Roland Corporation
FY2025 Financial Results & FY2026–FY2028 Mid-term Management Plan Briefing — Q&A Summary

Date and time: February 13, 2026, 13:00–14:30 JST

Speakers: Masahiro Minowa, CEO and Representative Director
Yuichi Hakamata, CFO and Executive Officer

I. FY2025 Financial Results

Q1. Please explain the year-end sales performance for FY2025.

By product category, percussion and wind instruments performed well, supported by new mid-range and home-use products launched in October. Keyboards also showed solid performance, driven by portable models and a recovery in the Chinese market.

By region, North America remained strong despite price increases due to tariffs, and in China we were able to clearly confirm that the market had bottomed out.

Q2. Have you been able to fully absorb the U.S. tariff impacts through price optimization?

They have not been fully offset by price optimization alone; however, when combined with improvements in product mix and other measures, we have been able to absorb the impact overall.

Q3. Why was the impairment loss related to Drum Workshop (DW) recognized at this point?

Although we acquired DW in October 2022 and were beginning to see a path toward profitability, responses to environmental changes—such as U.S. tariff impacts—were delayed. In addition, supplier quality issues negatively affected new product launches. As a result of these factors, we recorded an impairment loss in FY2025.

Q4. Please explain the current status of inventories, including market inventory levels.

Inventories decreased by approximately JPY 2.3 billion from the end of 2024, excluding foreign exchange effects, and are at a healthy level. Market inventories are also in a sound condition.

Q5. Memory prices appear to be rising. What impact do you expect on FY2026, and how is the procurement situation?

A certain level of price increase has already been factored into our budget. If prices rise further, we will consider countermeasures such as additional price optimization. Regarding procurement, we do not see any major concerns for FY2026 at this point, but we will continue to closely monitor developments.

Q6. In the FY2026 consolidated operating profit forecast (presentation slide p.17), the change in selling price / cost is +JPY 2.4 billion. With no additional tariffs assumed, what are the main drivers behind this increase?

Price optimization measures implemented in response to tariffs began after May 2025, and their effects will contribute for the full year in FY2026. In addition, new products will be priced with taking tariff impacts into account While not large, we also plan to implement price adjustments in line with inflation.

Q7. In the FY2026 consolidated operating profit forecast (presentation slide p.17), SG&A expenses increase by JPY 1.8 billion. Which items are related to Mid-term Management Plan initiatives?

The main factors include strengthening Roland Retail and investments in the development of game-changing products.

II. FY2026–FY2028 Mid-term Management Plan (MTP)

Q8. In the breakdown of sales growth by key strategies (MTP p.37), Direct Connect contributes +JPY 10.0 billion. What are the key components of this growth?

This includes multiple initiatives such as Connected Instruments, electronic musical instruments integrated with software and cloud services to provide new experiential value—and the expansion of direct sales channels. We are not aiming for large standalone software sales; rather, by combining hardware and software, we will strengthen differentiation, attract new customer segments, and expand sales.

Q9. In the previous MTP, increasing the ratio of new product sales was a KPI. Is this no longer a priority in the current MTP?

Since assuming the role of President in July 2024, I have recognized the importance of lifetime value (LTV). As a result, we have lowered the priority of developing simple successor models and instead prioritized initiatives such as Connected Instruments. We expect these efforts to begin contributing to sales during the current MTP period.

Q10. Within the MTP financial targets (MTP p.21), what do you see as the primary risks?

The MTP combines both top-down and bottom-up approaches. If sales grow as planned, high marginal profit ratios will enable operating leverage, leading to increased profits. In that sense, the primary risk is sales performance. However, we believe the targets are achievable by executing the strategies set out in the MTP.

Q11. Why do you expect Connected Instruments to drive sales growth?

These products enable strong differentiation and are effective in attracting new customer segments, generating additive demand rather than simple replacement. Furthermore, by providing additional features and services based on customer insights—rather than one-time hardware sales—we expect to expand lifetime value (LTV).

Q12. Regarding capital allocation (MTP p.41), what types of businesses and deal sizes are being considered for M&A?

We would consider M&A opportunities that strengthen our existing businesses; however, at this point we are not assuming any large-scale acquisitions.

(*) This document summarizes key questions asked by the participants in the meeting. Some parts have been edited to clarify the intent of our responses further.

Disclaimer

This material contains statements based on the forecast at present made by Roland Corporation. These future statements inherently contain such factors as known or unknown risks and uncertainties, and the statements could be different from our actual business results.