

# Corporate Governance

## Our Basic Policy

ROHM strives to pursue the best possible corporate governance in order to achieve our purposes and policies such as the company Mission and the Basic Management Policy.

We believe that our corporate operations and actions must be rooted in fairness, soundness, and transparency, based on the recognition that ROHM is supported by all of our stakeholders.

Based on an accurate understanding of the capital cost of the company from a stakeholder perspective, we have stated that the basic idea of corporate governance is to maximize sustainable corporate growth and medium- to long-term corporate value, and we are working to enhance corporate governance.

Corporate Governance  
<https://www.rohm.com/sustainability/foundation/governance/about>

### Basic Policy

1. To properly cooperate with all stakeholders, including shareholders, and appropriately consider and respond to issues in sustainability management, including ESG (Environmental, Social, and Governance) factors.
2. To respect the rights of shareholders, secure their equal treatment, and engage in constructive dialogue with shareholders who share the mid- to long-term perspective.
3. To disclose corporate information in a timely and appropriate manner as a part of ensuring our transparency.
4. To 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.

## Change Through Governance Reforms

ROHM regards corporate governance as one of the most important management issues and has been working toward its reform and strengthening. We strengthened our monitoring functions via measures such as transitioning to a company with an Audit and Supervisory Committee and introducing a corporate officer system, and worked to create an organization that will allow for more flexible

decision-making. We also established the EHSS General Committee in charge of operating eight sustainability-related management systems and built a governance system on the executive side. Furthermore, we are striving to enhance governance by promoting diversity on the Board of Directors and ensuring that the Board of Directors consists of a majority of outside directors to ensure objectivity and transparency.

### Change Through Governance Reforms

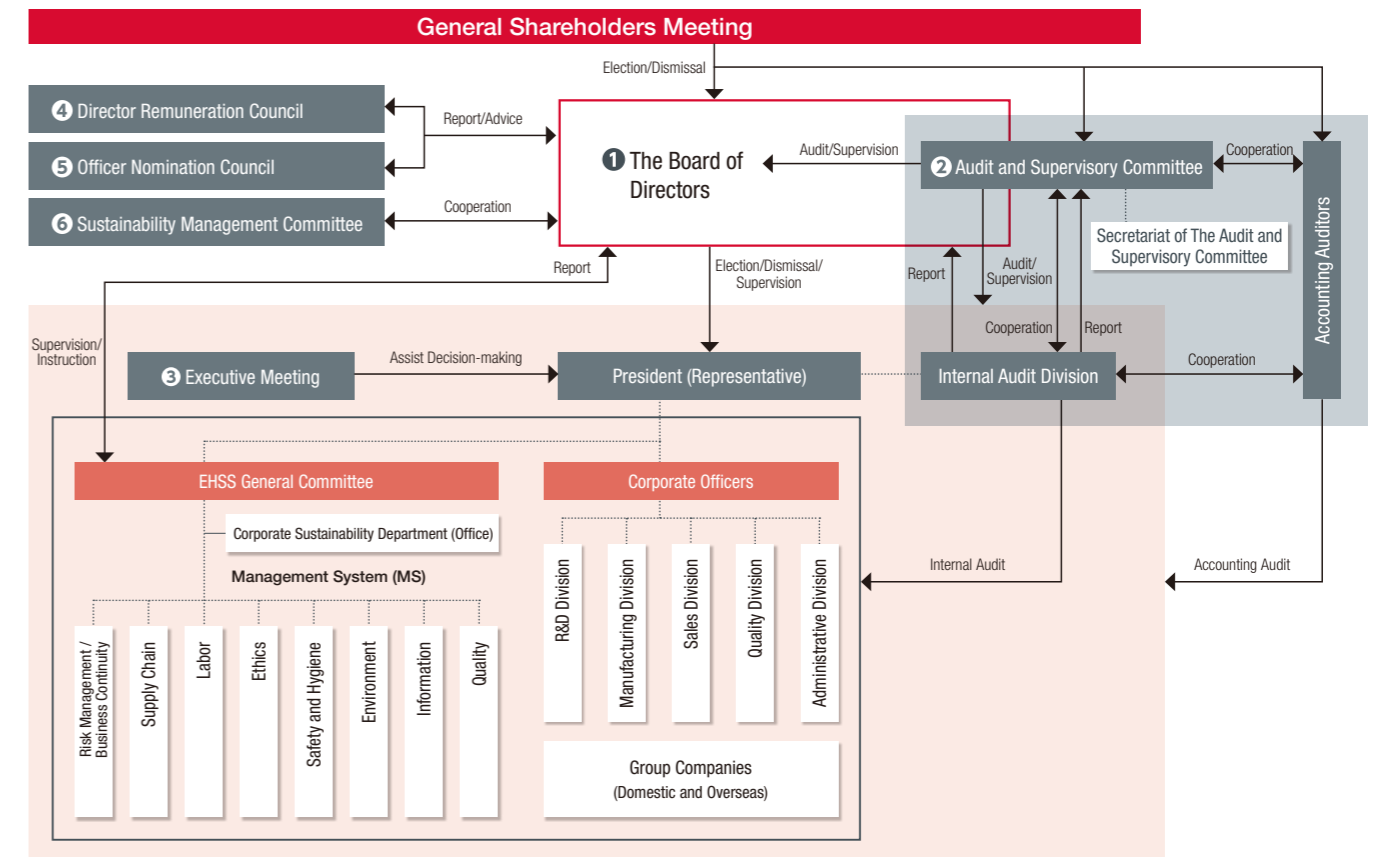
	2000-2017	2018-2020	2021	2022	2023	2024
Policy	2006 Formulation of a basic policy for constructing an internal control system	2015 Formulation of the ROHM Corporate Governance Policy, Independence Standards for Outside Officers, and Criteria for the Selection of Director Candidates	2021 Formulation of a policy for determining individual remuneration, etc. for directors	2021 Revision of the ROHM Corporate Governance Policy		2024 Formulation of a director shareholding policy
Outside director	2008 Appointment of an outside director	2019 Appointment of a female director	2022 Election of one foreign director and multiple female directors	2022 Outside directors become a majority of the Board of Directors	2023 Outside directors appointed as chairs of Director Remuneration Council and Officer Nomination Council	2024 An Outside director appointed as Chairperson of the Board
Outside auditor	2001 Five outside auditor system	2019 ROHM becomes a company with an Audit and Supervisory Committee				
Introduction of system	2012 Launch of the Director Remuneration Council	2016 Introduction of Board of Directors Effectiveness Evaluations	2020 Introduction of a system for transfer-restricted stock-based remuneration	2022 Introduction of performance-linked transfer-restricted stock-based remuneration system		
Various committees	2007 Launch of the Compliance Committee	2018 Launch of the Officer Nomination Council	2019 Establishment of the Executive Meeting and introduction of the corporate officer system	2022 Establishment of the Sustainability Management Committee		
	2011 Launch of the CSR Committee			Establishment of the EHSS General Committee		

## Corporate Governance System

ROHM has established an appropriate governance system based on the ROHM Corporate Governance Policy and ensures fairness and transparency in management.

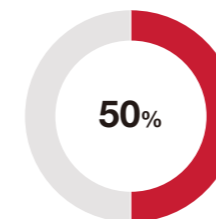
In order to press ahead with separation of the Board's supervisory and execution functions and ensure that the Board supervises management effectively, since April 2024 an outside director has been serving as Chairperson of the Board.

We are making continuous efforts to strengthen our corporate governance, such as by establishing the Officer Nomination Council and the Director Remuneration Council as advisory bodies to the Board and by strengthening the executive side via the Executive Meeting, which assists the President (Representative) with decision-making.



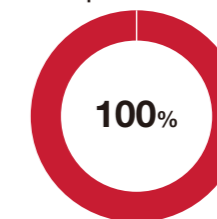
## Outside Directors

Percentage of outside directors in Board of Directors



Currently, 50% of the members of the Board of Directors are outside directors.

Percentage of outside directors that are independent officers


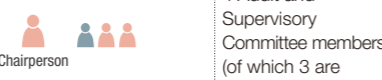




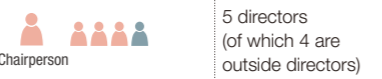

ROHM has formulated Independence Standards for outside officers to supervise and advise management from an independent perspective. Currently, all seven of our outside directors meet these standards.

Independence Standards for Outside Officers  
[https://micro.rohm.com/en/financial/governance/independence\\_standards\\_e.pdf](https://micro.rohm.com/en/financial/governance/independence_standards_e.pdf)

## Corporate Governance

Members and Number of Meetings Held for Individual Organizations (as of June 26, 2024)  Internal directors  Outside directors  Corporate officers

Organization	1 Board of Directors	2 Audit and Supervisory Committee	3 Committee Executive Meeting
Structure	 14 directors (of which 7 are outside directors)	 4 Audit and Supervisory Committee members (of which 3 are outside directors)	 16 corporate officers (of which 6 are directors)
Number of times held in FY2023	15 times	15 times	19 times

Organization	4 Director Remuneration Council	5 Officer Nomination Council	6 Sustainability Management Committee
Structure	 5 directors (of which 4 are outside directors)	 5 directors (of which 4 are outside directors)	 6 directors (of which 1 outside director)
Number of times held in FY2023	9 times	7 times	11 times

### 1 Board of Directors

The Board of Directors provides strategic corporate direction under a transparent and fair system in order to achieve sustainable growth for the company and improve its corporate value. It makes management decisions based on the diverse experience and expertise of its members, and also supervises business execution. The Board is currently chaired by an independent outside director.

### 2 Audit and Supervisory Committee

The Audit and Supervisory Committee establishes audit policies, standards, and plans, audits the legality and appropriateness of directors' execution of their duties and, in case of any misconduct on the part of a director, maintains a reporting line to receive direct reports from the Internal Audit Division, an organization independent from business execution. The Committee also coordinates with the Internal Audit Division in auditing the entire Group.

### 3 Executive Meeting

The Executive Meeting, consisting of corporate officers, deliberates important matters related to the management of the ROHM such as the allocation of management resources. These matters include the execution of strategies related to the business portfolio, management of human capital, promotion of focused businesses and strengthening of sales structures. In this way, the Executive Meeting assists the President (Representative) in decision-making.

### 4 Director Remuneration Council

The Director Remuneration Council discusses the remuneration system for directors and the remuneration of each director based on this system, and reports the results of discussions to the Board of Directors and the Audit and Supervisory Committee. It is chaired by an independent outside director.

### 5 Officer Nomination Council

The Officer Nomination Council discusses the appointment and dismissal of the company's President and any director or corporate officer with titles, as well as the nomination of director candidates, and reports the results of discussions to the Board of Directors. It is chaired by an independent outside director.

### 6 Sustainability Management Committee

The Sustainability Management Committee decides on sustainability policies, aims and long-term targets, applies these in the EHSS General Committee, and builds a framework for their implementation. It also deliberates important matters related to the sustainability management issues of the ROHM and coordinates with the Board of Directors to ensure appropriate decision-making.

## Director Skill Matrix

We have identified the skill sets (such as knowledge, experience, and ability) that the Board of Directors needs to achieve sustainable growth for the ROHM and to enhance the Group's corporate value over the medium- to long-term. We hereby define the following skill sets that are especially expected of directors.

Name	Fields							
	Corporate Management	ESG/ Sustainability	Global	Innovation/ Technology	HR Development	Legal/ Compliance	Finance/ Accounting	Industry Expertise
Isao Matsumoto	●	●	●	●	●	●		●
Katsumi Azuma	●	●	●		●	●		●
Kazuhide Ino	●		●	●			●	●
Tetsuo Tateishi			●	●		●		●
Koji Yamamoto		●	●		●	●		●
Tetsuo Aoki			●					●
Tadanobu Nagumo	■ ■	●	●		●			
Peter Kenevan	■ ■	●	●				●	●
Fukuko Inoue	■ ■		●		●			
Aiko Kozaki	■ ■	●					●	
Masahiko Yamazaki	■	●				●		
Keita Nakagawa	■ ■ ■	●				●	●	
Hidero Chimori	■ ■ ■	●				●		
Tomoyuki Ono	■ ■ ■	●					●	

■ Audit and Supervisory Committee Member ■ Outside ■ Independent

Fields	Definition
Corporate Management	Strive to further enhance corporate value by foreseeing changes in the environment surrounding the company's business, developing strategies from medium- to long-term perspectives and making decisions and running an organization effectively.
ESG/Sustainability	Contribute to the sustainable development and prosperity of the world, society and companies through conducting business activities with integrity, fairness and transparency, working towards the achievement of the United Nations' Sustainable Development Goals (SDGs) and establishing and maintaining a good relationship with stakeholders.
Global	Given the rapidly changing international situation, gain increased confidence from international markets by developing strategies and conducting business from global perspectives.
Innovation/ Technology	Promote the creation, establishment and expansion of businesses by capturing the needs of society and customers and focusing time and resources on the development of new technologies and products that are essential for the sustainable growth of the company.
HR Development	Discover human resources who can be the next generation of managers, and conduct human resources development and medium- to long-term human resources investment that are linked to the company's management strategy.
Legal/Compliance	Perform appropriate risk management by understanding all applicable laws and regulations related to the company's business and recognize and understand risks that may materially affect the company's business by constantly viewing matters from the standpoint of ensuring legal and other compliances.
Finance/Accounting	Appropriately identify the company's business management issues based on the full understanding of accounting, taxation and finance, and develop and monitor the progress of financial strategies and measures that are linked to the company's management strategy.
Industry Expertise	Possess insight on semiconductors and a wide network of personal connections in the semiconductor industry, and look to optimize the company's business portfolio by appropriately monitoring competitive and market trends.

## Corporate Governance

### Efforts for Enhancing the Board of 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.

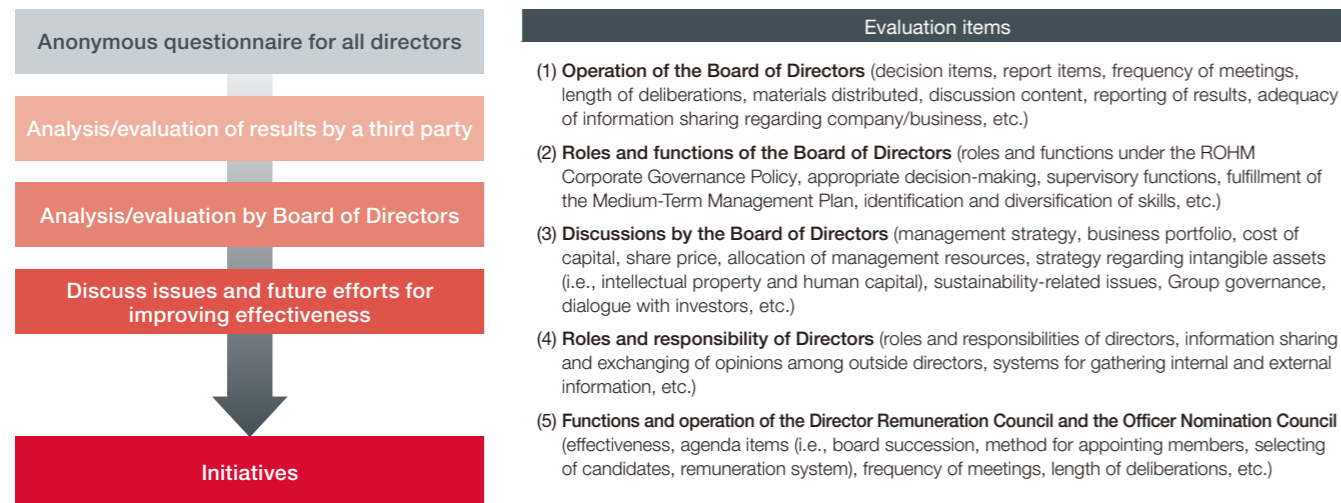
Since introducing the “Board of Directors Effectiveness Evaluations” in 2016, each director is given a questionnaire on the effectiveness of the Board of Directors every year, and the Board of Directors analyzes and evaluates its effectiveness based on those results.

Since FY2022, we are using third-party analysis and evaluation, conducted by an external organization, to ensure that

our evaluations are both objective and effective. Furthermore, since FY2023, we are not only analyzing and evaluating the questionnaire results, but we are also making the process even more objective by increasing our support in terms of creating and modifying questionnaire items and having the external organization aggregate questionnaire items using web systems.

Based on the results of the analysis and evaluation, the Board discusses issues involved in improving its own effectiveness as well as future initiatives, and the Board strives to work more effectively.

#### Effectiveness Evaluation Process



#### Evaluation Results for FY2023 and Action Policy for FY2024

<b>FY2022 Evaluation Results</b>	<ul style="list-style-type: none"> <li>Enhancement of the outside director system maintained the supervisory function of the Board of Directors, discussions at Board of Directors meetings, including pre-briefing sessions, have been lively and within an appropriate duration of deliberation, and progress reports and reviews of the Medium-Term Management Plan, etc. have been appropriately conducted.</li> <li>The results of the director questionnaire and analysis/evaluation conducted by an external organization have confirmed the effectiveness of the Board of Directors.</li> </ul>
<b>Efforts in FY2023</b>	<ul style="list-style-type: none"> <li>We selected director candidates in accordance with the decision-making process as revised by the Officer Nomination Council.</li> <li>In order to enhance corporate value through constructive dialogue with institutional investors, the Board of Directors discusses, on a regular basis, the status of the dialogue with investors.</li> </ul>
<b>FY2023 Evaluation Results</b>	We observed improvement in the decision-making process for nominating officers and in the sharing of the status of dialogue with investors, which were among the issues for FY2022. Likewise, the results of the evaluation questionnaires, and the third-party analysis and evaluation, determined that the Board of Directors was generally effective overall.
<b>Challenges for FY2024</b>	We recognized that there is still room for improvement both with regard to the questions that the Board of Directors needs to discuss further (e.g., strategy and investment regarding intangible assets such as human capital and intellectual property, and keeping cost of capital and share price in mind when running the business) and with regard to improving the training of directors. For FY2024, therefore, we deliberated on reconsidering agenda items to be submitted to meetings of the Board and on improving training for directors.

### Improving Discussion at Board of Directors Meetings

#### Activity of the Board of Directors and of Voluntary Committees

##### Activity of the Board of Directors

Type of officer	Name	Attendance in FY2023
Director (Not a member of the Audit and Supervisory Committee)	Isao Matsumoto	15/15
	Katsumi Azuma	15/15
	Kazuhide Ino	15/15
	Tetsuo Tateishi	15/15
	Koji Yamamoto	15/15
	Tadanobu Nagumo	15/15
	Peter Kenevan	15/15
	Kuniko Muramatsu <sup>1</sup>	15/15
Director (Member of the Audit and Supervisory Committee)	Fukuko Inoue <sup>2</sup>	12/12
	Masahiko Yamazaki	15/15
	Keita Nakagawa <sup>2</sup>	12/12
	Hidero Chimori	15/15
	Tomoyuki Ono <sup>2</sup>	12/12

##### Activity of voluntary committees

Voluntary committees	Matters discussed	Name	Attendance in FY2023
Director Remuneration Council	<ul style="list-style-type: none"> <li>Opinions of the company's Board of Directors on shareholder proposals</li> <li>Future structure of the Council</li> <li>Revision of remuneration system for directors (i.e., comparing and checking benchmark compensation levels), revision of remuneration for individual directors, etc.</li> <li>Policy regarding holdings of the company's shares by directors</li> </ul>	Tadanobu Nagumo	9/9
		Hidero Chimori	9/9
		Kuniko Muramatsu <sup>1,3</sup>	7/8
		Keita Nakagawa <sup>2</sup>	8/8
		Isao Matsumoto	9/9
Officer Nomination Council	<ul style="list-style-type: none"> <li>Future structure of the Council</li> <li>Ideal management structure that the company should aim for, including Board of Directors members and candidates</li> <li>Appointment and dismissal of the President, of directors with titles, and of corporate officers with titles, as well as nomination of director candidates, etc.</li> </ul>	Tadanobu Nagumo	7/7
		Hidero Chimori	7/7
		Kuniko Muramatsu <sup>1,3</sup>	5/5
		Keita Nakagawa <sup>3</sup>	5/5
		Isao Matsumoto	7/7

<sup>1</sup> Kuniko Muramatsu retired from the position of Member of the Board as of the closing of the 66th Ordinary General Shareholders Meeting of June 26, 2024, at the expiration of her term.

<sup>2</sup> Due to being appointed as a Member of the Board at the 65th General Shareholders Meeting held on June 27, 2023, the number of Board of Directors meetings available for their attendance differs from other Members.

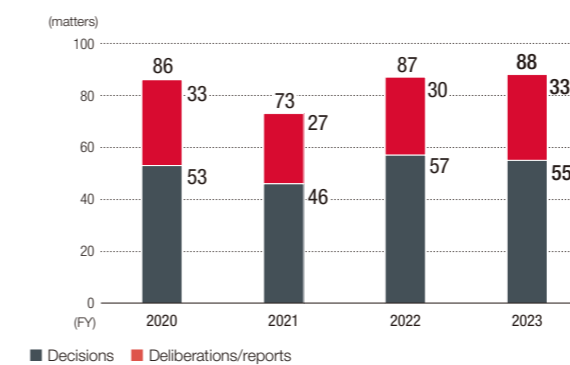
<sup>3</sup> Due to being appointed as a member of the Officer Nomination Council and Director Remuneration Council Director in June 2023, the number of meetings available for their attendance differs from other Members.

#### Number of Matters and Time Allocated at Board of Directors Meetings

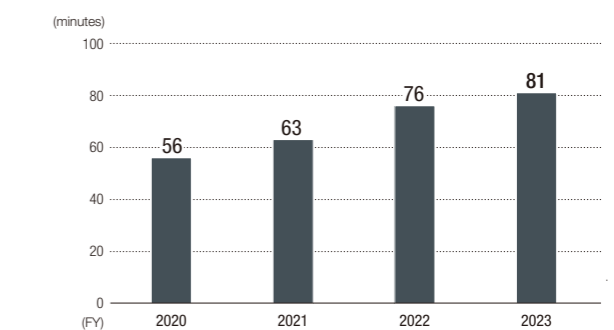
In FY2023, the meetings mainly deliberated on important management-related questions such as capital expenditures under our management strategy and growth strategy, investor relations, sustainability management, and Group governance.

A total of 88 agenda items were submitted. The average deliberation time per item was 81 minutes, so we continued to be able to devote the time necessary for lively discussion.

##### Number of Matters



##### Average Time per Matter



#### Discussion Topics and Discussion Details of Board Meetings

Topics	Discussion details
Management strategy	Management targets, progress of the Medium-Term Management Plan, business portfolio, investor relations, etc.
Investment	Capital expenditures on key businesses, M&A (including Group reorganization), capital investment, etc.
Other	Updating disclosure of major TCFD items, contributing to society, progress with management agenda and company-wide projects, etc.

## Corporate Governance

### Officer Remuneration

#### Policy for Determining Remuneration, etc.

The remuneration for Directors shall be based on a remuneration system that shares value with shareholders to clarify their management responsibility and fully function as a sound incentive for the company's sustainable growth and medium- to long-term enhancement of corporate value. In determining the remuneration of individual directors, the company's basic policy is to set an appropriate level based on the responsibilities of each position.

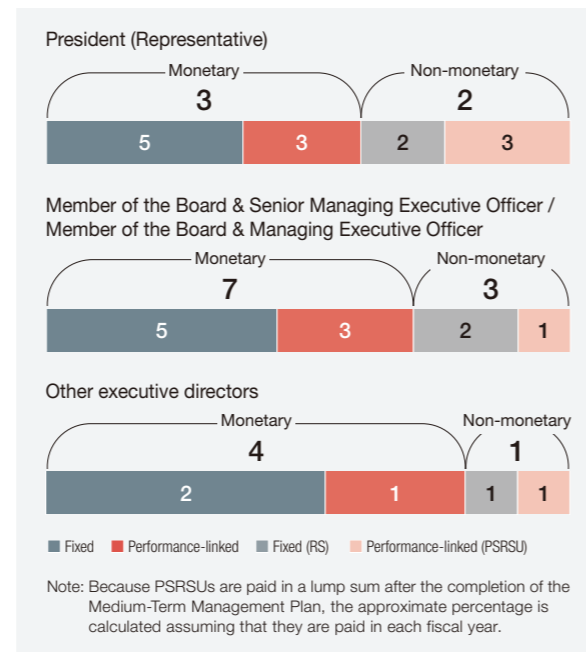
Specifically, remuneration for executive directors shall consist of fixed remuneration and performance-linked

remuneration as monetary remuneration, and stock-based remuneration as non-monetary remuneration. Remuneration for independent outside directors and non-executive directors shall be paid only as fixed remuneration from the viewpoint of their supervisory function independent of business execution.

In addition, to further boost directors' willingness to continuously enhance corporate value, and to strengthen value-sharing with shareholders and other stakeholders, we formulated a policy regarding holdings of the company's shares.

Executive Director		Independent outside directors and non-executive directors
Monetary	Fixed remuneration	Paid in cash monthly according to position and responsibilities
	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)		Consists of a fixed pre-delivery type (RS: Restricted Stock) and a post-delivery type linked to performance targets (PSRSU: Performance Share Restricted Stock Unit). PSRSUs shall be calculated based on the degree of achievement against targets linked to the Medium-Term Management Plan

Estimated Ratio of Remuneration (If Targets Are 100% Achieved)



(Reference) Performance Cycle and Indicators for PSRSUs

Performance evaluation cycle	From FY2022 to FY2025 (4 years)	
Performance indicators	Financial	ROE
		GHG emissions
	Non-financial	Diversity & inclusion (Percentage of women in managerial positions)
		ROHM Group engagement scores

#### Director Shareholding Policy

We recommend that holdings of the company's shares by executive directors be as indicated below.

President (Representative)	Other executive directors
By the later of two years after the date of enactment of this provision (June 27, 2026) or five years after the date on which he/she assumes this office, he/she must hold shares equivalent to 3.0 times the amount of his/her (fixed) monetary compensation.	By the later of two years after the date of enactment of this provision (i.e., by June 27, 2026) or five years after the date on which they assume their office, they must hold shares equivalent to 1.0 time the amount of their (fixed) monetary compensation.

Total Director Remunerations in FY2023

Category	Total remunerations (million yen)	Total remunerations by type (million yen)			Number of subject officers
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (outside directors)	369 (49)	253 (49)	81 (—)	33 (—)	9 (4)
Directors who are Audit and Supervisory Committee Members (outside directors)	88 (58)	88 (58)	—(—)	— (—)	7 (6)
<b>Total (outside directors)</b>	<b>457 (107)</b>	<b>341 (107)</b>	<b>81(—)</b>	<b>33 (—)</b>	<b>16 (10)</b>

\* The amount of remunerations paid to directors does not include the amount of employee salaries paid to employee directors.

## Dialogue with Shareholders and Investors

ROHM's investor relations (IR) activities place a strong emphasis on interactive communication through dialogue with shareholders and investors. Our goal is to promote communication with shareholders and investors by disclosing information in a fair, just, and timely manner, providing internal feedback regarding their expectations and assessment of ROHM, and maximizing corporate value by applying that feedback to management.

### IR Structure and Activities

The IR Department has been established within the Public & IR Division of the Corporate Strategy Headquarters as the division in charge of IR activities. To meet the diverse needs of a broad range of shareholders and investors, it hosts various IR events such as factory tours and company information sessions for individual investors in addition to the typical IR meetings and biannual financial results briefings to communicate

with various shareholders and investors throughout the year. During FY2023, in-person activities, which had declined due to the COVID-19 pandemic, restarted in earnest alongside online activities, and there were more than 550 IR meetings (including 15 factory tours). In addition, ESG meetings focusing on ESG themes are being conducted in cooperation with relevant divisions amid a growing interest in ESG.

► FY2023 results P.22 Building value together with stakeholders

#### Primary dialogue themes and concerns

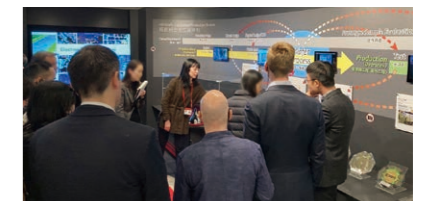
Themes	Concerns
Business environment and overall performance	<ul style="list-style-type: none"> <li>EV production volume forecast and impact on the business</li> <li>Trends and future outlook in each market</li> <li>Future trends in capital expenditures and depreciation</li> </ul>
Medium-Term Management Plan	<ul style="list-style-type: none"> <li>Inventory policy, future inventory levels, and operating status</li> <li>Product price trends</li> <li>Collaboration and synergy with Toshiba</li> </ul>
Business related	<ul style="list-style-type: none"> <li>Progress on the Medium-Term Management Plan and confidence regarding its achievement</li> <li>Initiatives to improve ROE</li> </ul>
ESG related	<ul style="list-style-type: none"> <li>Shareholder return policy and cash allocation</li> <li>Growth investment and M&amp;A approach</li> <li>Progress on the ASSP strategic top 10</li> <li>Progress on reducing GHG emissions</li> <li>Human resource strategy tied to the management strategy</li> <li>Initiatives to increase the ratio of female managers</li> <li>Overall corporate governance (director remuneration, etc.)</li> </ul>



The 66th Ordinary General Shareholders Meeting



Financial results briefings for investors



Factory tours for investors

### Examples of Dialogue Feedback Applied to Management and IR Activities

Assessment and opinions obtained through dialogue with shareholders and investors are reported to the Board of Directors and discussed by the executives each quarter in an effort to improve management and IR activities. In addition, we host online briefing sessions for the employees regarding the quarterly performance and market evaluation to focus our

efforts on internal IR activities as well. Furthermore, we also consider the evaluation of the Integrated Report as an important form of feedback for management and strive to be able to increase the corporate value working together as a company by reporting and discussing it with the Board of Directors and related divisions.

Themes	Improvements
Video streaming of financial results briefings	Since 2023, we have been posting videos of the financial results briefings and Q&A scripts of the briefings on our website. Furthermore, we newly added an "Answers to Frequently Asked Questions by Investors (FAQ)" section to the materials for the financial results briefings.
Disclosure of the SiC business progress (monetary amount)	Disclosure of the SiC pipeline (projects under discussion with customers) and design wins (projects where products have been adopted by customers).
Definition of corporate value	After it was advised that it would be good for ROHM to clearly document its corporate value, we listed a financial logic tree for the first time on the financial strategy page of the Integrated Report 2023. The logic tree was further improved in the Integrated Report 2024 to include non-financial KPIs as well.
Conducting factory tours	We arrange factory tours of the head office and the new ROHM Apollo Co., Ltd. SiC building for securities analysts and investors. Similar tours are scheduled to take place at ROHM Hamamatsu Co., Ltd. in 2024.
Disclosure of tax payments by country	Since 2024, we disclose the tax payments by country on our website and in the Integrated Report.