



<https://www.rohm.com>

ROHM Integrated Report **2021**

ROHM Co.,Ltd.

Note : This report is a translation of Japanese integrated report. The original version of this report is written in Japanese. In the event of any discrepancies in words, accounts, figures, or the like between this report and the original, the original Japanese version shall govern.

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Editorial Policy

ROHM's Company Mission is to provide high-quality products that meet our stakeholders' expectations, contributing to the advancement and progress of culture as well as social development. Our aim in this ROHM Integrated Report 2021 is to provide stakeholders, primarily customers, shareholders, investors, suppliers, and employees, with a better understanding of our efforts to achieve ROHM's Company Mission. With the focus on our Medium-Term Management Plan "MOVING FORWARD to 2025," which looks ahead to 2030, this report introduces our business, financial and non-financial information, and details of our ESG initiatives, which form the foundation for value creation, as well as CSR and other corporate activities.

Reporting Period Fiscal year 2020 (April 1, 2020 to March 31, 2021)

*Some information from April 2021 and after is included.

Data published October 2021

Guidelines used for reference

IIRC Framework

* In June 2021, IIRC was reorganized into the Value Reporting Foundation (VRF).

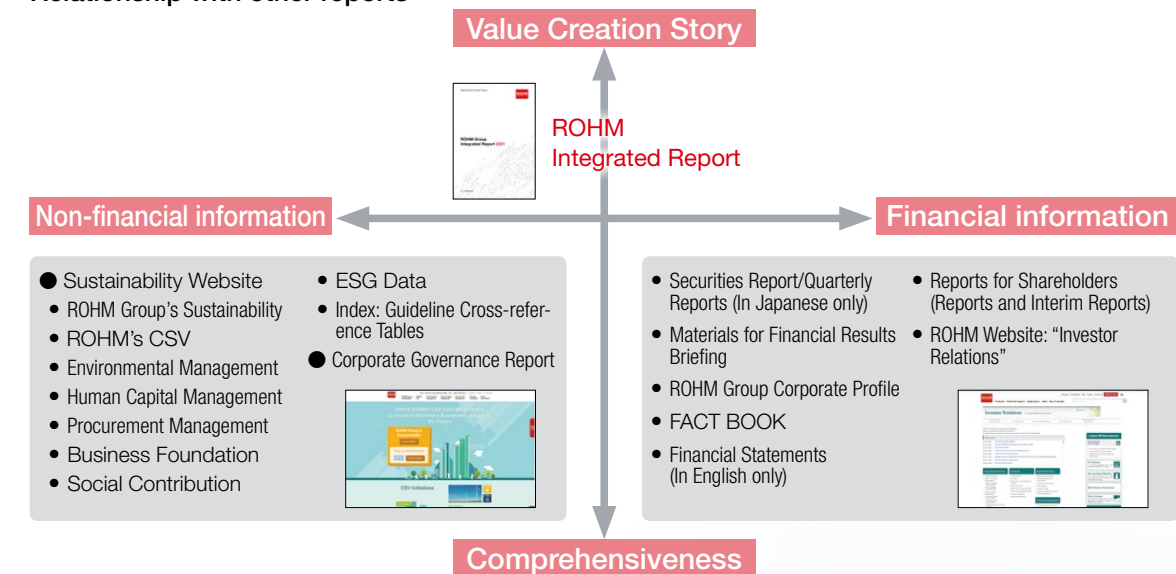
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Relationship with other reports



Publications

ROHM Integrated Report	We compile and publish financial and non-financial information of particular importance that directly relates to the enhancement of corporate value. https://www.rohm.com/investor-relations/library/rohm-group-integrated-report	
ROHM Group Corporate Profile	We provide a compact summary of quality initiatives and the focus areas for products and technology. https://www.rohm.com/investor-relations/library/rohm-group-report	
FACT BOOK	We prepare a collection of materials for investors and shareholders, summarizing facts about management and financial position. https://www.rohm.com/investor-relations/library/factbook	
Securities Report/Quarterly Reports (In Japanese only)	We provide a variety of information, including an overview of business, status of facilities, and financial position. https://www.rohm.co.jp/investor-relations/library/annual-interim-securities-business-report	
Materials for Financial Results Briefing	We publish the details announced at financial results briefings and explanatory materials on the Medium-Term Management Plan. https://www.rohm.com/investor-relations/library/materials-for-financial-results-briefing	
Corporate Governance Report	We submit a report to the Tokyo Stock Exchange describing our basic approach to corporate governance and the status of the system. https://www.rohm.com/investor-relations/library/corporate-governance	
Reports for Shareholders (In Japanese only)	We send shareholders a semi-annual summary of our business and efforts to enhance corporate value. https://www.rohm.co.jp/investor-relations/library/annual-interim-business-report	

Corporate Website

Investor Relations	The website gathers investor relations information, providing an overview of our business performance and stock information. https://www.rohm.com/investor-relations	
ROHM Group's Sustainability	We post CSR information, such as CSV initiatives, environmental management, human capital management, and social contribution activities. https://csr.rohm.com/	
ROHM Group Major ESG Data	We post data related to the environment, society, and governance. https://csr.rohm.com/esg/	

ROHM
SEMICONDUCTOR

ROHM Co.,Ltd.

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.

High Quality and Innovation

Semiconductors and electronic components are said to be the “rice of the industry” (meaning “indispensable”). For example, one smartphone contains several hundred electronic parts. As electronic products become indispensable throughout the world, the number of electronic parts they contain has become astronomical. With ROHM’s Company Mission of Quality First, we are supporting the foundations for people’s safety and everyday living, such as automobiles and social infrastructure.

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.

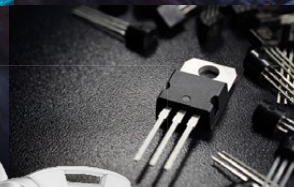
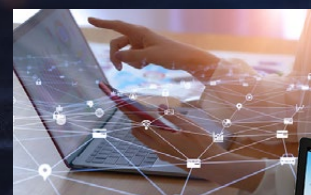
Statement

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 saving and miniaturization of their products.



Toward sustainable growth

ROHM is implementing a number of initiatives aimed toward the sustainable development of society.

April 2020 **Energy saving and miniaturization** Establishment of Nano Cap™, a power supply technology that can significantly reduce capacitance

ROHM have established Nano Cap, a power supply technology for various types of power supply circuits, primarily for automobiles and industrial equipment, whereby stable control can be achieved even for externally installed capacitance as small as a nanofarad (nF). This technology does not require a condenser on the linear regulator

output end, thus drastically reducing the circuit load. In the future, we plan to develop products that have Nano Cap built into other analog ICs, so that we can utilize resources effectively and reduce the burden on the environment through fewer condensers and less capacitance.

June 2020 **Co-creating value** ROHM x Vitesco Technologies (Germany)

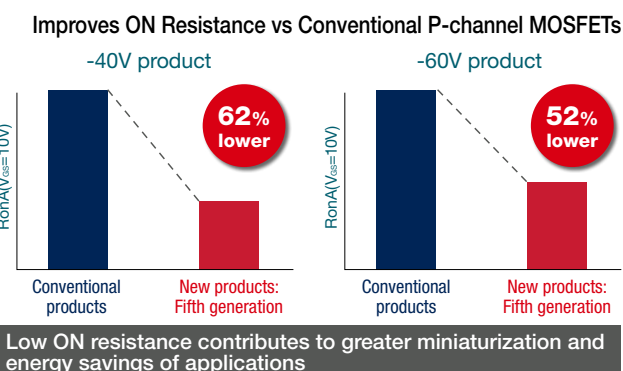
In June 2020, ROHM embarked on a partnership in power electronics for electric vehicles (EV) with Vitesco Technologies, which is a leading supplier in the area of automobile electrification. Using SiC power devices will enable us to extend the driving distance of EV and reduce the size of their batteries.

Vitesco Technologies

A global manufacturer of leading-edge power train technologies for sustainable automobiles. A member of the Continental Group, Vitesco helps to achieve highly efficient and affordable automobiles that are environmentally friendly by providing smart system solutions and components for electric, hybrid, and internal combustion vehicles.

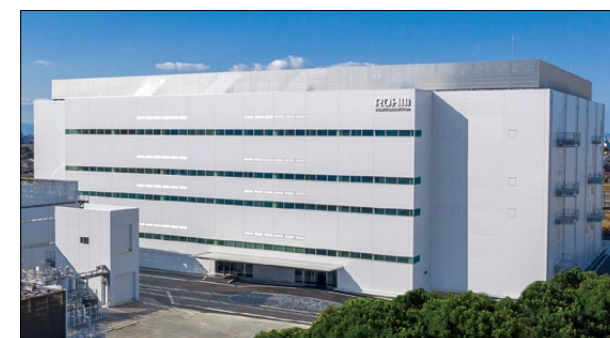
December 2020 **Energy saving and miniaturization** New 5th Gen P-channel MOSFETs Deliver Class-Leading Low ON Resistance

We have a lineup of 24 products of 24V input, -40V/-60V withstand voltage P-channel MOSFETs optimized for factory automation, robotics, and air conditioning systems. With their long track record, ROHM's Pch MOSFETs can achieve industry-leading low ON-resistance per area unit, as they use a new precision process that is fifth generation. The ON resistance in a -40V withstand voltage product is 62% less than existing products and that in a -60V withstand voltage product is 52% less than conventional products, thus enabling less energy consumption and miniaturization of the product and contributing to the long-term stable operation of industrial equipment that needs to be of high quality.



December 2020 **Growth strategy** Completed new building at ROHM Apollo's Chikugo (Fukuoka, Japan) plant and increased production capacity of SiC power devices

Demand for power devices that use SiC is growing rapidly as energy savings and miniaturization are being sought. The ROHM Group, which includes SiCrystal, a major supplier of SiC wafers, has constructed a new building at the Chikugo plant of ROHM Apollo Co., Ltd., in order to obtain a more stable supply of SiC power devices. The new structure was completed in December 2020 and is ROHM's first new building in Japan in 12 years. Compared with conventional facilities, the new building generates 20% (about 7,000 tons) less CO₂ emissions and uses 100% renewable energy. We are thus helping to attain a decarbonized society by providing customers with products that put less of a burden on the environment.



Structure: Five floors above ground; Completion: December 2020
Scheduled operation: 2022

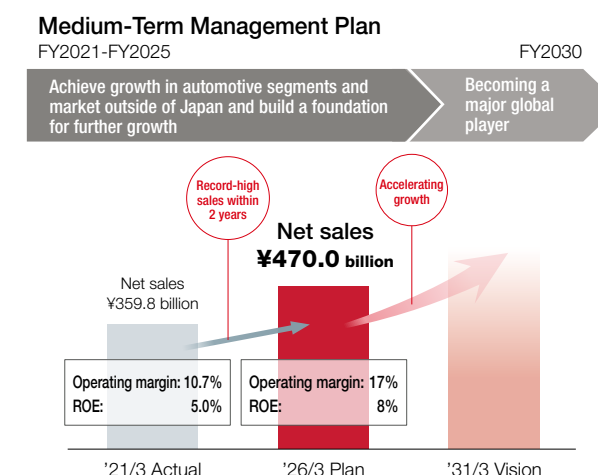
April 2021 **ESG** Created the ROHM Group's Environmental Vision 2050

In April 2021, ROHM created the Environmental Vision 2050, which sets forth what ROHM should look like in 2050 upon the attainment of a sustainable society. Semiconductors, which are ROHM's key product, will play a major role in attaining a decarbonized society by improving the efficiency of motors and power supplies, which are said to account for most of the world's electricity

consumption. Besides contributing to energy savings and miniaturization for our customers, we are also putting together a business framework that gives consideration to the environment through such initiatives as converting to 100% renewable energy at our main business offices and in the primary production process for SiC wafer manufacturing. [Details » p. 36](#)

May 2021 **Growth strategy** Announced the first Medium-Term Management Plan and invest ¥400 billion for growth over five years

ROHM announced its first Medium-Term Management Plan in May 2021. The plan calls for investment of ¥400 billion for growth over the five-year period ending March 31, 2026. Besides achieving growth by focusing on power and analog and contributing to energy savings and miniaturization for our customers, we are also taking steps toward becoming a major global player by embarking on a five-year growth trajectory based on the two growth pillars of involvement in the automotive segment and expansion of sales outside Japan so that we will build a stronger foundation for growth in FY2025 and beyond. [Details » p. 24-](#)



June 2021 **Energy saving** Contributing to the dramatic miniaturization, high reliability, and electricity-saving features of industrial equipment with AC/DC converter ICs with a built-in SiC-MOSFET

We have developed the best AC/DC converter ICs with a built-in SiC-MOSFET for industrial equipment that handles large volumes of electricity, such as general-purpose inverters, AC servos, industrial-grade air conditioners, and streetlights.

Our new products incorporate SiC-MOSFETs that boast both the greatest electricity-saving properties and control circuits optimized for industrial equipment's auxiliary power sources in the industry's first compact-surface

mounting package. This enables automatic installation on the circuit board and making it into a single package allows for a drastic reduction in the number of components. Besides enabling a vast reduction in mounting costs at the plant and a lower risk of parts failure, we can achieve up to 5% higher electrical efficiency, which contributes to better reliability, more electricity savings, and a dramatic miniaturization of industrial equipment.




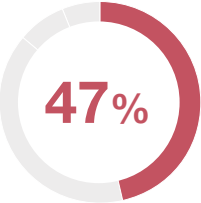



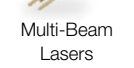
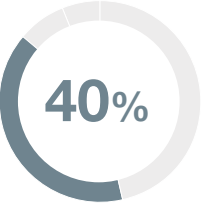


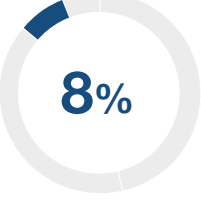
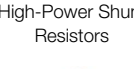


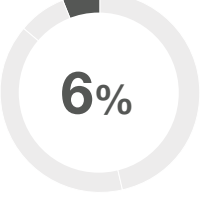
July 2021 **Growth strategy** Established a new ¥5 billion budget for investment in start-ups

One initiative for speeding up the creation of a new business model is the launch of corporate venture capital (CVC) activities geared toward startup companies and establishment of a new investment budget totaling ¥5 billion.

These CVC initiatives, along with our current alliances and tie-ups with venture firms and joint research projects with universities, will further accelerate our open innovation programs that fuse technology and knowledge from inside and outside the Company, as we are aiming to create new businesses that will become the seeds for our growth 10 years from now.

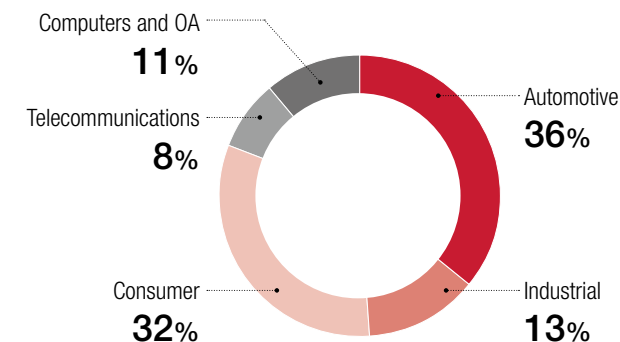
Key investment targets

Business enhancement	Semiconductor materials, semiconductor production technology, semiconductor peripheral technology (connectors, packages, etc.), associated algorithms, etc.
Business field expansion	Start-ups that provide new products, technologies, and services in the automotive, industrial equipment, and other key markets for ROHM
Development of new fields	Environmental business (decarbonization, GHG reduction, etc.) and others

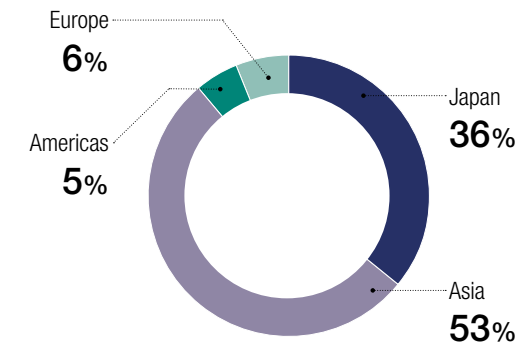
	Main Products	Sales by Segment	Consolidated Sales	Operating Income	Operating Margin
			359.8 billion yen	38.4 billion yen	10.7%
ICs	 PMICs (system power supply)  High-Voltage Fan Motor Drivers  Isolated Gate Drivers	 47%	168.1 billion yen YOY -1.4%	15.7 billion yen YOY +25.2%	9.4%
Discrete Semiconductor Devices	 MOSFET  SiC-MOSFET  Multi-Beam Lasers  Compact High-intensity 3-Color Chip LEDs	 40%	142.3 billion yen YOY +2.4%	21.0 billion yen YOY +102.3%	14.8%
Modules	 Ultra-High Speed Thermal Printheads for industrial equipment  Wireless Charger Modules	 8%	29.2 billion yen YOY -12.2%	2.1 billion yen YOY -38.6%	7.3%
Others	 High-Power Shunt Resistors  PSR series  GMR series	 6%	20.1 billion yen YOY +0.2%	1.8 billion yen YOY -5.2%	9.1%

*Sales are to external customers.

Sales by Application



Sales by Region



Principal Use



Automotive	Industrial	Consumer	Telecommunications
<ul style="list-style-type: none"> Air-conditioner electric compressors Power control units On-board chargers Autonomous driving units LED lights Instrument clusters 	<ul style="list-style-type: none"> Base stations Industrial motors Automated guided vehicles Smart meters Solar panels Charging stations 	<ul style="list-style-type: none"> Air conditioners Vacuum cleaners Washing machines Refrigerators Induction heating cookers Gaming equipment 	<ul style="list-style-type: none"> Smartphones Wearable devices
			Computers and OA
			<ul style="list-style-type: none"> PCs Office equipment Data storage

ROHM's Key Technologies

Power

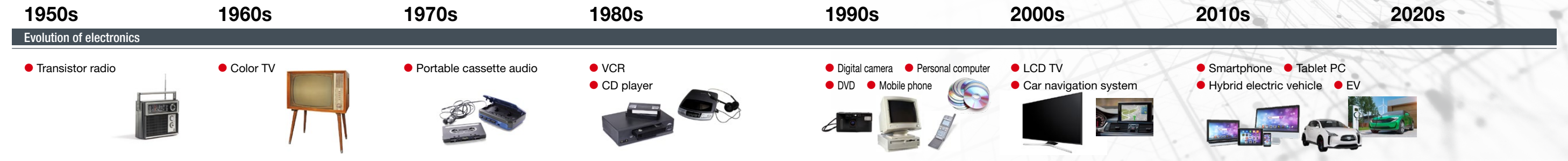
SiC Power Devices (SiC-MOSFETs, SiC-SBDs) and Si Power Devices (IGBTs, Si-MOSFETs, SBDs, FRDs)

Power devices (power semiconductors) are discrete semiconductor devices used in electrical energy transformation and supply. They need to withstand high voltages and handle large currents. In 2010, ROHM was the first company in the world to begin mass production of SiC-MOSFETs, enabling further reductions in power loss.

Analog

Power Management ICs (PMICs), Driver ICs, Op-amps, and Comparators

ICs are made up of digital and analog technologies. Analog technology controls continuously changing information and is widely adopted in power management systems that are used in huge quantities around the world. ROHM has positioned analog as a key technology and has accumulated analog technology over a long time.

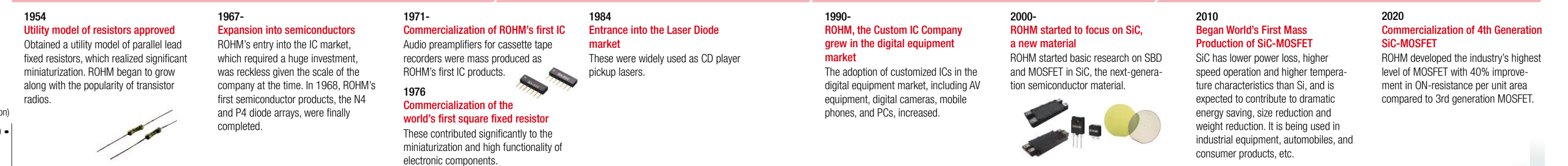


ROHM's Innovation

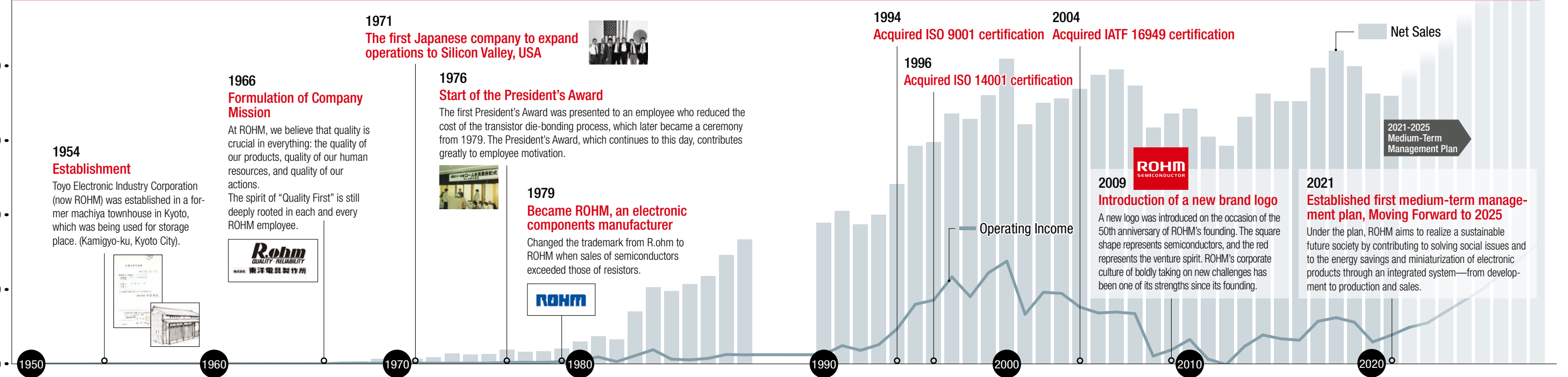
Business and M&A

<p>Dec. 1954 Kenichiro Sato founded Toyo Electronics Industry and started development and distribution of carbon-film fixed resistors.</p> <p>Sep. 1958 Established Toyo Electronics Industry Corporation with capital of 2 million yen.</p>	<p>Aug. 1966 Established WAKO ELECTRONICS CO., LTD. (currently known as ROHM WAKO CO., LTD.) in Okayama (hereafter established manufacturing sites in various locations in Japan).</p>	<p>Aug. 1970 Formed Rohm Corporation, a sales company, in California in the United States (hereafter, established R&D centers, production facilities, and sales offices in various locations abroad).</p> <p>Oct. 1970 Built Semiconductor Plant</p>	<p>Nov. 1983 Listed on the Second Section of the Osaka Securities Exchange.</p> <p>Jan. 1989 Listed on the First Section of the Tokyo Stock Exchange.</p>	<p>Oct. 2008 Acquired semiconductor division from Oki Electric Industry Co., Ltd.</p> <p>Nov. 2009 Acquired Kionix Inc., a manufacturer of accelerometers in the United States.</p> <p>Jul. 2009 Acquired SiCrystal AG., a silicon carbide wafer manufacturer in Germany.</p>
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Production of customized products to meet the demands of consumer product manufacturers



Supporting the digital society with advanced technologies



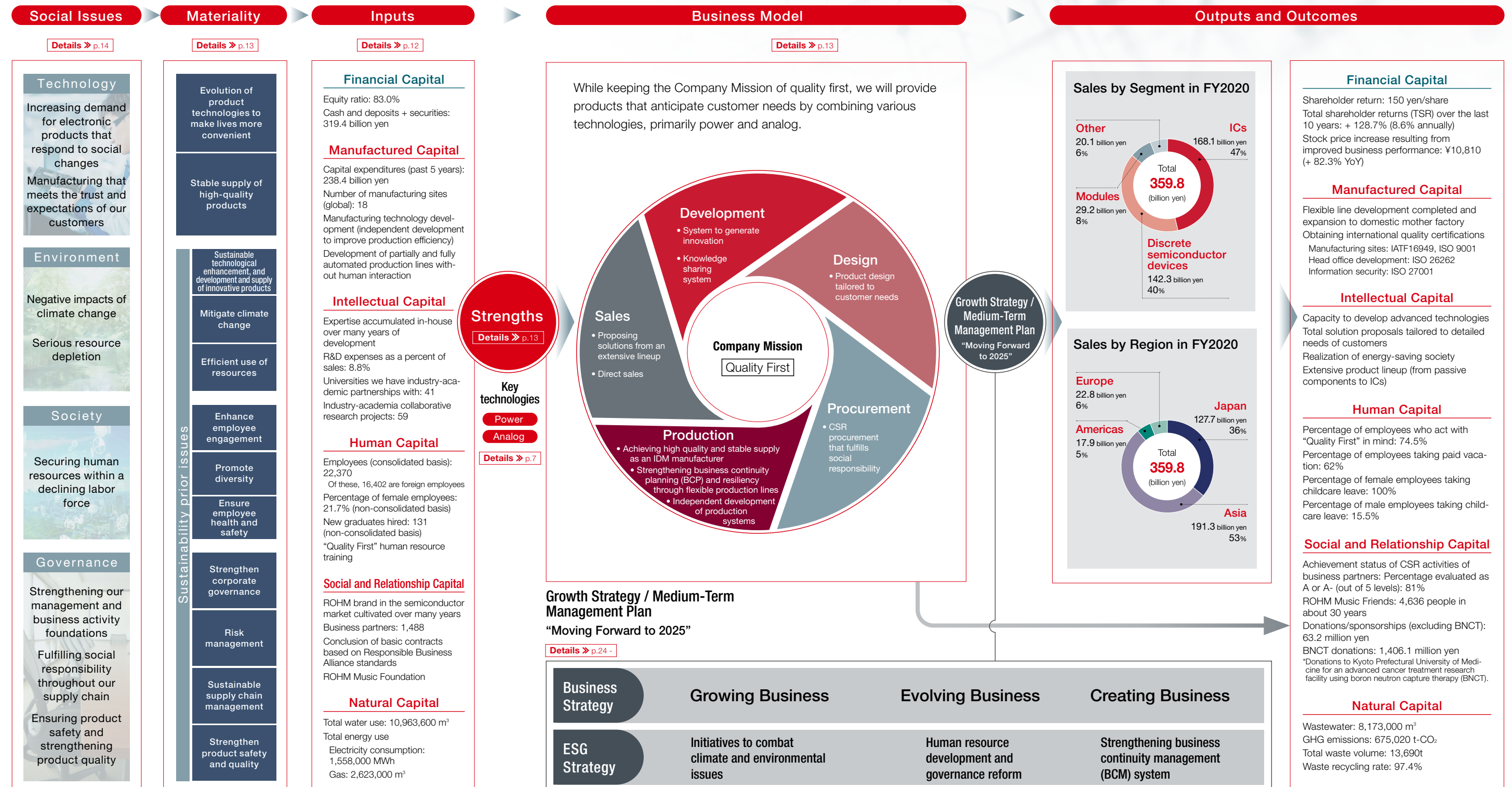
At ROHM—where quality is our top priority at all times, and where we consistently supply high-quality products in large volumes to the global market—we aim to enhance corporate value and solve social problems by contributing to our customers' needs for more energy efficient and smaller products. We will pursue development of new, cost-competitive, high-quality products that will satisfy customers through an integrated system—from development to sales and marketing—by making full use of our own independently developed production technology.

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.

Social Value

Economic Value



External Environment and Priority Social Issues for ROHM

ROHM will continue to evolve power and analog technologies to solve social issues based on our Company Mission of “Quality First” and “Contribute to the advancement and progress of culture.” To solve social issues, it is always vital to respond rapidly to changes in the market and to risks. We see change as an opportunity and will grow through innovation.

- Technology** — Globally, technological innovation is progressing to reduce environmental impacts, such as through the adoption of EV and renewable energy. At ROHM, we have close to 3,000 engineers developing and utilizing strengths in “power” and “analog” technologies to develop innovative products.
- Environment** — Combating climate change is an urgent and global issue. At ROHM, we have formulated our Environmental Vision 2050 from the recognition that environmental issues are issues that threaten business activities themselves. We will work to solve problems through our products and daily operations so we can pass on a better global environment to future generations.
- Society** — We must secure excellent human resources to consistently supply high-quality products in large volumes to the global market. We will create work environments where human resources can thrive, think and act independently by enhancing our promotion of engagement and diversity.
- Governance** — We are working to ensure diversity in our management personnel and to enhance the appropriateness of the systems and management of the Board of Directors with the aim of enhancing our management and business activity foundations. We are also striving to achieve appropriate quality from the perspective of our customers through better communication with suppliers so we can fulfill our social responsibilities throughout our supply chain.

Inputs

Our business at ROHM is founded on six capitals. We will solve social issues and contribute to creating a sustainable society by actively utilizing all capitals.

- Financial capital** — At ROHM we aim to balance growth with maintaining sound financials, improve capital efficiency by benchmarking the cost of capital, and to achieve total shareholders returns (TSR) that meet the expectations of our shareholders.
- Manufactured capital** — Our strength at ROHM lies in our IDM system—from materials to finished products—and product competitiveness born of matching technologies in this integrated ecosystem. This ensures our products and quality meet the expectations of our customers and ensures stable procurement of materials.
- Intellectual capital** — At ROHM we focus on rapidly delivering new products that anticipate customer needs as well as innovating from a long-term perspective. We are researching and developing with a view to innovation 10 to 20 years in the future through collaboration with numerous companies, universities, and research institutes while annually reviewing our research themes.
- Human capital** — We are promoting diversity and reforming work styles to secure the best talent. For example, we are optimizing work-life balance such as by developing systems to make it more comfortable and easier for female employees to work and by promoting teleworking.
- Social and relationship capital** — ROHM aims to become a major global company by 2030. We aim to become a company that is needed by society by enhancing our brand power into a globally recognized company that society, customers, and partners do not think twice about relying on.
- Natural capital** — ROHM consumes various resources and energy. We are taking a two-pronged approach to environmental conservation. Contributing to the environment by developing technologies for new products, and manufacturing-based environmental measures to help solve a range of issues such as water and food shortages and major natural disasters due to global warming and climate change. We are focused on developing innovative products that aim for miniaturization and energy savings, contributing to carbon neutrality, and solving social issues.

Business Model

Company Mission that Underpins Our Business Model

The ROHM Group—with global reach—has a Company Mission of “Quality First,” and our corporate management is entirely governed by this mission. Our entire Group is working together—what we call ONE ROHM—to achieve our Management Vision and to maintain the highest standards in our four basic elements of quality, the 4M: Mankind, Machines, Materials, and Methods.

We are working to develop human resources—the core of our 4M—who practice “Quality First” by building a quality-focused education system that emphasizes not only training of quality-centric skills but nurturing mindsets and awareness of quality. Moreover, since FY2019 we have been promoting training activities that take a further leap forward, pouring effort into the concept of training leading to action, as well as improving the training environment.

Business Model

Quality is also an important theme as a measure of customer satisfaction. We will maximize value for customers, have emergency response capabilities and rigorous quality control, and achieve stable supply and cost competitiveness. We do this by combining ROHM strengths such as: matching technologies, IDM manufacturer, wide range of product lineup, and customer orientation. We are also achieving “Quality First” from the perspective of our customers through solution proposals that combine a wide range of products from passive components to power devices and ICs.

All our employees work hard daily with our Company Mission of “Quality First” in mind—not only those from our manufacturing divisions, but from divisions such as development, sales, and management.

ROHM's Strengths

Our Company Mission remains unchanged since our founding, and we will continue to grow by leveraging strengths we have cultivated



Outcomes

We developed our Medium-Term Management Plan, Moving Forward to 2025 with a view to our vision for how we want ROHM to look in ten years, by FY2030. ROHM's vision for FY2025 is to “achieve growth in our automotive segments and markets outside of Japan, and to build foundations for further growth.” Then, by FY2030, we intend to become a major global company. We want to take on even greater roles and responsibilities in society such as environmental and diversity initiatives in addition to contributing more to society by growing our sales.

From an early stage, our development, production, and sales toward solving issues such as energy problems, have been centered around creating shared value (CSV), which creates corporate value. Although our size and business environment has changed, we have inherited CSV as part of our DNA that overlaps with our Company Mission. We believe the source of our CSV is in every employee putting into practice our Company Mission and Basic Management Policy and respecting the SDGs. Moreover, our aim is for innovative product development and high-quality manufacturing.

The products and services we can provide as a result of capital inputs and our unique business model are what create our outputs and outcomes. By enhancing these results, we can in turn increase inputs, which leads to further value creation. We believe that this positive cycle will lead to improved stakeholder satisfaction and will lead to economic and social value for the future. Through this ROHM value creation process, we aim for our company to grow in tandem with society.

Perception of External Environment


















We organized the social changes and issues that are of long-term significance for ROHM and identified materiality

by considering the interests of stakeholders and the impact on business. Our development, manufacturing,

and sales will operate in unison to solve social issues through our business activities.

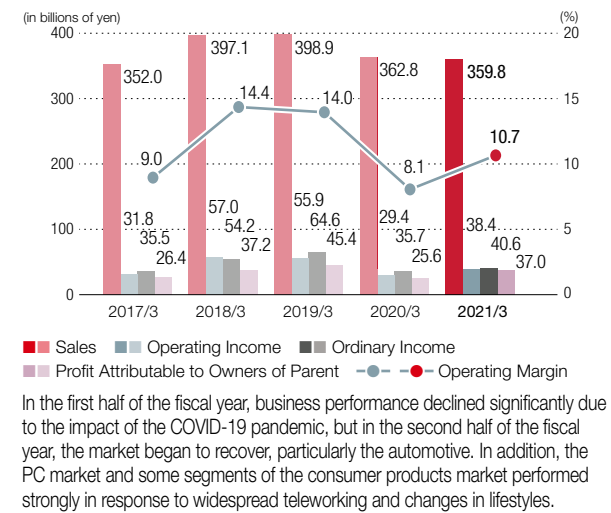
Social Issues (Demands from Stakeholders)		Details of Risks and Opportunities		Responses to Risks and Opportunities	Materiality
Technology	Increasing demand for electronic products that respond to social changes	Risks <ul style="list-style-type: none"> Delays in responding to advances in technology, such as increasing automotive functionality Decrease in market share due to appearance of competition, including emerging countries Opportunities <ul style="list-style-type: none"> Increase in number of electronic components installed accompanying increasing functionality of electronic equipment Increase in sales due to development of high-value-added products 		<ul style="list-style-type: none"> Develop cutting-edge technology, including energy-saving and compact devices Develop marketing functions to understand customer needs ahead of time and link them to product planning Reform sales activities to dramatically expand overseas sales Jointly develop technology and collaborate with customers Details » p.24 - Develop new technologies through industry-academia collaboration Details » p.34 	Evolution of product technologies to make lives more convenient
	Manufacturing that meets the trust and expectations of our customers	Risks <ul style="list-style-type: none"> Decrease in customer trust due to decline in product quality and defects, etc. Claims for damages arising from product defects 		<ul style="list-style-type: none"> Assure quality as an IDM manufacturer Ensure product quality that meets customer needs Ensure quality awareness among employees by practicing quality first, the Company Mission. Details » p.13 	Stable supply of high-quality products
Environment	Negative impacts of climate change	Risks <ul style="list-style-type: none"> Power shortages due to increase in electricity consumption Decline in sales due to stagnation in development of energy-saving products Mandatory reduction of GHG emissions and full-scale introduction of carbon tax based on GHG emissions Rising energy costs associated with increase in temperatures due to global warming Soaring material prices due to shortages of resources such as rare metals Restrictions on production activities due to water shortages Opportunities <ul style="list-style-type: none"> Rising demand for electronic components due to growing new automobile sales in EV market Expansion in sales for industrial equipment market, such as products for use in solar panels, with introduction of renewable energy Realization of recycling-oriented society generating maximum outputs with minimum resources and energy 		<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 Reduction in GHG emission Reduction of energy consumption Promotion of introduction of renewable energy Reduction of resource usage by developing and producing products that contribute to energy saving and miniaturization Reduction of waste Reduction of water usage by introducing water recycling systems, and other means Details » p.36 - 	Sustainable technological enhancement, and development and supply of innovative products Mitigate climate change
	Serious resource depletion				Efficient use of resources
Society	Securing human resources within a declining labor force	Risks <ul style="list-style-type: none"> Increasing competition to secure human resources and low retention rates Labor shortages due to growing elderly population and low birthrate Difficulties in recruitment of human resources for designing hardware Delays in social advancement of women Lack of awareness toward health and safety of employees 		<ul style="list-style-type: none"> Foster a corporate culture that creates challenges Train the next generation of leaders Enhancement of job satisfaction Global capacity development and personnel allocation Promote active participation of senior aged human resources and women Promote work style reform, health and productivity management, and strengthening of occupational health and safety systems Take measures to control infection in the workplace and introduce telecommuting Details » p.38 - 	Enhance employee engagement Promote diversity Ensure employee health and safety
	Strengthening our management and business activity foundations	Risks <ul style="list-style-type: none"> Occurrence of incidents due to weak governance systems Negative impact on business performance and financial position due to lack of management diversity and low external ratings Increase in number of large-scale disasters (earthquakes, flooding, typhoons, and fires, etc.) Unauthorized use of IT assets Impacts on supply chain due to cyberattacks, etc. Leaks of information due to security violations Violations of laws and regulations and corporate ethics Litigation, including infringement of intellectual property, such as patent rights owned by other companies Suspension of transactions with overseas companies and supply of materials such as rare metals due to changes in the international situation Suspension of stable supply to customers due to shutdown of production sites or decline in capacity utilization Opportunities <ul style="list-style-type: none"> Evolution of management through strengthening of governance (Prompt decision-making, risk reduction, appropriate responses to changes, etc.) 		<ul style="list-style-type: none"> Transition to a company with an Audit and Supervisory Committee Ensure diversity among managers Ensure transparency in information disclosure (introduction of skill matrix) Review remuneration system aimed at enhancing corporate value over the medium to long term Ensure effectiveness of management Details » p.42 - 	Strengthen corporate governance
Governance	Fulfilling social responsibility throughout our supply chain	Risks <ul style="list-style-type: none"> Infringement of human rights in the supply chain Compliance violations due to procurement of banned substances Shortages of key materials due to supply chain disruptions Suspension of transactions with companies outside of Japan and supply of materials such as rare metals due to changes in the international situation Suspension of stable supply to customers due to shutdown of manufacturing sites or decline in capacity utilization 		<ul style="list-style-type: none"> Diversify suppliers and customers Establish management systems in line with OECD Due Diligence Guidance Use multiple manufacturing sites and outsourced semiconductor assembly & test (OSAT) Introduce flexible production lines Avoid geopolitical risk (production, procurement, and sales) Details » p.40 - 	Sustainable supply chain management
	Ensuring product safety and strengthening product quality	Risks <ul style="list-style-type: none"> Decrease in customer trust due to decline in product quality and defects, etc. Claims for damages arising from product defects 		<ul style="list-style-type: none"> Ensure product quality that meets customer needs Create products and services that are chosen by customers Details » p.13 	Strengthen product safety and quality

ROHM is implementing the following initiatives to address identified materiality and has established KPIs as targets.
The entire company will work in unison to achieve the targets for fiscal 2025.

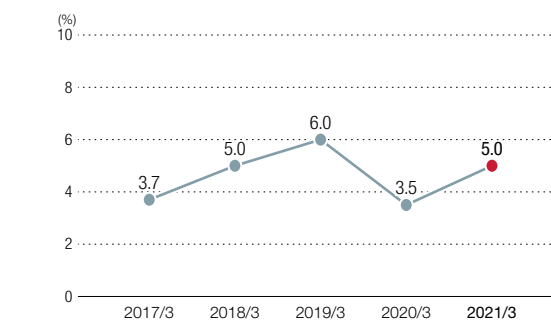
Materiality		Initiatives		FY2020 results (Previous initiatives)		KPI		SDGs		
Technology	Evolution of product technologies to make lives more convenient	<ul style="list-style-type: none">Strengthen the development system to create globally competitive products: allocation of PME which will lead to development and production of unique productsPropose solutions from the customer's perspectiveDevelopment capabilities that can maximize value through integration of underlying technologies (knowledge sharing system)Comprehensive capabilities ranging from passive components to power devices and ICs		<ul style="list-style-type: none">Net Sales: ¥359.8 billionOperating margin: 10.7%Capital expenditures for past five years: ¥238.4 billionDiscrete semiconductor device sales: ¥142.3 billionIC sales: ¥168.1 billionPercentage of sales to customers outside of Japan: 38%SiC market share: 18% (estimated by ROHM based on 2019 Yole data)Customer quality satisfaction score: 3.59/5 (FY2020)		<ul style="list-style-type: none">Net sales: More than ¥470.0 billion (FY2025 target)Operating margin: More than 17%Investment for growth over five years: ¥400.0 billionDiscrete semiconductor device sales compared to FY2020: 1.5 timesIC sales compared to FY2020: 1.25 timesPercentage of sales to customers outside of Japan: More than 45%SiC market share: 30% (target from FY2030 onward)Improve customer quality satisfaction score by 10% (from FY2020, FY2025 target)		   		
	Stable supply of high-quality products	<ul style="list-style-type: none">IDMImprove productivity and accelerate automation of fabrication process (develop flexible production lines)Ensure thorough quality management		<ul style="list-style-type: none">Capital expenditures for past five years: ¥238,439 millionCompleted development of flexible production lines and rollout to domestic mother plantsCompleted new SiC building in December 2020Completed in-house production of 12-inch wafer materials and development of 12-inch and 130mm analog processes		<ul style="list-style-type: none">Investment for growth over five years: ¥400.0 billionHigh-efficiency production lines over five years: 2 timesImprovement in per capita productivity compared to conventional lines: 2 timesRollout expansion of flexible production lines to domestic mother plant and rollout mass production at overseas plantsSiC production capacity: More than 5 timesExpand mainstay BiCDMOS large diameter (12-inch) and double 12-inch wafer capacity				
Sustainability prior issues	Environment	Sustainable technological enhancement, and development and supply of innovative products	<ul style="list-style-type: none">Contribute through development and supply of energy-saving productsContribute through development and supply of compact productsContribute through development and supply of products that pursue functional safety		<ul style="list-style-type: none">Net Sales: ¥359.8 billion		Achieve net sales of more than ¥470.0 billion, with sales as the total amount of social contribution		    	
		Mitigate climate change	<ul style="list-style-type: none">Reduce GHGPromote introduction of renewable energyPromote greening		<ul style="list-style-type: none">Reduce GHG<ul style="list-style-type: none">Converted lighting to LEDIntroduced energy-saving pumps and invertorsPromote introduction of renewable energy<ul style="list-style-type: none">Introduced renewable energy for all electricity used at ROHM Apollo's Chikugo FactoryDecided to introduce renewable energy for all electricity used at SiCrystalPromote greening<ul style="list-style-type: none">Obtained ABINC and SEGES certification		Reduce GHG <ul style="list-style-type: none">Emissions: 50.5% reductionWaste Emission Basic Unit: 45% reduction Promote introduction of renewable energy <ul style="list-style-type: none">Promote conversion to renewable energy with target of 100% introduction in FY2050 Promote greening <ul style="list-style-type: none">Promote greening of factories at each siteImprove conservation of organisms living in each region			
		Efficient use of resources	<ul style="list-style-type: none">Reduce use of resourcesReduce wasteEnsure rigorous management of chemical substances		<ul style="list-style-type: none">Reduce use of resources<ul style="list-style-type: none">Decided to introduce wastewater recovery equipment for RO water at ROHM Apollo's Hirokawa FactoryReduce waste<ul style="list-style-type: none">Waste recycling rate: 97.4%		Reduce use of resources <ul style="list-style-type: none">Water recovery and reuse rate: 5.5% improvement Reduce waste <ul style="list-style-type: none">Zero waste emission in FY2030 Comply with policies and regulations related to chemical substances in countries around the world, ensure stringent management of chemical substances, and reduce their use			
	Society	Enhance employee engagement	<ul style="list-style-type: none">Conduct engagement surveyReform organizational culture and promote work style reform		<ul style="list-style-type: none">Engagement survey: Under preparationExpanded and promoted teleworking to all employeesIntroduced workflow system (paperless, etc.)Roundtable meetings between President and executives		Achieve the following for engagement score: <ul style="list-style-type: none">Improve score each yearAchieve industry average or higherComplete Group-wide introduction		   	
		Promote diversity	<ul style="list-style-type: none">Promote career development for womenPromote women and non-Japanese nationals to management level		<ul style="list-style-type: none">Introduced options to change career path from limited core position to core positionChildcare leave acquisition rate for female employees: 100%Childcare leave acquisition rate for male employees: 15.5%Percentage of female managers for ROHM Group overall: 9.9%Number of female Directors: 1Number of non-Japanese national employees on consolidated basis: 73% (16,402/22,370)		<ul style="list-style-type: none">Aim to increase the percentage of female managers at the ROHM Group to 15% by FY2025 and to 20% by FY2030Increase the percentage of female and non-Japanese national executives to 10% by FY2025			
		Ensure employee health and safety	<ul style="list-style-type: none">Ensure a safe workplacePromote health and productivity management		<ul style="list-style-type: none">Number of occupational accidents: 8 (ROHM Group overall)Occupational accident incidence rate: 0%ISO 45001 and OHSAS 18001 acquisition rate: 92%		<ul style="list-style-type: none">Achieve and maintain zero lost workday occupational accidents at the ROHM GroupEstablish and maintain a Group-level prevention system for unknown communicable diseasesAchieve and maintain at least nationwide average rate of habitual exercise at ROHM Co., Ltd.Implement Group-level initiatives to establish habitual exercise			
	Governance	Strengthen corporate governance	<ul style="list-style-type: none">Governance reforms<ul style="list-style-type: none">Ensure diversity of Board of DirectorsReview remuneration system aimed at enhancing corporate value over the medium to long termEnsure effectiveness of management		<ul style="list-style-type: none">Clarified roles and operations of the Board of Directors and the Executive MeetingIntroduced system of transfer-restricted stock-based remunerationImplemented fundamental review of officer remuneration system and formulated policy for determining remuneration, etc. of individual Directors		<ul style="list-style-type: none">Increase the percentage of female and non-Japanese national executives to 10% by FY2025Further increase the percentage of Independent Outside DirectorsIntroduce remuneration system linked to the Medium-Term Management Plan		   	
		Risk management	<ul style="list-style-type: none">Strengthen BCM management system		<ul style="list-style-type: none">Held regular meetings (once each quarter) of Risk Management and BCM CommitteeIntroduced "Building Safety Evaluation Support System" for major buildings in Japan in the event of an earthquakeReviewed BCP inventory design in light of top natural disaster risksImplemented measures to prevent COVID-19 infection and spread		<ul style="list-style-type: none">Analyze organizational environment, identify, analyze, assess, and take action on key risks, and implement PDCA cycleImplement ongoing response to natural disasters (earthquakes, storms and flooding, volcanic eruptions), emerging infectious diseases, and geopolitical risk (trade friction between the U.S. and China, etc.)Formulate production recovery plans, design and operate BCP inventory, locate production in multiple sites, and implement risk reduction activitiesFormulate guidelines on safety and security in pandemics and natural disasters, etc.			
		Sustainable supply chain management	<ul style="list-style-type: none">CommunicationPromote green procurementPromote CSR procurement activities<ul style="list-style-type: none">CSR procurement: Procure from suppliers with BCM systems and ESG initiatives in placeBCP response: Understand supply chain to enable rapid investigation of the impact of emergencies		<ul style="list-style-type: none">Manufacturing site surveys for tier 1 suppliers: 100% at head officeBegan study of emergency response prior agreement for key suppliers* ROHM defines suppliers handling key parts and materials as "key suppliers," and is taking initiatives with them to reduce supply chain risks.Percentage of purchases from suppliers with CSR procurement rating of B or higher: 89.4% (head office only)		<ul style="list-style-type: none">Manufacturing site surveys for tier 1 suppliers: 100% Group-wideEmergency response prior agreement for key suppliers: 100%Percentage of purchases from suppliers with CSR procurement rating of B or higher: More than 90% (Group-wide)* Ranked from A to D, with A being the highest			
		Strengthen product safety and quality	<ul style="list-style-type: none">Build and establish a system for quality assurance based on front-loadingAchieve appropriate quality by incorporating customer perspective		<ul style="list-style-type: none">Customer quality satisfaction score: 3.59/5 (FY2020)		<ul style="list-style-type: none">Improve customer quality satisfaction score by 10%			

Financial Highlights (Consolidated)

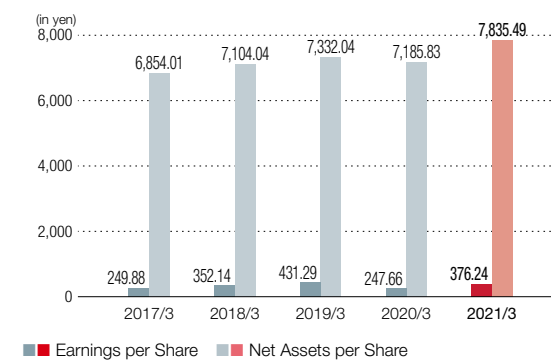
Business Performance



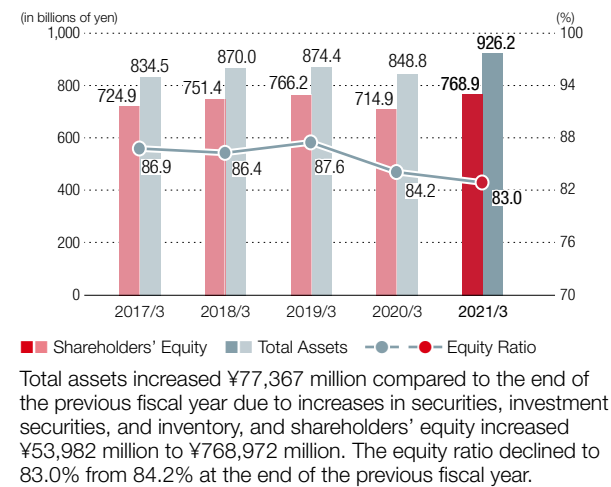
ROE



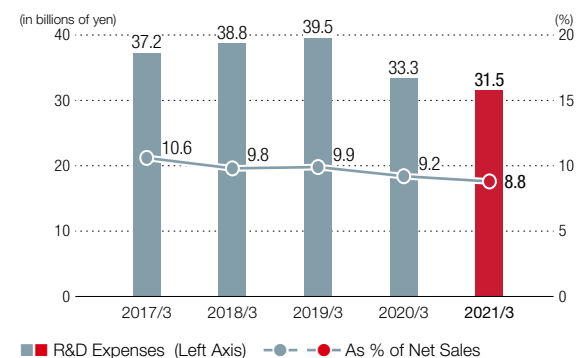
Earnings per Share and Net Assets per Share



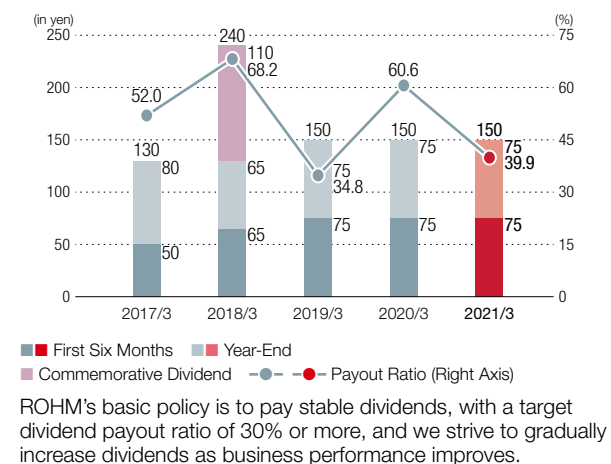
Shareholders' Equity and Total Assets



R&D Expenses and as a Percent of Net Sales

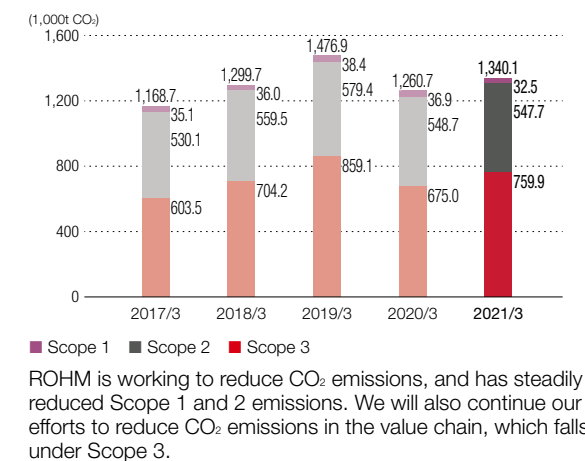


Dividends and Payout Ratio

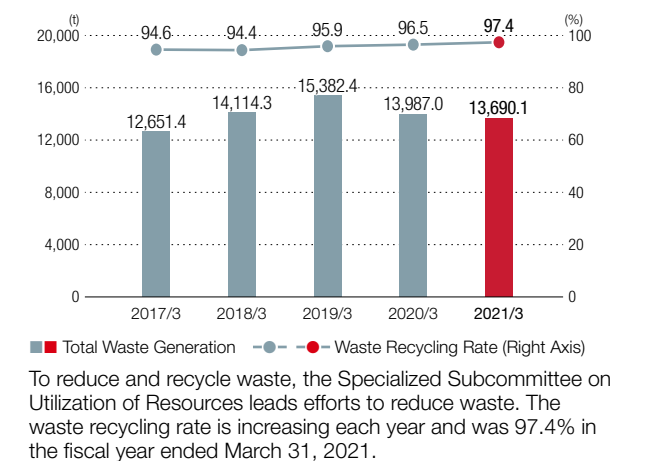


Non-Financial Highlights (Consolidated)

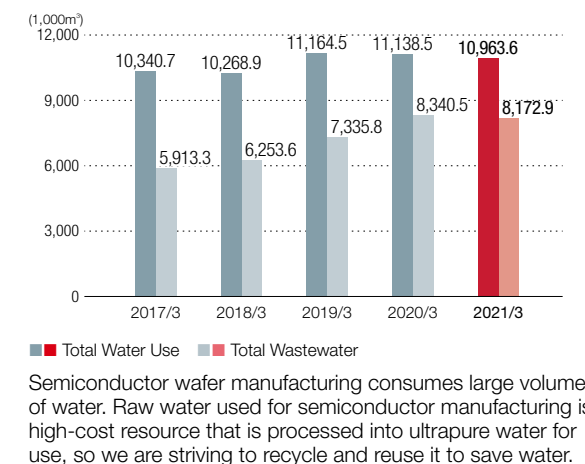
CO₂ Emissions (Scope 1, 2, and 3)



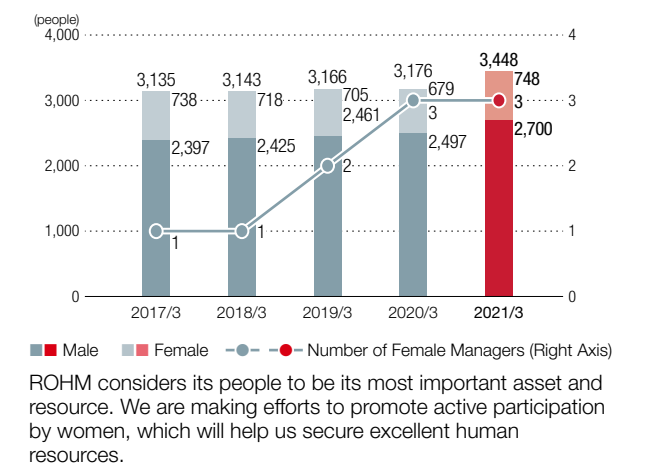
Total Waste Generation and Waste Recycling Rate



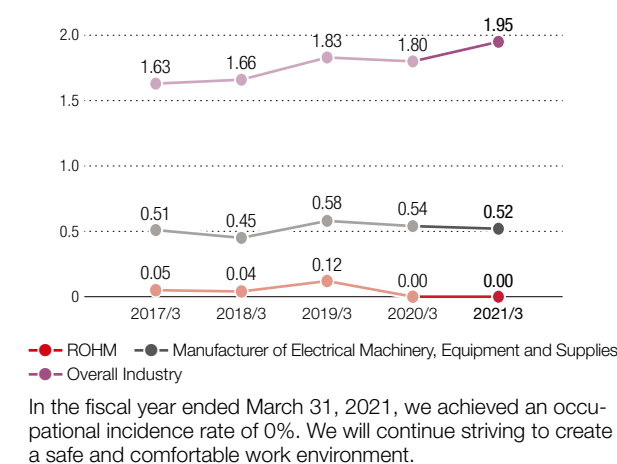
Total Water Use and Wastewater



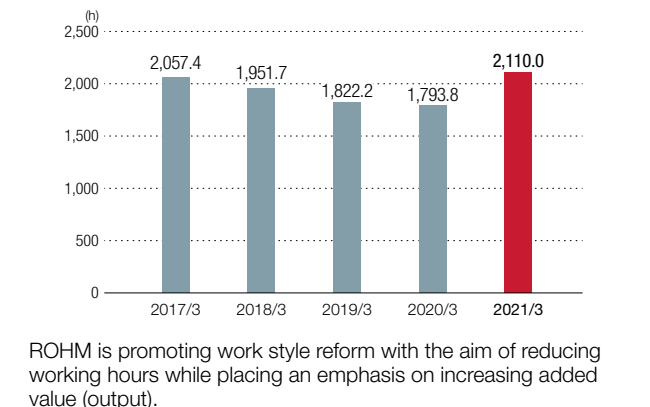
Number of Employees (non-consolidated basis)



Occupational Incidence Rate



Total Actual Annual Working Hours per Person (non-consolidated basis)



At ROHM we believe that sales equate to a company's total contribution to society. Significant sales growth will allow us to achieve greater energy savings and miniaturization in the electronics field while helping to solve social issues.

President, Chief Executive Officer

Isao Matsumoto

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 saving and miniaturization of their products.

Achieving ROHM's Management Vision and contributing to the sustainable growth of society

ROHM has been contributing to the advancement of culture through high quality products based on our Corporate Mission since our founding. And in accordance with securing "reasonable profits" as stipulated in our Basic Management Policy, we have established a system in which achieving our Company Mission will lead to profits. To reemphasize our unchanging Corporate Mission and clarify our mission within the new social infrastructure, in 2020 we formulated a new Management Vision.

ROHM believes a company's sales represents its total contribution to society, so this Management Vision expresses our determination to contribute even more to society through significant sales growth. As such, when formulating our Management Vision, we reinterpreted the phrase "contributing to the advancement of culture" in our Corporate Mission to mean "solving social issues through business." For ROHM it is essential to create an environment that allows people around the world to lead cultured

lives. We also hope to generate stable profits by achieving our Management Vision that will lead to the creation of new value.

With this in mind, we formulated a Medium-Term Management Plan, “Moving Forward to 2025” in May of this year, which redefines our sustainability priority issues and sets targets. This was formulated as a five-year plan to build a solid management foundation with a view of achieving dramatic growth over the next 10 years, to 2030. In the past, ROHM has tended to operate with the

individual optimization of each division, but to become a company that continues to grow in the future it will be necessary to create a corporate culture in which we are all moving in the same direction and proceeding with total optimization based on the understanding of all employees. The entire company must work as one to achieve KPIs, both financial and non-financial, to achieve ROHM’s Management Vision and contribute to the sustainable growth of society.

Becoming a company that responds to social change and is needed by society

Currently, there are a number of social issues occurring worldwide, such as climate change caused by global warming along with the associated large-scale natural disasters as well as food and water shortages. But while there is a strong push for innovation to solve these issues, everything ground to a halt as the world was hit with the spread of COVID-19 in 2020. The pandemic not only caused tremendous damage to the industry as a whole, but had (and continues to have) a profound impact on our lives. ROHM’s production activities were also hit by temporary restrictions on operations at overseas sites. The entire supply chain in the electronics industry was severely affected as well, with economic activity coming to a standstill, but in the fall of 2020 demand returned due in part to recovery of the automotive market, and today supply and demand is extremely tight in a wide range of fields, including semiconductors and electronic components. Even in the face of such major changes, we strongly recognize the need to move forward with measures from a long-term perspective without being swayed by short-term market trends.

At ROHM, we believe that climate change is among the most important social issues. The automotive market in particular, which is also one of ROHM’s focus areas, is undergoing rapid transformation, with electrification causing a major change in market players. At the same time

carbon neutrality has become a huge issue, and overseas electrification is driving the demand for automotive-related products. ROHM is developing a wide range of products that contribute to carbon neutrality in the electronics field, designed to contribute to solving social issues by achieving greater energy savings.

As markets continue to fluctuate, companies must be able to identify market trends while establishing flexible production and development systems, optimizing the layout of each site, and quickly responding to changes that include both geopolitical and natural disaster risks. To achieve this, it is not enough for the management team or special organizations to make decisions, but it is important for each and every employee to understand and agree with the management policy. Since taking over as President, I have formulated our Management Vision and enhanced the dissemination of information to enable ROHM employees around the world to understand the direction we should take. I have even taken it a step further and emphasized direct dialog with employees, continuing to hold roundtable meetings and other face-to-face discussions. By holding repeated dialogs and gaining the acceptance of employees, we believe the entire company can work together to build an organization that is responsive to change.

Addressing ROHM’s material issues (materiality)

In the process of formulating the Medium-Term Management Plan for 2030, we thoroughly discussed what ROHM should be, leading to the creation of our Management Vision of “solving social issues.” By equating sales as our total contribution to society, we will work to solve social issues from various aspects, and by doing so create growth and generate profits. Our Corporate Mission of “contributing to the advancement and progress of culture through a consistent supply of high quality products in large volumes to the global market” is in line with the concept of CSV. For this reason, we have defined the evolution of product technologies that lead to

improved convenience and the stable supply of high quality products as material issues (materiality). In addition, we have identified a comprehensive set of high priority sustainability issues as material issues (materiality) for management. This is because we believe that ESG provides the necessary foundation for balancing business activities with contributing to society. We have also set KPIs and clarified targets on climate change, which poses a major threat to global survival and business continuity, as well as human resource development and governance reform that are the driving forces behind corporate growth, together with establishing a supply chain to fulfill



social responsibility and risk management to ensure the continuation of these activities.

As I mentioned earlier, our highest priority non-financial goal is addressing carbon neutrality and climate change. And in terms of diversity, we have set targets for the promotion of diverse human resources, including increasing the percentage of women in managerial positions. We also consider strengthening our governance system as a priority theme, and are working to separate supervision from execution, enhance the function of outside directors, and promote diversity—including for women and non-Japanese officers. Going forward, we will continue working to achieve the goals for each issue and report annually on our performance and remaining issues along with progress toward achieving our targets.

Financial strategies to support growth

At present, ROHM’s financial foundation is very stable. We believe that ROHM’s ability to flexibly make capital investments and carry out M&A based on a robust financial foundation is a source for ROHM’s growth in the volatile semiconductor industry. During the Medium-Term Management Plan period, we will leverage these strengths to further expand our business portfolio and boost production capacity, and to accelerate growth we will actively pursue M&A, earmarking 400 billion yen for growth investments. We will also continue to improve financial efficiency and enhance shareholder returns to increase shareholder value.

To solve social issues, ROHM must be a company where everyone can work with energy and enthusiasm. As such, it is important to create an environment in which employees with diverse lifestyles and at different stages of life can work comfortably to achieve results.

ROHM is committed to fostering a corporate culture that encourages employees to take on new challenges without fear of failure in all areas while actively promoting diverse work styles to suit the new normal. At the same time, we are focused on creating transparent personnel and human resource development systems to provide a work environment where each and every employee can feel recognized and work with enthusiasm to achieve results.

To achieve our Management Vision, it is important for each employee to put our Corporate Mission into practice and for Group companies in Japan and overseas to work together to address management concerns. ROHM will contribute to society through corporate activities, striving to be a company that meets the expectations of its shareholders. Thank you for your continued support.

September 2021
President, Chief Executive Officer

Outline of the Medium-Term Management Plan



Achieve high growth by investing heavily in improving production efficiency and developing human resources

Katsumi Azuma

Member of the Board, Senior Managing Executive Officer, COO

Aim to be a global major player by 2030

ROHM's Medium-Term Management Plan “Moving Forward to 2025” was formulated as part of the company's vision for 2030. The management theme leading up to FY2025 is to achieve growth in “automotive/overseas markets while establishing a foundation for further growth”, with the aim of becoming a major global player by 2030. However, being a major global player isn't only about achieving significant sales growth, but also for being recognized around the world as a company that is needed by society, and one that provides customers with a sense of reassurance.

To this end, it is important to go beyond providing a stable supply of high quality products and work toward the social issue of carbon neutrality. In addition to improving the performance of semiconductors (ROHM's core products) and contributing to greater energy savings and miniaturization, efforts to reduce the environmental impact of production processes and other business activities in general are becoming essential to achieving a sustainable society.

To further consolidate ROHM's strengths in matching technologies, IDM, a customer-oriented approach, and a wide range of products, we will aim for further growth by clearly defining the meanings of “grow”, “evolve”, and “create” for each product group.

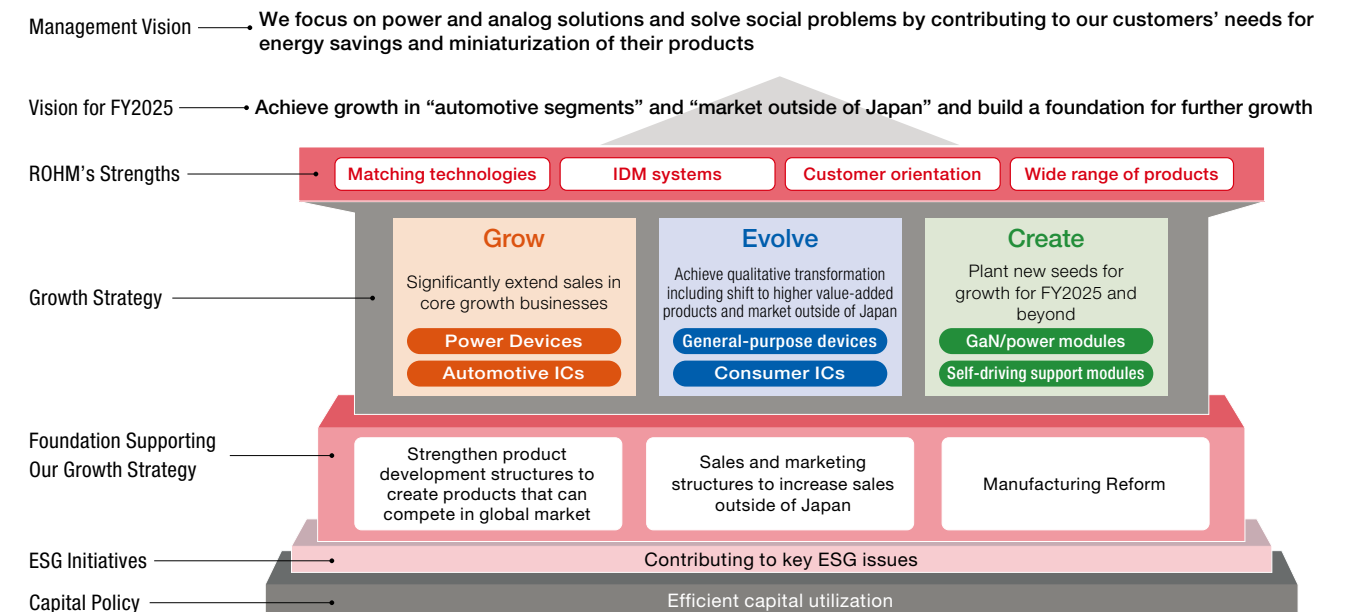
On the other hand, the foundation to support this growth strategy has yet to be solidified. Therefore, by dispatching PMEs (Product Marketing Engineers) overseas, strengthening the SSE (System Solution Engineering) Headquarters, and training FAEs (Field Application Engineers) at overseas sales companies, we will be able

to enhance both our development system to supply globally competitive products as well as our sales and marketing systems to increase sales outside of Japan. At the same time, monozukuri (manufacturing) innovation will allow us to not only improve the yield and productivity of manufacturing processes, but promote labor savings and automation as well. The first step to achieving this is completion of a flexible line. This is a production line based on the unprecedented concept of realizing a fully automated dream factory with zero defects. To consolidate and develop the technologies and know-how of each factory, a development center for manufacturing innovation has been established at the head office that brings together the knowledge of the entire ROHM Group with the goal of passing on and innovating technologies as ONE ROHM.

ROHM believes that human resources will be the driving force behind such growth, and consider the continued investment in organizational structures and human resource development for creating innovation to be the most important management issue. To this end, we are developing training programs for the next generation of leaders along with educational programs tailored to the characteristics of each individual. We are also actively working to attract outstanding human resources from outside ROHM by reforming our personnel system.

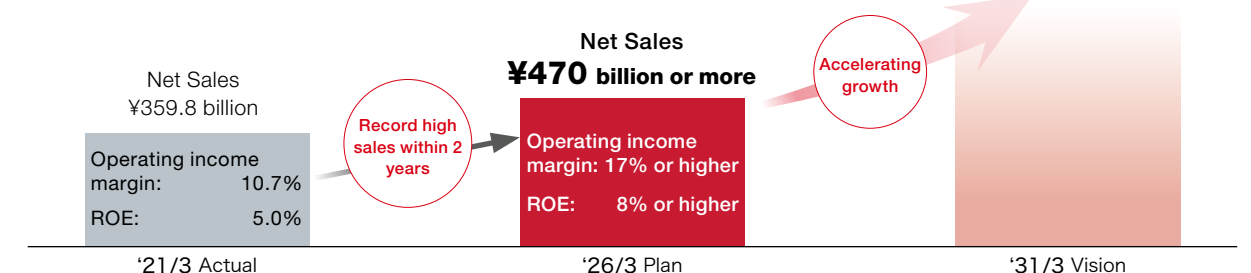
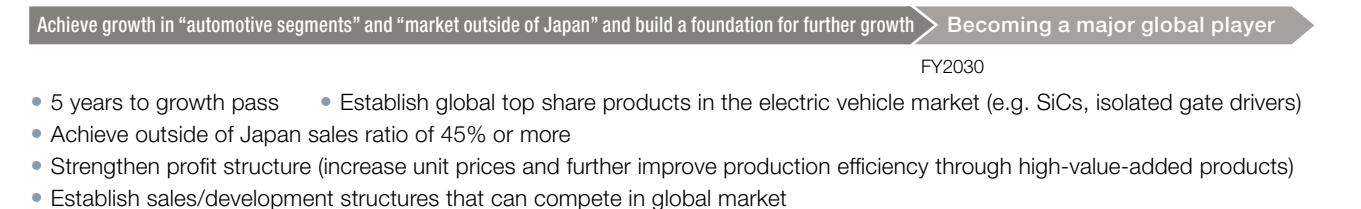
Under our Medium-Term Management Plan, we have created “tasks to be completed (issues)” based on the concept of backcasting from where we should be in 10 years. To achieve this, we need to be able to share our vision of what we want to be with all employees. The entire company must work as one without being caught up in short-term perspectives.

Overview of Management Policy



Positioning and Goals of the Medium-Term Management Plan

Five years to return to growth. Establish global top share products and achieve outside of Japan sales ratio of 45%



FY2025 Management Goals

Financial Goals		Non-Financial Goals	
Net Sales	¥470 billion or more (‘21/3 Actual: ¥359.8 billion)	Environment (FY2030)	<ul style="list-style-type: none"> GHG emissions: 50.5% reduction (vs. FY2018) Advancement toward 100% implementation of renewable energies in FY2050 Zero waste emissions
Operating Income Margin	17% or higher (‘21/3 Actual: 10.7%)	Diversity and Employees	<ul style="list-style-type: none"> Reach global female manager ratio at 15% or higher Reach employee engagement score above industry average
ROE	8% or higher (‘21/3 Actual: 5.0%)	Customers	<ul style="list-style-type: none"> Quality satisfaction score: 10% improvement (vs. FY2020)

Growth Strategies



Implementing strategies to achieve our Management Vision

Kazuhide Ino

Member of the Board, Managing Executive Officer, CSO and Director of Accounting & Finance Headquarters

Growth Strategies Outlined in the Medium-Term Management Plan

We have identified two key business areas in our Medium-Term Management Plan: power and analog technologies. To achieve the goals of this plan by FY2025, we will increase sales in both the semiconductor device (mainly power) and analog IC businesses by 1.5x and 1.25x, respectively, compared to fiscal 2020.

Formulated this year, the Medium-Term Management Plan includes a vision for 2030 and incorporates specific measures for each division to reach their goals by 2025. And going forward, we will continue to monitor our progress and make course corrections to ensure these goals are fulfilled.

In the past, ROHM was a leader in the consumer device field, including Japanese digital appliances, but over the last 10 to 15 years we have shifted our focus to the automotive and industrial equipment sectors. At the same time, we are working on developing core technologies for the future, and are already seeing results with SiC power devices and isolated gate driver ICs.

For the automotive market, we will steadily increase sales over the next five years by expanding our lineup of value-added products utilizing these core technologies while ensuring that the results of our marketing efforts lead to sales. And in our other area of focus, the industrial equipment field, we will lay the foundation for full-scale sales growth over the next five years by further strengthening our product lineup.

ROHM is one of the few semiconductor manufacturers in the world that possesses high-level power and analog element technologies as well as the capability to integrate them in manufacturing. In the future, it is strategically important to leverage these strengths, develop products that maximize value, and propose solutions that combine these products to customers.

Our basic policy under the Medium-Term Management Plan is to achieve organic growth, but we also want to accelerate growth by actively investing in M&A.

Growth Policy for Each Business

Grow Significantly increase sales in core business for growth		Evolve Achieve qualitative transformation, including a shift to more value-added products and overseas markets		Create Plant new seeds for growth for FY2025 and beyond			
		Automotive		Industrial		Consumer	
Semiconductor Components	Power Devices	<ul style="list-style-type: none">Expand market share of 4th Gen SiC MOSFETsEnter the market for 5G/6G servers and base stations with 6th Gen Si MOS			<ul style="list-style-type: none">Expand our lineup of high-efficiency products for energy-saving home appliances, accelerate overseas expansion IGBT/FRD/Si-MOS		
		<ul style="list-style-type: none">Develop SiC power modules for EV main invertersDevelop IGBT devices for EV main inverters					
	General-Purpose Devices	<ul style="list-style-type: none">Increase product value through miniaturization while maintaining the top share to remain a cash cow businessEstablish a production system responsive to demand fluctuations					
ICs		<ul style="list-style-type: none">Strengthen products for EVsIncrease our presence in overseas automotive markets Isolated Gate Drivers/Power Management ICs (PMICs)/LED Drivers		<ul style="list-style-type: none">Develop new products for base stations/data centers		<ul style="list-style-type: none">Maintain consumer sales with miniaturized high efficiency products For Energy-Saving Home Appliances IPMs/ACDC/Smartphone Camera Control ICs	
Modules and others		<ul style="list-style-type: none">Focus on sensing devices for security (authentication), and autonomous driving support modules					

Discrete Semiconductor Devices

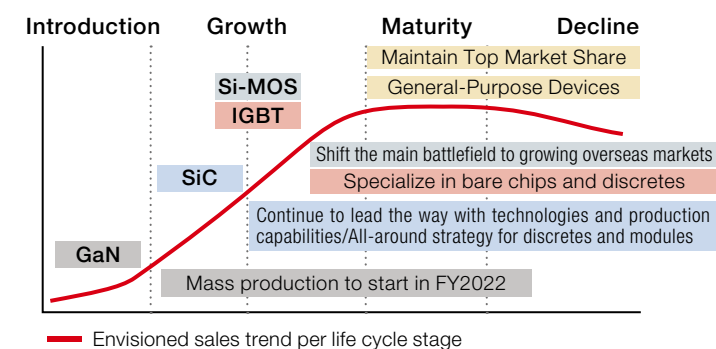
Aim to achieve the top share for both new and conventional products

For discrete semiconductor devices, we offer a broad product portfolio covering a range of markets, including power, general-purpose and opto products. We plan to further increase sales by leveraging our expansive product lineup based on technologies cultivated over many years. At the same time, we are aggressively working to enhance production capacity and develop a stable supply system for SiC, Si MOS, and IGBTs, which are in a growth phase and as such are expected to see increased adoption in the automotive market where electrification is rapidly progressing toward a carbon-neutral and decarbonized society by 2050.

Regarding SiC, where ROHM is leading the industry in R&D and commercialization, the market has finally entered a growth phase, and in preparation for the rapid rise of the market around 2025, we will build a system to meet the increased demand by securing production capacity in advance through upfront investments. At the same time, we will improve cost competitiveness by investing in larger diameter 6- and 8-in substrates. In terms of products, we will promote the development of devices featuring industry-leading performance along with modules that incorporate original material technologies and manufacturing techniques created through R&D, with the aim of achieving the top share in the global market.

For general-purpose devices, which are currently in the mature stage, we will further increase our competitiveness while maintaining the top market share. And to ensure stable supply, we will strengthen our production system by doubling the number of high-efficiency production lines over the next five years. At the same time, we aim to double human productivity by introducing “collaborative” robots. We are also pursuing further increases in market share as a cash cow business through the release of high-value-added, ultra-compact space-saving products.

Product Life Cycle



ICs

Become globally competitive through PME activities

In the area of ICs, we have already developed advanced cutting-edge core technologies by further strengthening our

technology development capabilities that enable the production of a variety of high-value-added products with features such as greater miniaturization, ultra-low power consumption, and superior robustness. These core technologies are essentially advanced precision techniques made possible only through repeated discussions between circuit and process designers, allowing us to differentiate ourselves from our competitors. ROHM will continue to expand and evolve its lineup of ultra-refined core technologies by maximizing the benefits of IDM.

On the marketing side, ROHM is working to gather market needs by assigning PMEs while strengthening product planning capabilities to meet those needs. Market intelligence is needed more than ever in the global market. Therefore, it is important to understand the market and incorporate the performance demanded by customers into product specifications based on the application, with PMEs playing a major role in this.

To increase sales outside of Japan in the future, we will strengthen marketing functions rooted in each region by assigning PMEs overseas. Taking the lead in developing optimized ASSPs that can be adopted by more customers will allow us to provide products that can win on a global scale.

Kenichi Fukumoto

LSI Business Unit
Senior General Manager



Led by PMEs, ROHM will expand markets and become a reliable presence in the world

ROHM's strengths lie in its focus on customers and IDM systems. To further reinforce this strength and achieve significant growth, we have enhanced our planning capabilities through the use of PMEs who are engineers engaged in product planning.

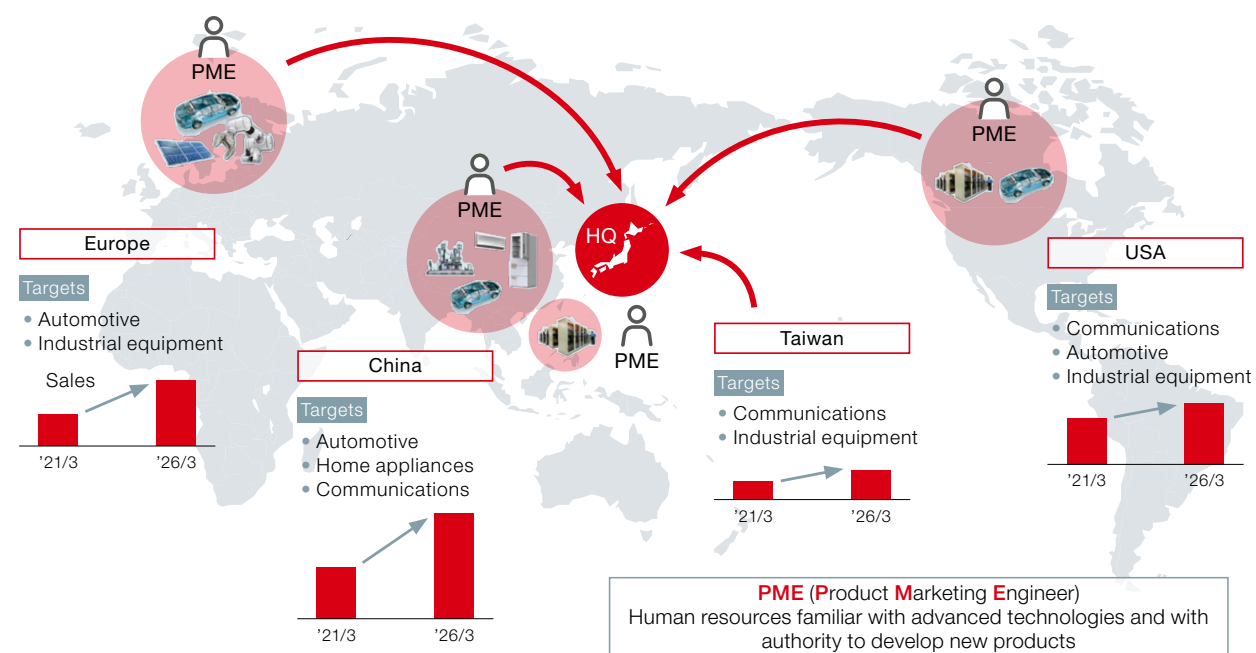
In the IC business it is necessary to continue creating high-value-added products that solve customer issues, contribute to future solutions, and create new markets. One of the key features of PMEs is that they are engineers who are not only well-versed with ROHM's development sites, technologies, and features, but also understand the market and customers. Our goal is to grow the market in partnership with customers and become a dependable presence in the world by turning ROHM's strengths into products with market value.

Foundation Supporting Our Growth Strategy

Strengthening the development structure to create world-class products

ROHM is working on the development of products capable of competing in the global market to create the foundation that will support future growth. The diagram below shows the development structure using PME as an example. To develop products capable of competing in the global market, we dispatch PME who are well versed in the technology and market, and incorporate

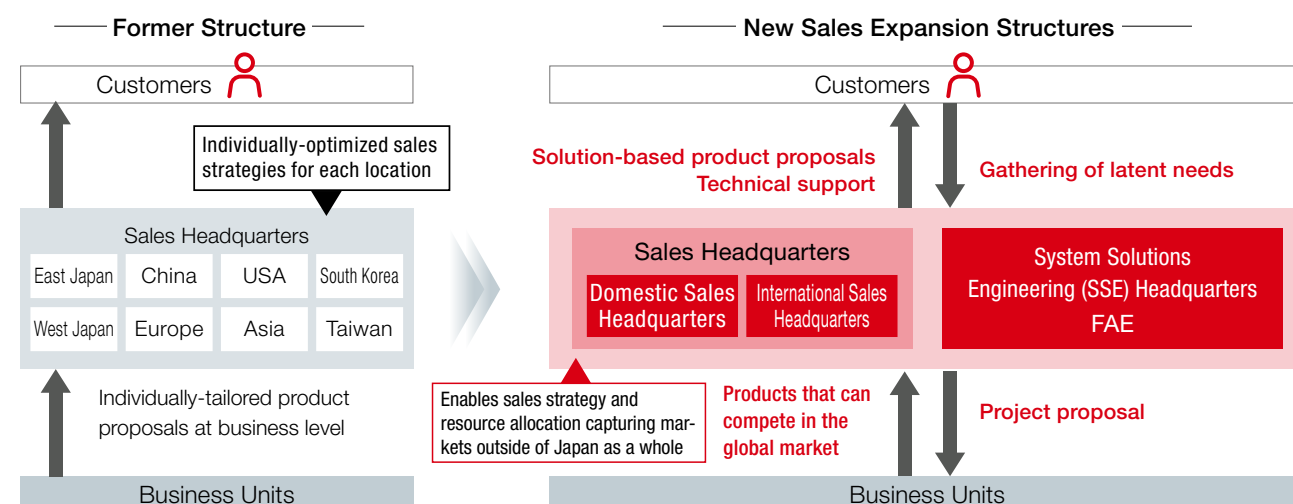
detailed specifications into products and product planning that anticipates market needs at the global level, primarily Europe, China, Taiwan, and the United States. This will allow us to increase the number of inputs into the new product market that will please customers in a wide range of regions.



Sales and Sales Expansion Structures to Grow Sales Outside of Japan

We will establish sales and sales expansion structures to increase sales in markets outside of Japan. In the past, ROHM's sales organization was optimized in each region with the establishment of a sales headquarters for each region. Now we have combined these sales headquarters into a single sales structure that enables our global sales network to operate under a strategy of overall optimization. We have also established the System Solutions

Engineering (SSE) Headquarters led by Field Application Engineers (FAEs) with knowledge of development trends at finished product manufacturers, who are our customers, and are proceeding to strengthen our proposal capabilities. Collaboration between sales staff and FAEs has created a structure that provides optimal solution proposals and detailed technical support to our customers around the world.

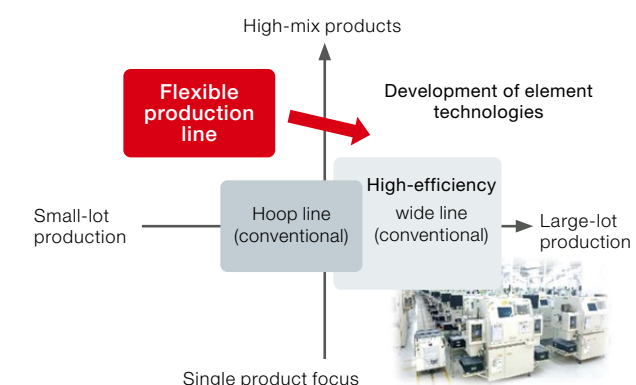


Monozukuri (Manufacturing) Reform

Under the Medium-Term Management Plan, Moving Forward to 2025, we have set a target of at least ¥470 billion in net sales in FY2025. In order to reach this sales target, we are continuously enhancing production capacity and improving production efficiency. At present, the semiconductor market is experiencing tight supply and demand, which is also making it difficult to procure production equipment in the short term. Therefore, we will begin to secure the production capacity that will enable us to reach our sales target of ¥470 billion in plenty of time by adopting the overall equipment effectiveness (OEE) index to promote efficient production through elimination of wasteful waiting and inspection.

With regard to monozukuri (manufacturing) reform, partly due to the COVID-19 pandemic, we have been working on the development of a flexible production line that can efficiently realize high-mix small-lot production without human involvement in the assembly process, with a major theme of moving away from production that relies on human labor. We completed development of this new production line, which is virtually unmanned, by spring 2021, and production of general-purpose devices commenced first at the mother plant in Japan. Faced with an increasing risk of restrictions on the movement of people due to the impact of COVID-19, we also expect that this will have a significant effect as a BCP measure. In the future, we will expand the flexible production line outside Japan as well as gradually extending the product categories it is used for from general-purpose devices to power devices and ICs to make ROHM's entire supply chain more resilient.

The flexible production line which we have developed and introduced not only achieves efficient high-mix small-lot production. It will also contribute to even higher quality, as it is a very reliable manufacturing line that aims for "zero



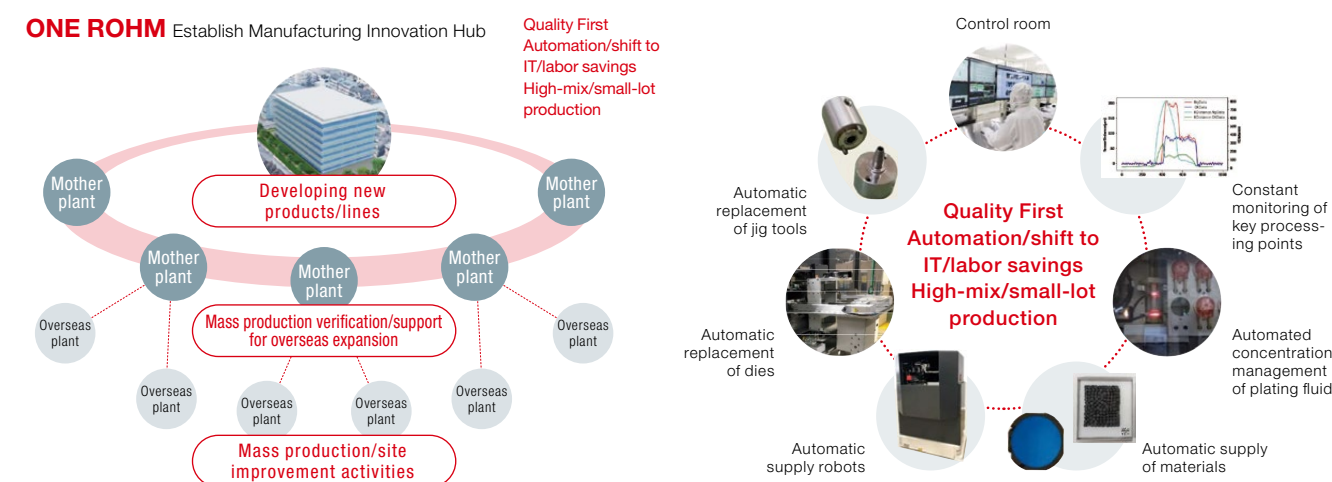
defects" by eliminating the need for human involvement.

We will also establish the Manufacturing Innovation Hub as a site to continue and speed up this reform of manufacturing. The hub will centralize information on production technology from the mother plant in Japan and plant outside Japan to continue reform of manufacturing as ONE ROHM. Our strategy is to achieve even higher quality and automation, and to establish a solid foundation for growth in manufacturing.

We are using digital transformation (DX) to help ensure stable supply to customers and improve production efficiency by creating a chart for each customer to visualize the characteristics of orders, such as seasonal fluctuations, and the accuracy of orders in the form of data, which is then used in daily production management.

In addition, led by the IT Headquarters, we are able to make comprehensive judgments on supply and demand trends and production status by centralizing the management and analysis of data across the entire supply chain to determine timing for slowing down and speeding up at manufacturing sites, establishing a system that enables efficient production.

We will continue to reform manufacturing by concentrating the ROHM Group's technological capabilities to achieve full automation and unmanned operations that do not rely on human labor and do not create defects



Financial Strategy

We will support our growth strategies and enhance shareholder value

The establishment of a robust management foundation is needed to support the sustainable growth of our business and become a strong company. ROHM's financial foundation has remained stable for the past few years.

Under the Medium-Term Management Plan, Moving Forward to 2025, a key theme is creating a foundation for

growth as a major global player by investing to generate cash flows which will lead to the next stage of growth.

We will also strive to further increase capital efficiency and improve corporate value over the medium to long term by enhancing shareholder returns, managing with a focus on the cost of capital, and strengthening our earnings structure, while aiming to strike a balance between aggressive investment for growth and sales growth.

Financial Position

	'19/3	'20/3	'21/3
Total assets (billions of yen)	87,442.7	84,887.3	92,624.0
Shareholder's equity (billions of yen)	76,626.6	71,499.0	76,897.2
Cash and deposits + Securities (billions of yen)	28,974.5	31,572.3	31,943.0
Equity ratio (%)	87.6	84.2	83.0
Payout ratio (%)	34.8	60.6	39.9
ROE(%)	6.0	3.5	5.0

Investing for Growth and Generating Cash Flows

Under the Medium-Term Management Plan, Moving Forward to 2025, which commenced in 2021, we will shift toward a full-scale offensive style of management based on the robust financial foundation we have built so far. We will work toward achieving our Medium-Term Management Plan targets with the belief that achieving business growth through investment for growth will lead to an increase in corporate value and contribution to society.

During the five years of the Medium-Term Management Plan, we intend to allocate a total of ¥400 billion to investment for growth, including M&A, and this investment capital will be based on the cash flows generated by our business activities.

With regard to the breakdown of this ¥400 billion, we plan to allocate approximately ¥300 billion to investment for organic growth and approximately ¥100 billion to M&A. But the semiconductor market is volatile and it is difficult to forecast the size of M&As so we will flexibly respond to circumstances by combining share buybacks and financing.

Investment for Growth and Shareholder Returns

- Reduce cash on hand gradually over five years to a level of around 50% of annual sales in FY2025.
- Invest ¥400 billion for growth and proactively provide shareholder returns over five years.

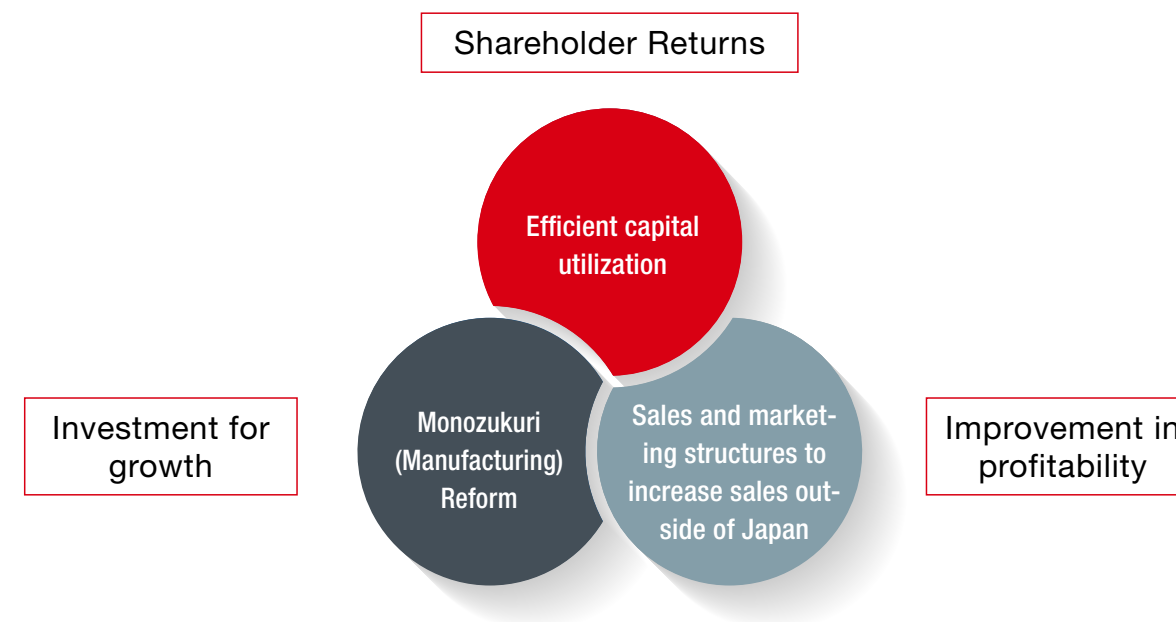
Investment for growth
(cumulative over five years)
¥400 billion

- Power devices (8-inch production line at new SiC building, Si-MOS, IGBT production line enhancement)
- ICs (12-inch Bi-CDMOS production line, isolated gate driver enhancement)
- Establishing Manufacturing Innovation Hub on head office premises
- M&A, capital tie-ups for expanding business and acquiring technology

Shareholder Returns

- Continuous share buybacks
- Consolidated payout ratio of 30% or more (gradual increase from 150 yen based on business performance)
- Timely return of free cash flows

Balance between three factors and enhancing corporate value



Increasing Profitability and Capital Efficiency

To increase profitability, we will strive to improve profit margins by increasing development efficiency per employee and value added. We will also increase the precision of orders received and make improvements to overall equipment effectiveness (OEE).

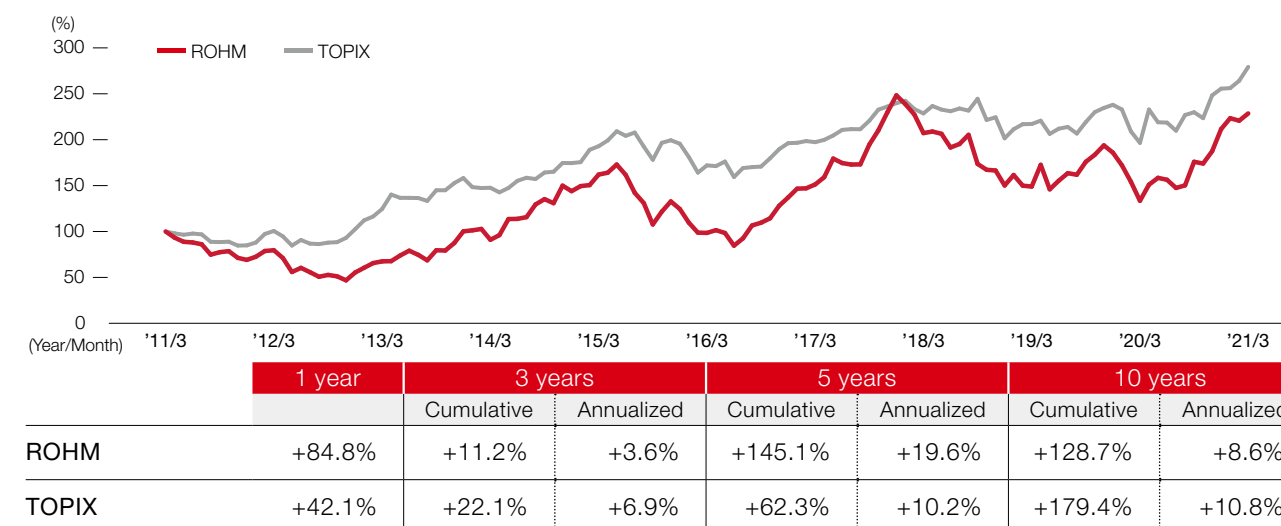
With regard to capital efficiency, being conscious of the cost of capital, we have set a target to improve ROE from 5% in FY2020 to 8% or more in FY2025, with a further improvement by 2030.

As for measures for improving ROE, we will focus on increasing marginal profit in line with sales growth, but we will also promote optimization of financial leverage together with other measures.

Shareholder Returns

With regard to shareholder returns, our policy is to maintain the consolidated payout ratio at 30% or more in addition to gradually increasing the annual dividend from ¥150 per share based on improvements in business performance. We will also consider additional returns such as share buybacks, depending on our cash flow position.

TSR (10 years, dividends included)



* TSR for ROHM is calculated based on cumulative dividends and stock price fluctuations. TSR for TOPIX is calculated with a stock price index including dividends.

(Created by ROHM using Bloomberg data and other sources.)

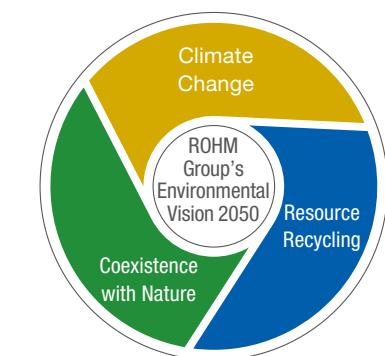
* TSR values in the graph are indexed to market prices as of March 31, 2011 as 100 (assuming the stock was held until March 31, 2021).

Initiatives to ESG

ROHM Group's Environmental Vision 2050 and the SDGs

ROHM has formulated ROHM Group's Environmental Vision 2050 and is strengthening initiatives to address environmental issues. We have identified three key themes for achieving a sustainable society which are climate change, resource recycling, and coexistence with

nature. Based on these three key themes, we have set KPIs for the reduction of GHG emissions and the introduction of renewable energy to achieve our goals of net zero CO₂ emissions and zero emissions, and will achieve our FY2030 goals.









FY2050 A sustainable future

FY2030 Recognized as a turning point toward a sustainable future

FY2021 Setting KPIs to reduce environmental impact
Declared TCFD Statement of Support

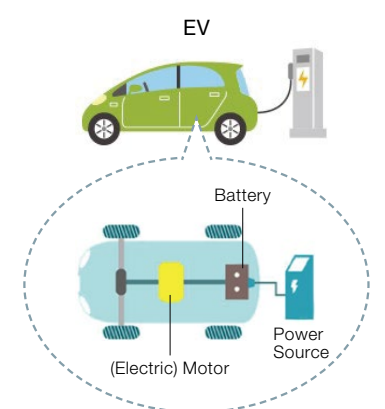
Priority Issues in Sustainability Management, Goals for ROHM

Important Issues of SDGs	Category	Targets for FY2030
Climate Change Net Zero CO ₂ Emissions  	GHG reductions	Reducing emissions amount by 50.5% in FY2030 vs. FY2018 levels Reducing emissions basic unit by 45% in FY2030 vs. FY2018 levels
	Promoting introduction of renewable energy	Promoting the shift to renewable energy with the goal of 100% implemented in FY2050
Resource Recycling Zero Emissions  	Resource reduction	Increasing water recovery/reuse rate by 5.5% in FY2030 vs. FY2019 levels
	Waste reduction	Zero waste emissions in FY2050
Coexistence with Nature Harmonizing Business Activities with Natural Cycles  	Promotion of greening	Promoting factory greening at all locations Improving conservation of organisms inhabiting each region
	Rigorous chemical substance management	Rigorous compliance with and management of various national policies and regulations on chemical substances, reduction of usage of chemical substances

In terms of environmental initiatives, our policy is to actively use renewable energy. In particular, SiC devices are helping to save energy in their own right, including in the electrification of automobiles. However, we will

continue to improve their overall environmental performance, including at the manufacturing stage, such as by performing manufacturing processes at plants using 100% renewable energy.

Using 100% Renewable Energy, Eco-Friendly Manufacturing Plants



Source: Next Generation Vehicle Promotion Center

All major processes for energy-saving SiC devices produced with renewable energy

SiC wafer manufacturing process



Plant using 100% renewable energy from FY2021

SiC wafer process



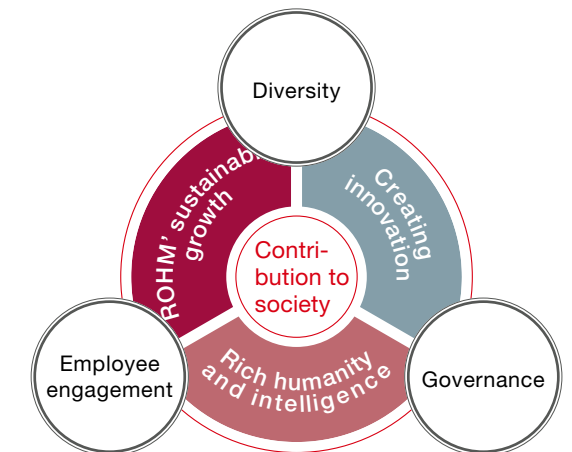
New plant using 100% renewable energy, to launch operations in FY2022

*ROHM Apollo has implemented renewable energy since FY2019

Developing Human Resources and Reforming Governance for Sustainable Growth

Developing human resources and reforming governance is another important medium-term theme. We will build a system in which diversified employees with rich humanity and intelligence maintain high engagement and continuously generate innovations together with effective reforms of corporate governance that allow the sustainable growth of ROHM. We will aim to improve employee motivation and engagement while also addressing organizational culture reform and work style reform.

We will set KPIs on promoting diversity, including initiatives for the career development of women. We will also actively implement governance reforms, such as increasing the ratio of independent external directors.



- FY2025 Targets**
- Global female manager ratio: 15%
 - Female or foreign national officer ratio at head office: 10%
 - Achieve the following for engagement score:
 - Improve score each year
 - Achieve industry average or higher
 - Complete Group-wide introduction

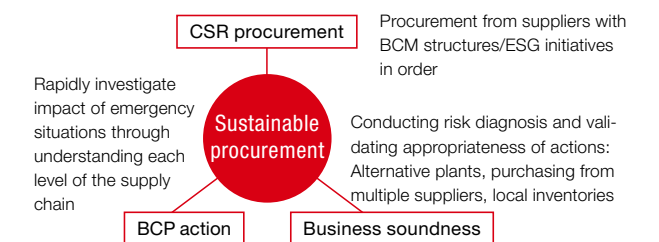
Fulfilling Social Responsibility by Strengthening BCM Structure

The stable supply of products is our social responsibility. Due to the COVID-19 pandemic, some of our plants outside of Japan were forced to temporarily suspend operations or reduce capacity utilization in accordance with local government orders and guidance, but we took measures to ensure business continuity as well as ensuring the safety of employees and rigorously preventing infection.

We also regard the promotion of BCM as a key issue for the Group. More specifically, we have organized the Risk Management and BCM Committee under the CSR Committee, which is chaired by the president himself. The Risk Management and BCM Committee identifies, analyzes, and manages important risks that may occur in the execution of business at the ROHM Group. In addition to examining the activities of the divisions with the main responsibility for each risk, it also promotes the formulation of a Business Continuity Plan (BCP) and works to thoroughly implement the plan throughout the company so that efforts are made to implement all possible measures and countermeasures in advance.

Going forward, we will not only improve our own manufacturing processes but also continue working to maintain our supply chain. We will set concrete KPIs for our relationship with suppliers and sustainable procurement of materials in order to maintain a sound supply chain and will establish a stronger and more stable supply system for products.

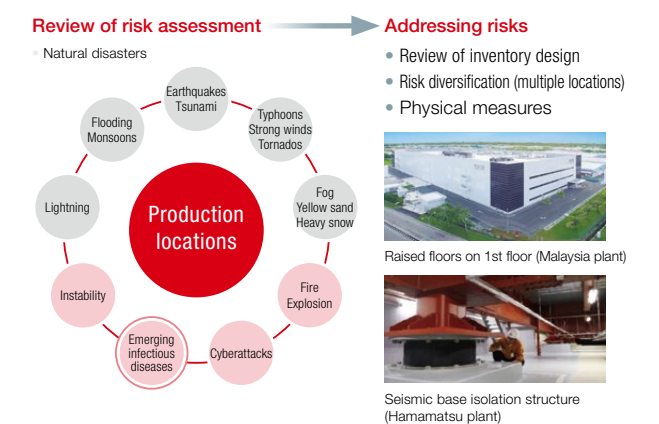
Suppliers



- FY2025 Targets**
- Surveyed 100% of 1st-tier supplier manufacturing sites
 - 100% prior agreement rate among key suppliers on emergency response
 - At least 90% of purchases from suppliers with CSR procurement evaluation ranking of B* or higher
*Ranks from A to D, with A as the highest rank

In-House Manufacturing Plants

Revising BCP amid COVID-19



ROHM's Research System



Providing solutions that combine key technologies of ROHM

Tetsuo Tateishi
Member of the Board, Senior Corporate Officer, CTO

ROHM's Research System

At ROHM we want to provide solutions that combine both power and analog.

Our research and development at ROHM are focused on sustainable growth—with a view to 5, 10, 20, and 30 years in the future. While we will focus our resources on themes that will help us increase our sales over the next five years, we will also focus on strengthening our capacity for long-term sustainable growth by allocating resources to what are expected to be new fields in the future.

As for a concrete allocation, 50% of R&D resources will be allocated to existing major technology fields in which ROHM is currently putting effort. Other than this, 20% will be focused on major markets where new technology is required and another 20% on where the same technology is applied to different markets. The remaining 10% will be allocated to new markets using new technologies. We will also collaborate with outside companies in fields that are difficult to cover with what we have in-house.

ROHM's R&D System and Resource Allocation

Market Technology	Focusing markets: automotive, industrial (specific equipment), consumer	New markets: industrial	Others
Conventional technology Power Analog	50% R&D resource allocation ratio Priority R&D resource allocation Cooperation with business units	Pioneer 20% Strategic allocation of R&D resources New CTO Office heads up technology marketing and proposes potential R&D research themes	CTO Office invests using corporate venture capital, etc.
New technology	Attempt 20% Strategic allocation of R&D resources	Vanguard 10% Allocate R&D resources as upfront investments	
Others	New CTO Office invests using corporate venture capital, etc.		

Matching technologies that brings high added value

Our essential matching technologies of power and analog is also the ability to optimize in development and on production floors. At ROHM we have been refining our production technology since our founding. The ultimate source of our matching technologies is our passion for craftsmanship and manufacturing—*monozukuri*.

We have an extensive lineup of products and technologies at ROHM. An example in a cutting-edge field, is SiC power devices that are currently attracting attention as they can significantly improve efficiency. This product has been under development since the 1990s. However, with SiC power devices now increasingly being utilized in EV, we believe we can greatly increase our sales and they will become a key driver of our growth at ROHM as we continue to deliver high-quality and high-performance products to our customers in a timely manner. We are working to enhance our comprehensive power device lineup beyond SiC with silicon power MOSFETs and

IGBTs, and compound semiconductor devices such as GaN.

Microfabrication technology is required for logic and memory ICs, but power devices and analog ICs use what are called legacy processes. For power devices and analog ICs, it is very important to optimize these processes according to the required performance of the product. In addition, for analog ICs that require high-mix low-volume production, it is necessary to manufacture IC products for many fields on a single processing line. ROHM can optimize production using the technology it has accumulated over its long history to produce a wide range of products. We maximize the benefits of being an IDM and evolve the matching technologies in this IDM ecosystem through intimate and ongoing collaboration and communication between our circuit designers and process designers.

ROHM will provide high-value-added solutions that integrate a wide range of products such as power devices, power and analog ICs, passive elements, and modules.

Product planning that anticipates market needs

Our strategy in rapidly changing markets such as the electrification of automobiles, is to develop, in advance, application specific standard products (ASSPs)—equipped with the various functions required by markets based on preemptive market research. To this end, our team of IC product marketing engineers (PMEs) work to narrow down and focus our product planning. The mission of PME is to break down market trends and customer demands, bring about high-quality and innovative projects—in anticipation of market needs—lead development and deliver products to customers. To maintain our solid intellectual property foundations, it is vital we convey high-quality product planning to our developers, develop products ahead of our competitors, and patent the new technologies we create in this process.

We are enhancing our external cooperation—such as joint research with many universities in Japan and overseas—with a view to ten or more years into the future.

We have also started corporate venture capital (CVC) as an initiative to create new business models.

It is also vital to develop systems for training excellent engineers to enhance our R&D capabilities. In terms of engineer career planning, we have defined the requirements for technical specialists as “technically contributing to the perpetual development of ROHM.” Specialists are talent who can technically contribute to the development of ROHM and who can nurture the next generation of specialists. I want our specialists to be first-class engineers who can propose optimal solutions to customers to enable them to respond to all kinds of major environmental changes. The mission of a CTO is to enhance a company's technical capabilities to guarantee the success of the CEO's vision. ROHM's technological capabilities are evolving, and we will make full use of these technologies—with a focus firmly on our markets—to establish our position as a major global company by 2030.



Ritsumeikan University
Promoting hardware-related education and research such as integrated circuit design



Doshisha University
Training software engineers related to information media



Kyoto University
Promoting research on next-generation devices focused on physical properties



Tsinghua University
Promoting joint research and technology exchange toward developing advanced technologies

Column Taking on challenges for the future: Technological Development with our Customers

Realizing energy savings and miniaturization with our products that contribute to our world

I was involved in development of power management ICs for LCD TVs for nearly 10 years, after joining ROHM. I then moved to the automotive field—a key market for ROHM—and have been proposing power supply solutions for major manufacturers in Japan and Europe for advanced driver-assistance systems (ADAS) and for autonomous automobiles.

What I love about my job is working with advanced technologies, such as developing ICs, and being able to collaborate with client companies in the development process. Take, for example, the automotive power management ICs for cameras and communications IC products we launched this year. They now use 10% less energy than previous models. These automotive camera modules are now only 20x20 mm and need only one board—rather than the two needed previously to fit the various necessary components. We achieved this by reducing the size of the product and the peripheral components. This has also helped reduce their price and increase their market reach. I want to keep discovering and commercializing technologies that help the world by working with various customers.



Shinji Kawada
Manager
Power Management LSI Product Design Department 2
Power Management LSI Division
Product Design Segment
LSI Business Unit

Environmental Policy

ROHM's everlasting conscientiousness to preserve the global environment contributes to the healthy existence of humanity and to the continued prosperity of the company.

1. Conserve energy by initiating innovative methods in all corporate activities.
2. Develop environmentally-conscious products that minimize the environmental burden by employing responsible processes throughout the life cycle of each product.
3. Give priority to the procurement of materials and products that have the least levels of adverse impact on the environment.
4. Promote effective utilization of resources and strive for the prevention of pollution and conservation of biodiversity toward the realization of a sustainable society.
5. Comply with international and national environmental laws and regional agreements and other customer requirements to which we have agreed.
6. Endeavor to train employees and encourage our constituents to actively care for their surroundings and the global environment.
7. Develop positive relationships with the community through contributions to the local environment and the proper disclosure of environmental data.
8. Continuously improve subjects by creating and carrying out the environmental objectives, and their action plans to enhance environmental performance.

ROHM Group's Environmental Vision 2050

In order to fulfill our corporate social responsibility for the environment, ROHM formulated ROHM Group's Environmental Vision 2050, which indicates the vision of the ROHM Group for 2050. Based on the three key themes which are climate change, resource recycling, and coexistence with nature, we will engage in our business activities in harmony with the natural cycle to protect biodiversity, aiming for carbon zero (net zero CO₂ emissions) and zero emissions.

Climate Change

With climate change measures as an important indicator of the effectiveness of sustainability, we aim to achieve net zero CO₂ emissions from our business activities in FY2050.



Resource Recycling

We will work to maximize resource recycling in order to eliminate the waste of limited resources across the series of business activities from development to procurement, production, and sales.



Coexistence with Nature

We will value the blessings of nature produced by the biodiversity of the earth and pass on a better global environment to future generations.



ROHM Group's Environmental Vision 2050 →
<https://www.rohm.com/company/environment>

ROHM Environmental Management Promotional Structure

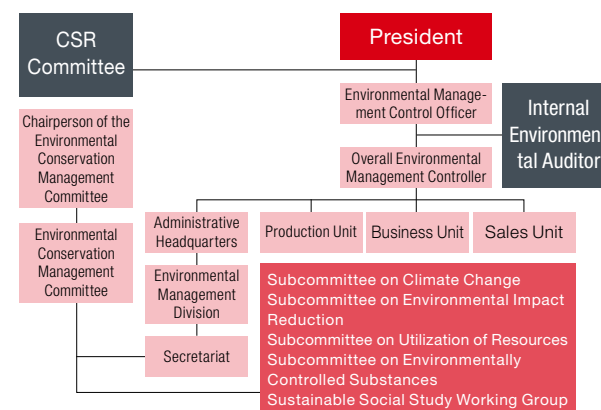
Through the Group-wide establishment and operation of an environmental management system based on ISO 14001, the international environmental management system standard, ROHM makes continuous improvements aimed at environmental conservation, particularly the reduction of our environmental impact.

Efforts are led by the Environmental Conservation Committee established at ROHM Head Office, which manages the environmental impact of ROHM products, activities, and services, and recommends any points for improvement found in separate internal audits of ROHM sites to be adopted by other Group companies. The Committee also selects issues that the ROHM Group must tackle in order to achieve a sustainable society, such as climate change, and actively works on them as management tasks.

The chairperson of the Environmental Conservation Committee reports on responses to risks to the CSR

Committee, which is chaired by the President, and receives instructions and support.

ROHM Environmental Management Promotional Structure



Response to Climate Change

ROHM considers climate change measures to be an important indicator of the effectiveness of sustainability, and we aim to achieve net zero CO₂ emissions from our business activities in FY2050. The ROHM Group, as a

whole, aims to achieve net zero CO₂ emissions through the active introduction of renewable energy and promotion of greening. In order to reduce CO₂ emissions from all of our business offices, we have expanded the scope of

our calculations from Scope 1 and 2 to Scope 3, which is CO₂ emissions throughout the value chain. For fiscal 2020, our targets were reducing value chain CO₂ emissions by 10% from FY2010 and increasing the percentage of environmentally-friendly products developed to 100%, both of which we achieved.

In addition to making contributions to reducing CO₂

CO₂ Emissions (t-CO₂)

	FY2016	FY2017	FY2018	FY2019	FY2020
SCOPE 1	35,079.7	36,002.0	38,361.8	36,888.1	32,473.7
SCOPE 2	530,081.0	559,484.3	579,437.6	548,734.2	547,725.8
SCOPE 3	603,504.4	704,242.2	859,110.3	675,042.0	759,904.9
Total	1,168,665.1	1,299,728.5	1,476,909.7	1,260,664.3	1,340,104.4

Efficient Use of Resources

ROHM pursues recycling-oriented management to minimize the impact on the global environment by building new mechanisms and production technologies that reduce the burden on the global environment. We are also working to maximize resource recycling to eliminate the waste of limited resources across the series of business activities from development to procurement, production, and sales.

The Resources Use Expert Sub-Committee plays a central role in formulating an implementation plan for each fiscal year and implementing activities to reach the target.

emissions in partnership with our customers through the supply and proposal of superior energy-saving products, systems, and solutions, we are also working to radically review our production and business processes as well as our conventional processing methods and promoting factory greening.

The ROHM Group as a whole is aiming for zero emissions of waste (1% or less of landfill disposal, including overseas). In addition, the raw water used for semiconductor manufacturing is a high-cost resource that is processed into ultrapure water for use, so we need to make efforts to save water by recycling rather than disposing of it. By working to make our use of water resources more efficient to reduce water withdrawal, we believe we can reduce the risk to business continuity by conserving water even in the event of a drought due to climate change.

Introduction of Renewable Energy

The SiC production building at the ROHM Apollo Chikugo plant, completed in December 2020, is a state-of-the-art, environmentally friendly plant that uses 100% renewable energy for its electricity. In addition, ROHM introduced solar panels at ROHM Hamamatsu in 2017 and

schedules to introduce them at the Malaysian site in FY2021, enabling the generation of 363 MWh of electricity per year at Hamamatsu and 1,500 MWh per year at the Malaysian site. We are progressing the introduction of renewable energy at each of our sites.

Indicators and Targets

At ROHM, we consider the physical damage caused by typhoons, floods, droughts, and other extreme weather events associated with increased CO₂ emissions and climate change to be a risk, and the ROHM Head Office has identified the sources of GHG emissions for the entire Group and set numerical targets.

We aim to achieve net zero CO₂ emissions from our business activities by 2050 and have set the following targets for FY2030.

- (1) Reduce GHG emissions by 50.5% from FY2018 by FY2030.

- (2) Reduce emissions basic unit by 45% from FY2018 by FY2030.

- (3) Promote the shift to renewable energy with the goal of 100% implemented by FY2050.

We have set the following targets for 2030 on the effective use of resources.

- (1) Increase the water recovery/reuse rate by 5.5% from FY2019 by FY2030.
- (2) Aim to achieve zero waste emissions by 2030 on the consolidated basis in Japan and outside of Japan.

Column Taking on challenges for the future: Reducing Environmental Impact

Developing products that are better for the environment and for society

I provide proposals for modules that consider the design of customers' products and integrate components from various fields. Last year, I had the opportunity to make a presentation at an academic conference in Europe, and I find it rewarding to be involved in a field that attracts attention worldwide.

SiC, a product that ROHM is currently focusing on, embodies ROHM Group's Environmental Vision, as it features the ability to significantly reduce power loss and increase the efficiency of power conversion, with some data showing that power loss can be reduced by as much as 50% in DC/DC converters for solar power generation. At present, I am developing SiC mold modules for the main engine inverters of EV, and I am also quantitatively evaluating how much the performance of the inverters improves when using ROHM's SiC compared to Si. I feel proud that my work is creating something that is better for the environment and helping to improve society.



Kotaro Shibata
Engineer
SiC Module Development Group, Power
SiC Product Development Department
High Power Device Division

Basic Policy

ROHM strives to ensure a safe and pleasant working environment, respect human values and individuality, and create a fair and appropriate workplace where each employee may demonstrate individual initiative. In order to do so, it is important to provide an environment where employees with various lifestyles and in various stages of their life can work and achieve results. By enhancing

engagement with employees, ROHM will cultivate a corporate culture where everyone can take on challenges without fear of failure and maintain a workplace environment that promotes a pioneering spirit.

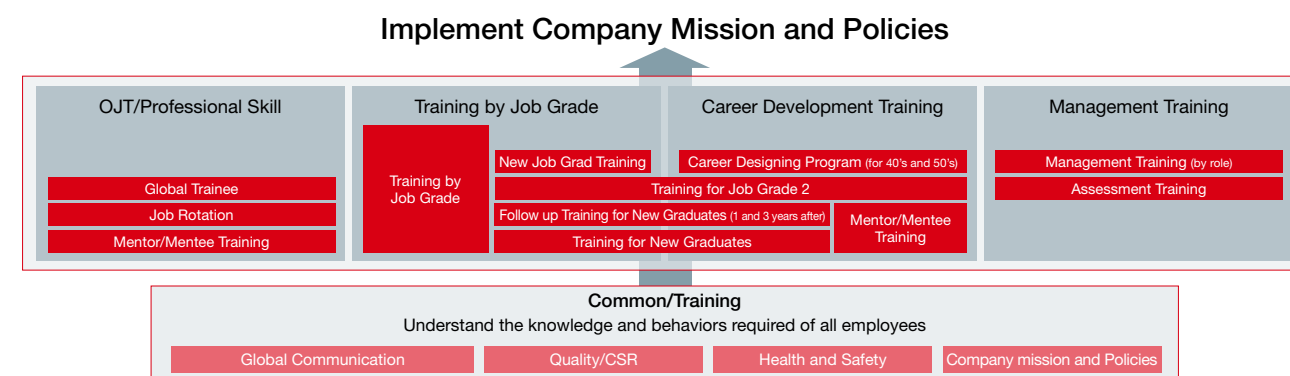
Human Capital Management ➡
<https://csr.rohm.com/human-capital/>

Strategy for Hiring and Developing Human Resources that Achieves Sustainable Growth

Education and Training System

ROHM defines the human resources that should be developed via education and training in Basic Goals for Education and Training, as part of the Company Mission and Policies in the universal principles of ROHM that have existed since the founding of the company. With the aim of putting our company mission and policies into practice, ROHM has built an education and training system based

on the four topics of OJT and specialist education programs, training by job grade, career development training, and management training, and this system provides employees with various educational opportunities. Furthermore, we support employee efforts for enhancing their career, such as obtaining qualifications, studying online, and going on overseas language study programs.



Hiring and Cultivating Global Human Resources

In order to further expand our global business, ROHM promotes hiring without regard to nationality, of people with technical and specialized knowledge that ROHM needs in the fields of research, technology, sales, and management. This involves hiring a certain number of foreign nationals each year, with a focus on students from abroad.

As the economy globalizes, it has become essential to accept the different backgrounds and values of different regions in order to generate new value for society. In order to develop global human resources that can contribute to the international community, we strive to maintain an education and training system and provide opportunities for employees to grow while learning. In 2010, ROHM established a system for receiving human resources from group companies outside of Japan, and to date we have received more than 100 employees mainly from China and ASEAN regions. In FY2015, ROHM adopted a global trainee system that enables young employees to experience different work at a group company outside of Japan for one year. With these systems, ROHM aims to discover and cultivate human resources who can think on their own from a global perspective and have a pioneering spirit.

Specialist System

We certify professional employees (those that do not have subordinates and work on increasing their specialization) that are recognized inside and outside the Company to have a particularly high level of specialization as Specialists in their field. The system clarifies the career path of such employees as leading experts in their field so that they can be aware of their role and expectations for their future. This helps increase motivation for improving knowledge and expertise, and thereby contributes to the further growth of employees and the company.

Promoting the ROHM Corporate Philosophy

Since 2011, to enable all ROHM employees, whether in Japan or overseas, to understand our Company Mission and Policy of "Quality is our top priority at all times" as a common language and to play an active role aiming toward a common goal wherever in the world they may be, ROHM has provided employees with training to instill our corporate principles. Workshops on the Company Mission and Basic Management Policy have been completed for core employees and now voluntary training for instilling corporate principles is continuing at the respective bases around the world. To date, a total of 14,898 employees have participated in the workshops.

Diversity & Inclusion

ROHM has manufacturing sites and sales offices around the world, and our employees have many different nationalities. We believe that employees with diverse backgrounds coming together to work as a team leads to corporate innovation, and can help solve social issues and improve corporate value. At ROHM, we focus on five fields for promoting diversity and inclusion.



Women's Active Participation

Not only is ROHM constructing systems and fostering corporate culture that supports women's employment, we are also providing support for working women in terms of career formation and various other aspects. We conduct various forms of training, including training for employees, training for department managers, and training for

superiors.

ROHM formulated an action plan targeting the period from April 2019 to March 2022 for promoting the active participation of women and supporting the raising of the next generation. By implementing various initiatives to achieve these goals, we aim to achieve working styles that reflect diverse values.

Active Participation by Employees Over 60

Assets such as the experience, skills, and human networks that seniors have cultivated over their long careers both inside and outside the company are precious assets for ROHM. We have launched a job posting system for seniors, and enhance our organizational system to enable seniors to take on challenges, actively participate, and continue to be productive.

Empowerment of People with Disabilities

ROHM strives to realize a workplace environment that enables employees with disabilities to demonstrate their capabilities, and also proactively endeavors to hire and promote the participation of people with disabilities. As of March 2020, the employment rate for people with disabilities was 2.38% (for the ROHM Group overall), exceeding the legally required employment rate (2.30%).

Promoting Health and Productivity Management Reform

At ROHM, we believe that the promotion and establishment of a concept of work-life integration that enriches both working lives and private lives will increase the happiness of our employees and lead to improved company productivity and growth. An important challenge for ROHM is to creating an environment that increases employee performance by enabling each and every employee to work flexibly and healthily in line with their lifestyles, the situations they find themselves in, and their values. ROHM promotes working style reforms and adopts various systems such as teleworking and course conversion, so that every employee can flexibly work according to their chosen lifestyle and the stage of life that they are in.

To ensure the safety of all employees, enhance and

maintain their health, and promote comfortable working environments, various activities based on ROHM's health and safety policies are being implemented by the following six specialized subcommittees and two committees under the Central Safety and Hygiene Committee. These efforts have been recognized, with ROHM receiving accreditation as an outstanding organization for four consecutive years by the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category), an honor bestowed jointly by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi.



Column Taking on challenges for the future: Achieving Diverse Working Styles

Changing systems to enable flexible working styles

I have two children, and each year changes to the company systems have made it easier to bring up my children. Now we can select the time that we want to start and finish working, work shorter days divided into 15-minute intervals, and extend maternity leave, which means that most people take maternity leave and childcare leave before returning to work. I hope that men will also actively make use of these systems in the future.

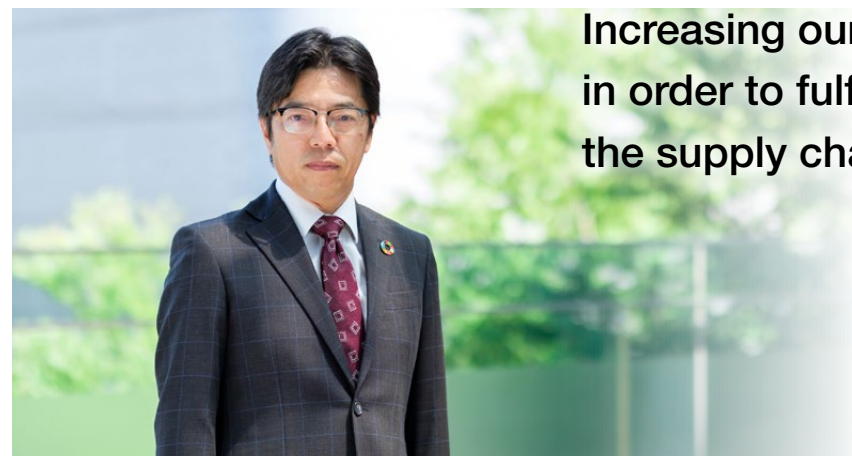
The widespread adoption of remote working last year has meant it is no longer necessary to shorten days working at home by the amount of time used for commuting. At first, I thought that remote working might make communication more difficult, but Web conferencing has enabled us to easily conduct meetings, even with employees overseas. We can talk to our heart's content, which has actually made it easier to work.

The department that I belong to often interacts with people overseas, and we communicate in English. Since the company offers support systems that enable me to take various lessons, I think I might take this opportunity to brush up on my English skills.



Eriko Yoshimura
 Supervisor
 KTC Layout 2G
 Layout Department, LSI Design
 Solution Division
 LSI Business Unit/Technology
 Development Segment

ROHM Procurement Actions



Increasing our sensitivity to risks in order to fulfill our responsibility in the supply chain

Koji Yamamoto

Member of the Board, Senior Corporate Officer,
Director of Supply Chain Management
Headquarters,
Director of Administrative Headquarters and in
charge of Sustainability

Accelerating Risk Response and Refining Procurement

With the increasing oligopolization of the semiconductor industry and the strong need for customization in the materials used by ROHM, it is not easy to find multiple sources for all our materials. That is why we are refining our stock management processes and encouraging our engineers to use multi-use materials in order to move forward with our business. We are also working on building trusted relationships with suppliers so that we can receive supplies regardless of the economic trends that may arise. We believe that by increasing profit with more refined and efficient procurement, we can fulfill the ROHM mission of contributing to society, via growth in sales.

Information is critical to procurement activities. We maintain a system that enables us to check the impact on

delivery when an issue arises and share information with business divisions and manufacturing departments before the situation turns into a major problem, so that they can respond to any risks in advance.

During the period of this Medium-Term Management Plan, I would like to create a system that enables us to immediately identify when and what kind of impact problems will have on our customers. With the situation changing on a daily basis, it is necessary to obtain information quickly and more accurately. By sharing information between the head office and our manufacturing plants, we will be able to swiftly respond to risks such as material shortages.

Procurement Policy

Providing the world with a stable supply of high-quality products for meeting the needs of society requires the establishment of a robust procurement system, and in order to achieve this, it is essential to build strong relationships with our business partners. ROHM recognizes the importance of these business partners, and aims to achieve sustainable procurement and build a healthy supply chain based on relationships of trust and cooperation. We conduct procurement activities based on the five policies indicated on the right.

1. Mutual reliability and prosperity
2. Fair and equal footing trade
3. Fair selection
4. Proper evaluation and distribution for added value of products and services
5. CSR procurement

ROHM Group Procurement Policy ➡

<https://www.rohm.com/company/procurement/policy>

CSR Procurement

ROHM adopts the Code of Conduct of the RBA in order to aim for healthy and sustainable procurement activities. When selecting business partners, we make decisions based on rational standards such as quality, price, delivery time, stable supply, the environment, finance, human rights, and ethics. We distribute CSR Procurement Guidelines, which describe the ROHM Group concept of CSR procurement in detail, to all of our business partners,

and request them to promote activities based on those guidelines. In order to check the status of achieving CSR activities at our business partners, we request them to conduct an annual self-assessment on items including labor (including human rights), health and safety, the environment, ethics, management systems, and procurement BCP. In FY2020, 81% of our 1,538 domestic and overseas business partners achieved a high score (of A or A-).

We have also established a compliance hotline for our business partners, which enables them to consult or report on compliance problems regarding business transactions. When used for the legitimate purpose of whistleblowing, whistleblowers shall not be subject to any disadvantageous treatment.

In January 2021, ROHM announced a Partnership Building Declaration to promote fair and ethical transactions with business partners by striving for “coexistence and co-prosperity of the entire supply chain and new cooperation that transcends scale and affiliates”, and

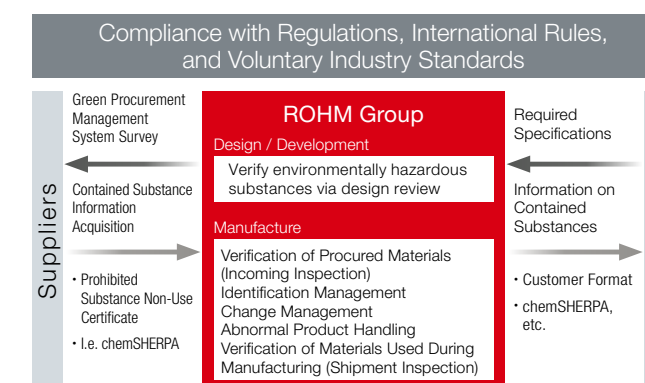
compliance with promotion standards*

* Desirable business practices between a parent enterprise and its subcontractors. At ROHM, this focuses on five fields of business practice optimization (1. Optimization of price determination method, 2. Optimization of type management, 3. Thorough implementation of the principle of cash payment, 4. Protection of intellectual property and know-how, 5. Do not impose a burden on the supply chain when advancing our work style reform such as long working hours, short delivery time, etc.)



Management of Chemical Substances Contained in Products

In order to contribute to the realization of a sustainable society, ROHM complies with all environmental laws and regulations in Japan and overseas and customer requirements, such as by developing environmentally conscious products, and carries out initiatives to procure materials that minimize environmental impact. While regulations on product chemical substance management such as the EU RoHS Directive, EU REACH Regulations, and the China RoHS Directive are being further strengthened, we have established Green Procurement Standards and verified compliance with each regulation by accurately obtaining information on the chemicals contained in raw materials and parts.



BCP

ROHM has established a Risk Management and BCM Committee under the CSR Committee. This committee identifies, analyzes and supervises the major risks that may occur in the execution of the duties of the ROHM Group, verifies the activities of divisions in charge of risk supervision, and promotes the formulation of BCP in

order to implement all kinds of preliminary measures and preparations. The committee also implements measures for ensuring smooth business continuity and recovery in the event of an emergency, maintains a system for ensuring that customer business is not interrupted, and promotes initiatives for preparing substitute materials.

Occupational Health and Safety

The ROHM Group has manufacturing sites throughout the world. In order to ensure safe operation and the safety of factory employees, we operate a management system based on ISO 45001. This enables us to conduct

initiatives for achieving the ROHM health and safety objectives, including legal compliance, in order to reduce and manage risks to health and safety.

Column Quality Management Initiatives

Focusing on quality throughout the entire supply chain, from procurement to delivery

The “quality” in our basic philosophy of “Quality is our top priority at all times” is quality that includes everything from our worker environment to cost and delivery. I hope to collect on-site data and analyze that data based on statistical methods and want to connect it to improved quality, automation and labor-saving in work environments.

I joined ROHM in 2011, the same year as the severe flooding in Thailand, which caused great damage to the ROHM factory. At the time, I was involved with the work for moving production to the Philippines based on the BCP, and I felt that emergency response is a major part of such plans. ROHM has now launched a manufacturing line that can flexibly respond to high-mix low-volume production. By building a supply chain that meets our needs and purposes, and focusing on quality throughout the entire supply chain, from procurement to delivery, we will be able to respond to the requirements of our customers.



Masahiro Nakajima
Engineer
Procurement Quality Assurance Group
LSI Quality Control Department
AP Quality Control Division
AP Production Headquarters

Our Basic Policy

ROHM Group strives to pursue the best possible corporate governance in order to achieve our Company Mission and the Basic Management Policy.

In addition, based on the recognition that the company is supported by stakeholders including its customers, business partners, employees, shareholders, investors, and local communities, we believe that corporate management and actions must be rooted in fairness, soundness and transparency. Moreover, we have stated that the basic idea of corporate governance is to maximize sustainable corporate growth and medium- to long-term corporate value. We are working to enhance corporate governance in accordance with the following basic policy.

Basic Policy

1. Properly cooperate with all stakeholders beginning with shareholders, and to address and to deal with ESG (environmental, social, and governance) issues.
2. Respect the rights of shareholders, secure their equal treatment, and engage in constructive dialog with shareholders.
3. Disclose corporate information in a timely and appropriate manner as a part of ensuring our transparency.
4. Make the roles and responsibilities of the Board of Directors clear, hold meetings of the Board of Directors in a timely and appropriate manner, facilitate decision-making processes, and ensure that outside officers proactively express their views from an independent and objective standpoint and that the Board of Directors oversees the execution of business.

Reforming and Enhancing Governance

ROHM works on reforming and enhancing governance, based on the recognition that corporate governance is one of the most important issues facing management. After becoming a company with an Audit and Supervisory Committee in 2019, we have enhanced our monitoring

functions to improve the objectivity and transparency of management, and along with the introduction of a corporate officer system, we are promoting the creation of an organization that is more capable of swift decision making.

Change through Governance Reforms

	1981-2000	2001-2010	2011-2017	2018	2019	2020	2021
Policy	1981 Establishment of Board Rules		2015 Formulation of the ROHM Corporate Governance Policy, "Independence Standards for Outside Officers", and "Criteria for the Selection of Director Candidates"	2018 Revision of the ROHM Corporate Governance Policy			2021 Formulation of a policy for determining individual remuneration, etc. for directors
Outside director		2008 Appointment of an outside director	2011 Appointment of multiple outside directors		2019 Appointment of a female director		2021 Selection of outside directors with management experience
Outside auditor		2001 Five outside auditor system					
Introduction of system			2012 Launch of the Director Remuneration Council	2016 Introduction of Board of Directors Effectiveness Evaluations	2019 ROHM becomes a Company with an Audit and Supervisory Committee	2019 Establishment of the Executive Meeting	2020 Introduction of a system for transfer-restricted stock-based remuneration
Various committees			2007 Launch of the "Compliance Committee" Establishment of a whistleblowing system (Compliance Hotline)	2011 Launch of the "CSR committee"	2018 Launch of the Officer Nomination Council	2019 Introduction of the Corporate Officer system	

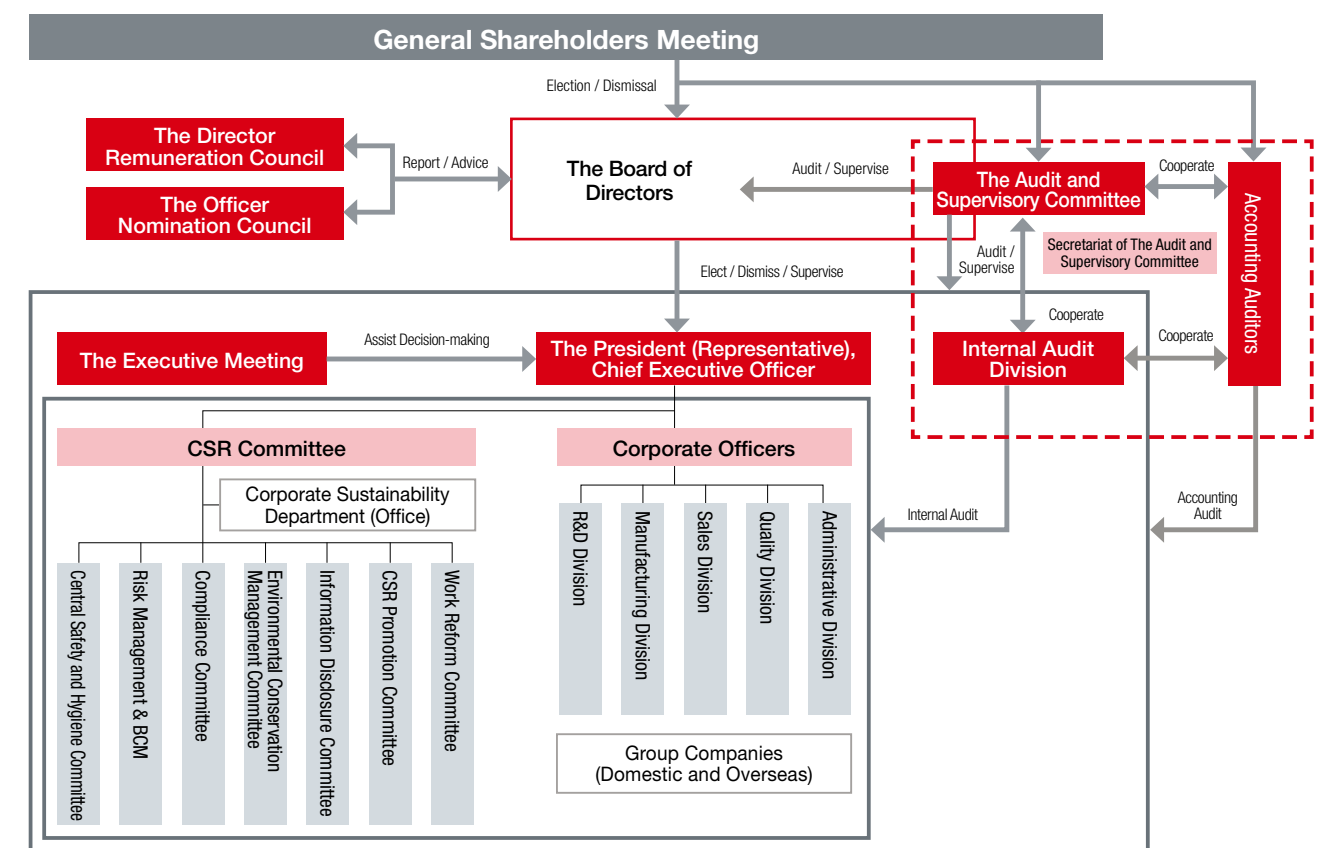
Corporate Governance System

In order to further enhance corporate governance and corporate value, ROHM has enhanced the supervisory function of the Board of Directors and has become a company with an Audit and Supervisory Committee, based on a resolution made at the General Shareholders Meeting held on June 27, 2019.

ROHM believes that in the semiconductor/electronic component industry, which is subject to drastic changes in the business environment, having directors who are well-versed in the business and technologies hold executive

powers and supervise each other is an effective way to ensure a swift and effective management system. At ROHM, the Board of Directors is composed of 11 directors (of which five are outside directors) and the Audit and Supervisory Committee is composed of five directors (of which four are independent outside directors), which means that independent outside directors make up more than one third of the Board of Directors. The Board of Directors makes decisions swiftly via constructive discussion based on a fair and transparent system.

Corporate Governance Chart



Members of Each Organization

Organization	Board of Directors	Audit and Supervisory Committee	Executive Meeting	Officer Nomination Council	Director Remuneration Council
Structure	<div> <div>Internal</div> <div>Outside officer</div> </div> <p>Chairperson</p> <p>11 directors (of which 5 are outside directors)</p>	<div> <div>Internal</div> <div>Outside officer</div> </div> <p>Chairperson</p> <p>5 Audit and Supervisory Committee members (of which 5 are outside directors)</p>	<div> <div>Internal</div> <div>Outside officer</div> </div> <p>President</p> <p>11 corporate officers (including directors)</p>	<div> <div>Internal</div> <div>Outside officer</div> </div> <p>Chairperson</p> <p>3 directors (of which 2 are outside directors)</p>	<div> <div>Internal</div> <div>Outside officer</div> </div> <p>Chairperson</p> <p>3 directors (of which 2 are outside directors)</p>
Number of times held in FY2020	15 times	14 times	15 times	8 times	8 times

Role of the Board of Directors/Reasons for Selecting Directors

The Directors have the knowledge, experience, and ability to effectively fulfill their roles and responsibilities, and in meetings of the Board make important decisions on the execution of business via constructive discussion on corporate strategy and management plans to ensure the sustainable growth of ROHM and improve our corporate value in the medium to long term.

Reasons for Selecting the Six Directors Who Are Not Audit and Supervisory Committee Members and Meeting Attendance in FY2020

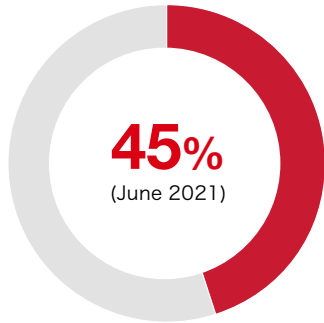
Name	Reasons for selection	Number of shares held	Meeting attendance in FY2020			
			Board of Directors	Audit and Supervisory Committee	Officer Nomination Council	Director Remuneration Council
Isao Matsumoto	Isao Matsumoto uses his abundant knowledge and experience from the Business Unit as well as a global perspective gained from experience overseas and contributes to improving the corporate value of the Group with strong leadership as President, and was therefore deemed suitable as a director.	3,802	15/15	-	7/7	7/7
Katsumi Azuma	Katsumi Azuma has attained an abundant knowledge and experience in quality improvement and production engineering primarily through the duties in production sections of semiconductors or electronic components, and he has superior ability in controlling and promoting business strategically, and was therefore deemed suitable as a Director.	2,722	15/15	-	1/1	1/1
Kazuhide Ino	Kazuhide Ino has attained an abundant knowledge and experience through the duties in technology development sections of Power device and electronic components and he has superior ability in carrying out ROHM Group's business strategically as CSO (Chief Strategy Officer), and was therefore deemed suitable as a Director.	1,176	11/11	-	-	-
Tetsuo Tateishi	Tetsuo Tateishi has attained highly specialized expertise and abundant experience as a developer, and he is familiar with a broad range of IC technologies and he has superior ability in carrying out ROHM Group's business strategically as CTO (Chief Technology Officer), and was therefore deemed suitable as a Director.	1,001	15/15	-	-	-
Koji Yamamoto	Koji Yamamoto has superior ability in carrying out about Supply Chain Management (SCM), Risk Management and Environmental Conservation based on an abundant knowledge and experience through the duties in development and production sections, and was therefore deemed suitable as a Director.	1,624	-	-	-	-
Tadanobu Nagumo	Tadanobu Nagumo has attained an abundant knowledge and experience acquired as a top executive of a listed company that operates globally and he has a proven track record of aggressively promoting global strategies. Additionally, as an engineer he has a high level of insight in the field of manufacturing. He is expected to contribute to further strengthening oversight of ROHM's execution of business from an independent standpoint, and to provide advice on the management of ROHM's business on a wide range of issues from an international and practical perspective, and was therefore deemed suitable as a Director.	-	-	-	-	-

Reasons for Selecting the Five Directors Who Are Audit and Supervisory Committee Members and Meeting Attendance in FY2020

Name	Reasons for selection	Number of shares held	Meeting attendance in FY2020			
			Board of Directors	Audit and Supervisory Committee	Officer Nomination Council	Director Remuneration Council
Masahiko Yamazaki	Masahiko Yamazaki has attained an abundant knowledge and experience through the duties in the administration sections such as general affairs, human resources and legal affairs and he has a proven track record of overall management of ROHM Group's Administration sections for many years and he was therefore deemed suitable as a director who is an Audit and Supervisory Committee Member.	6,401	15/15	-	8/8	8/8
Hiroyuki Nii	Hiroyuki Nii is expected to be able to utilize his knowledge and insight through long-time experience at a financial institution as well as a global perspective nurtured through overseas assignments and abundant experience as a full-time Company Auditor and full-time Audit and Supervisory Committee Member of the Company to coordinate with the Internal Audit Department and to strengthen audit and supervisory functions of management from an independent perspective, and was therefore deemed suitable as an outside director who is an Audit and Supervisory Committee Member.	1,700	15/15	14/14	8/8	8/8
Hidero Chimori	Hidero Chimori is expected to be able to utilize professional knowledge and experience, wide insight as an attorney-at-law to ensuring the proper decision-making of the Board of Directors and to strengthen audit and supervisory functions of the Board of Directors from an independent perspective, and was therefore deemed suitable as an outside director who is an Audit and Supervisory Committee Member.	300	15/15	14/14	8/8	8/8
Toshiro Miyabayashi	Toshiro Miyabayashi is expected to be able to utilize his professional knowledge, experience, and wide insight as a certified public accountant to ensure the fairness and transparency of decision-making in the Board of Directors and strengthen the audit and supervisory functions of management from an independent perspective, and was therefore deemed suitable as an outside director who is an Audit and Supervisory Committee Member.	-	14/15	14/14	-	-
Kumiko Tanaka	Kumiko Tanaka is expected to be able to utilize her professional knowledge and experience as a certified public accountant as well as a global perspective nurtured through overseas assignments to ensure the fairness and transparency of decision-making in the Board of Directors and strengthen the audit and supervisory functions of management from an independent perspective, and was therefore deemed suitable as an outside director who is an Audit and Supervisory Committee Member.	-	15/15	14/14	-	-

Outside Directors

Percentage of outside directors in Board of Directors



Continuing from FY2019, in FY2020, too, five of the 11 directors were outside directors so again they accounted for 45% of all directors.
All five outside directors are independent officers with

Percentage of outside directors that are independent officers



no danger of a conflict of interest with general shareholders, and supervise and advise management from an independent perspective.

Independence Standards for Outside Officers

The Company appoints only persons who do not fall into any of the following categories of persons as its Outside Officers.

1. A major shareholder of the company or a person who executes the business of the Company

(a) A major shareholder means a shareholder holding at least 10% of the total voting rights of the Company

(b) A person who executes business means a director, an executive officer, a member or an employee of the Group
2. A person who executes the business of a company of which the Company is a major shareholder
3. A major customer of the Group or a person who executes the business of that major customer

A major customer means a company whose payments account for over 2% of annual consolidated sales of the Company.
4. An organization for whom the Group is a major customer or a person who executes the business of said organization

An organization for whom the Group is a major customer means a company with over 2% in annual sales coming from the Company.
5. A consultant, accounting expert or legal expert who, in addition to director's remuneration, receives money or other assets exceeding a certain amount from the Group (if an organization receives the said assets, then a person who belongs to the said organization)

A certain amount means ten million yen per year for an individual and over 2% of total revenue for an organization.
6. A person who receives donations or grants exceeding a certain amount from the Group (if the recipient of the said donations or grants is an organization, the director of that organization or a person who executes the business of that organization)

A certain amount means over ten million yen per year.
7. A partner, member or employee of the Independent Auditors of the Company
8. A person who executes the business of a major lender to the Company

A major lender of the Company means a lender from which an amount exceeding 2% of total consolidated assets of the Company is borrowed.
9. A person who fell into any of the categories described in 1 to 8 above in the last three years
10. An organization a director of whom comes from the Group or a person who executes the business of said organization
11. The spouse of an important person who executes the business of the Group or a relative of that person within the second degree of relationship

An important person who executes business means a director (excluding outside directors) or a person in the senior management position of general manager or above.

Director Remuneration Council and Officer Nomination Council Established

With regard to the remuneration and nomination of officers, in order to increase independence, objectivity, and transparency, ROHM has an Officer Nomination Council and Director Remuneration Council—the majority of whose members are independent outside directors—as advisory bodies to the Board of Directors.
The Director Remuneration Council discusses the director remuneration system and the remuneration for each director based on that system, reports the outcomes of discussions regarding directors who are not Audit and Supervisory Committee members to the Board of Directors, and reports the outcomes of discussions regarding

directors who are Audit and Supervisory Committee members to the Audit and Supervisory Committee.
The Officer Nomination Council discusses matters such as the appointment/dismissal of the president, Directors with title, and Corporate Officers with title (excluding senior corporate officers) and nominations of director candidates, and reports the outcomes of these discussions to the Board of Directors.
Both councils have three members: President Isao Matsumoto, who chairs the councils, and outside directors Hidero Chimori and Tadanobu Nagumo.

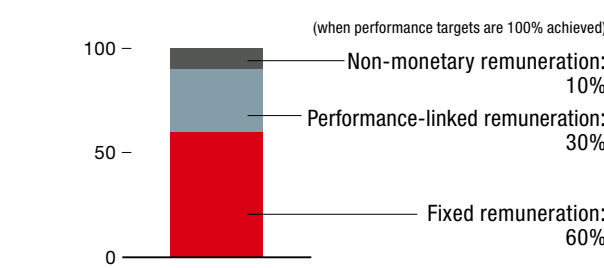
Officer Remuneration

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

	Executive Director	Independent Outside Director
Fixed remuneration	Paid in cash monthly according to position and responsibilities	Paid in cash monthly
Performance-linked remuneration	Calculated according to the level of achievement of the Company's consolidated net sales and operating profit targets for the immediately preceding period	—
Non-monetary remuneration (stock remuneration)	Introduction of a system for transfer-restricted stock-based remuneration (June 2020)	—

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

Percentage (%) of fixed remuneration, performance-linked remuneration, and non-monetary remuneration



Total director remunerations in FY2020

Category	Total remunerations (million yen)	Total remunerations by type (million yen)			Number of target officers
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (of which is for outside directors)	300(12)	184(12)	87(—)	28(—)	9(1)
Directors who are Audit and Supervisory Committee Members (of which is for outside directors)	56(56)	56(56)	—(—)	—(—)	4(4)
Total (of which is for outside directors)	357(68)	240(68)	87(—)	28(—)	13(5)

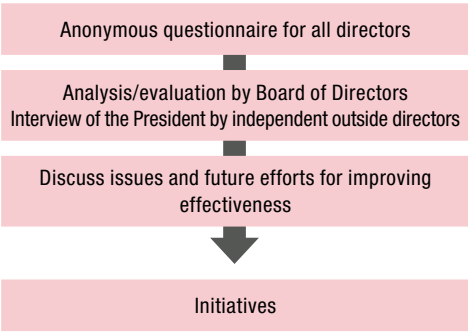
Notes: 1. The above table includes two directors that retired at the conclusion of the 62nd Annual General Meeting of Shareholders held on June 26, 2020.
2. The amount of remunerations paid to directors does not include the amount of employee salaries paid to employee directors.

Evaluation of Effectiveness for the Board of Directors

ROHM believes that in order to continually improve corporate value, it is important for the Board of Directors to adequately exercise its duties and enhance governance, and that is why we introduced “Evaluation of Effectiveness for the Board of Directors” in 2016. Since introducing this

system, each Officer is given a questionnaire evaluating the effectiveness of the Board of Directors every year. Based on those results, the Board of Directors analyzes and evaluates the effectiveness of the previous year's Board of Directors through discussion, and strives to improve its effectiveness.

Effectiveness Evaluation Process



Evaluation items (15 to 22 questions)

- (1) Operation of the Board of Directors (agenda, meeting frequency, materials on proposals, open and lively discussions, duration of deliberation, reporting of results, etc.)
- (2) Roles and functions of the Board of Directors (appropriate decision-making, supervisory function for overall management, size, diversity, etc.)
- (3) Roles and responsibility of Directors (roles and responsibility of Outside Directors, information sharing and opinion exchanges among Outside Directors, etc.)
- (4) Improvements made since last year (improvements regarding issues with low average scores in last year's questionnaire)
- (5) Functions and operation of the Director Remuneration Council and the Officer Nomination Council (agenda, meeting frequency, duration of deliberation, etc.)

Evaluation Results of FY2020 and Measures for FY2021

FY2019 Evaluation Results	<ul style="list-style-type: none">• In FY2019, the Board of Directors again received a good evaluation for continuing to make decisions appropriately through approval of the execution of important operations by meeting on an adequate schedule with an adequate frequency and appropriately reporting on the progress and results of previously decided projects.• Improvements are required in the timing for the distribution of information and in securing adequate time for discussions.• There is further room for improvement regarding the topic of whether the director remuneration system functions as a healthy incentive for continuous growth.
Efforts in FY2020	<ul style="list-style-type: none">• Under the leadership of the new president, we thoroughly debated the ideal form of the Board of Directors, governance improvements, and the roles and administration of each meeting.• We introduced a system for transfer-restricted stock-based remuneration so that the director remuneration system will function as a healthy incentive for continuous growth, comprehensively reviewed the director remuneration system, and formulated a policy for determining the remunerations for each individual director.• Via the formulation of a Medium-Term Management Plan, the Board of Directors held deep discussions on the vision for ROHM in 5 to 10 years' time, and the growth strategy and other measures for achieving that vision.
Evaluation Results of FY2020	<p>Upon evaluating the efforts in FY2020, the Board of Directors was rated highly overall because it was generally effective.</p> <ul style="list-style-type: none">• In FY2020, we confirmed that the Board of Directors continued to make decisions appropriately through approval of the execution of important operations by meeting on an adequate schedule with an adequate frequency and appropriately reporting on the progress and results of previously decided projects.• The effectiveness of the Board of Directors was also rated highly due to it maintaining the fairness and transparency of management via its role in supervising the overall management of ROHM, fulfilling its functions for formulating the Medium-Term Management Plan and achieving the Management Vision and President Policy, and ensuring that the Officer Nomination Council and Director Remuneration Council are functioning appropriately.
Challenges for FY2021	<p>Based on an analysis/evaluation of the results of the questionnaire by the Board of Directors and an interview of the President by independent outside directors, we discussed future efforts and challenges for improving the effectiveness of the Board of Directors, and exchanged opinions regarding the ideal state of the Board of Directors and further governance improvements.</p> <p>As a result of these discussions, we recognized that there is room for further improvement regarding the structure and diversity of the Board of Directors, the timing for the distribution of information, and the improvement of prior explanations given to promote the understanding of outside directors.</p>

Constructive and Proactive Dialog with Shareholders and Investors

ROHM believes that appropriately disclosing information to shareholders and investors at the right time and promoting bidirectional communication can contribute to the continuous improvement of corporate value. That is why we built an IR system and actively communicate with our shareholders and investors.

Various IR Activities and IR Events for Responding to the Needs of Diverse Shareholders

ROHM holds various IR events for responding to the diverse needs of a wide variety of shareholders. In addition to financial results briefings for analysts twice a year, we communicate with our shareholders and investors throughout the entire year by visiting overseas investors, holding company information sessions for individual investors, etc.

Due to the recent interest in ESG, we also proactively hold ESG meetings that focus on ESG.

Energizing the Shareholders Meeting and Simplifying the Exercise of Voting Rights

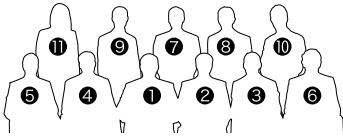
The measures taken to simplify the exercise of voting rights include producing English translations of the notices of convocation of shareholders' meetings, posting these translations on the website and investor platform website, and the acceptance of exercise of voting rights via the internet. ROHM has also focused on IR activities and promotion of exercise of voting rights based on foreign shareholder identification surveys.

At the General Shareholders Meeting, not only do we discuss the prescribed reports and resolutions, but we also have videos on business performance and market trends, and explanations of management policy, work to promote bidirectional communication by projecting answers to frequently asked investor questions on a screen.

Furthermore, from this year we have started posting videos of part of the General Shareholders Meeting on our website so that more stakeholders have a chance to see it.

List of Officers

Management Team



Member of the Board

Position	Name
1 President	Isao Matsumoto
2 Member of the Board	Katsumi Azuma
3 Member of the Board	Kazuhide Ino
4 Member of the Board	Tetsuo Tateishi
5 Member of the Board	Koji Yamamoto
6 Member of the Board (Outside)	Tadanobu Nagumo
7 Member of the Board, Audit and Supervisory Committee Member (Full Time)	Masahiko Yamazaki
8 Member of the Board (Outside), Audit and Supervisory Committee Member (Full Time)	Hiroyuki Nii
9 Member of the Board (Outside), Audit and Supervisory Committee Member	Hidero Chimori
10 Member of the Board (Outside), Audit and Supervisory Committee Member	Toshiro Miyabayashi
11 Member of the Board (Outside), Audit and Supervisory Committee Member	Kumiko Tanaka

Corporate Officer

Position	Name	Role
President, Chief Executive Officer	Isao Matsumoto	CEO
Senior Managing Executive Officer	Katsumi Azuma	COO
Managing Executive Officer	Kazuhide Ino	CSO and Director of Accounting & Finance Headquarters
Senior Corporate Officer	Tetsuo Tateishi	CTO
Senior Corporate Officer	Koji Yamamoto	Director of Supply Chain Management Headquarters, Director of Administrative Headquarters and in charge of Sustainability
Corporate Officer	Masayuki Yagi	In charge of System Solutions Engineering Headquarters and Japan/International Sales Headquarters
Corporate Officer	Tetsuo Aoki	Director of Sales Innovation Headquarters
Corporate Officer	Hiroshi Kanegae	Director of AP Production Headquarters
Corporate Officer	Syoji Higashida	Group General Manager of WP Production Headquarters
Corporate Officer	Akio Fujikawa	Group General Manager of LSI Business Unit
Corporate Officer	Takashi Miki	Group General Manager of Corporate Quality Headquarters

Director Skill Matrix

ROHM identifies the skills (such as knowledge, experience, and abilities) required of the Board of Directors, and each director is expected to have skills in the following fields in particular.

Name	Fields								
	Corporate management	Governance/risk management	Globalization	Finance/accounting	M&A	Innovation/technology	Legal affairs/compliance	Semiconductor industry	Human resource development
Isao Matsumoto	●	●	●	●	●	●	●	●	●
Katsumi Azuma	●	●	●	●	●	●	●	●	●
Kazuhide Ino	●		●	●	●	●		●	
Tetsuo Tateishi	●		●		●	●	●	●	●
Koji Yamamoto	●	●	●				●	●	●
Tadanobu Nagumo	●	●	●	●	●				●
Masahiko Yamazaki		●					●		
Hiroyuki Nii		●	●	●					
Hidero Chimori		●					●		
Toshiro Miyabayashi		●		●					
Kumiko Tanaka		●	●	●					

Message from a Newly Appointed Outside Director

I will make the most of my experience and knowledge to ensure we can pour even greater effort into automotive and overseas markets

I was involved in the development of tires for roughly 23 years after I joined The Yokohama Rubber Co., Ltd. in 1969, in a variety of roles from the factory floor to technology and manufacturing positions. In 2004, I was appointed President and Representative Director of Yokohama Rubber, and contributed to a significant improvement in sales and operating income. From 2006 to 2008, I served as chairman of The Japan Automobile Tire Manufacturers Association, and from 2014 to 2018, I served as chairman of The Japan Rubber Manufacturers Association.

Recently, the COVID-19 pandemic has greatly impacted our lives and society. While ROHM is also focusing resources on partially automated lines and introducing remote working styles, going forward it will also be vital to flexibly work to ensure the capacity to respond to various social changes.

In recent years, following on from the migration overseas of the domestic Japanese automobile market, parts manufacturers have also been expanding overseas, and the percentage of their overseas production and sales is also increasing. Under these market conditions, it is very important,

under future strategies, to aggressively expand into overseas markets. As we recently announced in our Medium-Term Management Plan, ROHM is also focusing even greater resources into the automobile and overseas markets.

ROHM's business activities are supported by many stakeholders. Sustainable growth is impossible without the support of stakeholders, and to grow sustainably as a company, it is necessary to take a stance of growing together with customers, business partners, and employees.

To support ROHM's sustainable growth together with everyone, I will make various proposals utilizing my experience in the automobile market and knowledge overseas and will fulfill my duties as an Outside Director.

Tadanobu Nagumo

Member of the Board (Outside Director)



Profile

Apr. 1969	Joined The Yokohama Rubber Co., Ltd.	Jun. 2015	Outside Director of The Zeon Corporation (Current Position)
Jun. 1999	Director of The Yokohama Rubber Co., Ltd.	Mar. 2016	Chairman and Representative Director of The Yokohama Rubber Co., Ltd.
Jun. 2004	President and Representative Director of The Yokohama Rubber Co., Ltd.	Mar. 2019	Senior Advisor of The Yokohama Rubber Co., Ltd.(Current Position)
Jun. 2011	Chairman and CEO and Representative Director of The Yokohama Rubber Co., Ltd. Outside Company Auditor of The Zeon Corporation	Jun. 2021	Outside Director of ROHM Co., Ltd. (Current Position)

Basic Policy

ROHM fulfills its social responsibility and complies with laws, international standards of conduct, business ethics, and in-house rules to continue to maintain the trust of various stakeholders related to its business activities—from customers to business partners and local communities.

ROHM takes responsibility and is aware that a company is a public institution of society. Thus, it thoroughly

manages risk of legal violations and business ethics violations by establishing a compliance system in accordance with the ROHM Group Basic Ethics Policy and the ROHM Group Business Conduct Guidelines.

ROHM Group Compliance: ➡

<https://csr.rohm.com/foundation/compliance.html>

Promotion Structure

ROHM has established a Compliance Committee under the CSR Committee to promote compliance throughout the Group. The Committee is chaired by a director and committee members comprise the heads of related departments. Meetings are also attended by an outside director who is a member of the Audit and Supervisory Committee as well as the head of the Internal Audit Division as observers.

We work to prevent the risk of violation of laws and regulations by ensuring we are aware—and are appropriately complying and adapting to applicable new requirements—of the establishment and/or revision of new and

existing laws and regulations applicable to ROHM. Additionally, in accordance with the Responsible Business Alliance (RBA) Code of Conduct, we are working to comply with business ethics. ROHM head office manages the entire group through our labor and ethics management system for risks and issues in labor and business ethics. Under this system, we identify important issues related to business ethics, and promote and strengthen compliance through appropriate countermeasures, internal and external audits, and continuous improvement.

ROHM Group Business Conduct Guidelines

ROHM translates its Business Conduct Guidelines, which clarify basic ethical rules that must be observed in daily business activities, into seven languages and promotes their use at all Group companies. We also work to

increase and ensure compliance through opportunities for employee education at the company, such as workshops and e-learning, and through awareness-raising activities.

Education and Training

To ensure thorough compliance with business ethics, it is important to raise the level of compliance literacy of every employee. To disseminate and raise awareness of compliance, ROHM regularly conducts employee education and awareness raising activities such as e-learning on

labor and ethics, as well as legal e-learning on competition law and contracts. We also hold compliance training for each level according to the grade and role of employees, which increases the understanding and knowledge of the rules that each level should comply with.

Whistleblowing System

At ROHM we distribute a ROHM Compliance Card that outlines the compliance items all employees must comply with. This card also contains information on an external legal office that serves as the contact point for the hotline—which accepts reports and consultations regarding compliance violations from all ROHM Group domestic employees, including non-regular employees.

Compliance hotlines have also been established at all affiliated companies overseas. Internal regulations have been established to ensure the whistleblowing system is operated appropriately and to ensure those who report to

or consult the hotline are not treated disadvantageously due to whistleblowing. In FY2020, there were ten cases received in the whistleblowing system.



Basic Policy and Promotion System

With the diversification of risks facing companies due to economic globalization and social changes, ROHM considers all phenomena that may hinder the work and business performance if they occur to be “risks.” In addition to working to minimize such occurrences, we also implement measures to ensure that it will be possible to either continue or restore the business smoothly even if disasters or similar events do occur.

The Risk Management and BCM Committee—established under the CSR Committee; and with the participation of internal divisions from across the Group such as R&D, production and management—identifies, analyzes and supervises the major risks that may occur in the execution of the duties of the ROHM Group. The

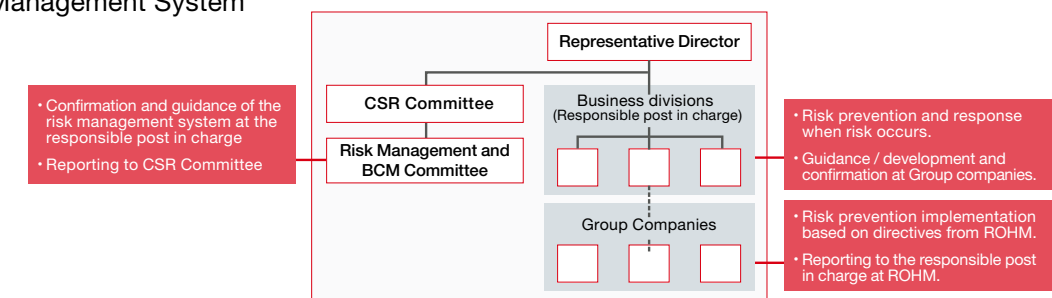
committee also verifies the activity status of each department in charge of risk, formulates business continuity plans (BCP), and makes every effort to ensure that all proactive measures and preparations are made throughout the Company.

A crisis management office has been established in the General Affairs Department as an internal organization for eliminating antisocial forces from the Group. It coordinates and exchanges information with external specialist organizations such as the police, and rolls out and enforces specific measures to eliminate antisocial forces.

ROHM Group Risk Management: ➡

<https://csr.rohm.com/foundation/governance/risk-management.html>

Risk Management System



Information Security

ROHM has defined its policy on information security and confidential information management and works to implement thorough management. This management covers the confidential information that is obtained during business activities, third-party confidential information obtained from trading partners or customers, information affecting the privacy of related parties and personal information.

ROHM Group Information Security Policy (Excerpt)

1. It takes on effective data protection measures to the Divulging of information.
2. The System and Network where the business continuance is enabled under all situations are secured.
3. All employees should try to prevent the security accident of the Divulging of information etc.

We have established an information security management system for the entire group under the IT Headquarters at ROHM head office. We promote the appropriate management of information and reduce business risk, including obtaining and implementing ISO/IEC 27001 as part of our ongoing efforts to further improve our level of information security, and preventing leaks and eliminating unauthorized use of confidential information such as data deemed of importance to our business operations.

In FY2020, to continue our business operations under the COVID-19 pandemic, we distributed laptop computers to all employees and established work environments to

enable teleworking. We undertake information security measures necessary for teleworking, such as encryption of communication paths and data, and remote initialization in case an employee loses their device.

We are also conducting, due to the expansion of teleworking, online information security education for all employees to reaffirm the importance of information security.

ROHM Group Confidential Information Management Policy (Excerpt)

1. In using and managing confidential information, we will comply with various laws and regulations, guidelines set by countries and regions, contracts, and other social norms.
2. Under the direction of top management, we will establish and operate a confidential information management system.
3. We will take appropriate confidential information security management measures from human, organizational, technical, and physical perspectives.

Under the Confidential Information Management Committee, ROHM has established and operates a confidential information management system and is engaged in appropriate management of the confidential information of the Company and of other companies. The committee also implements ongoing education and awareness raising activities for all employees.

ROHM Group Information Security Policy: ➡

<https://csr.rohm.com/foundation/information-security.html>

	(Millions of Yen)										
For the Year:	'11/3	'12/3	'13/3	'14/3	'15/3	'16/3	'17/3	'18/3	'19/3	'20/3	'21/3
Net sales	341,885	304,652	292,410	331,087	362,772	352,397	352,010	397,106	398,989	362,885	359,888
Cost of sales	219,149	209,046	213,275	227,014	235,042	230,662	234,967	252,591	254,727	251,125	242,252
Selling, general and administrative expenses	89,999	89,253	80,056	80,437	88,929	88,099	85,215	87,510	88,352	82,269	79,146
Operating profit (loss)	32,736	6,352	-921	23,635	38,800	33,635	31,827	57,004	55,909	29,489	38,488
Profit (loss) before income taxes	19,400	-2,696	-52,414	40,179	55,239	31,537	32,377	46,512	60,923	38,018	40,512
Income taxes	9,524	13,374	9	8,056	9,897	5,835	5,927	9,247	15,454	12,362	3,478
Profit (loss) attributable to owners of parent	9,632	-16,106	-52,464	32,091	45,296	25,686	26,432	37,249	45,441	25,632	37,002
Capital expenditures	40,042	51,117	42,817	31,754	48,739	56,686	42,182	55,911	57,291	38,941	44,114
Depreciation and amortization	37,216	35,915	38,879	25,559	34,467	38,338	40,801	43,407	45,415	44,328	40,167

Per Share Information (in yen):

Net income (loss) per share	88.07	-149.41	-486.63	297.65	420.16	241.91	249.88	352.14	431.29	247.66	376.24
Diluted net income per share	—	—	—	—	—	—	—	—	—	244.90	363.93
Dividend per share	130	60	30	50	130	130	130	240	150	150	150

As of the end of Year:

Current assets	436,247	434,457	423,064	461,745	523,376	473,570	495,958	513,539	511,002	517,888	555,823
Current liabilities	64,333	74,337	55,750	52,954	69,660	62,352	69,050	78,055	76,174	62,367	73,379
Equity	668,778	634,280	613,647	663,387	752,433	706,251	725,452	751,877	766,754	715,479	769,490
Total assets	759,988	737,326	699,014	754,407	864,380	804,134	834,503	864,272	874,427	848,873	926,240
Number of employees	21,560	21,295	20,203	19,985	20,843	21,171	21,308	23,120	22,899	22,191	22,370

Note: 1. Certain reclassifications of previously reported amounts have been made to conform to the classifications used in the 2019 financial statements.

2. Diluted net income per share for the fiscal years ended March 31, 2019, 2018, 2017, 2016, 2015, 2014, 2011, and 2010 is not disclosed because there were no outstanding potentially dilutive securities and ROHM Co., Ltd. was in a net loss position for the fiscal years ended March 31, 2013 and 2012.

3. Effective April 1, 2010, ROHM Co., Ltd. and its consolidated subsidiaries applied a new accounting standard for asset retirement obligations. The effect of this change was to decrease "Operating profit" by 73 million yen and "Profit before income taxes" by 784 million yen for the year ended March 31, 2011.

4. Effective from the fiscal year ended March 31, 2019, ROHM Co., Ltd. and its consolidated subsidiaries applied a new accounting standard for asset retirement obligations. The effect of this change was to apply "Partial Amendments to Accounting Standard for Tax Effect Accounting" (SBJ Statement No. 28; February 16, 2018) and change the accounting method to show deferred tax assets under the category "Investments and other assets" and deferred tax liabilities under the category "Fixed liabilities".

5. Effective from the fiscal year ended March 31, 2020, ROHM Co., Ltd. and its subsidiaries applied a new accounting standard as follows. With the exception of the United States, subsidiary companies located overseas have applied the IFRS No. 16 "Lease" (January 13, 2016) from the relevant period, and as a general rule, borrowers recognize all leases as assets or debts. With regard to application of the relevant accounting standard, a method for recognizing the cumulative impact on the date on which the standard was applied has been adopted in accordance with transitional treatment.

Consolidated Balance Sheet

(Millions of Yen)

Assets	'20/3	'21/3
Cash and deposits	298,296	261,292
Notes and accounts receivable - trade	74,834	86,287
Electronically recorded monetary claims - operating	5,604	6,043
Securities	17,427	58,138
Merchandise and finished goods	27,616	33,426
Work in process	48,352	52,811
Raw materials and supplies	35,753	42,522
Income taxes receivable	488	4,013
Other	9,639	11,402
Allowance for doubtful accounts	-123	-115
Total current assets	517,888	555,823
Buildings and structures	241,085	263,766
Accumulated depreciation	-169,849	-177,587
Buildings and structures (net)	71,236	86,178
Machinery, equipment and vehicles	586,018	607,487
Accumulated depreciation	-516,163	-545,385
Machinery, equipment and vehicles (net)	69,855	62,102
Tools, furniture and fixtures	51,267	53,935
Accumulated depreciation	-44,012	-47,460
Tools, furniture and fixtures (net)	7,255	6,475
Land	66,594	66,601
Construction in progress	26,207	21,691
Other	4,036	7,054
Accumulated depreciation	-1,401	-2,735
Other (net)	2,635	4,318
Total property, plant and equipment	243,784	247,367
Goodwill	1,391	1,093
Other	3,208	5,552
Total intangible assets	4,599	6,645
Investment securities	66,237	95,749
Net defined benefit asset	1,340	3,010
Deferred tax assets	4,862	8,156
Other	10,232	9,571
Allowance for doubtful accounts	-72	-83
Total investments and other assets	82,600	116,404
Total non-current assets	330,984	370,417
Total assets	848,873	926,240

(Millions of Yen)

Liabilities and Equity	'20/3	'21/3
Notes and accounts payable - trade	11,024	14,078
Electronically recorded obligations - operating	3,838	3,834
Accounts payable - other	20,803	23,778
Income taxes payable	3,990	3,671
Other	22,710	28,016
Total current liabilities	62,367	73,379
Bonds payable	40,935	40,735
Deferred tax liabilities	17,430	28,149
Net defined benefit liability	10,908	11,198
Other	1,752	3,286
Total non-current liabilities	71,026	83,370
Total liabilities	133,393	156,750
Net Assets	'20/3	'21/3
Capital stock	86,969	86,969
Capital surplus	102,403	102,403
Retained earnings	644,563	609,280
Treasury shares	-88,726	-39,947
Total shareholders' equity	745,210	758,706
Valuation difference on available-for-sale securities	22,015	47,001
Foreign currency translation adjustment	-47,517	-33,878
Remeasurements of defined benefit plans	-4,716	-2,856
Total accumulated other comprehensive income	-30,219	10,266
Non-controlling interests	488	518
Total net assets	715,479	769,490
Total liabilities and net assets	848,873	926,240

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Millions of Yen)

	'20/3	'21/3
Net Sales	362,885	359,888
Cost of sales	251,125	242,252
Gross profit	111,759	117,635
Selling, general and administrative expenses	82,269	79,146
Operating profit	29,489	38,488
Interest income	3,824	1,653
Dividend income	1,033	746
Foreign exchange gains	401	–
Other	1,491	1,030
Non-operating income	6,750	3,430
Interest expenses	107	95
Foreign exchange losses	–	1,062
Settlement package	162	–
Bond issuance costs	81	–
Other	113	88
Non-operating expenses	465	1,246
Ordinary profit	35,774	40,672
Extraordinary income	5,714	1,528
Extraordinary losses	3,470	1,687
Profit (loss) before income taxes	38,018	40,512
Income taxes - current	9,822	7,343
Income taxes - deferred	2,539	-3,864
Total income taxes	12,362	3,478
Profit (loss)	25,656	37,033
Profit (loss) attributable to non-controlling interests	23	31
Profit (loss) attributable to owners of parent	25,632	37,002
Profit (loss)	25,656	37,033
Other Comprehensive Income (loss):		
Valuation difference on available-for-sale securities	-6,835	24,986
Foreign currency translation adjustment	-12,023	13,660
Remeasurements of defined benefit plans, net of tax	-1,071	1,860
Total other comprehensive income	-19,930	40,507
Comprehensive income (loss)	5,725	77,541
Total Comprehensive Income (loss) Attributable to:		
Owners of the parent	5,695	77,488
Non-controlling interests	30	53

Consolidated Statement of Cash Flows

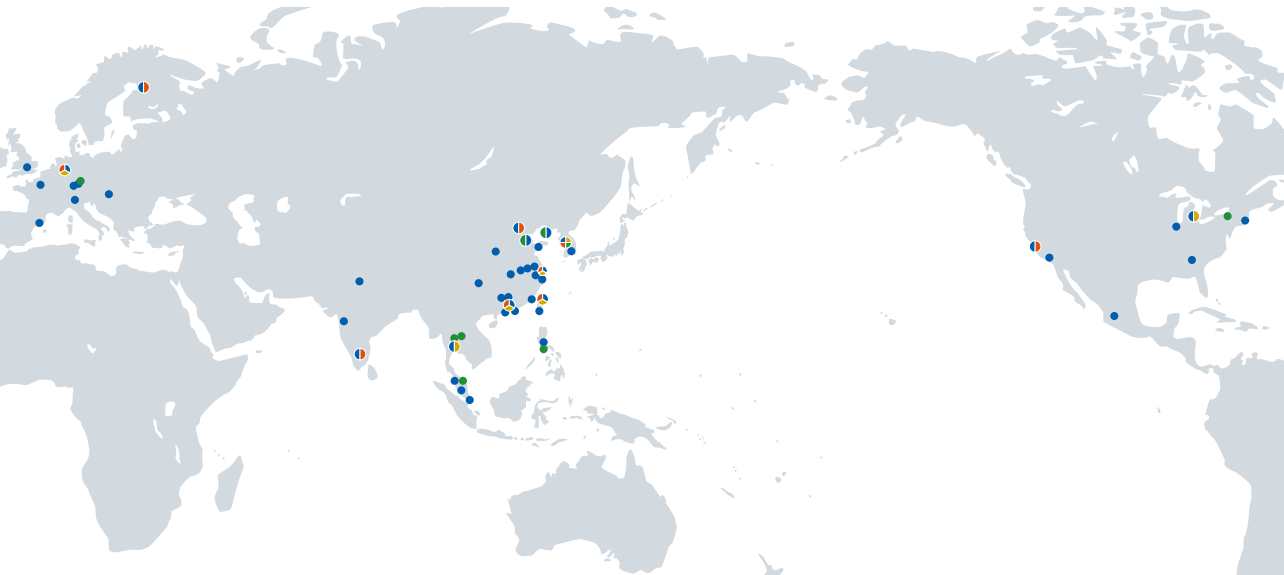
(Millions of Yen)

	'20/3	'21/3
Operating Activities		
Profit before income taxes	38,018	40,512
Depreciation	44,328	40,167
Impairment loss	429	807
Increase (decrease) in allowance for doubtful accounts	-572	-3
Increase (decrease) in net defined benefit liability	-833	433
Decrease (increase) in net defined benefit asset	120	261
Extra retirement payments	1,250	–
Interest and dividend income	-4,858	-2,399
Foreign exchange losses (gains)	1,544	-1,785
Loss (gain) on sales of short-term and long-term investment securities	-5,020	-1,392
Loss (gain) on valuation of short-term and long-term investment securities	936	–
Loss (gain) on sales of non-current assets	-289	120
Loss on disaster	–	340
Decrease (increase) in notes and accounts receivable - trade	8,149	-9,650
Decrease (increase) in inventories	7,091	-14,073
Increase (decrease) in notes and accounts payable - trade	-703	1,243
Increase (decrease) in accounts payable - other	164	383
Other (net)	-438	343
Subtotal	89,317	55,309
Interest and dividend income received	5,046	2,500
Interest expenses paid	-9	-6
Income taxes (paid) refund	-12,953	-11,219
Extra retirement payment	-2,269	-609
Net cash provided by (used in) operating activities	79,130	45,975
Investing Activities		
Decrease (increase) in time deposits	17,737	-10,470
Purchase of short-term and long-term investment securities	-6,908	-9,334
Proceeds from sales and redemption of short-term and long-term investment securities	25,421	12,652
Purchase of property, plant and equipment	-41,880	-32,377
Proceeds from sales of property, plant and equipment	652	153
Other (net)	-3,698	-1,466
Net cash provided by (used in) investing activities	-8,676	-40,844
Financing Activities		
Proceeds from issuance of Bonds	40,918	–
Purchase of treasury shares	-41,295	-8,715
Cash dividends paid	-15,675	-14,822
Other (net)	-1,022	-1,302
Net cash provided by (used in) financing activities	-17,075	-24,840
Effect of exchange rate change on cash and cash equivalents	-5,904	6,338
Net increase (decrease) in cash and cash equivalents	47,474	-13,371
Cash and cash equivalents at beginning of period	228,065	275,539
Cash and cash equivalents at end of period	275,539	262,168

Term	Meaning
AC/DC	Stands for alternating current and direct current.
ADAS	Stands for advanced driver assistance system, which is a system that helps drivers operate their automobiles.
ASSP	Stands for application specific standard product.
BCM	Stands for business continuity management.
BCP	Stands for business continuity plan.
BiCDMOS	Production technology that simultaneously creates three types of processes: a bipolar process, a CMOS process, and a DMOS process. It is an IC manufacturing process and a process technology that combines three processes—an analog bipolar process, a digital CMOS process, and a power/high-voltage resistant element DMOS process—all on one chip.
chemSHERPA	A joint scheme for disseminating information throughout the supply chain regarding the chemical substances that can be used in products.
CSV	Stands for creating shared value.
CVC	Stands for corporate venture capital, which is a program whereby a business firm uses its own funds to support or invest primarily in nonpublic emerging companies (start-ups).
DX	Stands for digital transformation. This entails the establishment of a competitive advantage in response to significant changes in a firm's business environment by using data and digital technology to transform products, services, and the business model to align with customers' and society's needs and transforming the work itself, the organization, its processes, and the corporate culture and atmosphere.
EU RoHS Directive	An EU law that covers restrictions on the use of certain hazardous substances in electrical and electronic equipment.
FAE	Stands for field application engineer, which is a job in which an individual who does not belong to the product development division is responsible for selling products in regions or to customers. This position is held by an engineer who provides customers with technical support for products and various applications.
Flexible line/labor saving line	A production line that can manufacture various products on the same production line without human intervention.
FRD	Stands for fast recovery diode, which has the characteristic of being faster than a regular diode.
GaN	Stands for gallium nitride, which is a compound semiconductor material used in next-generation power devices. This substance is superior to silicon, which is the material normally used in semiconductors, in its physical properties, and it is starting to be used for its high-frequency properties.
General-purpose device	An electronic component that can commonly be used in many areas, such as transistors and diodes.
GHG	Stands for greenhouse gas.
Hoop line	ROHM's production line suited to mass production.
IC	Stands for integrated circuit.
IDM (vertical integration)	Stands for integrated device manufacturer. This means that the manufacturer has all the facilities necessary for doing everything in-house, from product development through manufacturing.
IGBT	Stands for insulated gate bipolar transistor, which is a transistor that combines a MOSFET and a bipolar transistor. It has both low ON resistance and relatively rapid switching, and it is currently used in a broad range of areas for controlling high-power voltage.

Term	Meaning
IPM	Stands for intelligent power module. This product combines into one package the best drive circuits and safeguards for IGBT devices, and it improves the devices' efficiency and simplifies their design. The module incorporates the self-protection functions and drive circuits of power MOSFETs that control power as well as IGBTs and other power devices.
Isolated gate driver IC	An IC that drives SiC, IGBT, and other power semiconductors and that has a built-in insulating element that is needed to protect people and systems.
LDO	Stands for low dropout. This refers to a linear regulator that operates even when there are low potential differences between inputs and outputs. It may also be called a low-dropout linear regulator or a low-saturation linear regulator.
MOSFET	Stands for metal oxide semiconductor field effect transistor. This type of transistor is commonly used in various electronic devices because it allows high-speed switching and low-power consumption compared with bipolar transistors.
NANO CAP™	ROHM's IDM encompasses super-stable control technology that is achieved by combining three advanced analog technologies: circuit design, layout, and process. ROHM's power supply technology aims for miniaturization and energy savings. The Nano series is an innovative power supply technology developed using the analog technologies that we have nurtured. Nano Cap technology contributes to the miniaturization of external components and enables the stable control of even the smallest nF order by using each power circuit's external condenser capacitance in automobiles and industrial equipment.
OECD Due Diligence	The method for conducting due diligence recommended in the OECD Guidelines for Multinational Enterprises is helpful to corporations because it contains practical and clear explanations.
OSAT	Stands for outsourced semiconductor assembly and test. It refers to a manufacturer that undertakes assembly and testing, which are post-processes in the manufacture of semiconductors.
PME	Stands for product marketing engineer. This is a person who possesses full knowledge of advanced technology and authority for new product development. This position is affiliated with the product development division and is responsible for both planning and sales of products developed by the development division.
PMIC	Stands for power management IC. ROHM's lineup consists of linear regulators, switching regulators, power management switch ICs, system power management, leakage detector ICs, and battery management ICs. (Integrated) power management ICs incorporate these technologies/circuits.
ROHM Music Foundation	A public interest incorporated foundation established in 1991 by ROHM's founder, Kenichiro Sato, with the aim of continuously contributing to the diffusion and development of music culture. It focuses on fostering young musicians, and over the past 30 years or so, it has supported 4,636 musicians as ROHM Music Friends (as of March 31, 2021).
SiC	A compound semiconductor made of silicon (Si) and carbon (C). These have the properties of being high voltage, having lower ON resistance, and being faster than those made of Si, which has been used so far, and they have much better power conversion efficiency. These semiconductors also function stably even at high temperatures.
Specialists	Human resources who can contribute technology for ROHM's continued development. These people possess the expertise and skills specific to the areas that they are responsible for.
TCFD	Stands for the Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board (FSB) to consider climate-related information disclosure and financial institutions' responses.
TSR	Stands for total shareholder return, which is an equity indicator that shows the profitability of a shareholder's investment over a certain time period.
Wide frame line	A production line geared to small quantities of many products.

Locations outside Japan



Main Sales Offices

- ASIA
- ROHM Semiconductor Korea Corporation
ROHM Semiconductor (Beijing) Co., Ltd.
ROHM Semiconductor (Shanghai) Co., Ltd.
ROHM Semiconductor (Shenzhen) Co., Ltd.
ROHM Semiconductor Hong Kong Co., Ltd.
ROHM Semiconductor Taiwan Co., Ltd.
ROHM Semiconductor Singapore Pte. Ltd.
ROHM Semiconductor Philippines Corporation
ROHM Semiconductor (Thailand) Co., Ltd.
ROHM Semiconductor Malaysia Sdn. Bhd.
ROHM Semiconductor India Pvt. Ltd.
- AMERICA
- ROHM Semiconductor U.S.A., LLC
LAPIS Semiconductor America
- EUROPE
- ROHM Semiconductor GmbH

R&D Centers

- ASIA
- Korea Technical Center
Beijing Technical Center
Shanghai Technical Center
Shenzhen Technical Center
Taiwan Technical Center
ROHM LSI Design Philippines, Inc.
India Technical Center / India Design Center
- AMERICA
- Americas Technical Center (Santa Clara)
- EUROPE
- Europe Technical Center
Finland Software Development Center

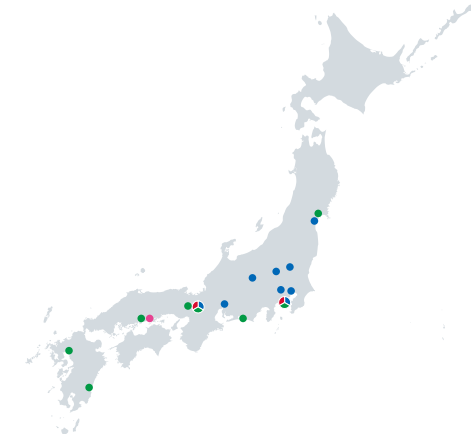
QA Centers

- ASIA
- Shanghai QA Center
Shenzhen QA Center
Taiwan QA Center
Korea QA Center
Thailand QA Center
- AMERICA
- Americas QA Center
- EUROPE
- Europe QA Center

Manufacturing Sites

- ASIA
- ROHM Korea Corporation
ROHM Electronics Philippines, Inc.
ROHM Integrated Systems (Thailand) Co., Ltd.
ROHM Semiconductor (China) Co., Ltd.
ROHM Electronics Dalian Co., Ltd.
ROHM-Wako Electronics (Malaysia) Sdn. Bhd.
ROHM Mechatech Philippines, Inc.
ROHM Mechatech (Thailand) Co., Ltd.
- AMERICA
- Kionix, Inc.
- EUROPE
- SiCrystal GmbH

Locations in Japan



Sales Offices

- Kyoto
- Nagoya
- Nishi-Tokyo
- Tokyo
- Utsunomiya
- Sendai
- Yokohama
- Matsumoto
- Takasaki

Technology Centers

- Kyoto Technology Center (Head Office)
Kyoto Technology Center (In front of Kyoto station)
Yokohama Technology Center

Manufacturing Sites

- ROHM Co., Ltd.
ROHM Hamamatsu Co., Ltd.
ROHM Wako Co., Ltd.
ROHM Apollo Co., Ltd.
ROHM Mechatech Co., Ltd.
LAPIS Semiconductor Co., Ltd.

Distribution

- ROHM Logistec Co., Ltd.

Correlation between Business Segments and Major Manufacturing Sites

Products/services by segment

Name of segment	Names of major product(s) and business(es)
ICs	Analog, logic, memory
Discrete semiconductor devices	Diodes, transistors, light-emitting diodes, laser diodes
Modules	Printheads, optical modules, power modules
Others	Resistors, tantalum capacitors

Name of company		ICs	Discrete semi-conductor devices	Modules	Others
Japan	ROHM Hamamatsu Co., Ltd.	●	●		
	ROHM Wako Co., Ltd.	●	●		
	ROHM Apollo Co., Ltd.	●	●	●	●
	ROHM Mechatech Co., Ltd.	●	●	●	●
	LAPIS Semiconductor Co., Ltd.	●	●	●	
Over-seas	ROHM Korea Corporation	●	●		
	ROHM Electronics Philippines, Inc.	●	●		●
	ROHM Integrated Systems (Thailand) Co., Ltd.	●	●	●	●
	ROHM Semiconductor (China) Co., Ltd.		●	●	
	ROHM Electronics Dalian Co., Ltd.			●	
	ROHM-Wako Electronics (Malaysia) Sdn. Bhd.		●		
	ROHM Mechatech Philippines, Inc.	●	●		●
	ROHM Mechatech (Thailand) Co., Ltd.		●	●	●
	Kionix, Inc.	●			
	SiCrystal GmbH		●		

On the publication of the ROHM Integrated Report 2021

ROHM began publishing an Integrated Report in the fiscal year ending March 31, 2018, so that we could further improve stakeholders’ awareness about our medium- to long-term growth and how we are enhancing our corporate value.

This year’s Integrated Report focuses on describing ROHM’s long-term value creation process and the directions in which we are striving, as well as the Medium-Term Management Plan that we announced in May. We have also attempted to upgrade our ESG information and expanded our information regarding climate change initiatives and corporate governance.

This report was created with the help of all related business divisions and edited primarily by our Public and Investor Relations Division. As the division responsible for creating the Integrated Report, we declare that the production process was appropriate and that the content of the report is accurate.

We hope that this report will help all of our shareholders, investors, and many other stakeholders understand how we are growing and improving our corporate value, as well as our initiatives geared toward attaining a sustainable society.

Public and Investor Relations Division,
Corporate Strategy Headquarters

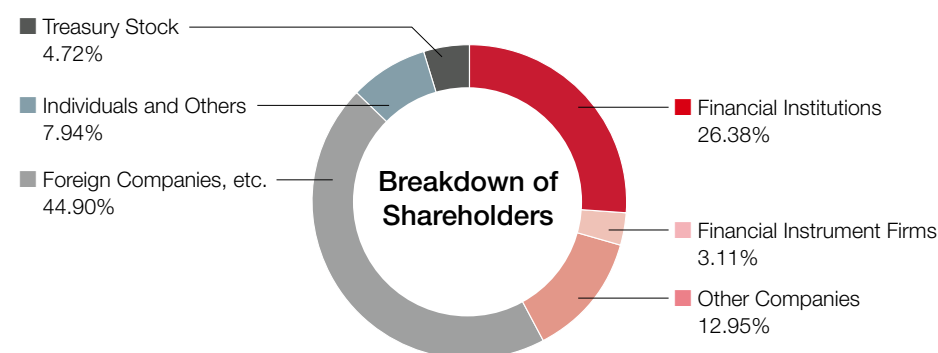
Company Name	ROHM Co., Ltd.
Date Established	September 17, 1958
Headquarters	21 Saiin Mizosaki-cho, Ukyo-ku, Kyoto 615-8585 Japan Tel: +81-75-311-2121 Fax: +81-75-315-0172
Capital	86,969 million JPY (as of March 31, 2021)
Representative	President CEO Isao Matsumoto
Sales Volume	Consolidated 359,888 million JPY (fiscal year ended March 2021)
Number of Employees	Consolidated 22,370 (as of March 31, 2021)

Total Number of Shares Authorized to be Issued	300,000,000
Total Number of Shares Issued	103,000,000 (Including 4,859,134 shares of treasury stock)
Total Number of Shareholders as of March 31, 2021	26,781
Listing Stock Markets	First Section, Tokyo Stock Exchange
Securities Code	6963
Administrator of the Registry of Shareholders	Mitsubishi UFJ Trust and Banking Corporation
Independent Auditor	Deloitte Touche Tohmatsu LLC

Major Shareholders (Top 10 Shareholders)

Name	Number of Shares Held (Thousands of shares)	Ownership
Rohm Music Foundation	10,385	10.58
The Master Trust Bank of Japan, Ltd. (Trust account)	8,996	9.16
Custody Bank of Japan, Ltd. (Trust account)	5,224	5.32
The Bank of Kyoto, Ltd.	2,606	2.65
GIC PRIVATE LIMITED - C	1,738	1.77
STATE STREET BANK WEST CLIENT - TREATY 505234	1,404	1.43
Custody Bank of Japan, Ltd. (Trust account 5)	1,274	1.29
GOVERNMENT OF NORWAY	1,238	1.26
THE BANK OF NEW YORK 134088	1,132	1.15
Custody Bank of Japan, Ltd. (Trust account 6)	1,130	1.15

Notes: 1. The number of shares less than one thousand shares and the percentage of ownership less than two decimal places are rounded down to the nearest unit, respectively.
2. 4,859 thousand shares of treasury stock are excluded from the above calculation. Number of treasury stock does not include 5 thousand shares held by the Employee Stock Ownership Plan (ESOP).
3. Ownership is calculated by deducting the number of treasury stock from the total number of shares issued.



For further information, please visit: <https://www.rohm.com/investor-relations>

Q1 You have set a target of an operating margin of at least 17%. How do you plan to achieve that during the current Medium-Term Management Plan?

A We believe it is highly likely that we can achieve our target of a 17% operating margin through a large expansion in sales of power and analog products, mainly in automotive and overseas markets, the development of high-value-added products, and better production efficiency.

Q2 Please explain the ¥400 billion of investment for growth in the Medium-Term Management Plan.

A It consists of ¥300 billion of renewal investments to strengthen our production capacity, especially for new products in key areas, and to improve product quality, reduce headcount, and automate, starting with our flexible lines, plus ¥100 billion of funding for M&A.

Q3 Regarding your capital policy, how do you plan to reduce your cash position over five years?

A The free cash flow we generate each year will be proactively used for investments toward future growth. We also plan to reduce our cash position through a combination of investment for growths and shareholder returns, using such means as ongoing share buybacks.

Q4 What kinds of M&A deals are you considering?

A We are not limiting ourselves to any particular business themes or geographical areas, as we want to consider a broad range of deals that can lead to ROHM's growth. While we have not yet decided on the size of an M&A deal, depending on the situation, it could be more than ¥100 billion.

Q5 What are ROHM's strengths in the SiC market?

A Our strengths are: (1) we provide stable supplies through IDM that runs from wafers to packaging and modules; (2) we have leading-edge device technologies that we have researched and developed over more than 20 years; and (3) we provide our customers with total solutions that cover even peripheral components.

Q6 How has the business climate been during COVID-19?

A During the COVID-19 pandemic, we unfortunately had to temporarily suspend operations or lower the operating rates at some of our overseas plants in accordance with local government regulations and instructions. At all of our plants, we set up a robust disease prevention system focusing on the health and safety of our employees above all else, including temperature checks, mask wearing, and hygiene controls. With the permission of the authorities, we have been operating normally as of September 2021.