

Electronics for the Future



# ROHM Integrated Report 2023

ROHM Co.,Ltd.

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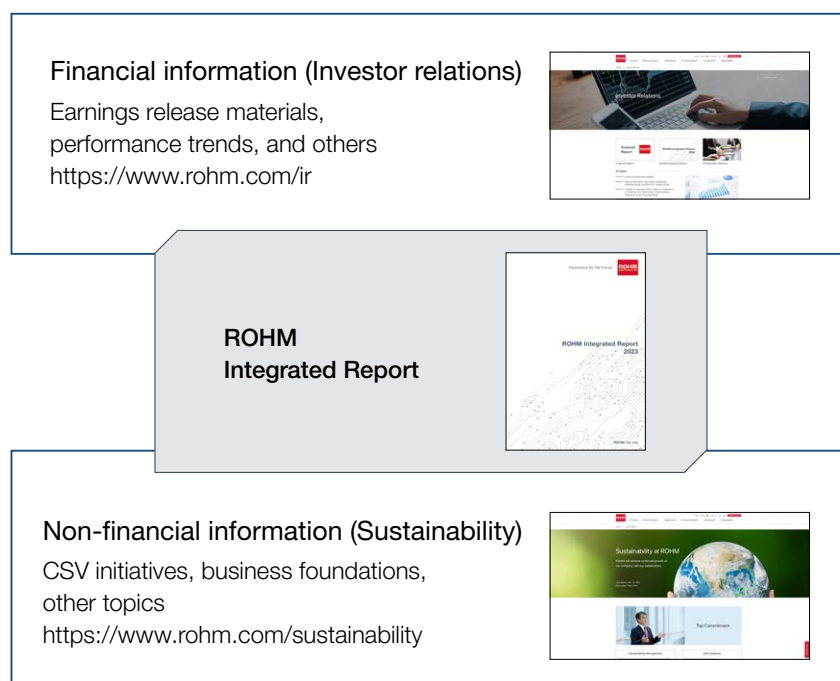
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### The Role of This Integrated Report

This report contains the information of greatest relevance to the ROHM value creation story. For detailed information on our products and our businesses, please visit our website.



### 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.

#### Securities Report/Quarterly Reports (In Japanese only)

We provide a variety of information, including an overview of business, status of facilities, and financial position.

#### FACT BOOK

We prepare a collection of materials for investors and shareholders, summarizing facts about management and financial position.

#### Materials for Financial Results Briefing

We publish the details announced at financial results briefings and explanatory materials on the Medium-Term Management Plan.

#### Corporate Governance Report

We publish a report describing our basic approach to corporate governance and the status of the system.

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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 2023 is to provide stakeholders, primarily customers, shareholders, investors, suppliers, and employees, with a better understanding of our efforts to achieve ROHM's Company Mission. Looking toward 2030, we are initially focusing on our Medium-Term Management Plan Moving Forward to 2025. This report introduces our initiatives for silicon carbide (SiC), for which demand is increasing in response to the electrification of automobiles as a special feature, and ROHM's financial and non-financial strategies.

#### Reporting Period

Fiscal year 2022 (April 1, 2022 to March 31, 2023)

\*Some information from April 2023 and after is included.

#### Data Published

September 2023

\*This report is a translation of the Integrated Report published in September 2023. 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.

#### Guidelines Used for Reference

IFRS Foundation Integrated Reporting Framework  
Ministry of Economy, Trade and Industry Guidance for Collaborative Value Creation

## Corporate Website

<https://www.rohm.com/investor-relations/library/rohm-group-integrated-report>



#### Corporate website, main page

This page contains a variety of information on our company including corporate data, information on sustainability, and information on our R&D.

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



<https://www.rohm.co.jp/investor-relations/library/annual-interim-securities-business-report>



#### Information for shareholders/investors

This page includes information of interest to investors including a summary information on recent business performance, share information, and other information.

<https://www.rohm.com/ir>



<https://www.rohm.com/investor-relations/library/factbook>



#### Sustainability

We post CSR information, such as CSV initiatives, environmental management, human capital management, and social contribution activities.

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



<https://www.rohm.com/investor-relations/library/materials-for-financial-results-briefing>



#### ROHM Group Major ESG Data

We post data related to the environment, society, and governance.

<https://rohm.com/sustainability/esg>



<https://www.rohm.com/investor-relations/library/corporate-governance>



#### Note on nomenclature:

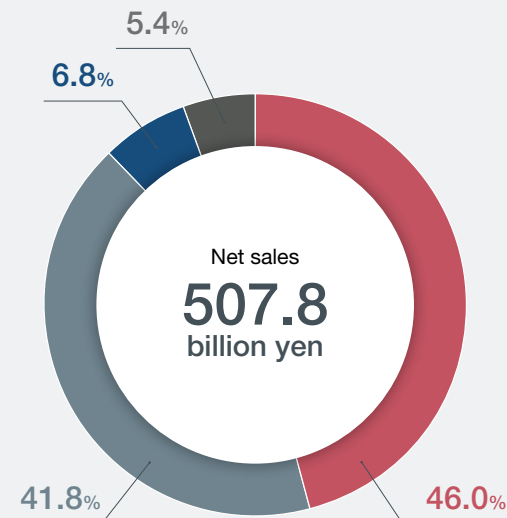
Company names in this report are used as follows:  
"ROHM" refers to the consolidated entity consisting of ROHM Co., Ltd. and all of its consolidated subsidiaries.  
"ROHM Co., Ltd." refers to ROHM Co., Ltd. as a non-consolidated entity, and excludes consolidated subsidiaries.



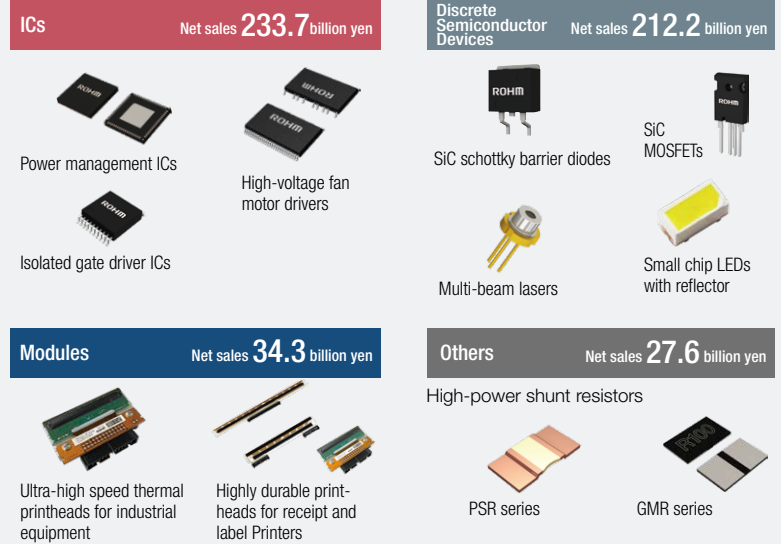
# At a Glance

ROHM produces and sells a wide range of power and analog semiconductors, including everything from ICs and discrete semiconductor devices to modules and resistors. We aim to serve society by meeting our customers' needs for "energy savings" and "miniaturization" of their products.

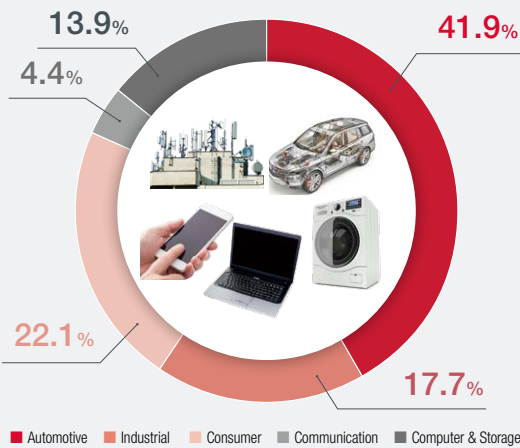
## Sales by segment (FY2022)



## Key Products



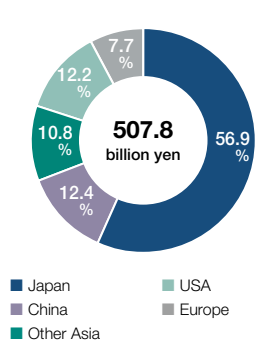
## Sales by application (FY2022)



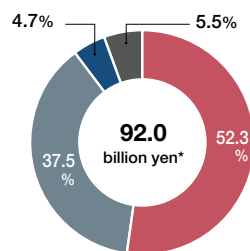
## Principal use

- Automotive**
  - xEV
  - Engine control unit
  - Air bag
  - Car navigation
  - ADAS
- Industrial**
  - Electrical measuring equipment
  - Machine tool
  - Solar power
  - Smart meter
  - Medical equipment
  - Security equipment
  - Casino machine
- Consumer**
  - Audio visual equipment
  - White goods
  - Video game console
  - Smart speaker
  - Wearable (Watch/Fitness)
- Communication**
  - Smart phone
  - IoT
  - Base station
- Computer & Storage**
  - PC/Tablet PC
  - Data center/Server
  - Printer/PPC
  - Data storage (HDD/SSD/DVD)
  - Point of Sales (POS)

## Sales by region (FY2022)

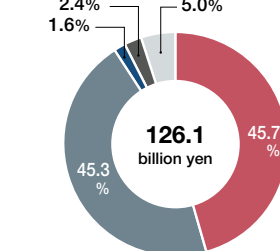


## Operating profit (FY2022)



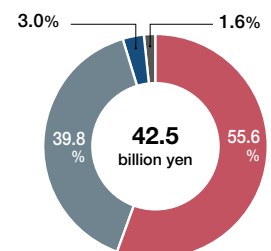
\* Operating profit for the period was 92.3 billion yen, but we are showing the details of 92.0 billion yen excluding general and administrative expenses and the settlement adjusted amount.

## Capital expenditures (FY2022)



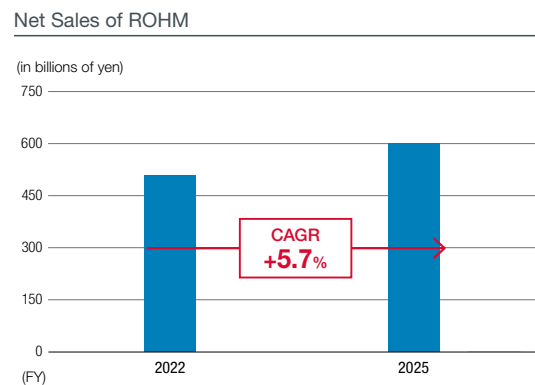
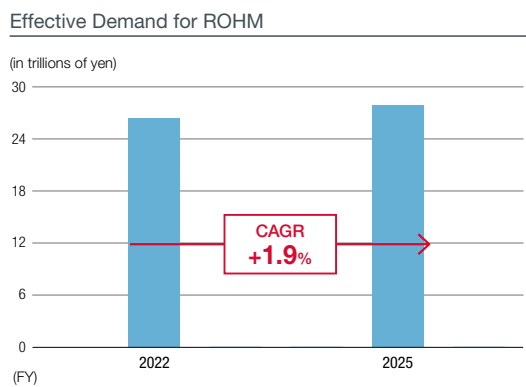
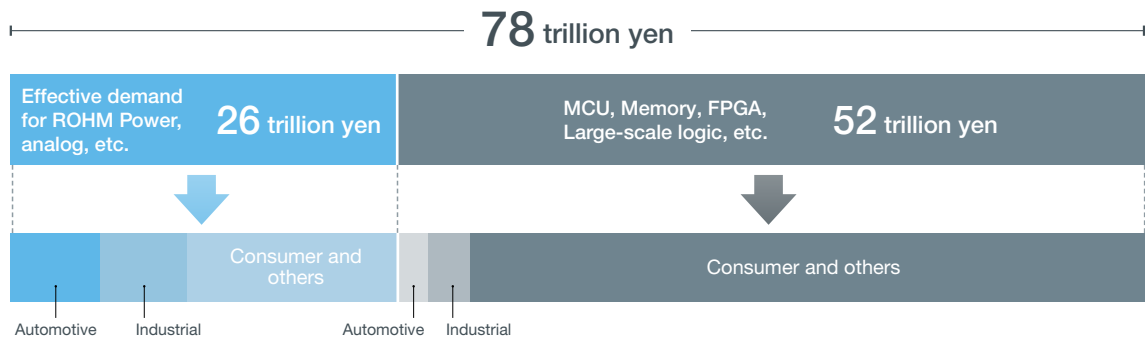
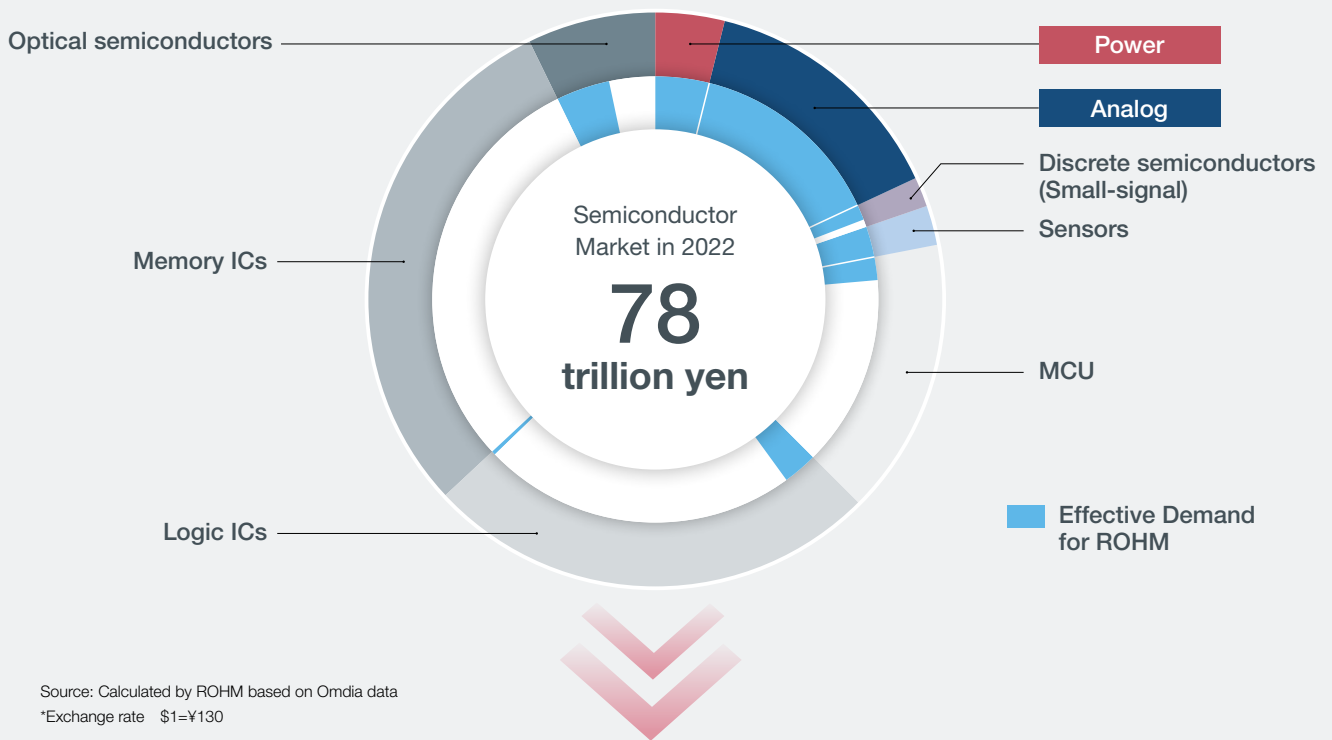
■ ICs ■ Discrete semiconductor devices ■ Modules ■ Others  
■ Sales and administrative division

## R&D expenses (FY2022)





Market size of ROHM's target: power and analog (effective demand for ROHM)



ROHM products for effective demand: discrete, analog, etc.  
Source: Calculated by ROHM based on Omdia data  
\*Exchange rate \$1=¥130

# ROHM's Strengths

As a manufacturer of semiconductors and electronic components, ROHM has expanded its business domain by building up its design and manufacturing technologies, quality assurance technologies, and solution proposal capabilities for more than 60 years since its establishment. These technologies and capabilities accumulated over its long history carry four main features: integral

## > Development capability to maximize value by integrating elemental technologies

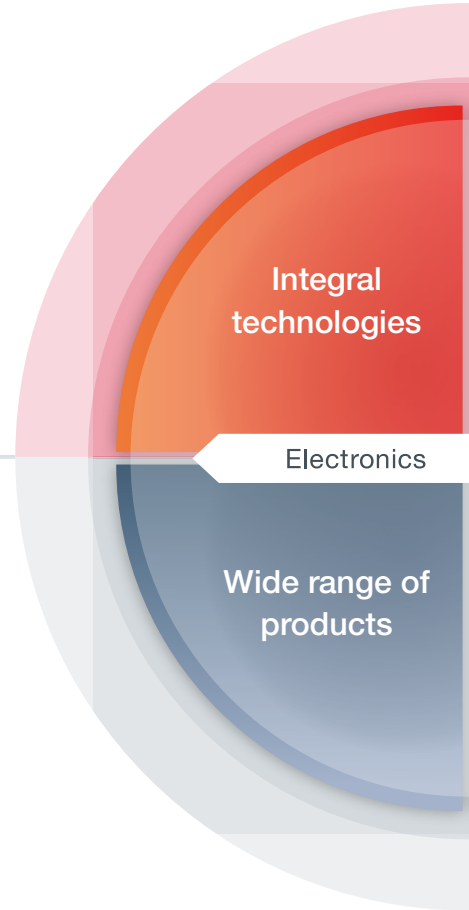
In ROHM's focus areas of power and analog, the source of our competitiveness is understanding the features of our own manufacturing processes and optimizing our designs based on customer needs. In addition to integral technologies with semiconductor manufacturing, consisting of circuit design, layout, and manufacturing processes, we also have significant strength in assembly, like optimization of comprehensive technologies such as heat dissipation design, package technology, and measurement technology.

ROHM integrates elemental technologies accumulated over many years and utilizes integral technologies to provide products and solutions that maximize customer value.

## > Comprehensive capabilities; from passive components to ICs and power devices

ROHM launched its business with resistors as its founding product, entered the discrete semiconductor device and IC markets, and subsequently expanded its business domain to optical devices and modules. In recent years, it has focused on the power device field, best known for SiCs.

This wide range of products and trove of accumulated technical expertise, which support a wide range of electronics equipment, enable us to propose the right solutions and provide comprehensive technical support to our customers.



## Power and Analog Technologies: ROHM's Focus Areas

### ■ Power

SiC power devices can achieve significantly lower loss and miniaturization compared to conventional silicon (Si) semiconductors. Amid ever-growing needs for energy savings, ROHM has been a global pioneer in the development and enhancement of its SiC product lineup, which has been broadly adopted in a range of applications, especially in the automotive and industrial equipment-related markets.

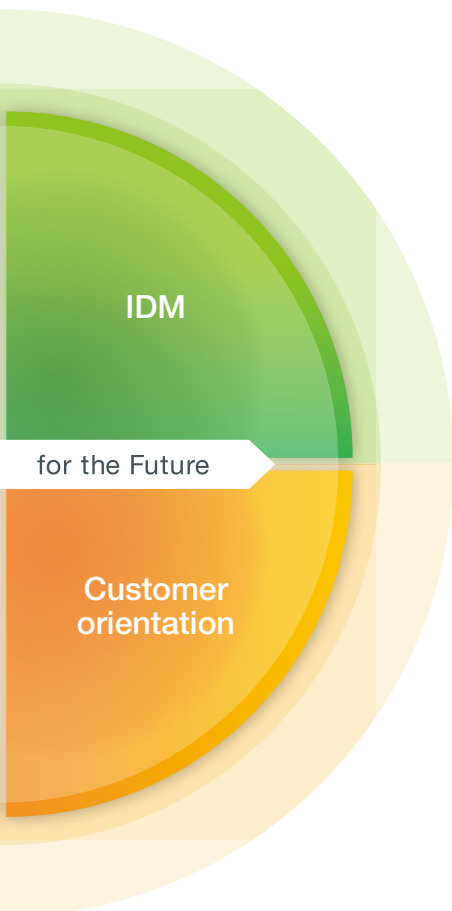
We will continue to propose optimal power solutions to our customers by integrating our element development and module technologies, not only for SiC power devices, but also for conventional Si power devices and other electronic components.

### ■ Analog

Analog technologies are elemental technologies processing continuously changing information into electrical signals. These are widely applied to power supply control circuits that support the stable operation of electronic equipment, motors, and more. Electronic equipment demand will continue its dramatic growth, including the use of data through IoT and artificial intelligence (AI) and the expansion of autonomous driving. The analog semiconductors used in this equipment are expected to achieve even higher performance, energy savings, and miniaturization. ROHM is able to meet customer needs through its engineers' in-depth familiarity of analog technologies and optimal designs, and its advanced elemental and integral technologies cultivated over many years.

technologies, IDM (vertical integration as an integrated device manufacturer), a wide range of products, and customer orientation.

By focusing on power and analog technology solutions where we can maximally leverage these strengths, we will provide high added value to our customers and contribute to solving social issues.



> Rigorous quality control, stable supply, and cost competitiveness

ROHM has been pursuing “quality first” manufacturing for more than 60 years. This pursuit is supported by the vertically-integrated IDM business model.

By providing a complete production process from materials to finished products within the Group, we have established a one-stop system for quality assurance and stable supply, as well as a business continuity management (BCM) system offering uninterrupted product supply even in disasters and other unforeseen circumstances. We also promote production efficiency improvement and cost reduction through advanced production technology, including in-house development of production equipment.

> Solution proposals from the customer’s point of view

ROHM values communication with its customers in all business processes.

When determining a product’s development specification, engineers who are well-versed in technologies related to electronic equipment and in the Company’s own design and manufacturing capabilities examine elements such as optimal circuit configuration, characteristics, and reliability before specification design in order to achieve the performance required by customers. This examination includes product functions, characteristics, and peripheral circuit configuration. In addition, by matching characteristics based on the results of verification at the customer’s side during the prototype stage, we can swiftly provide the best product possible and optimize electronic equipment characteristics.

ROHM has earned high praise from customers for its rigorous customer support system and solution proposals, optimally combining ROHM’s technologies and products with a thorough understanding of customer needs.



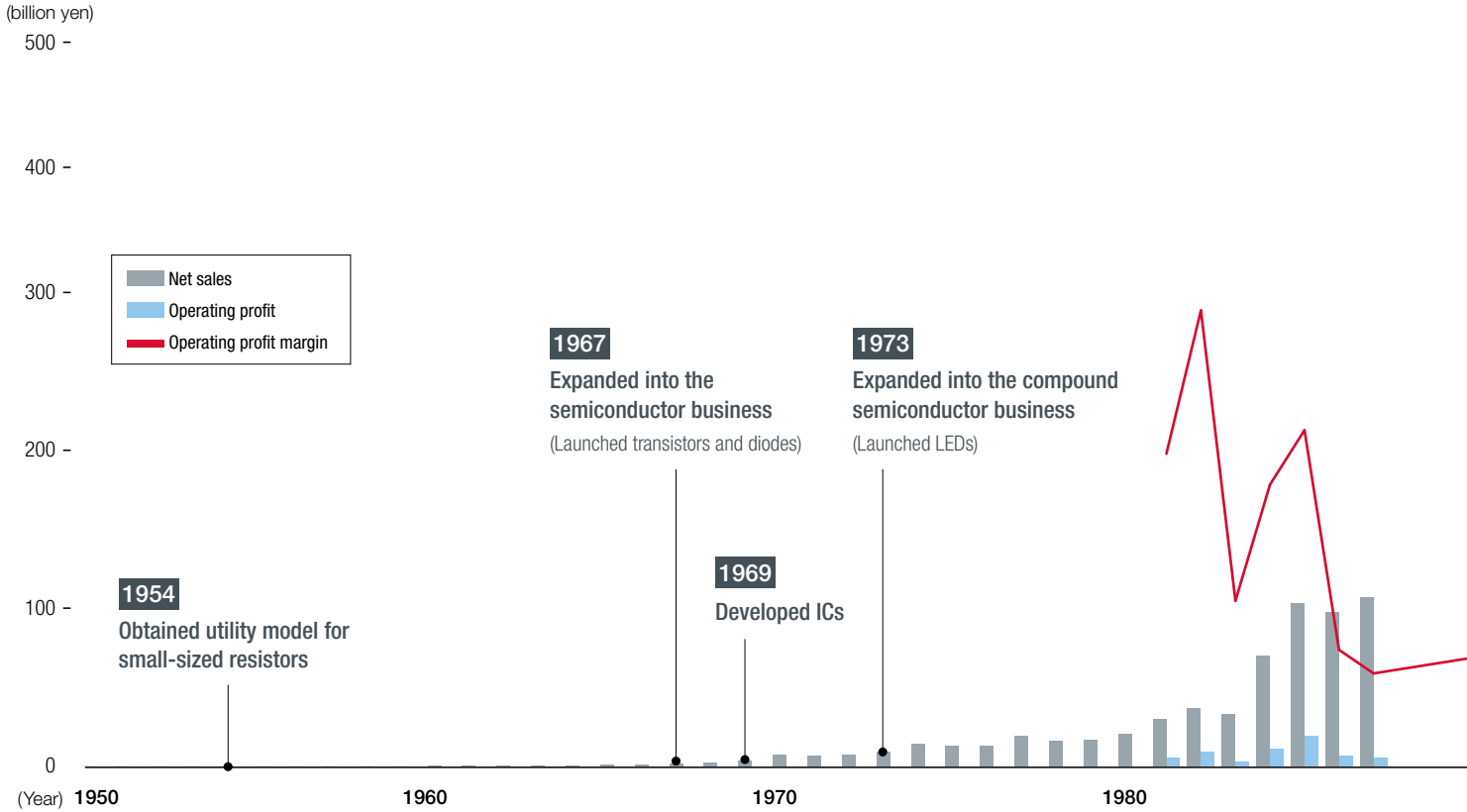
**Our Ability to Plan and Propose Products that Anticipate Customer Needs**

In areas with notable growth, such as electric vehicles (xEVs), our strategy is to develop application specific standard products (ASSPs) already equipped with the functions required by markets. It is important to determine how best to incorporate functions based on market needs, and our Product Marketing Engineers (PMEs) investigate the performance and functions required by markets worldwide and refine product planning accordingly. Field Application Engineers (FAEs), who are well-versed in customers’ development trends and other technical information, are responsible for proposing optimal solutions sought by customers and providing them with detailed technical support. With this dual structure of PMEs and FAEs, we are strengthening our ability to propose solutions on a global basis.



# History of Innovation

Since our foundation, we at ROHM have been working to expand our fields of business while contributing to the advancement of society and culture in line with our Company Mission, always maintaining an absolute priority on product quality. We aim to continue our contributions to the improvement of living standards within a sustainable society, harnessing our electronics technology, and our in-house technical capabilities, to solve various issues and meet the needs of society.



1950s	1970s	1990s
<p>➤ Expanding demand from manufacturers of consumer products</p> <ul style="list-style-type: none"> <li>• Transistor radio</li> <li>• Color TV</li> </ul>	<p>➤ Increasing global demand for ICs</p> <ul style="list-style-type: none"> <li>• Portable cassette audio</li> <li>• VCR</li> <li>• CD player</li> </ul>	<p>➤ Advancing of the digitalization of society</p> <ul style="list-style-type: none"> <li>• Digital camera</li> <li>• Personal computer</li> <li>• DVD</li> <li>• Mobile phone</li> </ul>

Responding to the needs of society

Became the top resistor manufacturer through quality-first manufacturing

The first Japanese company to expand operations to Silicon Valley, USA, which was at the forefront of IC technology

Contributed to the development of the digital market as "custom IC manufacturer ROHM"

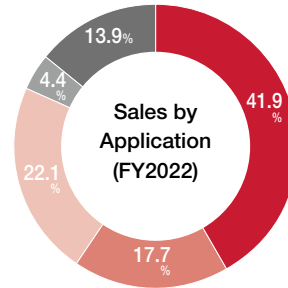
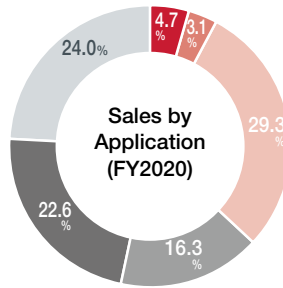
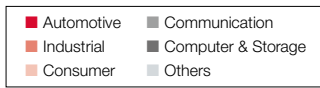
**Episode 1** Advancing the miniaturization of electronic components by producing Japan's first compact resistor

ROHM's founder, Kenichiro Sato was motivated to set up the Company after taking a part-time job repairing radios and deciding that "simply doing repairs is boring. I would rather make my own products." He started working on the development of a resistor, an indispensable component of valve radios at the time. In 1954, he released the "parallel lead fixed resistor," the first-ever compact resistor to be made in Japan. As the demand for transistor radios accelerated, Sato's resistor eventually won a 60% share of the domestic resistor market.

**Episode 2** Contributing to technical innovation in the electronics industry through participation in the integrated circuit business

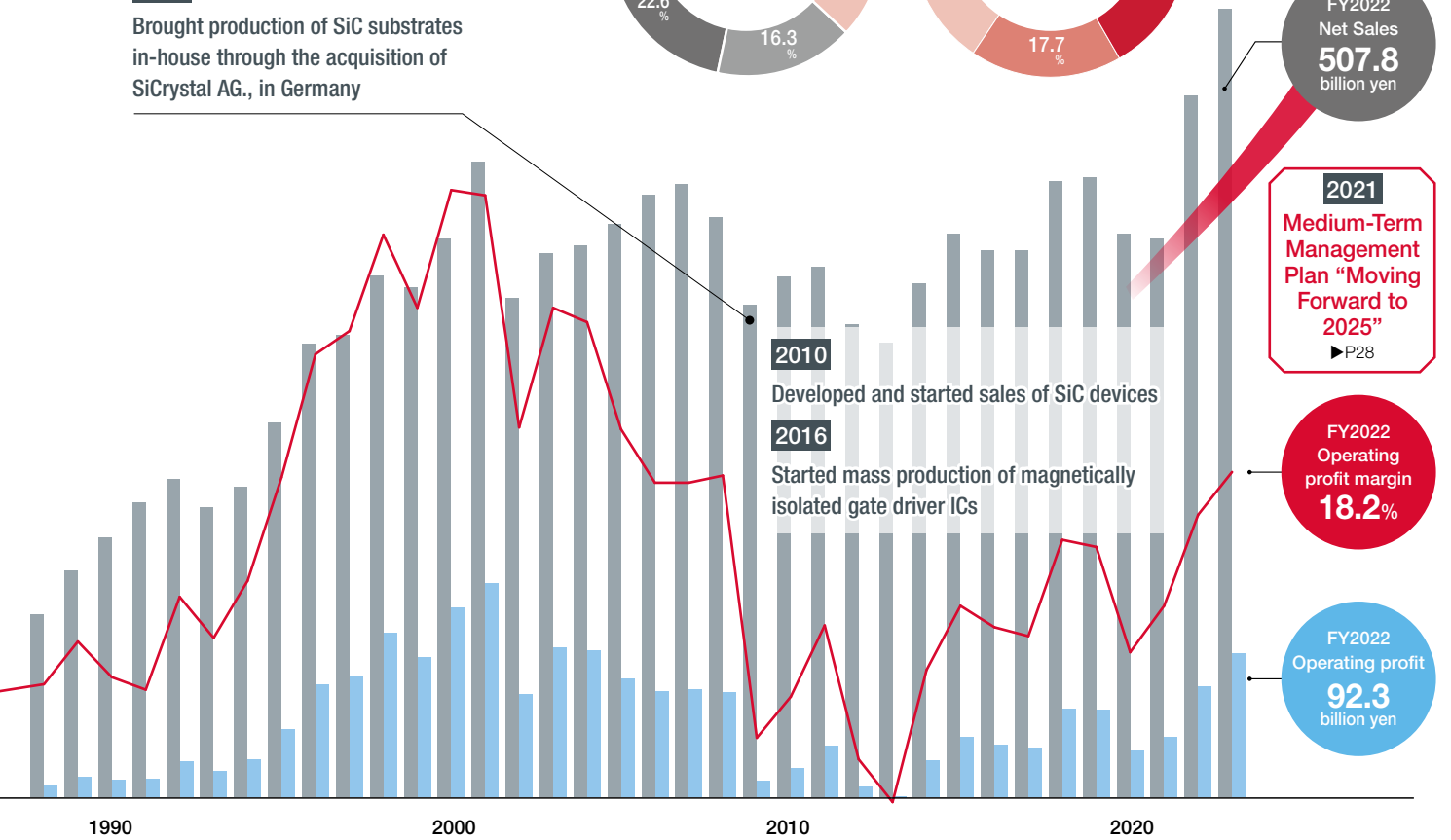
As technical innovation in the electronics industry led to a shift from valve technology to transistors, and from transistors to integrated circuits, the Company began to research and develop semiconductors. Although it was a major risk to enter the semiconductor industry, due to the huge investment required, the entire company worked together on development, eventually succeeding in the commercialization of transistors and diodes. Later, the Company also succeeded in the development of integrated circuits, leading to a great increase in the number of Japanese companies adopting customized integrated circuits from ROHM in their digital devices.





2009

Brought production of SiC substrates in-house through the acquisition of SiCrystal AG., in Germany



2000s	2010s	2020s
<p>➤ Globalization of the electronics market</p> <ul style="list-style-type: none"> <li>LCD TV</li> <li>Car navigation system</li> </ul>	<p>➤ Growing needs for energy savings and electrification</p> <ul style="list-style-type: none"> <li>Smartphone</li> <li>Tablet PC</li> <li>Hybrid electric vehicle</li> </ul>	<p>➤ Trending toward decarbonization and a recycling-oriented society</p> <ul style="list-style-type: none"> <li>xEV (Electric vehicle)</li> <li>Charging station</li> </ul>
Strengthened development of new products for the global market	Increased focus on automotive and industrial equipment markets	Promote development of products that contribute to energy savings and miniaturization

**Episode 3** Contributing to miniaturization and energy-saving through the development of next generation semiconductor materials

As ROHM's focus shifted toward the automotive and industrial equipment markets, the Company worked to win more customers outside Japan through heavy investment in the development of power semiconductors. With the incorporation of Europe's largest manufacturer of single crystal silicon wafers, the Group obtained the capacity to consistently manufacture and supply substrates, dies, lead frames and packaging. ROHM was also the first company in the world to start the mass production of SiC MOSFET and full SiC modules.

**Episode 4** Helping customers meet society's needs through power and analog semiconductor solutions

The trend towards smart technology and electrification in automotive and industrial equipment is creating demand for the highly advanced power and analog semiconductor technology that is required by various devices and equipment. This technology must also realize safe operation and further energy savings and miniaturization. ROHM has developed many analog ICs designed to maximize the capacity of various power devices, particularly SiC devices. Together with other peripheral components such as shunt resistors, which are used for detecting electric currents, ROHM delivers products that ensure the optimum performance of each system.

# ROHM's Company Mission and Vision

Since our founding, ROHM has consistently worked to deliver on the same Company Mission: contributing to the advancement and progress of culture and society through the consistent supply of high-quality products and precision manufacturing. To clarify what we mean by contributing to culture and society, we published the statement “Electronics for the Future” as part of our Medium-Term Management Plan, before establishing our goal of becoming a major global player by 2030 and setting our Vision of “focusing on power and analog solutions and solving social problems by contributing to our customers’ needs for “energy savings” and “miniaturization” of their products.”

## 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 savings” and “miniaturization” of their products.

## ➤ Origin on the company name

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.

**ROHM**  
SEMICONDUCTOR

ROHM Co.,Ltd.

# 2025

## Medium-Term Management Plan “Moving Forward to 2025”

Achieve growth in “automotive segments” and “markets outside Japan” and build a foundation for further growth

→ P.28

# 2030

Becoming a “major global player”

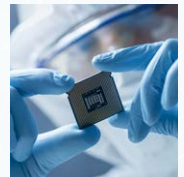
## Becoming a “major global player”

ROHM aims to become a “major global player” at 2030. To achieve this goal, it is necessary to establish the ROHM brand on a global scale and be recognized as a company that is necessary to society.

### 1

#### Providing irreplaceable services to our customers and society

In our Company Mission, we mention our priority commitment to product quality. Based on that commitment, we work hard to further develop technology that optimally integrates power and analog semiconductors. This allows us to contribute to “energy-savings” and the “miniaturization” of our customers' products, helping us address the needs of society and play an indispensable social role.



### 2

#### Establishing the ROHM brand as a provider of power and analog semiconductors

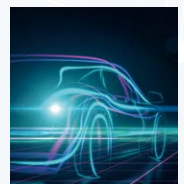
With a particular focus on power and analog semiconductors for automotive and other industrial applications, we are working to inform customers and wider society of our deep commitment to quality and reliability. Our goal is to establish a firm connection between our brand and the provision of power and analog semiconductors, ensuring that ROHM becomes the first name customers think of when they think of those fields.



### 3

#### Targeting a position among the global top ten power and analog semiconductor manufacturers with sales revenue of 1 trillion yen

We have established the goal of becoming one of the top 10 largest global providers of power and analog semiconductors, with annual sales of over 1 trillion yen. We have set these goals as we believe that we must expand the scope of our business to win the solid trust of our customers and play an indispensable role in society. We also believe that sales reflects the total value of our social contribution.





**Becoming a major global player  
needed and trusted by  
society in 2030**

**Isao Matsumoto**

President, CEO  
(Representative)





In our Medium-Term Management Plan, we state that our vision for ROHM in 2030 is being a major global player, which has three main elements. First of all, customers and overall society can trust all of our products, including power and analog semiconductors for automobiles and industrial equipment, our core products, and use them with a peace of mind because “ROHM can be trusted.” Second, this implies that our brand is so strong that when customers need semiconductors and electronic components, ROHM is the first company that comes to their mind. Finally, the most important point is being seen as a company that society needs.

As for numerical targets, for the power and analog semiconductor field, we have set the targets of being one of the top ten companies in the world and posting net sales of 1 trillion yen. Although there is growing uncertainty regarding conditions in society, we will continue to not only steadily implement the Medium-Term Management Plan and build a firm management foundation impervious to changes in the outside environment, but also accelerate integrated Group management and work to achieve true growth and enhancement of corporate value through ONE ROHM.

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## ROHM's strength in the field of power and analog semiconductors

The market for power and analog semiconductors is expected to continue to grow in the future because of the electrification and more extensive use of electronics in automobiles and industrial equipment. Based on our Company Mission, which we have touted since our founding, ROHM has contributed to solutions to social issues by leveraging its strengths related to quality-first manufacturing, advanced integral technologies, and its integrated development and manufacturing system to supply high-value-added products.

It is said that in 2022, the semiconductor market was about 78 trillion yen, but power and analog semiconductors, the main type of semiconductors ROHM handles, accounted for only 26 trillion yen, about one-third of that total. Demand for power and analog semiconductors, however, is expected to continue to grow in the future because of greater electrification and more extensive use of electronics in various products, particularly automobiles and industrial equipment.

In the field of digital semiconductors, such as microcontrollers and memory, investments in miniaturization and other capabilities provide competitiveness, and most players in the industry have adopted horizontal specialization that leverages such assets as foundries. On the other hand, for power and analog semiconductors, developing optimal designs that meet the needs of customers by leveraging the distinguishing aspects of our production process is the source of our competitiveness. With a system that integrates circuit design, layout, and production processes, ROHM provides high-value-added products that meet the needs of customers and the market by matching those technologies and know-how at a high level. What supports this product development is our vertically integrated production system known as integrated development and

manufacturing (IDM), in which production processes, from the material stage to completed product, are completed within the Group. (See p.4)

This makes it possible not only to increase value added for design and realize thorough product quality but also contributes to the construction of a stable supply system. This forms the foundation of our Company Mission, which we have touted since the Company was established, and “making quality our top priority and contributing to the advancement and progress of culture through a supply, under all circumstances, of high quality products” has been passed down through the years as ROHM's DNA.

The true value of this was demonstrated during the floods in Thailand in 2011. Production at local plants in Thailand was suspended because of flooding, and there was the danger of a stoppage in automobile production because automobile manufacturers use many of the products manufactured in Thailand but we could not supply them. However, ROHM possesses advanced know-how related to all production processes within the Group, and it was possible to relaunch production within only one month as a result of the support provided by Group engineers with expertise in each production process. Furthermore, we were able to fully restore the supply of products within

about two and a half months, which was dramatically quicker than initially expected, through the quick introduction of alternative production.

The floods in Thailand were an emergency, and I, too, hastily supervised the alternative production in the Philippines. We received words of encouragement from many customers, and I truly felt a sense of responsibility as ROHM supports the Japanese industry, and the incident made it possible to once again recognize the advanced

production technology ROHM has acquired since its founding and the Group's immense power when it unites.

ROHM has pursued quality-first manufacturing for more than 60 years, which is supported by our IDM business model. We aim to become a major global player by supplying customers with high value added products and contributing to solutions to social issues by sticking to our integrated production system.

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## Actively investing in growth fields to become a major global player

We are also moving forward with aggressive capital expenditures, and the target value of investments for growth through FY2025 was increased to 600.0 billion yen. In addition to reinforcing our production lines for products used in fields where the market is rapidly growing, particularly SiC power devices, we are building a system to steadily capture growth opportunities through aggressive M&As and other activities.

FY2022 was the second year of the Medium-Term Management Plan "Moving Forward to 2025," which covers the period FY2021–FY2025. During the fiscal year, we were able to record strong performance as net sales hit a record high, rising 12.3% year on year to 507.8 billion yen, on account of growth in automobiles and industrial equipment, and operating profit, ordinary profit, and profit attributable to owners of parent grew at double-digit paces. However, a major factor behind this strong performance was an overall robust semiconductor market and weaker-than-expected yen, and we have to improve performance even more.

In particular, since FY2021, capital expenditures as a percentage of net sales has remained high. Although these expenditures are a heavy burden, we are aware that they are necessary to capture market share, and because of this, we will continue to make large-scale investments and have increased the amount of investments for growth through FY2025 to 600 billion yen from 500 billion yen. Capital expenditures primarily are related to improving production capacity, acquiring land and buildings, particularly for handling 8-inch SiC power devices, and reinforcing 12-inch Bi-CDMOS for IC production lines.

For the SiC power device business, the market is quickly growing as electrification of automobiles progresses, and it is important to rapidly develop a system to provide a stable supply in response to this strong demand. Therefore, we brought forward SiC investments and plan to invest 510 billion yen over seven years, through 2027, and in July of this year, we agreed the acquisition of SOLAR FRONTIER

K.K.'s former Kunitomi Plant, which will be our 4th SiC FAB. On the other hand, for the IC business, we are reinforcing the development of application specific standard products (ASSP) that meet a broad range of needs, and plan to reinforce our production line in order to expand high-value-added strategic products.

We are also moving forward with capital investments and M&As with an eye toward expanding future business opportunities and announced that ROHM will participate in efforts to privatize Toshiba Corporation in July 2023. As for procuring investment funds (300 billion yen in total), we plan to borrow the funds, which is separate from the 600 billion yen in investments for growth. We will also carefully consider M&A deals to expand our business portfolio, but will not acquire new businesses unrelated to our existing businesses. In order to achieve the vision in the Medium-Term Management Plan, we want to actively examine M&As if there are any that would generate synergies in the long term.

Since taking up the position of President in 2020, I have implemented various management reforms, and our ability to steadily generate cash flows has increased over the past several years, with cash flows from operating activities expected to grow to 650 billion yen over the five years of the Medium-Term Management Plan. While working to improve investment efficiency, we will increase our ability to generate cash flows, such as making aggressive capital expenditures, to the extent possible with our own funds, and lay the groundwork to implement the Medium-Term Management Plan one piece at a time.



## Improving the “quality of the company” by further increasing the sophistication of sustainability management

To become a company trusted and selected by stakeholders, it is important to increase the quality of not only products but also the company itself. Based on our Management Vision and Statement, we will move forward with efforts to increase the sophistication of our sustainability management, which includes reinforcing governance.

For ROHM to become a company trusted and selected by stakeholders, it is important to improve the quality of not only products but also the company itself. Therefore, we are moving forward with introducing more sophisticated sustainability management. As part of this effort, we have been clearly separating management and execution roles since April 2022 by establishing the Sustainability Management Committee on the management side and EHSS General Committee on the executive side, which was done to accelerate decision making and reinforce supervision functions. In FY2022, the Sustainability Management Committee met once a month and deepened deliberations regarding sustainability issues, such as TCFD, measures to strengthen governance, and indicators related to human capital.

To strengthen governance, we welcomed three newly appointed outside directors in FY2023. One of the newly appointed outside directors is involved in actual operations and possesses broad knowledge of human capital management and global management, and it is expected that she will provide advice based on her experience. The

person was appointed on account of expectations that they will work with us on considering how ROHM should be, not take a critical perspective of a commentator. I would like the two Audit and Supervisory Committee members to use their knowledge to provide advice regarding the ideal type of audits and information management for integrated Group management, and this is one aspect of our governance reforms.

By formulating a Management Vision in 2020, we have clarified that “we focus on power and analog solutions and solve social problems by contributing to our customers’ needs for “energy savings” and “miniaturization” of their products.” In addition to clarifying the direction that ROHM should move, this also clearly states our intention to raise the awareness of all Group employees and to make additional contributions to society as a Group. In the statement based on the Management Vision, we tout the phrase “Electronics for the Future,” and aim to “solve a variety of social issues with our electronics technology.” Among these “variety of social issues,” the most serious ones that require

a quick response are the ones related to the environment, as you might expect. Power and analog semiconductors are becoming more important as key devices for decarbonization and energy savings, and I consider it our mission to improve the efficiency of motors and power supplies, which are said to account for a majority of the electricity consumed globally. The trend towards electrification of automobiles is accelerating throughout the world on account of growing awareness of climate change and the environment, and this is leading to greater need for energy savings and miniaturization of devices used in automobiles. It can be argued that we live in an era in which power and analog products that can do that are what the world needs.

Furthermore, we set Environmental Vision 2050 as a decarbonization promotion measure for ROHM's business activities. Based on this vision, we are actively working to

achieve carbon neutrality (net zero CO<sub>2</sub> emissions) and zero emissions and actively undertake various environmental preservation activities and make environmental investments, all of which are centered on the three topics of "climate change," "resource recycling," and "coexistence with nature." In April 2022, we joined "RE100 (100% Renewable Electricity)," an international corporate initiative that aims for 100% renewable energy for electricity used in business operations. With the goal of "100% of electricity used in all business activities in Japan and overseas to be derived from renewable energy sources by FY2050," we are gradually increasing the volume of renewable energy that we use.

In addition to developing solutions to social issues through product development, ROHM is working to reduce the environmental burden of its business activities and will contribute to the realization of a sustainable society.

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## Creating a system in which each employee can envision a career path that leverages their individuality and hold dreams

One of the main issues that ROHM should work on now is human capital management. ROHM will move forward with building a system in which each employee can identify with ROHM's vision and take the initiative in achieving that dream.

ROHM will not be a major global player unless its products are considered indispensable for making people's lives more affluent and envisioning the future. The idea underlying the formulation of the Medium-Term Management Plan is to firmly build up our strength through FY2025. The Medium-Term Management Plan is centered on formulating and implementing the measures necessary to reinforce the management foundation for the overall Group as ONE ROHM. In particular, production worksites and all administrative divisions will consider for themselves what is necessary for ROHM to become a major global player and what must be done to achieve that. On all fronts, including organization and finances, I want to create a system in which each and every Group employee envisions what it means for ROHM to be a major global player and works with a dream.

We recognize that human capital management is an important issue to achieve that. We have implemented various human resource measures in order to continue to win the competition for global human resources, but are aware that we still lack a sufficient human capital strategy linked to the management strategy. It is necessary to firmly develop an overall image of various points, including what type of human resources we need to train by backcasting

from our vision for ROHM in FY2030 and what impact the percentage of managers who are women will have on that.

In addition, what is important is not only each employee's individuality but also the creation of an environment in which each employee can envision what type of career they can achieve if they stay at ROHM because each employee is different. Therefore, we have established mechanisms to promote autonomous career development and skill development. The Specialist System, which was created in FY2019, is based on this idea.

Promoting diversity is also important to leverage the individuality of employees. First of all, I think that it is important to listen to diverse opinions, including those of non-Japanese and female employees. In particular, in terms of decision making, we are aware that incorporating diverse ideas, not relying on uniformity, is necessary for superior decisions. In order to communicate this idea to employees, we routinely use various media, including online channels, and have created opportunities for direct dialogue with employees at round-table discussions. I would like to continue these efforts in the future because direct dialogue through round-table discussions makes it possible to deepen the mutual understanding of participants.



## Desire to become a company that contributes to the enrichment of people's lives 50 or 100 years into the future

I want ROHM, which provides “Electronics for the Future,” to continue to be a company that contributes to the enrichment of people's lives through its products and technology regardless of how the world evolves.

Demand for semiconductors continues to grow as the world transitions to a decarbonized society. Furthermore, SiC power devices are indispensable for generating renewable energy, and demand for power and analog semiconductors will continue to grow as society shifts to a recycling-oriented society.

It is impossible to accurately forecast what society will be like in the future. Perhaps we will return to a way of living in which people are in harmony with nature, or society may become one in which people get around in flying cars. Of course, when the world changes, the issues that must be solved also change. The statement “Electronics for the Future” is based on the idea of using electronics to respond to social issues through around 2050. It is, however, very likely that 100 years in the future, the “Electronics” part may change even if “for the Future” remains the same.

Even so, since the founding of the Company, the

Company Mission has stayed the same—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—and I would like ROHM to continue to be a company that can contribute to society through manufacturing no matter how society changes. Therefore, we will work to develop new technology and offer a stable supply of high quality products while always playing a leading role in the time.

I think that the structural reforms we have implemented since the 2000s are bearing fruit and have placed ROHM on a growth trajectory. We will move forward so that we can contribute to the environment and society through our technology and products in order to continue to be a company that the world needs as it changes.

I hope for the understanding and support of all our stakeholders.



President, CEO  
(Representative)  
September 2023

*Isao Matsuda*

# ROHM's Value Creation Process

ROHM's Company Mission is quality first, focusing on power and analog technologies and seeking to solve social problems and improve corporate value by contributing to our customers' needs for "energy savings" and "miniaturization." By leveraging our ability to plan and propose products that anticipate customer needs, and by promoting integrated business activities from R&D to sales and customer support, we are able to provide products that guarantee the quality level required by our customers.

## Social Issues ▶P22

### Technology

Increasing demand for electronic products that respond to social changes

Manufacturing that meets the trust and expectations of our customers

## Material Issues ▶P24

Evolution of Technologies to Contribute to the Advancement and Progress of Culture

Stable Supply of High-quality Products

## Environment

Negative impacts of climate change

Serious resource depletion

## Society

Securing human resources within a declining labor force

## Governance

Strengthening our management and business activity foundations

Fulfilling social responsibility throughout our supply chain

Ensuring product safety and strengthening product quality

## Sustainability Priority Issues

Strengthening Sustainable Technologies, Developing and Supplying Innovative Products

Mitigation of Climate Change

Effective Use of Resources

Strengthening Employee Engagement

Diversity Development

Ensuring the Health and Safety of Employees

Enhancing Corporate Governance

Risk Management

Sustainable Supply Chain Management

Strengthening Product Safety and Quality

## Inputs

### Financial Capital



Equity ratio	81.4%
Market capitalization	1.766 trillion yen
Equity	915.4 billion yen
Cash and deposits + securities	329.2 billion yen

### Manufactured Capital



Capital expenditures (past 5 years)	346.4 billion yen
Worldwide production network	18
Manufacturing technology development (independent development to improve production efficiency)	
Capital expenditures for increasing production capacity (past 5 years)	183.7 billion yen
Capital expenditures for quality improvement (past 5 years)	12.5 billion yen
Full-scale introduction of flexible production lines	
Full operation of new building for SiC (ROHM Apollo)	

### Intellectual Capital



Expertise accumulated in-house over many years of development	
R&D expenses as a percent of sales	8.4%
Universities we have industry-academic partnerships with	33
Industry-academia collaborative research projects	62
Number of patents held	9,377

### Human Capital



Employees (consolidated basis)	23,754
Of these, 17,354 are foreign employees	
R&D personnel	3,022
Percentage of female employees	27.9%
New graduates hired	180 (non-consolidated basis)
Mid-career hires	89 (non-consolidated basis)
Engineers (STEM*-related positions)	2,268 (non-consolidated basis)

\* Science, Technology, Engineering and Mathematics  
Implementing training to disseminate the Company Mission and Basic Management Policy

### Social Capital



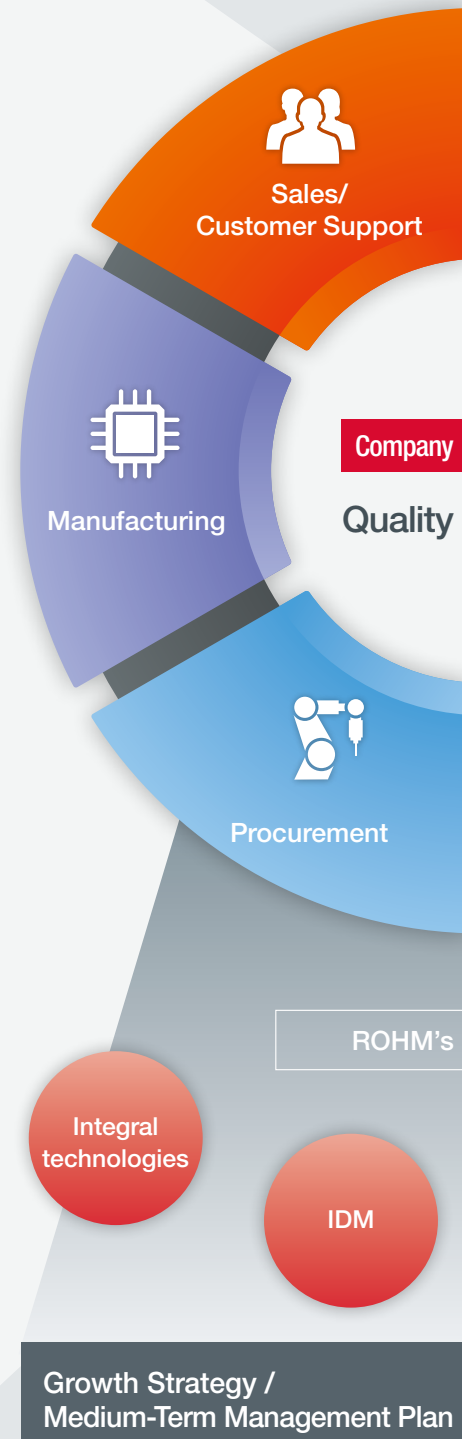
ROHM brand in the semiconductor market cultivated over many years	
Trusting relationships with customers/suppliers	1,848

### Natural Capital



Quantity of water intake	11,762,000 m <sup>3</sup>
Total energy use	
Total consumption of non-renewable energy	1,354,000 MWh
Total consumption of renewable energy	398,000 MWh

## Business Model ▶P18



Impact

Development of products that contribute to energy conservation

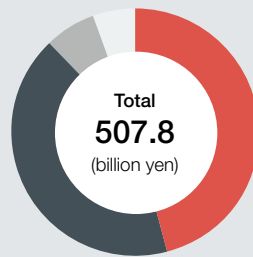
➔ Contributing to motor and power supply efficiency improvements

Development of products that contribute to miniaturization

➔ Material and waste reduction

Outputs

Sales by Segment in FY2022



■ ICs	233.7 billion yen	46.0%
■ Discrete semiconductor devices	212.2 billion yen	41.8%
■ Modules	34.3 billion yen	6.8%
□ Other	27.6 billion yen	5.4%

Outcomes

Economic Value



Financial Capital

Shareholder return	200 yen/share
Total return ratio	24%
Total shareholder returns (TSR) over the last 10 years	+ 264.1% (13.8% annually)

Social Value



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital

Customer quality satisfaction score	3.70/5 points
Percentage of male employees taking childcare leave (non-consolidated basis)	42.9%
Average annual number of human resource development training hours per person (non-consolidated basis)	13.2 hours
Average annual amount of human resource investment per person (non-consolidated basis)	40,118 yen
Percentage of women in management positions	12.6%
Average annual percentage of employees taking paid vacation (non-consolidated basis)	80.1%
Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations	95.4%
Percentage of purchases from suppliers with CSR procurement self-assessment rating of B or higher	78.3%
Donations (including sponsorships)	363.9 million yen
Number of patents held	9,310
Water discharge	8,973,000 m <sup>3</sup> (decreased by 13,000 m <sup>3</sup> year-on-year)
GHG emissions	8,921,000 t-CO <sub>2</sub> (decreased by 385,000 t-CO <sub>2</sub> year-on-year) * Including Scope 3
Total waste volume	16,720t (decreased by 455t year-on-year)
Waste recycling rate	98.5% (increased by 0.6 percentage points year-on-year)

\* FY2022 actual values

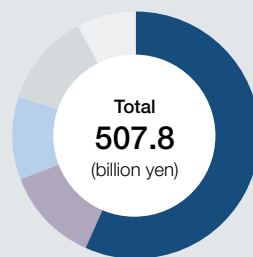


strengths ▶P4

Wide range of products

Customer orientation

Sales by Region in FY2022



■ Japan	288.9 billion yen	56.9%
■ China	62.8 billion yen	12.4%
■ Other Asia	54.8 billion yen	10.8%
□ USA	62.0 billion yen	12.2%
□ Europe	39.2 billion yen	7.7%

“MOVING FORWARD to 2025”

▶P28



# Refining Our Value Chain

ROHM effectively and efficiently utilizes various capital resources in its value chain to promote its business activities and ensure a stable supply of high-quality products. As an IDM, the source of our strength is that we ensure high quality in our products through rigorous quality control based on front-loading and quality education that puts quality first.



## 1 R&D ▶P52

Focusing on power and analog, the Office for Technology Innovation inputs research and development themes to the R&D Division with a view to the medium- to long-term future to strengthen our R&D capabilities. In addition to the key areas of automotive and industrial equipment, we are also working to gather information on new areas.

### Major Capital and Resources

- Human capital**  
Human resources portfolio for R&D
- Intellectual capital**  
Technology portfolio for R&D themes (basic research), industry-academia collaboration
- Social capital**  
Collaboration with customers/suppliers
- Financial capital**  
Financial foundation supporting R&D  
→ R&D expense ratio: up to 9% of net sales

### ROHM's Features and Strengths

- Strategic development of R&D themes to expand existing products and technology portfolio
- Development capability to maximize value by integrating elemental technologies  
→ R&D system in cooperation with product development and manufacturing divisions
- Open innovation
- Research advancing themes in industry-academia collaboration

### Action Areas for Further Strengthening

- Evolution of Technologies to Contribute to the Advancement and Progress of Culture**
- Strengthening Sustainable Technologies, Developing and Supplying Innovative Products**
  - Implementation of an open-close strategy
  - Business expansion in new/key markets by utilizing corporate venture capital (CVC)\*, etc., and planting seeds for new market development
  - Securing highly skilled technical human resources through the introduction of a specialist system
  - Strengthening front-loading by promoting AI-based R&D

## 2 Product Planning ▶P4, 36

Our strategy is to develop, in advance, application specific standard products (ASSPs)\* equipped with the functions required by markets. Product marketing engineers (PMEs) investigate the performance and functions required by markets worldwide, and then refine product planning from the perspective of how best to incorporate functions based on market needs.

### Major Capital and Resources

- Human and intellectual capital**  
Product marketing engineers (PMEs)\*: Product planning human resources with comprehensive capabilities and expertise in development, manufacturing, and customer needs
- Social capital**  
Trusting relationships with customers
- Intellectual capital**  
Accumulated knowledge of market needs and customer requirements

### ROHM's Features and Strengths

- Advanced integral technologies from experienced product developers
- Ability to propose products that anticipate customer needs
- Serving customers around the world by dispatching our Product Marketing Engineers (PMEs) to overseas centers

### Action Areas for Further Strengthening

- Evolution of Technologies to Contribute to the Advancement and Progress of Culture**
- Strengthening Sustainable Technologies, Developing and Supplying Innovative Products**
  - Enhancing/developing PME human capital
  - Increasing PME headcount (planning and development of unique products)
  - Deploying PME overseas to become a major global player



## 3 Product Development ▶P4, 36

With an understanding of both our customers' needs and our own manufacturing processes' features, we deliver optimal design by integrating elemental technologies cultivated over many years. Our total optimization covers integral technologies with semiconductor manufacturing, heat dissipation design, package technology, measurement technology, and more.

### Major Capital and Resources

- Human and intellectual capital**  
Abundant development human capital meeting customer needs
- Intellectual capital**  
Extensive core technologies utilizing IDM\*
- Social capital**  
Trusting relationships with customers

### ROHM's Features and Strengths

- High-value-added product development utilizing IDM in cooperation with manufacturing divisions
- Product development pursuing energy savings/miniaturization and functional safety
- Circuit design capabilities with a focus on power and analog
- Test development for ensuring high quality products

### Action Areas for Further Strengthening

- Evolution of Technologies to Contribute to the Advancement and Progress of Culture**
- Strengthening Sustainable Technologies, Developing and Supplying Innovative Products**
  - Enhancing/developing product development human capital
  - Securing highly skilled technical human resources through the introduction of a specialist system
  - Strengthening the development system for global growth





Stable Supply of High-quality Products  
 Strengthening Product Safety and Quality

▶P50



Material issues  
 \* Explained in the Glossary



## 6 Sales/Customer Support ▶P4, 36

ROHM offers a rigorous customer support system and solution proposals optimally combining ROHM's technologies and broad product lineup to provide the performance our customers demand, with a thorough understanding of the functions and characteristics of their products, as well as peripheral circuit configuration.

### Major Capital and Resources

**Human and intellectual capital**  
 Field application engineers (FAEs)\*, sales human capital  
**Social capital**  
 Trusting relationships with customers

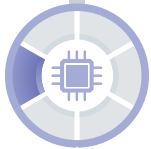
### ROHM's Features and Strengths

- Solution proposals from the customer's point of view
- Sales human resources capable of QCDS (Q: Quality, C: Cost, D: Delivery, S: Service/Satisfaction)
- Strong trusting relationships with customers through direct sales, customer-focused systems

### Action Areas for Further Strengthening

#### Risk Management

- Proposing solutions through the integrated work of our sales teams and our Field Application Engineers (FAEs) to increase the proportion of sales made to overseas customers
- Improving efficiency in taking in customer needs and increasing customer quality satisfaction scores by leveraging digital transformation (DX)
- Diversifying sales channels by utilizing trading companies, etc.
- Increasing brand awareness



## 5 Manufacturing ▶P48

To put quality first, we have become an IDM providing a complete production process from materials to finished products within the Group. In addition, we develop our own production equipment to improve production efficiency and reduce costs.

### Major Capital and Resources

**Human capital**  
 Accumulated human capital in the areas of process technology and manufacturing technology, plus expertise in manufacturing technology  
**Social capital**  
 Trusting relationships with customers/suppliers  
**Financial capital**  
 Robust financial foundation enabling flexible capital investment  
**Manufacturing capital**  
 A worldwide production network  
**Environmental capital**  
 Water, electricity, metals, gases, raw materials, etc.

### ROHM's Features and Strengths

- Manufacturing technology development capabilities with a focus on power and analog
- Robust quality assurance and supply system based on integrated manufacturing system of front-end, back-end, and testing processes
- Introduction of renewable energy in manufacturing processes

### Action Areas for Further Strengthening

#### Risk Management

#### Mitigation of Climate Change

#### Ensuring the Health and Safety of Employees

#### Effective Use of Resources

- Reducing greenhouse gas (GHG) emissions, reducing water resources used, reducing waste volume, and conducting rigorous chemical substance management
- Accelerating productivity improvement and automation of assembly process (full-scale introduction of flexible lines\*)
- Using multiple manufacturing sites and outsourced semiconductor assembly & test (OSAT)\*
- Establishing the Monozukuri (Manufacturing) Innovation Center staffed by manufacturing engineers responsible for an integrated service from design to evaluation
- Promoting zero defects



## 4 Procurement ▶P68

By ensuring quality and stable supply of components and materials, as well as practicing CSR procurement that is mindful of labor, ethics, and the environment, we enable high-quality, safe, and stable manufacturing. We value ongoing relationships of trust and cooperation with our suppliers, and aim to conduct procurement activities that enable sustainable growth for both parties.

### Major Capital and Resources

**Human and intellectual capital**  
 Procurement human capital ensuring quality of ROHM products  
**Intellectual capital**  
 Accumulated procurement expertise supporting a broad product lineup  
**Social capital**  
 Trusting relationships with suppliers  
**Environmental capital**  
 Procurement of environmental-friendly components and materials

### ROHM's Features and Strengths

- Trusting relationships and alliances with suppliers
- Centralized management of the procurement network from raw materials to finished products
- Taking measures against risk components such as advance arrangements and market monitoring of industry trends (for raw materials such as wafers, photomasks, lead frames)
- Stable supply chain management through multi-supplier purchase

### Action Areas for Further Strengthening

#### Sustainable Supply Chain Management

#### Effective Use of Resources



#### Risk Management

- Strengthening procurement from suppliers with a business continuity management (BCM)\* system/ESG initiatives in place
- Rapidly investigating impact of emergency situations through understanding of the supply chain
- Improving the cash conversion cycle

# Building Value Together with Stakeholders



ROHM's aim is to become a company continually chosen by stakeholders as we seek to fulfill our management vision to "focus on power and analog solutions and solve social problems by contributing to our customers' needs for energy savings and miniaturization of their products." To achieve this vision, we engage in dialogue with all our stakeholders, building strong relationships as we work to move sustainably forward.

## Relationships with stakeholders



**Customers**

ROHM works to build trusting relationships with final product and component manufacturers in the automotive, industrial, and consumer appliance industries. In addition, through joint research and development with our customers, we aim to create new value. We also work to maintain strong relationships with trading companies.





**Employees**

The Basic Management Policy of ROHM is "to search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity." The history, technology, and other assets established since our foundation are of huge importance to our company, but the driving force behind these assets is our people. That is why we invest heavily in fostering the growth of our employees, providing an environment in which talented individuals can thrive and create a virtuous circle that drives further employee and company growth.



**Suppliers**

Stable and reliable high-quality manufacturing not only relies on the stable procurement of high-quality components and supplies, but also requires corporate social responsibility (CSR) in procurement. ROHM works to ensure that our procurement takes account of environmental, labor, and ethical issues. We focus on building trusting, cooperative relationships with our suppliers that facilitate the sustainable growth of both parties.



**Shareholders and Investors**

ROHM prioritizes mutual dialogue-based communication with shareholders and investors. We provide timely disclosure, and work to maximize corporate value by feeding back the expectations and opinions of investors and shareholders into our operations.



**Social and Environmental Contribution**

Since its founding, ROHM has strived, as a responsible corporate citizen, to contribute to the healthy development of society, engaging deeply with the communities that host its operations. We work to address the needs of local communities and wider society, contributing to the further advancement of society and culture and the creation of an improved social environment.



Stakeholder expectations	Dialogue methods and opportunities	Examples of major stakeholder initiatives
<ul style="list-style-type: none"> <li>Improving the value of customers' products</li> <li>Meeting requests to facilitate new products or improve existing products</li> <li>Achieving optimum product quality</li> <li>Providing a stable supply of high-quality products</li> <li>Appropriately disclosing our product information</li> </ul>	<ul style="list-style-type: none"> <li>Promoting our products through customer visits and online consultations</li> <li>Taking part in exhibitions</li> <li>Holding product briefing meetings and technical exchange events</li> <li>Engaging in joint R&amp;D</li> <li>Conducting surveys on customer quality satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Improving our systems for proactively gaining an understanding of customers' needs and linking those needs to product planning → P4, 36</li> <li>Providing comprehensive solutions to customers' need for miniaturized products with low energy usage → P4, 36</li> <li>Improving customer quality satisfaction score and harnessing the results of that survey to produce improvements → P50</li> <li>Enhancing joint R&amp;D with our customers → P36</li> </ul>
<ul style="list-style-type: none"> <li>Ensuring health and safety in the workplace</li> <li>Respecting human rights and eliminating discrimination</li> <li>Developing human resources and making full use of our employees' talents</li> <li>Respecting diversity</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Conducting engagement surveys</li> <li>Conducting employee attitude surveys</li> <li>Engaging in direct dialogue with the company president</li> <li>Holding internal earnings release briefings</li> <li>Providing a compliance hotline (whistleblowing system)</li> </ul>	<ul style="list-style-type: none"> <li>Securing highly skilled technical human resources through the introduction of a specialist system → P56</li> <li>Enhancing job satisfaction by fostering a corporate culture that creates challenges → P56</li> <li>Improving the scores in our engagement survey and harnessing the results to produce improvements → P56</li> <li>Promoting active participation by women → P56</li> <li>Developing capabilities and allocating human capital at the global level → P56</li> </ul>
<ul style="list-style-type: none"> <li>Ensuring thorough fairness and transparency in our transactions</li> <li>Upholding our commitment to human rights, labor rights, health and safety, and environmental protection throughout our global supply chain</li> <li>Ensuring all our suppliers maintain a reliable business continuity plan (BCP)</li> <li>Promoting green procurement</li> </ul>	<ul style="list-style-type: none"> <li>Engaging in face-to-face/online procurement activities</li> <li>Conducting due diligence in procurement through the following activities:                             <ul style="list-style-type: none"> <li>Briefing meetings for the promotion of CSR procurement</li> <li>CSR procurement audits</li> <li>CSR procurement self-assessment (CSR survey)</li> </ul> </li> <li>Providing a supply chain hotline</li> </ul>	<ul style="list-style-type: none"> <li>Increasing CSR procurement from suppliers with strong BCM and ESG systems → P68</li> <li>Understanding our supply chain to facilitate rapid investigations into the impacts of unforeseen events → P68</li> </ul>
<ul style="list-style-type: none"> <li>Improving corporate value</li> <li>Generating shareholder returns that exceed the cost of capital</li> <li>Fair, appropriate and timely disclosure</li> <li>Achieving strong corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Holding Annual General Meetings of Shareholders</li> <li>Holding executive-led briefing meetings for analysts and institutional investors (2)*</li> <li>Holding face-to-face and online IR briefing meetings (540)*</li> <li>Holding technical seminars and factory tours (7)*</li> <li>Holding briefings for individual investors (2)*</li> </ul> <p>* Number of times held in FY2022</p>	<ul style="list-style-type: none"> <li>Feeding back the opinions and requests received through our IR activities to our management and reflecting them on operations</li> <li>Improving our disclosure and IR tools to promote more substantial dialogue with shareholders and investors</li> <li>Expanding our disclosure on ESG initiatives</li> </ul>
<ul style="list-style-type: none"> <li>Reducing our footprint and protecting the natural environment</li> <li>Contributing to the development of each community through participation in activities that meet each community's needs</li> <li>Collaborating with NPOs and other organizations that contribute to society</li> <li>Engaging in other activities for the benefit of society</li> </ul>	<ul style="list-style-type: none"> <li>Reducing environmental impacts from our manufacturing and business activities</li> <li>Contributing to society based on the following three areas                             <ul style="list-style-type: none"> <li>Support for education (visiting schools to hold lectures, accepting factory tours etc.)</li> <li>Environmental protection (improving the environment through tree-planting and providing environmental education by creating a biotope on company premises)</li> <li>Cultural and community exchange (support for music)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Reducing greenhouse gas emissions, water resource usage, and waste production, thoroughly controlling the use of chemical substances → P62</li> <li>Promoting stronger dialogue with communities hosting our facilities, supporting biodiversity → P62</li> </ul>

# Perception of External Environment and Risks and Opportunities

## Perception of External Environment

We summarized the social changes and issues which are important to ROHM over the medium- to long-term based on external assessments, international guidelines, social norms, and requests, etc. from internal and external stakeholders. From here, we are extracting the “opportunities” for business growth and the “risks” which will become threats to business activities, assessing the

Social Issues (Demands from Stakeholders)		Details of Risks and Opportunities	
Technology	Increasing demand for electronic products that respond to social changes	<ul style="list-style-type: none"> <li>Medium- to long-term</li> <li>Medium- to long-term</li> <li>Medium- to long-term</li> </ul>	<p><b>Risks</b></p> <ol style="list-style-type: none"> <li>1 Intensifying competition to develop energy-saving and miniaturized devices</li> <li>2 Decreasing market share due to appearance of competition, including in emerging countries</li> </ol> <p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>3 Increasing numbers of electronic components installed in electronic equipment due to their increasing functionality and the growing need for energy savings</li> </ol>
	Manufacturing that meets the trust and expectations of our customers	<ul style="list-style-type: none"> <li>Short- to medium-term</li> <li>Short- to medium-term</li> </ul>	<p><b>Risks</b></p> <ol style="list-style-type: none"> <li>1 Decreasing trust due to failure to meet customer quality requirements</li> </ol> <p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>2 Growing need for quality assurance</li> </ol>
Environment	Negative impacts of climate change	<ul style="list-style-type: none"> <li>Medium- to long-term</li> <li>Short- to medium-term</li> </ul>	<p><b>Risks</b></p> <ol style="list-style-type: none"> <li>1 Decreasing sales due to stagnation in development of products that contribute to energy saving and miniaturization</li> <li>2 Soaring material prices and restrictions on production activities due to resource shortages (rare metals, water, etc.)</li> <li>3 Mandatory GHG emissions reductions and full-scale carbon taxation of GHG emissions</li> <li>4 Adverse effects on the environment due to lack of chemical substance management</li> </ol> <p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>5 Rising demand for electronic components due to growing new automobile sales in the electric vehicle (xEV) market</li> <li>6 Expansion in sales for the industrial equipment market, such as products for use in solar panels, with the introduction of renewable energy</li> </ol>
	Serious resource depletion	<ul style="list-style-type: none"> <li>Medium- to long-term</li> <li>Short- to medium-term</li> <li>Medium- to long-term</li> </ul>	<p><b>Risks</b></p> <ol style="list-style-type: none"> <li>1 Decreasing sales due to stagnation in development of products that contribute to energy saving and miniaturization</li> <li>2 Soaring material prices and restrictions on production activities due to resource shortages (rare metals, water, etc.)</li> <li>3 Mandatory GHG emissions reductions and full-scale carbon taxation of GHG emissions</li> <li>4 Adverse effects on the environment due to lack of chemical substance management</li> </ol> <p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>5 Rising demand for electronic components due to growing new automobile sales in the electric vehicle (xEV) market</li> <li>6 Expansion in sales for the industrial equipment market, such as products for use in solar panels, with the introduction of renewable energy</li> </ol>
Society	Securing human resources within a declining labor force	<ul style="list-style-type: none"> <li>Short- to medium-term</li> <li>Short- to medium-term</li> <li>Short- to medium-term</li> </ul>	<p><b>Risks</b></p> <ol style="list-style-type: none"> <li>1 Intensifying competition to secure human resources and sluggish retention rates</li> <li>2 Decreasing human capital capabilities due to delays in reforming legacy personnel systems and corporate culture</li> <li>3 Negative impact on employees due to occupational accidents and work-related illnesses</li> </ol>
	Governance	Strengthening our management and business activity foundations	<ul style="list-style-type: none"> <li>Short- to medium-term</li> <li>Medium- to long-term</li> <li>Medium- to long-term</li> <li>Short- to medium-term</li> <li>Short- to medium-term</li> </ul>
Fulfilling social responsibility throughout our supply chain		<ul style="list-style-type: none"> <li>Short- to medium-term</li> <li>Short- to medium-term</li> <li>Short- to medium-term</li> </ul>	<p><b>Risks</b></p> <ol style="list-style-type: none"> <li>1 Suspension of stable supply to customers due to shutdown or decline in utilization rates at manufacturing sites</li> <li>2 Suspension of transactions with overseas companies and supply of materials such as rare metals due to changes in international affairs</li> <li>3 Compliance violations due to human rights violations in the supply chain or procurement of banned substances</li> </ol>
Ensuring product safety and strengthening product quality	<ul style="list-style-type: none"> <li>Short- to medium-term</li> </ul>	<p><b>Risks</b></p> <ol style="list-style-type: none"> <li>1 Quality problems due to inadequate quality control system</li> </ol>	

Note: Short-term: 2022 to 2025, Medium-term: 2026 to 2030, Long-term: 2031 to 2050

issues which will lead to solving social issues (CSV) through our main business and the negative impact that ROHM's business has on society, and establishing measures aimed at solving each issue.

Responses to Risks and Opportunities	Material Issues
<ul style="list-style-type: none"> <li>1 Establish a function for understanding customers' needs in advance and linking these to product planning</li> <li>1 Develop advanced technologies and high-value-added products such as energy-saving and compact devices</li> <li>2 Deploy PME overseas to expand overseas sales</li> <li>3 Technology joint development and collaboration with customers, research institutions, etc.</li> <li>3 Solution proposals to customers using a broad product lineup</li> </ul> <p style="text-align: right;">▶P4, 36, 52</p>	<p>Evolution of Technologies to Contribute to the Advancement and Progress of Culture</p>
<ul style="list-style-type: none"> <li>1 Use front-loading to achieve appropriate quality satisfying customers</li> <li>1 Improve rigorous employee quality awareness in line with our Company Mission</li> <li>2 Earn customer trust by achieving traceability through IDM activities</li> </ul> <p style="text-align: right;">▶P4, 48, 50</p>	<p>Stable Supply of High-quality Products</p>
<ul style="list-style-type: none"> <li>1 Develop advanced technologies and high-value-added products such as energy-saving and compact devices</li> <li>2 Reduction of resource usage by developing and producing products that contribute to energy saving and miniaturization</li> <li>2 Reduction of water usage by introducing water recycling systems and other means</li> <li>3 Reduction of GHG emissions and waste, as well as promotion of renewable energy introduction</li> <li>4 Rigorous implementation of chemical substance management systems and reduction of chemical substance use</li> <li>5 Expansion of a broad product lineup (from resistors to ICs) and strengthening of production systems to support electrification</li> <li>6 Enhance customer development and support systems through digital marketing for wide-ranging industrial equipment market</li> </ul> <p style="text-align: right;">▶P36, 62</p>	<p>Strengthening Sustainable Technologies, Developing and Supplying Innovative Products</p> <p>Mitigation of Climate Change</p> <p>Effective Use of Resources</p>
<ul style="list-style-type: none"> <li>1 Enhance job satisfaction by fostering a corporate culture that creates challenges</li> <li>2 Promote diversity and inclusion</li> <li>2 3 Promote work style reforms, health and productivity management, and strengthen occupational health and safety systems</li> <li>3 Take measures to control infections in the workplace and introduce telecommuting</li> </ul> <p style="text-align: right;">▶P56</p>	<p>Strengthening Employee Engagement</p> <p>Diversity Development</p> <p>Ensuring the Health and Safety of Employees</p>
<ul style="list-style-type: none"> <li>1 Further evolve management (execution and supervision) systems and functions</li> <li>1 Ensure transparency in information disclosure</li> <li>2 Review remuneration system aimed at enhancing corporate value over the medium to long term</li> <li>2 Ensure effectiveness of the Board of Directors</li> </ul> <p style="text-align: right;">▶P80</p>	<p>Enhancing Corporate Governance</p>
<ul style="list-style-type: none"> <li>3 Diversify risks through establishing multiple production systems, seismic isolation of plants, and flood control measures</li> <li>4 Implement training to improve security literacy and implement measures to combat information system vulnerabilities</li> <li>5 Implement training to strengthen collection of patent-related information and reduce the risk of infringement</li> <li>6 Earn growth opportunities through aggressive capital expenditures and M&amp;A</li> </ul> <p style="text-align: right;">▶P54, 72</p>	<p>Risk Management</p>
<ul style="list-style-type: none"> <li>1 Use multiple production sites and diversify suppliers</li> <li>2 Global BCP for avoiding geopolitical risks in production, procurement, and sales</li> <li>3 Establish management systems in line with OECD Due Diligence Guidance</li> </ul> <p style="text-align: right;">▶P68, 72</p>	<p>Sustainable Supply Chain Management</p>
<ul style="list-style-type: none"> <li>1 Reinforce quality control system enabling prompt sharing of serious quality issues with management</li> <li>1 Improve rigorous employee quality awareness and practice the Company Mission</li> </ul> <p style="text-align: right;">▶P50</p>	<p>Strengthening Product Safety and Quality</p>



# ROHM's Material Issues

ROHM regards contributing to the evolution of technologies which lead to the advancement and progress of culture based on the Company Mission and realizing the stable supply of high-quality products as important management issues. Moreover, to pursue sustainable development for both society and the company, we have identified “sustainability priority issues” by considering the concerns of our shareholders and the impact on our business. Together, these issues are set forth as “material issues = important management issues,” and we aim to enhance our corporate value by creating social and economic value through our business activities.

		Material issues	Value for ROHM to create	Initiatives
Technology		Evolution of Technologies to Contribute to the Advancement and Progress of Culture	<ul style="list-style-type: none"> <li>Reduce environmental burden caused by promotion of automobile electrification</li> <li>Save labor and improve production efficiency through evolving production equipment functionality</li> </ul>	<ul style="list-style-type: none"> <li>Develop new, high-value-added products that contribute to energy saving and miniaturization</li> <li>Strengthen development structures creating products that can compete globally: Assigning PME</li> <li>Customer-oriented solution proposals using comprehensive capabilities from passive components to power devices and ICs</li> </ul>
		Stable Supply of High-quality Products	<ul style="list-style-type: none"> <li>A supply chain providing stable supply</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen production systems through IDM activities</li> <li>Improve productivity by introducing flexible lines</li> <li>Implement rigorous quality control and employee quality training</li> </ul>
Environment		Strengthening Sustainable Technologies, Developing and Supplying Innovative Products	<ul style="list-style-type: none"> <li>Realize a recycling-oriented society</li> </ul>	<ul style="list-style-type: none"> <li>Contribution by developing energy-saving products and supplying them to the market</li> <li>Contribution by developing and supplying miniaturized products</li> <li>Contribution by developing and supplying products pursuing functional safety</li> </ul>
		Mitigation of Climate Change	<ul style="list-style-type: none"> <li>Reduce environmental impact by reducing greenhouse gas (GHG) emissions</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in GHG emission</li> <li>Reduction of energy consumption</li> <li>Promotion of introduction of renewable energy</li> </ul>
		Effective Use of Resources	<ul style="list-style-type: none"> <li>Realize a recycling-oriented society through effective use of resources</li> </ul>	<ul style="list-style-type: none"> <li>Water resource consumption reduction</li> <li>Reduction of waste</li> </ul>
Society		Strengthening Employee Engagement	<ul style="list-style-type: none"> <li>An organization of challenge, improve motivation</li> </ul>	<ul style="list-style-type: none"> <li>Foster a corporate culture that creates challenges</li> <li>Enhancement of job satisfaction</li> <li>Improve employee engagement scores</li> </ul>
		Diversity Development	<ul style="list-style-type: none"> <li>Foster diverse human resources with rich humanity and intelligence</li> </ul>	<ul style="list-style-type: none"> <li>Promote women's active participation</li> <li>Global capacity development and personnel allocation</li> </ul>
		Ensuring the Health and Safety of Employees	<ul style="list-style-type: none"> <li>Work-life balance achieving diverse work styles</li> </ul>	<ul style="list-style-type: none"> <li>Securing a safe workplace</li> <li>Promotion of health management</li> </ul>
Governance		Enhancing Corporate Governance	<ul style="list-style-type: none"> <li>Build trusting relationships with society through correcting information imbalances and effective governance</li> </ul>	<ul style="list-style-type: none"> <li>Secure diversity of the Board of Directors</li> <li>Review of compensation system to improve medium- to long-term corporate value</li> <li>Secure the effectiveness of management</li> </ul>
		Risk Management		<ul style="list-style-type: none"> <li>Strengthening BCM system</li> </ul>
		Sustainable Supply Chain Management	<ul style="list-style-type: none"> <li>A supply chain providing stable supply</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening BCM System</li> <li>Promotion of green procurement</li> <li>Promotion of CSR procurement activities</li> </ul>
		Strengthening Product Safety and Quality		<ul style="list-style-type: none"> <li>Establishment and entrenchment of a quality assurance system through front loading</li> <li>Achieving appropriate quality by incorporating the customer's perspective</li> </ul>



Identifying Sustainability Priority Issues [https://www.rohm.com/sustainability/sustainability\\_issues](https://www.rohm.com/sustainability/sustainability_issues)

FY2022 results	Main KPIs (Medium-Term Management Plan)	SDGs
<ul style="list-style-type: none"> <li>Net sales: <b>507.8 billion yen</b></li> <li>New product sales ratio: <b>31.6%</b></li> <li>IC strategy top 10 products sales ratio: <b>22%</b></li> <li>Percentage of sales to customers outside Japan: <b>43.1%</b></li> <li>SiC sales: <b>27.0 billion yen, 8.6%</b> market share</li> </ul>	<ul style="list-style-type: none"> <li>Achieve net sales of <b>more than 600.0 billion yen</b> as the total amount of social contribution* (FY2025 target)</li> <li>Increase sales ratio of new products (contributing to energy saving and miniaturization)</li> <li>IC strategy top 10 products sales ratio: <b>32%</b> (FY2025 target)</li> <li>Percentage of sales to customers outside Japan: <b>More than 50%</b> (FY2025 target)</li> <li>SiC sales: <b>More than 270.0 billion yen, 30%</b> market share (target from FY2025 onward)</li> </ul>	
<ul style="list-style-type: none"> <li>Capital expenditures for quality improvement: <b>2.1 billion yen</b></li> <li>Capital expenditures for increasing production capacity: <b>80.7 billion yen</b></li> <li>Started mass production through flexible lines and deploying to overseas manufacturing sites</li> <li>Overall customer quality satisfaction score in FY2022: <b>3.1% improvement</b></li> </ul>	<ul style="list-style-type: none"> <li>Investments for growth over five years: <b>600.0 billion yen</b> (FY2025 target)</li> <li>Flexible lines: <b>Doubled</b> over five years (FY2025 target)</li> <li>Customer quality satisfaction score: <b>+10%</b> (FY2025 target vs. FY2020)</li> </ul>	
<ul style="list-style-type: none"> <li>Net sales: <b>507.8 billion yen</b></li> <li>Reduced GHG emissions by <b>21.8%</b> vs. FY2018 levels</li> <li>Reduced GHG emissions per unit by <b>38.6%</b> vs. FY2018 levels</li> <li><b>24%</b> introduction of renewable energy completed</li> </ul>	<ul style="list-style-type: none"> <li>Achieve net sales of <b>more than 600.0 billion yen</b> as the total amount of social contribution* (FY2025 target)</li> <li>Reduce GHG emissions by <b>50.5%</b> vs. FY2018 levels (FY2030 target)</li> <li>Reduce emissions per unit by <b>45%</b> vs. 2018 levels (FY2030 target)</li> <li>Promote the shift to renewable energy with the goal of <b>100%</b> implemented (FY2050 target)</li> </ul>	
<ul style="list-style-type: none"> <li>Increased water recovery and reuse rate by <b>1.2%</b> vs. FY2019 levels</li> <li>Recycling rate of <b>98.5%</b> for consolidated companies worldwide</li> </ul>	<ul style="list-style-type: none"> <li>Increase water recovery and reuse rate by <b>5.5%</b> vs. FY2019 levels (FY2030 target)</li> <li>Zero recycling emissions for consolidated companies worldwide (FY2030 target)</li> </ul>	
<ul style="list-style-type: none"> <li>Implemented 360° feedback (from superiors, colleagues, and subordinates) for the purpose of promoting self-improvement of the management layer</li> <li>Completed the introduction of the engagement survey together with achieving above industry average results (entire Group: <b>91%</b>)</li> <li>Female manager ratio for the ROHM Group: <b>12.6%</b></li> <li>Partially introduced job-based, annual salary, and individual contract personnel systems</li> </ul>	<ul style="list-style-type: none"> <li>Establish a system to train world-class next-generation leaders and professionals (FY2025 target)</li> <li>Introduce the engagement survey across the entire Group worldwide, improve scores annually, and achieve employee engagement score at or above the industry average (FY2025 target)</li> <li>Increase female manager ratio for the Group to <b>15%</b> by FY2025 and to <b>20%</b> by FY2030</li> <li>Accumulate strategic data on evaluation, remuneration, promotion, and assignment</li> </ul>	
<ul style="list-style-type: none"> <li><b>Two cases</b> of lost-workday injuries in the ROHM Group (at least one work-day lost)</li> <li>Number of COVID-19 on premises cluster cases: <b>0</b></li> <li>Non-exercise habit ratio <b>11%</b></li> </ul>	<ul style="list-style-type: none"> <li>Achieve and maintain <b>zero</b> lost time accidents in the Group (FY2025 target)</li> <li>Establish and maintain an epidemic prevention system against unknown infectious diseases in ROHM Group (FY2025 target)</li> <li>Improve and maintain the exercise habit ratio of ROHM Co., Ltd. above the national average (FY2025 target)</li> </ul>	
<ul style="list-style-type: none"> <li><b>Achieved a 23%</b> ratio of female and foreign directors (ratio of female directors: <b>15%</b> and ratio of foreign directors: <b>8%</b>)</li> <li><b>Achieved a 54%</b> ratio of independent outside directors on the Board of Directors</li> <li>Completed the introduction of the "performance-linked transfer-restricted stock-based remuneration system (PSRSU)"</li> <li>Introduced support by external institutions regarding the evaluation and analysis of results in the effectiveness evaluations implemented in March 2023</li> </ul>	<ul style="list-style-type: none"> <li>Increase the ratio of executives who are female and/or foreign nationals to <b>10%</b> (FY2025 target)</li> <li>Increase the number of independent outside directors to a majority of the Board of Directors (FY2025 target)</li> <li>Introduce a remuneration system linked to the Medium-Term Management Plan (FY2025 target)</li> <li>Undergo evaluation by an external institution once every three years (FY2025 target)</li> </ul>	
<ul style="list-style-type: none"> <li>Utilized remote work tools to conduct earthquake response BCM training centered on the task force with management participation, and verified the effectiveness of our disaster response</li> <li>Conducted a remote risk survey focusing on fire and water damage of our major Japanese and overseas manufacturing sites and checked the status of our response to water and fire damage risks</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the BCM system through continuous risk identification (FY2025 target)</li> </ul>	
<ul style="list-style-type: none"> <li>Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations: <b>95.4%</b></li> <li>Manufacturing site survey ratio for tier 1 suppliers: <b>31.0%</b></li> <li>Prior agreement ratio for emergency response among key suppliers: <b>45.9%</b></li> <li>Percentage of purchases from suppliers with CSR procurement self-assessment rating of B or higher: <b>78.3%</b></li> </ul>	<ul style="list-style-type: none"> <li>Percentage of purchases from suppliers with completed comprehensive supplier activity evaluations: <b>More than 90%</b> (FY2025 target)</li> <li>Manufacturing site survey ratio for tier 1 suppliers: <b>100%</b> (FY2025 target)</li> <li>Prior agreement ratio for emergency response among key suppliers: <b>100%</b> (FY2025 target)</li> <li>Percentage of purchases from suppliers with CSR procurement self-assessment ratings of B or higher: <b>More than 90%</b> (FY2025 target)</li> </ul>	
<ul style="list-style-type: none"> <li>FY2022 customer quality satisfaction score <b>improved by 3.1%</b></li> <li>"Satisfactory" and "Somewhat satisfactory" response selection rates <b>improved by 4.8%</b> (The reason was due to the improvement in the "automotive on-board devices support" score. We have seen significant results in the key automotive market from activities to strengthen our support.)</li> <li>"Unsatisfactory" and "Somewhat unsatisfactory" response selection rate: <b>1.0% improvement</b></li> </ul> <p>* All three items above are calculated relative to FY2020</p>	<ul style="list-style-type: none"> <li>Customer quality satisfaction score: <b>+10%</b> (FY2025 target vs. FY2020)</li> </ul>	



### Achieving ROHM's sustainability management goals

**Yamamoto** In order for ROHM to become a major global player, sustainability management that leads to trust from all of our stakeholders including our customers is essential. I believe that my role as CSO is to aim for a company that can sustainably create value and to improve the quality of management through the achievement of non-financial targets. In recent years, the importance of sustainability requirements from customers and cooperation with business partners has been increasing. Under such circumstances, I believe that Ms. Muramatsu, who has deep knowledge of sustainability management, joining us (the Board of Directors) as an out-



side director will act as a driving force for incorporating sustainability issues as a part of our management strategy and engaging in more in-depth discussions.

**Muramatsu** From the time that ROHM was founded, sustainability has been an inherent part of its corporate philosophy and reason for being, and I think that the Company is engaging in sustainability management while updating with the times. After working for 25 years at a foreign semiconductor manufacturer, I have been involved for more than 10 years in introducing sustainability management and building healthy organizations at Japanese companies. Based on both of those experiences, I feel that changes in the world's values are happening at an accelerated pace, and the axis of enterprise valuation is also changing. ROHM has well-established systems and structures, but in terms of support for customers and business partners, it is necessary to look further into the future and not just inside Japan, and proactively aim to reach the level of leading companies to prevent lagging behind in the global market. I believe it is important for ROHM

to play to its strengths within the context of global standards.

**Yamamoto** Over a year has passed since the separation of management and execution in April 2022, where we established the "Sustainability Management Committee" on the management side and the "EHSS General Committee" on the execution side to strengthen our response to sustainability risks related to the entire Group. The Sustainability Management Committee meets every month, and in FY2022 it discussed and considered from multiple perspectives topics which included how to deal with external evaluation organizations, responses to the TCFD recommendations and promoting the introduction of renewable energy, and how to make human capital related disclosures. I consider it to be a major breakthrough that we are now able to have discussions with all of the Company Board members and Ms. Muramatsu, who possesses deep knowledge of sustainability management. Since many of these topics are ROHM-specific issues, I think that we need to deepen the discussion at the Group level and from a backcasting perspective going forward.

**Muramatsu** Since being appointed in June 2022, I have participated in every session of the Sustainability Management Committee. Sustainability issues are also raised by the Board of Directors, but in order to have a full discussion, all of the Board members must share a common understanding and sense of responsibility with respect to sustainability issues. Four of the internal Board members participate in lively discussions, and at times I also candidly voice some harsh opinions. Going forward, I would like to monitor and provide counseling from the perspectives of how the information from that committee will be shared by the Board of Directors, whether it is fulfilling its function as an advisory body, and whether the information is being shared with the EHSS General Committee.

## Progress on non-financial issue initiatives

**Yamamoto** The current Medium-term Management Plan sets forth non-financial goals such as “mitigating climate change” and “enhancing employee engagement.” The environmental targets are set for FY2030, but interim goals are also established for FY2025, and we are steadily achieving goals such as expanding responses to the TCFD recommendations and promoting the introduction of renewable energy. Environmentally and human rights-conscious CSR procurement, which also includes self-assessment, sets annual goals and conducts audits while surveying business partners, and business partners with low ratings are actively urged to work with us to improve their practices.

**Muramatsu** On the environment, I believe that the Company's initiatives over many years to create a foundation for managing environmental risks ahead of others have paid off. Going forward, I believe that the questions of how to link the opportunities and risks of climate change to business strategies and how to disseminate and implement the essential significance of TCFD and TNFD within the Company will become important points. Regarding sustainable

procurement, ROHM's internal standards must be developed with a focus on the highest standards in the global marketplace. Implementing those internal standards together with business partners and increasing the level of sustainability across the entire value chain will likely lead to producing products and services that help solve social issues.

**Yamamoto** Regarding what you just said, I would like to understand the relevance to our business and involve the entire company in the process. Regarding other non-financial issues, the global female manager ratio is 12.6% as of FY2022, and we are making steady progress on reaching the goal of 15% for FY2025. The employee engagement score survey was administered to overseas affiliated companies for the first time in 2022. Human capital initiatives tend to be conducted under the leadership of the Human Resources Department, but I think that they should essentially be conducted together with the Business Units and other sections, and Ms. Muramatsu has also pointed out that a different perspective is needed.

## Aiming to maximize synergy as ONE ROHM

**Muramatsu** Human capital is frequently discussed as a topic by the Board of Directors and the Sustainability Management Committee. Action plans for human capital have previously been implemented by the head office Human Resources Division and each department, but in order to maximize the synergy as ONE ROHM, I feel that it is necessary to accelerate the creation of a foundation and strategic initiatives on a global level regarding diversity, human capital strategy, and organizational development.

**Yamamoto** As part of our human capital strategy, I would like to create a system that allows each individual employee to develop their own career and abilities with a sense of autonomy and connect that to management growth. Under the “job posting system” which was newly established in FY2022, employees can now voluntarily decide to apply for and tackle

challenges of their own volition by having each department disclose and post their job openings internally.



**Muramatsu** Until now, ROHM has created high-quality products in a form which fits Japanese society and business and grew by increasing production efficiency. In order for ROHM to grow in a sustainable manner going forward, the key will be an organizational structure and management that allows each of its globally diverse human capital to maximize their potential and function as one team. Currently, under the direction of President Matsumoto, the Company is increasing organizational diversity and transforming the corporate culture into one that takes on challenges, but I think that further promotion is necessary.

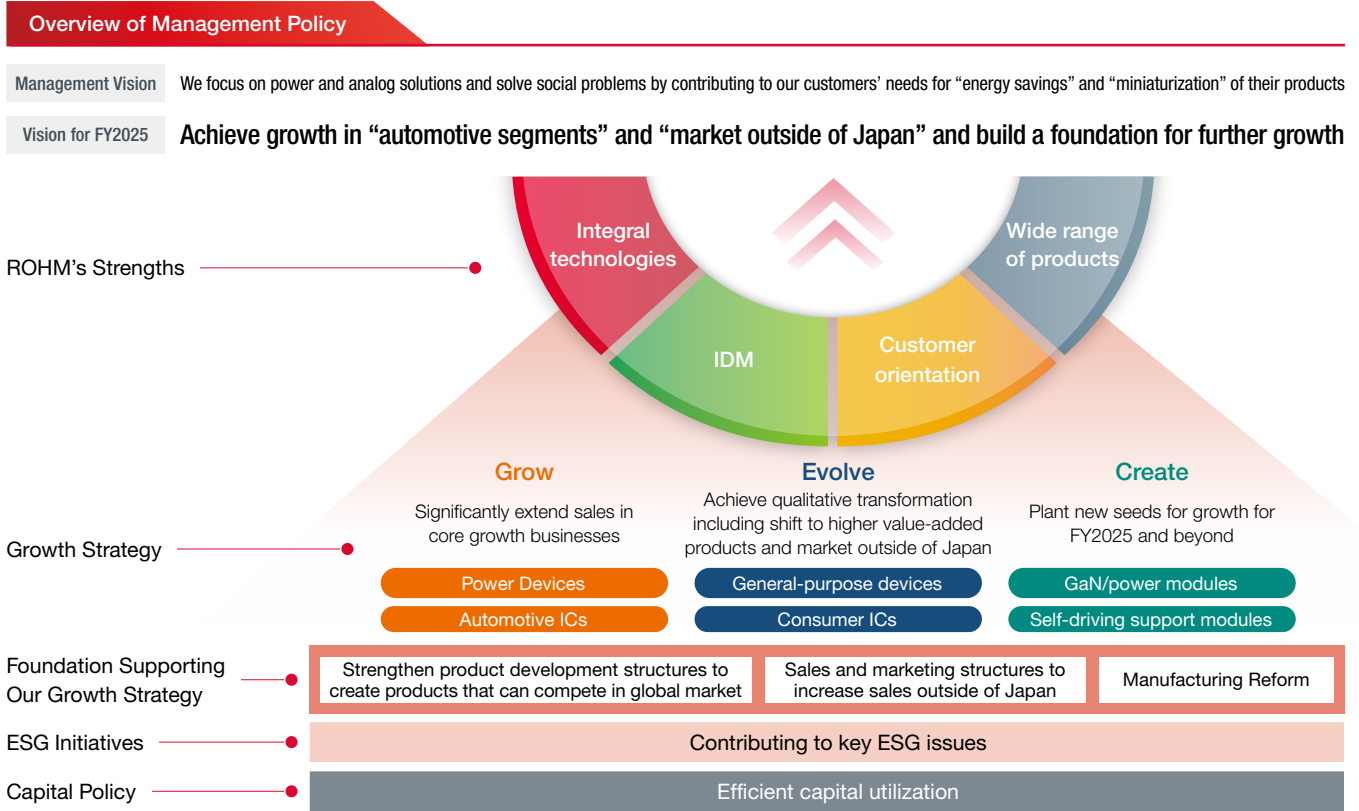
## For ROHM's sustainable growth

**Yamamoto** I think that there is significant room for ROHM to further improve its sustainability management. With the counsel of Ms. Muramatsu and the other outside directors, I would like to continue to proactively invest in initiatives which lead to sustainability management to create social value and achieve corporate growth by building a robust management foundation.

**Muramatsu** Today, corporate responsiveness to change, social responsibility, and accountability are rigorously tested. I intend to fulfill my responsibilities as an outside director in sustainably improving ROHM's corporate value by helping to build a highly effective form of sustainability governance so that the Company meets the expectations of all stakeholders including the shareholders.

# Progress on the Medium-Term Management Plan “Moving Forward to 2025”

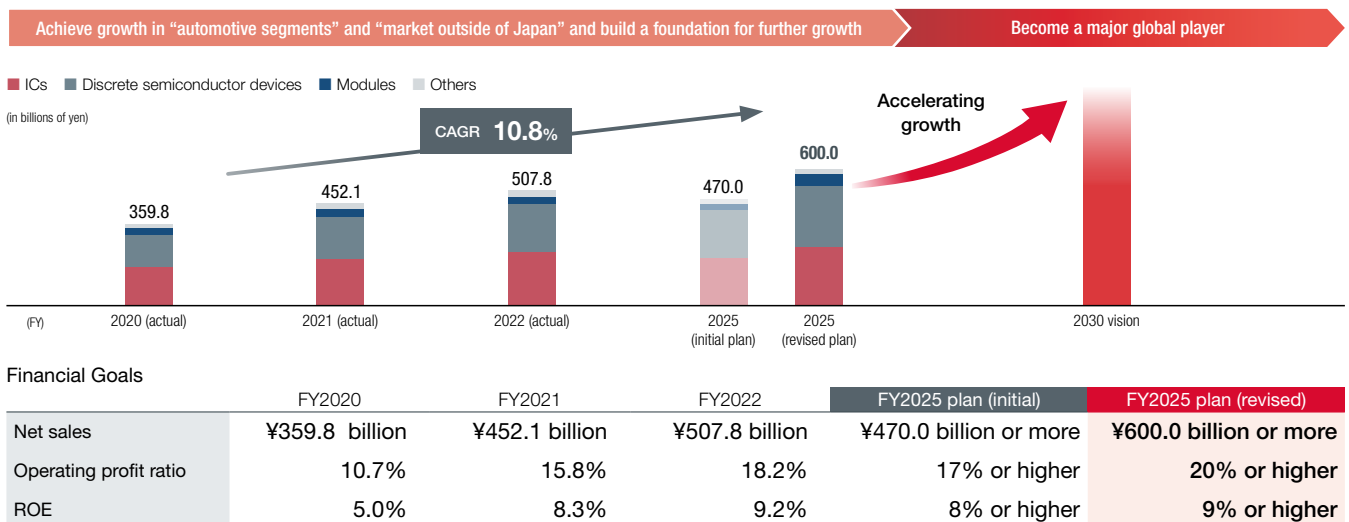
ROHM announced its first Medium-Term Management Plan, “Moving Forward to 2025,” in FY2021. The management theme for the period up to FY2025 is to achieve growth in “automotive segments” and “market outside of Japan” and build a foundation for further growth, with the aim of becoming a major global player by 2030.



## Positioning and Goals of the Medium-Term Management Plan

In the 1990s, ROHM achieved significant sales growth thanks to the spread of IT throughout society. In the 2000s, however, the market structure changed dramatically with the bursting of the dot-com bubble, and ROHM has been implementing structural reforms to respond to market changes. We substantially shifted our business, which had been focused on the Japanese consumer products market, to the automotive and industrial

equipment markets, not only for Japanese consumers but also for overseas consumers. As such, we are now developing power and analog semiconductor products that contribute to energy conservation and miniaturization of customer products, achieving positive results. This Medium-Term Management Plan has been formulated as a five-year plan to build a solid business foundation with an eye toward dramatic growth up to FY2030.





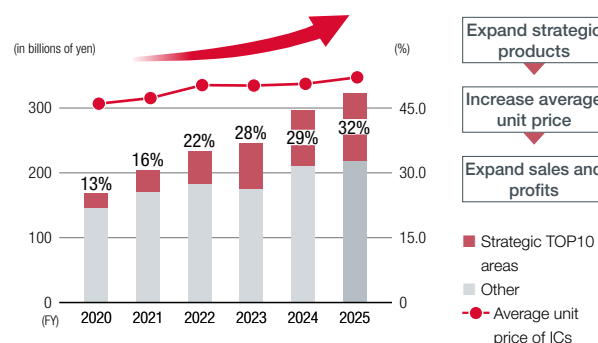
## Progress on the Growth Strategy

### IC Business ▶P40

#### ➤ Expand sales and profit by enhancing strategic products

In the past, we achieved results by providing custom products specialized for each customer, mainly for the consumer products market, but from the standpoint of development efficiency, it is necessary for some products to have a certain degree of versatility. We are promoting a strategy of investigating market needs and then developing ASSPs that realize common needs at a high level in the EV and other markets ahead of other products.

Percentage of sales and gross profit in the strategic TOP 10 areas

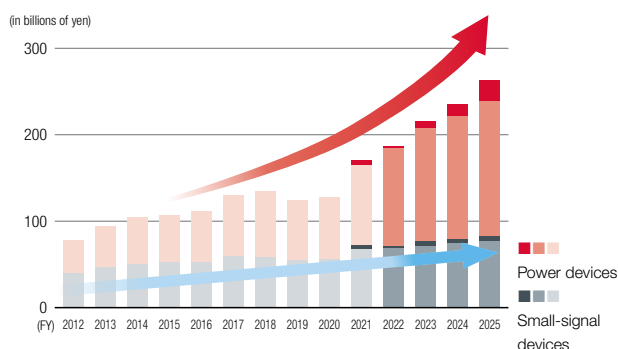


### Discrete Semiconductor Devices Business ▶P42

#### ➤ Raise the top line and grow into a core business

ROHM is engaged in two businesses related to discrete semiconductor devices: power devices and small-signal devices. Power devices are expected to grow in the future as they can contribute greatly to saving energy and miniaturization. In particular, in the SiC power device business, which can contribute to a decarbonized society, we are aiming to build a system that can provide products from wafer materials to achieve the top share in the industry. In the small-signal device business, we will continue to secure further earnings and maintain the top market share by further improving productivity through measures such as the introduction of flexible lines.

Power/Small-Signal Devices Sales



## Progress on Non-Financial Goals

	Goals	Main Initiatives in FY2022	Main Results in FY2022
Environment ▶P62	<ul style="list-style-type: none"> <li>Reduce GHG emissions by 50.5% by FY2030 (vs. FY2018 levels)</li> </ul>	<ul style="list-style-type: none"> <li>Upgraded to highly efficient chiller at plant in Thailand</li> <li>Reduced heavy fuel oil use by upgrading once-through boiler at LAPIS Semiconductor's Miyazaki plant</li> </ul>	<ul style="list-style-type: none"> <li>GHG emissions: 8,921,000 t-CO<sub>2</sub> (21.8% reduction vs. FY2018)</li> </ul>
	<ul style="list-style-type: none"> <li>Advancement toward 100% implementation of renewable energies by FY2050</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 100% renewable energy use at our mainstay manufacturing site in Thailand</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy ratio: 24% (18 percentage point increase vs. FY2021)</li> </ul>
	<ul style="list-style-type: none"> <li>Zero waste emissions</li> </ul>	<ul style="list-style-type: none"> <li>Effective use of sulfuric acid waste liquid</li> </ul>	<ul style="list-style-type: none"> <li>Domestic consolidated: Zero emissions, Overseas consolidated: 95.9% (Domestic and overseas consolidated: 98.5%)</li> </ul>
Diversity and Employees ▶P56	<ul style="list-style-type: none"> <li>Reach global female manager ratio of 15% or higher</li> <li>Increase the ratio of executives who are female and/or foreign nationals to 10%</li> </ul>	<ul style="list-style-type: none"> <li>Promoted career development for women</li> </ul>	<ul style="list-style-type: none"> <li>Global female manager ratio: 12.6%</li> <li>Female and/or foreign national executives at ROHM head office: 23%</li> </ul>
	<ul style="list-style-type: none"> <li>Reach employee engagement score above industry average</li> </ul>	<ul style="list-style-type: none"> <li>Conducted engagement surveys at domestic and overseas Group companies</li> <li>Promoted organizational culture reform and work style reform</li> </ul>	<ul style="list-style-type: none"> <li>Completed group-wide implementation of engagement survey, achieving score above industry average (91% of employees responded positively to the question about "high willingness to contribute toward achieving goals and a strong sense of belonging to the organization.")</li> </ul>
Customers ▶P50	<ul style="list-style-type: none"> <li>Customer quality satisfaction score: 10% improvement (vs. FY2020)</li> </ul>	<ul style="list-style-type: none"> <li>Provided face-to-face feedback on survey results to some customers</li> </ul>	<ul style="list-style-type: none"> <li>Customer quality satisfaction score improved by 3.1% (vs. FY2020)</li> </ul>

We aim to improve corporate value over the medium to long term by improving our ability to generate cash so that we can continue to actively invest for further growth.

### Kazuhide Ino

Member of the Board, Managing Executive Officer, CFO



I was appointed Chief Financial Officer (CFO) in April 2023. Previously, I held concurrent positions as Chief Strategy Officer (CSO) and Director of Accounting & Finance Headquarters, overseeing accounting from a business strategy perspective. Now however, I have an added financial

strategy perspective being involved in the planning and execution of Group-wide strategies. Not only will I further refine our strategies for cash allocation, balance sheet management, and other matters going forward, but I will also actively share information.

## Looking Back on the Second Year of the Medium-Term Management Plan

FY2022 marked the second year of our Medium-Term Management Plan “Moving Forward to 2025.” Throughout the year, the automotive market experienced adjustments to production owing to shortages of some semiconductors and components following disruptions to global supply chains caused by the pandemic. Meanwhile, demand for automotive semiconductors continued to grow due to the promotion of electrification toward a decarbonized society. The industrial equipment market remained strong thanks to decarbonization moves at plants in each country and greater investment in improving production capacity, automation, and digitalization. In addition to these factors, net sales increased due to the yen's depreciation, resulting in record high sales of

507,882 million yen (up 12.3% year-on-year), the highest sales for the second consecutive year. Operating profit also increased by 29.2% from the previous year to 92,316 million yen, and the operating profit ratio increased by 2.4 percentage points from the previous year to 18.2%, achieving significant increases in sales and profits. The percentage of overseas sales grew by 2.9 percentage points from the previous year to 43.1%, while EBITDA, a key metric for ROHM, increased by 30.8% from the previous year to 148,456 million yen.

In FY2023, there is still a strong sense of uncertainty about the future due to factors such as inflation, interest rate hikes, and rising energy costs. Overall growth in the semiconductor

### Financial Position

	FY2018	FY2019	FY2020	FY2021	FY2022
Total assets (millions of yen)	874,427	848,873	926,240	1,029,132	1,123,283
Shareholder's equity (millions of yen)	766,266	714,990	768,972	839,817	914,912
Cash and deposits + Securities (millions of yen)	289,745	315,723	319,430	342,400	329,247
Equity ratio (%)	87.6	84.2	83.0	81.6	81.4
Dividend per share (yen)	150	150	150	185	200
Payout ratio (%)	34.8	60.6	39.9	27.2	24.4
ROE (%)	6.0	3.5	5.0	8.3	9.2

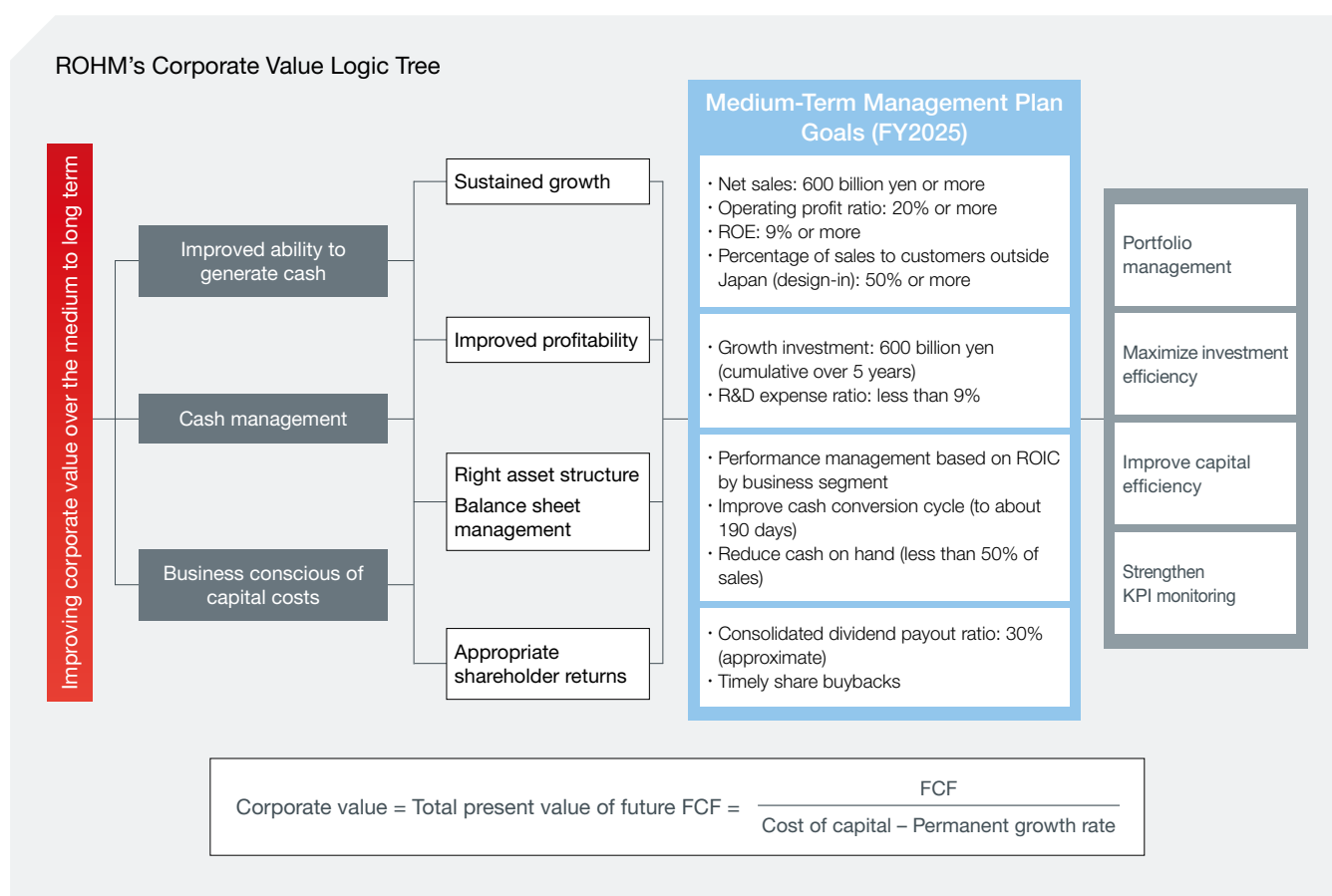
market is therefore expected to slow down somewhat. Meanwhile, the electrification of automobiles is progressing faster than initially predicted. As such, demand for semiconductors in the automotive field is expected to increase at an annual rate of more than 10% to roughly double by FY2027 compared to FY2021. We believe ROHM's target market will continue to be strong due to an expanded automotive

semiconductor market from further vehicle electrification. Accordingly, by continuing to work on the development and stable supply of products that match the needs of society, centered on power and analog semiconductors, we will achieve medium- to long-term growth and make greater social contributions through our business.

## Initiatives to Improve Corporate Value

ROHM's idea for improving corporate value is how much free cash flow (FCF) can be generated in the future. In other words, a business that is conscious of capital costs, cash management, and an improved ability to generate cash, is the basis for increasing corporate value. We will improve profitability while achieving sustained business growth to find

the right asset structure. The results will be visible in our ROE and sales growth, and we will also provide appropriate shareholder returns. To create this cycle, the specific details which management needs to focus on while maintaining the right balance is shown in the Medium-Term Management Plan as targets and items for implementation.



Target metrics have been set in the current Medium-Term Management Plan to achieve an ROE of 9% or more and an operating profit ratio of 20% or more by 2025, the final year of the plan. Our ROE in FY2022 was 9.2%, achieving our target. In terms of improving profitability, the Group continues to

work on improving the product mix, increasing development and investment efficiency, and reducing costs.

In managing our business portfolio, we divide our business into about 20 categories, and conduct annual business evaluations from the perspective of market growth in each

business segment, our own market position, profitability based on ROIC by business segment, and consistency with our management vision. We then assess and carry out what we need to focus on, maintain or pull out from over the medium-term. Additionally, in each of our business segment, with a focus on ICs, we have been working to transform our portfolio at the product level in preparation for a shift from the consumer market to the automotive and industrial equipment markets. Using IDM and integral technologies, the source of our competitiveness, we are expanding our lineup of products that provide high added value by making proposals for solutions to customer problems as well as for stable supply and long-term supply. By concentrating resources on development and customer support to increase the sales ratio of products that bring real value, we aim to build win-win relationships with customers to improve our profitability. In the automotive market, we are beginning to see some results thanks to a tailwind from increased electrification and more electronics in vehicles, and we are now also working to expand in the industrial equipment field. The industrial equipment field is characterized for having customers widely dispersed across various industrial fields and for long demand lifetimes, while at the same time entry into the market takes time. As such, we have organized a dedicated department that specializes in responding to such market characteristics. We are working to accelerate development that matches market demands by selectively allocating development resources to key areas and setting KPIs for man-hours spent on development with regard to planned sales target for new products.

We felt that there were issues with the efficiency of traditional capital investments, so we began evolving our own decision-making process. In addition to the payback period method used as a standard for investment decisions, we started to use the net present value (NPV) and internal rate of return (IRR) methods, setting hurdle rates that take into account capital costs and business risks. We then make decisions based on a comprehensive review of our profit advantage based on a clear forecast of future cash flows for each investment project. In addition, we are implementing initiatives to improve the accuracy of future decisions by enhancing monitoring after investments are made to manage the contribution to sales growth relative to invested capital as well as estimated and actual cash inflow for each investment project.

In terms of cost reductions, our development, manufacturing, and procurement divisions work together to promote initiatives that take full advantage of the strengths of our vertically integrated model. In addition to reducing costs by increasing the diameter of wafers, primarily by increasing the size of IC production to 300 mm and SiC to 8 inches, we are standardizing materials across internal and external supply chains, working to reduce procurement costs by taking advantage of mass advantages and reduce inventory costs by using standardized materials. Additionally, we are working to improve fixed costs by contributing to production through the latest fully automated lines launched in Japan and by applying this technology to existing mass production lines.

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## Growth Investment and Cash Management

Regarding investments in FY2023, more than 80% will be allocated to our key areas of power and analog solutions. To further accelerate investment in growth businesses, we have increased growth investment from 500 billion yen to 600 billion yen over a five-year cumulative period. We had set a goal for SiC sales of over 270 billion yen and a market share of over 30% by FY2027, but as demand has been brought forward, we have accordingly revised our investment plans upward. To reduce mass production costs, we are working on increasing the diameter of SiC wafers in both wafer manufacturing and front-end processing. As such, equipment that can convert 6-inch wafers to 8 inches has been installed at ROHM Apollo Co., Ltd.'s Chikugo Plant. Regarding wafers, we will begin supplying 8-inch wafers in 2023. Consequently, we are quickly expanding our facilities and increasing production in order to respond to fast growing demand. We will also expand the 12-inch Bi-CDMOS production line for ICs. Furthermore, in addition to investing in current growth businesses to improve permanent corporate

value, we are also constantly considering capital investments and M&As with an eye to expanding business opportunities in the future, with a focus on strengthening our distinctive IDM capabilities and potential to strengthen the power and analog fields.

The investment funds necessary for current business growth are basically covered by operating cash flow, and we will also efficiently utilize cash on hand with proper cash management. Specifically, we anticipate approximately 650 billion yen in operating cash flow over the five years from FY2021 to FY2025, which will cover growth investments of 600 billion yen. Additionally, in order to provide funds for further growth investments in the future, we have been working on improving our cash conversion cycle since FY2022, working to generate cash internally. Based on this, our policy is to flexibly raise funds as needed when M&A or capital alliances arise for business expansion or technology acquisition.

Furthermore, we plan to gradually reduce cash on hand to less than 50% of annual sales by FY2025.

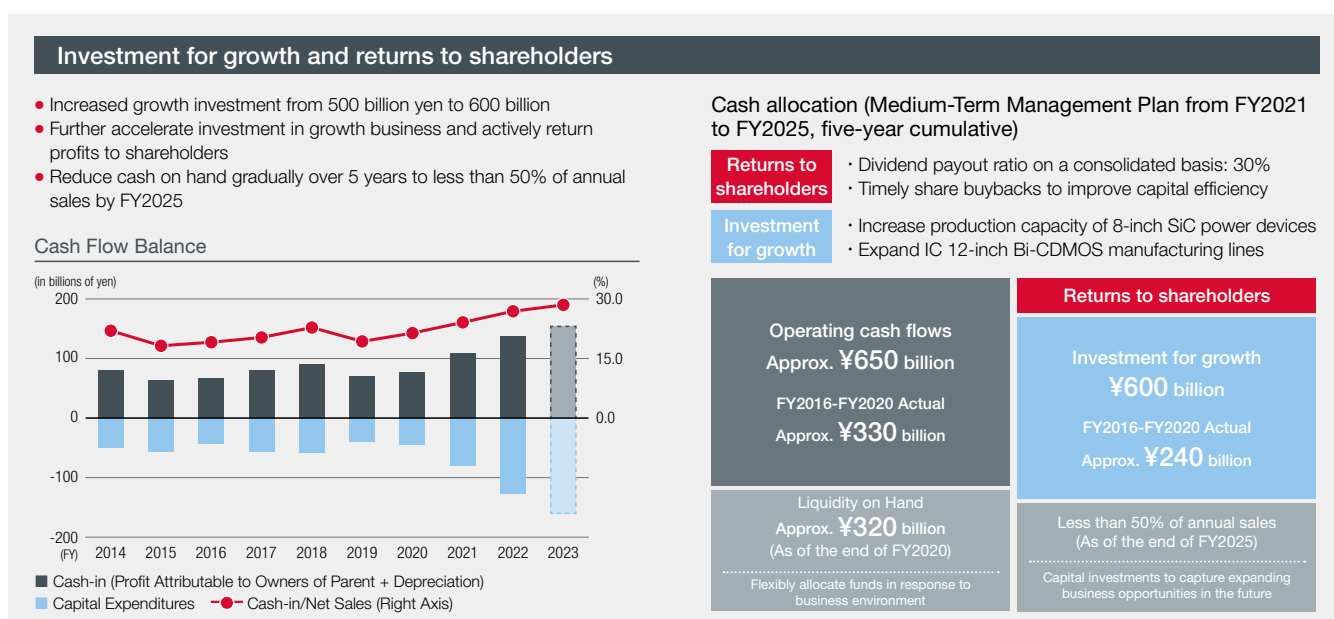


## Shareholder Returns

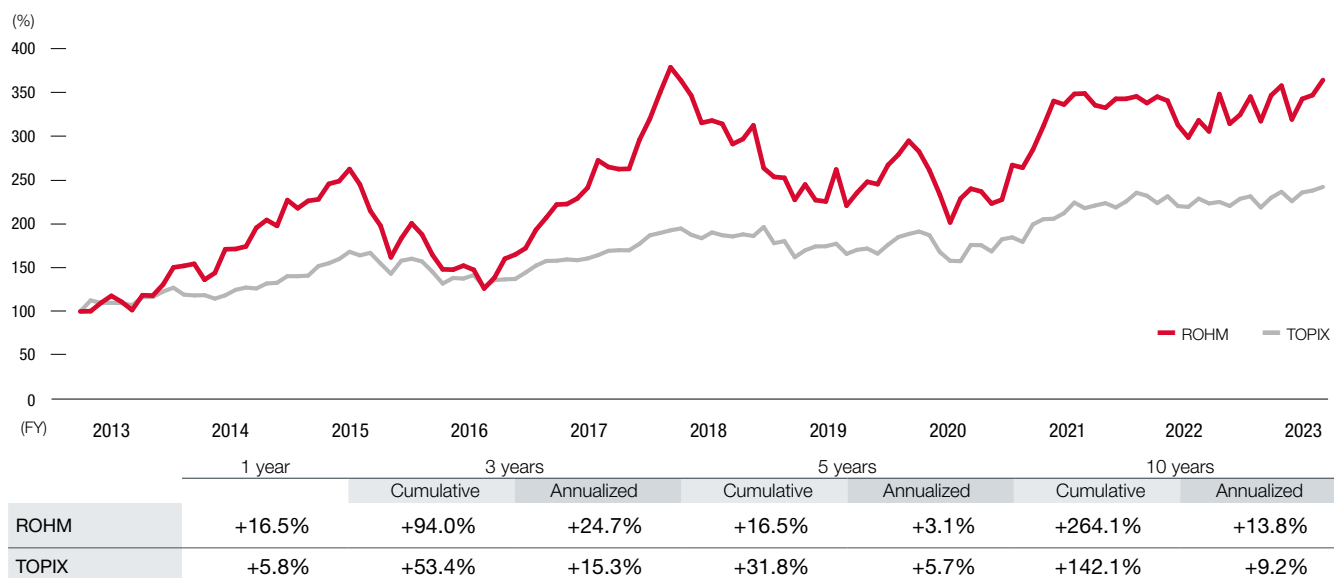
Our policy is to implement shareholder returns with a consolidated dividend payout ratio of 30%. In addition, our policy is to acquire treasury stock in a timely manner, and we have decided to buy back shares worth up to 20 billion yen in November 2022.

For the past few years, we have been in a phase of active investment aimed at business growth and strengthening our future ability to generate cash, but we will review the balance between investment and shareholder returns as appropriate, depending on how well our business grows. To increase our

corporate value, we will continue to strike a balance between shareholder returns and investment in human capital as well as capital expenditure to further expand our ability to generate cash. Our policy is to promote business operations around the two pillars of our power device business and analog IC business, aiming to achieve the growth and profit expansion indicated in the Medium-Term Management Plan, and to become a major global player in the future. We hope that our shareholders will look forward to ROHM's future growth.



### TSR (10 years, dividends included)



\* Total shareholder return (TSR): Total rate of return on investment that combines capital gains with dividends

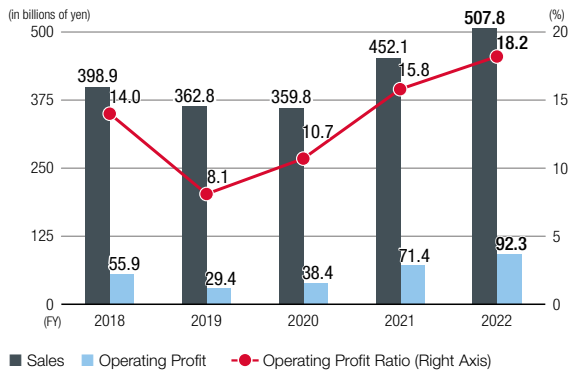
\* TSR for ROHM is calculated based on cumulative dividends and stock price fluctuations. TSR for TOPIX is calculated with a stock price index including dividends. (Created by ROHM using Bloomberg data and other sources.)

\* TSR values in the graph are indexed to market prices as of March 31, 2013 as 100 (assuming the stock was held until March 31, 2023).

# Financial and Non-Financial Highlights

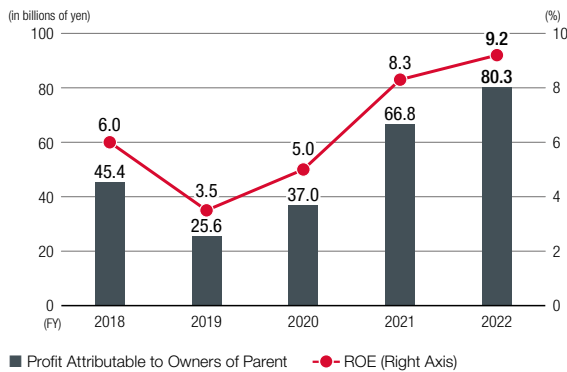
## Financial Highlights (Consolidated)

### Business Performance



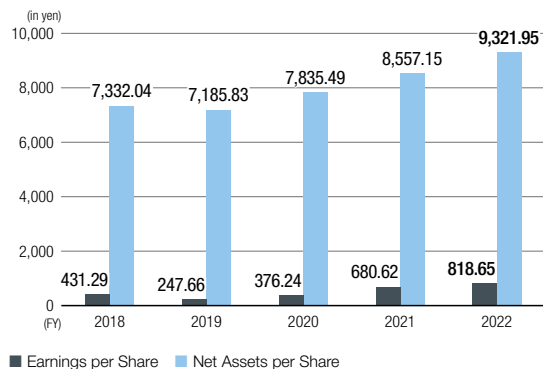
Although demand for some semiconductors entered a correction phase in the second half of FY2022, record sales were achieved due in part to the effects of a weaker yen. In the automotive market, strong demand for in-vehicle semiconductors continued due to the promotion of electrification and more extensive use of electronic components in vehicles for a decarbonized society. In addition, the industrial equipment market remained steady thanks to moves to decarbonize plants as well as increased investment in improving production capacity, automation, and digitalization.

### Profit Attributable to Owners of Parent and ROE



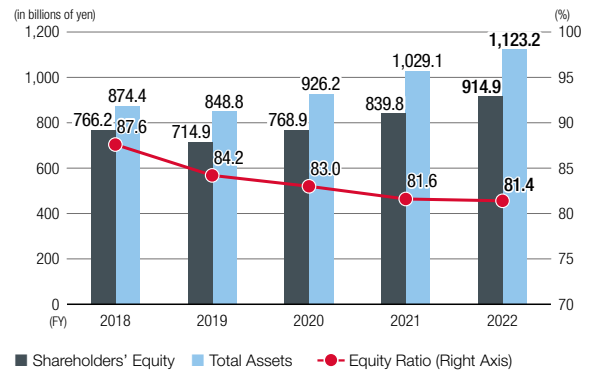
Due to the increase in operating income and foreign exchange gains, profit attributable to owners of parent increased by 13,548 million yen from the previous year to 80,375 million yen. As a result, ROE improved by 0.9 percentage points from the previous fiscal year to 9.2%.

### Earnings per Share and Net Assets per Share



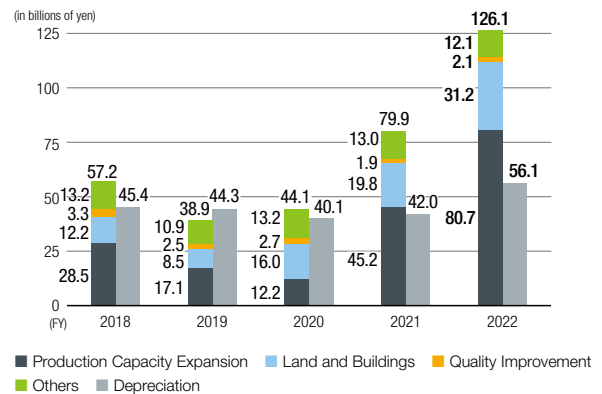
Both earnings per share and net assets per share increased significantly from the previous fiscal year due to an increase in profit attributable to owners of parent.

### Shareholders' Equity and Total Assets



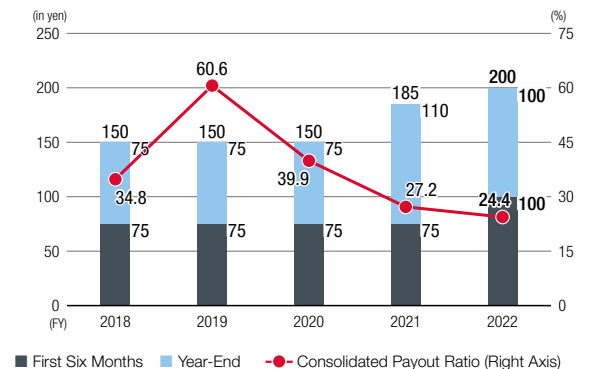
Total assets increased by 94,151 million yen from the end of the previous fiscal year due to increases in property, plant and equipment, and inventories, while shareholders' equity increased by 75,095 million yen to 914,912 million yen. The equity ratio was 81.4%, almost the same level as the end of the previous fiscal year.

### Capital Expenditures and Depreciation



ROHM continues to actively invest in its plants and equipment. In FY2022, capital expenditures increased by 46,131 million yen from the previous fiscal year to 126,116 million yen as a result of greater capital investment to expand production capacity primarily for power devices including ICs and SiC.

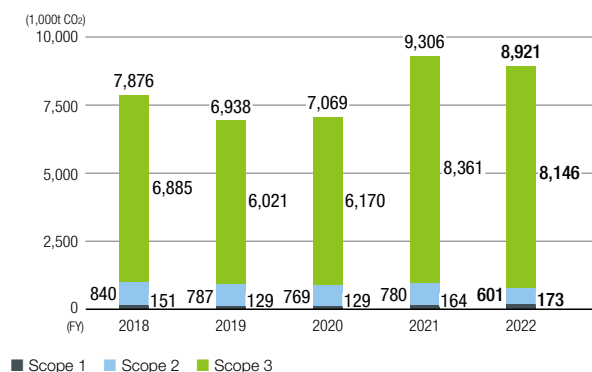
### Dividends and Consolidated Payout Ratio



ROHM's basic policy is to pay stable dividends, with a target consolidated dividend payout ratio of 30%, and is working to increase dividends by improving business performance. The annual dividend was set at 200 yen, an increase of 15 yen from the previous fiscal year.

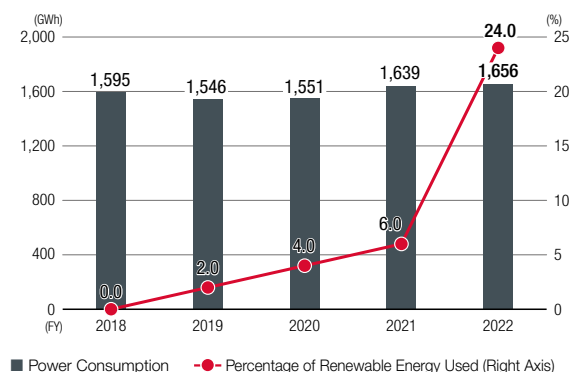
## Non-Financial Highlights (Consolidated)

### CO<sub>2</sub> Emissions



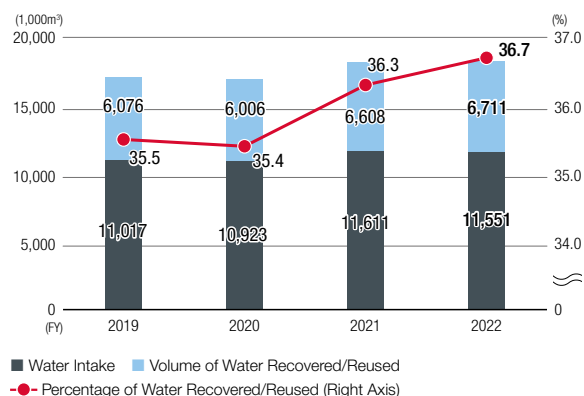
To realize the ROHM Group Environmental Vision 2050, which aims to achieve net zero GHG emissions by FY2050, our medium-term environmental goal is to reduce GHG emissions (Scope 1 and 2) by more than 50.5% by FY2030 compared to FY2018 levels. In FY2021, we achieved a 6.2% reduction compared to FY2018, while in FY2022 we achieved a 21.8% reduction.

### Power Consumption and Percentage of Renewable Energy Used



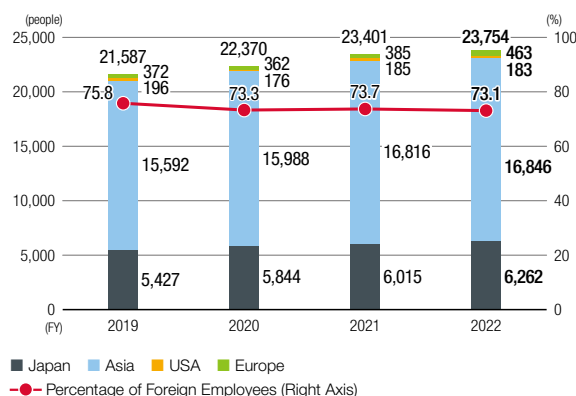
We have announced a plan which calls for 100% of electricity used in all business activities in Japan and overseas to be derived from renewable energy sources (hydro, geothermal, solar power, etc.) by FY2050. In FY2022, 100% of the power used at our mainstay manufacturing site, the Thailand plant, came from renewable energy sources, bringing the total renewable energy use across the Group to 24%.

### Water Intake and Recovered/Reused Water at Production Bases



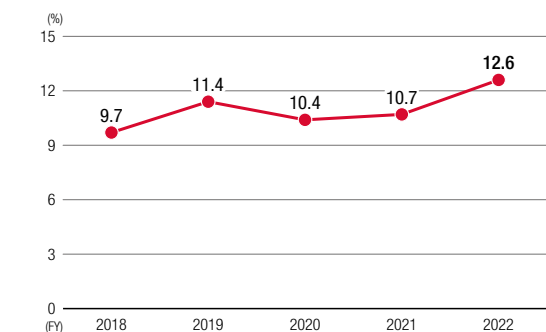
As part of our resource recycling efforts in the ROHM Group Environmental Vision 2050, we are aiming to improve our water recovery and reuse rate by 5.5% or more by FY2030 compared to FY2019 levels. In FY2022, we improved the rate by 1.2% compared to FY2019, proceeding to systematically install water recycling equipment in our manufacturing sites.

### Employees by Country and Percentage of Foreign Employees



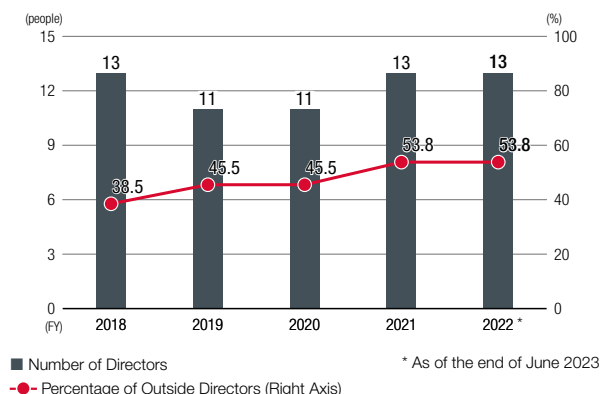
As we aim to become a major global player by FY2030, we are actively recruiting human resources around the world who can take the Group forward. We will continue to promote human resource policies and initiatives to increase the diversity of our employees.

### Percentage of Women in Management Positions



As stated in the Medium-Term Management Plan, our aim is to increase the percentage of women in management positions in the ROHM Group to 15% by FY2025 and to 20% by FY2030. We will make every effort to achieve our goals by continuing to enhance training opportunities, revising existing systems, and implementing new systems.

### Number of Directors and Percentage of Outside Directors



In FY2021, we achieved our goal of increasing the proportion of outside directors to more than half, as stated in our Medium-Term Management Plan. We are still maintaining this percentage.

# Helping to Solve Social Issues Through Technological Innovation in SiC Power Devices

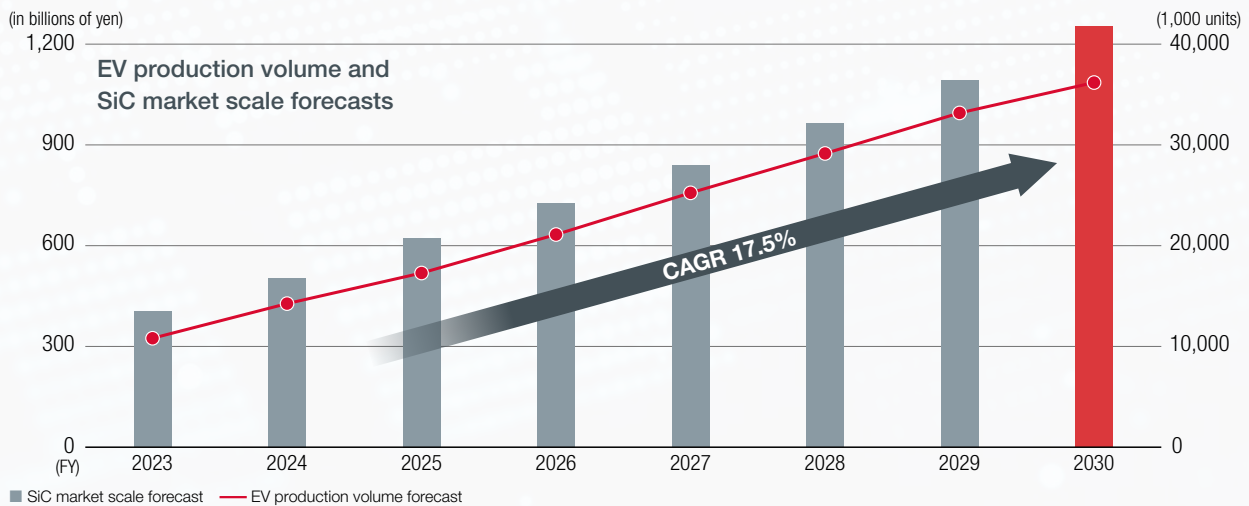
Material issues

- Evolution of Technologies to Contribute to the Advancement and Progress of Culture
- Stable Supply of High-quality Products
- Strengthening Sustainable Technologies, Developing and Supplying Innovative Products
- Mitigation of Climate Change

## Contributing to the electrification of automobiles with SiC power devices

The trend of automobile electrification is accelerating to realize a decarbonized society. Most importantly, the ratio of EVs is significantly rising. In 2022, EV sales were approximately 7.74 million units, roughly 10% of global sales, and the shift to EVs is rapidly advancing. To curtail increases in EV battery capacity and extend the cruising range, the adoption of low power loss SiC power devices in inverters is essential. Because SiC power devices have

a lower specific ON resistance compared to Si devices and they demonstrate high performance even under high-temperature, high-frequency, and high-voltage environments, their adoption especially for EVs is accelerating, and it is expected that they will come into wide use. At ROHM, we are further increasing our production capacity and cost competitiveness to respond to additional increases in the demand for SiC power devices.



## ROHM's position within the SiC market

Global SiC sales ranking

### SiC power devices (including modules) sales ranking/market share forecast (2022)

Sales	Company name	Sales	Share of sales
1	STMicroelectronics	700	32.5%
2	Infineon Technologies	360	16.7%
3	Wolfspeed	299	13.9%
4	onsemi	200	12.8%
5	<b>ROHM</b>	<b>149</b>	<b>6.9%</b>

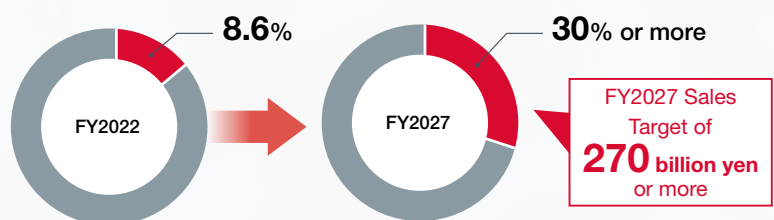
### SiC wafer sales ranking/market share forecast (2022)

Sales	Company name	Sales	Share of sales
1	Wolfspeed	295	42.6%
2	Coherent (Former II-VI)	109	15.7%
3	<b>SiCrystal (ROHM Group)</b>	<b>96</b>	<b>13.9%</b>
4	TankeBlue	88	12.7%
5	SK siltron	56	8.1%

\* Tables and figures have been done thanks to Yole Group's Power SiC report, 2023 edition.

ROHM's market share (devices and wafers)

Aiming for an industry-leading market share of **30% or more**





## ▶ ROHM's strengths in SiC power devices

### 1 Construction of an integrated production system

ROHM is aiming for the top market share of 30% of the rapidly growing SiC market and aggressively investing in this area. After acquiring German SiC wafer manufacturer SiCrystal GmbH in 2009, we established a high-quality SiC substrate procurement system, which is essential for the stable manufacturing of SiC power devices, while also working to increase the diameter and production capacity. Moreover, the production building

dedicated to SiC power devices which was newly established at the ROHM Apollo Co., Ltd.'s Chikugo Plant (Fukuoka Prefecture) began operation in FY2022. It is currently producing 6-inch wafers, but equipment has been pre-installed for the switchover to 8-inch wafers. In conjunction with strengthening the BCM system, we are building a production system which can respond to medium- to long-term increases in demand.

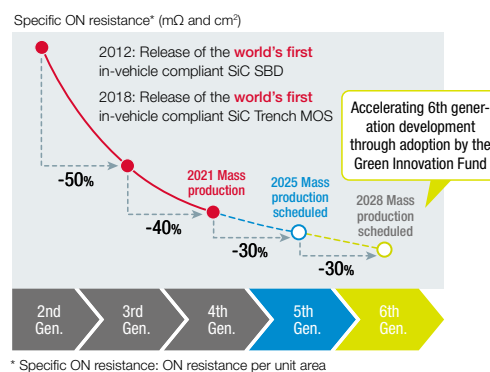
#### Integrated SiC power device production system



### 2 Industry-leading technological capabilities

In addition to Si-based transistors (MOSFET, IGBT, SJMOS, and BiP) and diodes (SBD and FRD), ROHM is developing SiC-based MOSFET and SBD products. We have realized the development of high-quality and high-performance SiC power devices which lead the industry through our in-house integrated production covering everything from SiC substrate production to power module and other packages as well as new product design, manufacturing processes, and quality control methods that support those processes in an internal system which batch manages the technologies that are essential to the evolution of SiC power devices. Our fourth generation SiC MOSFETs have evolved ROHM's original double-trench structure to reduce the specific ON resistance by approximately 40% compared to conventional products to achieve the lowest specific ON resistance in the industry. We are currently working on the development of the fifth generation which aims for further characteristic improvement.

#### Industry-leading SiC MOSFET low ON resistance technologies



### 3 Solution proposal ability

To date, ROHM has offered various solutions which help resolve issues in each customer development flow. FAEs and AEs from the System Solutions Engineering Headquarters, who understand customer systems, contribute to the realization of user functions by proposing isolated gate driver ICs, diodes, resistors, and other peripheral components which drive SiC power devices in combination. For example, products combining Insulated Gate Bipolar Transistors (IGBTs) and FRDs were previously used in power devices for EVs. However, not only replacing those with SiC MOSFETs but also proposing isolated gate driver IC solutions helps to make inverters smaller and extend the vehicle cruising range.



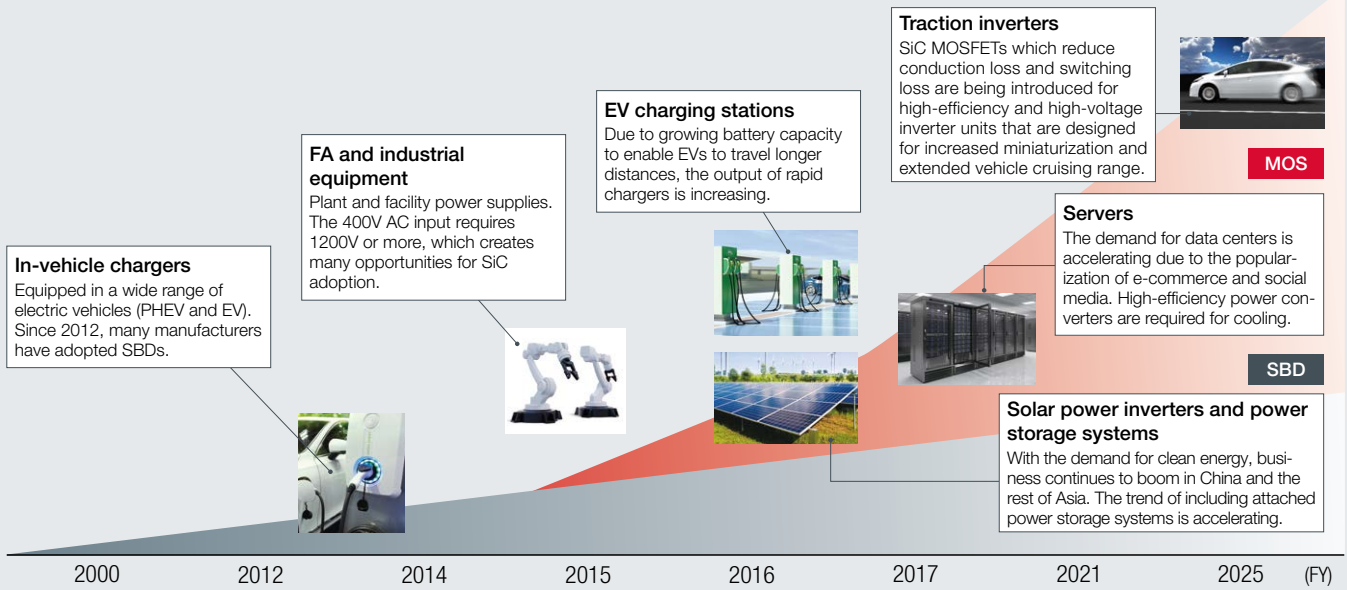
Solution board for easy evaluation of SiC power devices



Capable of simulating SiC power devices in an environment which is close to a real system, including the isolated gate driver ICs and peripheral components

## SiC application examples

ROHM started basic research on SiC power devices in 2000 and subsequently expanded the range of products to include diodes (SiC SBD) and transistors (SiC MOSFET), etc. In 2012, we started mass production of the world's first SiC MOSFETs and full SiC modules\*.

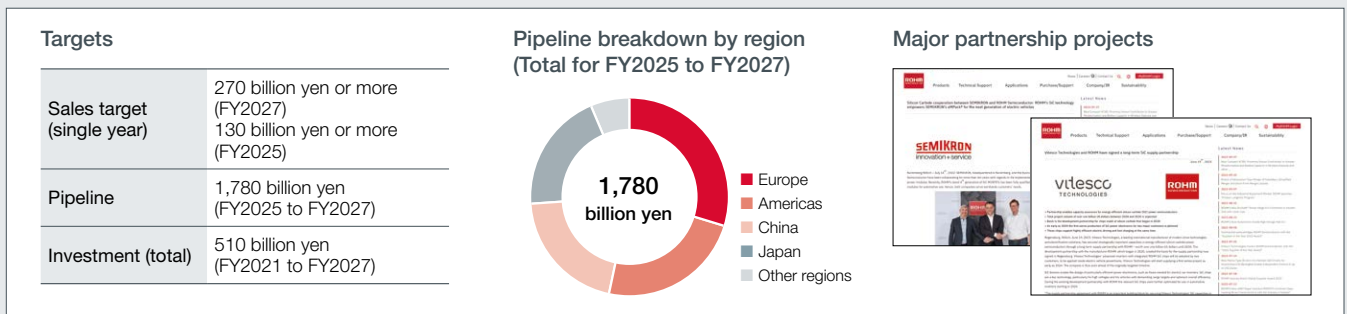


## SiC sales targets and pipeline status

In the SiC business, we are aiming for the top market share with sales targets of 130 billion yen or more in FY2025 and 270 billion yen or more in FY2027.

Our total pipeline (business discussions with customers) for FY2025 to FY2027 is approximately 1.8 trillion yen, and

we are receiving solid inquiries without depending on a specific region such as China, Europe, the Americas, or Japan. In order to build a supply system that can effectively respond to the brisk demand, we are planning to invest a total of 510 billion yen from FY2021 to FY2027.



## Signed a joint agreement to develop inverters for EVs with Mazda Motor and Imasen Electric

In November 2022, ROHM signed a joint agreement with Mazda Motor Corporation and Imasen Electric Industrial Co., Ltd. to develop inverters and SiC power modules installed in the electric drive units of EVs including e-Axle. e-Axle integrates a motor, reduction gearbox, and inverter into a single unit, which makes it an important component in determining the driving performance and power conversion efficiency of EVs. ROHM will participate in a “cooperative framework for the development and production of the electric drive units” and jointly develop inverters with a focus on the entire e-Axle through co-creation with its partner companies. Moreover, ROHM will contribute to the creation of miniature and high-efficiency electric drive units by developing and supplying the advanced SiC power modules to support those performance improvements.



Ichiro Hirose, Director, Senior Managing Executive Officer and CTO, Mazda Motor Corporation (left), Katsumi Azuma, Director and Senior Managing Executive Officer and COO, ROHM Co., Ltd. (right)

VOICE ▶▶

## Accurately assessing hidden customer needs and providing the optimal solution

Group Leader, Traction Inverter Group 1,  
FAE Division 3, Power Device Application Department  
System Solutions Engineering Headquarters

Ryo Fuchizaki



### ROHM's proposal ability helps solve customer issues

To realize carbon neutrality, the demand for SiC power devices, which contribute to miniaturization and energy saving, is increasing especially among EVs. The usability of SiC power devices, which incorporate new materials, differs in some respects from conventional Si devices, and problems can occur which customers have never experienced before. We propose products based on an understanding of customer needs including the power device characteristics, how it will be used in the application, and the driving method, etc. so that even customers who are adopting an SiC power device for the first time will be able to successfully conduct an evaluation. ROHM has a lineup of many products which includes not only power devices but also ICs which drive devices and general-purpose components. We are proud of our strength which lies in the ability to combine those products and technologies to propose a solution.

### Becoming a major global player

What becoming a major global player means to FAEs such as myself is that when customers confront an issue, they will immediately think of ROHM. Our goal is to raise the awareness of ROHM in overseas markets and become the semiconductor manufacturer that is indispensable to customers. Therefore, we are focusing our efforts not only on device proposals but also proposing references and solutions which assist customers with design and evaluation. Furthermore, we aim to become a major global player as the leading SiC power device company by expanding such activities globally while planning new products based on a thorough understanding of market trends and application needs.

## ➤ Initiative to increase the wafer diameter

Currently, ROHM's production is centered on using 6-inch SiC wafers, but we are developing process and manufacturing technologies using large-diameter wafers (8-inch), which can be expected to lower the cost of SiC power devices for further technological innovation. We are accelerating the development and mass production of next-generation SiC MOSFETs utilizing 8-inch wafers, and this project has been selected by the state-sponsored "Green Innovation Fund Projects." ROHM is preparing to ship devices using 8-inch

SiC wafers in FY2025. Our goal is to promote the adoption of these devices in a wide range of equipment and facilities including EVs and industrial equipment by improving the manufacturing technologies for next-generation power devices.



Column

## Contributing to higher efficiency in a wide range of power supplies with GaN power devices

Along with SiC, there are high hopes for gallium nitride (GaN), with its excellent high-frequency properties, as a new material for power devices that will improve efficiency in various power supplies.

ROHM envisions applications that will take advantage of the properties of GaN, such as power supplies for communication base stations and data center servers, motors for industrial equipment, and AC adapters. As such, we have expanded our lineup with the EcoGaN™ series, and in April 2023, we began mass production of the 650V GaN HEMT which has become one of the leading products in the industry in terms of device performance.



# Business Overview by Segment

## ICs

Strengthening our automotive business while also expanding overseas markets and our industrial equipment business to become a major global player

In the IC business, we develop products with a focus on analog ICs such as power supplies, motors, analog front ends, and amplifiers. In particular, we are focusing on Application Specific Standard Products (ASSP) in which our Product Marketing Engineers (PMEs) accurately identify our customers' development trends so that we can proactively develop products that fulfill our customers' needs. In addition to engaging in close communication with the customers, the PMEs value customer feedback, which can be applied to product development, and are characterized by meticulous attention to detail ranging from support during the product launch to follow-up at the time of mass production.

Naturally, in addition to product development, we also recognize the reduction of GHG emissions as a priority social issue. Because motors and power supplies account for the majority of power consumption around the world, ROHM's ICs enable a reduction in power consumption by motors and power supplies. With the advance of electrification and



**Akio Fujikawa**

Corporate Officer, Director of LSI Business Unit

automation in every field and the growing need for device energy saving and miniaturization, we hope to help solve environmental issues by expanding our lineup of high value-added IC products to meet such needs.

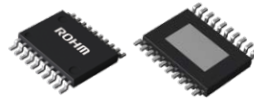
Moreover, one of our future tasks is to develop not only the domestic but also overseas markets, and we are focusing our efforts on industrial equipment in addition to automobiles. The current sales ratio of IC products for automobiles is growing steadily at just over 40%, but we are strengthening our product development and sales promotion to achieve a sales ratio of 30% in industrial equipment as well. By utilizing our strengths of close customer contact, coordination, and the proposal of total solutions, the IC business provides comprehensive "technologies" and "services" to gain the absolute trust of customers and aims to become a key figure in the realization of becoming a major global player.

### Key products



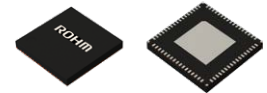
#### Isolated gate driver ICs

Controlling power devices, such as those in the drive units of electric vehicles. ROHM's unique microfabrication technology contributes to miniaturization and higher efficiency of inverters for automobiles.



#### LED driver ICs

With the spread of LED lighting and lower current consumption in automobiles, the number of LEDs installed has increased. We have dedicated drivers suitable for various applications, such as headlamps.



#### Power management/Power supply ICs (PMICs)

We have a diverse lineup of application-specific system power supplies to meet various uses and specifications. In addition to consumer products, we are expanding the product lineup of various PMICs for each electronic control unit (ECU) for automotive use.

## ROHM's Position

### Worldwide analog IC manufacturer sales ranking (2022)

(Millions of U.S. dollars)

Rank	Company name	Sales
1	Texas Instruments	13,168
2	Analog Devices	11,142
3	Qualcomm	10,302
4	STMicroelectronics	4,800
5	Renesas Electronics Corporation	4,584
:		
<b>17</b>	<b>ROHM</b>	<b>1,001</b>

Source: Omdia Competitive Landscaping Tool (CLT) 2022

### Worldwide analog IC market

Total market (2022)

**90,887** million U.S. dollars

ROHM's share

**17th 1.1%**

### Automotive—Analog ASSP, Automotive—Analog ASIC

Total market (2022)

**13,880** million U.S. dollars

ROHM's share

**12th 1.7%**

### Industrial & Other—Analog ASSP, Industrial & Other—Analog ASIC

Total market (2022)

**4,313** million U.S. dollars

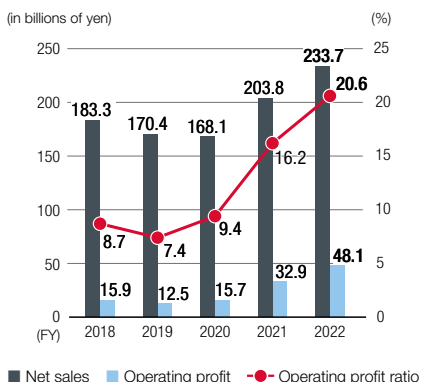
ROHM's share

**13th 2.7%**

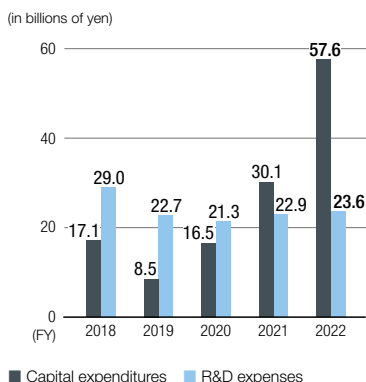


■ Performance Highlights

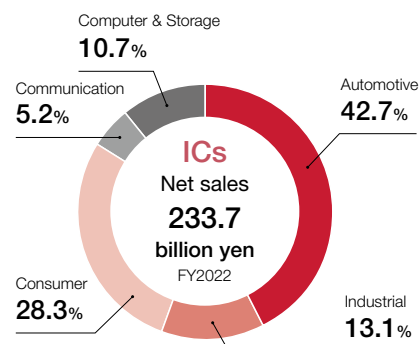
Net sales/operating profit/operating profit ratio



Capital expenditures/R&D expenses



Sales by application



Progress of the Medium-Term Management Plan

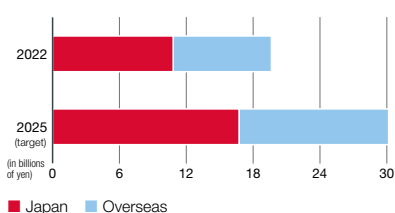
■ Improving the sales ratio of the ASSP strategic Top 10

To further increase sales and profits in ICs, we aim to strengthen the automotive industry overseas as well as in Japan, home appliances in the consumer products field, and the PC and server field over the five-year period of the Medium-Term Management Plan. Most importantly, the sales of isolated gate driver ICs, LED driver ICs, and ADAS solutions, are steadily growing in the automotive market, which is expected to show further growth due to the progress of electrification of vehicles and more extensive use of electronic components in vehicles, and adoption is expanding not only

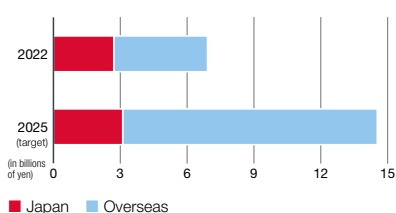
among Japanese customers but also overseas customers.

Moreover, fields with sales growth and added value have been designated as strategic Top 10 fields, and our goal is to increase the average IC unit price and improve the profitability of the entire business by increasing the sales composition ratio of those fields. The sales ratio of the strategic Top 10 in FY2022 increased from 16% in the previous fiscal year to 22%, and profits for the overall IC segment were 48.1 billion yen, which represented an increase of 46% over the previous year. Going forward, we will strive to further expand sales and profits by continuing to introduce high value-added products.

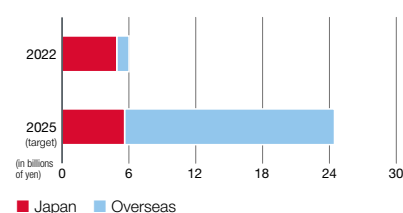
Isolated gate driver ICs



LED driver ICs



ADAS solutions (SerDes+AFE+PMIC)



Column Toward the Realization of a Sustainable Society

Development of isolated DC-DC converters which aid in miniaturization and the reduction of the number of man-hours spent on reducing noise in the design process for EV applications

EVs are equipped with applications such as traction inverters which drive the motors, electric compressors for the air conditioner, and PTC heaters which increase the temperature of the vehicle interior. Since these components are driven at high voltages, the primary side circuit with the battery must be isolated from the secondary side circuit with the motor, to ensure safety. Meanwhile, the noise suppression man-hours for different switch frequencies were an issue in previous isolated circuit configurations due to the size of the mounting area and power consumption as well as the output current. ROHM developed an isolated flyback<sup>1</sup> DC-DC converter which is optimal for power supplies for driving the gate drivers installed in these applications. Our new products contribute to application miniaturization and reduced noise design man-hours by realizing a circuit configuration which does not require a photocoupler<sup>2</sup> and stable switching frequency characteristics.

<sup>1</sup> Flyback: a type of circuit which is used in the configuration of an isolated power supply. It is suitable for applications up to 100W and is superior in terms of the number of components and cost.

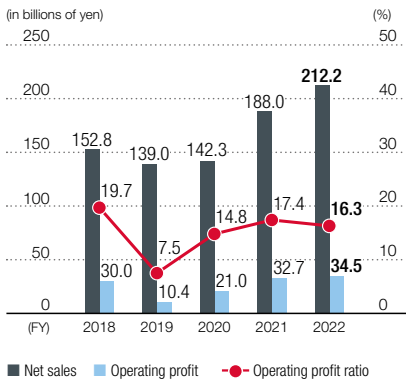
<sup>2</sup> Photocoupler: an electronic component which converts an electrical signal input into light with light-emitting elements and then converts it back into an electrical signal with light-receiving elements.



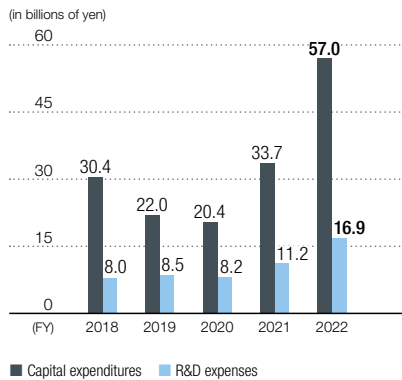
# Discrete Semiconductor Devices

## Performance Highlights

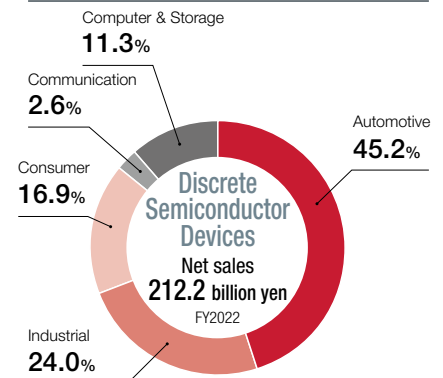
Net sales/operating profit/operating profit ratio



Capital expenditures/R&D expenses



Sales by application



## Power devices

Aiming for “ROHM of Power” with products that contribute to a decarbonized society



In addition to power devices using Si and SiC as materials, ROHM has also started mass production of GaN devices, and our strength lies in our diverse lineup including power modules, equipped with several of these devices, and our ability to propose solutions which integrate sales promotion, support, and planning.

Power devices significantly contribute to the realization of carbon neutrality. They improve power conversion efficiency and contribute to energy savings for solar power generation, data centers, and charging stations in industrial equipment, and EV in-vehicle chargers, DC-DC converters, and traction inverters in automobiles. In particular, for growing traction inverters, by replacing IGBTs with SiC MOSFETs, not only will battery costs decrease due to improvements in electricity consumption, but system cost reductions such as lighter wiring harnesses and smaller inductors and capacitors are also expected.

In addition, we believe it is necessary to strengthen not only our device competitiveness but also deepen our understanding of customer systems. It is important to enter the

ecosystem which includes automobile manufacturers and Tier 1 manufacturers. Going forward, we hope to build comprehensive relationships with each company and continue to be the power device manufacturer that is always chosen.

There will likely be some fluctuations in the supply and demand balance for SiC due to market conditions, but since high growth will continue until around 2030, we will increase our production capacity and expand sales through active investment. Chinese companies are also gaining power, but we believe that ROHM’s technological capabilities, solution proposal abilities, and supply capabilities which can produce everything from substrates to modules cannot be copied overnight. Because there is still more competition to come until we reach the physical limits which exhaust the capabilities of SiC, we hope to prevail in this field.

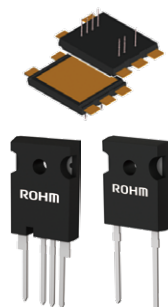
Power devices are expected to be a trump card for the revitalization of Japanese semiconductors, and we will achieve sustainable growth by establishing our position as a major global player that is recognized by customers and the industry as “ROHM as in power devices.”

Key power device products

SiC power devices

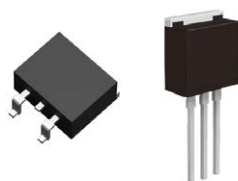
MOSFETs and SBDs convert power more efficiently than conventional Si material devices

\* Details of the strategy on page 36



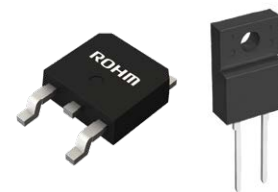
Si power MOSFETs and IGBTs

They are used as core components of power and power supply systems and inverters to contribute to higher efficiency and energy conservation in a wide range of high-voltage and high-current applications.



Si power diodes

We offer a broad lineup of Schottky barrier diodes and fast recovery diodes, etc. to meet market needs.



ROHM's Position

Worldwide power device manufacturer sales ranking (2022)

(Millions of U.S. dollars)

Rank	Company name	Sales
1	Infineon Technologies	5,480
2	onsemi	2,645
3	STMicroelectronics	2,207
4	Mitsubishi Electric	1,366
5	Fuji Electric	1,216
:		
9	<b>ROHM</b>	<b>824</b>

Source: Omdia Competitive Landscaping Tool (CLT) 2022

Worldwide power device market

Total market (2022)  
**25,920** million U.S. dollars

ROHM's share  
**9<sup>th</sup> 3.2%**

Power transistors

Total market (2022)  
**20,189** million U.S. dollars

ROHM's share  
**10<sup>th</sup> 2.6%**

Power diodes

Total market (2022)  
**4,738** million U.S. dollars

ROHM's share  
**4<sup>th</sup> 6.3%**

Progress of the Medium-Term Management Plan

Expanding the sales of power devices and developing them into a core business

Within discrete semiconductor devices, power devices are positioned as one of the most important products for driving ROHM's growth. In addition to power devices which use Si materials such as IGBTs, SJMOSs, MOSFETs, bipolar transistors, SBDs, and FRDs, ROHM possesses a broad lineup of SiC-based products including SBDs and MOSFETs. We can propose the optimal device combination and operating conditions as a solution according to the customer's circuit configuration. It is our goal to apply these strengths to achieve a CAGR of 29.8% for the power device business from FY2021 to FY2027. In FY2022, we achieved a year-on-year increase of 59% for sales. ROHM was originally strong in small-signal general-purpose devices and was a newcomer to power device development. However, with our entry into the high growth potential automotive and industrial equipment markets, we aim to further expand the power device business.

Further accelerating the SiC business through the shift to 8-inch wafers

The demand for SiC power devices is growing significantly faster than forecasted. In addition to the product characteristics, securing capacity is also important for maintaining our competitive superiority. Not only did we start production in a new building at the Chikugo Plant at the end of 2022, but we also reached a basic agreement in July 2023 to acquire the Kunitomi Plant in Miyazaki formerly owned by Solar Frontier K.K. The aim of this deal was to expand our production capacity two years earlier through the acquisition of an existing plant instead of constructing a new building. At the same time, each company is trying to compete by improving production efficiency and reducing costs through the shift to a larger diameter wafer. Currently, 6-inch SiC wafers are mainstream, but each company is advancing its shift to 8-inch wafers. ROHM is advancing its development to be able to ship products which use 8-inch wafers in FY2025.

## General-Purpose Devices

Aiming to expand overseas market share with high technological capabilities that contribute to product miniaturization



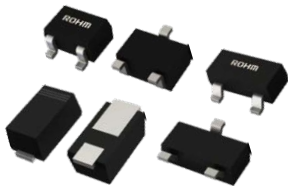
General-purpose devices are essential products which are used in every type of electric and electronic equipment regardless of the market or application. ROHM's general-purpose devices are a business which has continued from the early years of the company. Through our diverse portfolio consisting of products such as SBDs, TVSSs, bipolar transistors, MOSFETs, FRDs, and RECs, as well as our high quality, miniaturization and high productivity technologies, and stable production capacity, we have gained a high degree of trust from customers and maintained a top-class market share for many years. In particular, we have secured an overwhelming share in the Japanese automotive market which requires a high level of quality and service.

In general-purpose devices, we lead the industry and believe that we can help reduce the environmental impact by efficiently

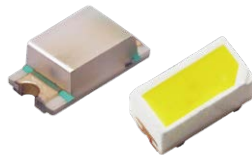
using limited power and proposing small packages which allow space for component mounting. Furthermore, as the industry focuses on power devices, we will contribute to the development of the electric and electronic equipment market by continuing to supply the market in perpetuity.

Going forward, we believe that we need to expand the business by increasing our share in overseas markets and promoting a product strategy which is globally tailored to the appropriate quality and cost. Specifically, we are realizing continuous cost reductions, productivity improvements, inventory design optimizations, and a stable supply and low costs through production leveling while also developing next-generation production lines with higher-efficiency. In this way, it will help us realize the goal of becoming a major global player by supplying products which are essential to the world in perpetuity.

Key products in general-purpose devices



**Small-signal devices**  
Small-signal transistors (less than 1W)  
Small-signal diodes (less than 500mA)  
Used universally in a variety of applications.



**Light-emitting diodes (LED)**  
Discrete semiconductor devices which emit light when voltage is applied.  
Used for lighting and status indications, etc. in all kinds of electronic devices.



**Laser diodes**  
ROHM's laser diodes boast the industry's leading production volume. They are used in laser printers and multifunction printers, and in recent years in laser ranging devices and as a light source for LiDAR, etc.

### ROHM's Position

Worldwide small signal device (SSD) manufacturer sales ranking (2022)

Rank	Company name	Sales (Millions of U.S. dollars)
1	onsemi	834
2	Nexperia	792
<b>3</b>	<b>ROHM</b>	<b>541</b>
4	Diodes	367
5	Infineon Technologies	319

Source: Omdia Competitive Landscaping Tool (CLT) 2022

Worldwide small signal device market

Total market (2022) **4,782** million U.S. dollars  
ROHM's share **3rd 11.3%**

Small signal transistors

Total market (2022) **2,155** million U.S. dollars  
ROHM's share **3rd 11.0%**

Small signal diodes

Total market (2022) **2,627** million U.S. dollars  
ROHM's share **3rd 11.5%**



## Progress of the Medium-Term Management Plan

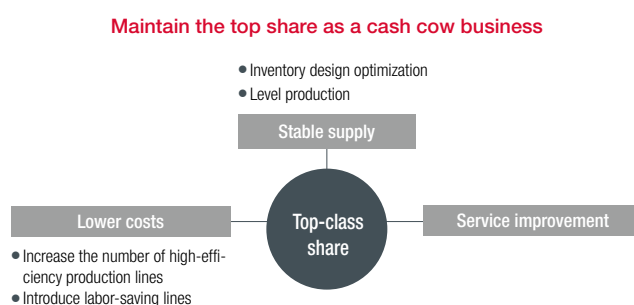
### ■ Maintaining a top-class market share as a cash cow business

When it comes to semiconductors, power devices tend to attract attention, but the demand for small-signal, general-purpose devices is also increasing due to the electrification trend. For example, as more electronic components are used in automobiles, the demand for transistors and diodes is increasing as essential components. These components are small-signal general-purpose devices that handle power of 1W or less and are used in control and other circuits, and ROHM boasts a high market share due to our expertise in development, manufacturing, and sales accumulated over many years. The General Purpose Device Business' theme for the Medium-Term Management Plan is to contribute to ROHM's growth as a cash cow business while maintaining this high market share.

Because general-purpose devices are highly versatile products used in large quantities for all kinds of applications, we are required to supply them to customers in a stable manner and at low cost. At ROHM, we have increased our production

efficiency and capacity to achieve a stable supply, low costs and service improvements by introducing high-efficiency production lines and labor-saving lines. In addition, because semiconductors for automobiles require a particularly high level of quality, we apply our strengths as an IDM to implement thorough quality control. Such initiatives have helped us to steadily respond to customer requests and increase revenue.

### Small-Signal Device Business



Column

## Toward the Realization of a Sustainable Society

### Vitesco Technologies and ROHM signed a long-term SiC power device supply partnership to contribute to the efficiency of EVs

In June 2023, ROHM signed a long-term supply partnership agreement regarding SiC power devices with Vitesco Technologies, a major manufacturer of modern drive technologies and electrification solutions. The transaction value is over 130 billion yen for the period from 2024 to 2030. The two companies have been conducting joint development since 2020, and as the initial result, Vitesco plans to start supplying its advanced inverters equipped with ROHM's SiC power devices in 2024. Two major automobile manufacturers have already decided to incorporate the inverters into their electric vehicles (EV). SiC power devices are an extremely important item in EV inverter development. They are an important key technology which is required to be high-voltage compatible, and they help extend the cruising range and reduce the battery size through the effective use of electric energy. ROHM and Vitesco are deepening their partnership to support high-efficiency EVs and rapid charging through SiC power devices.



Andreas Wolf (right)  
CEO, Vitesco Technologies  
Kazuhide Ino (left)  
Member of the Board, Managing Executive Officer,  
CFO, ROHM Co. Ltd.

### Developing MOSFETs which realize a compact size and industry-leading<sup>\*1</sup> low power loss to contribute to high efficiency and the safe operation of small devices

In recent years, small devices have become more highly functional, and the component mounting space has decreased due to larger battery sizes for increased power requirements. Moreover, to efficiently use the limited battery power, the equipped components need to reduce power loss to a greater degree. To meet such requirements, ROHM developed the "RA1C030LD," a compact and high-efficiency Nch MOSFET<sup>\*2</sup> with a 20V withstand voltage which is suitable for small and thin device switching. This new product adopts ROHM's own wafer-level chip size package<sup>\*3</sup> to realize low power loss as well as miniaturization. It reduces power loss by up to roughly 20% more than general products with the same package and achieves an industry-leading power loss value which significantly contributes to high efficiency and a reduction in the substrate component area for various small devices. Going forward, ROHM will continue to help solve social issues such as reducing the environmental impact through the development of products that contribute to the high efficiency of small devices.

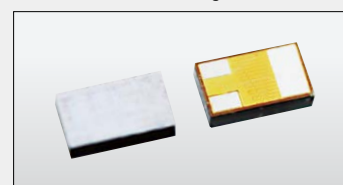
\*1 Researched by ROHM, as of November 10, 2022

\*2 Nch MOSFET

A type of MOSFET which conducts when a positive voltage is applied to the gate with respect to the source. Because the drain-source ON resistance is smaller than with a Pch MOSFET, it can reduce the steady-state loss.

\*3 Wafer-level chip size package

An ultra-compact package in which the formation of terminals and wiring are performed on the wafer which is then subsequently divided into individual pieces.



Nch MOSFET "RA1C030LD"

# Modules and Others

Helping to solve social issues by providing high added value



**Tetsuhiro Tanabe**

Corporate Officer, Director of Module Business Unit

ROHM's thermal printheads and resistors are high market-share products with a global share ranked in the top 5 and we have a lineup of products for customers around the world to choose from. At the same time, we are developing products which contribute to "energy savings" and "miniaturization" for customers as stated in our Management Vision, and we are striving to help solve social issues. For example, in printheads, we are mass-producing energy-saving thermal printheads which can reduce the customers' drive battery from two cells to one. In resistors, we are strengthening our lineup of shunt resistors and other special resistors which support small sizes and high power with the increasing need for high functionality in automobiles. In addition, we are

switching our product component materials to general-purpose materials that are easier to procure to contribute to energy conservation in society as a whole.

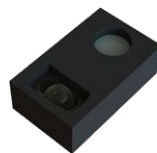
Moreover, we will build a family of products that can be supplied over the long term in a stable manner to expand our share of the industrial equipment market and achieve further growth. For long tail customers in industrial equipment, effectively balancing high-mix, low-volume production with mass production lines will be an issue in the future. Responding to detailed needs in each market and supplying products which constantly pursue high output, energy saving, miniaturization, and high reliability will help us become a major global player and grow together with our customers.

Key products



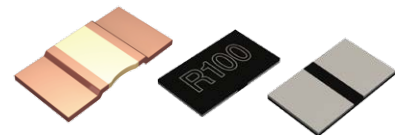
**Thermal printheads**

These use ROHM's proprietary semiconductor technology, thick-film printing and thin-film deposition technologies which achieve small-sizes, energy saving, high image quality and high quality.



**Sensor modules**

ROHM can propose total solutions by combining the world's top-level sensor variations with ROHM's core technologies.



**Shunt resistors**

Resistors for current detection applications which detect the circuit current. We have a broad lineup to support everything from mobile devices such as smartphones to automobiles, industrial equipment, and other applications which require high reliability.

## ROHM's Position

**Worldwide thermal printhead manufacturer sales share ranking (2022)**

ROHM's share **2<sup>nd</sup> 23.8%**

Rank	Company name	Share of sales
1	Kyocera	37.2%
<b>2</b>	<b>ROHM</b>	<b>23.8%</b>
3	SHEC	19.4%
4	Toshiba Hokuto Electronics	7.8%
5	AOI ELECTRONICS	5.8%
6	ALPS ALPINE	2.3%

Source: CHUNICHISHA Co., Ltd.

**Worldwide resistor manufacturer sales share ranking (2022)**

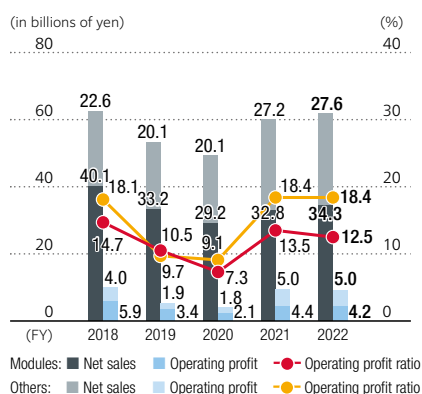
ROHM's share **4<sup>th</sup> 8.9%**

Rank	Company name	Share of sales
1	Company A	19.7%
2	Company B	13.0%
3	Company C	11.4%
<b>4</b>	<b>ROHM 21.2 billion yen</b>	<b>8.9%</b>
	Other	47.0%

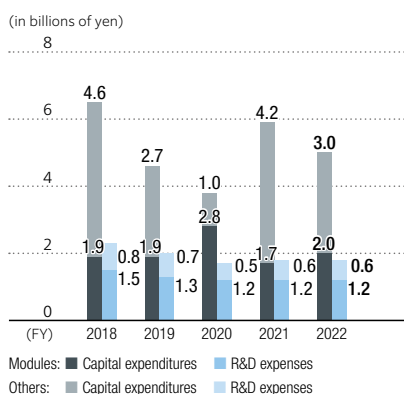
Source: Researched by ROHM

## Performance Highlights

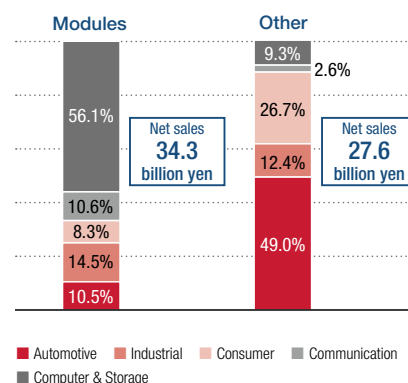
Net sales/operating profit/operating profit ratio



Capital expenditures/R&D expenses



Sales by application (FY2022)



## Progress of the Medium-Term Management Plan

### Achieve high value-added modules and aim for qualitative transformation

In the module business, our major goal during the Medium-Term Management Plan is to achieve qualitative transformation. In FY2022, sales of printheads for office equipment and optical modules for telecommunication equipment increased. Going forward, we will focus on expanding sales of sensing modules for autonomous driving support modules and security (authentication). In particular, the practical application of low-speed, small-sized automatic delivery robots has accelerated due to the labor shortage in recent years, and the demand for modules which combine laser diodes in various sensor applications is also increasing. We will work to differentiate our products from those of other companies, such as through superior high-temperature characteristics, and aim to increase revenue.

High value-added sensor modules Sales ratio

FY2022 Results **1%** → FY2025 Forecast **18%**

### Expand the lineup of special resistors

By application, automotive applications account for more than half of our sales of resistors, which are trusted by many customers. In FY2022, sales increased mainly due to high value-added high-power resistors and shunt resistors for the automobile market, which is expected to grow at a particularly high rate, and the adoption of these resistors also advanced. Because the number of equipped motors and ECUs will increase along with the component mounting density due to the shift to high functionality in automobiles, we will contribute to the miniaturization and high reliability of customer applications by enhancing our lineup of shunt resistors and other special resistors which can support small sizes and high power.

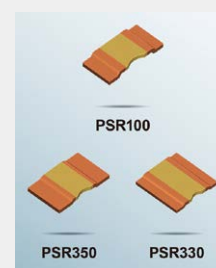
High value-added special resistors Sales ratio

FY2022 Results **53%** → FY2025 Forecast **54%**

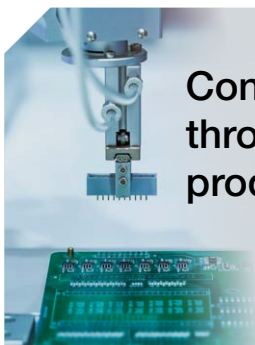
## Column Toward the Realization of a Sustainable Society

### Strengthening the "PSR Series" lineup of metal plate shunt resistors to contribute to the miniaturization and energy saving of automotive and industrial equipment

In recent years, thin power modules with cooling mechanisms on both sides of the module are increasing in EV traction inverters to miniaturize the housing, and there is a growing demand to build shunt resistors into these modules. However, conventional products are taller, and there is a risk that they may reduce the cooling efficiency of power devices. In response, ROHM developed the metal plate shunt resistor "PSR350," which has roughly half the height of conventional products in the 12W rated power class. In addition, the Company plans to commercialize the "PSR100" 0.2mΩ product, which is compact and detects even larger currents, and the "PSR330," which is the industry's smallest metal plate shunt resistor in the 15W rated power class. Going forward, ROHM will contribute to the miniaturization and energy saving of automotive and industrial equipment by strengthening and improving the performance of the "PSR Series" lineup of metal plate shunt resistors.



Metal plate shunt resistors "PSR Series"



### Contributing to sustainable growth through the realization of next-generation production lines.

#### Katsumi Azuma

Member of the Board  
Senior Managing Executive Officer, COO  
President of ROHM Apollo Co., Ltd.



#### Competitive superiority through *Monozukuri* (Manufacturing) focusing on IDM

ROHM's stated corporate objective is "quality first." This objective originates from the founder's idea of creating compact and durable parallel lead fixed resistors to solve the problem of extremely fragile radio resistors at the time. To achieve quality and supply stability, it is important that we carry out integrated, in-house production (vertical integration), visualize processes, and improve traceability. Based on this IDM-oriented stance, ROHM also develops its own facilities and equipment. After starting from resistor manufacturing, ROHM expanded into

semiconductors, ICs, transistors, and silicon wafer manufacturing as an extension of that idea. These attempts to design, develop, and manufacture new products not only help to improve quality but also enable our engineers to fully demonstrate their capabilities, which leads to a sense of fulfillment. These efforts contribute to the realization of ROHM's stable supply, high product quality, and short lead times, etc. while also becoming a source of competitive superiority with respect to other companies.

#### Promoting efficiency through organizational reform and human resource development across the entire Group

Over the past few years, the SiC power device market has rapidly taken off. ROHM also has a pipeline (business discussions with customers) of 1.78 trillion yen focusing on EVs over the three-year period from FY2025 to FY2027. Due to an overwhelming lack of capacity with respect to demand, we are planning large-scale investments of over 500 billion yen in the SiC business alone from FY2021 to FY2027, and we are also systematically increasing the number of production operators as well. At the same time, it is important that we develop low-power consuming, high-efficiency fifth and sixth generation SiC MOSFETs. Engineers are needed in areas such as high voltage and high current products as well as thermal simulation. Luckily, since we have several engineers from our core generation of employees in their mid-40s, who have studied outside of their specialization to develop world-class products in power devices, if we reskill people with the right backgrounds, the training should be completed in a short period of time. Data scientists are another type of human capital which we need. As for the personnel to perform the practical work,

we could hire from the large pool of excellent IT human resources in India, but we need to increase the number of key members to provide guidance in Japan.

Furthermore, I was appointed as the head office COO and President of ROHM Apollo Co., Ltd. in June 2023. The reason the President of ROHM Apollo was appointed from the head office was to promote the "ONE ROHM" vision. Going forward, I would also like people at the plants to not only manufacture products according to instructions from the head office but to also understand the upstream ideas and have the autonomy to voice their opinions about design in some cases. Therefore, in addition to increasing the degree of interaction by having human resources at the section and division manager levels transfer back and forth to the head office, we are considering shifting some of the head office functions to mother plants. By promoting and streamlining the "ONE ROHM" vision in a manner which integrates the head office and the Group companies, we will expand our share of the power device market.

#### Issues and initiatives in becoming a major global player

In aiming to become a major global player, we believe that it is essential to steadily improve quality, costs, and delivery terms (QCD) in manufacturing divisions. Moreover, we are developing flexible lines that can provide customers with the right amount of products when they need it. To realize work sites and management without human intervention, we are currently tackling the challenge of fully-automated operation at night, and our ultimate objective is to eventually expand this approach to our mass production lines. As for the

management structure, we believe it is necessary going forward to consider globalization through measures such as assigning Board members not only in Japan but also to each of our overseas business sites. The roles and social responsibilities which global companies fulfill for the world and the global environment are even greater. I hope that ROHM grows into the kind of company that the world needs by not only providing good products but also by improving the scale and nature of our ESG investments.



Material issues

Stable Supply of High-quality Products

- Strengthen production systems through IDM activities
- Improve productivity by introducing flexible lines
- Implement rigorous quality control and employee quality training

Strengthening Product Safety and Quality

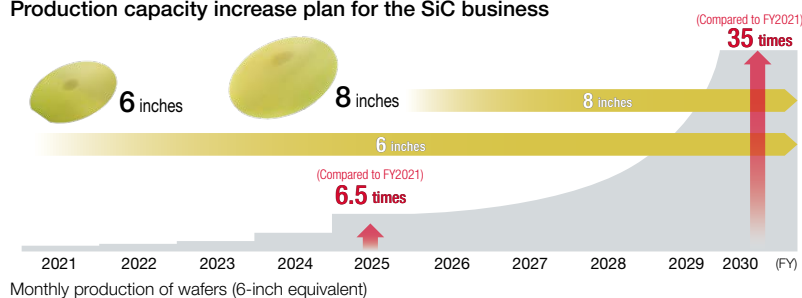
- Establishment and entrenchment of a quality assurance system through front loading
- Achieving appropriate quality by incorporating the customer's perspective

Enhancing our production capacity around SiC power devices

The role of ROHM's mainstay semiconductor products in the realization of a decarbonized society is becoming bigger and bigger. In particular, technological innovation around electrification is advancing in the automotive and industrial equipment markets to reduce the environmental impact and achieve carbon neutrality, and the demand for semiconductors is running ahead of schedule with further expansion of the market anticipated. To achieve a stable supply of products, ROHM is seeking to expand its production capacity around SiC power devices through prior investment. ROHM's capital investments aimed at SiC power devices were approximately 10 billion yen in FY2021 and 20 billion yen in FY2022 and 80 billion yen is

planned for FY2023. ROHM will invest a total of 510 billion yen from FY2021 to FY2027 with 400 billion yen being invested from FY2024 to FY2027 and plans to increase production capacity compared to FY2021 by 6.5 times in FY2025 and 35 times in FY2030. For the time being, we will build a system for increasing production at the Chikugo and Miyazaki plants, but new plants are also being acquired. In July 2023, we announced a basic agreement with Solar Frontier K.K. to acquire the assets at their former Kunitomi plant in Miyazaki. The acquisition is scheduled to take place in October of this year, and the plant will be utilized as the main production site for ROHM going forward.

Production capacity increase plan for the SiC business



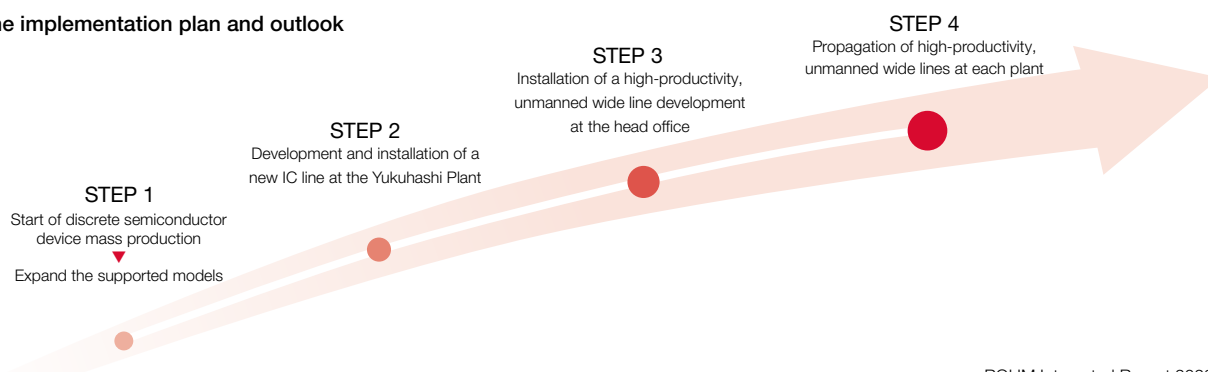
Solar Frontier K.K.'s former Kunitomi plant (Miyazaki)

Flexible lines

In April 2021, ROHM started operation of its “flexible lines,” which consolidate our independently developed technologies and automate the assembly process. Based on Failure Mode and Effects Analysis (FMEA), we improved product quality by increasing the capability of the processing itself, minimized the variation by automating production order tasks, transportation and supply of materials and products, tool changes, and manual tasks/operations, and doubled human productivity through manpower savings. In addition, the lead time shrank to 10% of the previous figure by implementing the process design from the planning stages. Because there are many customers who wish to have a stable supply of products over the long term despite the small volumes as in the automotive

and industrial equipment markets, flexible lines satisfy the needs of such customers and enable high-mix small-lot production at high quality. We are currently carrying out various technical verifications while conducting mass production on these lines, and our mission for the time being will be to apply the elemental technologies obtained there to the fully-automated wide lines which will be developed in the future and deploy them to our overseas plants. In addition, we are planning to complete the “Manufacturing Innovation Center” as ROHM's new development technology site. We aim to achieve a stabler supply of products and strengthen our BCM system through comprehensive quality improvement, automation, and manpower savings.

Flexible line implementation plan and outlook



By thoroughly adhering to the Company Mission, which is based on Quality First, ROHM supports the manufacturing of products trusted by customers.

Quality

▶ <https://www.rohm.com/company/about/approach-to-quality>

**Takashi Miki**

Corporate Officer,  
Director of Corporate Quality Headquarters



### Focus on Company Mission mindset training to achieve 100% quality

Touting “quality is our top priority at all times” in our Company Mission, we have set such policies as the Basic Management Policy, Basic Quality Assurance Policy, Basic Goals for Education and Training, and Basic Policy for Education and Training in order to achieve that mission. To provide employees with an understanding of and spread that understanding of these policies, we regularly conduct explanatory meetings that employ video and other material as mindset training.

We consider mindset training important because the reason for ROHM’s existence is the advancement and progress of culture, and “quality first” is given as a strategy to achieve that. In other words, ROHM considers achieving the Company Mission through the quality of actions and quality of people who take such actions as integrally connected, and this shows the strength of our attachment to “quality first,” which differentiates

ROHM from its rivals. Offering a stable supply of high quality products and services is indispensable for our sustainable growth, and the “quality” in the Company Mission refers to the quality of not only services and products but also the processes, people, and companies that create those services and products.

For quality, it is important to be particular about 100%. All people behaving properly all the time makes it possible to provide products and services that satisfy customers. It is important to conduct regular mindset training because if even one person acts improperly just once, this can impact the quality we provide customers. Through our quality assurance system, we stipulate all the mechanisms and rules for ensuring quality, which includes development, sales, and customer service, and it is the responsibility of the Quality Assurance Division to optimize that.

### Working to achieve the quality demanded by customers by defining proper quality and front loading quality assurance

A major precondition for conducting quality assurance activities is defining proper quality. Of course, it is important to strive for zero defects, but if the goal is completely eliminating complaints and defective products, quality assurance activities become too focused on preventing the shipping of defective parts. There is no need to pursue excessive quality that customers do not expect. Therefore, we introduced a customer quality satisfaction survey to ascertain the optimal level of quality for customers and the level for proper quality. Based on the survey results, we set the proper quality that reflects the required quality taking into consideration costs and build a quality assurance system to ensure quality from a customer perspective.

Quality assurance with front loading is indispensable for achieving proper quality. It is possible to improve design quality by thoroughly eliminating envisioned risks at the design stage and designing processes that take into consideration the ease of production. Other important activities for increasing design quality and production management precision are undertaking management based on production process data and analyzing that data. In addition to moving forward with various efforts, including automation and digitalization of processes and data collection, we are undertaking a DX for data analysis and quality control with predictive maintenance that leverages this information, and accelerating work to improve the precision of product quality maintenance and management.

### Toward quality befitting a major global player

For quality, too, being a major global player means being selected by all customers, both those in Japan and overseas, because ROHM products are reliable, and thus it is necessary to guarantee quality in order to be selected. However, it is the customer, not us, who decides whether the quality is good or bad. It is important, therefore, to continue to implement measures such as conducting customer quality

satisfaction surveys, incorporating the opinion of customers, and providing products of the required quality. There is also a tendency for organizations to become bloated, vertically divided, and inefficient, such as with duplicate operations, as they grow into a major global player, and we are promoting efforts to accelerate decision-making and operations through seamless connections between in-house organizational units.

<b>Material issues</b>	<p><b>Stable Supply of High-quality Products</b></p> <ul style="list-style-type: none"> <li>Strengthen production systems through IDM activities</li> <li>Improve productivity by introducing flexible lines</li> <li>Implement rigorous quality control and employee quality training</li> </ul>	<p><b>Strengthening Product Safety and Quality</b></p> <ul style="list-style-type: none"> <li>Establishment and entrenchment of a quality assurance system through front loading</li> <li>Achieving appropriate quality by incorporating the customer's perspective</li> </ul>
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### Quality Assurance System

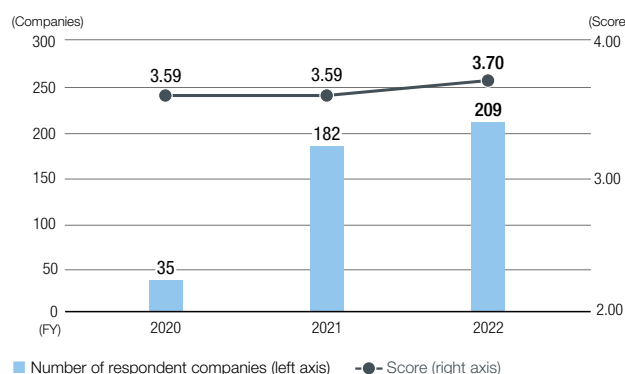
Until recently, there was a tendency for there to be little overall optimization for the whole company despite efforts to optimize individual businesses because businesses were vertically divided. It was often the case that the needs of and feedback from customers were implicitly known only by the responsible staff and division. Therefore, the Corporate Quality Headquarters, one of the divisions directly under the supervision of the President, is working to conduct company-wide optimization through the horizontal construction of a

company-wide cross-divisional quality management system, information sharing, and supervision of each business division's operations. As for new product development, evaluations are conducted at each stage: development review, design screening, initial production, and mass production. This is to meet the demands of customers and provide safe, reliable products in a timely manner. Information on improvements is provided to the source as feedback and introduced in future designs.

### Conducting a quality satisfaction survey

Since FY2020, we have conducted an annual quality customer satisfaction survey of customers' development, purchasing, and quality divisions that directly use our products. The initial survey in FY2020 targeted the Japanese automobile market, but since FY2021, the various overseas regions have been included, making it possible to survey customers in almost all industries. The FY2022 score rose 1.1 points (3.1%) due to improvement activities based on survey results. The results are indexed and shared within the Company and provided to customers. Our goal is not to simply raise the score. We will pursue the best quality for customers so that customers throughout the world will select ROHM with peace of mind.

Quality Satisfaction Score

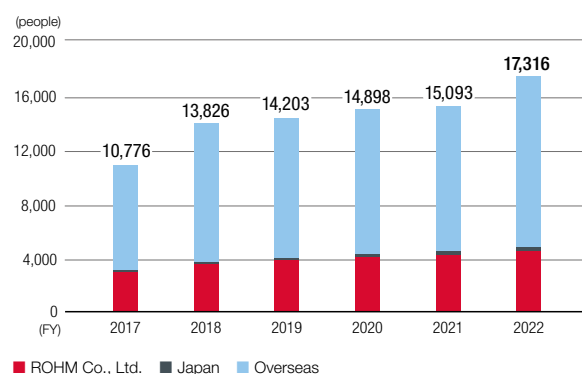


### Training human resources responsible for Quality First

Because we consider the training of human resources who can implement "quality first," one element of our Company Mission, as necessary investments to "leverage quality to grow the Company and contribute to society," we have established a dedicated organization to handle the issue. For quality human resource training, we offer four programs targeting each of the topics of mindset, personal development, practical issues, and professional development, and provide the most appropriate training for employees' job and work history through a combination of face-to-face sessions with senior coworkers and experts, live online sessions, and on-demand sessions that can be accessed via the in-house intranet. Within those efforts, we have focused on training to instill the Company Mission and basic policy, and this involves analyzing the Basic Management Policy and Company Mission, which was set in 1966. As of FY2022, the cumulative total of employees (both in Japan and overseas) who have taken this training reached 17,316. By

conducting an annual quality awareness survey of all employees, we confirm the awareness and behavior based on the Company Mission and Basic Management Policy.

Number of employees taking training sessions to instill Company Mission and Basic Management Policies (cumulative)



# Research and Development Activities



## Increasing investment efficiency by considering topics related to the people we want to help

Research and Development ▶ <https://www.rohm.com/rd>

**Ken Nakahara**  
Director of R & D Center

### Developing research topics and allocating resources from a perspective of who it is useful for

When conducting R&D, we place a greater focus on who can benefit from it and what issue it solves than novelty. Research topics tend to be proposed from a perspective of being “interesting” or “highly novel.” However, this makes it difficult to thoroughly research technology and link that to product development. The purpose of corporate R&D should ultimately be to contribute to the solution of market issues. Therefore, we promote R&D that keeps in mind balancing the creation of new technologies and the practical use of those technologies for business.

Furthermore, for corporate R&D, a necessity for business growth, it is important to raise investment efficiency. In other words, it is important to increase the probability that an R&D topic can be commercialized. Of course, this requires considering not only the above market trends but also portfolio

management. Therefore, we break markets and technology into existing ones and new ones for ROHM, which creates four quadrants and makes visible the allocation of R&D resources (see following figure). Using the numerical figures in the diagram below as targets, we run the Company so that research topics are not skewed toward novelty.

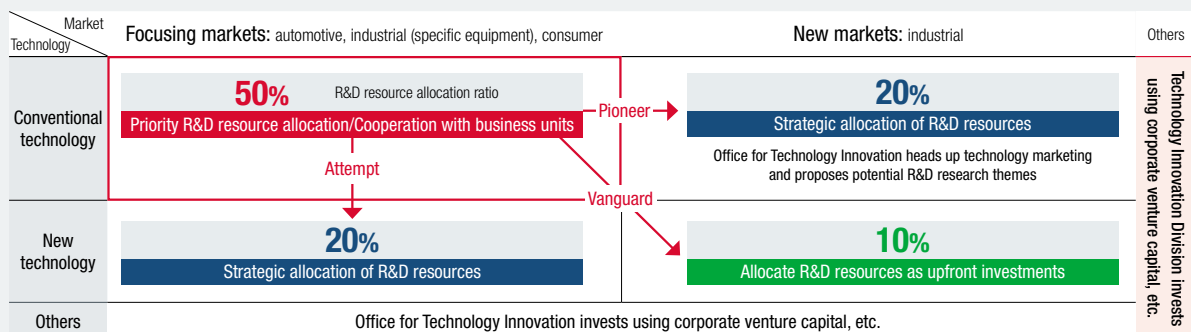
ROHM is not an extremely large semiconductor company as it is only about one-tenth the size of major global semiconductor companies. It is precisely because of this that we will increase the probability of R&D successes by concentrating resources on power and analog semiconductors, as is given in our Management Vision, and focusing on topics that contribute to solutions to social issues. In this way, we will steadily move forward in becoming a major global player.

### Mechanisms that promote innovation

ROHM's R&D emphasizes linking individual efforts to recognition. Whether we can successfully compete against rivals is partially determined by whether technology we develop can be commercialized, and there are times when we are not successful in commercializing a technology, which means we lose to our rival. Even so, there is no losing or winning with the development of technology itself. All efforts related to technology, including failures, provide knowledge, and this knowledge can be used laterally in the Company in some way. Efforts that do not result in commercialization can also be beneficial if that

technology is made public and wins high praise. Winning praise from outside the Company stokes the enthusiasm of engineers, and thus is likely a steppingstone on our path to becoming a major global player. We are working to strengthen our R&D abilities that generate sustainable growth over the long term by not only actively releasing papers and making presentations at academic conferences but also forming partnerships with universities through our open research solicitation system and creating an environment in which researchers can possess a broad perspective.

### ROHM's R&D System and Resource Allocation

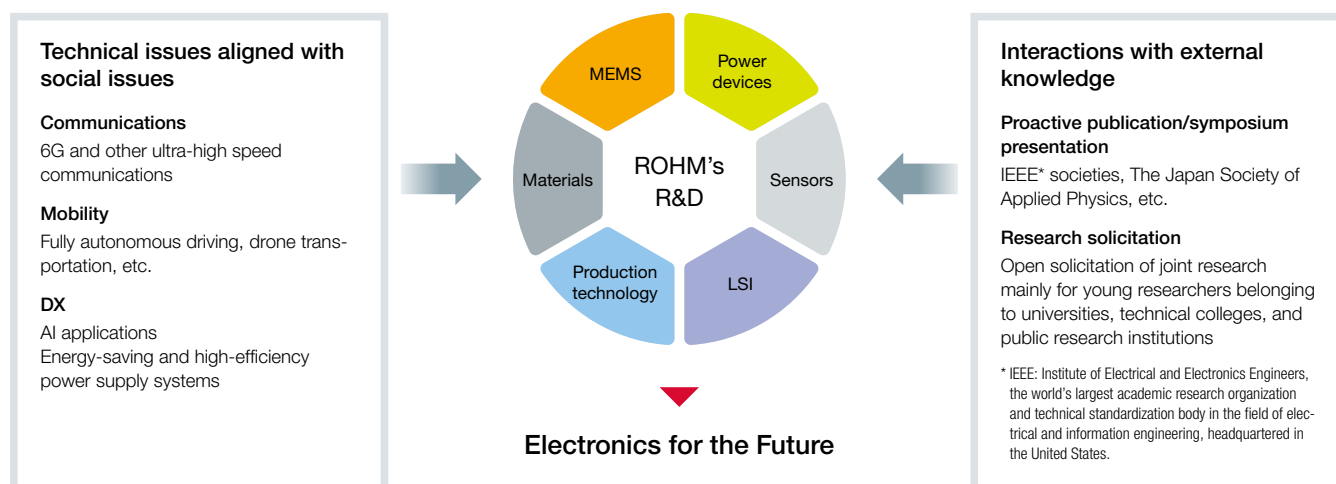


<b>Material issues</b>	<p><b>Evolution of Technologies to Contribute to the Advancement and Progress of Culture</b></p> <ul style="list-style-type: none"> <li>Develop new, high value-added products that contribute to energy saving and miniaturization</li> <li>Strengthen development structures creating products that can compete globally: Assigning PMEs</li> <li>Customer-oriented solution proposals using comprehensive capabilities from passive components to power devices and ICs</li> </ul>	<p><b>Stable Supply of High-quality Products</b></p> <ul style="list-style-type: none"> <li>Strengthen production systems through IDM activities</li> <li>Improve productivity by introducing flexible production lines</li> <li>Implement rigorous quality control and employee quality training</li> </ul>	<p><b>Strengthening Sustainable Technologies, Developing and Supplying Innovative Products</b></p> <ul style="list-style-type: none"> <li>Contribution by developing energy-saving products and supplying them to the market</li> <li>Contribution by developing and supplying miniaturized products</li> <li>Contribution by developing and supplying products pursuing functional safety</li> </ul>
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## Research and Development System

The R&D Center conducts research to solve technological issues and advance existing products mainly in the areas of communications, mobility, and DX. As part of our open innovation efforts, we are also building stronger and broader partnerships with external research institutions through joint

research with universities in Japan and overseas, as well as through our open research solicitation system. In addition to key areas for ROHM, such as automotive and industrial equipment, we will continue to capture technology trends in new areas and exert our influence on innovation in targeted areas.



### Cases Examples of R&D

#### 1 Participating in Integrated Green-niX Consortium for Research and Human-Resource Development

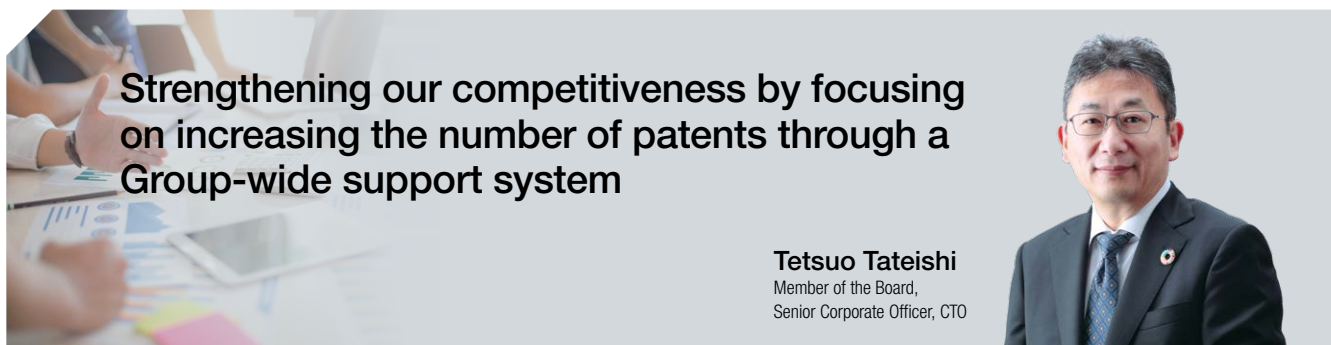
We joined the Integrated Consortium for Research and Human-Resource Development (Green-niX), which was launched in March 2023 and is centered on three universities—Tokyo Institute of Technology, Toyohashi University of Technology, and Hiroshima University. Through this consortium, which brings together leading researchers on Si electronics at these three universities, we aim to create green semiconductors that have little environmental burden by conducting R&D related to 2D materials and ferroelectric materials, future semiconductor materials, and similar activities while incorporating the R&D needs of companies.

ROHM has clearly stated that it will contribute to the consortium on the two fronts of R&D and human resource development. We are working to establish new collaborations by not only providing educational opportunities to the undergraduate and graduate students of consortium member universities through ROHM original lectures but also promoting exchanges between undergraduate students, graduate students, and professors and ROHM engineers and researchers, who have until now had little contact with each other.

#### 2 Incorporating new independent perspectives through open research solicitation

At ROHM, we solicit joint research topics through our open research solicitation system, which targets researchers who belong to universities, technical colleges, and public research institutes. ROHM indicates needs related to advanced analysis methods, principle analysis, and undeveloped technologies, and in response, research institutes make proposals related to corresponding research results, technology they possess, and new ideas. If there is a match, we provide up to 2.5 million yen annually to conduct joint research for up to three years. This joint research with universities is strongly stimulating for various reasons, including giving birth to ideas from a perspective of “why does this happen,” a question often not examined when a company conducts research on its own, and an overall academic perspective. These exchanges also have secondary benefits, such as instilling in students an interest in ROHM.





### Strengthening our competitiveness by focusing on increasing the number of patents through a Group-wide support system



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

#### ROHM's Intellectual Property Activities

To formulate an intellectual property strategy, we first need to understand ROHM's intellectual property position in the semiconductor industry. For example, on looking at the relationship between net sales and the number of patent families\* held, we find that there is a correlation. This can be seen from the number of patent families, and at the same time, ROHM's current position can be understood. Based on these analysis results, we work out the pace of the patent applications we need in order to compete with other companies in the same industry. We then set a target for the number of

applications and carry out promotional activities to achieve our goal. Additionally, as ROHM's Chief Technology Officer, I am in charge of the legal division as well as the intellectual property division. Not only does this allow both divisions to work together to smoothly handle legal matters, such as filing negotiations and patent decisions, but it also means that we can flexibly form teams from both divisions to respond depending on the project. This type of structure has become one of our strengths.

\* A collection of patents that cover patent applications in multiple countries

#### Patent Strategy to Become a Major Global Player

Since some patents can become strong patents after a number of years, we basically file patents for all our inventions. However, manufacturing know-how and inventions that would go unnoticed even if used without permission by others must be kept secret. This is why proper management is needed depending on the type of invention. As for how to apply for a patent overseas, since ROHM's main development base is Japan, we first apply for a patent in Japan. We then narrow down the most important patents and apply for them overseas, but bearing in mind the high cost of filing overseas, we select the countries where we file each patent. With regard to patents that have reached their renewal deadline, after considering the maintenance fee, we decide whether to extend the patent maintenance period, sell or let them lapse. These decisions are made by the intellectual property division and the business units based on global

technological trends and ROHM's business strategy.

ROHM sets guidelines for the number of patents it owns in order to become a major global player. With patents taking several years to be granted, the number of patents held does not increase rapidly. Patent rights also expire after 20 years, so a long-term filing plan is required. As mentioned earlier, there is a correlation between net sales and the number of patents held, so based on ROHM's projected net sales of 1 trillion yen by 2030, we have determined the number of patent families we should aim for each year. Based on this number and the number of patent families currently held, we set the target number of filings for each year. The basis of ROHM's patent strategy is to closely monitor the number of patents relative to sales and apply for a sufficient number of applications to remain competitive.

#### Issues and Responses Regarding Intellectual Property Activities

Patents can also be obtained through transfer from another company or through an M&A. Patent strategies such as determining the pace of applications in future key areas while also referring to the filings of other companies are also necessary to advance management strategies. Technology manufacturing companies like ROHM cannot survive without patents. Merely focusing on technology does not result in good intellectual property. This is why an intellectual property strategy is needed to show how patents can be best used for business. An intellectual property strategy is basically the same as running a business in that the aim is to maximize the

return on investment in the form of business sales. To this end, we are building a multifaceted strategy while referring to various indicators such as the number of patent families. In order to maximize the return on intellectual property investment, it is vital to improve the quality of our patents, and we plan to carry out activities to do so.

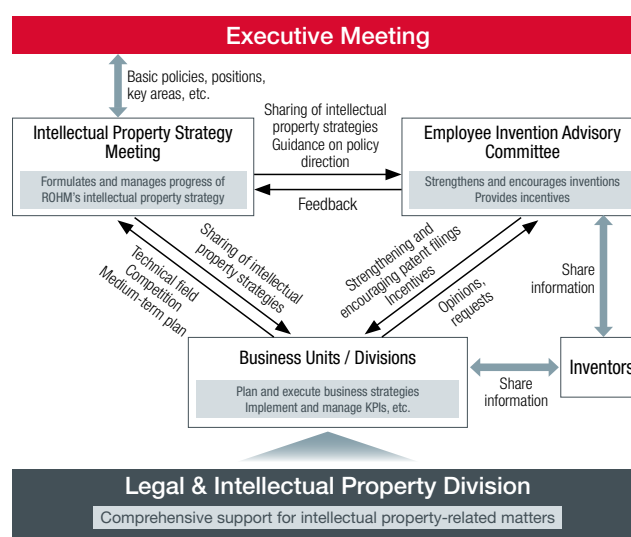
In terms of a patent strategy, we need to clearly document the process for determining criteria in order to provide feedback on the results.

<b>Material issues</b>	<b>Evolution of Technologies to Contribute to the Advancement and Progress of Culture</b>	<ul style="list-style-type: none"> <li>Develop new, high value-added products that contribute to energy saving and miniaturization</li> <li>Strengthen development structures creating products that can compete globally: Assigning PME's</li> <li>Customer-oriented solution proposals using comprehensive capabilities from passive components to power devices and ICs</li> </ul>	<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Implement training to strengthen collection of patent-related information and reduce the risk of infringement</li> </ul>
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### Intellectual Property Activity Promotion System

An Intellectual Property Strategy Meeting, led by the Intellectual Property General Manager and comprised of executives from the technology side and directors, is held six times a year. Group-wide intellectual property strategies and policies are discussed and formulated at these meetings. The formulated intellectual property strategy policy is reported at least twice a year to the Executive Meeting, which is attended by corporate officers including the President, where the Company makes its management decisions. Important matters decided at the Executive Meeting are also reported to the Board of Directors, creating a framework whereby directors can directly oversee intellectual property. The intellectual property strategy policy is shared with business units to promote the intellectual property strategy from the top down. Furthermore, the Employee Invention Advisory Committee, which is made up of general managers from the technology side, takes the lead in encouraging new inventions and converting those inventions into intellectual property through collaboration across divisions and from the bottom-up. Every year, inventors who meet the standards are given awards. For

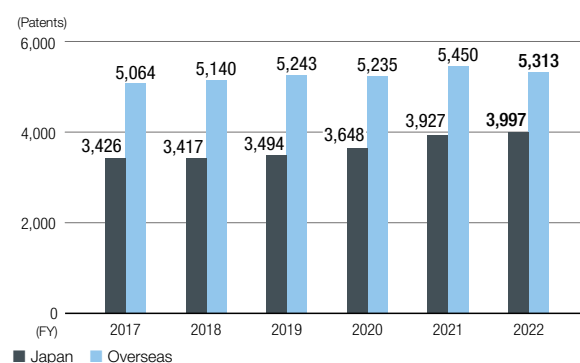
example, we specifically encourage the creation of intellectual property from inventions created at ROHM through incentives, such as the Rookie of the Year award for young employees.



### Investment in Intellectual Property to Strengthen Growth Fields

In key technology fields, we not only file for patents from the Company but also procure patent rights from external sources. We are working to monetize patents that are underutilized due to changes in the business environment through sales and licensing, and we are striving to strengthen our intellectual property portfolio while replacing patents as and when needed. In order to realize the intellectual property strategy guidelines, the annual target for the number of patent filings needs to be doubled from 2020's 500 in the three years that follow. Hence, we are making efforts to file 1,000 patents in 2023. To achieve this, we are focusing on strengthening support for acquiring patents.

Number of Patents Held in the ROHM Group



### Developing Human Resources to Promote Intellectual Property Strategy

In order to develop human resources that support our intellectual property activities, we are systematically developing intellectual property personnel who can play an active role globally through both off-the-job and on-the-job training. Furthermore, seminars are held for members of the Intellectual Property Division, with the heads of relevant departments within the Company serving as instructors and giving lectures on their own department's business. Through

this, we aim to develop human resources who can implement the intellectual property strategy based on the Company's business environment. Moreover, we have created an intellectual property skill map for members of the Intellectual Property Division to give direction on skills and career paths. The skill map is also used during meetings between superiors and subordinates which are held every six months to set goals to help further their careers.

# Human Capital Initiatives

ROHM's Basic Management Policy states that we will "search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity." Our Company's history, technologies, and assets accumulated since our foundation are important assets for the Company, and it is undeniably our human resources that have cultivated these assets. That is why ROHM aims to achieve cyclical growth for the Company and its employees by focusing on human resource development that invests in the growth of each individual with determination, and by providing a stage where a wide range of talented human resources can play an active role.

Human Capital Management <https://www.rohm.com/sustainability/human-capital>

Material issues	<b>Strengthening Employee Engagement</b> <ul style="list-style-type: none"> <li>• Foster a corporate culture that creates challenges</li> <li>• Enhancement of job satisfaction</li> <li>• Improve employee engagement scores</li> </ul>	<b>Diversity Development</b> <ul style="list-style-type: none"> <li>• Promote women's active participation</li> <li>• Global capacity development and personnel allocation</li> </ul>	<b>Ensuring the Health and Safety of Employees</b> <ul style="list-style-type: none"> <li>• Securing a safe workplace</li> <li>• Promotion of health management</li> </ul>
	▶ FY2022 results and KPIs P24		

## Human Capital Management Initiatives

In order to become a major global player, ROHM's vision for 2030, as stated in our Medium-Term Management Plan, we place emphasis on our connections with human resources, especially in terms of human resource development and diversity. As global competition in the semiconductor business

### Specialist System

In order to develop products that are chosen by customers on the global marketplace, it is necessary to enhance the capabilities of individual engineers. To enable highly specialized human resources who support ROHM's sustainable growth to fully demonstrate their abilities, we have drastically revised our career system and established the Specialist System in FY2019. This system recognizes employees, regardless of whether they have subordinates or not,

intensifies, it is necessary to develop human resources who can respond quickly and flexibly to changing world demands in order to develop products that are chosen by customers. To this end, we have established a system to promote employees' autonomous career and skills development.

who contribute to the Company with their highly specialized skills as "Specialist workers" and clarifies their career paths as leading experts in their fields. With this system, we are systematically developing highly specialized human resources with the aim of passing on technology and expertise, fostering future generations, and enhancing corporate value through innovation.

### Job posting

Launched in FY2022, the Job posting system (internal recruitment system) provides opportunities for employees to transfer to a new position of their own free will. As of March 2023, nine employees have already started working in the division of their choice using this system. By having each employee proactively and continuously address his or her

own career development and having the Company support them, we are revitalizing career development and increasing the internal mobility of human resources. Through this system, we will be able to respond quickly to rapid changes in the business environment and secure the human resources needed for our key businesses.

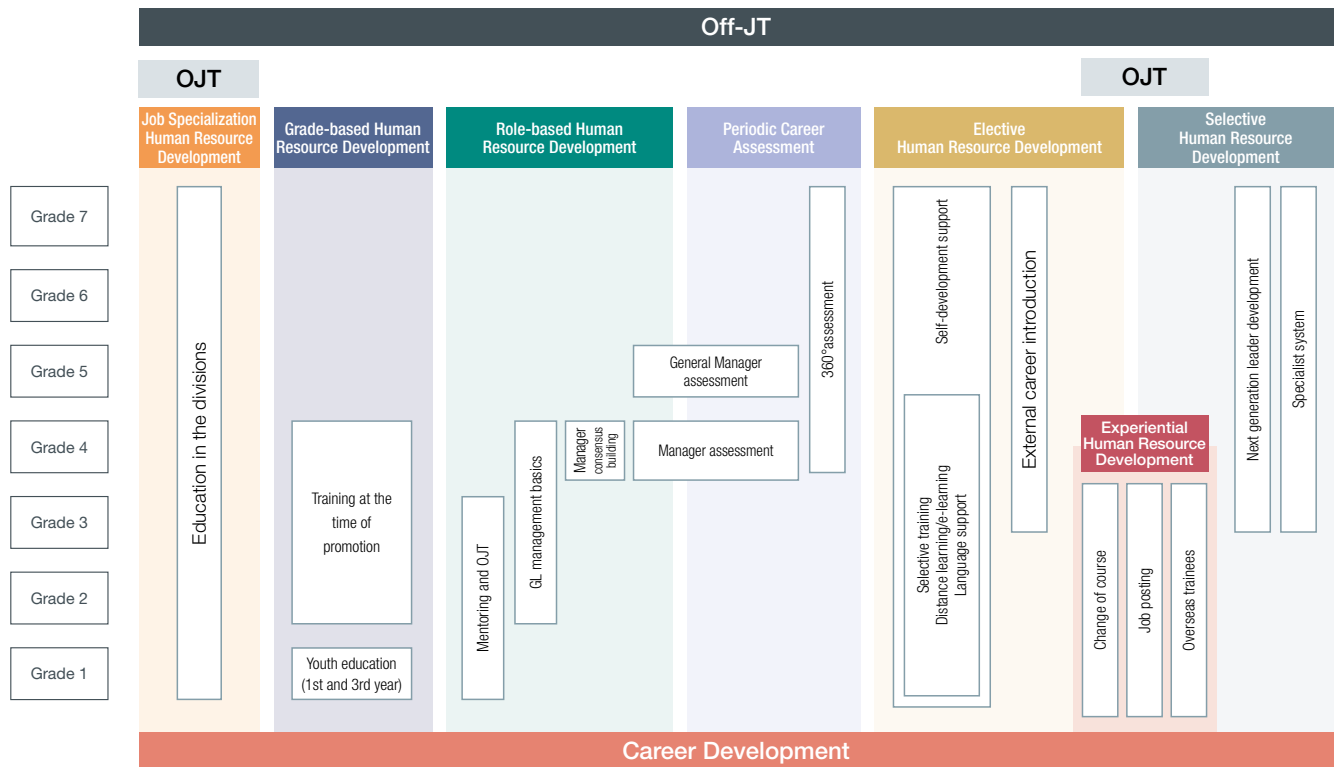
### Human resource development system

ROHM defines the human resources that should be developed via educational training in Basic Goals for Education and Training and Basic Policy for Education and Training, included in the Company Mission and Policies, which has been ROHM's corporate philosophy since it was founded. In accordance with the Basic Goals for Education and Training, we are working to establish and operate an education and training system at the Group level and to systematically develop human

resources who will be responsible for the next generation of management, as described in the chart on the right.

In addition to the training that all employees take at each level in the Company, we have established Selective Human Resource Development that enables employees to learn the knowledge and skills necessary for their careers at the time they need them, providing opportunities for learning according to the challenges and careers of each employee.

### Human capital development system



Human Resource Development Structure	Objective
1. Career Development	Learn the mindset, knowledge, and skills to think about and design one's career and involve others in its realization.
2. Job Specialization Human Resource Development	Learn the specialized knowledge and skills needed to perform one's job.
3. Grade-based Human Resource Development	Learn the minimum required knowledge and skills as a ROHM human resource, as well as the thinking skills that form the foundation for capacity development.
4. Role-based Human Resource Development	Learn the knowledge and skills required for the development and management of subordinates and junior staff, and organizational development.
5. Periodic Career Assessment	Reflect on oneself with objectivity and deep introspection, leading to self-improvement.
6. Elective Human Resource Development	Learn the knowledge and skills necessary for one's career on one's own, when they are needed.
7. Selective Human Resource Development	A system for discovering, selecting, and systematically developing human resources who will support the Company's management and technology.
8. Experiential Human Resource Development	Gain the experience opportunities one needs for one's career.

## Enhancing Employee Engagement

### Conducting engagement surveys

ROHM aims to increase the number of employees who understand and appreciate the Company's vision, and who can voluntarily demonstrate their abilities toward achieving it. Since FY2021, the Group has been conducting engagement surveys to measure the level of understanding, appreciation, and motivation of employees in these areas, setting the Employee Engagement Score as a non-financial KPI.

We will continue to use the Engagement Survey to understand the gap between the ideal state of the organization and the current situation and issues, and to implement effective measures to improve engagement to create a stage where excellent human resources can play an active role with vigor.

### FY2021 Engagement Survey Response Results (ROHM Co., Ltd.)

Fiscal year	Number surveyed	Number of respondents	Response rate	Score
FY2021	3,625	3,606	99.0%	76.0%

### FY2022 Engagement Survey Response Results (32 Worldwide Group Companies (excluding ROHM Co., Ltd.))

Fiscal year	Number surveyed	Number of respondents	Response rate	Score
FY2022	19,761	17,743	90.0%	91.0%

\* The score represents the percentage of employees who responded favorably to the question regarding "high willingness to contribute toward achieving goals and a strong sense of belonging to the organization."

\* ROHM manages engagement scores through the Willis Towers Watson (WTW) employee engagement survey.

### Creating a Good Workplace

We have introduced various systems to enable each employee to work flexibly according to his/her own lifestyle and life stage. In addition to providing childcare and nursing care leave, we also focus on creating an environment where employees can continue to work with peace of mind through telecommuting and work-location change systems.

Additionally, in order to improve employee engagement, it

### Conducting roundtable discussions with the President

As one of our initiatives to improve employee engagement, we have been holding roundtable discussions involving employees and the President since FY2021. A total of 27 discussions were held from November 2022 to June 2023, with 205 participants. In addition, as a new initiative to deepen understanding of dialogue and promote its practice

is essential that employees are healthy both physically and mentally and that they can work with peace of mind. To ensure that physical and mental health is not compromised in all workplace environments, in addition to preventing harassment and other forms of abuse, we will proactively invest in the health of our employees to ensure the health of each individual, thereby revitalizing the organization.

in the workplace, dialogue workshops for managers were held a total of 29 times, with 344 participants. We will continue to foster a corporate culture that enables sustainable growth by providing opportunities for direct dialogue between employees and management, helping to encourage dialogue in every workplace.

### Promoting Diversity

ROHM has manufacturing sites and sales offices around the world, and we have employees of many different nationalities. We believe that bringing together employees with diverse backgrounds to work as a team will lead to corporate innovation, and furthermore contribute to solving social issues and increasing corporate value. Therefore, at ROHM,

we focus on the following five fields for promoting diversity and inclusion. In particular, we believe that incorporating diverse ideas, rather than relying on homogeneity in decision-making, is necessary to enhance our competitive advantage.

### Women’s active participation

ROHM has identified “diversity development” as an important management issue for sustainable growth, and its Medium-Term Management Plan and its achievement targets include promotion of women’s career development and appointment of women and non-Japanese to management positions. The active participation of women is not only expected to lead to the securing of excellent human resources, but also to various effects such as “improved results” by understanding and solving problems from a different perspective than men, “improved career development image” for young female employees through the presence of role models, and “reform of corporate culture” by creating a corporate climate in which one can play an active role regardless of gender.

In May 2021, we set the target of increasing the ratio of female managers in the entire ROHM Group to at least 15% and increasing the ratio of female or non-Japanese executives at ROHM Co., Ltd. to at least 10% by FY2025. We will continue to enhance training opportunities, revise existing systems, and introduce new systems to achieve these targets.





### Active participation of senior employees

Creating an environment in which competent senior employees who want to work can actively participate is extremely important from the perspective of securing labor capacity. Assets such as the experience, skills, and internal and external human networks that seniors have cultivated over their

long careers are precious assets for ROHM. By creating an environment in which senior employees can play an even more active role in the future, we will work to strengthen our organizational structure so that they can continue to produce significant output.

### Active participation of people with disabilities

In promoting diversity and inclusion, we are also proactively hiring people with disabilities and promoting their participation in society with the aim of creating a working environment where employees with disabilities can play an active role. As of March 2023, our employment rate for people with disabilities

was 2.29% (statutory employment rate: 2.30%) for the entire Group due to strong demand for semiconductors, mainly in the automobile-related market, and an increase in the number of employees overall in order to handle the supply.

## Ensuring the Health and Safety of Employees

### Ensuring a safe workplace

The ROHM head office conducts comprehensive health and safety audits with the aim of strengthening the operation status of the safety and health management system and reducing risks. By checking manufacturing sites through the eyes of a third party, we prevent the omission of risk identification

and bias at the safety management level. In FY2022, safety audits were conducted at a total of eight domestic and overseas manufacturing sites (remote audits for overseas sites), and we are systematically correcting and confirming the risks and issues identified.

### Health and safety activities with subcontractors

To achieve a safe workplace for everyone involved in our business, we must protect the safety of not only our employees but also our subcontractors, and maintain a safe and comfortable workplace environment for them. ROHM has been taking the actions shown on the right in cooperation with subcontractors who work on our premises.

- Regularly conduct safety and health patrols, industrial physician patrols, and site manager patrols.
- Conduct fire extinguisher drills, earthquake evacuation drills, and night evacuation drills for chemical and gas leaks.
- Implement KYT (Japanese: “kiken yochi training,” or hazard prediction training), small group activities, 5S activities, and proposal activities.
- Conduct chemical handling workshops (courses available on-site and online).

Additionally, in order to promote improvement activities, we have established an award system to award subcontractors for outstanding activities.

#### Employee Column

### ▶▶ Expectations for expansion of professional development programs for overseas employees

Currently, I am Assistant General Manager of the Euro-American Sales Division at ROHM Semiconductor Singapore and responsible for the sales growth for non-Japanese customers. As I like communication and the challenge of negotiation, I was looking for a sales job when ROHM came along.

ROHM's definition of quality is not only focused on products, but also on the quality of employees and services to customers. Therefore, improvement of quality is emphasized throughout our operations, such as ensuring a stable supply chain and making efforts to minimize environmental impacts. I feel that the Company values employees and fosters a culture of respect towards diversity, emphasizes teamwork and provides opportunities for personal growth. The Company also encourages employees to have a good work life balance, and flexible working hours were implemented so that employees can balance work and family. This support system enables working mothers to continue working and participating actively in society. Personally, I think it is wonderful that ROHM is promoting diversity and targeting an increase in the global female manager ratio.

I believe that ROHM's head office places a strong emphasis on continuous improvement and innovation and commits to ongoing learning and professional development for employees. Thus, I expect the Company to extend the same emphasis and commitment to professional development to overseas employees. I hope that the Company will become a major global player through continued focus on human resources and enhancement of the value and motivation of such resources.



**Kelly Ang**  
ROHM Semiconductor Singapore  
Euro-American Sales Division  
Assistant General Manager

## Discussion: Human Capital Initiatives



### Our efforts for securing and developing the ideal human capital for achieving our goal of becoming a major global player by 2030

**Tateishi** In order to become a major global player, I believe it is important that we foster a culture and environment that enables global talent to naturally develop. ROHM is trying to become ONE ROHM together with our many overseas affiliates. This means that we must create an environment where our sales organizations in Japan and overseas can conduct work on an equal basis as members of the same team and FAEs\* in Japan can cooperate with developers and technicians overseas as part of the same team. I also hope that we can continue efforts for sending human capital back and forth between Japan and overseas affiliates, so that we can cultivate global talent that is unbound by regional borders.

**Inoue** I have been involved in personnel affairs for a long time at foreign-owned companies and international institutions, and currently teach subjects such as human resource management, leadership, and organizational management at university. Based on this perspective, I find it fantastic that ROHM declares to “search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity” in its Basic Management Policy. As mentioned by Mr. Tateishi, I believe it is extremely important to foster a culture and environment that enables global talent to develop, and think it is important that we continue with our current successful initiatives. I also think it is necessary to build a human capital portfolio based on our management strategy. Another thing that is important is to identify important and strategic positions for becoming a major global

player and clarify where and when people with the required skills are needed and how many are needed, visualize where such human resources are to be found and match them with the right positions in Japan or overseas, and convey our ideal for global talent to all of our employees.

**Tateishi** The reason why an environment for cultivating human capital is important is because workers will leave a company if they do not feel happy there. To become a company that cultivates and retains global talent means that we must foster a corporate culture that tolerates different ways of thinking and different cultures. Furthermore, to be a global company means that our organizations in Japan must interact and cooperate with our organizations overseas in an appropriate manner. In our director discussions, we are currently considering personnel reshuffling to promote human resource development and job rotation to enable our young employees to actively gain experience working overseas.

**Inoue** I believe it is important that our employees feel satisfaction in their daily jobs at the Company. However, employee values are diversifying, and there is no one-size-fits-all approach to achieve job satisfaction. For example, if we compare Japan and other countries, many overseas companies have job-focused employment, where all employees generally focus on a particular field and aim to become highly-specialized human capital. If we are to become a major global player, we must cultivate specialization that enables us to compete with such highly-specialized human capital at other overseas companies in the same industry. I fear that we may not be able to compete by using the type of system often found at Japanese companies, which aims to cultivate generalist human capital via job rotation.

**Tateishi** I think that is certainly the case with generalists. However, even overseas companies have advanced



We will foster an environment that enables human capital in Japan and overseas to cooperate with each other as ONE ROHM.

technical experts with a wide range of knowledge that play a role in linking specialists with other specialists. Having such generalists that can strengthen horizontal connections organically binds the organization and increases work efficiency. Because ROHM already has such human capital, I think that we can create a robust organization by increasing our numbers of highly-specialized technical human capital experts. To accelerate the development of such experts, we introduced a “specialist system” in FY2019. This system also promotes work style diversification by enabling employees to select their own career path from multiple options. By enabling them to make their own choices, we are aiming to achieve a workplace environment with better job satisfaction. If this system can increase the number of experts in the Company, then I believe that we will be able to achieve an organizational system that can immediately place specialized human capital in optimal positions when we recruit them from overseas or other companies.

It is important to have the management ability to bring together diverse human capital with highly-specialized knowledge.



**Inoue** As technology develops and the fields of engineers become more specialized, I believe that remaining at the forefront of those fields will become even more important. I hope that the specialist system of ROHM will enable us to cultivate highly-specialized human capital that can compete with human capital both in Japan and overseas. Also, since more importance is placed on one’s academic history overseas than in Japan and the acquisition of doctorates is seen as proof of someone being highly-specialized, I believe that ROHM must provide support for obtaining doctorates and promote the recruitment of human capital with doctorates.

\*Field Application Engineer. An engineer that provides technical support on products and applications to customers.

## Cultivating a corporate culture that encourages endeavors

**Tateishi** ROHM has never been a company that values conformity. Our management encourages employees to take on challenges to strengthen their specialization and provides support systems as a company. However, when compared to overseas human capital such as in China or India, I think that human capital in Japan is less enthusiastic and not as serious about specialization, for cultural reasons. When I talk with overseas employees, I am surprised by how highly conscious of their career they are. It seems like they are constantly thinking about how they can promote their own identities by strengthening their expertise.

**Inoue** I agree that overseas, there are many people who confidently assert their own opinion when it differs from those around them. This may be because they think they can make a different contribution to other people due to differences in experience and ways of thinking. Well, this is exactly what diversity is, but in order to successfully bring together such diverse opinions, we also need the power of inclusion, so that we can leverage their strengths and turn it into organizational capability. I believe that leaders who promote global management need the ability to bring together human capital with highly-specialized knowledge as a team, even if they do not personally have the same level of knowledge.

**Tateishi** One other thing I have realized is that innovation comes from discontinuous technologies. Revolutionary technologies are not simply an extension of conventional technologies, and are somehow disconnected. We need a culture that allows human capital with such technologies and

viewpoints to make failures. At the same time, we of course need human capital that will develop extensions to existing products based on conventional technologies, and I believe that we need a good balance of both when we consider our research and development.

**Inoue** I have high hopes for human capital that is open to as-yet-unencountered technologies and different cultures, and who can take in an interest in such things and think about them creatively. As Mr. Tateishi said, I think we need to cultivate an attitude that recognizes that discontinuous technologies are required for innovation.

**Tateishi** Because of the culture in Japan that favors homogeneity, it may indeed be good to start from fostering the right attitude. To increase employee engagement, it is important to carefully explain the direction of the Company and gain understanding and empathy. If employees empathize with that direction, they will achieve self-realization by contributing to the growth of the Company, and I believe that recognizing those achievements and contributions will lead to better engagement.

**Inoue** I believe that we are placing importance on understanding and empathy, and recognizing their contribution, no matter where people work. If this can make our employees fond of ROHM and talk about how it is a good company, this will create synergy, and if this synergy propagates overseas, then I think we will truly become a major global player.

# Environmental Initiatives

At ROHM, we believe that corporate activities that seek to be in harmony with the natural environment, that is, a balance between economic activities and nature’s regenerative and purifying capabilities, will lead to a sustainable society. This is why we are strengthening our efforts to address environmental issues through the effective use of resources, and reducing our impact on the environment through our production activities and eco-friendly products.

Environmental Management <https://www.rohm.com/sustainability/environment>

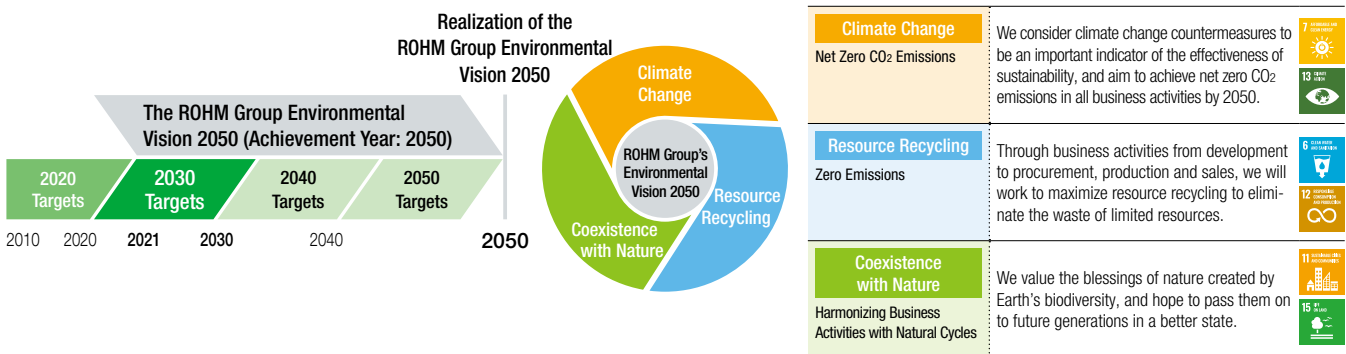
Sustainability Priority Issues	<b>Mitigation of Climate Change</b> <ul style="list-style-type: none"> <li>Reduction in GHG emission</li> <li>Reduction of energy consumption</li> <li>Promotion of introduction of renewable energy</li> </ul>	<b>Effective Use of Resources</b> <ul style="list-style-type: none"> <li>Water resource consumption reduction</li> <li>Reduction of waste</li> </ul>	<b>Strengthening Sustainable Technologies, Developing and Supplying Innovative Products</b> <ul style="list-style-type: none"> <li>Contribution by developing energy-saving products and supplying them to the market</li> <li>Contribution by developing and supplying miniaturized products</li> <li>Contribution by developing and supplying products pursuing functional safety</li> </ul>
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	FY2022 results	KPI
<b>Mitigation of Climate Change</b>	<ul style="list-style-type: none"> <li>Reduced GHG emissions by 21.8% vs. FY2018 levels</li> <li>Reduced GHG emissions per unit by 38.6% vs. FY2018 levels</li> <li>24% introduction of renewable energy completed</li> </ul>	<ul style="list-style-type: none"> <li>Reduce GHG emissions by 50.5% vs. FY2018 levels (FY2030 target)</li> <li>Reduce emissions per unit by 45% vs. FY2018 levels (FY2030 target)</li> <li>Promote the shift to renewable energy with the goal of 100% introduction (FY2050 target)</li> </ul>
<b>Effective Use of Resources</b>	<ul style="list-style-type: none"> <li>Increased water recovery and reuse rate by 1.2% vs. FY2019 levels</li> <li>Recycling rate of 98.5% for consolidated companies worldwide</li> </ul>	<ul style="list-style-type: none"> <li>Increase water recovery and reuse rate by 5.5% vs. FY2019 levels (FY2030 target)</li> <li>Zero recycling emissions for consolidated companies worldwide (FY2030 target)</li> </ul>

## The ROHM Group Environmental Vision 2050

Human economic activities are having a negative impact on the Earth, and problems such as climate change, resource depletion, and loss of biodiversity are becoming increasingly serious. In 2021, we presented the ROHM Group Environmental Vision 2050 to demonstrate our commitment to leave the global environment in a better state for future

generations. In this vision, we have identified climate change, resource recycling, and coexistence with nature as the three important themes to address, and we also formulated targets for FY2030 as an intermediate step as we work to resolve environmental issues toward achieving our FY2050 targets.



## Initiatives for Achieving FY2030 Medium-Term Environmental Targets

We are taking action to achieve targets such as the following four for FY2030.

### Reducing GHG emissions by 50.5% (vs. FY2018)

In FY2022, we reduced GHG emissions (Scope 1 and 2) by 21.8% from FY2018 levels to 8,921 t-CO<sub>2</sub>. In addition to reducing annual CO<sub>2</sub> emissions by 549 t-CO<sub>2</sub> by upgrading

to highly efficient chillers at our plant in Thailand, we have not only reduced the amount of heavy oil used, but also reduced annual CO<sub>2</sub> emissions by 326 t-CO<sub>2</sub> by upgrading to highly efficient once-through boilers at the LAPIS Semiconductor Co., Ltd. Miyazaki Plant (hereinafter “LAPIS Miyazaki”).



### Moves toward 100% renewable energy by FY2050

Specific plans for the introduction of renewable energy through FY2030 have been formulated, and we are executing these plans in phases. In FY2022, 100% of power used at our mainstay Thailand Plant came from renewable energy, increasing the ratio of renewable energy to all electricity used in the Group by 18 percentage points from FY2021 to 24%. From FY2023, we plan to use 100% renewable energy at our Philippines Plant, aiming for a renewable energy ratio of 43% (19 percentage points increase compared to FY2022).

### Zero waste emissions

In FY2022, we maintained zero emissions on a domestic consolidated basis by promoting the effective use of sulfuric acid waste liquid, achieving a recycling rate of 95.9% on an overseas consolidated basis (domestic and overseas consolidated: 98.5%).

### Increasing water recovery and reuse rate by 5.5% or more versus FY2019 levels

We conducted drought risk assessments at all 24 ROHM sites. In FY2022, the water recovery and reuse rate improved by 1.2 percentage points from FY2019 to 36.7%. We are taking actions at each of our manufacturing sites to further improve our water recovery and reuse rate.

### Future challenges and countermeasures

In the future, we will strengthen measures to achieve our medium-term environmental goals by making appropriate environmental investments and by promoting biodiversity as part of efforts to achieve zero emissions and initiatives in response to the Taskforce on Nature-related Financial Disclosures (TNFD).

	FY2022 results	KPI
Strengthening Sustainable Technologies, Developing and Supplying Innovative Products	Net sales: 507.8 billion yen	Achieve net sales of more than ¥600 billion as the total amount of social contribution (FY2025 target)

## Developing Eco-friendly Products: Battery Monitoring IC for Lithium-ion Batteries

In recent years, lithium-ion batteries have become essential for saving energy and miniaturizing a range of products, including mobile devices, power tools, and cordless vacuum cleaners. In order to achieve carbon neutrality, they are rapidly becoming popular in high-capacity applications such as power storage devices and electromobility. However, to maintain safety and prevent performance degradation, lithium-ion batteries must be used by monitoring the voltage, current, and temperature to prevent overcharging and over-discharging. This is where a battery monitoring IC comes into play. LAPIS Technology Co., Ltd. (hereinafter "LAPIS

Technology") has been developing battery monitoring ICs since 2008. LAPIS Technology's battery monitoring IC features the use of high-voltage elements to measure many stacked battery cells, and uses LAPIS Miyazaki's high-voltage process. LAPIS Technology has developed the best battery monitoring ICs for customer applications, including a 16-cell battery monitoring IC and the industry's first mass-produced battery monitoring IC with built-in high-side NMOS-FET drivers that do not require insulating components for communication with battery monitoring ICs.

### Challenges for the Future

### ▶▶ Development to further improve safety of lithium-ion batteries

In a world aiming to become carbon neutral, the battery market is expected to further expand with the growing need to reuse batteries. As such, the demands on the safety of lithium-ion battery monitoring ICs are increasing more than ever. To maximize the performance of lithium-ion batteries, we have received requests from customers for lower current consumption, highly accurate battery level measurement, and enhanced safeguards. To measure remaining battery levels with even higher accuracy and lower cost, we are currently developing a battery monitoring IC that combines the design technology cultivated through LAPIS Miyazaki's high-voltage process with that of ROHM Hamamatsu, which has a wide range of high-performance high-voltage elements. We also hold regular technical exchange meetings with our customers, offering technical proposals to solve their problems. Recently, we have been evaluating the validity of battery deterioration measurement methods. As such, we have proposed a method for predicting battery deterioration that incorporates ROHM's new technology, and we are now looking at its implementation while taking into account feedback from customers. Moreover, in addition to improving the functionality of our products, LAPIS Technology has been promoting the acquisition of functional safety engineer certification for our technicians for several years.

Through these efforts, we will expand our battery monitoring IC product lineup and improve functionality, contributing to further improvements in the safety of lithium-ion batteries.



**Hiroyuki Kikuta**

Group Leader,  
Battery Monitoring LSI Development Group,  
ASSP Development Team,  
LSI Business Unit,  
LAPIS Technology Co. Ltd.



# Climate Change-Related Disclosure in Accordance with the TCFD Recommendations

ROHM endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in September 2021. In order to achieve the goals of the ROHM Group Environmental Vision 2050, ROHM will promote efforts to reduce its environmental impact and focus on more transparent information disclosure, including the resilience of its strategies based on climate-related scenario analysis.

Disclosure Based on the TCFD Framework [https://www.rohm.com/sustainability/environment/climate\\_change\\_measures](https://www.rohm.com/sustainability/environment/climate_change_measures)

## Governance

In April 2021, we established the ROHM Group Environmental Vision 2050 to fulfill our corporate social responsibility for global environmental issues. In addition, the Medium-Term Management Plan Moving Forward to 2025 announced in May 2021 identifies “addressing climate change” as one of the material issues that ROHM should address.

ROHM has established a system in which the President and Representative Director has the highest responsibility and authority for climate change issues, and the EHSS General Committee\*, chaired by the director in charge of sustainability appointed by the President and Representative Director, deliberates and makes decisions with regard to addressing climate change issues. Under the EHSS, eight management systems have been established, one of which is the Environmental Conservation Committee, chaired by a business unit manager and which is in charge of environmental management systems and proactively addressing climate change. The committee formulates our 2030 medium-term environmental targets and deliberates on the progress of environmental management toward achieving these targets,

as well as issues related to measures to address climate change, including the introduction of renewable energy. Directors who are members of the Audit and Supervisory Committee attend the EHSS General Committee and the monthly meetings of the Environmental Conservation Committee to continuously monitor and verify the execution status of overall environmental management, led by the President (Representative Director).

In addition, in order to further promote value sharing with our shareholders, we have adopted GHG emissions as one of the performance indicators in our performance-linked transfer-restricted stock-based remuneration system for directors.

Promotional system <https://www.rohm.com/sustainability/environment>

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

## Strategy (Scenario Analysis)

ROHM is accelerating climate change countermeasures, such as improving the efficiency of semiconductor products and building an environmentally conscious business structure based on the ROHM Group Environmental Vision 2050. In order to do this, we have analyzed the impact of climate change on business activities in all sectors, including automotive, industrial, and consumer applications by referring to scenarios published by the International Energy Agency (IEA) and the UN Intergovernmental Panel on Climate Change (IPCC), among others. Specifically, we analyzed the impact of climate change in 2050 on the ROHM Group’s stakeholders (governments, financial institutions,

investors, suppliers, customers, and new technologies) and the value chain (corporate, R&D, procurement, manufacturing, and sales) related to its business activities. This analysis was conducted for the 1.5°C/2°C scenario, in which society as a whole succeeds in transformation toward decarbonization and controlling the global temperature rise, and for the 4°C scenario, in which economic development takes priority and the global temperature rises and its effects continue to worsen. (See P65 for more details)

Reference information for our scenario analysis is provided below.

	Scenario	Reference
Transition risks Opportunities	1.5°C/2°C scenario	Sustainable Development Scenario (SDS)*1 Net Zero Emissions by 2050 Scenario (NZE)*1
	4°C scenario	Stated Policies Scenario (STEPS)*1
Physical risks	1.5°C/2°C/4°C scenario	Representative Concentration Pathways (RCP)*2 Shared Socioeconomic Pathways (SSP1/5)*2

\*1. Source: IEA “World Energy Outlook (WEO) 2021”

\*2. Source: IPCC “Fifth Assessment Report”

### Financial Impact of Risks and Opportunities

Classification	Event	Severity*1	Occurrence*2	Financial impact on business activities			Measures	
				Impact item	1.5/2°C impact*3	4°C impact*3		
Transition risks	Policy and regulations	Increase in costs due to introduction of carbon pricing	High	Mid- to long-term	Costs	Med	Med	<ul style="list-style-type: none"> <li>Continue to expand installation of PFC abatement equipment</li> <li>Continue energy-saving/high-efficiency activities for ancillary facilities at plants</li> <li>Install solar power generation systems (Malaysia)</li> <li>Convert 100% of electricity used at domestic and overseas production sites to renewable energy</li> <li>Expand the scope of all electrification at production sites</li> <li>Stably procure materials by reviewing contracts</li> <li>Continue updating and upgrading of disclosure content through dialogues with shareholders</li> <li>Continue response to CDP surveys</li> </ul>
		Increase in costs due to energy conservation and GHG emissions reduction initiatives	High	Short- to mid-term	Costs	Low	—	
	Technologies	Increase in R&D costs to maintain and improve market competitiveness	Low	Short- to mid-term	Costs	Med	—	
		Increase in capital investment costs due to increase in production volume and transition of production facilities	Low	Short- to mid-term	Costs	Low	—	
	Markets	Decrease in sales due to changes in customer demand	Med	Short- to mid-term	Sales	Med	—	
		Decrease in demand due to social changes associated with climate change	Low	Short- to mid-term	Sales	—	—	
		Increase in electricity costs due to higher electricity demand in society as a whole	Med	Short- to mid-term	Costs	Med	—	
		Increase in material procurement costs due to a shortage of resources including rare metals	Med	Short- to mid-term	Costs	Med	Low	
	Reputation	Loss of customer reputation due to inadequate response to climate change	Low	Short- to mid-term	Costs	—	—	
	Physical risks	Acute	Damage to production facilities or production stagnation due to severe wind and flood damage	Med	Mid- to long-term	Sales	Low	
Stagnation of raw material procurement due to supply chain damage			Med	Short- to mid-term	Sales	Med	Med	
		Increase in costs to strengthen measures against natural disasters	Low	Short- to mid-term	Costs	—	Med	
Chronic		Increase in energy costs due to rising temperatures	Low	Mid- to long-term	Costs	Low	Low	
Opportunities	Products and services	Increase in demand for products that help customers save energy and reduce GHG	High	Short- to mid-term	Sales	High	—	<ul style="list-style-type: none"> <li>Secure human resources with expertise in semiconductors</li> <li>Utilize LCA and other scientific methods and various calculation tools</li> <li>Appeal miniaturization and other advantages</li> <li>Strengthen sales of SiC-related products for EV market</li> </ul>
	Markets	Increase in revenues from entering new markets	Med	Mid- to long-term	Sales	—	—	
		Increase in demand for products due to extreme weather and other environmental changes	Med	Mid- to long-term	Sales	—	Low	
		Increase in revenues from gaining reputation among customers and investors	High	Short- to mid-term	Costs	—	—	
	Resource efficiency	Decrease in costs by promoting energy conservation	High	Short- to mid-term	Costs	—	—	
	Energy sources	Save costs by achieving GHG emission reductions and earning profits from the sale of carbon credits	Low	Mid- to long-term	Sales	—	—	
	Robustness	Maintain and increase sales volume by strengthening resilience	Low	Mid- to long-term	Sales	—	Med	

\*1 Severity: The degree of "high," "medium," or "low" is evaluated by considering the "likelihood of occurrence" and "degree of impact" of climate-related risks and opportunities.

\*2 Occurrence: "Short-term" is expected to occur between 2022 and 2025, "Medium-term" between 2026 and 2030, and "Long-term" between 2031 and 2050.

\*3 Impact: "Small" indicates a financial impact of 1 billion yen or less, "medium" indicates a financial impact of more than 1 billion yen but less than 10 billion yen, and "large" indicates a financial impact of more than 10 billion yen. The impact of risks and opportunities that are difficult to estimate are qualitatively evaluated and shown as "-".

ROHM will take various measures to strengthen its management in light of the identified risks and opportunities and their impacts. Specifically, in order to mitigate risks, ROHM will continue its efforts to reduce GHG emissions throughout the entire value chain, including suppliers, and will also

strengthen its business continuity plan (BCP) measures. Additionally, in order to maximize the opportunities identified, we will strengthen R&D and sales of products that contribute to decarbonization, such as components for electric vehicles, and do the same for air-conditioning products.

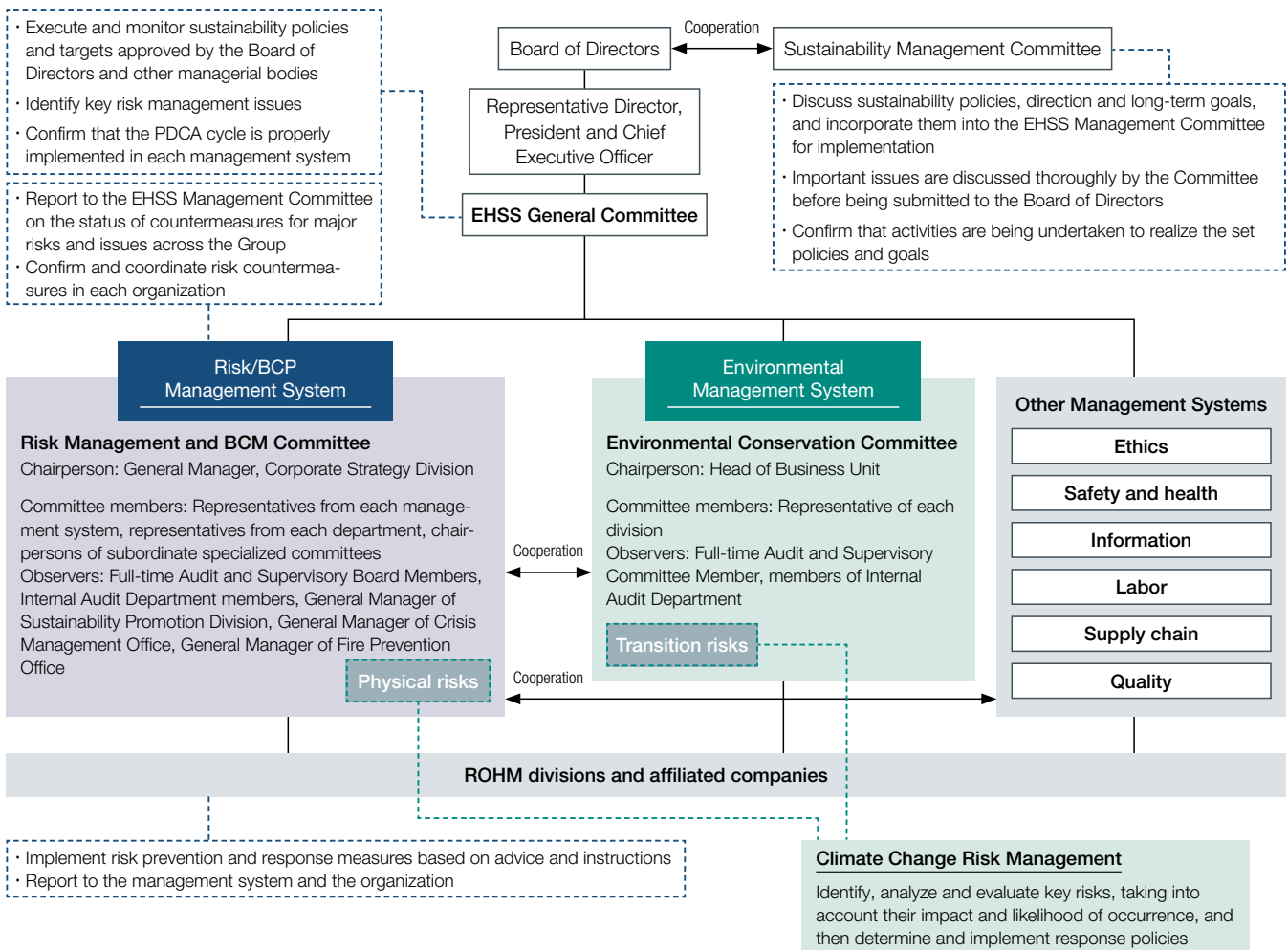
## Risk Management

ROHM oversees and manages all significant risks related to business continuity in the Risk Management and BCP Management System under the EHSS General Committee. Among these risks, “climate change” was identified as a significant risk, and in FY2021, we launched a project involving the entirety of ROHM Co., Ltd., and the Group to identify and analyze risks in multiple scenarios in accordance with the TCFD framework. In our risk management structure, the risk of “climate change” is broken down into physical and transition risks, with the former governed by our risk management and business continuity management system, and the latter governed by our Environmental Management System. The Risk Management

and BCM Committee as well as the Environmental Conservation Committee, cross-divisional organizations with participation of all company divisions, including business units, identify critical risks by considering their impact and likelihood of occurrence. Based on analysis and assessment of each risk, they determine and implement response policies.

In addition, both committees oversee the risk management system and report to the EHSS General Committee, which is composed of those responsible for each management system. These committees also formulate BCPs to handle potential risk emergence and ensure that all Group companies are aware of the plans.

### Risk Management Structure



## Indicators and Targets

ROHM is promoting environmental management in Japan and overseas based on the ROHM Group Environmental Vision 2050 formulated in April 2021, aiming to achieve net zero GHG emissions and zero emissions by FY2050. In our Medium-Term Management Plan “Moving Forward to 2025,” we presented a plan which calls for 100% of electricity used in all business activities in Japan and overseas to be derived from renewable energy sources by FY2050.

Based on this Medium-Term Management Plan, we are now gradually increasing the amount of renewable energy we use, and by FY2030, we aim for a 65% introduction of renewable energy in our business activities, and by FY2050, we aim to achieve a 100% introduction.

Environmental targets for 2030 have been established for each of the three priority issues of “Climate Change,” “Resource Recycling,” and “Coexistence with Nature,” as stated in the ROHM Group Environmental Vision 2050.

For climate change, we have set the following targets: reducing GHG emissions from business activities (Scope 1 and 2) by at least 50.5% in FY2030 compared to FY2018,

reducing GHG emissions per unit of production (Scope 1 and 2) by at least 45%, and reducing emissions from the use of products sold (Scope 3, Category 11) by at least 15% in FY2030 compared to FY2018.

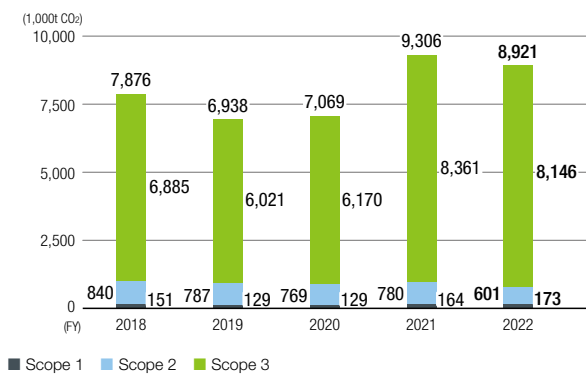
These targets were recognized as having a scientific basis (1.5°C level) for achieving the 2°C target of the Paris Agreement, and in February 2022, ROHM received certification from the Science Based Targets Initiative (SBTI).

In addition, in April 2022, we joined RE100, an international corporate initiative that aims for 100% renewable energy for electricity used in business operations.

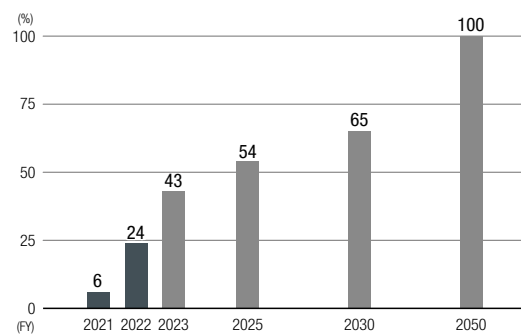
In addition to climate change, we are also working to promote resource recycling by improving our water recovery rate and setting targets related to waste emissions per unit of production.



CO<sub>2</sub> Emissions



Approach to 100% Renewable Energy



### Achievements and Plans for Renewable Energy Installations

Introduction Results		Implementation Plan	
FY2017-2022		FY2023-2026	FY2027-2030
<ul style="list-style-type: none"> <li>ROHM Apollo Co., Ltd. Chikugo Plant</li> <li>SiCrystal GmbH</li> <li>Yokohama Technology Center</li> <li>Kyoto Technology Center (Kyoto Station)</li> <li>Part of ROHM Hamamatsu Co., Ltd.</li> <li>ROHM Integrated Systems (Thailand) Co., Ltd. (Thailand Plant)</li> </ul>	<ul style="list-style-type: none"> <li>ROHM Apollo Co., Ltd. (Yukuhashi Plant)</li> <li>ROHM Apollo Co., Ltd. (Nagahama Plant)</li> <li>Part of ROHM Wako Co., LTD.</li> <li>Part of ROHM head office</li> </ul>	<ul style="list-style-type: none"> <li>ROHM Electronics Philippines, Inc. (Philippines Plant)</li> <li>ROHM Mechatech Philippines, Inc. (Philippines Plant)</li> <li>ROHM-Wako Electronics (Malaysia) Sdn. Bhd. (Part of Malaysia Plant)</li> </ul>	<ul style="list-style-type: none"> <li>Scheduled to be introduced gradually at the remaining overseas and domestic production bases.</li> </ul>

# Supply Chain Initiatives

In order to realize ROHM's corporate mission of "quality first" amid the rapidly changing business environment and the variety of business risks, it is important to ensure stable quality and supply systems at the procurement stage of raw materials and to build cooperative relationships with reliable suppliers. ROHM strives to maintain and strengthen its supply chain through the selection of appropriate suppliers and CSR procurement.

Supply chain management <https://www.rohm.com/sustainability/supply-chain>

Material issues	Sustainable Supply Chain Management			▶ P24 FY2022 results and KPIs
	· Strengthening BCM system	· Promotion of green procurement	· Promotion of CSR procurement activities	

## Promotion Structure

ROHM operates its own supply chain management system to ensure that it builds a sustainable supply chain. This system is established under the EHSS General Committee\* and is responsible for appropriately managing supply chain risks. The Committee is chaired by a corporate officer, while the

Supplier Management Subcommittee, a subordinate organization, manages supply chain risks.

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

## Working Together with Suppliers

In order to promote sustainable procurement, it is essential to have a relationship of trust and cooperation with suppliers. ROHM

strives to strengthen these relationships through close communication with suppliers as well as evaluation and audit programs.

### Evaluation and audit programs

1. Comprehensive Evaluation of Activities	a) Product quality, b) Delivery time, c) Price, d) Continuity of supply, e) Results of CSR procurement self-assessment shown below * BCP initiative evaluation, financial evaluation by an external evaluation organization
2. CSR Procurement Self-assessment	We conduct self-assessment of labor (including human rights), safety and health, environment, ethics, and management system in accordance with the RBA Code of Conduct, as well as ROHM's own items of information security, BCP for procurement, and logistics. For suppliers defined as high-risk suppliers (sustainability), we take corrective action and provide support for improvement.
3. CSR Procurement Audits	Through dialogue with suppliers, we confirm the contents of self-assessments, check factories, and request improvements as necessary, with the aim of gaining their understanding and endorsement of ROHM's policies and approach to CSR procurement, the importance of consideration for the environment, safety, and human rights, as well as the content of our activities.
4. BCP for Procurement	We assess risks associated with providing a stable supply and related impacts and check the state of responses to the identified key risks each quarter.

### 1. Comprehensive Evaluation of Activities

We extensively evaluate and provide feedback on activities, including suppliers' product quality, delivery date, price, and BCP initiatives, as well as the results of the CSR procurement self-assessment described in the next section. Comprehensive activity evaluations are conducted at the time of supplier selection, at the time of conclusion of contracts, and once a year for ongoing suppliers. If a supplier fails to receive the standard score, they will be excluded from the contract.

■ ROHM had a goal of conducting comprehensive evaluations of activities for all suppliers that account for 90% of annual purchases by FY2025, but surpassed that goal in FY2022 with 95.4%.

### Number of Companies Whose Activities Were Comprehensively Evaluated

FY	2020	2021	2022
Number of Companies Evaluated (ROHM Co., Ltd.)	242	205	203
Number of Companies Evaluated	-	-	1,549

■ We had a goal of conducting comprehensive evaluations of activities for 100% of our critical suppliers\* by FY2025, but reached that goal in FY2021. We will continue this.

\* Critical suppliers <https://www.rohm.com/sustainability/supply-chain/communication#anc03>



## 2. CSR Procurement Self-assessment

We ask suppliers to conduct self-assessments. We rank suppliers based on their self-assessments and identify ESG risks. We recognize important suppliers rated B or lower, others rated C or lower as high-risk suppliers, and provide support for improvements to suppliers rated as high risk. The target for FY2025 is for all suppliers who account for 90% of annual purchase value to be rated B or higher. In FY2022, we asked 1,848 companies (an increase of 245 from the previous year) to conduct self-assessments, and the percentage of companies rated B or higher was 78.3%. ROHM conducts annual training for buyers and internal staff on the CSR Procurement Self-Assessment Program. In FY2022, we conducted training for 61 members of the Procurement Division.

Results of Assessments of Suppliers

FY	2020	2021	2022
Number of Companies Evaluated	1,538	1,603	1,848
Ratio of Suppliers Rated B or Higher (purchase value basis)	-	-	78.3%

## 3. CSR Procurement Audits

ROHM conducts at least one audit of critical suppliers over a three-year period. Audits are conducted in the form of second-party audits by CSR procurement personnel, who check documents on-site or online, as well as for plants and dormitories. CSR procurement audits are not only used to understand the actual situation, but also as an opportunity to convey ROHM's policies and approach to CSR procurement to suppliers, as well as to deepen mutual understanding of CSR activities with them. In FY2022, we conducted audits of 13 companies (an increase of 4 companies from the previous

year). In addition, we conducted audits on 100% of critical suppliers from FY2020 to FY2022.

CSR Procurement Audit Results

FY	2020	2021	2022
Number of Suppliers Visited	17	9	13

## 4. BCP for Procurement

As part of our business continuity plan (BCP), we have established a system that enables rapid recovery even in the event of an emergency, and we are working to prepare alternative materials.

- a) **Definition of Risk in the Procurement Divisions:** We have established the Risk Management and BCM Committee to manage risks in each division. In addition to the four existing risks of quality, delivery time, price, and compliance, the procurement divisions also evaluate risks in stable supply and its impact, and checks the state of responses to the identified key risks each quarter.
- b) **Selection of Suppliers:** In emergencies, information is shared across the entire supply chain, and we select suppliers who can ensure a continuous supply.
- c) **BCP Initiatives:** We are researching and compiling a database of information on the manufacturers and manufacturing locations of procured parts and materials so we can promptly confirm the damage, safety, and supply status of our suppliers in the event of an emergency.

### Survey of Primary Suppliers' Production Bases

We are currently conducting a survey of all materials, equipment, and parts procured from primary suppliers, about 70,000 items, with the goal of surveying 100% of production sites by FY2025, so that we can instantly identify the scope of impact in the event of an emergency. In addition, we numerically manage the results of our initiatives as the "ratio of primary supplier production sites surveyed" and monitor this indicator every year.

### Prior Agreement on Emergency Response

We are working with suppliers who supply important materials to make an agreement in advance on how to respond in the event of an emergency. We have set a goal of achieving 100% prior agreement by FY2025, and we quantitatively manage the results of our initiatives as the "ratio of suppliers with prior agreements on emergency response" and monitor this indicator every year.

## Human Rights Initiatives

### Our Basic Policy

ROHM, recognizing that "human rights are the fundamental rights, freedoms, and standards for treatment that individuals around the world possess," established the ROHM Group Human Rights Policy. This policy is positioned as the super-ordinate policy of all documents and norms related to ROHM's efforts to respect human rights in its business activities and applies to all of ROHM's activities worldwide. As a company with global operations, ROHM supports, complies with, and respects international principles and norms on human rights. If the laws and regulations of the country in which we operate differ from international human rights norms, we will follow the more rigorous standards.

### Human Rights Due Diligence

ROHM conducts human rights due diligence to identify, prevent, and mitigate adverse human rights impacts related to its business activities in accordance with the principles and norms it upholds. If a problem is revealed, we take appropriate corrective action. In addition, we have established a hotline and continue to build out an effective reporting and

### Promotion System

At ROHM, the EHSS General Committee, which is comprised of directors with management executive authority, corporate officers with equivalent authority, divisional managers, and managers of each management system, is in charge of eight subordinate management systems. The committee confirms whether the PDCA cycle for human rights risk management that has been considered in each field is being implemented properly.

The resolutions of the EHSS General Committee are communicated to related departments within ROHM and Group

### Human Rights Risk Assessments in the Supply Chain

Suppliers are asked to conduct self-assessments of the items listed in the RBA Code of Conduct. Through the results of the responses and CSR procurement audits, we request improvements in items with low scores, including labor

### Human Rights Training

We conduct human rights training for new employees, mid-career hires, department heads, and officers, so that they respect the cultures, religions, customs, and systems of

### Ban on Child Labor and Forced Labor

The ROHM Group CSR Procurement Guidelines ban forced labor and child labor. In FY2017, we issued a statement in compliance with the U.K. Modern Slavery Act and asked all suppliers to give consideration to human rights. The

#### International principles and rules endorsed by ROHM

- Ten Principles of the United Nations Global Compact (UNGC)
- Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work (International Labour Organization)
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- ISO 26000
- RBA (Responsible Business Alliance) Code of Conduct

response system. Furthermore, in order to raise awareness of human rights, we provide necessary education and skill development to officers and employees. With regard to these initiatives to respect human rights, we will strengthen our efforts through expert advice from external stakeholders and disclose the progress appropriately and regularly.

companies through eight committees, where they are then implemented.

Based on our sustainability management system, ROHM cooperates with each specialist subcommittee, related divisions within the Company, and Group companies to obtain management system certification for each topic by implementing the PDCA cycle. Through these activities, we aim to further improve the quality of the Company to become a company preferred by stakeholders.

(human rights). In addition, during audits and meetings, we raise awareness of the importance of respecting human rights and the necessity of CSR procurement throughout the supply chain.

each country and region, and act with an understanding of the diversity of values. In addition to group training, we also conduct e-learning on labor and ethics.

effectiveness and compliance status of our initiatives are confirmed annually through internal audits and external audits such as customer audits and RBA audits.

## Responsible Procurement of Minerals

With the enforcement of the EU’s Conflict Minerals Regulation in 2021, the necessity and importance of responsible mineral procurement is increasing around the world. ROHM strives to responsibly procure minerals throughout the supply chain in response to not only conflicts, but also minerals such as tin, tantalum, tungsten, gold, cobalt, and mica, which are related to risks and fraud involving human rights violations and environmental destruction, including OECD Annex II risks.

To ensure that customers can use ROHM products with peace of mind, the Supply Chain Management Headquarters plays a central role in conducting mineral procurement surveys in accordance with the OECD Due Diligence Guidance.

Survey results showed that the CFS rate in FY2022 was 98%, the same as the previous year. For the remaining 2% of minerals, we are investigating alternative sources. In the unlikely event that ROHM’s products are found to contain conflict minerals that are a source of funds for armed groups, we will take corrective actions as quickly as possible.

## Green Procurement

As legal regulations on the management of chemical substances become increasingly stringent, ROHM is working to promote green procurement by increasing the precision of investigations of chemical substances contained in the parts and materials it procures. The Group has created a system to avoid procuring prohibited substances. It screens the substances contained in parts and materials according to ROHM’s own standards and only those that meet the standards are registered as allowed products in the procurement

### Survey results for FY2022

Suppliers subject to surveys: 98 companies

Suppliers provided a response: 98 companies; response rate 100%

Identified supplier smelters: 211 companies for all minerals (of which, 206 have received RMAP certification from RMI)

	Gold	Tantalum	Tin	Tungsten	Overall
Total number of smelters	99	35	39	38	211
Number of CFS* certified smelters	98	34	39	35	206
CFS* certification rate	99%	97%	100%	92%	98%

\* CFS stands for Conflict Free Smelter (smelter that does not use conflict minerals). ROHM defines CFS as a smelter certified by the Responsible Minerals Assurance Program (RMAP) of the Responsible Mineral Initiative (RMI).

system. We also issue Green Procurement Guidelines<sup>1</sup> and Control Standard of Chemical Substance in Products<sup>2</sup> to our suppliers, requesting them to confirm the compliance of their parts and materials with the specified standards.

\*1 Green Procurement Guidelines  
[https://www.rohm.com/documents/11303/12022709/ROHM\\_Green+Procurement+Guidelines\\_006en.pdf/a484be56-37de-f77f-45ae-851e75884a5b?t=1694497762857](https://www.rohm.com/documents/11303/12022709/ROHM_Green+Procurement+Guidelines_006en.pdf/a484be56-37de-f77f-45ae-851e75884a5b?t=1694497762857)

\*2 Control Standard of Chemical Substance in Products  
[https://www.rohm.com/documents/11303/12022709/ROHM\\_Control+Standard-of+Chemical-Substances-in-Products\\_003en.pdf/e3b2b836-6d37-13e9-aae8-070bee14f990?t=1695805082657](https://www.rohm.com/documents/11303/12022709/ROHM_Control+Standard-of+Chemical-Substances-in-Products_003en.pdf/e3b2b836-6d37-13e9-aae8-070bee14f990?t=1695805082657)

### Challenges for the Future

## ▶▶ Spreading ROHM’s progressive initiatives throughout the supply

ROHM has participated in the Responsible Minerals Trade Working Group (Japan Electronics and Information Technology Industries Association) since its inception and has been considering effective measures. We have been proactively engaged in activities such as voluntarily undergoing RBA audits for more than a decade. As a company that respects human rights, in order to expand this initiative to the entire supply chain, we will hold individual consultations and other events to resolve questions from our business partners and strengthen our efforts. In addition, we will conduct ongoing due diligence so that all partner smelters undergo the Responsible Minerals Assurance Process (RMAP) certification system promoted by the Responsible Mineral Initiative (RMI) and obtain certification for compliant smelters.

Going forward, we will continue to improve management quality by complying with laws and regulations related to responsible mineral procurement, which is an important social issue, and build a supply chain that is trusted by society and customers and provides peace of mind.



**Cai Yun Jiang**

Group Leader,  
 CSR Procurement Group,  
 Procurement Management Department  
 Procurement Division  
 Supply Chain Management Headquarters

# Risk Management and Compliance Initiatives

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

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

<b>Material issues</b>	<p><b>Risk Management</b></p> <ul style="list-style-type: none"> <li>• Strengthening BCM system</li> <li>• Conducting training to improve information security literacy and measures for information security vulnerability</li> </ul>
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	FY2022 results	KPI
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• Utilized remote work tools to conduct earthquake response BCM training centered on the BCM Task Force with management participation, and verified the effectiveness of our disaster response</li> <li>• Conducted a remote risk survey focusing on fire and water damage of our major Japanese and overseas manufacturing sites and checked the status of our response to water and fire damage risks</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the BCM system through continuous risk identification (FY2025 target)</li> </ul>

## Risk Management Structure

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

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

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

### Activity cycle for risk management

**1.PLAN**

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

**2.DO**

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

**3.CHECK**

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

**4.ACTION**

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

## Business Continuity Management

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

In addition, the ROHM Group Risk Management and

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

## Actions for Water Risks

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

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

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

At overseas plants that have back-end process functions for

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

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

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

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

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

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



Remote flooding scenario training



Flood wall assembly training at the manufacturing site in Thailand



## Responding to other risks

### Actions for earthquake risks at ROHM sites in Japan

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

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

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



Information sharing

BCM task force training in progress

### Action for fire risks

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

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

Among fire risks, fires from production equipment and

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

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

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



Temperature inspection of a clean room distribution board

### Responding to other risks

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

Risk Management

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

## Actions for Information Security

### Information management system

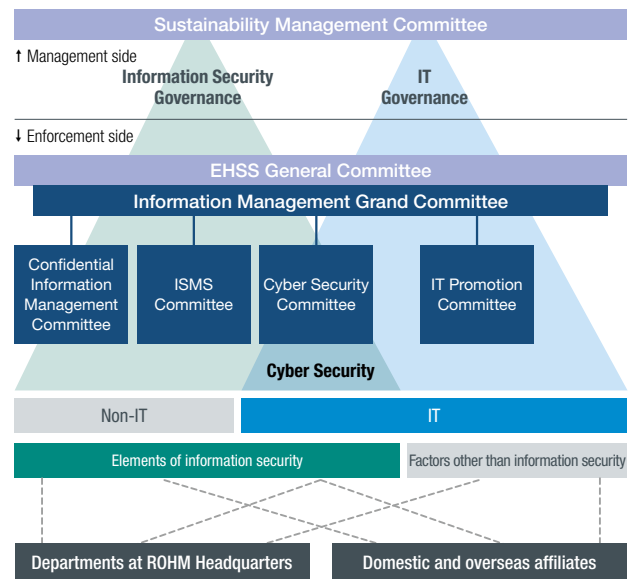
ROHM has identified the establishment of an information security system that enhances business continuity and the establishment, provision, and utilization of IT tools that support the Medium-Term Management Plan as key issues in

“Information Security Governance,” “Cyber Security,” and “IT Governance,” and the Information Management Grand Committee takes the lead in the operation of the information management system. This committee is established as a subordinate organization of the EHSS General Committee, in

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

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

ROHM's Information Security  
<https://www.rohm.com/sustainability/foundation/information-security>



## Actions for Compliance

### Our basic policy

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

### Whistleblowing system

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

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

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

\* Number of whistleblower reports in FY2022: 15

### Education and training system

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

ROHM Group's compliance  
<https://www.rohm.com/sustainability/foundation/compliance>

## Tax policy

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

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

Aiming to further  
governance  
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Peter Kenevan  
Member of the Board (Outside)

### How do you evaluate the Board of Directors at ROHM? And what matters left a particular impression on you over the past year?

**Nagumo** ROHM is actively continuing capital expenditure in the current Medium-Term Management Plan, and I have received various explanations at Board of Directors meetings. However, increased global demand for semiconductors has led to rising semiconductor-related capital investment costs. I believe that it is important to keep investment costs low so that we can start small and grow big, but I am concerned that outside directors are not able to easily see whether this is happening as expected.

**Kenevan** I was in charge of consulting at McKinsey & Company for 25 years and have seen the value chains of various industries including the semiconductor industry. Because investment and M&A can veer off course without sound strategies and tactics, I hope that we can debate targets, tactics, and methodology with other directors to make decisions and also maintain transparency. At the Board of Directors, internal directors including President Matsumoto listen carefully to what outside directors have to say and conduct lively debate, but I think that two issues remain. Firstly, I believe that the importance of each topic does not match the time allocated for debate. For example, when discussing plant construction, there are times when debates on the involvement of tens of billions of yen only last a short time, and discussions are focused on other smaller details. Secondly, I hope that the Board of Directors can promote governance with a greater awareness on the

opinions of third parties and shareholders, such as topics that come up via IR activities and queries from investors.

**Nagumo** As Mr. Kenevan says, the Board of Directors meetings are extremely open and encourage free debate. Every outside director can speak their mind and directors on the executive side listen to what they have to say. I also think that more time should be allocated to discussing the fundamentals of corporate management, rather than details. However, executive directors have already adequately discussed important matters before the Board of Directors meetings are held. That is why detailed points that may have been missed are brought up for debate at the Board of Directors meetings, and I believe that is the reason President Matsumoto dedicates time to them. Outside directors can also participate in the Executive Meeting as observers, and I know that a significant amount of debate is given over to such matters. That is why questions at Board of Directors meetings focus on specific points.



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bal player

Tadanobu Nagumo  
Member of the Board (Outside)

**ROHM has set a goal of becoming a major global player by 2030. What do you think your role is in helping to achieve this goal? Also, what expertise will the Board of Directors require, and what issues should it tackle?**

**Kenevan** I hope that I can help ROHM achieve this grand goal of becoming a major global player by turning it into concrete action, rather than simply spouting clichés. Can ROHM currently be considered a major global player? Well, this is partially true in terms of production and development, but perhaps not in terms of key account management overseas (that is, managing and developing major customers). Even over the course of a year, I do not think that the Board of Directors has adequately discussed the issues we face in getting closer to becoming a major global player. Because the definition of a “major global player” differs by person, we might need several definitions of a major global player that are unique to ROHM. The target of becoming a “one-trillion-yen company” touted in the Medium-Term Management Plan and our goal of becoming one of the top three companies in certain product categories are some examples of this definition.

**Nagumo** Aiming to become a one-trillion-yen company is also important for achieving our goal of becoming a major global player. Because there are limits to what we can achieve in the domestic market, we must succeed overseas. This means securing and developing overseas human capital and moving swiftly.

**Kenevan** Although our Board of Directors is already quite diverse, I believe that achieving this over the entire company, and promoting the utilization of overseas human capital in particular, will be the key to becoming a one-trillion-yen company that moves swiftly. Because Ms. Inoue, who joined us in June 2023, and Ms. Muramatsu are both experts in global HR, I have great hopes for their future endeavors. Each of our outside directors excels in a specialized field. Mr. Nagumo worked in top management for many years, and I have accumulated career experience in overseas consulting and strategy. Others are well-versed in fields such as law and accounting. I believe that there is a good balance of the expertise required by the Company.

**Nagumo** As Mr. Kenevan stated, our Board of Directors has a good spread of skills and outside directors ask questions and give opinions based on the perspective of their expertise. With the selection of three new outside directors, the number of Audit and Supervisory Committee members decreased and outside directors who are not Audit and Supervisory Committee members increased, and we debated this matter. This time, the Officer Nomination Council simply approved a proposal from the Company. But as I have been appointed to chair the Officer Nomination Council, I hope to make the selection process more open and run the council with a focus on preliminary interviews and the exchange of opinions with candidates.



ROHM has a clear strategy for a path to victory in, such fields as power devices and SiC.

**What do you think about the human capital strategy at ROHM, such as the development of global talent?**

**Nagumo** Of course global talent can play an active role overseas, but since the Company has subsidiaries overseas, we can also entrust work to outstanding local human capital. It is important to put local recruits in top positions at overseas subsidiaries and support them with global talent that can conduct management well. I have experience in establishing and managing a company in the Philippines, and I felt that compassion and appreciation are important no matter where in the world we are. I believe that overseas human capital refers to such people who can respect the local culture and feelings.

**Kenevan** This is a topic that we are currently discussing at the Board of Directors, but I believe that in order to utilize overseas human capital, the top management of ROHM must be globalized first. Because there are young and extremely talented executives, it is important to give them experience overseas and promote diversification. ROHM has excellent corporate DNA and the polite and delicate culture of ROHM has been utilized in human capital development in the past. However, in communication overseas, various discrepancies naturally arise. In the future, the Company must be aligned with communication styles and culture found overseas, while preserving the good points and what makes up ROHM. Although this will be a particularly great challenge for top management, I believe that Mr. Nagumo's experience in the Philippines and my experience in Japan will be able to help ROHM's globalization.

**What will be required for governance to support the continued growth of ROHM?**

**Kenevan** In terms of governance, I believe that there is no need to make a distinction between Japan and overseas. Companies have rules, people have roles and things they must achieve. For example, the Board of Directors must debate and make decisions by carefully considering the information it receives. This is the same all over the world. Global governance is an extension of current governance enhancement, which aims to improve transparency and communication. It is important that overseas human capital with a common understanding of governance enters the same circle of governance. In addition to skill and experience, this human capital requires capabilities and personal qualities, such as consideration, appreciation, and a sense of responsibility. It is also important to maintain a stance of wanting to better the company and have a mindset that enables flexible thinking that does not reject new ideas. Since Mr. Matsumoto was appointed President of ROHM, a culture of wanting to better the Company has been established, so I hope that the Company will have the courage to expand its circle to gradually encompass foreign nationals.

**Nagumo** Everyone is trying to achieve the targets set by their companies, whether financial or non-financial, but what is normal for their company may be abnormal outside the company, and something done for the good of the company may sometimes be seen as being against common sense in the current world. For example, the scores of middle management may not improve in engagement surveys because top management evaluate them too strictly.



It is important to invest for the future without fear and continue taking on new challenges.



This can be improved simply by thinking about how to increase employee satisfaction, so I believe that everyone including top management needs to learn about proper governance. I hope that we outside directors can also discuss these points with middle management in the future as the systems are reformed.

### What issues do you think ROHM should tackle as it aims to become a major global player?

**Nagumo** The world currently has a negative outlook and is tending to take unassertive way of thinking about things. ROHM must avoid doing this and do what must be done for the future. It is important to invest without fear, be more proactive toward development investments, and be so encouraging of taking on new challenges as to allow failures. When it seems that the world economy may falter is the time to have the courage to step forward and do things that competitors may not.

**Kenevan** Although we tend to focus on the results in front of us, we need to take a step back and look at the industry as a whole. Because ROHM is smaller than its competitors, its position will become quite weak if the industry consolidates over time. In the world of semiconductors, scale is key. Although the Company currently handles product categories where scale is not such an issue, investments must be made in construction of manufacturing sites, human capital recruitment for development centers, and even M&A in some cases to gain an advantage in terms of scale. Because investors also ask questions about quarterly performances while silently wondering whether the company is

growing and how it will develop the capital they invested, I believe that aiming to become a major global player in the medium to long term, a strategy to expand the Company, is best.

**Nagumo** In the tire industry that I was a part of, the big three players are so dominant that other companies cannot even hope to compete in the market for passenger vehicles. The company I was at specialized in tires for agricultural machinery, a niche yet essential field. It acquired companies in places such as India and Sweden, and was able to build an unprecedented portfolio which led to its success. As Mr. Kenevan said, although ROHM cannot best its competitors in terms of scale, I believe it is important to utilize its distinguishing features and create advantages that are second to none.

**Kenevan** Precisely. Whether it be investment in manufacturing sites or M&A, there must be a clear strategy or path to victory. Fortunately, ROHM has such clarity. It is correct to focus on power devices, devices for various applications, and SiC technology. It is also important to consider how to control the supply chain, increase the appeal of products, and clearly decide what not to do. ROHM is currently in the middle of preparing investments for organic growth and M&A, and the Board of Directors bears the heavy responsibility for investment decisions. The Company is considering M&A responsibly and strategically and will tactically conduct negotiations and implement action plans to secure the human capital needed after making acquisitions, and I hope that the Board of Directors will help to promote these efforts in a disciplined manner.

## 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.

## 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 dialog 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.

ROHM Group's Corporate Governance

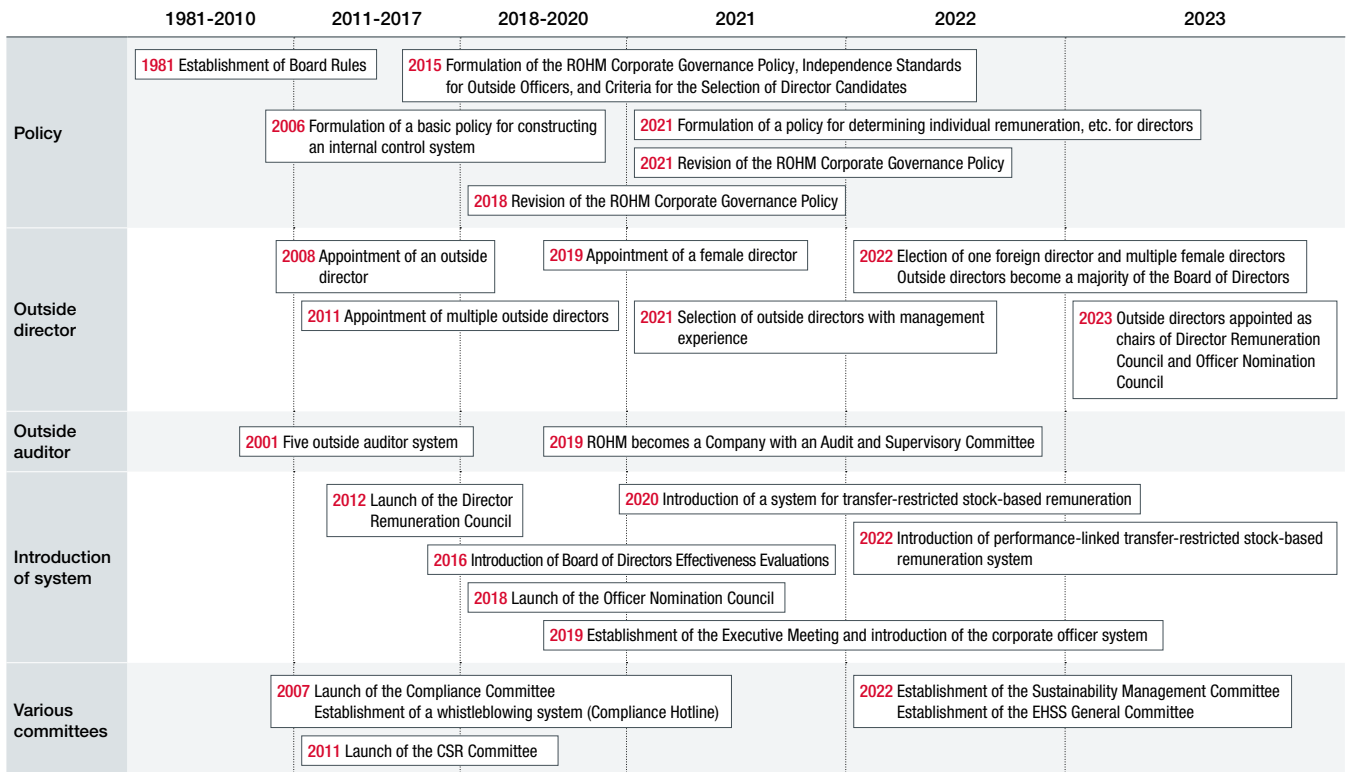
<https://csr.rohm.com/foundation/governance/about.html>

## 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. In 2019, we transitioned to a company with an Audit and Supervisory Committee, strengthened our monitoring functions via measures such as 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 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

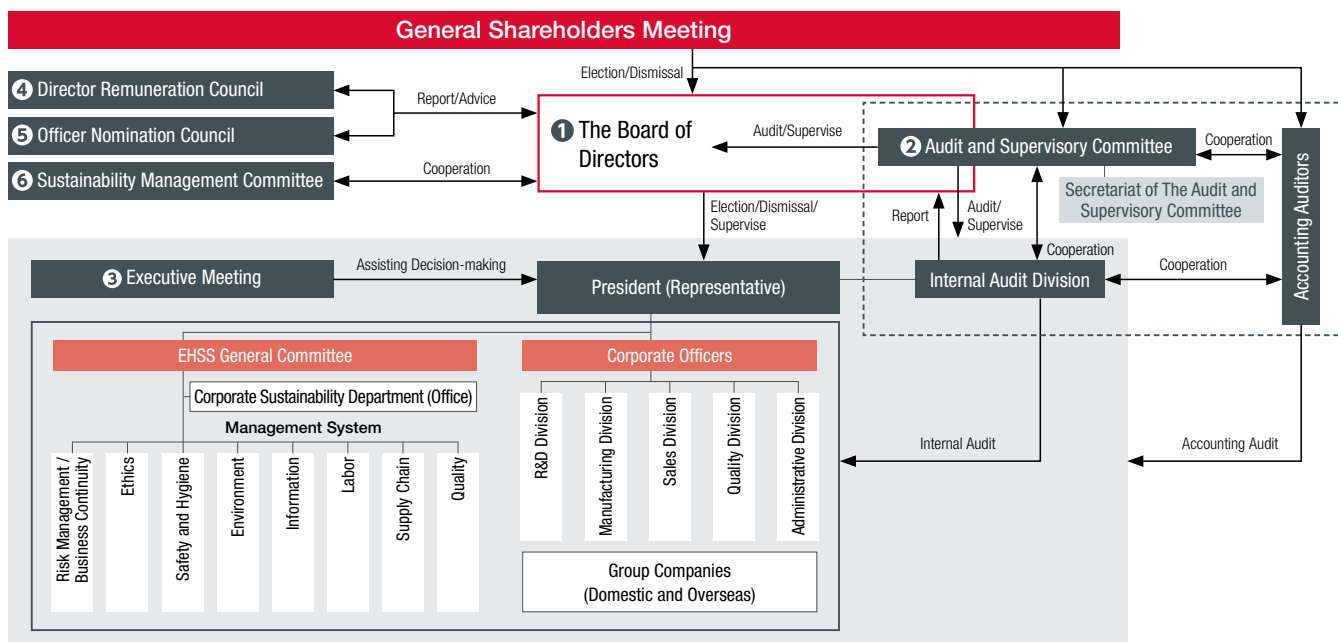


## Corporate Governance System

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

The Director Remuneration Council and Officer Nomination Council have been established as advisory bodies to the Board of Directors to increase our independence, objectivity, and transparency.

Furthermore, ROHM has established the Executive Meeting to strengthen the executive side, as a body assisting the President (Representative) in decision-making. ROHM is also working to enhance governance via efforts such as coordinating between the management side (Board of Directors and Sustainability Management Committee) and executive side (EHSS General Committee) by clarifying their roles.



### Functions and Members of Each Organization

Internal directors Outside directors Corporate officers

Organization	1 Board of Directors	2 Audit and Supervisory Committee	3 Executive Meeting
Main functions	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. It is chaired by the President (Representative).	The Audit and Supervisory Committee establishes audit policies, standards, and plans, audits the legality and appropriateness of the directors' execution of duties, and coordinates with the Internal Audit Division, an independent organization from business execution, to audit the entire Group. It consists of four members, including experts in finance, accounting, and legal affairs.	The Executive Meeting, consisting of corporate officers, deliberates important matters related to the management of the ROHM Group, such as the execution of strategies related to the business portfolio and the allocation of management resources such as investments in human capital and intellectual property. In this way, the Executive Meeting assists the President (Representative) in decision-making.
Structure	13 directors (of which 7 are outside directors)	4 Audit and Supervisory Committee members (of which 3 are outside directors)	17 corporate officers (of which 5 are directors)
Number of times held in FY2022	15 times	13 times	21 times
Organization	4 Director Remuneration Council	5 Officer Nomination Council	6 Sustainability Management Committee
Main functions	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.	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.	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 Group and coordinates with the Board of Directors to ensure appropriate decision-making.
Structure	5 directors (of which 4 are outside directors)	5 directors (of which 4 are outside directors)	5 directors (of which 1 outside director)
Number of times held in FY2022	3 times	3 times	12 times

## Role of the Board of Directors/Reasons for Selecting Directors

### Reasons for Selecting the Nine Directors Who Are Not Audit and Supervisory Committee Members and Meeting Attendance in FY2022

Name	Reasons for selection	Number of shares held (as of Mar. 31, 2022)	Meeting attendance in FY2022			
			Board of Directors	Audit and Supervisory Committee	Officer Nomination Council	Director Remuneration Council
Isao Matsumoto	Isao Matsumoto uses his abundant knowledge and experience from his time in Business Units as well as a global perspective gained from experience overseas and contributes to improving the corporate value of the ROHM Group with strong leadership as President, and was therefore deemed suitable as a Director.	6,248	15/15	-	3/3	3/3
Katsumi Azuma	Katsumi Azuma has attained an abundant knowledge and experience in quality improvement and production engineering primarily through duties in production sections of semiconductors and electronic components, and he has superior ability in controlling and promoting business strategically, and was therefore deemed suitable as a Director.	4,359	15/15	-	-	-
Kazuhide Ino	Kazuhide Ino has attained an abundant knowledge and experience through the duties in technology development sections of power devices and financial experience in corporate management. In addition, from the perspective of both axes in conjunction with business operations, he has superior ability to promote business of the ROHM Group, and was therefore deemed suitable as a Director.	2,403	15/15	-	-	-
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 the ROHM Group's business strategically as CTO (Chief Technology Officer), and was therefore deemed suitable as a Director.	2,024	15/15	-	-	-
Koji Yamamoto	Koji Yamamoto has superior ability in carrying out business in the ROHM Group's sustainability, supply chain management (SCM), and risk management areas based on an abundant knowledge and experience through the duties in development and production sections, and was therefore deemed suitable as a Director.	2,731	15/15	-	-	-
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 business execution from an independent standpoint, and to provide advice on management on a wide range of issues from an international and practical perspective, and was therefore deemed suitable as a Director.	500	15/15	-	3/3	3/3
Peter Kenevan	Peter Kenevan has extensive knowledge and abundant experience in corporate finance, mergers and acquisitions (M&As), among other fields, nurtured over the years through working for a consulting firm. He also has a proven track record serving as the Japan Business Manager of a company that operates globally. He is expected to contribute to further strengthening oversight of business execution from an independent standpoint, and to provide advice on management on a wide range of issues from an international and practical perspective, and was therefore deemed suitable as a Director.	0	12/12	-	-	-
Kuniko Muramatsu	Kuniko Muramatsu has work experience at a foreign semiconductor company. In addition, she has a wide range of knowledge and insight, nurtured through establishing and managing her own company aiming to build a foundation for a sustainable society, as well as through an extensive track record and background as an advisor in enhancing corporate ethics and promoting sustainability and diversity. She is expected to contribute to further strengthening oversight of business execution from an independent standpoint, and to provide advice on the sustainability-focused management, which is the ROHM Group's primary focus, and was therefore deemed suitable as a Director.	100	12/12	-	-	-
Fukuko Inoue	Fukuko Inoue has hands-on experience with strategic human resources at global companies and an international organization. In addition, she is a university professor who has a wide range of knowledge and insight, nurtured as an academic expert in organizational development and human resource management. She is expected to contribute to further strengthening oversight of business execution from an independent standpoint, and to provide advice on the human capital management, which is the ROHM Group's primary focus, and was therefore deemed suitable as an Outside Director. Though she has never previously engaged in company management in any way other than as an outside officer, we deemed her capable of performing duties adequately as an Outside Director for these reasons.	0	-	-	-	-

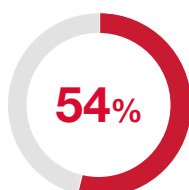
### Reasons for Selecting the Four Directors Who Are Audit and Supervisory Committee Members and Meeting Attendance in FY2022

Name	Reasons for selection	Number of shares held	Meeting attendance in FY2022			
			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 duties in 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	13/13	-	-
Keita Nakagawa	Keita Nakagawa is expected to be able to utilize 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 the person in charge of an internal audit division and the Director in charge of Compliance to coordinate with the Internal Audit Department and to strengthen audit and supervisory functions of management from an independent perspective, and is therefore deemed suitable as an outside director who is an Audit and Supervisory Committee Member.	0	-	-	-	-
Hidero Chimori	Hidero Chimori is expected to be able to utilize professional knowledge and experience, wide insight as an attorney-at-law to ensure 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.	400	15/15	13/13	3/3	3/3
Tomoyuki Ono	Tomoyuki Ono is expected to be able to utilize professional knowledge and experience, wide insight as a certified public accountant and practical experience at business companies, etc. to ensure transparency and integrity for decision-making of the Board of Directors 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. Though he has never previously engaged in company management in any way other than serving as an outside officer, we deemed him capable of performing duties adequately as an Outside Director who is an Audit and Supervisory Committee Member for these reasons.	0	-	-	-	-

## Outside Directors

### Percentage of outside directors in Board of Directors

Since June 2022, ROHM has maintained a 54% ratio of outside directors in its Board of 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.



## 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 Group 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		●	●		●	●		●
Tadanobu Nagumo	■ ■	●	●		●			
Peter Kenevan	■ ■	●	●				●	●
Kuniko Muramatsu	■ ■	●			●			
Fukuko Inoue	■ ■		●		●			
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.



## 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.

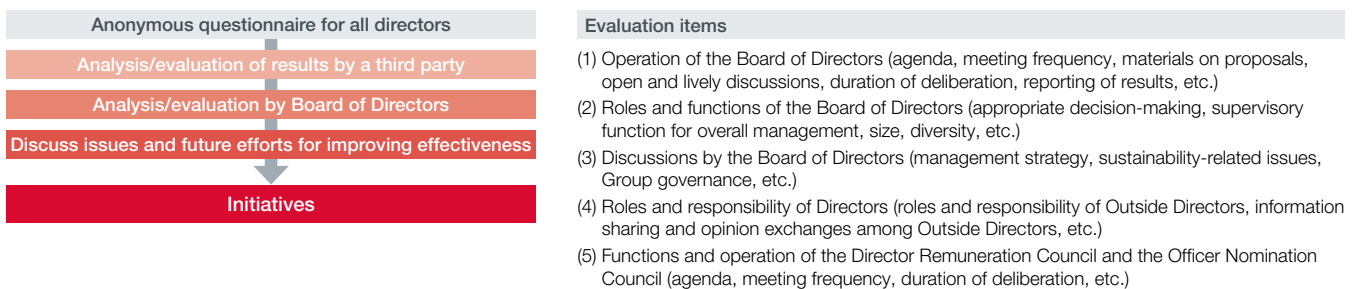
Since introducing the “Board of Directors Effectiveness Evaluations” in 2016, each director is given a questionnaire on the effectiveness of the Board of Directors every year, and the Board of Directors analyzes and evaluates its effective-

ness based on those results.

Since FY2022, we have adopted third party analysis and evaluation conducted by an external organization in order to achieve evaluation that maintains both objectivity and effectiveness.

Based on those results, the Board of Directors discusses its future efforts and strives to improve its effectiveness.

### Effectiveness Evaluation Process

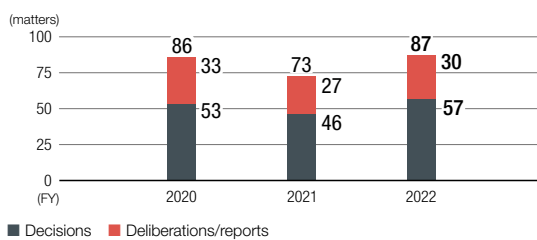


### Evaluation Results for FY2022 and Action Policy for FY2023

<b>FY2021 Evaluation Results</b>	<ul style="list-style-type: none"> <li>Based on efforts made in FY2021, the Board of Directors received generally good ratings for broadly ensuring its effectiveness.</li> <li>It may be evaluated that ROHM’s corporate governance has been improved from its previous iteration, as the supervisory function of the Board of Directors has been strengthened by the enhancement of the outside director system, discussions at Board of Directors meetings including pre-briefing sessions have been enhanced, and progress reports on the Medium-Term Management Plan, etc. are appropriately provided.</li> </ul>
<b>Efforts in FY2022</b>	<ul style="list-style-type: none"> <li>We reviewed the target values for the Medium-Term Management Plan via discussions at meetings of the Board of Directors after deliberation on the executive side.</li> <li>We secured further diversity of the Board of Directors via the appointment of one non-Japanese director and one more female director.</li> <li>We reviewed our operation method to have the discussions of the Executive Meeting and Director Remuneration Council/Officer Nomination Council shared with/reported to outside directors.</li> </ul>
<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>Challenges for FY2023</b>	<p>We recognize further room for improvement in the composition of the Board of Directors and the decision process of the Officer Nomination Council, the allocation of management resources (investment in human capital and intellectual property), and Board of Directors discussions regarding the status of dialog with investors and other topics. Therefore, we deliberated on how to focus efforts in FY2023 on improving the decision process for nominating directors and method for sharing the status of dialogue with investors and other topics.</p>

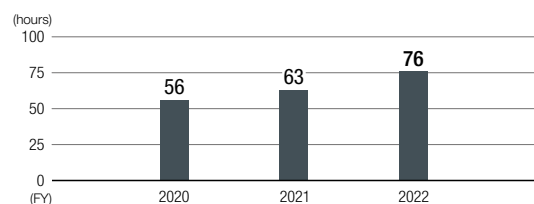
### Number of Matters and Time Allocated at Board of Directors Meetings

Number of Matters



In FY2022, matters were not only related to business strategy, such as reviewing our Medium-Term Management Plan and considering our business portfolio, and topics such as sustainability and our efforts for contributing to society increased.

Average Time per Matter



With the increased number of outside directors and directors with diverse experience and expertise, debate at Board of Directors meetings has become livelier and we have been able to secure the time required for worthwhile deliberation.

## 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.

Furthermore, the Director Remuneration Council, which consists of a majority of independent outside directors, has been established as an advisory body to the Board of Directors to increase its independence, objectivity, and transparency by discussing the remuneration system for directors and the remuneration of each director based on this system.

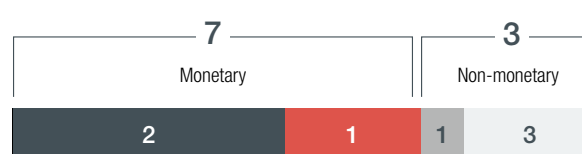
	Executive Director	Independent outside directors and non-executive directors
<b>Monetary</b>		
Fixed remuneration	Paid in cash monthly according to position and responsibilities	Paid in cash monthly
Performance-linked remuneration	Calculated according to the level of achievement of the Company's consolidated net sales and operating profit targets for the immediately preceding period	—
<b>Non-monetary remuneration (stock remuneration)</b>	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	—

### (Reference) Performance Cycle and Indicators for PSRSUs

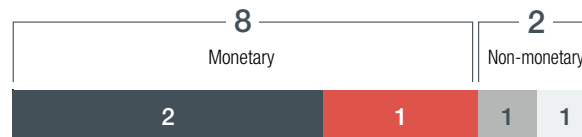
Performance cycle	From FY2022 to FY2025 (4 years)	
Performance indicators	Financial	ROE
		Greenhouse gas (GHG) emissions
	Non-financial	Diversity & inclusion (Percentage of women in managerial positions)
		ROHM Group engagement scores

### Estimated Ratio of Remuneration (if Targets Are 100% Achieved)

President (Representative)



Other executive directors



■ Fixed ■ Performance-linked ■ Fixed (RS) ■ Performance-linked (PSRSU)

Note: Because PSRSUs are paid in a lump sum after the completion of the Medium-Term Management Plan, the approximate percentage is calculated assuming that they are paid in each fiscal year.

### Total Director Remunerations in FY2022

Category	Total remunerations (million yen)	Total remunerations by type (million yen)			Number of subject officers
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (of which is for outside directors)	454 (32)	229 (32)	191 (—)	33 (—)	8 (3)
Directors who are Audit and Supervisory Committee Members (of which is for outside directors)	96 (66)	96 (66)	— (—)	— (—)	5(4)
<b>Total (of which is for outside directors)</b>	<b>550 (98)</b>	<b>325 (98)</b>	<b>191 (—)</b>	<b>33 (—)</b>	<b>13 (7)</b>

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

### Total Remuneration of Directors with Total Remuneration of 100 Million Yen or Higher

Name	Total remunerations (million yen)	Total remunerations by type (million yen)		
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration
Isao Matsumoto	126	60	56	9
Katsumi Azuma	100	48	45	7

# Members of the Board and Corporate Officers



## Directors

President, CEO (Representative)

### ① Isao Matsumoto

Apr. 1985 Joined the Company  
 Jun. 2013 Member of the Board, Director of LSI Production Headquarters  
 Sep. 2019 Member of the Board, Managing Executive Officer, in charge of Quality, Safety and Production  
 May. 2020 President (Representative), Chief Executive Officer  
 Jun. 2020 President, CEO (Representative) (current position)

Member of the Board

### ④ Tetsuo Tateishi

Jul. 2014 Joined the Company  
 Jun. 2019 Member of the Board, Director of LSI Development Headquarters  
 Sep. 2019 Member of the Board, Senior Corporate Officer, Director of LSI Development Headquarters  
 Jun. 2020 Member of the Board, CTO and Senior Director of LSI Business  
 Jan. 2021 Member of the Board, Senior Corporate Officer, CTO (current position)

Member of the Board (Outside)

### ⑦ Peter Kenevan

Jun. 1995 Admitted to California Bar  
 Sep. 1995 Joined McKinsey & Company, Inc.  
 Jun. 2000 Partner of McKinsey & Company, Inc. (Tokyo office)  
 Jun. 2012 Senior Partner of McKinsey & Company, Inc. (Tokyo office)  
 Apr. 2021 VP, Head of Japan of PayPal Pte. Ltd. (Tokyo branch) (current position)  
 Jun. 2022 Member of the Board (Outside) (current position)

Member of the Board

### ② Katsumi Azuma

Apr. 1989 Joined the Company  
 Jun. 2013 Member of the Board, Director of Discrete Production Headquarters  
 Jul. 2017 Senior Managing Director, Member of the Board, in charge of Discrete and Optical Module  
 Sep. 2019 Member of the Board, Senior Managing Executive Officer, in charge of Business and Strategy  
 Jun. 2020 Member of the Board, Senior Managing Executive Officer, COO, Senior Director of Sales  
 Jan. 2021 Member of the Board, Senior Managing Executive Officer, COO, Senior Director of Production - Quality - Sales  
 Jun. 2021 Member of the Board, Senior Managing Executive Officer, COO (current position)  
 Jun. 2023 President of ROHM Apollo Co., Ltd. (current position)

Member of the Board

### ⑤ Koji Yamamoto

Apr. 1985 Joined the Company  
 Sep. 2019 Corporate Officer, Director of LSI Production Headquarters and in charge of Development of ATP Rationalization  
 Jun. 2020 Corporate Officer, Director of Supply Chain Management Headquarters  
 Jun. 2021 Member of the Board, Senior Corporate Officer, Director of Supply Chain Management Headquarters, Director of Administrative Headquarters and in charge of Sustainability  
 Jun. 2022 Member of the Board, Senior Corporate Officer, CAO and in charge of Promoting Sustainability (current position)  
 Apr. 2023 Member of the Board, Senior Corporate Officer, CSO\* (current position)  
 \* CSO (Chief Sustainability Officer)

Member of the Board (Outside)

### ⑧ Kuniko Muramatsu

Oct. 1983 Joined Texas Instruments Japan Limited  
 Nov. 2003 Head of Corporate Ethics Office and Officer in charge of Diversity Promotion of Texas Instruments Japan Limited  
 Oct. 2009 Chief Researcher of Business Ethics Research Center  
 Jan. 2010 Representative Director of Wellness Systems Institute Co., Ltd. (current position)  
 Apr. 2016 Representative Director of GEWEL  
 Jun. 2016 Outside Director of YOKOWO Co., Ltd. (current position)  
 Apr. 2018 Senior Researcher of Business Ethics Research Center (current position)  
 Jun. 2019 Outside Director of NEC Networks & System Integration Corporation (current position)  
 Jun. 2020 Outside Director of Kyushu Railway Company (current position)  
 Jun. 2022 Member of the Board (Outside) (current position)

Member of the Board

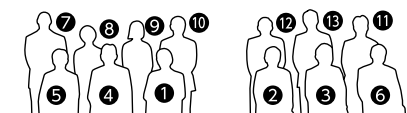
### ③ Kazuhide Ino

Apr. 1999 Joined the Company  
 Sep. 2019 Corporate Officer, Director of Power Device Production Headquarters  
 Jun. 2020 Member of the Board, CSO\* and Senior Director of Power Device Business  
 Jan. 2021 Member of the Board, Senior Corporate Officer, CSO  
 Jun. 2021 Member of the Board, Managing Executive Officer, CSO and Director of Accounting & Finance Headquarters  
 Apr. 2023 Member of the Board, Managing Executive Officer, CFO (Chief Financial Officer) (current position)  
 \* CSO (Chief Strategy Officer)

Member of the Board (Outside)

### ⑥ Tadanobu Nagumo

Apr. 1969 Joined The Yokohama Rubber Co., Ltd.  
 Jun. 1999 Director of The Yokohama Rubber Co., Ltd.  
 Jun. 2004 President and Representative Director of The Yokohama Rubber Co., Ltd.  
 Jun. 2011 Chairman and CEO and Representative Director of The Yokohama Rubber Co., Ltd.  
 Jun. 2015 Outside Director of The Zeon Corporation (current position)  
 Mar. 2016 Chairman and Representative Director of The Yokohama Rubber Co., Ltd.  
 Mar. 2019 Senior Advisor of The Yokohama Rubber Co., Ltd. (current position)  
 Jun. 2021 Member of the Board (Outside) (current position)





Member of the Board (Outside)

### 9 Fukuko Inoue

Apr. 1987 Joined UCC UESHIMA COFFEE CO., LTD.  
 Sep. 1996 Human Resources Officer, Training Officer at Budget Personnel Bureau of Human Resources Department of Asian Development Bank  
 May 2004 Human Resources Development Manager at General Affairs and Human Resources Headquarters of Vodafone Japan Co., Ltd.  
 Jun. 2006 Human Resources Manager of Tiffany & Co.  
 Sep. 2011 Executive Officer of Human Resources, General Manager of Human Resources Headquarters of SAP Japan Co., Ltd.  
 Jan. 2013 Section Chief of Human Resources Planning Division at Human Resources Department of International Atomic Energy Agency  
 Jul. 2017 Senior Human Resources Officer at Management Bureau of International Atomic Energy Agency  
 Apr. 2018 Professor at Doshisha Business School at Doshisha University (current position)  
 Jun. 2022 Outside Director of EXEDY Corporation (current position)  
 Jun. 2023 Member of the Board (Outside) (current position)

Member of the Board, Audit and Supervisory Committee Member (Full-Time)

### 10 Masahiko Yamazaki

Mar. 1982 Joined the Company  
 Jun. 2010 Member of the Board, Director of Administrative Headquarters  
 Sep. 2019 Member of the Board, Senior Corporate Officer, Director of Administrative Headquarters and CSR Headquarters  
 Apr. 2020 Member of the Board, Senior Corporate Officer, Director of Administrative Headquarters and in charge of CSR  
 Jun. 2021 Member of the Board, Audit and Supervisory Committee Member (Full Time) (current position)

Member of the Board (Outside), Audit and Supervisory Committee Member (Full-Time)

### 11 Keita Nakagawa

Apr. 1988 Joined Daiwa Bank Co., Ltd.  
 Aug. 1997 Singapore Branch of Daiwa Bank Co., Ltd.  
 Mar. 2003 Employees' Union of Resona Bank, Ltd. (Until Jul. 2004)  
 Oct. 2015 Senior Auditor at Internal Audit Department of Resona Bank, Ltd.  
 Apr. 2017 Manager at Internal Audit Department of Resona Holdings, Inc.  
 Apr. 2019 Corporate Officer in charge of Compliance Supervisory of Kansai Mirai Bank, Limited  
 Apr. 2022 Managing Director of Resona Card Co., Ltd.  
 Apr. 2023 Advisor of Resona Card Co., Ltd.  
 Jun. 2023 Member of the Board (Outside), Audit and Supervisory Committee Member (Full-Time) (current position)

Member of the Board (Outside), Audit and Supervisory Committee Member

### 12 Hidero Chimori

Apr. 1983 Attorney at law (Member of Osaka Bar Association) Joined Miyake & Partners  
 May. 2002 Managing Partner of Miyake & Partners  
 Jun. 2016 Outside Director of Kobe Steel, Ltd., Audit and Supervisory Board Member of the Company  
 May. 2019 Partner of Miyake & Partners (current position)  
 Jun. 2019 Member of the Board, Audit and Supervisory Committee Member (current position)  
 Jun. 2021 Outside Director of Oji Holdings Corporation (current position)

Member of the Board (Outside), Audit and Supervisory Committee Member

### 13 Tomoyuki Ono

Apr. 1982 Joined Sumitomo Chemical Industry Co., Ltd. (Currently Sumitomo Chemical Co., Ltd.)  
 Oct. 1989 Eiwa Audit Corporation (currently KPMG AZSA LLC)  
 Mar. 1993 Registered as CPA  
 Mar. 1994 Joined Ono Property Appraisal Office  
 Aug. 1998 Joined Asahi Audit Corporation (currently KPMG AZSA LLC)  
 Jun. 2007 Partner of KPMG AZSA LLC  
 May 2021 Chairman of the Board of Partners of KPMG AZSA LLC  
 Jul. 2022 Founded Ono Accounting Office. Chief of the Office (current position)  
 Jun. 2023 Member of the Board (Outside), Audit and Supervisory Committee Member (current position)  
 Jun. 2023 Outside Director of NITTA Corporation (current position)

## Corporate Officers (As of September, 2023)

Position	Name	Duty
Chief Executive Officer	Isao Matsumoto	CEO
Senior Managing Executive Officer	Katsumi Azuma	COO, President of ROHM Apollo Co., Ltd.
Managing Executive Officer	Kazuhide Ino	CFO
Senior Corporate Officer	Tetsuo Tateishi	CTO
Senior Corporate Officer	Koji Yamamoto	CSO
Corporate Officer	Motohiro Ando	Director of Corporate Strategy Headquarters
Corporate Officer	Tetsuo Aoki	Director of System Solutions Engineering Headquarters and in charge of Sales Management
Corporate Officer	Akio Fujikawa	Director of LSI Business Unit
Corporate Officer	Sumihiro Takashima	President of LAPIS Technology Co., Ltd.
Corporate Officer	Tsuguki Noma	Director of Power Devices Business Unit
Corporate Officer	Tsuguru Ariyama	Director of General Purpose Device Business Unit
Corporate Officer	Tetsuhiro Tanabe	Director of Module Business Unit
Corporate Officer	Syoji Higashida	Director of WP Production Headquarters
Corporate Officer	Masanori Tanimura	Director of IT Headquarters
Corporate Officer	Shinji Mikami	In charge of Japan - International Sales Headquarters
Corporate Officer	Masayuki Yagi	Director of Japan Sales Headquarters
Corporate Officer	Takashi Miki	Director of Corporate Quality Headquarters



# Eleven-Year Financial Summary

Financial Data	Fiscal year	2012	2013	2014
Net sales		292,410	331,087	362,772
ICs		140,761	154,183	169,916
Discrete Semiconductor Devices		99,373	117,746	129,047
Modules		28,253	31,648	36,083
Others		24,022	27,509	27,725
Cost of sales		213,275	227,014	235,042
Gross profit		79,134	104,073	127,729
Selling, general and administrative expenses		80,056	80,437	88,929
Operating profit (loss)		-921	23,635	38,800
ICs		-7,824	9,216	22,286
Discrete Semiconductor Devices		7,929	14,087	15,909
Modules		-599	1,442	2,086
Others		-1,833	-796	-900
Adjusted amount		1,407	-313	-581
Ordinary profit		11,786	35,915	59,218
Profit (loss) attributable to owners of parent		-52,464	32,091	45,296
EBITDA		37,958	49,195	73,267
Capital expenditures		42,817	31,754	48,739
ICs		15,051	14,246	24,031
Discrete Semiconductor Devices		14,949	12,772	15,784
Modules		1,722	1,329	4,362
Others		4,969	1,970	2,188
Adjusted amount		6,124	1,435	2,373
Depreciation		38,879	25,559	34,467
R&D expenses		37,750	36,536	39,996
Cash flow from operating activities		50,540	59,134	72,381
Cash flow from investing activities		-73,138	-21,621	-100,638
Dividends paid		4,851	3,773	8,085
Purchase of treasury shares		2	37	15
Total assets		699,014	754,407	864,380
Total liabilities		85,367	91,019	111,946
Total net assets		613,647	663,387	752,433
<b>Per Share Data</b>				
Net income (loss) per share (yen)		-486.63	297.65	420.15
Net assets per share (yen)		5,688.21	6,149.79	6,975.07
Dividend per share (yen)		30	50	130
<b>Key Indicators</b>				
Operating profit ratio (%)		-0.3	7.1	10.7
ROE (%)		-8.4	5.0	6.4
(Ratio of net income to net sales) (%)		-17.9	9.7	12.5
(Total asset turnover) (turnover)		40.7	45.6	44.8
(Financial leverage) (%)		115.2	113.9	114.4
ROA (%)		-7.3	4.4	5.6
Equity ratio (%)		87.7	87.9	87.0
Dividend payout ratio (%)		-	16.8	30.9
Total return ratio (%)		-	16.8	30.9
Year-end share price (yen)		3,415	4,605	8,230
Market capitalization (millions of yen)		368,184	496,444	887,220
Price earnings ratio (PER) (times)		-	15.5	19.6
Price book-value ratio (PBR) (times)		0.6	0.7	1.2
Dividend yield (%)		0.9	1.1	1.6
Cash conversion cycle (CCC) (months)		7.1	6.6	6.3
<b>Exchange Rate Data</b>				
Foreign exchange rate (average yen-dollar rate)		83.2	100.0	110.0



(Millions of yen)

2015	2016	2017	2018	2019	2020	2021	2022
352,397	352,010	397,106	398,989	362,885	359,888	452,124	<b>507,882</b>
164,080	161,195	183,430	183,313	170,432	168,103	203,895	<b>233,704</b>
126,436	130,036	149,915	152,861	139,038	142,389	188,093	<b>212,241</b>
36,370	39,608	41,829	40,158	33,275	29,213	32,835	<b>34,326</b>
25,510	21,169	21,930	22,655	20,139	20,181	27,299	<b>27,610</b>
230,662	234,967	252,591	254,727	251,125	242,252	289,803	<b>314,220</b>
121,734	117,042	144,515	144,262	111,759	117,635	162,320	<b>193,661</b>
88,099	85,215	87,510	88,352	82,269	79,146	90,841	<b>101,344</b>
33,635	31,827	57,004	55,909	29,489	38,488	71,479	<b>92,316</b>
7,660	9,064	20,181	15,990	12,578	15,752	32,988	<b>48,158</b>
21,504	20,916	32,193	30,054	10,407	21,053	32,774	<b>34,529</b>
4,594	1,793	3,793	5,918	3,491	2,145	4,442	<b>4,284</b>
262	1,497	2,968	4,093	1,948	1,846	5,018	<b>5,088</b>
-387	-1,444	-2,132	-146	1,063	-2,308	-3,744	<b>256</b>
36,625	35,579	54,213	64,689	35,774	40,672	82,551	<b>109,530</b>
25,686	26,432	37,249	45,441	25,632	37,002	66,827	<b>80,375</b>
71,973	72,628	100,411	101,325	73,817	78,656	113,507	<b>148,456</b>
56,686	42,182	55,911	57,291	38,941	44,114	79,985	<b>126,116</b>
20,973	16,484	25,077	17,119	8,550	16,568	30,130	<b>57,673</b>
21,991	17,704	23,148	30,407	22,001	20,460	33,789	<b>57,061</b>
4,695	2,709	1,185	1,979	1,922	2,893	1,793	<b>2,054</b>
1,315	1,925	4,407	4,694	2,735	1,079	4,237	<b>3,077</b>
7,709	3,358	2,091	3,089	3,731	3,111	10,034	<b>6,249</b>
38,338	40,801	43,407	45,415	44,328	40,167	42,027	<b>56,140</b>
40,868	37,277	38,852	39,578	33,384	31,537	36,126	<b>42,560</b>
78,901	67,397	74,727	65,990	79,130	45,975	92,181	<b>98,628</b>
-22,436	-38,742	-54,517	-53,997	-8,676	-40,844	-55,437	<b>-88,738</b>
16,038	12,164	21,154	20,625	15,675	14,822	14,721	<b>20,610</b>
17,006	6	10	10,003	41,295	8,715	9	<b>6</b>
804,134	834,503	870,034	874,427	848,873	926,240	1,029,132	<b>1,123,283</b>
97,883	109,051	118,156	107,673	133,393	156,750	188,778	<b>207,817</b>
706,251	725,452	751,877	766,754	715,479	769,490	840,353	<b>915,465</b>
241.91	249.87	352.14	431.29	247.66	376.24	680.62	<b>818.65</b>
6,672.33	6,854.01	7,104.04	7,332.04	7,185.83	7,835.49	8,557.15	<b>9,321.95</b>
130	130	240	150	150	150	185	<b>200</b>
9.5	9.0	14.4	14.0	8.1	10.7	15.8	<b>18.2</b>
3.5	3.7	5.0	6.0	3.5	5.0	8.3	<b>9.2</b>
7.3	7.5	9.4	11.4	7.1	10.3	14.8	<b>15.8</b>
42.2	43.0	46.6	45.7	42.1	40.5	46.2	<b>47.2</b>
114.5	114.5	115.5	114.9	116.3	119.6	121.5	<b>122.7</b>
3.1	3.2	4.4	5.2	3.0	4.2	6.8	<b>7.5</b>
87.8	86.9	86.4	87.6	84.2	83.0	81.6	<b>81.4</b>
53.7	52.0	68.2	34.8	60.6	39.9	27.2	<b>24.4</b>
119.7	52.0	68.2	56.7	220.8	63.3	27.2	<b>24.4</b>
4,740	7,400	10,130	6,900	5,930	10,810	9,590	<b>10,970</b>
501,379	782,736	1,071,492	721,095	590,006	1,060,843	941,146	<b>1,076,625</b>
19.6	29.6	28.8	16.0	23.9	28.7	14.1	<b>13.4</b>
0.7	1.1	1.4	0.9	0.8	1.4	1.1	<b>1.2</b>
2.7	1.8	2.4	2.2	2.5	1.4	1.9	<b>1.8</b>
6.4	6.1	6.1	7.1	7.6	8.0	7.7	<b>8.4</b>
120.0	109.0	110.8	110.7	109.1	106.2	112.9	<b>135.0</b>

# Primary ESG Data

Environment		Scope	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>GHG Emissions</b>								
SCOPE1	CO <sub>2</sub> Emissions from fuel combustion	Consolidated	t-CO <sub>2</sub>	40,472	32,739	33,206	38,934	<b>39,513</b>
	PFC	Consolidated	GWP-t	110,997	96,813	96,773	125,246	<b>134,198</b>
SCOPE2		Consolidated	t-CO <sub>2</sub>	840,162	787,392	769,234	780,811	<b>601,299</b>
SCOPE3		Consolidated	t-CO <sub>2</sub>	6,885,050	6,021,451	6,170,646	8,361,894	<b>8,146,551</b>
Total		Consolidated	t-CO <sub>2</sub>	7,876,680	6,938,394	7,069,858	9,306,884	<b>8,921,562</b>
<b>Energy Consumption</b>								
Total non-renewable energy consumption		Consolidated	MWh	1,666,190	1,575,306	1,542,587	1,591,954	<b>1,354,501</b>
Total renewable energy consumption		Consolidated	MWh	426	30,979	70,458	116,336	<b>398,211</b>
<b>Water Usage</b>								
Total municipal water supplies (or from other water utilities) (a)		Consolidated	1,000m <sup>3</sup>	1,388	5,448	6,016	6,546	<b>6,449</b>
Fresh surface water (lakes, rivers, etc.) (b)		Consolidated	1,000m <sup>3</sup>	4,713	724	727	823	<b>875</b>
Fresh groundwater (c)		Consolidated	1,000m <sup>3</sup>	5,193	5,068	4,367	4,441	<b>4,438</b>
Total net fresh water consumption [(a)+(b)+(c)-(d)]		Consolidated	1,000m <sup>3</sup>	3,958	2,792	2,805	2,824	<b>2,789</b>
<b>Water Discharge</b>								
Total (d)		Consolidated	1,000m <sup>3</sup>	7,336	8,448	8,305	8,986	<b>8,973</b>
Freshwater surface water intake		Consolidated	1,000m <sup>3</sup>	-	3,142	3,282	3,575	<b>3,525</b>
Wastewater discharged into rivers and lakes		Consolidated	1,000m <sup>3</sup>	-	5,305	5,023	5,412	<b>5,448</b>
<b>Total Pure Water Consumption</b>								
Ultra-pure water usage		Consolidated	1,000m <sup>3</sup>	-	5,105	5,003	5,492	<b>5,364</b>
<b>Waste</b>								
Total waste disposed		Consolidated	t	15,382	14,076	13,775	17,175	<b>16,720</b>
Waste landfilled		Consolidated	t	634	571	432	362	<b>326</b>
Waste recycled		Consolidated	t	14,748	13,505	13,343	16,813	<b>16,394</b>
Rate of waste recycled		Consolidated	%	95.9	95.9	96.9	97.9	<b>98.1</b>
<b>Hazardous Waste (Specifically Controlled Industrial Waste in Japan)</b>								
Total waste disposed		Consolidated	t	3,794	3,177	3,432	4,570	<b>4,447</b>
Waste landfilled		Consolidated	t	2	3	2	2	<b>2</b>
Waste recycled		Consolidated	t	3,792	3,174	3,430	4,568	<b>4,445</b>
Rate of waste recycled		Consolidated	%	99.9	99.9	99.9	99.9	<b>99.9</b>
<b>Chemicals</b>								
VOC		Consolidated	t	125	125	127	138	<b>136</b>
NO <sub>x</sub>		Consolidated	t	50	20	18	22	<b>25</b>
SO <sub>x</sub>		Consolidated	t	56	16	14	7	<b>10</b>

Social		Scope	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Employee Demographics</b>								
Consolidated	Male	Consolidated	Person	-	-	15,950	16,727	<b>17,125</b>
	Female	Consolidated	Person	-	-	6,420	6,674	<b>6,629</b>
	Total	Consolidated	Person	-	-	22,370	23,401	<b>23,754</b>
	Percentage of women	Consolidated	%	-	-	28.7	28.5	<b>27.9</b>
Engineers (STEM-related positions)	Male	Non-consolidated	Person	-	-	-	2,145	<b>2,144</b>
	Female	Non-consolidated	Person	-	-	-	139	<b>124</b>
	Percentage of women	Non-consolidated	%	-	-	-	6.1	<b>5.5</b>
Consolidated (by area)	Japan	Consolidated	Person	-	5,427	5,844	6,015	<b>6,262</b>
	Asia	Consolidated	Person	-	15,592	15,988	16,816	<b>16,846</b>
	America	Consolidated	Person	-	196	176	185	<b>183</b>
	Europe	Consolidated	Person	-	372	362	385	<b>463</b>
	Number of consolidated foreign employees	Consolidated	Person	17,003	16,365	16,402	17,242	<b>17,354</b>
<b>Management Demographics</b>								
Total number of employees in management positions (including junior, middle and senior classes)	Male	Consolidated	Person	1,619	1,454	1,608	1,089	<b>1,134</b>
	Female	Consolidated	Person	173	187	186	131	<b>163</b>
	Total	Consolidated	Person	1,792	1,641	1,794	1,220	<b>1,297</b>
	Percentage of women	Consolidated	%	9.7	11.4	10.4	10.7	<b>12.6</b>

Average Years of Service		Scope	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Average years of service	Male	Non-consolidated	Years	15.3	15.7	15.7	15.9	15.7
	Female	Non-consolidated	Years	12.3	10.0	10.9	11.4	11.8
	Total	Non-consolidated	Years	14.5	15.0	14.7	14.9	14.9
<b>Recruitment</b>								
Number of new employees (total)		Non-consolidated	Person	160	186	130	207	269
Number of new graduates employed	Total	Non-consolidated	Person	144	172	111	131	180
	Male	Non-consolidated	Person	106	111	83	95	137
	Female	Non-consolidated	Person	38	61	28	36	43
Number of mid-career hires	Total	Non-consolidated	Person	16	14	19	76	89
	Male	Non-consolidated	Person	14	12	18	69	81
	Female	Non-consolidated	Person	2	2	1	7	8
Percentage of mid-career hires		Non-consolidated	%	10.0	7.5	14.6	36.7	33.1
<b>Age Groups</b>								
Percentage of employees by age group	Under 30 years old	Consolidated	%	-	-	27.7	28.4	31.4
	31-50 years old	Consolidated	%	-	-	62.3	60.9	56.9
	51 years old or older	Consolidated	%	-	-	10.0	10.7	11.7
Average age (consolidated)	Male	Consolidated	Age	-	-	36.8	37.4	37.9
	Female	Consolidated	Age	-	-	33.9	34.2	35.0
	Total	Consolidated	Age	-	-	36.0	36.5	37.1
<b>People with Disabilities</b>								
Percentage of employees with disabilities		Consolidated (Japan)	%	2.24	2.31	2.38	2.43	2.29
<b>Uptake of Available Systems</b>								
Percentage of annual paid leave taken		Non-consolidated	%	75.2	81.9	63.3	72.9	80.1
Number of employees using the parental leave system	Male	Non-consolidated	Person	6	8	17	35	48
	Female	Non-consolidated	Person	56	62	48	52	47
	Total	Non-consolidated	Person	62	70	65	87	95
Acquisition rate of childcare leave	Male	Non-consolidated	%	-	6.4	15.4	30.2	42.9
	Female	Non-consolidated	%	100	100	100	100	100
Return to work rate for childcare leave		Non-consolidated	%	97.7	89.8	91.7	96.6	97.8
<b>Human Capital Development</b>								
Average annual educational development hours per capital		Non-consolidated	Hours	-	-	-	12.7	13.2
Average annual educational development cost per capital		Non-consolidated	Yen	-	-	-	23,000	40,118
Average annual educational development hours per capital		Consolidated	Hours	-	-	-	-	-
Average annual educational development cost per capital		Consolidated	Yen	-	-	-	-	12,471
<b>Accidents and Diseases</b>								
Number of occupational accidents	Non-consolidated	Cases	4	1	3	0	0	0
	Consolidated	Cases	7	1	5	6	2	2
	Contracting companies (Consolidated)	Cases	1	1	1	2	0	0
Number of lost time injuries	Non-consolidated	Cases	2	0	0	0	0	0
	Consolidated	Cases	4	0	1	2	1	1
	Contracting companies (Consolidated)	Cases	1	1	1	1	0	0
Accident frequency rate		Consolidated	%	0.118	0	0.041	0.037	0.018
Accident intensity rate		Consolidated	%	0.00158	0	0.00114	0.00159	0.00021

## Governance

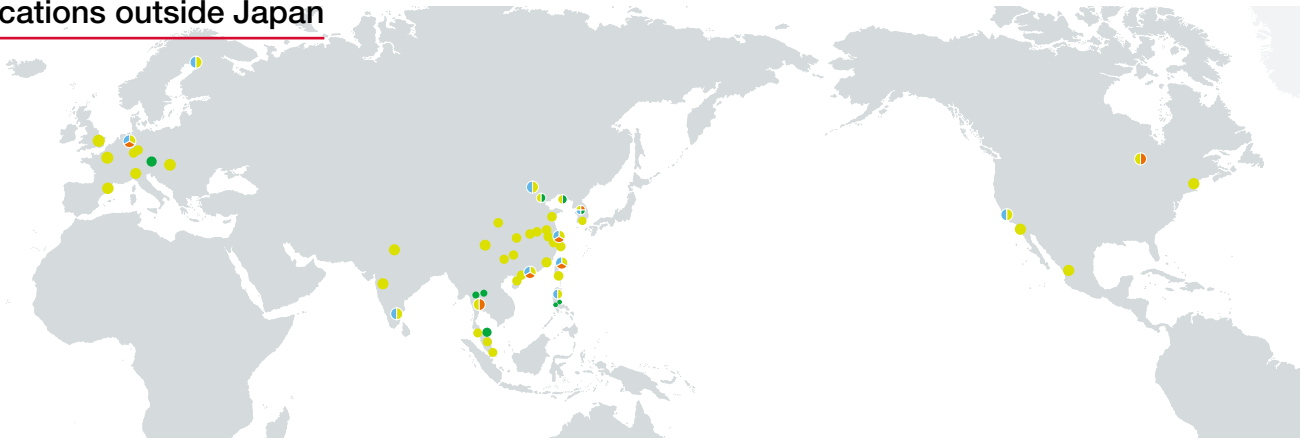
Top Management		Scope	Unit	June 2019	June 2020	June 2021	June 2022	June 2023
Directors	Total*1	Non-consolidated	Person	13	11	11	13	13
	Independent directors*1	Non-consolidated	Person	5	5	5	7	7
	Female directors*1	Non-consolidated	Person	1	1	1	2	2
	Non-Japanese directors*1	Non-consolidated	Person	0	0	0	1	1
	Senior managing directors*1	Non-consolidated	Person	0	0	0	0	0
	Part-time directors*1	Non-consolidated	Person	0	0	0	0	0
	Average age*2	Non-consolidated	Age	62.2	59.5	60.2	61.0	61.8
	Enrollment period in CEO	Non-consolidated	Years	1	0	1	2	3
Average tenure of directors*3		Non-consolidated	Years	3.9	4.2	4.0	4.2	3.8

\*1 Number of persons elected or appointed at the General Meeting of Shareholders in June each year.

\*2 Age of those who are elected or appointed at the General Meeting of Shareholders in June each year.

\*3 The term of office for newly appointed directors is counted as 0. The tenure for directors, who were formally corporate auditors and then appointed as directors (members of the Audit & Supervisory Committee) includes years in office as corporate auditors.

## Locations outside Japan



● Sales Offices ● R&D Centers ● QA Centers ● Manufacturing Sites

### Main Sales Offices

<b>ASIA</b>	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.
<b>AMERICA</b>	ROHM Semiconductor U.S.A., LLC LAPIS Semiconductor America
<b>EUROPE</b>	ROHM Semiconductor GmbH

### QA Centers

<b>ASIA</b>	Shanghai QA Center Shenzhen QA Center Taiwan QA Center Korea QA Center Thailand QA Center
<b>AMERICA</b>	Americas QA Center
<b>EUROPE</b>	Europe QA Center

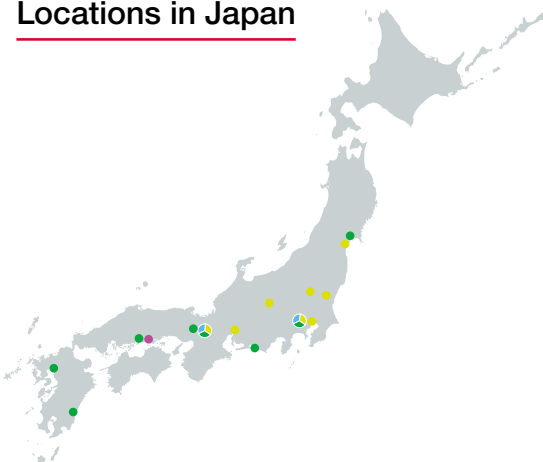
### R&D Centers

<b>ASIA</b>	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
<b>AMERICA</b>	Americas Technical Center (Santa Clara)
<b>EUROPE</b>	Europe Technical Center Finland Software Development Center

### Manufacturing Sites

<b>ASIA</b>	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.
<b>EUROPE</b>	SiCrystal GmbH

## Locations in Japan



● Sales Offices ● R&D Centers ● Manufacturing Sites ● Distribution

### Sales Offices

Kyoto	Nagoya	Tokyo
Utsunomiya	Sendai	Yokohama
Matsumoto	Takasaki	

### 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.

### R&D Centers

Kyoto Technology Center (Head Office)
Kyoto Technology Center (In front of Kyoto station)
Yokohama Technology Center
LAPIS Technology Co., Ltd.

### Distribution

ROHM Logistec Co., Ltd.
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## Correlation between Product Categories and Major Manufacturing Sites

### Product Categories

Product categories	Names of major product(s)
ICs	Analog, logic, memory
Discrete semiconductor devices	Transistors, diodes, power devices, light-emitting diodes, laser diodes
Modules	Printheads, optical modules
Others	Resistors

	Name of company	ICs	Discrete semiconductor devices	Modules	Others
Japan	ROHM Hamamatsu Co., Ltd.	●	●		
	ROHM Wako Co., Ltd.	●	●	●	
	ROHM Apollo Co., Ltd.	●	●	●	●
	ROHM Mechatech Co., Ltd.	●	●	●	●
	LAPIS Semiconductor Co., Ltd.	●	●	●	
Overseas	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.		●	●	●
	SiCrystal GmbH			●	

### On the publication of the ROHM Integrated Report 2023

ROHM began publishing Integrated Reports in FY2017, so that we could further improve awareness about our medium- to long-term growth and how we are enhancing our corporate value.

This year's Integrated Report focuses on ROHM's vision of becoming a major global player and its financial and non-financial initiatives to achieve it. In addition to introducing our strengths and responses in SiC power devices, which are increasing in demand worldwide as a measure against climate change in the special feature section, we held dialogue with outside directors on initiatives for human capital management, and expanded disclosure of supply chain initiatives in response to the formulation of our human rights policy in 2022.

This report was produced by the Investor Relations Division, which played a central role in its editing, in cooperation with related divisions. 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.

Investor Relations Division, Corporate Strategy Headquarters



# Glossary

Term	Meaning
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.
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).
ECU	Stands for engine control unit. A microcontroller that controls all the electrical auxiliary devices used to control engine operation.
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 to particular regions or customers. This position is held by an engineer who provides customers with technical support for products and various applications.
Flexible line	A production line that can manufacture various products on the same production line without human intervention.
FMEA	Stands for Failure Mode and Effects Analysis. A method for evaluating and eliminating risks associated with products and manufacturing processes at the design stage.
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.
GHG	Stands for greenhouse gas.
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 voltage control of large power.
LiDAR	Stands for light detection and ranging. A remote sensing method (using a sensor to detect from a remote location) that shines near-infrared, visible or ultraviolet light onto an object and captures the reflected light with an optical sensor to measure the distance.
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.
OSAT	Stands for outsourced semiconductor assembly and test. It refers to a manufacturer that undertakes assembly and testing, which are post-processes in the manufacturing 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.

\* ROHM's terminology

# Independent Assurance Statement

## INDEPENDENT ASSURANCE STATEMENT

To: Rohm Co., Ltd.



Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by Rohm Co., Ltd. (Rohm) to provide limited assurance over its sustainability information selected by Rohm. This Assurance Statement applies to the related information included within the scope of work described below.

### Selected information

The scope of our work was limited to assurance over the following information (the 'Selected Information'):

- 1) The following environmental data included within ROHM Group Integrated Report 2023 (the 'Report') and CSR Website (the 'Website') for the period of April 1, 2022 through March 31, 2023:
  - Greenhouse gas emissions (Scope 1 and Scope 2): CO<sub>2</sub> emissions from energy use through business operations of Rohm Group's 15 sites within Japan and 10 sites outside Japan
  - Greenhouse gas emissions (Scope 3): emissions of category 4 within the boundaries defined by Rohm
- 2) The following environmental data reported internally to Rohm Group only for the purpose of internal management for the period of April 1, 2022 through March 31, 2023:
  - Energy use through business operations of Rohm Group's 15 sites within Japan and 10 sites outside Japan

### Reporting criteria

The Selected Information included within the Report needs to be read and understood together with the reporting criteria stated in the Report.

The Selected Information included within the Website needs to be read and understood together with the reporting criteria stated in the Website.

The Selected Information reported internally to Rohm Group only for the purpose of internal management needs to be read and understood together with the internal reporting criteria defined by Rohm.

### Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Any other information within the Report, which is not listed as the 'Selected Information'.
- Any other information within the Website, which is not listed as the 'Selected Information'.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.



### Responsibilities

This preparation and presentation of the Selected Information in the Report and the Website are the sole responsibility of the management of Rohm.

Bureau Veritas was not involved in the drafting of the Report, of the Website, or of the Reporting Criteria.

Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of Rohm.

### Assessment Standard

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Effective for assurance reports dated on or after December 15, 2015) issued by the International Auditing and Assurance Standards Board.

For the greenhouse gas emissions data, we undertook verification in accordance with the requirements of ISO14064-3 (2019): Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

### Summary of work performed

As part of our independent verification, our work included:

1. Conducting interviews with relevant personnel of Rohm;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Rohm;
4. Reviewing Rohm systems for quantitative data aggregation and analysis;
5. Verification of sample of data back to source by carrying out three physical site visits and one remote audits, selected on a risk based bases at the following locations:

[Physical site visits]

- Rohm's head office
- ROHM CO., LTD. SHIGA FACTORY
- ROHM APOLLO CO., LTD. YUKUHASHI FACTORY

[Remote audits]

- ROHM Electronics Philippines, Inc.

6. Reperforming a selection of aggregation calculations of the Selected Information;
7. Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



### Verified greenhouse gas emissions

We performed our verification work on greenhouse gas emissions data in accordance with the requirements of ISO14064-3(2019).

Verified data in greenhouse gas assertion made by Rohm are as follows.

	Greenhouse gas emissions [t-CO <sub>2</sub> e]	Boundary
Scope 1	39,513	CO <sub>2</sub> emissions from energy use through business operations of Rohm Group's 15 sites within Japan and 10 sites outside Japan for the period of April 1, 2022 through March 31, 2023
Scope 2 (market-based)	601,299	
Scope 3 (Category 4)	41,856	Emissions of category 4 within the boundaries defined by Rohm for the period of April 1, 2022 through March 31, 2023

### Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria;
- It is our opinion that Rohm has established appropriate systems for the collection, aggregation and analysis of quantitative data within the scope of our work.

### Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates Quality Management System which complies with the requirements of globally recognized quality management standard, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behavior and high ethical standards in their day-to-day business activities.

Bureau Veritas Japan Co., Ltd.  
Yokohama, Japan  
July 7, 2023



## Company Information/Stock Information

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 yen (as of March 31, 2023)
Representative	President Isao Matsumoto
Sales Volume	Consolidated 507,882 million yen (fiscal year ended March 2023)
Number of Employees	Consolidated 23,754 (as of March 31, 2023)

Total Number of Shares Authorized to be Issued	300,000,000
Total Number of Shares Issued	103,000,000 (Including 4,852,394 shares of treasury stock)
Total Number of Shareholders	30,920 (as of March 31, 2023)
Listing Stock Markets	Prime 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)

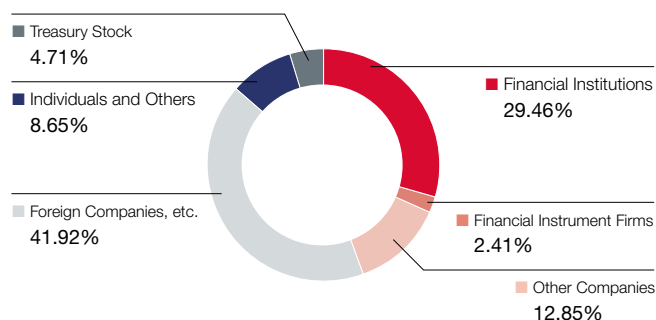
Name	Number of Shares Held (Thousands of shares)	Ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	15,532	15.82
Rohm Music Foundation	10,385	10.58
Custody Bank of Japan, Ltd. (Trust account)	7,228	7.36
The Bank of Kyoto, Ltd.	2,606	2.65
THE BANK OF NEW YORK 134088	1,517	1.54
STATE STREET BANK WEST CLIENT - TREATY 505234	1,471	1.49
JP MORGAN CHASE BANK 385781	1,205	1.22
STATE STREET BANK AND TRUST COMPANY 505103	1,052	1.07
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS - UNITED KINGDOM	932	0.95
BBH FOR FINANCIAL INVESTORS TRUST-SEAFARER OVERSEAS GROWTH AND INC FD	930	0.94

Notes 1. 4,852,394 shares of treasury stock are excluded from the list above.

2. Ownership is calculated by deducting the number of treasury stock from the total number of shares issued (98,147,606 shares).

3. The percentages of ownership are rounded to the nearest hundredth.

### Breakdown of Shareholders



For further information, please visit:  
<https://www.rohm.com/ir/stock>



# FAQ from Investors

**Question 1** You have claimed that you will seek to become a major global player at FY2030. What exactly do you mean by a major global player?

**Answer** We will further expand sales and increase our share in overseas markets, aiming to become a company that is recognized globally as a household name for power and analog products. Specifically, our goal is to become one of the world's top 10 companies in the field of power and analog semiconductors and achieve sales of 1 trillion yen. (→ P10, Message from the President)

**Question 2** You revised your investments for growth in the Medium-Term Management Plan from 500 billion yen to 600 billion yen at the financial results presentation for FY2022. What is your reasoning behind this decision?

**Answer** We have increased our investments for growth in order to further accelerate our investment in the power and analog business. In particular, we have set a goal of increasing sales of SiC power devices to more than 270 billion yen and attaining a market share of more than 30% in FY2027. In addition, since demand has been brought forward, we have revised our investment plans upward accordingly. We will efficiently utilize cash on hand by appropriately managing cash to cover the investment funds necessary for the current business growth through operating cash flow.(→ P30, Financial Strategy)

**Question 3** As companies focus on SiC power devices, how will ROHM set itself apart from peers and stay ahead of the competition?

**Answer** ROHM aims to capture the top market share based on its three strengths: (1) a stable supply of high-quality products through an IDM from materials to finished products, (2) industry-leading device performance of SiC MOSFETs, and (3) the ability to propose solutions that can also propose peripheral components such as isolated gate driver ICs. Demand for SiC power devices is increasing significantly in line with the electrification of automobiles, and we will further increase our production capacity and cost competitiveness to meet further increases in demand. (→ P36, Special Feature)

**Question 4** Your IC business' profit margins have been improving over the past few years. What initiatives specifically have resulted in this?

**Answer** Since it has become difficult to increase sales and development efficiency with only customization that fulfills individual customer requests, we are strengthening the development of high-value-added application-specific standard products (ASSPs) that meet the needs of multiple customers by deploying Product Marketing Engineers (PMEs) and identifying customer needs. In addition, we will increase the average unit price of ICs and increase profits by making ICs, for which sales growth is expected and which have high added value in a strategic top 10 field and increasing the sales composition ratio in those fields. (→ P40, Business Overview by Segment: ICs)

**Question 5** The goal of becoming a major global player can be reached not only through organic growth but also through M&A. What is ROHM's M&A policy?

**Answer** ROHM's M&A policy is to consider deals that expand its business portfolio and not acquire new businesses unrelated to existing businesses. In order to realize the vision of the Medium-Term Management Plan, we will actively consider M&A opportunities that can generate synergies over the long term. (→ P10, Message from the President)

**Question 6** What was the context behind deciding to bring in the three new outside directors?

**Answer** For some time now, there has been a common understanding that in order to increase the diversity of the Board of Directors, we should bring in management experts and people with expertise in ROHM's business areas. One outside director is engaged in practical work and has a wide range of insight into human capital management and global management. She was appointed with the expectation that we can work together to consider the future of ROHM's human capital management. As part of governance reforms, we will draw on the knowledge of the two members of the Audit and Supervisory Committee to provide advice on auditing and information management in integrated Group management. (→ P60, Dialogue on Human Capital Initiatives)



[www.rohm.com](http://www.rohm.com)

Note : This report is a translation of the 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.