

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.



Identifying Sustainability Priority Issues https://www.rohm.com/sustainability/sustainability_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	<ul style="list-style-type: none"> Reduce environmental burden caused by promotion of automobile electrification Save labor and improve production efficiency through evolving production equipment functionality 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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) 	
	Stable Supply of High-quality Products	<ul style="list-style-type: none"> A supply chain providing stable supply 	<ul style="list-style-type: none"> Strengthen production systems through IDM activities Improve productivity by introducing flexible lines Implement rigorous quality control and employee quality training 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Realize a recycling-oriented society 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Net sales: 507.8 billion yen 	<ul style="list-style-type: none"> Achieve net sales of more than 600.0 billion yen as the total amount of social contribution* (FY2025 target) 	
	Mitigation of Climate Change	<ul style="list-style-type: none"> Reduce environmental impact by reducing greenhouse gas (GHG) emissions 	<ul style="list-style-type: none"> Reduction in GHG emission Reduction of energy consumption Promotion of introduction of renewable energy 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Realize a recycling-oriented society through effective use of resources 	<ul style="list-style-type: none"> Water resource consumption reduction Reduction of waste 	<ul style="list-style-type: none"> Increased water recovery and reuse rate by 1.2% vs. FY2019 levels Recycling rate of 98.5% for consolidated companies worldwide 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> An organization of challenge, improve motivation 	<ul style="list-style-type: none"> Foster a corporate culture that creates challenges Enhancement of job satisfaction Improve employee engagement scores 	<ul style="list-style-type: none"> 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%) 	<ul style="list-style-type: none"> 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) 	
	Diversity Development	<ul style="list-style-type: none"> Foster diverse human resources with rich humanity and intelligence 	<ul style="list-style-type: none"> Promote women's active participation Global capacity development and personnel allocation 	<ul style="list-style-type: none"> Female manager ratio for the ROHM Group: 12.6% Partially introduced job-based, annual salary, and individual contract personnel systems 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Work-life balance achieving diverse work styles 	<ul style="list-style-type: none"> Securing a safe workplace Promotion of health management 	<ul style="list-style-type: none"> 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% 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Build trusting relationships with society through correcting information imbalances and effective governance 	<ul style="list-style-type: none"> Secure diversity of the Board of Directors Review of compensation system to improve medium- to long-term corporate value Secure the effectiveness of management 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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		<ul style="list-style-type: none"> Strengthening BCM system 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Strengthen the BCM system through continuous risk identification (FY2025 target) 	
	Sustainable Supply Chain Management	<ul style="list-style-type: none"> A supply chain providing stable supply 	<ul style="list-style-type: none"> Strengthening BCM System Promotion of green procurement Promotion of CSR procurement activities 	<ul style="list-style-type: none"> 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% 	<ul style="list-style-type: none"> 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		<ul style="list-style-type: none"> Establishment and entrenchment of a quality assurance system through front loading Achieving appropriate quality by incorporating the customer's perspective 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Customer quality satisfaction score: +10% (FY2025 target vs. FY2020) 	