

Risk Management and Compliance Initiatives

In conducting sustainable business activities, ROHM minimizes the occurrence of risks, which are events that may impede business operations and business performance, and continuously implements business continuity and recovery measures. To continue to earn the trust of stakeholders, we have established a compliance system and are working to thoroughly manage the risk of violations of laws and regulations and corporate ethics.

Risk Management <https://www.rohm.com/sustainability/foundation/risk-management>

Material issues	<p>Risk Management</p> <ul style="list-style-type: none"> Strengthening BCM system Conducting training to improve information security literacy and measures for information security vulnerability
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	FY2022 results	KPI
Risk Management	<ul style="list-style-type: none"> Utilized remote work tools to conduct earthquake response BCM training centered on the BCM 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)

Risk Management Structure

Due to the drastically changing social environment and political situation, various risks may affect our financial position and operating results in the course of our business activities. The entire Group is working to strengthen risk management in order to avoid or minimize the impact of such risks. The Risk Management and BCM Committee (which meets four times a year) under the EHSS General Committee* was established in 2022. The committee identifies important risks that may occur in the Group, evaluates them in terms of frequency (likelihood) of occurrence and impact on the business, and manages and promotes countermeasures.

In addition, we are checking the status of activities of each risk management system and responsible department, and are promoting the formulation of a BCP to ensure that the entire Group is fully prepared to deal with any risks.

* EHSS (Environment, Health and Safety, Sustainability) General Committee: A committee composed of executive officers in charge of eight subordinate management systems (environment, health and safety, labor, ethics, information, supply chain, quality, and risk management BCM) and responsible for ensuring that the PDCA cycle for each system is properly implemented.

Activity cycle for risk management

1.PLAN

- Identification of critical risks**
 - The Risk Management and BCM Committee assumes a variety of risks surrounding the Company.
 - Identify important risks in the Group through each management system and division.

2.DO

- Risk response**
 - Management system or division in charge analyzes and evaluates risks and decides on a response policy.
 - Response based on the response policy.

3.CHECK

- Confirmation and evaluation of risk management systems**
 - The Risk Management and BCM Committee confirms and evaluates the status of the risk management system of the management system/department in charge

4.ACTION

- Correction of risk management system**
 - If there is a high likelihood of risk occurrence, corrective action is taken as necessary under the direction of the management system or division in charge.

Business Continuity Management

ROHM conducts development, manufacturing, and sales activities not only in Japan but also in other parts of the world. Manufacturing and sales sites in these regions may be damaged due to natural disasters such as earthquakes and floods, the spread of infectious diseases, or human suffering caused by political instability or outbreaks of international conflict. Therefore, we believe that one of the key issues for our management is business continuity management (BCM), and we have taken measures such as locating production lines at multiple sites around the world to diversify risks (P93, Correlation with Products Produced at Major Manufacturing Sites).

In addition, the ROHM Group Risk Management and

Business Continuity Policy as well as the ROHM Group Fire and Disaster Prevention Policy have been established and are being implemented at each site. In particular, at domestic and overseas sites with production functions, risk assessments are conducted in cooperation with external specialized organizations from the perspectives of natural disasters, infectious diseases, safety, and operational, economic and political risks to identify, analyze and assess the most important risks for each plant. Based on these assessments, countermeasure committees and other groups are organized to formulate business continuity plans, conduct drills based on these plans, and take various other measures to prepare for contingencies.

Actions for Water Risks

Identification of water risks by using the WRI Aqueduct tools and countermeasures

ROHM has used the WRI Aqueduct, a set of global assessment tools, to identify water risks.

The semiconductor industry uses large amounts of water, and securing water is critical to sustain semiconductor manufacturing. In addition, all plants in Japan have the front-end process (wafer process) functions in semiconductor manufacturing. Therefore, we have set long-term targets for securing water intake and reducing water usage, with drought risk as a priority issue. In addition, we have been proceeding with a water intake plan that is linked to production plans and environmental targets.

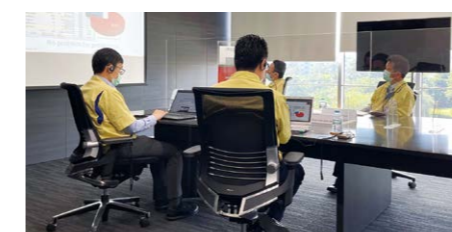
At overseas plants that have back-end process functions for

assembly and inspection, flood risk has been identified as an issue. For example, the 2011 flood in Thailand caused the Group's plants to shut down, and the loss of facilities and equipment and the economic loss due to the suspension of production had a great impact both internally and externally. To prevent such problems from occurring again, we also use WRI Aqueduct as a flood risk assessment tool. The Risk Management and BCM Committee then assesses and analyzes flood risks, designing inventories based on the expected number of suspension days in the event of flooding, thereby reducing the risk of production shutdowns due to flooding. In addition, at our domestic production sites, we are implementing measures such as raising major buildings to respond to the risk of flooding.

ROHM Integrated Systems (Thailand) Co., Ltd.: Conducting drills based on lessons learned from the flooding in Thailand

In November 2022, ROHM conducted drills for the BCM Countermeasures Headquarters as preparation for flooding at our manufacturing site in Thailand. In this 9th session, based on an action plan that was prepared by using the experiences of the 2011 flood, items for implementation were checked for hypothetical situations assuming each of the phases of upstream flooding and flooding equivalent to that in 2011 with a flood wall in the industrial park being washed away.

The program also includes training in essential skills, including assembling the flood walls that are being prepared for flooding, starting up drainage pumps, operating boats, and other activities such as checking items to be used in the event of flooding.



Remote flooding scenario training

ROHM-Wako Electronics (Malaysia) Sdn. Bhd.: Production building with floodproof features

The production building at our Malaysian plant, the largest in the Group, was completed in 2016, boosting production capacity along with the existing building. Learning from the flooding that occurred in 2014, the floor height of the first floor of Building A was set at 5.1 meters above the mean tide level. In addition, the power supply is backed up by dual power transmission, and a system has been established to prevent long-term shutdown of operations. Currently, we have adopted various BCM measures to new Building B. Measures adopted are the same level as that of Building A.



Flood wall assembly training at the manufacturing site in Thailand

Responding to other risks

Actions for earthquake risks at ROHM sites in Japan

To address earthquake risks, some of the most significant risks when doing business in Japan, we have installed the Building Safety Judgment Support Systems at major sites and buildings in Japan to enable rapid response in the event of an earthquake in terms of both human safety and business continuity. This system analyzes the shaking of the building immediately after the earthquake and judges the safety of the building structure in three stages. By utilizing this system, we can judge the safety of buildings in a timely, professional and objective manner. In addition, some of our buildings in Japan use seismic isolation structures to reduce shaking in the event of an earthquake.

Each of ROHM's business sites has established a BCM task force to ensure the safety of employees and others in the event of an emergency, and to ensure the continuity and early recovery of core businesses.

This task force also conducts periodic scenario drills and video-based training. In FY2022, BCM task force training utilizing remote work tools linking two venues for information sharing was conducted for the BCM task force and members of its subordinate operational team to improve their awareness of BCM and BCP and ability to take action.



Information sharing



BCM task force training in progress

Action for fire risks

ROHM Group regards fire risk as one of the most important risks and is working to reduce it.

In the fire-specific risk survey that started in FY2021, we conduct interviews, occasionally online, on the activities for fire prevention and state of fire risk control at each Group plant and hold discussions based on fire case studies at other companies to confirm and assess our fire prevention efforts.

Among fire risks, fires from production equipment and

ancillary equipment have a significant impact on the operation of plants and clean rooms; thus, we regard them as particularly important risks. In 2022 we formulated the Fire Prevention Guidelines that contain policies for preventing fires involving production equipment and incidental equipment from occurring and stopping the spread of fire. These policies have been shared to each production site of the Group. Specifically, we are conducting activities to prevent fires by checking the temperature of the power supply connection terminals and the electrical control units using thermoviewers. In addition, we are gradually introducing fire detection systems into clean rooms beginning with domestic production sites in an effort to minimize damage through early fire warning.

We are also implementing activities to prevent fires and minimize damage at our overseas production sites. At the Tianjin Plant in China, we are focusing on preventing electrical fires and have introduced a temperature-sensing alarm system inside the switchboards and distribution boards related to production. We also conduct internal temperature inspections with thermoviewers once a month to prevent fires.

In addition, as an example of damage minimization activities at our plant in the Philippines, we have made additional emergency exits and constructed outdoor stairs in existing buildings to ensure that employees can evacuate safely and quickly in the event of a fire. For production buildings with high-rise floors, we are thoroughly introducing new sprinkler systems, including in clean rooms, to minimize fire damage.



Temperature inspection of a clean room distribution board

Responding to other risks

Further details on important risks facing the Group, such as geopolitical risks, and major countermeasures against them can be found on our website.

Risk Management

<https://www.rohm.com/sustainability/foundation/risk-management#anc04>

which directors with executive authority and divisional managers participate, and is responsible for the appropriate management of information security risk, cyber security risk, and IT governance risk in ROHM.

ROHM asks its employees to sign the Information Security Pledge when joining the Company. We are also working to improve information security literacy using training such as targeted e-mail attack training, cybersecurity e-learning, and online information security education related to the risk of confidential information leakage.

ROHM's Information Security

<https://www.rohm.com/sustainability/foundation/information-security>

Actions for Compliance

Our basic policy

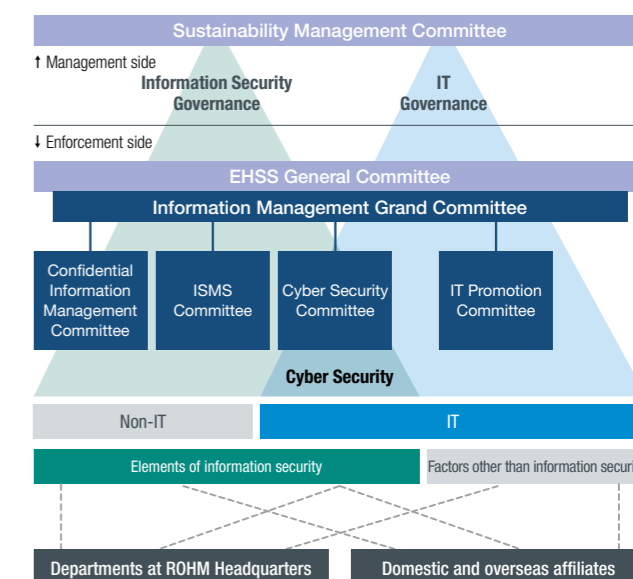
ROHM has conducted its business observing laws, international norms, business ethics and in-house rules in order to continue to gain the trust of various stakeholders as a company fulfilling its social responsibility. ROHM has the awareness and responsibility that "the Company is a public institution of society" and establishes a system for compliance in accordance with the ROHM Group Basic Ethics Policy and the ROHM Group Business Conduct Guidelines, committed to rigorous management of risks of legal and corporate ethics violations.

Whistleblowing system

ROHM has established a compliance hotline staffed by an external law firm as a whistleblowing system to accept reports and consultations* regarding compliance violations within the domestic Group from all employees, including non-regular employees. In addition to setting up hotlines at our overseas affiliates, we have also established a global compliance hotline that allows employees to report misconduct or potential misconduct by officers of overseas affiliates to the ROHM head office. Additionally, we have established

Tax policy

ROHM strives to pay taxes appropriately in compliance with national and regional tax laws and regulations under its system that appropriately ascertains and manages tax relationships in its business activities. We respond to domestic and



internal regulations to ensure that those who report or consult are not placed at a disadvantage, and we provide in-house training to employees who engage in compliance hotline related work.

In addition, we are working to make this system known to all by distributing the ROHM Compliance Cards and striving to identify problems at an early stage and respond promptly and appropriately.

* Number of whistleblower reports in FY2022: 15

Education and training system

ROHM conducts regular compliance themed training sessions and in-house education and awareness-raising activities such as legal e-learning to spread and increase compliance awareness. By conducting level-specific compliance training, from management (directors) to new employees, all employees will be able to understand and acquire knowledge of the rules that they must observe.

ROHM Group's compliance

<https://www.rohm.com/sustainability/foundation/compliance>

international tax reforms, including the Organisation for Economic Cooperation and Development (OECD)'s Base Erosion and Profit Shifting (BEPS) Project, fulfilling our corporate social responsibility at a high level.