



February 9, 2024

To Whom It May Concern

Filing Company: Roland DG Corporation
Representative: Kohei Tanabe, President, Representative Director
Listing: Prime, Tokyo Stock Exchange (Stock Code: 6789)
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Notice Regarding the Dividend of Surplus (No Dividend Payment) and the Discontinuation of the Shareholder Benefit Program

As stated in the “Notice Concerning Implementation of MBO and Recommendation to Tender” separately released today (the “Company Position Statement Press Release”), in light of the planned tender offer (the “Tender Offer”) for the common shares of the Company (the “Company Shares”) by XYZ K.K. (the “Tender Offeror”), at the meeting of the Board of Directors held today, the Company passed a resolution to not pay the year-end dividend for the fiscal year ended December 31, 2023 with a record date of December 31, 2023, and, conditional upon the successful completion of the Tender Offer, to discontinue the shareholder benefit program effective from the fiscal year ended December 31, 2023.

1. Dividend of Surplus (No Dividend Payment)

(1) Details of the dividend (no dividend payment)

	Decided Amount	Most Recent Expected Dividend (announced November 9, 2023)	Results for the Previous Fiscal Year (fiscal year ended December 31, 2022)
Record date	December 31, 2023	December 31, 2023	December 31, 2022
Dividend per share	0.00 yen	100.00 yen	80.00 yen
Total amount of dividend	—	—	1,000 million yen
Effective date	—	—	March 27, 2023
Source of dividend	—	—	Earned surplus

(2) Reasons

The basic policy of the Company is to determine a dividend after comprehensively considering future business expansion, based on the higher amount of either a dividend payout ratio of 30% or a dividend on equity (DOE) ratio of 2% or more with respect to consolidated net income. In addition to the basic policy for dividends, in the “Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 [Japanese GAAP]” released on February 10, 2023, the

Company set a target of a total return ratio of 50% while considering a flexible shareholder return policy for the fiscal year ended December 31, 2023, and it has acquired treasury shares with the aim of achieving that target. Meanwhile, as stated in the Company Position Statement Press Release, on September 1, 2023, the Company received a proposal from an operating company other than the Tender Offeror expressing its intent to acquire 100% of the Company Shares. With this proposal, in late September the Company began to specifically consider various strategic options, including delisting the Company Shares through alliances with “partners that contribute to improving the Company’s corporate value over the medium to long term” (the “Consideration”). In doing so, choosing to acquire treasury shares as a flexible shareholder return policy became difficult from the perspective of insider trading regulations.

On the other hand, as of November 9, 2023, no specific decision, etc. had been made concerning the Consideration, and it was still unconfirmed as to whether a transaction to take the Company private, including the Tender Offer, would be carried out. In light of this situation, on November 9, 2023, the Company announced an increase of its dividend for the year-ends dividend of the fiscal year ended December 31, 2023 from 80 yen to 100 yen, and aimed to achieve a total payout ratio of 50% by increasing the dividend return ratio.

Thereafter, while continuing the Consideration, the Company came to believe that the proposal by Taiyo Pacific Partners (meaning the Taiyo Pacific Partners L.P. group that operates and manages Taiyo Saturn Holdings, L.P., which holds all of the issued shares of the Tender Offeror; the same applies hereinafter) to delist the Company Shares by means of a management buyout (MBO) would contribute to achieving further growth and increase corporate value of the Company over the medium to long term. The Company decided on December 21, 2023 to conduct final discussions with Taiyo Pacific Partners between late December 2023 and early February 2024 aimed at the implementation of the Tender Offer and the subsequent series of procedures (collectively, the “Transactions”). Subsequently, as a result of careful consideration, the Company passed a resolution at the meeting of its Board of Directors held today to express its opinion to support the Tender Offer and to recommend that the Company’s shareholders tender in the Tender Offer. The aforementioned resolution of the Board of Directors was passed on the assumption that the Company Shares are planned to be delisted by the Tender Offer and the subsequent series of procedures. (Please see the Company Position Statement Press Release for details.)

Amid the background explained above, the Company received an explanation from the Tender Offeror that the price of the purchase etc. in the Tender Offer (the “Tender Offer Price”) had been comprehensively determined and decided on the assumption that the year-end dividend with a record date of December 31, 2023 would not be paid. Because the Company has come to believe that implementing the Transactions is necessary for the Company to achieve an increase in its corporate value over the medium to long term, in order to increase the probability of the successful conclusion of the Tender Offer by maximizing the Tender Offer Price, the Company passed a resolution at the meeting of its Board of Directors held today to not pay the year-end dividend for the fiscal year ended December 31, 2023, although the vesting date for the year-end dividend has already passed.

Furthermore, as the outcome of the Tender Offer will become certain around the middle of March 2024, even if the Tender Offer is not concluded, it will not be possible to consult with the ordinary general meeting of shareholders planned to be held in that month due to scheduling circumstances, so the Company will not pay a year-end dividend.

(Reference) Breakdown of Annual Dividend

Record date	Annual Dividend		
	End of second quarter	Year-end	Total
Results for this fiscal year (Fiscal year ended December 31, 2023)	55.00 yen	0.00 yen	55.00 yen
Results for the previous fiscal year (Fiscal year ended December 31, 2022)	50.00 yen	80.00 yen	130.00 yen

2. The Discontinuation of the Shareholder Benefit Program

At the meeting of the Board of Directors held today, the Company passed a resolution to discontinue the shareholder benefit program which record date is December 31 of each year, conditional upon the successful completion of the Tender Offer. Therefore, if the Tender Offer is successfully completed, the Company's shareholder benefit program will be discontinued effective from the shareholder benefits for shareholders eligible for shareholder benefits as of December 31, 2023.

End