impacts from our manufacturing and business activities • Contributing to society based on the following three areas - Support for education (visiting schools to hold lectures, accepting factory tours etc.) - Environmental protection (improving the environment through tree-planting and providing environmental education by creating a biotope on company premises) - Cultural and community exchange (support for music)	• Reducing greenhouse gas emissions, water resource usage, and waste production, thoroughly controlling the use of chemical substances → P62 • Promoting stronger dialogue with communities hosting our facilities, supporting biodiversity → P62

Perception of External Environment and Risks and Opportunities

Perception of External Environment

We summarized the social changes and issues which are important to ROHM over the medium- to long-term based on external assessments, international guidelines, social norms, and requests, etc. from internal and external stakeholders. From here, we are extracting the "opportunities" for business growth and the "risks" which will become threats to business activities, assessing the issues which will lead to solving social issues (CSV) through our main business and the negative impact that ROHM's business has on society, and establishing measures aimed at solving each issue.

Sustainability Priority Issues	Social Issues (Demands from Stakeholders)	Details of Risks and Opportunities	Responses to Risks and Opportunities	Material Issues
Technology	Increasing demand for electronic products that respond to social changes	**Risks** Medium- to long-term ① Intensifying competition to develop energy-saving and miniaturized devices Medium- to long-term ② Decreasing market share due to appearance of competition, including in emerging countries **Opportunities** Medium- to long-term ③ Increasing numbers of electronic components installed in electronic equipment due to their increasing functionality and the growing need for energy savings	① Establish a function for understanding customers' needs in advance and linking these to product planning ① Develop advanced technologies and high-value-added products such as energy-saving and compact devices ② Deploy PMEs overseas to expand overseas sales ③ Technology joint development and collaboration with customers, research institutions, etc. ③ Solution proposals to customers using a broad product lineup ▶P4, 36, 52	Evolution of Technologies to Contribute to the Advancement and Progress of Culture
	Manufacturing that meets the trust and expectations of our customers	**Risks** Short- to medium-term ① Decreasing trust due to failure to meet customer quality requirements **Opportunities** Short- to medium-term ② Growing need for quality assurance	① Use front-loading to achieve appropriate quality satisfying customers ① Improve rigorous employee quality awareness in line with our Company Mission ② Earn customer trust by achieving traceability through IDM activities ▶P4, 48, 50	Stable Supply of High-quality Products
Environment	Negative impacts of climate change Serious resource depletion	**Risks** Medium- to long-term ① Decreasing sales due to stagnation in development of products that contribute to energy saving and miniaturization Short- to medium-term ② Soaring material prices and restrictions on production activities due to resource shortages (rare metals, water, etc.) Medium- to long-term ③ Mandatory GHG emissions reductions and full-scale carbon taxation of GHG emissions Medium- to long-term ④ Adverse effects on the environment due to lack of chemical substance management **Opportunities** Short- to medium-term ⑤ Rising demand for electronic components due to growing new automobile sales in the electric vehicle (xEV) market Medium- to long-term ⑥ Expansion in sales for the industrial equipment market, such as products for use in solar panels, with the introduction of renewable energy	① Develop advanced technologies and high-value-added products such as energy-saving and compact devices ② Reduction of resource usage by developing and producing products that contribute to energy saving and miniaturization ② Reduction of water usage by introducing water recycling systems and other means ③ Reduction of GHG emissions and waste, as well as promotion of renewable energy introduction ④ Rigorous implementation of chemical substance management systems and reduction of chemical substance use ⑤ Expansion of a broad product lineup (from resistors to ICs) and strengthening of production systems to support electrification ⑥ Enhance customer development and support systems through digital marketing for wide-ranging industrial equipment market ▶P36, 62	Strengthening Sustainable Technologies, Developing and Supplying Innovative Products Mitigation of Climate Change Effective Use of Resources
Society	Securing human resources within a declining labor force	**Risks** Short- to medium-term ① Intensifying competition to secure human resources and sluggish retention rates Short- to medium-term ② Decreasing human capital capabilities due to delays in reforming legacy personnel systems and corporate culture Short- to medium-term ③ Negative impact on employees due to occupational accidents and work-related illnesses	① Enhance job satisfaction by fostering a corporate culture that creates challenges ② Promote diversity and inclusion ②③ Promote work style reforms, health and productivity management, and strengthen occupational health and safety systems ③ Take measures to control infections in the workplace and introduce telecommuting ▶P56	Strengthening Employee Engagement Diversity Development Ensuring the Health and Safety of Employees
Governance	Strengthening our management and business activity foundations	**Risks** Short- to medium-term ① Occurrence of incidents due to legal/business ethics violations, etc. Medium- to long-term ② Stricter shareholder evaluations of management due to growing ESG investment, etc. Medium- to long-term ③ Increase in number of large-scale disasters (earthquakes, flooding, typhoons, fires, etc.) Short- to medium-term ④ Delays in responding to cyberattacks and information leaks from security breaches Short- to medium-term ⑤ Litigation, including infringement of intellectual property such as patent rights owned by other companies **Opportunities** Short- to medium-term ⑥ Ensuring management stability through a robust financial foundation	① Further evolve management (execution and supervision) systems and functions ① Ensure transparency in information disclosure ② Review remuneration system aimed at enhancing corporate value over the medium to long term ② Ensure effectiveness of the Board of Directors ▶P80 ③ Diversify risks through establishing multiple production systems, seismic isolation of plants, and flood control measures ④ Implement training to improve security literacy and implement measures to combat information system vulnerabilities ⑤ Implement training to strengthen collection of patent-related information and reduce the risk of infringement ⑥ Earn growth opportunities through aggressive capital expenditures and M&A ▶P54, 72	Enhancing Corporate Governance Risk Management
	Fulfilling social responsibility throughout our supply chain	**Risks** Short- to medium-term ① Suspension of stable supply to customers due to shutdown or decline in utilization rates at manufacturing sites Short- to medium-term ② Suspension of transactions with overseas companies and supply of materials such as rare metals due to changes in international affairs Short- to medium-term ③ Compliance violations due to human rights violations in the supply chain or procurement of banned substances	① Use multiple production sites and diversify suppliers ② Global BCP for avoiding geopolitical risks in production, procurement, and sales ③ Establish management systems in line with OECD Due Diligence Guidance ▶P68, 72	Sustainable Supply Chain Management
	Ensuring product safety and strengthening product quality	**Risks** Short- to medium-term ① Quality problems due to inadequate quality control system	① Reinforce quality control system enabling prompt sharing of serious quality issues with management ① Improve rigorous employee quality awareness and practice the Company Mission ▶P50	Strengthening Product Safety and Quality

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

ROHM's Material Issues

ROHM regards contributing to the evolution of technologies which lead to the advancement and progress of culture based on the Company Mission and realizing the stable supply of high-quality products as important management issues. Moreover, to pursue sustainable development for both society and the company, we have identified "sustainability priority issues" by considering the concerns of our shareholders and the impact on our business. Together, these issues are set forth as "material issues = important management issues," and we aim to enhance our corporate value by creating social and economic value through our business activities.

Process for identifying sustainability priority issues

STEP1 Identifying Sustainability Priority Issues Candidates ▶ STEP2 Evaluation from a Stakeholder Perspective ▶ STEP3 Identifying and Prioritizing Priorities ▶ STEP4 Approval

Identifying Sustainability Priority Issues https://www.rohm.com/sustainability/sustainability_issues

Sustainability Priority Issues

	Material issues	Value for ROHM to create	Initiatives	FY2022 results	Main KPIs (Medium-Term Management Plan)	SDGs
Technology	Evolution of Technologies to Contribute to the Advancement and Progress of Culture	・Reduce environmental burden caused by promotion of automobile electrification ・Save labor and improve production efficiency through evolving production equipment functionality	・Develop new, high-value-added products that contribute to energy saving and miniaturization ・Strengthen development structures creating products that can compete globally: Assigning PMEs ・Customer-oriented solution proposals using comprehensive capabilities from passive components to power devices and ICs	・Net sales: **507.8 billion yen** ・New product sales ratio: **31.6%** ・IC strategy top 10 products sales ratio: **22%** ・Percentage of sales to customers outside Japan: **43.1%** ・SiC sales: **27.0 billion yen**, **8.6%** market share	・Achieve net sales of **more than 600.0 billion yen** as the total amount of social contribution* (FY2025 target) ・Increase sales ratio of new products (contributing to energy saving and miniaturization) ・IC strategy top 10 products sales ratio: **32%** (FY2025 target) ・Percentage of sales to customers outside Japan: **More than 50%** (FY2025 target) ・SiC sales: **More than 270.0 billion yen, 30%** market share (target from FY2025 onward)	8, 9, 12, 17
	Stable Supply of High-quality Products	・A supply chain providing stable supply	・Strengthen production systems through IDM activities ・Improve productivity by introducing flexible lines ・Implement rigorous quality control and employee quality training	・Capital expenditures for quality improvement: **2.1 billion yen** ・Capital expenditures for increasing production capacity: **80.7 billion yen** ・Started mass production through flexible lines and deploying to overseas manufacturing sites ・Overall customer quality satisfaction score in FY2022: **3.1% improvement**	・Investments for growth over five years: **600.0 billion yen** (FY2025 target) ・Flexible lines: **Doubled** over five years (FY2025 target) ・Customer quality satisfaction score: **+10%** (FY2025 target vs. FY2020)	
Environment	Strengthening Sustainable Technologies, Developing and Supplying Innovative Products	・Realize a recycling-oriented society	・Contribution by developing energy-saving products and supplying them to the market ・Contribution by developing and supplying miniaturized products ・Contribution by developing and supplying products pursuing functional safety	・Net sales: **507.8 billion yen**	・Achieve net sales of **more than 600.0 billion yen** as the total amount of social contribution* (FY2025 target)	3, 6, 7, 12, 13, 15
	Mitigation of Climate Change	・Reduce environmental impact by reducing greenhouse gas (GHG) emissions	・Reduction in GHG emission ・Reduction of energy consumption ・Promotion of introduction of renewable energy	・Reduced GHG emissions by **21.8%** vs. FY2018 levels ・Reduced GHG emissions per unit by **38.6%** vs. FY2018 levels ・**24%** introduction of renewable energy completed	・Reduce GHG emissions by **50.5%** vs. FY2018 levels (FY2030 target) ・Reduce emissions per unit by **45%** vs. 2018 levels (FY2030 target) ・Promote the shift to renewable energy with the goal of **100%** implemented (FY2050 target)	
	Effective Use of Resources	・Realize a recycling-oriented society through effective use of resources	・Water resource consumption reduction ・Reduction of waste	・Increased water recovery and reuse rate by **1.2%** vs. FY2019 levels ・Recycling rate of **98.5%** for consolidated companies worldwide	・Increase water recovery and reuse rate by **5.5%** vs. FY2019 levels (FY2030 target) ・Zero recycling emissions for consolidated companies worldwide (FY2030 target)	
Society	Strengthening Employee Engagement	・An organization of challenge, improve motivation	・Foster a corporate culture that creates challenges ・Enhancement of job satisfaction ・Improve employee engagement scores	・Implemented 360° feedback (from superiors, colleagues, and subordinates) for the purpose of promoting self-improvement of the management layer ・Completed the introduction of the engagement survey together with achieving above industry average results (entire Group: **91%**)	・Establish a system to train world-class next-generation leaders and professionals (FY2025 target) ・Introduce the engagement survey across the entire Group worldwide, improve scores annually, and achieve employee engagement score at or above the industry average (FY2025 target)	3, 5, 8, 10
	Diversity Development	・Foster diverse human resources with rich humanity and intelligence	・Promote women's active participation ・Global capacity development and personnel allocation	・Female manager ratio for the ROHM Group: **12.6%** ・Partially introduced job-based, annual salary, and individual contract personnel systems	・Increase female manager ratio for the Group to **15%** by FY2025 and to **20%** by FY2030 ・Accumulate strategic data on evaluation, remuneration, promotion, and assignment	
	Ensuring the Health and Safety of Employees	・Work-life balance achieving diverse work styles	・Securing a safe workplace ・Promotion of health management	・**Two cases** of lost-workday injuries in the ROHM Group (at least one workday lost) ・Number of COVID-19 on premises cluster cases: **0** ・Non-exercise habit ratio **11%**	・Achieve and maintain **zero** lost time accidents in the Group (FY2025 target) ・Establish and maintain an epidemic prevention system against unknown infectious diseases in ROHM Group (FY2025 target) ・Improve and maintain the exercise habit ratio of ROHM Co., Ltd. above the national average (FY2025 target)	
Governance	Enhancing Corporate Governance	・Build trusting relationships with society through correcting information imbalances and effective governance	・Secure diversity of the Board of Directors ・Review of compensation system to improve medium- to long-term corporate value ・Secure the effectiveness of management	・**Achieved a 23%** ratio of female and foreign directors (ratio of female directors: **15%** and ratio of foreign directors: **8%**) ・**Achieved a 54%** ratio of independent outside directors on the Board of Directors ・Completed the introduction of the "performance-linked transfer-restricted stock-based remuneration system (PSRSU)" ・Introduced support by external institutions regarding the evaluation and analysis of results in the effectiveness evaluations implemented in March 2023	・Increase the ratio of executives who are female and/or foreign nationals to **10%** (FY2025 target) ・Increase the number of independent outside directors to a majority of the Board of Directors (FY2025 target) ・Introduce a remuneration system linked to the Medium-Term Management Plan (FY2025 target) ・Undergo evaluation by an external institution once every three years (FY2025 target)	
	Risk Management	・A supply chain providing stable supply	・Strengthening BCM system	・Utilized remote work tools to conduct earthquake response BCM training centered on the task force with management participation, and verified the effectiveness of our disaster response ・Conducted a remote risk survey focusing on fire and water damage of our major Japanese and overseas manufacturing sites and checked the status of our response to water and fire damage risks	・Strengthen the BCM system through continuous risk identification (FY2025 target)	9, 11, 12, 16, 17
	Sustainable Supply Chain Management		・Strengthening BCM System ・Promotion of green procurement ・Promotion of CSR procurement activities	・Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations: **95.4%** ・Manufacturing site survey ratio for tier 1 suppliers: **31.0%** ・Prior agreement ratio for emergency response among key suppliers: **45.9%** ・Percentage of purchases from suppliers with CSR procurement self-assessment rating of B or higher: **78.3%**	・Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations: **More than 90%** (FY2025 target) ・Manufacturing site survey ratio for tier 1 suppliers: **100%** (FY2025 target) ・Prior agreement ratio for emergency response among key suppliers: **100%** (FY2025 target) ・Percentage of purchases from suppliers with CSR procurement self-assessment ratings of B or higher: **More than 90%** (FY2025 target)	
	Strengthening Product Safety and Quality		・Establishment and entrenchment of a quality assurance system through front loading ・Achieving appropriate quality by incorporating the customer's perspective	・FY2022 customer quality satisfaction score **improved by 3.1%** ・"Satisfactory" and "Somewhat satisfactory" response selection rates **improved by 4.8%** (The reason was due to the improvement in the "automotive on-board devices support" score. We have seen significant results in the key automotive market from activities to strengthen our support.) ・"Unsatisfactory"and "Somewhat unsatisfactory" response selection rate: **1.0% improvement** * All three items above are calculated relative to FY2020	・Customer quality satisfaction score: **+10%** (FY2025 target vs. FY2020)	

Sustainability Discussion

What is the ideal form of sustainability management for a major global player?

Koji Yamamoto
Member of the Board, Senior Corporate Officer, CSO

Kuniko Muramatsu
Member of the Board (Outside)

Achieving ROHM's sustainability management goals

Yamamoto In order for ROHM to become a major global player, sustainability management that leads to trust from all of our stakeholders including our customers is essential. I believe that my role as CSO is to aim for a company that can sustainably create value and to improve the quality of management through the achievement of non-financial targets. In recent years, the importance of sustainability requirements from customers and cooperation with business partners has been increasing. Under such circumstances, I believe that Ms. Muramatsu, who has deep knowledge of sustainability management, joining us (the Board of Directors) as an outside director will act as a driving force for incorporating sustainability issues as a part of our management strategy and engaging in more in-depth discussions.

Muramatsu From the time that ROHM was founded, sustainability has been an inherent part of its corporate philosophy and reason for being, and I think that the Company is engaging in sustainability management while updating with the times. After working for 25 years at a foreign semiconductor manufacturer, I have been involved for more than 10 years in introducing sustainability management and building healthy organizations at Japanese companies. Based on both of those experiences, I feel that changes in the world's values are happening at an accelerated pace, and the axis of enterprise valuation is also changing. ROHM has well-established systems and structures, but in terms of support for customers and business partners, it is necessary to look further into the future and not just inside Japan, and proactively aim to reach the level of leading companies to prevent lagging behind in the global market. I believe it is important for ROHM to play to its strengths within the context of global standards.

Yamamoto Over a year has passed since the separation of management and execution in April 2022, where we established the "Sustainability Management Committee" on the management side and the "EHSS General Committee" on the execution side to strengthen our response to sustainability risks related to the entire Group. The Sustainability Management Committee meets every month, and in FY2022 it discussed and considered from multiple perspectives topics which included how to deal with external evaluation organizations, responses to the TCFD recommendations and promoting the introduction of renewable energy, and how to make human capital related disclosures. I consider it to be a major breakthrough that we are now able to have discussions with all of the Company Board members and Ms. Muramatsu, who possesses deep knowledge of sustainability management. Since many of these topics are ROHM-specific issues, I think that we need to deepen the discussion at the Group level and from a backcasting perspective going forward.

Muramatsu Since being appointed in June 2022, I have participated in every session of the Sustainability Management Committee. Sustainability issues are also raised by the Board of Directors, but in order to have a full discussion, all of the Board members must share a common understanding and sense of responsibility with respect to sustainability issues. Four of the internal Board members participate in lively discussions, and at times I also candidly voice some harsh opinions. Going forward, I would like to monitor and provide counseling from the perspectives of how the information from that committee will be shared by the Board of Directors, whether it is fulfilling its function as a advisory body, and whether the information is being shared with the EHSS General Committee.

Progress on non-financial issue initiatives

Yamamoto The current Medium-term Management Plan sets forth non-financial goals such as "mitigating climate change" and "enhancing employee engagement." The environmental targets are set for FY2030, but interim goals are also established for FY2025, and we are steadily achieving goals such as expanding responses to the TCFD recommendations and promoting the introduction of renewable energy. Environmentally and human rights-conscious CSR procurement, which also includes self-assessment, sets annual goals and conducts audits while surveying business partners, and business partners with low ratings are actively urged to work with us to improve their practices.

Muramatsu On the environment, I believe that the Company's initiatives over many years to create a foundation for managing environmental risks ahead of others have paid off. Going forward, I believe that the questions of how to link the opportunities and risks of climate change to business strategies and how to disseminate and implement the essential significance of TCFD and TNFD within the Company will become important points. Regarding sustainable procurement, ROHM's internal standards must be developed with a focus on the highest standards in the global marketplace. Implementing those internal standards together with business partners and increasing the level of sustainability across the entire value chain will likely lead to producing products and services that help solve social issues.

Yamamoto Regarding what you just said, I would like to understand the relevance to our business and involve the entire company in the process. Regarding other non-financial issues, the global female manager ratio is 12.6% as of FY2022, and we are making steady progress on reaching the goal of 15% for FY2025. The employee engagement score survey was administered to overseas affiliated companies for the first time in 2022. Human capital initiatives tend to be conducted under the leadership of the Human Resources Department, but I think that they should essentially be conducted together with the Business Units and other sections, and Ms. Muramatsu has also pointed out that a different perspective is needed.

Aiming to maximize synergy as ONE ROHM

Muramatsu Human capital is frequently discussed as a topic by the Board of Directors and the Sustainability Management Committee. Action plans for human capital have previously been implemented by the head office Human Resources Division and each department, but in order to maximize the synergy as ONE ROHM, I feel that it is necessary to accelerate the creation of a foundation and strategic initiatives on a global level regarding diversity, human capital strategy, and organizational development.

Yamamoto As part of our human capital strategy, I would like to create a system that allows each individual employee to develop their own career and abilities with a sense of autonomy and connect that to management growth. Under the "job posting system" which was newly established in FY2022, employees can now voluntarily decide to apply for and tackle challenges of their own volition by having each department disclose and post their job openings internally.

Muramatsu Until now, ROHM has created high-quality products in a form which fits Japanese society and business and grew by increasing production efficiency. In order for ROHM to grow in a sustainable manner going forward, the key will be an organizational structure and management that allows each of its globally diverse human capital to maximize their potential and function as one team. Currently, under the direction of President Matsumoto, the Company is increasing organizational diversity and transforming the corporate culture into one that takes on challenges, but I think that further promotion is necessary.

For ROHM's sustainable growth

Yamamoto I think that there is significant room for ROHM to further improve its sustainability management. With the counsel of Ms. Muramatsu and the other outside directors, I would like to continue to proactively invest in initiatives which lead to sustainability management to create social value and achieve corporate growth by building a robust management foundation.

Muramatsu Today, corporate responsiveness to change, social responsibility, and accountability are rigorously tested. I intend to fulfill my responsibilities as an outside director in sustainably improving ROHM's corporate value by helping to build a highly effective form of sustainability governance so that the Company meets the expectations of all stakeholders including the shareholders.