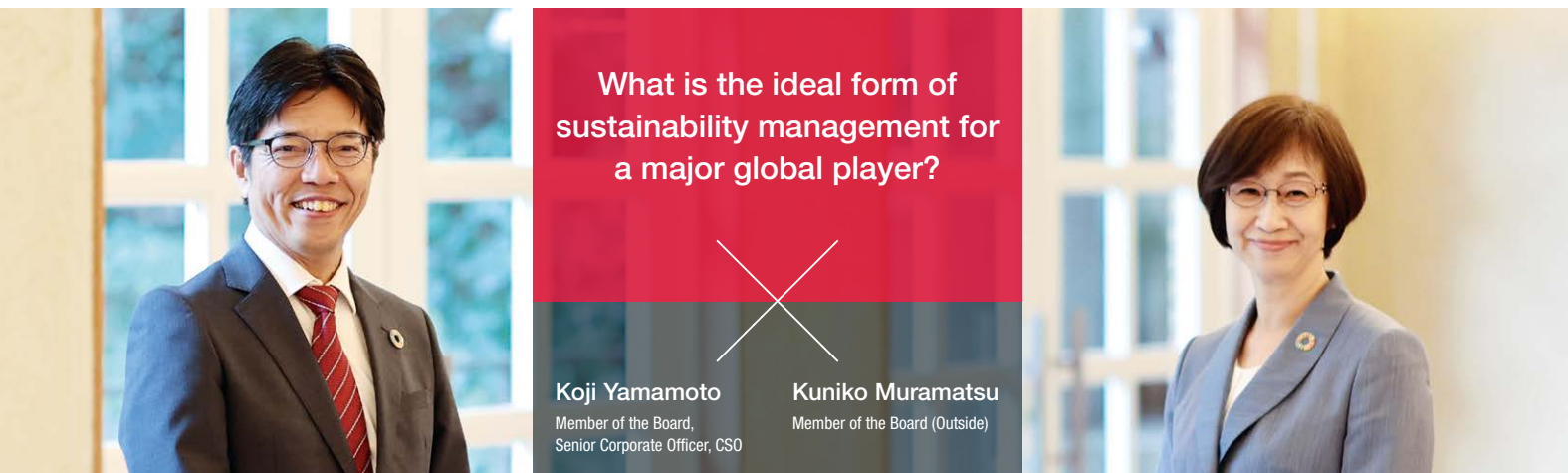


## Sustainability Discussion



### 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 an 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.