



Dec 17, 2020

Filing Company: Roland DG Corporation  
Representative: Kohei Tanabe, President

Listing: First Section, Tokyo Stock Exchange (Stock Code: 6789)  
Contact: Kazuhiro Ogawa, Executive Officer and President of Corporate Division  
Tel. +81-53-484-1400

## **Notice of Implementation of Early Retirement Program and Reduced Payment of Executive Compensation**

Roland DG Corporation (hereinafter, the “Company”) hereby announces the resolution of the Board of Directors’ meeting held on December 17, 2020 to call for early voluntary retirement and reduce directors’ compensation, as follows.

### **1. Reason for implementing an early retirement program**

Our profitability has gradually declined in the past years due to the maturing market and intensifying competition in our core signage market. Furthermore, our profit this fiscal year is expected to largely decline due to the slow-down in the global economy caused by the spread of COVID-19. While our operating income is expected to turn positive as a result of our emphasis on customer relationship and cost management under the pandemic, the situation remains tense. Under such environment, we believe it is critical to drastically change our cost structure and reform our business that is dependent on the sign market.

To address such issues, we are aiming to conduct a structural reform as well as a transformation of our business portfolio in the next mid-term plan (FY21~23) that is currently being developed. We will “Consolidate production location to our Thai factory” and ”Carry out an early retirement program” as part of our strategy. We will improve production efficiency by consolidating our two manufacturing locations based in Japan and Thailand to our Thai factory. Furthermore, we will carry out an early retirement program at the headquarter to optimize headcount and reduce fixed costs. In order to clarify management responsibility, we will also cut our directors’ remuneration.

Through this structural reform, we expect to regain the profitability and global competitive globally and transform into a lean and nimble organization for sustainable growth.

### **2. Summary of the call for early voluntary retirement**

- |                             |   |
|-----------------------------|---|
| (1) Eligible employees      | Employees in management and nonmanagement position, part-time employees, and all employees in manufacturing position, aged 35 years or older                            |
| (2) Number of employees     | About 150 employees   |
| (3) Period for recruitment  | February 1, 2021 to February 26, 2021   |
| (4) Retirement date         | March 31, 2021  |
| (5) Contents of the support | December 31, 2021 for employees in manufacturing position<br>Remuneration in addition to regular severance compensation and provision of re-employment support services |

### 3. Reduction of directors' compensation, etc

In order to clarify management responsibility for the call for early voluntary retirement, directors' compensation and bonuses will be reduced as follows. Directors subject to the reduction will be those who are currently in office and elected at the 40th Annual General Shareholders' Meeting to be held in March 2021.

#### (1) Reduction of directors' compensation

| Applicable individuals | Rate of reduced monthly compensation/salary | Period                   |
|------------------------|---|--------------------------|
| President              | 30%   | April 2021 to March 2022 |
| Director               | 20%   | April 2021 to March 2022 |
| Outside Director *     | 10%   | April 2021 to March 2022 |
| Executive Officer      | 10%   | April 2021 to March 2022 |

\*The above-mentioned reduction will be implemented upon receiving an offer of voluntary return of compensation from Outside Directors.

#### (2) Voluntary return of compensation of Audit & Supervisory Board Members

| Applicable individuals                    | Rate of reduced monthly compensation/salary | Period                   |
|---|---|--------------------------|
| Audit & Supervisory Board Member          | 10%   | April 2021 to March 2022 |
| External Audit & Supervisory Board Member | 10%   | April 2021 to March 2022 |

\*The above-mentioned reduction will be implemented upon receiving an offer of voluntary return of compensation from the Audit & Supervisory Board.

#### (3) Directors' bonuses

No bonuses will be paid to Directors for the fiscal year ending December 31, 2021.

### 4. Outlook for the future

The expenses of additional retirement benefit and expenses related to reemployment assistance services incurred in connection with the call for early voluntary retirement will be recorded as extraordinary losses in the fiscal year ending December 31, 2021. An expense of 1.0 billion yen is expected to be incurred in the implementation of this program, and will be included in the consolidated financial result forecasts for the fiscal year ending December 31, 2021, which is scheduled to be announced in February 2021.

Chairman Hidenori Fujioka and Director Koichi Hashimoto will resign from their positions at the conclusion of the Company's 40th Ordinary General Meeting of Shareholders in order to clarify management responsibility and to promote a flexible management structure by reducing board size.