



June 27, 2023

To all concerned parties

Company name: ROHM Co., Ltd.
Company representative: Isao Matsumoto, President CEO
(Code: 6963, TSE Prime Market)
Contact: Hidenari Nagayoshi,
General Manager, IR Div.
(Tel: 075-311-2121)

Notice of Disposal of Treasury Shares as Restricted Stock Compensation Plan

ROHM Co., Ltd. (hereinafter “Company”) hereby announces that the Board of Directors has decided to dispose treasury shares (hereinafter “disposal of treasury shares” or “disposal”). The details are as follows.

1. Outline of Disposal

(1) Disposal date	July 21, 2023
(2) Class and number of shares to be disposed	3,488 shares of common stock of the Company
(3) Disposal price	13,165 yen per share
(4) Total value of shares to be disposed	45,919,520 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, 2,579 shares Delegated Corporate Officer (excluding Directors): 3, 909 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 disposal

At the Board of Directors meeting held on May 11, 2020 and the 62nd Ordinary General Meeting of Shareholders held on June 26, 2020, it was decided that a Restricted Stock Compensation Plan (hereinafter “Plan”) will be introduced for the Company’s Directors excluding those who are Audit and Supervisory Committee Members or Outside Directors (hereinafter “Eligible Directors”) to provide a long-term incentive and share shareholder value. Based on the Plan, approval was given for the Company to grant monetary compensation receivables as monetary compensation for capital assets of restricted stock acquisition (hereinafter “restricted stock compensation”) to Eligible Directors within 100 million yen per year, issue or dispose a total of 50,000 or less common stocks per year, and the transfer restriction period of the restricted stock to be 30 years.

At the Board of Directors meeting held on December 4, 2020, the Company decided to introduce the Plan to Delegated Corporate Officers who do not concurrently serve as Directors (hereinafter “Eligible Directors, etc.” including abovementioned Eligible Directors).

The details of the Plan are as follows.

[Details of Plan]

The Eligible Directors, etc. will pay all monetary compensation receivables they received from the Company or the Company's subsidiaries in the form of properties contributed in kind based on this Plan, and common stocks of the Company will be 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, 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 (if there are no trades on the day, the closing price of the nearest trading day prior to the concerned day will be considered).

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 under the Plan, 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 allocated a total of 45,919,520 yen of monetary compensation receivables (hereinafter "monetary compensation receivables") and 3,488 common stocks to further motivate the Eligible Directors, etc. by taking into account the Plan's objective, business conditions of the Company, range of responsibilities of the Eligible Directors, etc. and various other circumstances. The transfer restriction period is set at 30 years to realize the sharing of shareholder value in the long term, which is the objective of the Plan.

As for the disposal of treasury shares, the 8 Eligible Directors, etc. to whom the stocks will be allocated, will pay all the monetary compensation receivables to the Company or the Company's subsidiaries in the form of properties contributed in kind, and the Company's common stocks (hereinafter "allocated stocks") will be disposed based on the Plan.

The outline of the Restricted Stock Allocation Agreement (hereinafter "Allocation Agreement") between the Company and the Eligible Directors, etc. is as follows.

3. Outline of Allocation Agreement

(1) Transfer restriction period

July 21, 2023 (hereinafter "disposal date") to July 21, 2053

(2) Condition for cancelling transfer restriction

Transfer restriction of all allocated stocks will be cancelled at the time of expiration of the transfer restriction period, under the condition that the Eligible Directors, etc. continue to be in the position of Directors or Corporate Officers who do not concurrently serve as Directors of the Company throughout the transfer restriction period.

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

1) Cancellation timing of transfer restriction

If the Eligible Directors, etc. retire from their positions as the Company's Directors or Corporate Officers who do not concurrently serve as Directors due to expiration of term of office or other legitimate reasons, the transfer restriction will be cancelled immediately after their resignation.

2) Number of restricted stocks to be cancelled

The number of allocated stocks held at the time of resignation as stated under 1) multiplied by the number of months took place from the month including the disposal date (or the first month of the business year in which the disposal date belongs, if the allottee is a Delegated Corporate Officer who does not concurrently serve as a Director of the Company) to the month including the retirement date of the Eligible Directors, etc., 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 transfer restriction has not been cancelled at the time of expiration of the restriction period or cancellation of the transfer restriction as stated under (3), for free.

(5) Management of stock

To prevent the Eligible Directors, etc. from transferring, creating a security interest on, or otherwise disposing of allocated stocks during the transfer restriction period, the allocated stocks 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 allocated stocks possessed by the Eligible Directors, etc. in order to secure the effectiveness of the transfer restriction, etc. pertaining to the allocated stocks. The Eligible Directors, etc. have agreed to the management method of the account.

(6) Treatment during reorganization, etc.

If joint venture agreements in which the Company becomes an extinct company or share exchange agreements, share transfer plans, other matters such as reorganization under which the Company becomes a wholly owned subsidiary are approved at the Company's General Meeting of Shareholders (or the Board of Directors meeting, if the approval is not required in the General Meeting of Shareholders regarding the concerned reorganization, etc.) during the restriction 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 from the month including the disposal date (or the first month of the business year in which the disposal date belongs, if the allocation target is a Delegated Corporate Officer who does not concurrently serve as a Director of the Company) to the month including the approval date of the concerned matter divided by 12 (the number is considered 1 if it exceeds 1) will be cancelled immediately before the previous business day of the effective date of reorganization, etc., based on the resolution of the Board of Directors. The Company will also rightfully acquire all the allocated stocks, for which the transfer restriction has not been cancelled, right after the cancellation of the above transfer restriction, for free.

4. Basis of calculation and specific details for payment amount

The disposal of treasury shares to the scheduled allottees 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 66th 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 13,165 yen on June 26, 2023 (the business day immediately before the resolution date by the Board of Directors). As the price is the market price of the day immediately before the resolution date by the Board of Directors, the Company considers it reasonable and not an especially favorable price.

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.