

June 25, 2021



To all concerned parties

Listed company name ROHM Co., Ltd.
Company Representative Isao Matsumoto, President
(Code: 6963)
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Notice of Disposal of Treasury Shares as Restricted Stock Compensation Plan

Rohm Co., Ltd. (the "Company") hereby announces that, at the meeting of its Board of Directors held on June 25, 2021, the Directors decided to dispose treasury shares (the "Disposal of Treasury Shares" or the "Disposal") as restricted stock compensation plan, as follows:

1. Outline of the Disposal

(1)	Disposal date	July 21, 2021
(2)	Class and number of shares to be disposed	3,708 shares of common stock of the Company
(3)	Disposal price	10,240 yen per share
(4)	Total value of shares to be disposed	37,969,920 yen
(5)	Allottees and number thereof, number of shares to be disposed	Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors):5, 3,318 shares Entrustment-type Corporate Officer (excluding Directors):1, 390 shares
(6)	Others	The Company has submitted the Securities Registration Statement regarding the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purposes and Reasons of the Disposal

At the 62nd Ordinary General Meeting of Shareholders held on June 26, 2020, based on the restricted stock compensation plan for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter "Eligible Directors") which was introduced to provide an incentive to sustainably increase the Company's corporate value and to further promote shared values between the Eligible Directors and the shareholders, it was approved that the Company shall grant monetary compensation receivables not exceeding ¥100 million per year and the the total number of common stocks that the Company will issue or dispose to Eligible Directors will be 50,000 or less for the granting of restricted stock and that the transfer restriction period of the restricted stock shall be thirty years based on a decision by the Board of Directors of the Company that reflect the Director Remuneration Council's recommendations.

The Company additionally announced that, at the meeting of its Board of Directors held on December 4,

resolved to introduce a restricted stock compensation plan to the Entrustment-type Corporate Officer (excluding Director, hereinafter “Eligible Corporate Officer”).

The Eligible Directors, etc. pay all the monetary compensation claim they received from the company or the company’s subsidiaries in the form of properties contributed in kind based on this system, and common stocks of the company are issued or disposed of. The payment amount for each stock will be decided by the board of directors within the range of amount that will not especially benefit the Eligible Directors, etc., who will be subscribing for the common stocks, and based on the closing price of the company’s common stock on the Tokyo Stock Exchange on the previous business day of the board of directors meeting (in case of no trade on the day, closing price of the nearest trading day prior to the concerned day will be considered).

Also, the Restricted Stock Allocation Agreement will be made between the company and the Eligible Directors, etc. for issuance or disposal of the company’s common stocks in the system, which will include clauses such as (1) the Eligible Directors, etc. cannot transfer, establish security interests, etc., for the company’s common stocks for a fixed period of time as stated in the Restricted Stock Allocation Agreement, and (2) the company may acquire the concerned common stock for free under certain circumstances.

This time, the company allotted a total of 37,969,920 yen of monetary compensation claim (hereinafter referred to as “the monetary compensation claim”) and 3,708 common stocks in order to improve the motivation level of the Eligible Directors, etc. by taking into account the system’s objective, business conditions of the company, range of responsibilities of target the Eligible Directors, etc. and various other circumstances. Also, the transfer-restricted period is set at 30 years this time in order to realize the sharing of shareholder value in the long term, which is the objective of the system.

As for the issuance of the new stocks, the Eligible Directors, etc., to whom the stocks will be allocated, will pay all the monetary compensation claim to the company or the company’s subsidiaries in the form of properties contributed in kind, and be issued the company’s common stocks (hereinafter referred to as “the allocated stocks”) based on the system.

The outline of the Restricted Stock Allocation Agreement (hereinafter referred to as “the allocation agreement”) between the company and the Eligible Directors, etc. is as follows.

3. Outline of the allocation agreement

(1) Transfer restricted period

From July 21, 2021 to July 21, 2051

(2) Condition for cancelling the restriction of transfer

The restriction of transfer of all of the allocated stocks will be canceled at the time of expiration of the transfer restricted period, given that the target directors, etc. continue to be in the position of director or corporate officer (excluding director) of the company throughout the transfer-restricted period.

(3) Treatment of resignation of the target the Eligible Directors, etc. due to expiration of term of office or other legitimate reasons during the transfer-restricted period

① Cancellation period of the restriction of transfer

In case of resignation of the target the Eligible Directors, etc. from their positions of the company’s directors due to expiration of term of office or other legitimate reasons, the restriction of transfer will be cancelled right after their resignation.

② The number of restricted stocks to be cancelled

The number of the allocated stocks (any fractions of less than 1 stock resulting shall be rounded down) held at the time of resignation as stated under ① multiplied by the number of months took place to the month including the day of approval of the concerned matter, divided by 12 (the number is considered 1 if it exceeds 1) will be cancelled.

(4) Free acquisition by the company

The company will rightfully acquire the allocated stocks for which the restriction of transfer has not been cancelled at the time of expiration of the restricted period or cancellation of the restriction of transfer as stated

under (3), for free.

(5) Management of stock

In order to prevent the Eligible Directors, etc. from transferring, creating a security interest on, or otherwise disposing of Allotted Stock during the transfer restriction period, the Allotted Stock shall be managed in dedicated accounts opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd. The Company and the Eligible Directors, etc. has concluded an agreement with Nomura Securities Co., Ltd. for the management of accounts of the Allotted Stock possessed by the Eligible Directors, etc. in order to secure the effectiveness of the transfer restriction, etc., pertaining to the Allotted Stock. In addition, the Eligible Person have agreed to the method of management of this account.

(6) Treatment during reorganization, etc.

In case the matters related to reorganization, merger agreement in which the company becomes extinct, share exchange agreement where the company becomes a wholly owned subsidiary, share transfer plan, etc. are approved at the general meeting of shareholders of the company (or the board of directors meeting, in case the approval is not required in the general meeting of shareholders regarding the concerned reorganization, etc.) during the restricted period, the restriction related to the number of allocated stocks (any fractions of less than 1 stock resulting shall be rounded down) held at the concerned point of time multiplied by the number of months took place to the month including the day of approval of the concerned matter divided by 12 (the number is considered 1 if it exceeds 1) will be cancelled right before the previous business day of the effective date of reorganization, etc., based on the resolution of the board of directors. Also, the company will rightfully acquire all the allocated stocks, for which the restriction of transfer has not been cancelled, right after the cancellation of the above restriction of transfer for free.

4. Basis of Calculation and Specific Details for the Payment Amount

The Disposal of Treasury Shares to the Eligible Directors, etc. shall be made by way of in-kind contribution of the monetary compensation receivables granted as restricted stock compensation under the Plan for the Company's 64th fiscal year. To avoid disposing the shares based on arbitrary decisions on price, the disposal price of the shares shall be the closing price of the Company's common stocks on the Tokyo Stock Exchange of ¥10,240 on June 24, 2021 (the business day immediately preceding the date of the resolution by the Board of Directors). As the price is the market price of the day immediately preceding the date of resolution of the Board of Directors, the Company believes that it is reasonable and the disposal price is not an especially favorable price.

5. Partial revision of restricted stock compensation allotment agreement for July 22, 2020.

As the Company announced "Notice of Disposal of Treasury Shares as Restricted Stock Compensation Plan" on June 26, 2020, the Company and Eligible Directors, etc. concluded the restricted stock allotment agreement (hereinafter "Allotment Agreement for Directors"), implemented treasury stock disposal on July 22, 2020.

Due to the additional introduction of a restricted compensation plan to the Entrustment-type Corporate Officer (excluding Director), the condition for cancelling the restriction of transfer for Allotment Agreement for Directors and Entrustment-type Corporate Officer have been unified therefore the terms for Allotment Agreement for Directors have been revised as follows:

(Before change)

(2) Condition for cancelling the restriction of transfer

The restriction of transfer of all of the allocated stocks will be canceled at the time of expiration of the transfer restricted period, given that the Eligible Directors continue to be in the position of Director of the company throughout the transfer-restricted period.

(3) Treatment of resignation of the Eligible Directors due to expiration of term of office or other legitimate reasons during the transfer-restricted period

- ① Cancellation period of the restriction of transfer

In case of resignation of the Eligible Directors from their positions due to expiration of term of office or other legitimate reasons, the restriction of transfer will be cancelled right after their resignation.

② The number of restricted stocks to be cancelled

The number of the allocated stocks (any fractions of less than 1 stock resulting shall be rounded down) held at the time of resignation as stated under ① multiplied by the number of months took place to the month including the day of approval of the concerned matter, divided by 12 (the number is considered 1 if it exceeds 1) will be cancelled.

(After change)

(2) Condition for cancelling the restriction of transfer

The restriction of transfer of all of the allocated stocks will be canceled at the time of expiration of the transfer restricted period, given that the Eligible Directors and Entrustment-type Corporate Officer (excluding Director) continue to be in the position of director or corporate officer (excluding director) of the company throughout the transfer-restricted period.

(3) Treatment of resignation of the Eligible Directors and Entrustment-type Corporate Officer (excluding Director) due to expiration of term of office or other legitimate reasons during the transfer-restricted period

① Cancellation period of the restriction of transfer

In case of resignation of the Eligible Directors and Entrustment-type Corporate Officer (excluding Director) from their positions of the company's directors due to expiration of term of office or other legitimate reasons, the restriction of transfer will be cancelled right after their resignation.

② The number of restricted stocks to be cancelled

The number of the allocated stocks (any fractions of less than 1 stock resulting shall be rounded down) held at the time of resignation as stated under ① multiplied by the number of months took place to the month including the day of approval of the concerned matter, divided by 12 (the number is considered 1 if it exceeds 1) will be cancelled.

Note: This report is a translation of the press release of the Company prepared in accordance with the provisions set forth in the Securities and Exchange Law and its related accounting regulations. The original version of this press release is written in Japanese. In the event of any discrepancies in words, accounts, figures or the like between this press release and the original, the original Japanese version shall govern.