

Translation

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February 18, 2021

Dear Sirs and Madams,

Company: Roland Corporation
Representative: Jun-ichi Miki, CEO & Representative Director
(Securities Code: 7944; TSE First Section)
Contact: Naoyuki Tamura, Senior Executive Officer
(Tel. 053-523-3652)

Notice Regarding Revision to Stock Compensation Plan for Directors, etc.

Roland Corporation (the “Company”) hereby announces that at the Board of Directors Meeting held today, the Company reached a resolution to revise stock compensation plan (the “Plan” and a trust established based on a trust agreement with Resona Bank, Limited with respect to the Plan is referred to as the “Trust.”) for Directors of the Company and Corporate Executive Officers (collectively the “Directors, etc.”)

Therefore, the Company will submit a proposal regarding this revision of the Plan to the 49th Ordinary General Meeting of Shareholders to be held on March 30, 2021(the “General Meeting of Shareholders”).

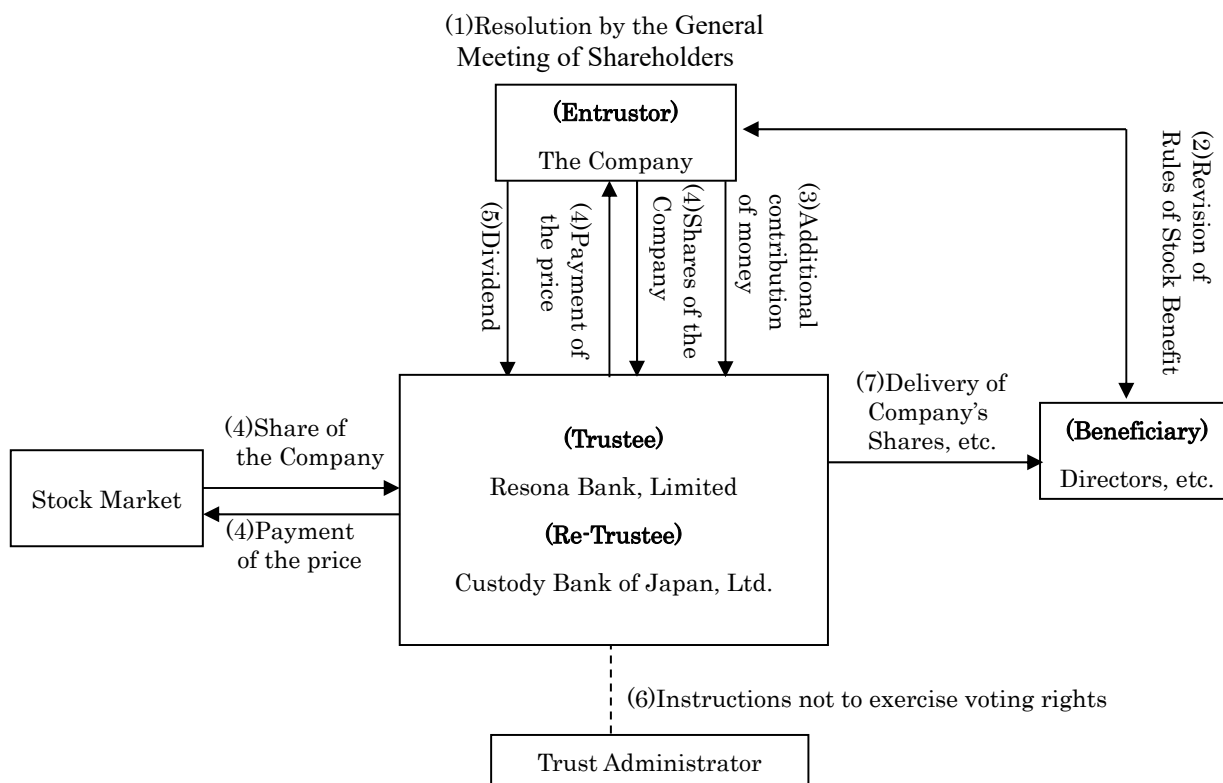
1. The Plan

- (1) The purpose of the revision to the Plan is for Directors, etc. to raise their awareness of contribution to improving the medium- to long-term performance of the Company and enhancing corporate value more than ever by clarifying linkage between compensation and other benefits for Directors, etc., and the Company’s performance and shareholder value.
- (2) The Plan has been adopted from fiscal year starting January 1, 2017 and continued, but subject to approval at the General Meeting of Shareholders, the Plan will be revised.
- (3) The Plan, like Performance Share or Restricted Stock which are adopted in Western countries, the Company’s share or money equivalent to the market value of the share of the Company(the “Company’s Shares, etc.”) are delivered and provided to the Directors, etc. according to their titles and position as well as degree of the achievement of performance target.
- (4) The Directors, etc., other than Outside Directors of the Company will receive performance-based stock compensation linked to the achievement, etc., of the performance targets set forth in the midterm business plan, etc., of the Company and Outside Directors of the Company will receive fixed stock compensation according to their titles and positions

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2. Structure of the Plan



- (1) The Company will obtain an approval for revision of the Plan at the General Meeting of Shareholders.
- (2) The Company will revise Rules of Stock Benefit with respect to the Plan.
- (3) The Company will contribute money within the limit approved by the General Meeting of Shareholders referred to (1) above.
- (4) The Trust will acquire the Company's share from the stock market or the Company (disposal of treasury shares) using money entrusted in (3) above.
- (5) Dividends on the Company's shares in the Trust will be paid in the same manner as those on other Company's shares.
- (6) The voting rights of the Company's shares in the Trust will not be exercised without exception during the trust period to ensure independence of the trust from the management.
- (7) During the trust period, certain points are awarded to the Directors, etc. according to their titles and positions as well as degree of the achievement of performance target based on Rules of Stock Benefit referred to (2) above. The Shares, etc. of the Company, based on awarded points, are delivered and provided to the Directors, etc. who meet the certain requirements for the beneficiaries specified in the Rules of Stock Benefit.

3. Details of the Plan

(1) Summary of the Plan

The period covered by the Plan shall be, in principle, the three fiscal years that correspond to the period covered by the midterm business plan formulated by the Company (the "Covered Period"), and the Shares, etc. will be delivered and provided according to their titles and positions and the degree of the achievement of performance targets in each fiscal year during the Covered Period. However, as the remaining period of the current midterm business plan lasts from the fiscal year ending on December 31, 2021 until the fiscal year ending on December 31, 2022, the initial Covered Period after the revision of the Plan shall be the said two fiscal years (the "Initial Covered Period").

The Directors, etc., other than Outside Directors of the Company will receive performance-based stock compensation linked to the achievement, etc., of the performance targets set forth in the midterm business plan, etc., of the Company and Outside Directors of the Company will receive fixed stock compensation according to their titles and positions.

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(2) Procedure for Revision of the Plan

The Company will submit a proposition of this revision of the maximum limit of money to be contributed by the Company, the maximum total number of points to be granted to Directors, etc. (refer to (6) below), and any other necessary matters to the General Meeting of Shareholders.

Board of Director Meeting of the Company will resolve those items above within the resolution of the General Shareholders Meeting in case where the Company continues the Plan.

(3) Beneficiaries of the Plan (Beneficiary requirements)

The Directors, etc., meeting the beneficiary requirements set below will receive the delivery of the Shares, etc. of the Company corresponding to the number of granted points, after performing the beneficiary determination procedures.

- (i) The person is a Director, etc., during the Covered Period (including those who assumed office as a new Director, etc. during the Covered Period)
- (ii) The person is already retired as a Director, etc. *
- (iii) The person had not engaged in certain illegal or wrongful conduct during the term of office
- (iv) Other requirements deemed necessary for achieving purposes under the stock compensation plan

* In the case where a Director, etc., dies during the trust period, the inheritor of the Director, etc., shall, promptly after death, receive an amount of money equivalent to the market value of all the Company's shares corresponding to the number of points granted until that time, instead of receiving such shares.

(4) Trust Period

The trust period is from December 27, 2016 through the end of December 2046. (The trust period of the Trust will be extended as long as the Plan continues.)

The Plan shall terminate upon delisting of the Company's shares, abolition of the Rules of Stock Benefits, etc.

(5) Method of Calculation of the Company's Shares to be Delivered to the Directors, etc.

The number of the Company's shares (including shares subject to monetary provision) to be Delivered to the Directors, etc., is decided by the number of points granted. One share of the Company is delivered for one point and fractions of less than one point will be rounded off. However, in the case where the Company's shares in the Trust increase or decrease due to share split, allotment of shares without contribution, share consolidation, or other similar events, the Company will adjust, in accordance with the percentage of such increase or decrease, the number of the Company's shares to be delivered for each point and the maximum number of shares to be delivered as described below (6).

The number of points to be granted to Directors, etc., during the Covered Period is calculated as follows. The number of points granted upon assumption of office as Directors, etc. or changes in titles and positions during the Covered Period will be adjusted based on their terms of office and other factors.

(i) Directors, etc., excluding Outside Directors of the Company

Points are granted according to their titles and positions and the degree of the achievement of performance targets in each fiscal year during the Covered Period, and after the end of the Covered Period, points based on the degree of the achievement of performance targets in the last fiscal year of the Covered Period are added to/deducted from the accumulated number of points granted for each fiscal year.

* Performance indicators shall be performance targets (Consolidated ROIC, etc.) set forth in the midterm business plan, etc., of the Company and vary between 0% and 100% depending on the degree of the achievement of the target.

(ii) Outside Directors of the Company

Calculation is based on the accumulated number of points granted according to their titles and positions in each fiscal year during the Covered Period.

(6) Maximum Limit of Money to be Contributed to the Trust and Maximum Limit of Point to be Granted

For the Initial Covered Period, the Company will make an additional contribution of money up to a total of ¥200 million*¹ (including ¥20 million for Outside Directors). The Company will make an additional contribution of

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money up to a total of ¥300 million*¹ (including ¥30 million for Outside Directors) for each Covered Period when the Company continues the Trust.

*¹ The Company calculated the maximum amount of trust money by adding trust fees and trust expenses to stock acquisition funds, taking into account the current level of compensation for Directors, etc.

The maximum total number of points to be granted to Directors, etc., of the Company shall be 40,000 *²per fiscal year (of which, 4,000 points for Outside Directors). The maximum number of shares acquired through additional contribution during the Initial Covered Period is 80,000 (of which, 8,000 shares for Outside Directors), which is equivalent to the maximum number of points for the relevant fiscal year multiplied by two which is the number of years of the Covered Period. In addition, the maximum number of shares acquired in the case where the Trust is continued is 120,000(of which, 12,000 shares for Outside Directors), which is equivalent to the maximum number of points for the relevant fiscal year multiplied by three which is the number of years of the Covered Period. In the case where the points are adjusted as referred to the first paragraph of (5) above, the maximum number of the Company's shares to be delivered to Directors, etc., is also adjusted according to the adjustment of points.

*² This maximum number of points has been set by reference to previous share prices and other factors, taking into account the above-mentioned the maximum amount of trust money.

(Reference)

In addition to the above, the Company will contribute money to the Trust and separately manage for the purpose of acquiring shares to be delivered and provided to employment-based corporate executive officers(the "Employee Corporate Executive Officers"). For the Initial Covered Period, the Company will make an additional contribution of money up to a total of ¥20 million. The Company will make an additional contribution of money up to a total of ¥30 million for each Covered Period when the Company continues the Trust. In addition, the maximum number of shares acquired through additional contribution during the Initial Covered Period is 8,000, and the maximum number of shares acquired in the case where the Trust is continued is 12,000 for the Covered Period for Employee Corporate Executive Officers.

With respect to the Trust for the benefit of Employee Corporate Executive Officers, Board of Directors Meeting of the Company will determine the necessary items.

(7) Method of Acquiring the Share of the Company

The Trust will acquire the Company's share from the stock market or the Company (disposal of treasury shares) within the maximum limit of money contributed by the Company under (6) above. The Trust will acquire the Company's share from the stock market for the Initial Covered Period.

(8) Delivery and Provision of Shares, etc. of the Company to Directors, etc.

The Directors, etc., meeting the beneficiary requirements * set forth in the Rules of Stock Benefit will receive, in principle, the delivery of the shares of the Company, which are equivalent to 70% of the number corresponding to the number of granted points, after performing the beneficiary determination procedures. For the number of shares of the Company corresponding to the remaining number of points, an amount of money equivalent to the market value of those Company's shares will be provided, instead of the delivery of the Company's shares, from the perspective of securing cash for tax payment. The Company's shares may be sold within the Trust for providing money.

(9) Exercising Voting Rights Related to the Company's Shares under the Trust

To ensure the independence of trust from management, voting rights related to the Company's shares under the Trust shall not be exercised uniformly.

(10) Treatment of Dividends of the Company's Shares under the Trust

Dividends related to the Company's shares under the Trust will be received by the trust, and allocated to acquisition of the Company's shares and trust expenses such as trust fees.

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(11) Treatment upon the Termination of the Trust

The Trust will terminate upon delisting of the Company's shares, abolition of the Rules of Stock Benefit or in certain other cases. Of the residual assets of the Trust at the time of termination of the Trust, all the Company's shares will be acquired by the Company without consideration and cancelled by a resolution of the Board of Directors. Of the residual assets of the Trust at the time of termination of the Trust, monetary portions will be donated to public interest corporations, etc. with no interest in the Directors, etc.

(Summary of the Trust)

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|---|--|
| (1) Name of the Trust | :Share benefit trust for Directors, etc. |
| (2) Entrustor | :The Company |
| (3) Trustee | : Resona Bank, Limited
Resona Bank, Limited executes a specific comprehensive trust agreement with Custody Bank of Japan, Ltd., which will be a re-trustee. |
| (4) Beneficiary | :The Directors, etc. who meet the requirements for beneficiaries set forth in the Rules of Stock Benefit |
| (5) Trust administrator | :A third party who has no interest in the Company |
| (6) Date of execution of this trust agreement | :December 27, 2016 |
| (7) Date of execution of amendment to the trust agreement | :March 2021 (Planned) |
| (8) Trust period | : from December 27, 2016 to December 31, 2046
(Trust term will be extended as long as the Plan continues) |

4. Others

Regarding the acquisition of the Company's shares by the trust for the final fiscal year of the Covered Period after the continuation of the Plan prior to this revision (the period from January 1, 2020 to December 31, 2020), the general meeting of shareholders of the Company dated December 21, 2016 resolved that the acquisition shall be carried out through disposal of the treasury stock by the Company. However, after this revision, the Company's shares shall be acquired on the stock market. Such acquisition will be carried out within the maximum amount of contributions to the trust approved by the resolution at the said general meeting of shareholders (¥65 million), and its calculation is based on the value, etc., of the Company's shares at the time of the said general meeting of shareholders, for the purpose of acquiring shares corresponding to the points granted to the Directors, etc., of the Company during the Covered Period. Therefore, the Company considers this reasonable.

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