Annual Securities Report

For the 54th Fiscal Year
(January 1, 2025 through December 31, 2025)

Roland Corporation

1. This is an English translation of the Annual Securities Report (*Yukashoken Hokokusho*), prepared in accordance with Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan and filed through the Electronic Disclosure for Investors' NETwork (EDINET) system pursuant to Article 27-30-2 of the same Act. Please note that the translation includes a table of contents and page numbers that are not part of the original electronic filing.
2. Appended to the end of this document are English translations of the Independent Auditors' Report, which was attached to the Annual Securities Report at the time of filing via the aforementioned method, and the Internal Control Report and the Confirmation Note, which were filed concurrently with the Annual Securities Report.
3. This document is an English translation of the original Japanese version and is provided for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese version shall prevail.

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Cover

Document title	Annual Securities Report
Clause of stipulation	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
Place of filing	Director, Kanto Local Finance Bureau
Filing date	March 5, 2026
Fiscal year	The 54th fiscal year (January 1, 2025 through December 31, 2025)
Company name	Roland Kabushiki Kaisha
Company name in English	Roland Corporation
Title and name of representative	Masahiro Minowa, CEO and Representative Director
Address of registered headquarters	1-6-4 Shinmiyakoda, Hamana-ku, Hamamatsu-shi, Shizuoka (Relocated on January 6, 2026 from 2036-1 Nakagawa, Hosoe-cho, Hamana-ku, Hamamatsu-shi, Shizuoka)
Telephone number	+81-53-523-0230
Name of contact person	Yuichi Hakamata, CFO and Executive Officer
Nearest place of contact	1-6-4 Shinmiyakoda, Hamana-ku, Hamamatsu-shi, Shizuoka
Telephone number	+81-53-523-0230
Name of contact person	Yuichi Hakamata, CFO and Executive Officer
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

Section 1 Company Information

Item 1. Overview of Company

1. Key Financial Data

(1) Consolidated financial data

Fiscal year		50th	51st	52nd	53rd	54th
Year ended December 31,		2021	2022	2023	2024	2025
Net sales	(million yen)	80,032	95,840	102,445	99,433	100,952
Ordinary profit	(million yen)	10,102	10,250	11,154	8,411	9,022
Profit attributable to owners of parent	(million yen)	8,586	8,938	8,151	5,976	2,168
Comprehensive income	(million yen)	11,361	11,062	10,799	11,136	4,968
Net assets	(million yen)	28,656	33,747	40,114	46,682	41,364
Total assets	(million yen)	52,807	77,056	80,969	81,586	83,477
Net assets per share	(yen)	1,030.19	1,228.49	1,450.74	1,677.22	1,557.62
Basic earnings per share	(yen)	312.73	326.98	297.97	216.49	81.69
Diluted earnings per share	(yen)	306.26	321.96	294.33	214.76	81.54
Equity-to-asset ratio	(%)	53.7	43.4	49.2	56.8	49.2
Rate of return on equity	(%)	35.6	28.9	22.2	13.9	5.0
Price-earnings ratio	(times)	12.6	10.6	14.8	18.1	43.7
Net cash provided by operating activities	(million yen)	4,929	793	15,428	11,717	13,699
Net cash provided by (used in) investing activities	(million yen)	(803)	(11,351)	(3,576)	(1,193)	(6,439)
Net cash provided by (used in) financing activities	(million yen)	(6,071)	12,879	(8,668)	(9,658)	(7,417)
Cash and cash equivalents at end of period	(million yen)	8,781	10,506	12,883	14,478	15,876
Number of employees [separately, average number of temporary employees]	(persons)	2,730 [334]	2,783 [398]	3,044 [242]	2,957 [83]	2,897 [50]

Notes: 1. Net assets per share, basic earnings per share, and diluted earnings per share are computed using the number of shares outstanding at the end of the period and the average number of shares of common stock outstanding during the period, which are calculated by subtracting the number of treasury shares from these shares. These treasury shares include the treasury shares remaining in Board Benefit Trust, Employee Stock Ownership Plan Trust and Employee Shareholding Association-type ESOP Trust.

2. The Company has applied the *Accounting Standard for Revenue Recognition* (ASBJ Statement No. 29, March 31, 2020) from the beginning of the 51st fiscal year. Under this accounting standard, sales discounts, which were previously recognized in non-operating expense, were now directly deducted from net sales. With this change, net sales and operating profit for the 51st fiscal year and thereafter decreased, whereas ordinary profit, profit attributable to owners of parent, cash flows and other major financial data remain unaffected.
3. The increase in the number of employees and decrease in the average number of temporary employees in the 52nd fiscal year are primarily due to a change in the employment status of the Company's subsidiary in Malaysia.
4. The decreases in the average number of temporary employees in the 53rd and 54th fiscal years are primarily due to a change in the employment status of the Company's subsidiary in Malaysia.

(2) Financial data of reporting company (Non-consolidated)

Fiscal year		50th	51st	52nd	53rd	54th
Year ended December 31,		2021	2022	2023	2024	2025
Net sales	(million yen)	29,624	34,356	34,092	30,110	30,412
Ordinary profit	(million yen)	7,183	9,555	6,946	7,899	8,041
Profit	(million yen)	6,018	7,678	5,110	7,436	184
Share capital	(million yen)	9,585	9,613	9,641	9,641	9,641
Total number of issued shares	(shares)	27,970,534	28,066,786	28,163,038	28,163,038	26,580,659
Net assets	(million yen)	23,856	25,492	26,315	28,920	18,819
Total assets	(million yen)	41,445	63,914	64,691	61,418	55,266
Net assets per share	(yen)	861.81	932.24	956.47	1,044.33	713.61
Dividend per share [Of which, the amount of interim dividend paid per share]	(yen)	138 [69]	156 [78]	170 [85]	170 [85]	170 [85]
Basic earnings per share	(yen)	219.19	280.88	186.78	269.40	6.95
Diluted earnings per share	(yen)	214.65	276.56	184.50	267.24	6.94
Equity-to-asset ratio	(%)	57.3	39.7	40.6	47.0	34.1
Rate of return on equity	(%)	27.3	31.3	19.8	27.0	0.8
Price-earnings ratio	(times)	17.9	12.4	23.6	14.6	513.7
Payout ratio	(%)	64.1	56.1	92.2	63.6	2,444.7
Number of employees	(persons)	867	891	892	889	891
Total shareholder return	(%)	129.1	119.8	154.6	144.6	138.9
[Benchmark: TOPIX Total Return Index]	(%)	[112.7]	[110.0]	[141.1]	[169.9]	[213.2]
Highest share price	(yen)	6,560	4,875	5,120	5,030	4,030
Lowest share price	(yen)	3,105	3,445	3,210	3,200	2,835

Notes:
1. Net assets per share, basic earnings per share, and diluted earnings per share are computed using the number of shares outstanding at the end of the period and the average number of shares of common stock outstanding during the period, which are calculated by subtracting the number of treasury shares from these shares. These treasury shares include the treasury shares remaining in Board Benefit Trust, Employee Stock Ownership Plan Trust and Employee Shareholding Association-type ESOP Trust.
2. Payout ratio is calculated by dividing the total amount of dividends by the amount of profit.
3. The number of temporary employees is not stated as the total number of temporary employees was less than 10% of the total number of employees.
4. The fiscal year-end dividend of 85 yen per share out of the annual dividend of 170 yen per share for the 54th fiscal year is subject to be resolved at the 54th Ordinary General Meeting of Shareholders to be held on March 26, 2026.
5. The Company has applied the *Accounting Standard for Revenue Recognition* (ASBJ Statement No. 29, March 31, 2020) from the beginning of the 51st fiscal year. Key financial data remain unaffected.
6. The highest and lowest share prices on and before April 3, 2022 are quoted prices on the First Section of the Tokyo Stock Exchange and prices on and after April 4, 2022 are quoted from the Prime Market of the Tokyo Stock Exchange.

2. History

Month and year	Event
April 1972	Roland Corporation (the "Company") established in Sumiyoshi-ku (currently Suminoe-ku), Osaka-shi, Osaka, with a share capital of 33 million yen
August 1972	Sales offices opened in Tokyo and Osaka
August 1972	Rhythm machines, the first Roland-brand products, released
November 1972	Guitar amplifiers and effects released
March 1973	MEG Electronics Corporation (later BOSS Corporation), a manufacturer of effects, established in Osaka-shi, Osaka
April 1973	Synthesizer and electronic piano released
May 1976	A sales company established in Australia
April 1978	A sales company established in the U.S.
January 1981	Sales companies established in UK and Germany
March 1981	A sales company established in Denmark
May 1981	AMDEK Corporation (currently Roland DG Corporation), a supplier of effects kits and computer peripherals, established in Suminoe-ku, Osaka-shi, Osaka
November 1981	A sales company established in Canada
March 1982	A sales company established in Belgium
November 1984	A music school (currently Roland Music School) opened in Osaka-shi
February 1985	Electronic drum set released
January 1986	A sales company established in Italy
March 1986	Hosoe factory (current headquarters) completed in Inasa-gun (currently Hamamatsu-shi), Shizuoka
July 1988	A sales company established in Switzerland
December 1989	The Company listed on the Second Section of the Osaka Securities Exchange
February 1990	A sales company established in Spain
May 1990	A sales company established in Hungary
September 1990	Hamamatsu R&D Center completed
October 1991	A sales company established in Brazil
May 1993	Headquarters relocated to Dojimahama, Kita-ku, Osaka-shi
July 1997	Miyakoda factory completed in Hamamatsu-shi
October 1997	A sales company established in France
March 1998	A sales company established in Portugal
June 1998	The Company listed on the Second Section of the Tokyo Stock Exchange
September 1999	The Company listed on the first section of the Tokyo Stock Exchange and Osaka Securities Exchange
October 2000	Roland DG Corporation listed on the Second Section of the Tokyo Stock Exchange
January 2001	A sales company established in Poland
July 2001	A manufacturing company established in China
September 2001	Roland Music Studios Corporation (currently Roland Music School) established through combination of Victor Technics Music Co., Ltd. and the Company's music school
March 2002	Roland DG Corporation listed on the First Section of the Tokyo Stock Exchange
March 2003	A logistics company established in China
August 2004	Sales companies in Belgium and France combined
August 2004	Sales companies in Spain and Portugal combined
July 2005	Headquarters relocated to Hosoe-cho, Hamamatsu-shi (currently Hosoe-cho, Hamana-ku, Hamamatsu-shi)
July 2007	A sales company established in China
April 2009	A sales company established in Russia
February 2014	A holding company, owning ten European regional sales subsidiaries, established in UK
July 2014	The Company converted into a subsidiary of Tokowaka Co., Ltd. ("Tender Offeror") following the acquisition of its ordinary shares by the tender offeror
October 2014	The Company delisted from the First Section of the Tokyo Stock Exchange
November 2014	A manufacturing company established in Malaysia
January 2015	The Company, as the surviving company, merged with Tokowaka Co., Ltd.
April 2015	Roland RVS Holding Inc. (holding company of RVS) established
May 2015	A company to develop and distribute music/media production software (RVS) established in the U.S.

Month and year	Event
August 2015	Roland DG Corporation excluded from the scope of application of equity method due to sale of part of the Company's shareholdings in Roland DG
March 2016	Roland VM Corporation (holding company of V-MODA) established
May 2016	A headphone development and manufacturing company in the U.S. (V-MODA) converted into a subsidiary of Roland Corporation
April 2017	A global commercial distribution management company established in Malaysia
January 2018	Boss Corporation merged and absorbed into the Company
July 2018	A sales company established in Mexico
October 2020	A UK-based sales company and a general management company (holding company) combined
December 2020	The Company relisted on the First Section of the Tokyo Stock Exchange
September 2021	V-MODA, LLC and Roland VM Corporation merged into a surviving U.S. sales subsidiary
April 2022	The Company transitioned from the First Section of the Tokyo Stock Exchange to the Prime Market, following the exchange's market restructuring
July 2022	The sales company in France dissolved, with its operations transferred to a UK-based general management company
July 2022	The sales company in Switzerland liquidated, with its operations transferred to a UK-based general management company
August 2022	RVS and Roland RVS Holding Inc. merged into a surviving U.S. sales subsidiary
September 2022	Roland Drum Corporation (a holding company of Drum Workshop, Inc.) established
October 2022	A drum development, manufacturing, and sales company in the U.S. (Drum Workshop, Inc.) converted into a subsidiary of Roland Corporation
May 2023	The sales company in Spain liquidated, with its operations transferred to a UK-based general management company
August 2023	The sales company in Italy liquidated, with its operations transferred to a UK-based general management company
July 2024	The sales company in Hungary liquidated, with its operations transferred to a UK-based general management company
September 2024	The sales company in Denmark liquidated, with its operations transferred to a UK-based general management company
September 2024	The sales company in Germany liquidated, with its operations transferred to a UK-based general management company
January 2025	Roland Drum Corporation merged into a drum development, manufacturing, and sales company in the U.S. (Drum Workshop, Inc.)
November 2025	The sales company in Russia liquidated

Note: The headquarters relocated to Shinmiyakoda, Hamana-ku, Hamamatsu-shi in January 2026

3. Description of Business

The Roland Group (the "Group"), consisting of 14 subsidiaries and one associate, engages primarily in development, manufacture, and distribution of electronic musical instruments and offers a wide variety of musical instrument products globally.

Since its foundation in 1972, the Group has firmly established its position as a global brand in the electronic musical instruments industry by pushing forward with research and development in pace with technological advances in electronics, creating many world-leading technologies and products, and bringing new value propositions to the market. The Group has built a comprehensive and well-balanced product portfolio ranging from electronic pianos, drums, synthesizers to guitar-related products. It has also pioneered an effort to integrate audio and video, and thus, has established a strong position in the video equipment market by encompassing the business from development to distribution. Regarding business expansion to overseas market, the Group has proactively opened sales companies since the latter half of the 1970s in a bid to deliver its products to every corner of the world. In fact, the Group derives 91% (rounded to the nearest whole number) of its revenues outside Japan (for the fiscal year ended December 31, 2025).

In recent years, our efforts have been focused on expanding sales especially in fast-growing emerging markets, in addition to the ones in Europe and North America, whose stable growth is material for the Group. Specifically, tailored products to meet the local music cultures and needs have been rolled out in these emerging markets. Most products are manufactured overseas under flexible production capabilities composed of own facilities and third parties from which the Group could choose the best manufacturer depending on product features.

The Group operates solely in the electronic musical instruments segment. The functions of Roland Corporation and its subsidiaries associates can be divided largely into the following categories:

First, the Company is responsible for development activities, including product planning and R&D. The Company also takes on another important functions to supervise all group companies and approve their budgets and business plans. On top of the corporate functions above, the Company is primarily responsible for manufacturing and distributing video-related products in Japan.

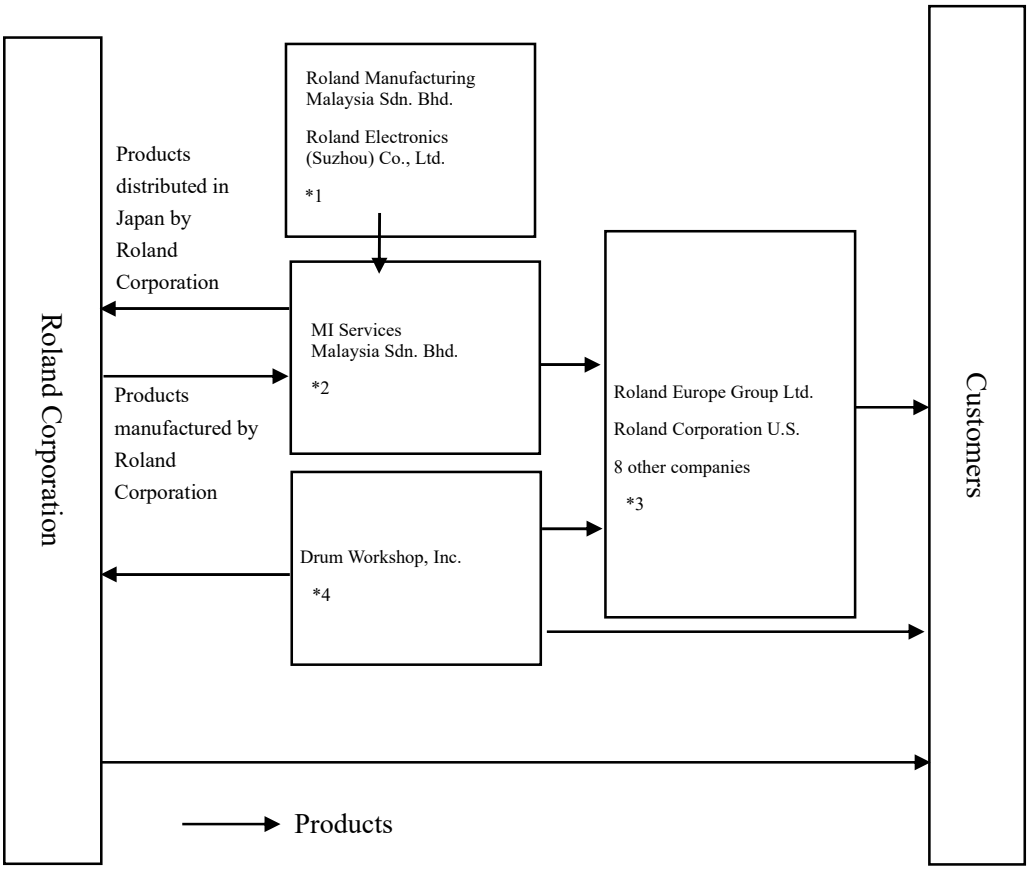
Additionally, the Company has two manufacturing subsidiaries which manufacture most of its products. Of these two subsidiaries, Roland Manufacturing Malaysia Sdn. Bhd., established in 2014, is a key manufacturing base for the Group which manufactures its mainstay products including electronic pianos and drums.

The Group also has nine key sales subsidiaries distributing its products, comprising four subsidiaries in the Americas including Roland Corporation U.S., a key sales subsidiary, three subsidiaries in Europe including Roland Europe Group Ltd., a key sales subsidiary, and two sales subsidiaries in Asia and Oceania. They have focused on sales activities tailored to the characteristics and commercial practices in their major markets in North America, Europe, China/Asia, and Japan.

In addition, the Group has Drum Workshop, Inc., a key subsidiary engaging in the development, manufacturing, and distribution in the drum business, in the U.S.

Further, MI Services Malaysia Sdn. Bhd., established in Malaysia in 2017, holds shares and controls operations of two manufacturing subsidiaries in the region, serving as an intermediary between the manufacturing and sales subsidiaries to purchase and distribute the Company's products and to manage logistics. It also engages in development activities.

The following chart summarizes the structure of the Group's businesses.



		Number of companies
* 1:	Consolidated subsidiaries with manufacturing functions	2
* 2:	Consolidated subsidiary engaged in purchasing and sale of electronic musical instruments, logistics management, supervision of subsidiaries, and development	1
* 3:	Consolidated subsidiaries with distribution functions	9
	Non-equity method associate with distribution functions	1
* 4:	Consolidated subsidiary with development, manufacturing and distribution functions	1
Other consolidated subsidiary		1

4. Subsidiaries and Other Affiliated Entities

Consolidated subsidiaries

As of December 31, 2025

Company name	Address	Share capital	Main line of business	Ratio of voting rights held (%)	Description of relationship			
					Concurrent appointments of Officers	Lending of funds	Business transactions	Leasing of facilities
Roland Manufacturing Malaysia Sdn. Bhd.	Selangor, Darul Ehsan, Malaysia	RM14,232 thousand	Electronic musical instruments	100.0 (100.0)	Yes	No	Manufacture of the Company's products	No
Roland Electronics (Suzhou) Co., Ltd.	Suzhou, China	US$7,360 thousand	Electronic musical instruments	90.0 (75.0)	Yes	No	Manufacture of the Company's products	No
MI Services Malaysia Sdn. Bhd.	Selangor, Darul Ehsan, Malaysia	RM230,180 thousand	Electronic musical instruments	100.0	Yes	Yes	Purchase and distribution of the Company's products, logistics management, development, and supervision of subsidiaries	No
Roland Corporation U.S.	Los Angeles, California, U.S.A.	US$545 thousand	Electronic musical instruments	100.0	Yes	No	Distribution of the Company's products	No
Roland Canada Ltd.	Surrey, British Columbia, Canada	CAN$5 thousand	Electronic musical instruments	100.0	Yes	Yes	Distribution of the Company's products	No
Roland Brasil Importacao, Exportacao, Comercio, Representacao e Servicos Ltda.	Sao Paulo, Sao Paulo, Brazil	R$34,518 thousand	Electronic musical instruments	100.0 (0.1)	No	No	Distribution of the Company's products	No
Roland Instrumentos Musicales Mexico, S. de R.L. de C. V.	Ciudad de Mexico, Mexico	MXN28,912 thousand	Electronic musical instruments	100.0 (0.1)	No	Yes	Distribution of the Company's products	No
Roland Europe Group Ltd.	Reading, U.K.	GBP42,039 thousand	Electronic musical instruments	100.0	Yes	Yes	Distribution of the Company's products and general management of European subsidiaries	No
Roland Central Europe N.V.	Geel, Belgium	EUR75 thousand	Electronic musical instruments	100.0 (100.0)	Yes	No	–	No
Roland China Ltd.	Shanghai, China	US$3,000 thousand	Electronic musical instruments	100.0	Yes	No	Distribution of the Company's products	No
Roland Corporation Australia Pty Ltd	Dee Why NSW, Australia	A$833 thousand	Electronic musical instruments	100.0	Yes	Yes	Distribution of the Company's products	No
Drum Workshop, Inc.	Oxnard, California, U.S.A.	US$0.1	Electronic musical instruments	100.0	Yes	Yes	Purchase of DW products	No
Roland Organ Corporation	Los Angeles, California, U.S.A.	US$43,500 thousand	Electronic musical instruments	100.0	Yes	No	–	No

One other company (a total of 14 companies)

Notes: 1. The "Main line of business" column shows the business name specified in segment information.
2. The figure in parentheses in the "Ratio of voting rights held (%)" column shows the ratio of the voting rights the Company holds indirectly, which is included in the figure without parentheses.
3. MI Services Malaysia Sdn. Bhd, Roland Corporation U.S., Roland Brasil Importacao, Exportacao, Comercio, Representacao e Servicos Ltda., Roland Europe Group Ltd. and Roland Organ Corporation fall under specified subsidiaries defined in the Cabinet Office Order on Disclosure of Corporate Affairs.
4. None of these companies has submitted Securities Registration Statements or Annual Securities Reports.
5. Roland Organ Corporation has been a dormant company and is scheduled for liquidation.
6. Roland Drum Corporation has ceased to exist as of January 1, 2025 as a result of an absorption-type merger, with Drum Workshop, Inc. as the surviving company.

7. Results of operations for consolidated subsidiaries whose net sales (excluding intra-group sales) exceeded 10% of consolidated net sales for the fiscal year ended December 31, 2025 are as follows:

(Millions of yen)

Company name	Net sales	Ordinary profit	Profit	Net assets	Total assets
Roland Corporation U.S.	28,933	1,061	799	8,457	15,540
Roland Europe Group Ltd.	30,078	782	895	7,527	14,314

5. Employees

The Company and its consolidated subsidiaries operate as a single segment covering manufacture and sale of electronic musical instruments. Accordingly, information in association with segment information is not presented.

(1) Information about consolidated companies

As of December 31, 2025

Number of employees (persons)	2,897 [50]

Note: 1. The number of employees represents the number of regular employees. The number of temporary employees indicated separately in the square bracket represents the average number of temporary employees during the year.
2. The decrease in the number of temporary employees in the fiscal year ended December 31, 2025 is primarily due to a change in the employment status of the Company's subsidiary in Malaysia.

(2) Information about reporting company (non-consolidated)

As of December 31, 2025

Number of employees (persons)	Average age	Average length of service	Average annual salary (thousand yen)
891	46 years and 8 months	19 years and 11 months	7,203

Notes: 1. The number of employees represents the number of regular employees. The number of temporary employees is not stated since the number is less than 10% of the total number of employees.
2. Average annual salary includes bonuses and extra wages.

(3) Labor union

The Company has a labor union named Roland Labor Union. The Roland Labor Union does not belong to any superior body.

Among our employees, the number of union members is 533 as of December 31, 2025. Labor-management relations have remained favorable, and there are no special matters to be noted as to the relationship with the labor union.

(4) Ratio of female managers, male employees taking childcare leave, and gender wage gap

Reporting company

Current fiscal year				
Ratio of female managers (%) (Note 1)	Ratio of male employees taking childcare leave (%) (Note 2)	Gender wage gap (%) (Notes 1 and 3)		
		All employees	Full-time employees	Part-time and fixed-term employees
8.5	67.0	79.8	79.6	66.8

Notes: 1. Ratio of female managers is calculated in accordance with the Act on the Promotion of Women's Active Engagement in Professional life (Act No.64 of 2015).
2. Based on the Act on Childcare Leave, Caregiver Leave and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), the ratio of male employees taking childcare leave is calculated in accordance with Article 71-6, item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991).
3. Each Gender wage gap represents proportion of female employee wages to male employees' ones. The Company employs a principle of equal pay for equal work and the differences are workforce configuration such as job grades and length of services.

Item 2. Overview of Business

1. Management Policy, Business Environment, and Issues to Address

The Roland Group has formulated a three-year Mid-term Management Plan starting from January 2026. The forward-looking statements contained in the following description are based on the Group's estimates and assumptions available as of the end of the current fiscal year.

(1) Basic management policy (corporate philosophy)

The Roland Group's corporate philosophy is embodied in three slogans below. These slogans represent the Group's purpose and vision, which have remained unchanged since its foundation.

- Inspire the Enjoyment of Creativity
- Be the BEST rather than the BIGGEST
- Cooperative Enthusiasm for All Stakeholders

Inspire the Enjoyment of Creativity

Aspiration for creating a world in which as many people as possible can enjoy music and video in their own way wherever they are. Bringing the thrill and excitement of creative experiences to people all over the world. Pursuing every possible opportunity to bring joy to people, including the pleasure of creating music or video, the enjoyment of playing musical instruments with friends, and the bliss of sharing live music with many others.

Be the BEST rather than the BIGGEST

Endless effort to become a one-of-a-kind company that offers the best to each and every one of our customers. Our continuous commitment to responding to customers' requirements draws another dream and expectations. Our corporate value treasures and develops such a trusted relationship with customers.

Cooperative Enthusiasm for All Stakeholders

Aspiration for becoming a company that nurtures a sense of affinity and loyalty among many stakeholders, including customers, business partners, and shareholders. In creating new values, we will do our best to live up to expectations of these stakeholders and help them develop an even better understanding of our business. Through these efforts, we will transform their expectation and affinity into our strength to enhance our corporate value.

(2) Business environment and recognition of material issues

The global musical instrument market in which the Group belongs has been growing at a steady rate of approximately 1% to 2%, with overseas markets as the growing driver. In recent years, however, the business environment has remained substantially uncertain due to geopolitical risks, unstable currency fluctuations, inflation, and delays in the recovery of the Chinese market. Although supply chain disruptions and dealer inventory adjustments following the COVID-19 pandemic have largely normalized, the introduction of new U.S. tariff measures in 2025 has further prolonged the market's return to full normalization. Nevertheless, from the latter half of 2025 onward, early signs of recovery have begun to emerge in our principal markets, particularly in the electronic musical instruments category in North America. Accordingly, we expect a gradual return to a growth trajectory from 2026 onward.

Technological innovation – including AI and IoT – is also reshaping how people enjoy and engage with music. These technologies diversify musical expression and accelerate structural changes in the value that customers seek. At the same time, in developed markets, although there exists a large potential customer base of individuals who wish to start or resume playing musical instruments, many of them ultimately discontinue due to various obstacles. In emerging markets, rising incomes have expanded the number of prospective musical instrument buyers, and hobby-based playing continues to grow. However, opportunities for customers to casually access musical instruments and begin playing remain limited.

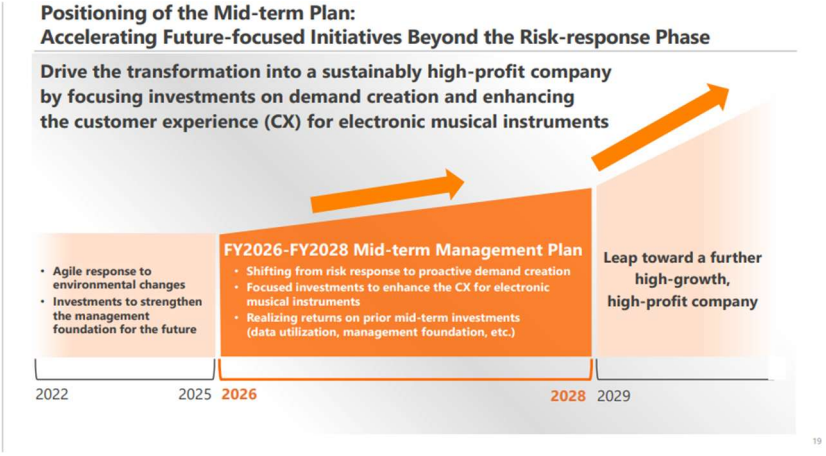
These customer challenges in both developed and emerging markets can be addressed through technological innovation, which offers highly effective solutions. Electronic musical instruments, capable of embedding, adapting, and evolving with new technologies, are positioned to benefit most from these structural changes and represent a significant growth opportunity for the Group.

Mid-term Management Plan 2026–2028

1. The Future Roland Envisions

The Group aspires to realize a future in which, together with the next generation users, we create new musical cultures to shape the future of music. Our goal is to bring to life the joy of playing music that many people once gave up on, and to foster a new musical way of living in which musical experiences take root naturally in everyday life. At the same time, we strive to stimulate musicians' creativity through our products and services and to give rise to new musical cultures – cultures in which music that does not yet exist in the world can begin to emerge.

2. Positioning of the Mid-term Management Plan



The Mid-term Management Plan (FY2026-FY2028) is positioned as a strategic step to accelerate the realization of the future we envision. In the previous Mid-term Management Plan, we steadily advanced the development of our foundation for the future, including the updating of core internal systems (ERP update) and the construction of a new headquarters to serve as a research and development hub, while responding to changes in the business environment.

In this Mid-Term Management Plan, building on these foundations, we will make full scale investments in creating demand for electronic musical instruments and enhancing customer experience, and drive transformation into a highly profitable company capable of sustainable growth.

3. Financial Targets

Aim to achieve below targets during the new MYP period

	FY2025 (Actual)	FY2028 (Target)	CAGR
Sales	¥100.9 bn	¥120.0 bn	+5.9%
Operating Profit	¥9.4 bn	¥14.4 bn	+15.2%
Net profit attributable to owners of parent	¥2.1 bn	¥10.2 bn	+67.6% [+9.2%][1]
ROE	5.0% [16.8%][1]	20%	–
ROIC	15.2%	18%	–

1. Excluding one-time expenses related to Drum Workshop, Inc. recorded in FY2025

4. Growth Opportunities

Actively capture the following growth opportunities.

(1) Massive potential customers : Creating new demand by approaching “lapsed players” and “interested non-players” mainly in developed markets.

(2) Advances in technology : Advancing electronic musical instrument playing experience and services through the development of cutting-edge technologies such as AI and IoT.

(3) Expansion of electrification : The long-term trend toward the digitalization of acoustic instruments.

(4) Growth in emerging market demand : Expansion of emerging markets driven by the rising purchasing power of the middle class, supported by GDP per capita growth.

5. Key Strategies

(1) Direct Connect

Strengthen direct and continuous engagement with customers by developing and selling innovative electronic musical instruments equipped with AI/IoT, expanding direct sales channels, and creating new data utilization platforms and enhancing existing services. By organically linking these initiatives, we will support customers’ performance activities and maximize the value of their experience.

(i) Connected Instruments : Develop and standardize musical instruments with internet connectivity through Wi-Fi-enabled function, and offer new experiences integrated with software and cloud service.

(ii) Roland Retail : Directly operated stores (“Roland Store”) and direct e-commerce based on these stores.

(iii) Roland Cloud : A cloud service that provides our proprietary virtual instruments and product updaters and serves as the foundation to maximize customer lifetime value.

(iv) Roland App (working title) : A platform app that serves as a daily touchpoint for customers to maximize our products and services.

(2) Innovation

Accelerate the digitalization of acoustic instruments and promote alliances and joint research & development.

(i) Expansion of digitalization of musical instruments :
In addition to advancing the digitalization trend in drums and pianos, expand the series of digital wind instruments and promote the digitalization of acoustic instruments where it has not yet progressed.

(ii) Development of new technologies through collaborative development :
Promote alliances and joint research and development, including cross-industry and cross-domain collaboration, to create innovative customer experiences and expand new technologies, products and services.

(3) Expansion in Emerging Markets

Strengthen initiatives in emerging markets by launching markets specific models tailored to local needs and developing new channels that serve as touchpoints for customers.

(i) Expansion of the Chinese hobby market:
Develop the hobby market in China, where hobby-driven demand is increasing.

(ii) Strengthen sales operation in India, Latin America, Middle East :
Strengthen sales in emerging markets that maintain growth exceeding that of developed markets and possess unique music markets rooted in local culture.

2. Approach to Sustainability and Initiatives

In addressing sustainability, as represented by the perspectives of ESG (Environment, Social and Governance) and SDGs (Sustainable Development Goals), the Group has organized our material issues (materiality) based on the following recognition, focusing on themes that will meet the expectations of all stakeholders, including the environment and society, and will also lead to business growth. As stated in the "five principles for activities," with a consistent "attitude," we will address the issues, considering "awareness," "practice" and "disclosure" interrelated. The Board of Directors ensures "supervision" of the situation by receiving reports on a regular basis, and provides advice and support as necessary.

The forward-looking statements contained in the following description are based on the Group's estimates and assumptions available as of the end of the current fiscal year.

(1) Sustainability initiatives

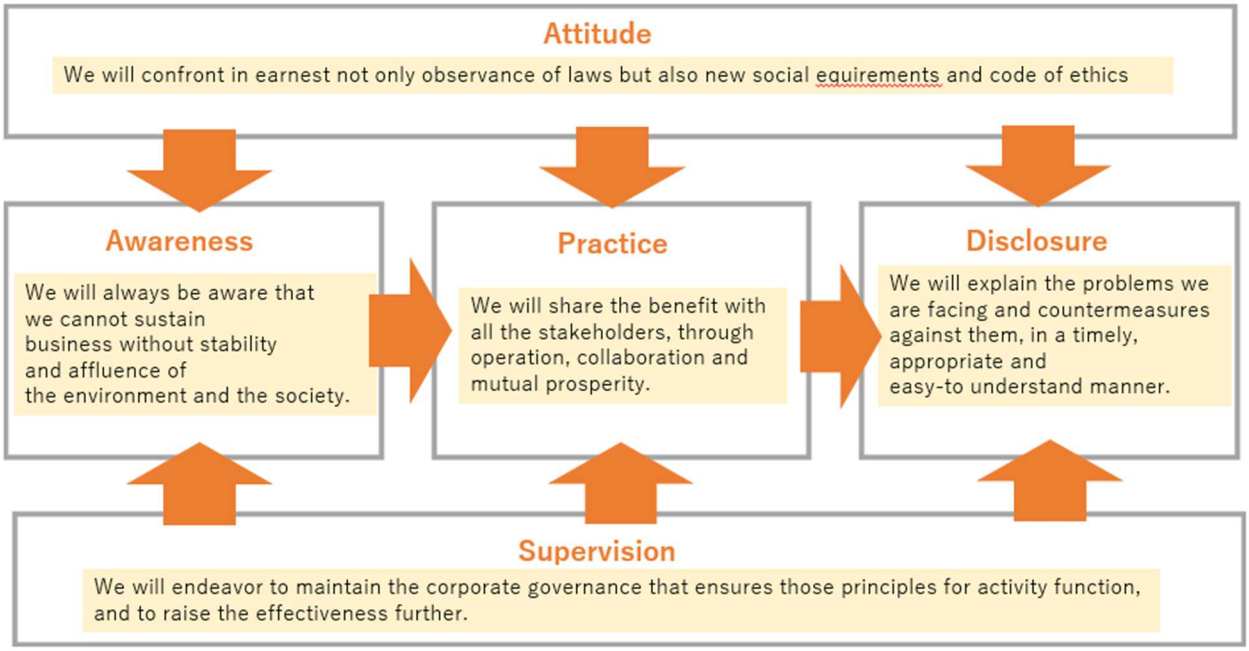
Our business contributes to the sustainable development of society through its music and video culture while, at the same time, it is supported by the stability and affluence of the environment and the entire society. In addition, we are aware that it is an important duty that a corporation should assume to confront in earnest such issues as those related to climate change or human rights and to contribute to the solution of those.

Aiming at avoiding the occurrence of negative chain reaction in which the stability or sustainability of the environment or of the society is damaged causing the music and video culture or our business not to be able to exist any longer, we are taking actions as our managerial materiality in order to create a virtuous cycle where each one heightens the other one's sustainability.

(2) Principles for activities

In accordance with the following principles for our activities, we will continue providing the value of "Creativity" for the development of music and video culture, and do our "BEST" for balancing the solution of environmental and social issues and the growth of our business, through the initiatives with "Cooperative Enthusiasm for All Stakeholders."

Five principles for activities



(3) Promotional Framework

The Sustainability Promotion Committee, as a subordinate body of the Executive Officers' Committee, is chaired by the responsible Executive Officer and conducts deliberations and approvals regarding policy formulation and progress of initiatives. The Committee convenes quarterly, four times a year.
Key issues (Materiality) are examined through subcommittees and projects, which help promote activities across the entire Group.
Furthermore, in collaboration with the Risk Management and Compliance Committee, we are working to strengthen our governance structure.

(4) Materiality (Key Issues)

The Group has identified materiality in its business activities in order to achieve both the realization of a sustainable society and the growth of its business. In formulating the new Mid-term Management Plan starting in FY2026, we have put in place a process of identifying materiality by utilizing the knowledge of the consultants. In addition, based on changes in the business environment and society's demand, we have selected the following six material issues and 16 themes for initiatives. We will continue to review our materiality regularly in accordance with changes in our business environment and society.

Materiality	Focus Themes	Initiatives
Sustainable Value Creation & Innovation	Create solutions that reinvent experiential value Digitally enhance the purchasing experience Assess wellness outcomes with academia partners	• Development of game-changing products • Expand digital services • Advance AI and emerging technologies
Responsible Supply Chain	Respect human rights and responsible sourcing Strategic & resilient global supply chain Data-driven supply optimization	• Strengthen engagement with suppliers • Implement CSR procurement policy • Use DX to improve efficiency
Healthy, Vibrant Workplace	Foster talent growth & challenge in the workplace Rigorous occupational health and safety	• Enhance training programs • Improve employee engagement score • Promote health management

Fostering Music Culture & Social Contribution 	Cultural promotion via music & visual media Community engagement	• Product donation to schools & NGOs • Participate in local community events • Deliver social contribution initiatives
Environmental Conservation & Sustainable Growth 	Lifecycle resource efficiency & waste reduction Climate action	• Set SBTi-aligned reduction targets • Comply with environment regulations • Improve product transport efficiency
Governance & Disclosure 	Risk management & compliance Information security Enhanced non-financial disclosure Governance effectiveness	• Provide employee compliance training • Conduct information security training • Publish ESG data • Assess board effectiveness

(5) Actions against climate change: Disclosure in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations

We are aware that the phenomena accompanying global warming, such as the occurrence of extreme weather and climate disaster, will not only lead to economic damage but may possibly have a serious impact on humankind's cultural activity and lifestyle. In order to maintain a social environment where people can live peacefully and nurture music and video culture, we have been engaged in reducing CO_2 emissions and promoting efficient business operations.

In addition, while appropriately assessing and responding to risks and opportunities to our business arising from climate change, in accordance with the framework of the TCFD, we will disclose the status of these risks from the four perspectives of "Governance," "Strategy," "Risk Management," and "Metrics and Targets."

Governance

As part of our approach to addressing all sustainability-related issues, the Board of Directors approves the Basic Sustainability Policy and receives regular reports on the status of material issues and related initiatives, thereby establishing an oversight framework. Regarding initiatives to address major issues including climate change, the Sustainability Promotion Committee, which was established as a supplementary organization to the Board of Executive Officers, checks and discusses plans and progress of theme subcommittees, thus ensuring both accurate instructions to each executive division and regular reports to the Board of Directors. Our corporate governance system is described in "Item 4. Information about Reporting Company, 4. Corporate Governance, (1) Overview of corporate governance, the schematic depiction of the Company's corporate governance."

Strategy

Based on the following two contrasting scenarios by reference to multiple examples presented in the reports issued by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and other organizations, we identified risks and opportunities of climate change to our business, which are expected to occur with a certain probability (certainty), and assessed the time to occurrence and financial impact of these risks and opportunities.

- 1.5°C scenario: Assumption that global decarbonization efforts are to be the most effective based on the Paris Agreement
  - There is a possibility that "transition risk" will increase as regulations and obligations increase in the process of drastic changes in industrial structure and energy policies.
  - Although our business is not easily affected by changes in industrial structure and activity regulations, there is a possibility that carbon pricing, such as carbon taxes and emissions trading for companies in general, may affect our costs.
- 4°C scenario: Assumption that global climate change measures do not progress sufficiently and economic activities continue with the current structure
  - There is a possibility that "physical risk" will increase as natural environmental changes and disasters increase due to the progression of climate change.
  - Although our business is not resource-intensive and uses only limited amounts of water and solid wood, and is therefore less susceptible to supply disruptions, there is still a possibility that operations of our business may be affected by sudden natural disasters. However, we do not anticipate chronic impacts.

Assessment of identified climate change risks/opportunities

Classification	Identified risks/opportunities	Time to occurrence (Note 1)	Financial impact (Note 2)	Assumption and countermeasures
Transition risk (1.5°C scenario)	Increased costs to respond to the introduction of carbon pricing	Long-term	Small	[Assumption] Regulations such as carbon taxes and emissions trading are imposed mainly on our headquarters in Japan, but the impact will be small in proportion to our CO_2 emissions when direct emissions (Scope 1) and indirect emissions (Scope 2) are targeted. [Countermeasures] In addition to promoting energy saving in our businesses, we will implement measures to offset CO_2 emissions.
	Increased prices of raw materials due to tighter regulations	Long-term	Medium	[Assumption] If the regulatory costs such as carbon pricing imposed on other companies are passed on to the prices of materials such as steel, which have a wide range of usage, and other materials that are difficult to be substituted, the impact of the increasing purchasing cost will be significant. [Countermeasures] Through strengthening relationships with business partners, we will stabilize costs by collaborating to reduce GHG emissions. At the same time, we will take preventive measures such as early start of substitution by closely monitoring industry trends through collaboration between product design departments and procurement departments.
Physical risk (4°C scenario)	Suspension of business operations due to sudden natural disasters	Medium-term	Medium	[Assumption] If heavy rains and floods occur in Malaysia, our main production base, and production and shipments stagnate for more than a month due to flooding of business sites, disruption of parts supply routes, restrictions on workers' movements, etc., lost profits will be significant. [Countermeasures] We will develop a business continuity plan that assumes flexible relocation of production lines and rearrangement of production plans at factories, and will try to absorb the impact by maintaining sufficient inventory levels according to the characteristics of products and parts.
Opportunities	Changes in consumer lifestyles and consumption trends	Long-term	Medium	[Assumption] As temperature rises, outdoor activities of consumers are restricted and their leisure time indoors increases, demand for our products, which provide enjoyment of playing and creating music and videos, will also increase. [Countermeasures] We will enhance products and services that new customers can enjoy casually and easily and expand our fan base by continuously adding new value.

Notes: 1. "Short-term," "Medium-term," and "Long-term" represent less than one year, less than five years, and five years or more, respectively.
2. The profit and loss impact of ¥500 million +/- ¥200 million in a single fiscal year is defined as "Medium," while the amounts higher and lower than "Medium" are defined as "Large" and "Small," respectively.

Risk Management

In order to properly manage and address various risks surrounding our business, the Company collects information on potential risks on a regular basis from the entire Group including subsidiaries and provides the information to the Risk Management and Compliance Committee chaired by the CEO as the person responsible for risk management whereby significance of the impact and response policy are assessed. The risks assessed by the committee are reported to the Board of Directors on a periodic basis.

As the transition risks and physical risks arising from climate change have many similarities with already-known business risks in terms of events and countermeasures, we have integrated them into the above group-wide risk management process.

Metrics and Targets

Calculation of CO_2 emissions was started in fiscal year 2021 and the calculation results have been posted on our corporate website.

https://www.roland.com/global/sustainability/environment/

While our mainstay electronic musical instrument products are generally power-saving, we are making ongoing efforts to further reduce their power consumption, with our eyes set on responding to customers' requests and contributing to the environment. In addition, our manufacturing lines within factories in Japan, Malaysia, and China are mainly for assembly, something that does not require much electric power, and we have significantly reduced their Scope 2 CO_2 emissions by using the non-fossil value. From the perspective of the entire supply chain, we will steadily proceed with the reduction of CO_2 emissions and utilization of renewable energy not only by us but also by our business partners.

We will improve the accuracy of CO_2 emission calculation and analyze the factors, and set reduction targets as follows in line with SBTs (Note), so as to responsibly implement the above initiatives.

<CO_2 emission reduction targets>

- Scope 1 and Scope 2: CO_2 emissions will be reduced by 42% in FY2030 from FY2022.
- Scope 3: Categories 1, 4, 11 and 12, which account for 90% or more of the total CO_2 emissions, will be reduced by 25% respectively in FY2030 from FY2022.

Note: SBTs stand for Science Based Targets, a method for companies to set CO_2 emission reduction targets consistent with the reduction level required by the Paris Agreement adopted in 2015 based on scientific grounds.

(6) Human capital management initiatives

Governance

The Group appoints the Chief Human Resource Officer (CHRO) to formulate, implement, and drive HR strategies of the Group. While keeping track of "employee engagement," "productivity" and other relevant indicators listed below in and outside Japan, the CHRO monitors the group-wide status through regular meetings with domestic and overseas HR departments and gives instructions and advice as necessary. In addition, important personnel matters are discussed by the Board of Executive Officers to review relevant personnel policies.

The appointment and dismissal of officers and the details of their remuneration systems and remuneration amounts are discussed by the Nomination and Remuneration Committee and then presented to the Board of Directors.

Strategy

<Management strategies and human capital strategies>

In pursuing the realization of the following "Corporate philosophy" and "The Future Roland Envisions," the Group positions employee growth and organizational vitality as one of our highest priorities and implements a variety of human resources initiatives accordingly.

Corporate philosophy:	Inspire the Enjoyment of Creativity Be the BEST rather than the BIGGEST Cooperative Enthusiasm for All Stakeholders
The Future Roland Envisions:	Together with the next generation users, we create new musical cultures to shape the future of music

Base on the above, we believe empowering each employee to "have a wealth of ideas and a spirit of challenge and unleash creativity autonomously" and fostering a corporate culture that "embraces the diversity of

employees and encourages co-creative interaction to generate synergies" are the most important points in our human resources strategies. In terms of governance, we intend to achieve continuous personnel and organizational revitalization by developing a system in which personnel policies are improved, if necessary, through continuous monitoring of such individual and organizational activity levels.

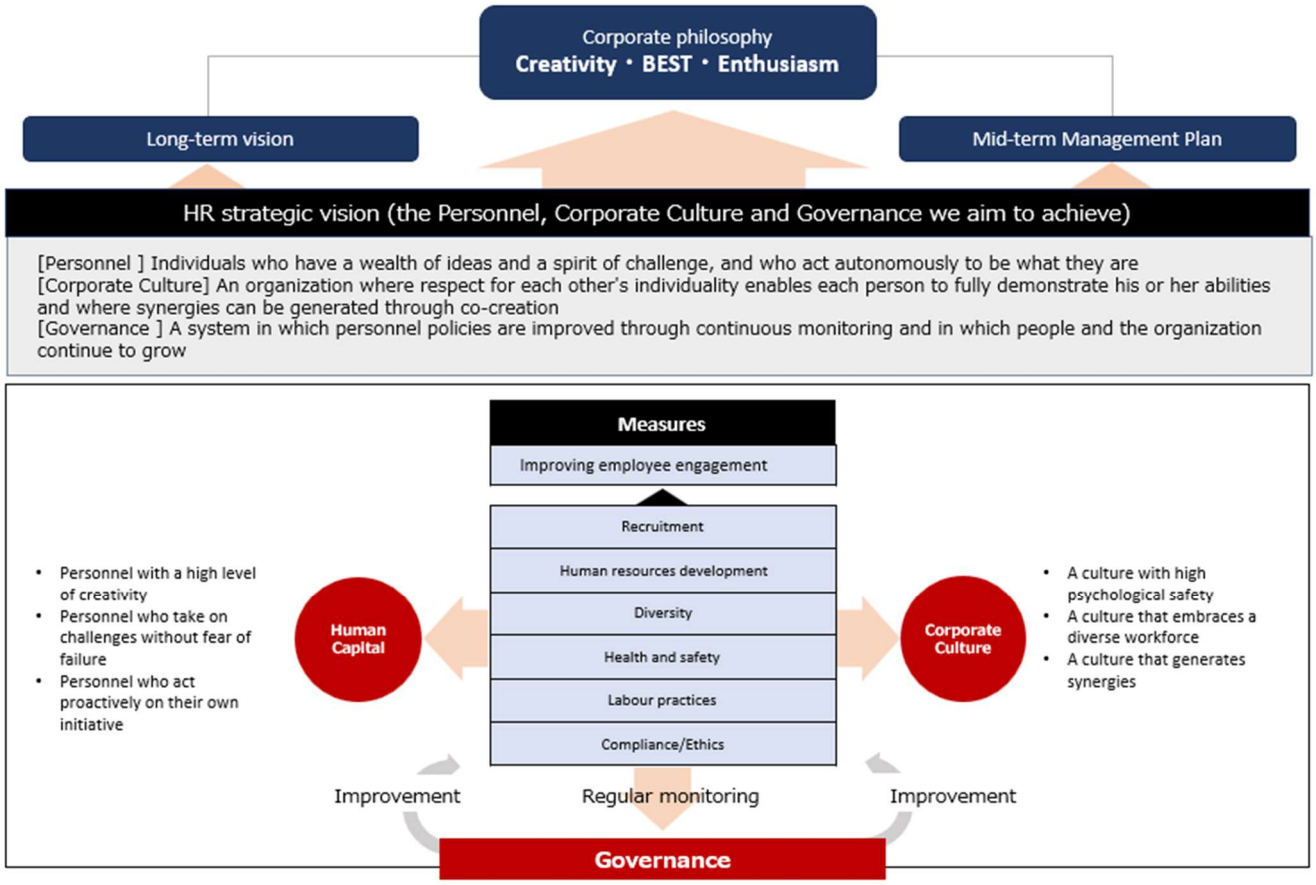
<Recent developments in human capital management>
Especially since 2016, we have worked on various reforms to strengthen our human resources.
In Japan, the personnel evaluation system and remuneration system for employees were revised with the aim of increasing their motivation, placing a balanced emphasis on both their individual performance and growth. Besides that, we have strengthened our recruitment management and in-house training activities in line with the headcount plan, and, among other efforts, adopted teleworking and flextime systems to promote different working styles. We have also set "employee engagement" and "productivity" as our KPIs and been committed to improving them.
Overseas, where sales account for 91% of the Group's entire sales (for the fiscal year ended December 31, 2025), we have strengthened relations with overseas subsidiaries to optimize human resources in our global business and have been proceeding with various activities in accordance with the Global HR Basic Policy below, taking into account local working conditions and cultural background.

[Global HR Basic Policy]
- A personnel system shall be designed with a focus on "fairness" and "improving employee engagement"
- Aim to design a system in which employees are treated according to their achievements, abilities, and contributions to the Group, irrespective of age, gender, race or length of service
- Aim to design a personnel system that returns appropriate benefits to employees in line with the Group's growth

<Approach to human capital management>
Since its foundation, the Group has opened up new markets by making a variety of electronic technology-based products and service proposals and delivering compelling value to many people in the areas of music and video. We believe that our approach of being a "creation-oriented" group connects with the fundamental value of our existence, and we intend to continue taking this approach going forward.
From these perspectives, as our [HR strategic vision], we have defined "Personnel," "Corporate Culture," and "Governance" to achieve as below:

[HR strategic vision]

・Personnel:	Individuals who have a wealth of ideas and a spirit of challenge, and who act autonomously to be what they are
・Corporate Culture:	An organization where respect for each other's individuality enables each person to fully demonstrate his or her abilities and where synergies can be generated through co-creation
・Governance:	A system in which personnel policies are improved through continuous monitoring and in which people and the organization continue to grow



< Objectives of personnel policies >

The objectives of each of our personnel policies are as follows:

Group-wide HR strategic vision		Develop and build the following "Personnel," "Corporate Culture," and "Governance." ・ Personnel: Individuals who have a wealth of ideas and a spirit of challenge, and who act autonomously to be what they are ・ Corporate Culture: An organization where respect for each other's individuality enables each person to fully demonstrate his or her abilities and where synergies can be generated through co-creation ・ Governance: A system in which personnel policies are improved through continuous monitoring and in which people and the organization continue to grow
Japan	Secure human resources	– Prepare a medium- to long-term age- and gender-balanced headcount plan every year to optimize the number of employees – Continuously recruit new graduates in line with the headcount plan and maintain Roland's DNA and high-quality corporate culture through long-term development – Hire mid-career individuals who can immediately contribute to the Group to respond quickly to changes in the business environment
	Human resources development	– To develop employees who think outside the box, have a spirit of challenge and act autonomously, focus on "mindset" and "framework" training – To develop managers, provide training on management knowledge and leadership from an early stage to improve organizational engagement – Create an environment where growth-oriented personnel evaluations are conducted and employees are always conscious of their growth through appropriate feedback
	Diversity	– Aim to continuously increase corporate value by fostering a "culture of acceptance of all people and respect for their individuality" and incorporating different perspectives and ideas, regardless of age, gender, race or length of service: (i) Treat all employees on the basis of their ability level and achievements, regardless of age (ii) With regard to gender diversity, in addition to ensuring that there is no discrimination at all in recruitment, promotion or remuneration, foster a corporate culture where women can play an active role as an Eruboshi/Kurumin-certified company (iii) Create an environment that enables positive employment of people with disabilities as a contribution to society

	Health & safety	– Actively address employee health and safety, as it is an important factor in increasing employee engagement and productivity: (i) Improve the management skills of managers to maintain mental health and ensure psychological safety in the workplace (ii) Ensure physical safety by conducting monthly overtime checks for each workplace, in addition to medical check-ups for all employees (iii) Improve the workplace environment in cooperation with relevant departments, based on the results of stress checks and employee engagement surveys (iv) As for facility, maintain a healthy work environment, led by the Health and Safety Committee, in accordance with the Industrial Safety and Health Act
	Labor practices	– Ensure fair and appropriate labor practice rules to improve employee engagement and productivity: (i) Allow employees to choose their own career path according to the way they want to work with the career selection system (ii) Provide an environment where employees can maintain an appropriate work-life balance according to their circumstances by actively expanding the teleworking system, flextime system, childcare and nursing care leave system, and our unique retirement and reemployment system
Overseas	Common policy	– In line with the Global HR Basic Policy below, each subsidiary designs and operates its own personnel system in light of local laws and labor practices: (i) A personnel system shall be designed with a focus on "fairness" and "improving employee engagement" (ii) Aim to design a system in which employees are treated according to their achievements, abilities, and contributions to the company, irrespective of age, gender, race or length of service (iii) Aim to design a personnel system that returns appropriate benefits to employees in line with the company's growth – Individual personnel matters of importance will be discussed and decided by the Board of Executive Officers
	Sales subsidiaries	– The CHRO and the Officer of the Sales Division work together to determine personnel policies, and each subsidiary designs and operates the system on its own initiative – For Europe, North America and Asia (excluding Japan and China) regions, the HR departments of Roland Europe Group Ltd., Roland Corporation U.S. and Roland Corporation Australia Pty Ltd. will lead their respective areas – For Roland China Ltd., the system shall be designed and operated in line with the policy of the Officer of the Sales Division
	Manufacturing subsidiaries	– The CHRO and the Officer of the Production Division work together to determine personnel policies, and each subsidiary designs and operates the system independently – For Roland Manufacturing Malaysia Sdn. Bhd., the Human Resources Department in MI Services Malaysia Sdn. Bhd. is responsible for the design and operation of the system – For Roland Electronics (Suzhou) Co., Ltd., the system shall be designed and operated in line with the policy of the Officer of the Production Division

Metrics and Targets

As "creation" is placed at our core, developing employees with a wealth of ideas and fostering a co-creative corporate culture are the most important themes for the Group. "Employee engagement," which leads to individuals' spontaneous motivation, is recognized as the source of these themes.

Therefore, "employee engagement" index is placed as a core indicator for achieving our HR strategic vision, with a target of 3.8 (out of 5 levels) by 2028. We track its changes regularly and quantitatively, aiming that all of our personnel policies will help improve employee engagement.

- Changes in employee engagement survey results

	2023	2024	2025
Employee engagement index	3.7	3.7	3.7

We are also striving to execute well-balanced HR strategies by periodic confirmation of productivity, an indicator set to measure the extent of contribution to the business performance brought from improved employee engagement, with the goal of continuous improvement over the medium- to long- term, using our own formula:

Productivity Index (PI) = Added value ÷ Personnel expenses

- Changes in productivity index

	2023	2024	2025
Productivity index	2.4	2.3	2.2

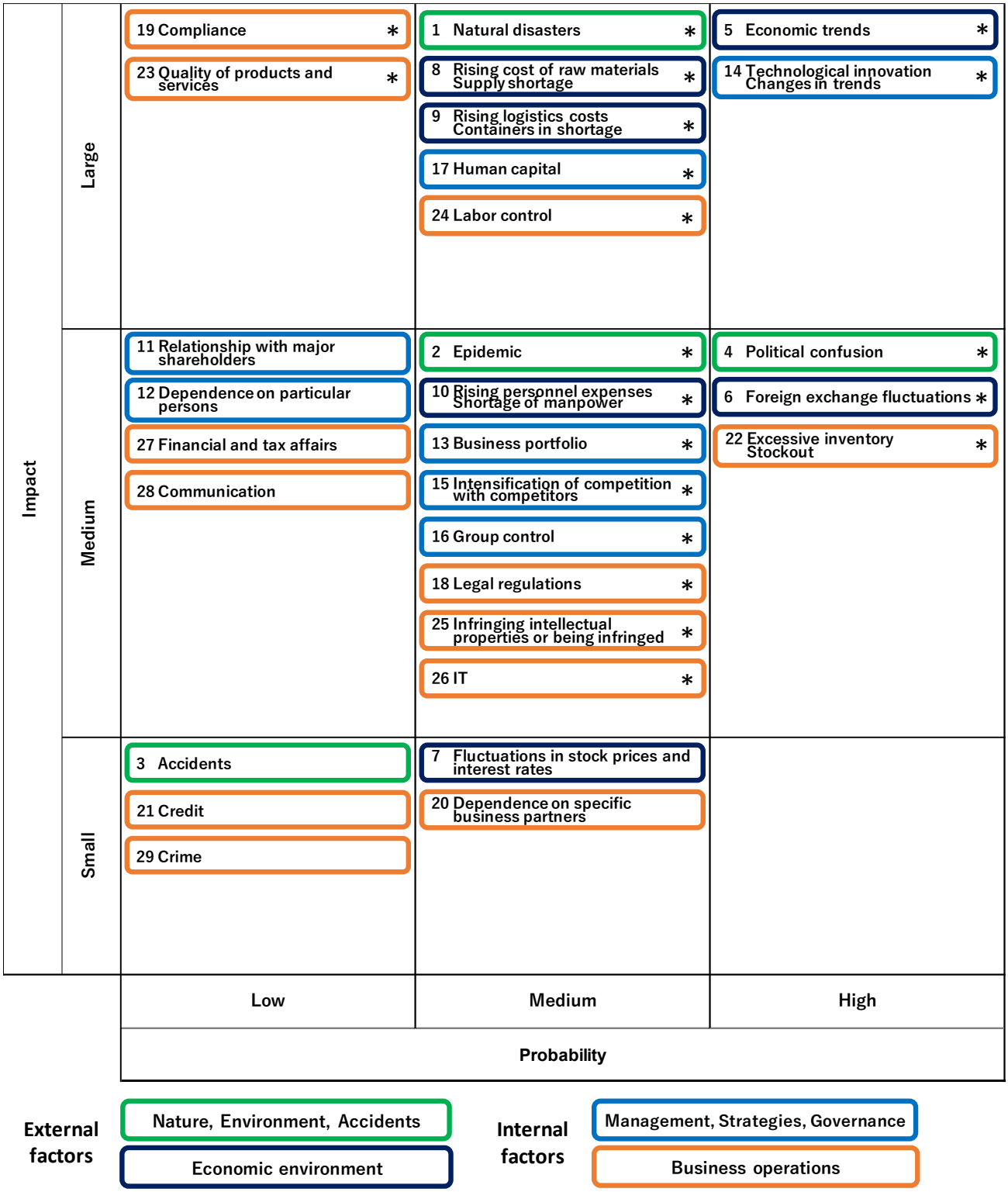
< Reference: Relevant indicators >

Group-wide indicators				
	Unit	2023	2024	2025
Employee engagement index	5 levels	3.7	3.7	3.7
Productivity index (Added value/Personnel expenses)	Point	2.4	2.3	2.2
Japan				
Secure human resources				
	Unit	2023	2024	2025
Number of new graduates hired	No. of recruits	11	13	19
Number of mid-career recruits	No. of recruits	11	9	12
Turnover rate	%	2.5	3.1	2.9
Diversity				
	Unit	2023	2024	2025
Ratio of female employees	%	24.1	24.6	25.0
Ratio of female managers	%	5.8	7.1	8.5
Ratio of female wages to male wages	%	76.5	78.0	79.8
Ratio of returning after childcare leave	%	100	100	100
Ratio of male employees taking childcare leave	%	19	55	67
Ratio of disabled people employed	%	2.4	2.3	2.7
Health management				
	Unit	2023	2024	2025
Average total annual working hours	Hour	1,941	1,848	1,915
Number of work-related injuries	No. of persons	0	6	2
Overseas				
	Unit	2023	2024	2025
Ratio of overseas employees in the Group as a whole	%	70.7	69.9	69.2
Ratio of overseas female managers	%	25	29	32

3. Business Risks

Of the matters related to Overview of Business and Financial Information stated in this Annual Securities Report, the management has identified that the items listed below constitute major risk factors that may have a material impact on the financial position, operating results and cash flows of consolidated subsidiaries.

The forward-looking statements contained in the following description are based on the Group's estimates and assumptions available as of the end of the current fiscal year.



Items accompanied by an asterisk, identified as material risks by the Risk Management and Compliance Committee, and countermeasures are described in detail as below.

Each of the risk factors is classified according to its nature and evaluated according to the extent of its impact and its probability of occurrence, and its relevance to the key strategies of the Mid-term Management Plan. Each risk item is subjected to risk reduction activities by departments in charge, and is regularly monitored by departments in charge, Executive Officers in charge, and/or the Risk Management and Compliance Committee according to the level of the risk.

<table>
<tr><th>Classifications of risks</th><th>Risk items</th></tr>
<tr><td rowspan="8">Nature, environment, and accidents</td><td>1 Natural disasters</td></tr>
<tr><td>In the event of a natural disaster such as an earthquake, tsunami, flood or typhoon in countries or regions where the Group’s manufacturing, logistics, and distribution bases are located or its suppliers operate, causing damage to the Group’s bases and suppliers, or in the event that electric power and other infrastructure becomes unavailable or unstable, resulting in disruption of our operations, distribution, manufacturing, and shipment, decline in our production capacity, difficulty in procuring raw materials and components, or delay in product supply, the Group’s business, financial position, and operating results may be adversely impacted. Should such risks become prominent particularly in Malaysia, where the Group’s manufacturing and logistics functions concentrate, it will become more likely that the Group’s business, financial position, and operating results may be adversely impacted.

In addition, the Group’s major functions related to domestic business such as headquarters, manufacturing and R&D bases in Japan, concentrate in Hamamatsu-shi, Shizuoka. Therefore, if the eruption of Mt. Fuji or the Tokai or Nankai Trough earthquake occurs, possible liquefaction around the headquarters premise and other risks may cause considerable damage to the business activities of the Group.</td></tr>
<tr><td><table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Large</td><td>Medium</td><td>Innovation</td></tr>
</table></td></tr>
<tr><td>Countermeasures</td></tr>
<tr><td>In accordance with our “Basic Rules for Crisis Management,” we have formulated a “Business Continuity Plan (BCP)” for employees to act autonomously when a disaster occurs, to keep themselves safe and ensure early recovery of our business. Following the headquarters relocation, we will update the BCP accordingly.

In Japan, annual safety drills are conducted: one is a drill to confirm safety of employees and their families using the emergency communication system, and the other is an evacuation drill on the assumption of an earthquake and fire. BCP developed in Japan is shared with overseas subsidiaries, where the BCP is tailored to the conditions in their respective countries.</td></tr>
<tr><td>2 Epidemic</td></tr>
<tr><td>In the event that, due to the global outbreak of infectious diseases such as COVID-19, activities including traveling and holding events are prohibited or restricted, a stay-at-home request is issued, and therefore economic and business activities continue to be suspended or the range extends in countries where the Group and its suppliers and distributors operate, the demand for its products and services could decline, and the supply of its products may be limited, leading to the deterioration of the financial health of the Group’s business partners and the disruption of infrastructure in both the public and private sectors including telecommunications, financial services, and supply chains, caused by the closure of factories and subsequent suspension of production, restriction on procurement of parts, slower consumer spending, decreased disposable income, unexpected economic and social activities, changes in behavior patterns, and other negative factors. As a result, the Group’s business, financial position, and operating results may be adversely affected.</td></tr>
<tr><td><table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Medium</td><td>Medium</td><td>Direct Connect, Innovation, and Expansion in Emerging Markets</td></tr>
</table></td></tr>
<tr><td>Countermeasures</td></tr>
<tr><td>In the event of a global pandemic resurgence or outbreak, we will strive for the continuation of the Group’s business by taking appropriate measures utilizing the know-how we accumulated during the COVID-19 pandemic in accordance with the requests of governments and local authorities. In preparation for the limitation of activities of the Group’s suppliers and distributors, we maintain raw material inventory levels at each factory of the Group and product inventory levels at each sales subsidiary of the Company to minimize the negative impact on sales.

We are also creating new demand through the development of Game Changer products and new products, and continuously stimulating demand through digital marketing.</td></tr>
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<table>
<tr><th>Classifications of risks</th><th>Risk items</th></tr>
<tr><td rowspan="5">Nature, environments, and accidents</td><td>4 Political confusion</td></tr>
<tr><td>The Group has its bases around the world, such as in the Americas, Europe, and Asia, with the majority of its revenues generated outside Japan. Changes in political or social conditions, terrorism, or social turmoil in any country may cause a possible economic downturn, increase raw material prices and logistics costs, or impact the logistics environment, and this may adversely affect the Group’s business, financial position, and operating results. The outlook remains uncertain due to factors including the prolonged Russian invasion of Ukraine, the Palestine-Israel war, the strained relations between China and Taiwan, and the impact stemming from the U.S. tariff policies.</td></tr>
<tr><td>
<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Medium</td><td>High</td><td>Direct Connect, Innovation, and Expansion in Emerging Markets</td></tr>
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</td></tr>
<tr><td>Countermeasures</td></tr>
<tr><td>The situation and regulations in each country are carefully monitored, and appropriate and timely actions are taken to minimize the impact on the Group’s business. For manufacturing, multiple manufacturing bases that can back up each other are maintained, and for sales, well-balanced earning structure within the Group is aimed rather than relying overly on specific regions. We take measures to address the U.S. tariff policies through price optimization and the relocation of production.</td></tr>
<tr><td rowspan="8">Economic environment</td><td>5 Economic trends</td></tr>
<tr><td>The musical instruments manufactured and distributed by the Group are luxury items, and thus, the Group has attached importance to offering its products and services at prices commensurate with its high added values. Therefore, sales of low-priced products (for beginners) especially tend to be susceptible to economic conditions. In addition, the Group’s business, financial position, and operating results may be adversely affected by demand declines for the products and services in key sales regions, especially those overseas, including Europe, North America and China, that represent a significant proportion of its overall sales.</td></tr>
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<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Large</td><td>High</td><td>Direct Connect, Innovation, and Expansion in Emerging Markets</td></tr>
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</td></tr>
<tr><td>Countermeasures</td></tr>
<tr><td>Under the new Mid-term Management Plan, we seek to realize stable and sustainable growth that is less affected by economic conditions by enhancing our engagement with potential customers who aspire to play musical instruments.
In addition, the Group manages each sales subsidiary as a Sales Unit (SU), for which a Chief Sales Officer (CSO) is appointed to control them all. Each SU, under the direction of its CSO, prioritizes the achievement of the Group-wide goals over the achievement of only individual regional goals. We strive to operate in a manner that regions with strong performance cover regions with weak performance by flexibly accommodating inventories to each country based on information on economic conditions, demand trends, market shares, and inventory and logistics conditions in each country.</td></tr>
<tr><td>6 Foreign exchange fluctuations</td></tr>
<tr><td>The Group is engaged in manufacturing and sales activities globally, and therefore, is exposed to the impact of fluctuations in exchange rates, especially of U.S. dollars and euros. Also, in the process of preparing consolidated financial statements, the values of assets and liabilities of overseas subsidiaries denominated in local currencies are translated into Japanese yen, and therefore the financial position of the Group is affected by fluctuations in exchange rates. The Group has also been exposed to fluctuations in additional currencies besides U.S. dollars and euros, since it has expanded into other regions, such as China, in recent years.</td></tr>
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<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Medium</td><td>High</td><td>Direct Connect and Expansion in Emerging Markets</td></tr>
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</td></tr>
<tr><td>Countermeasures</td></tr>
<tr><td>In order to mitigate the impact of exchange rate fluctuations, the Group settles receivables and payables arising from continuing operating activities in the same currency whenever possible. The Group also hedges exchange rate fluctuations by trading foreign exchange futures to minimize some of the impact.</td></tr>
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<table>
<tr><th>Classifications of risks</th><th>Risk items</th></tr>
<tr><td rowspan="6">Economic environment</td><td>
8 Rising cost of raw materials and supply shortage
The Group’s products use various raw materials and parts such as custom IC chips, timber, metals, and plastics. The Group has secured multiple suppliers and implemented measures to mitigate the potential impact of unforeseen circumstances. However, for some raw materials, we depend on specific suppliers because they are irreplaceable with others. Deteriorated operating performance of suppliers, disasters, changes in the regulatory environment, and other unforeseen incidents may give rise to suspension of or delay in the supply of raw materials in the quality and quantity required by the Group, or may lead to a spike in raw materials and other prices. These circumstances could make it difficult for the Group to manufacture its products and make its products less price competitive due to rises in purchase costs or the prices of its products. As a result, the Group’s business, financial position, and operating results may be adversely affected.
<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Large</td><td>Medium</td><td>Direct Connect, Innovation, and Expansion in Emerging Markets</td></tr>
</table>
Countermeasures
Raw material prices and supply conditions are highly susceptible to external factors such as international affairs, resulting in a high level of uncertainty. To minimize the impact of such risks on our business, the Group is implementing the following initiatives.
For key parts, our basic policy is to build trust-based relationships with suppliers. We are strengthening inventory assurance through proactive procurement and other measures, based on the development of a medium- to long-term product roadmap. At the same time, we have put in place a system to minimize the impact on our production by early procurement of market stock and promptly changing designs with substitute parts.
In response to a spike in raw materials prices, we are striving to minimize the impact of such on the Group’s financial position and operating results by maintaining appropriate product sales prices with price competitiveness in line with the conditions in each country, while sustaining cost reduction efforts through the VA/VE activities.
</td></tr>
<tr><td>
9 Rising logistics costs and containers in shortage
The Group has manufacturing bases in Malaysia, China, the U.S., and Japan, distribution bases in Malaysia and the U.S., and sales bases all over the world. Suppliers are located in various parts around the world. The Group’s supply chain (procurement, production, and sales) is linked by logistics and is affected by the global logistics environment. In particular, in the event of a global logistics disruption caused by the spread of infectious diseases or strikes or suspension of operations at facilities such as port facilities in North America, the Group’s business, financial position, and operating results may be adversely affected.
<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Large</td><td>Medium</td><td>Direct Connect, Innovation, and Expansion in Emerging Markets</td></tr>
</table>
Countermeasures
In such situations, the Group works to minimize loss of sales opportunities and control excessive inventory through supply chain management (SCM), including logistics. The logistics environment at our manufacturing, distribution, and sales bases has been monitored periodically using a visualization system, and countermeasures to minimize the impact on our business through flexible and agile production, inventory allocation, and transportation have been implemented.
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<table>
<tr><th>Classifications of risks</th><th>Risk items</th></tr>
<tr><td rowspan="5">Economic environment</td><td>10 Rising personnel expenses and shortage of manpower</td></tr>
<tr><td>A shortage of factory employees in Malaysia, the Group’s manufacturing and logistics base, or in China, its manufacturing base, may lead to higher labor costs or lower factory utilization rates, which could affect supply side. Not limited to the manufacturing bases, a tight labor supply in countries where sales bases are located may also adversely affect the Group’s business, financial position, and operating results.
Furthermore, the age composition of the Company’s workforce is somewhat imbalanced, which may result in a potential labor shortage over the medium- to long- term.</td></tr>
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<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Medium</td><td>Medium</td><td>Innovation</td></tr>
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</td></tr>
<tr><td>Countermeasures</td></tr>
<tr><td>The Group secures personnel at its manufacturing bases by hiring local and foreign employees. Systemizing and automating various operations and business management enhance operational efficiency and productivity.
In addition, the Company is continuously engaged in recruitment activities and human capital management. Details are described in “17. Human Capital.”</td></tr>
<tr><td rowspan="5">Management, strategy and governance</td><td>13 Business portfolio</td></tr>
<tr><td>With managing our business portfolio, the Group has allocated management resources and evaluated existing businesses and investments through M&A and otherwise. If low-growth, low-profit businesses continue due to lack of monitoring, evaluation and management of each business because of insufficient business portfolio management, or in the event that earnings and synergy effects fall far short of those expected due to failed post-merger integration, the Group is exposed to risk of being unable to generate sufficient cash flows to match the value of business assets. If the Group faces such cases, impairment loss occurs, which may adversely affect its business, financial position, and operating results.
On the other hand, the Group may miss growth opportunities if it hesitates to make strategic investments for fear of risks.</td></tr>
<tr><td>
<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Medium</td><td>Medium</td><td>Direct Connect, Innovation, and Expansion in Emerging Markets</td></tr>
</table>
</td></tr>
<tr><td>Countermeasures</td></tr>
<tr><td>The Company has managed its business portfolio based on the following basic policies.
1. The Group has the electronic musical instruments segment supporting creative endeavors through electronic musical instruments, video equipment, software products, and services that it develops, produces and distributes. In order to achieve business growth, management resources will be kept concentrated.
2. The Group targets the current electronic musical instruments segment and its adjacent areas in the medium- to long-term business expansion and also considers M&A and other measures with an emphasis on demonstrating synergies in addition to expanding its own business.
3. The organized groups by product category and sales area are continuously monitored to assess business efficiency and profitability. The Board of Directors will review them based on the following perspectives at least once a year, and lead to the formulation of medium- to long-term management strategies.
• Consistency with corporate philosophy and corporate mission
• Eliminating bias to maintain the status quo
• Availability and appropriateness of investments for growth that take risks
• Capability, growth, and profitability
• Return on capital based on differences among business models
Moreover, in the event of M&A, the Group implements thorough due diligence and makes prudent and calm judgments based on it, clarifies the post-merger plan, and thoroughly monitors the progress of the plan even after the acquisition to reduce risk of impairment.
For existing businesses, we periodically consider whether to continue the business in accordance with the criteria to determine whether to continue a business as approved by the Board of Directors.</td></tr>
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<tr><th>Classifications of risks</th><th>Risk items</th></tr>
<tr><td rowspan="6">Management, strategy and governance</td><td>

14 Technological innovation and changes in trends

Demand for our products and services relies heavily on the tastes and preferences of consumers. In order for the Group to expand sales in the existing product markets or develop markets for innovative products, it needs to accurately understand and keep abreast of changing consumer tastes and preferences and continue to focus on R&D. For the Group to commercialize new products, especially innovative products, it may need to work on R&D for many years. In addition, the recruitment and development of talented researchers and engineers are essential to successful R&D activities.

In recent years, the pace of technological advancement, including AI, and changes in market trends have accelerated. Failure to accurately capture these technological trends and appropriately reflect them in the development of products and services or in improvements to business processes may undermine the Group's competitiveness and profitability. In addition, addressing issues related to intellectual property, data management, and ethics has become an important challenge.

<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Large</td><td>High</td><td>Direct Connect and Innovation</td></tr>
</table>

Countermeasures

The Group's new product development adopts a unique methodology to understand real needs with thorough interviews about consumer tastes and preferences by developers playing musical instruments by themselves. Against a backdrop of high marginal profit rates, we begin production in small quantities, enabling us to provide products and services that respond to consumer preferences and their changes in a timely manner. In addition, the following initiatives are conducted to respond to cutting-edge technologies, including AI.

- AI for music: Promote "Principles for Music Creation with AI" across the industry and engage in AI use that respects creators' rights protection, ethics, and transparency
- Future Design Lab: Through the research and study of cutting-edge technologies and social trends, as well as prototyping, develop medium- to long-term technology strategies and create new businesses

Furthermore, we strive to secure medium- to long-term technological advantages by making further efforts to retain, hire, and develop specialized personnel and strengthening cooperation with external partners.

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15 Intensification of competition with competitors

The Group's brands are recognized globally, and we are confident that the Group has a strong competitive advantage in terms of sound quality, design, innovation and so forth. The Group, however, has competed fiercely with industry peers in the musical instrument markets both domestic and overseas. Some of the rivaling companies may be more competitive than the Group in many aspects, including brand power, financial capacity, technology, human resources, production capacity, R&D track record, cost competitiveness, and sales force. In addition, the Group's products compete with second-hand products as well. In recent years, some of the manufacturers of lower-priced musical instruments, especially in Asia, have managed to significantly improve the quality of their products and have offered a broad range of products at highly competitive prices, fueling the competition with the Group. If intensified competition with these rivaling companies or rivaling products forces the Group to cut prices, the Group's business, financial position, and operating results may be adversely affected.

<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Medium</td><td>Medium</td><td>Direct Connect, Innovation, and Expansion in Emerging Markets</td></tr>
</table>

Countermeasures

The Group's brands, including "Roland," "BOSS," and "DW," are one of the motives for consumers to purchase our products and services. The Group has continued to invest its management resources in maintaining and enhancing its brand strength.

Developing electronic musical instruments absolutely requires electronic technology backed by knowledge of musical instruments. Core sound source chips using customized LSIs developed originally by the Company are one of the sources of differentiation. Our continuous initiatives to develop "Game Changer" products for opening up new markets have contributed to enhance our brand power.

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<tr><th>Classifications of risks</th><th>Risk items</th></tr>
<tr><td rowspan="8">Management, strategy and governance</td><td>

16 Group control

The Group has its manufacturing and distribution bases all around the world. For business activities overseas, differences in standards and practices and difficulties in operating and managing overseas subsidiaries effectively could be the business risk. Without functional group control and appropriate compliance, risk management, and decision management in our subsidiaries, the Group's business, financial position, and operating results may be adversely affected.

Impact	Probability of occurrence	Relevant key strategies
Medium	Medium	Expansion in Emerging Markets

Countermeasures

The Company conducts group control based on the following policies specified in Basic Policy for Internal Control.

1. Ensuring observance of laws and regulations under the “Roland Group Compliance Guidelines” and building compliance observance system in the entire Group
2. Building an appropriate management system against various types of risk surrounding the Group, by laying down the “Risk Management Basic Regulations”
3. Specifying the responsibility about the decision-making in the “Regulations of the Management of Affiliated Companies” and increasing efficiency in the performance of duties, and monitoring activities in the Group companies
4. Conducting audits on accounting and operations in the Group companies by the Internal Audit Division and mutual audits among the Group companies

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17 Human capital

In order for the Group to build and maintain competitive advantages in a challenging business environment, it is essential to secure and retain highly skilled personnel with specialized expertise. However, the availability of such personnel is limited. If the Group is unable to recruit a sufficient number of qualified personnel, fails to adequately develop such personnel through effective education and training, or loses key personnel to competitors due to insufficient compensation or other factors, the Group’s competitive advantages may be undermined.

Furthermore, if the Group’s corporate culture and organization stagnates and employee job satisfaction decreases, work performance may decline, and therefore the Group’s business, financial position, and operating results may be adversely affected.

Impact	Probability of occurrence	Relevant key strategies
Large	Medium	Direct Connect, Innovation, and Expansion in Emerging Markets

Countermeasures

The Group has been implementing human capital management and allocated management resources on personnel affairs to achieve “supporting growth and boosting engagement,” “promoting diverse work styles,” and “incentives to reward perseverance.” In addition, the Group has established the basic policy for HR strategies as follows and seeks to evolve with its employees, respecting the individuality of each employee.

- Developing a personnel system with a focus on “fairness” and “boosting employee engagement”
- Aiming to design a system in which employees are treated according to their achievements, abilities, and contributions to the company, irrespective of age, gender, race or the length of service
- Aiming for a personnel system where appropriate benefits are given back to employees according to the company’s growth

The Group also ensures that it supports the independent growth of each employee and it provides a fair opportunity for growth and treats the result fairly. In addition, the Group has introduced flextime and teleworking to accommodate diverse working styles and has been striving to improve work-life balance of employees throughout the Group. Our incentive policy works effectively by ensuring sufficient bonus levels at a minimum and increasing the link between bonuses and performance so that employees will receive higher bonuses for better performance.

The Group is working on the establishment of a personnel system to globally develop and utilize competent personnel with specialized skills.

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<tr><th>Classifications of risks</th><th>Risk items</th></tr>
<tr><td rowspan="12">Business operation</td><td>

18 Legal regulations

The Group is engaged in manufacturing and sales activities globally and needs to comply with various domestic and international laws and regulations. At the same time, the Group is also required to respond to, among other things, new legal and regulatory enactments or amendments in a timely and appropriate manner. This may increase costs required to develop a legal compliance system. Besides that, in case of violation of any of these laws and regulations due to insufficient development of such a system, the Group's business, financial position, operating results, brand image and social credibility may be adversely affected.

Impact	Probability of occurrence	Relevant key strategies
Medium	Medium	Direct Connect and Expansion in Emerging Markets

Countermeasures

The Group strives to take in the latest legal and regulatory information through research by personnel in charge of legal affairs in each country and the relevant personnel in each division. When compliance with laws and regulations is required, the departments responsible for the relevant laws and regulations serve as the departments in charge and establish appropriate frameworks with the support of the legal department.

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19 Compliance

The Group is engaged in manufacturing and sales activities globally, and required to respond to social demand, including compliance with various domestic and international laws and regulations. In case of violation of any of these laws and regulations, or serious misconduct, inappropriate behavior or any other inappropriate behavior by an officer or an employee, the Group's business, financial position, operating results, brand image and social credibility may be adversely affected.

Impact	Probability of occurrence	Relevant key strategies
Large	Low	Direct Connect, Innovation, and Expansion in Emerging Markets

Countermeasures

The Group holds Risk Management and Compliance Committee meetings on a regular basis to monitor compliance promotion activities throughout the Group. In promoting compliance, efforts are being made with a focus on providing relevant education and training. The Group has also formulated the "Roland Group Compliance Guidelines," which is the guiding principles for the Group's all officers and employees, and made them known and thoroughly implemented by everyone across the Group to increase their awareness of compliance. At the same time, a global whistleblowing system is installed in the Company and overseas subsidiaries, where their own whistleblowing system is also established for early detection and prompt and appropriate handling of legal violations and other issues.

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22 Excessive inventory and stockout

The Group forecasts consumer demand based on information obtained from the Group's sales network and other sources and operates manufacturing accordingly. However, as it is difficult to accurately project future consumer demand, the Group's forecast and actual demand may differ. In addition, changes in the supply chain environment, such as longer lead times for material procurement and transportation, may lead to inventory shortages resulting in missed sales opportunities, or excess inventory affecting cash flows or causing inventory valuation losses. As a result, the Group's business, financial position, and operating results may be adversely affected.

Impact	Probability of occurrence	Relevant key strategies
Medium	High	Direct Connect, Innovation, and Expansion in Emerging Markets

Countermeasures

In order to reduce loss of sales opportunities and curb excess inventory, the Group has introduced a supply chain planning system that contributes to enhancing the accuracy of demand forecasting and enables efficient changes of production plans. Additionally, by organizing personnel involved in sales and production planning within a single organizational structure, we enable effective and swift decision-making and have established a production system that allows us to respond quickly to changes in demand.

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<table>
<tr><th>Classifications of risks</th><th>Risk items</th></tr>
<tr><td rowspan="8">Business operation</td><td>

23 Quality of products and services

If unexpected defects occur in the Group's products or services, or if the Group's products or services fail to function as specified, the Group may be required to recall products or services or to suspend, delay, repair, modify, or change the design of such products or services, which could have an adverse effect on the Group's business, financial position, operating results, brand image and social credibility.

In addition, the Group is exposed to risk of being a party to lawsuits due to defects in its products or services or non-conformity to contracts, including lawsuits based on product liability, in countries or regions where it operates. If the Group becomes a party to such a lawsuit and is ordered to pay large amounts of damages or fines, the Group's business, financial position, and operating results may be adversely affected.

<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Large</td><td>Low</td><td>Direct Connect, Innovation, and Expansion in Emerging Markets</td></tr>
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Countermeasures

The Group has established quality policies in "Quality Manual" and organized necessary actions and standards as a Quality Management System. Quality Assurance Dept. has implemented the quality management, including external audits under "ISO 9001" certification, and enhances market quality.

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24 Labor control

The Group has its manufacturing and distribution bases all around the world. If labor management of not only the Company but also its suppliers is insufficient based on the labor laws and other regulations of each country, it could lead to employee health problems, industrial accidents, injustice, and demoralization. It may also increase the possibility of various harassment and human rights issues. This may adversely affect the Group's business, financial position, and operating results in the form of deterioration of work environment and productivity, loss of social credibility, and damage to brand value.

<table>
<tr><th>Impact</th><th>Probability of occurrence</th><th>Relevant key strategies</th></tr>
<tr><td>Large</td><td>Medium</td><td>Expansion in Emerging Markets</td></tr>
</table>

Countermeasures

The Group provides training on labor laws and harassment to employees in each country to raise their awareness of legal compliance and reduce the risk of labor lawsuits. The Company sets forth the rules to be observed by officers and employees in "Anti-Harassment Regulations." It also has established a whistleblowing system under its "Whistleblowing Program Regulations" to ensure early detection, correction, and prevention of recurrence of any violation of laws, regulations, or company rules and regulations at an organizational level or by the Company's officers and employees. In addition, the Company has a workplace consultation desk to handle complaints and consultations. Moreover, a human rights policy is formulated to monitor the Group's status of respect for human rights and work environment through human rights due diligence as well as a procurement policy for suppliers, to promote our efforts to respect human rights.

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<tr><th>Classifications of risks</th><th>Risk items</th></tr>
<tr><td rowspan="8">Business operation</td><td>

25 Infringing intellectual properties or being infringed

Although the Group carefully looks into whether or not it has infringed the rights of other companies before releasing a product, there is a possibility that the Group will unintentionally infringe the intellectual property rights of a third party. It is also possible that acquisition of patents or other rights by third parties in the business domains where the Group operates could escalate into disputes as to where intellectual property rights belong, or lawsuits or claims against the Group for damage incurred due to its alleged infringement of intellectual property rights, or injunctions against the use of intellectual property rights by the Group.

It is also possible that inventors of intellectual property for which the Group owns the intellectual property rights may file a lawsuit or take other legal actions disputing the payment of compensation or the ownership of their rights, resulting in financial losses for the Group.

These lawsuits and claims could adversely affect the Group's business, financial position, operating results, brand image and social credibility.

The Group has sought to acquire, maintain, and protect intellectual property rights, such as patents, designs, and trademarks related to its proprietary technologies, products and services. However, in some countries or regions where the Group operates, effective measures to protect intellectual property rights are not in place or are limited. It is therefore possible that we fail to obtain sufficient intellectual property rights in these countries or regions, or that we fail to fully prevent the infringement of our intellectual property rights by third parties. In cases where products similar to ours or illegal counterfeits are sold or unauthorized copies and likes are distributed, the Group's business, financial position, and operating results may be adversely affected.

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Impact	Probability of occurrence	Relevant key strategies
Medium	Medium	Direct Connect and Innovation

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Countermeasures

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Intellectual property department is required to review all the product development at planning stages so as not to infringe any third party's intellectual property rights. In addition, the Group protects its intellectual property by registering the Group's intellectual property rights, such as trademarks, patents, and design rights. Further, as activities to enforce intellectual property rights, the scope of our rights is specified through prior agreements with the holders of similar trademarks, and in case any infringement of the Group's intellectual property rights is found in the market, we will require the infringer to correct product labeling in advertising, request an injunction against the sale of the product, or even file a lawsuit against them. Moreover, the Group pays incentives based on company rules and regulations to the employees who have created new intellectual property rights related to the businesses of the Group.

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26 IT

The Group uses various information systems for its overall business activities and products. In the event these systems do not function as expected by the Group, or system failures occur due to disasters, wars, terrorist acts, infection with computer viruses, cyberattacks and others, the Group may be forced to suspend its operations and services, lose important data, and incur additional expenses for addressing the above situations. As a result, the Group's business, financial position, operating results, brand image, and social credibility may be adversely affected.

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Impact	Probability of occurrence	Relevant key strategies
Medium	Medium	Direct Connect, Innovation, and Expansion in Emerging Markets

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Countermeasures

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The Group strives to minimize information security risks by operating information systems in accordance with "Information Security Basic Regulations" that sets forth rules related to access authority and methods when using information systems, information equipment and data management methods, and security measures. The Group has also formulated guidelines for the use of generative AI and made them known across the Group. Educational opportunities to raise awareness of the importance of information security through training and other means have been provided with the employees. In addition, contingency plans in the event of a human or natural disaster that could lead to information security breaches or system failures have been established.

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4. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows

An overview of the Group's financial position, operating results and cash flows ("operating results") and views and issues analyzed or discussed with regard to the Group's operating results from the management's perspective are as follows:
The forward-looking statements contained in the following description are based on the Group's estimates and assumptions available as of the end of the current fiscal year.

(1) Significant accounting policies and estimates

The Group's consolidated financial statements are prepared based on the accounting principles generally accepted in Japan. The management of the Group prepares these consolidated financial statements based on their estimates, which affect assets and liabilities on a balance sheet date, and the amounts and disclosure of revenues and expenses during the reporting period. Although the appropriateness of these estimates is believed reasonable based on the past results and circumstances, they may differ from actual results due to uncertainties inherent to estimates.

The information on significant accounting policies adopted by the Group in its consolidated financial statements is stated in "Item 5. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated financial statements, *Significant accounting policies for preparation of consolidated financial statements*." Of the estimates and judgements made by the management, the following items may have a particularly significant impact on the financial position and operating results.

(a) Valuation of inventories

Valuation of inventories is as stated in "Item 5. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated financial statements, Significant accounting estimates."

(b) Impairment of non-current assets

The Group examines whether the recognition of valuation loss is necessary based on the "Accounting Standards for Impairment of Fixed Assets," and recognizes valuation loss based on the present value of future cash flows or their net sales value. The Group may recognize valuation loss if future cash flows plunge due to a revision to future business plans or deterioration in business environment.
The impairment of non-current assets of Drum Workshop, Inc. is stated in "Item 5. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated financial statements, Significant accounting estimates."

(c) Impairment on investment

In principle, the Group recognizes valuation loss on securities with market values only if their market prices fall 50% or more of their acquisition prices. For securities whose market prices declined 30% to less than 50%, valuation loss is recognized only if their average rate of decline during the past two years is 30% or more. In principle, for securities whose market values do not exist, valuation loss is recognized only if their substantive values fall 50% or more of their acquisition prices due to deteriorated financial position of the issuer. In the occurrence of a loss that is not reflected on the book value or an emergency of unrecoverable collectability due to deteriorated market conditions or poor operating performance of the investee, valuation loss might be recorded.

(d) Recoverability of deferred tax assets

In calculating the amount of deferred tax assets, the Group determines the recoverability of deferred tax assets after estimating its future taxable income based on earnings forecasts and tax plannings. Changes in the estimates due to a deteriorated business environment in the future, however, may cause the Group to draw down deferred tax assets and recognize income tax expenses.

(e) Determination of retirement benefit obligations

The Group has put in place a defined benefit corporate pension plan (cash balance plan) and calculates retirement benefit cost and retirement benefit liability based on actuarial assumptions. These assumptions include significant estimates, such as discount rates, employee turnover rates, rates of mortality, rates of increases in salary, pension election rates, and expected rates of return on pension assets. The discount rates, which we believe will have particularly a significant impact on profit and loss, are estimated based on the yield of long-term Japanese government bonds at fiscal year-end. Long-term expected rates of return on investment are estimated based on the Company's investment policy and other factors. In the event the actual results differ from the assumptions or if the assumptions are revised, the effects are accumulated and will be periodically recognized in the future. The effects, therefore, generally affect expenses and liabilities recognized in future accounting periods.

(2) Overview of operating results & views and issues analyzed/discussed with regard to the status of operating results from the management's perspective

During the current fiscal year, the global economic environment surrounding the Group remained highly uncertain due to turmoil stemming from the U.S. tariff policies, rising geopolitical risks worldwide and unstable currency fluctuations.

In the electronic musical instruments market where the Group operates, an overall recovery trend was observed as the post-pandemic pullback from the COVID-19-related surge in demand and inventory adjustments by retailers had largely bottomed out. In the United States, our key market, demand remained strong despite various concerns. Meanwhile, in the Chinese market, which had continued to face sluggish conditions, demand for our product offerings began to recover. In Europe, demand softened partly due to intensified competition among musical instrument retailers, including some bankruptcies. However, emerging market, where the Group's presence is expected to expand, continued to perform favorably.

On the other hand, significant changes in the U.S. tariff policies brought to light new challenges in areas such as supply chains and costs. To mitigate the tariff impact, the Company conducted a zero-based cost review, promptly adjusted prices in key countries, and optimized production sites. Along with improvements in the product mix, these measures largely offset the impact.

Amid such significant external changes, the Company acted swiftly by implementing optimal measures while, in the final year of its Medium-term Management Plan, also focused on four key initiatives: (1) Create demand, (2) Expand market share, (3) Increase Lifetime Value (LTV), and (4) Strengthen foundation.

Regarding "Create demand," on top of strengthening our existing product lineup and refreshing our key product lines, we focused on creating new markets. Building on the momentum of the next-generation V-Drums, which began with the high-end electronic drum V-Drums 7 Series launched in the previous fiscal year, we released the mid-range models V-Drums 5 Series and V-Drums 3 Series. Moreover, we launched the TR-1000, a modern version of the TR Series rhythm machines originally released mainly in the 1980s and now regarded as legendary products. Featuring both a newly developed digital sound engine and a newly developed analog sound engine—the first of its kind in approximately 40 years in Roland's history—the TR-1000 represents a significant technological advancement. In addition, the Company introduced the Aerophone Brisa, a flute-type electronic wind instrument in the new format, aiming to enhance brand awareness and attract new users in the wind instrument market, where digitalization is expected to expand.

Regarding "Expand market share," we released software update for the GO:KEYS Series, launched in the previous fiscal year, as a foothold for re-entering the portable keyboard market, aiming to enhance product appeal and market penetration.

Meanwhile, in emerging markets, we focused on strengthening our sales structure, particularly in India, Indonesia, and Central and South America, where the purchasing power of the middle class continues to grow alongside population increases. In terms of products, dedicated models were also launched for these regions.

Furthermore, sales at both directly operated Roland Store in major cities worldwide and expanding Store in Store networks, mainly in emerging countries, remained strong, even though new stores were opened only in carefully selected locations in consideration of the market conditions.

Regarding "Increase LTV," we continuously released new services and sound content for Roland Cloud, as well as apps designed to enhance long-term product enjoyment. The new V-Drums series features a built-in wireless LAN, enabling smoother sound expansion via Roland Cloud.

Regarding "Strengthen foundation," in addition to the stable operation of SAP S/4HANA, the new ERP system introduced in the previous fiscal year, the Company automated demand forecasting and the production planning based on it in the current fiscal year. This has enabled more flexible and rapid reflection of market condition in ordering and production. Furthermore, in October 2025, the new headquarters building, Roland Inspiration Hub, was completed in Hamamatsu City. By integrating functions that had previously been scattered throughout the city—including research and development, production divisions, and administrative divisions—the new headquarters provides an environment where employees can work creatively while generating new ideas collaboratively.

(a) Net sales

During the current fiscal year, the Group recorded net sales of ¥100,952 million (up 1.5% year on year). Sales performance (year-on-year change) by product category is as shown below:

[Keyboards] Net sales: ¥27,223 million (up 1.3%)

As to electronic pianos, signs of recovery were observed in China, where sales had been struggling. In other major regions, sales of portable models remained robust, while sales of mid-sized models were slightly weak.

Sales of portable keyboards remained strong, supported by new products launched in the previous and current fiscal years.

[Percussion and Wind Instruments] Net sales: ¥29,364 million (up 2.7%)
For electronic drums, the new core product lines launched in the previous and current fiscal years significantly contributed to the very strong performance. Meanwhile, sales of acoustic drums struggled to grow, mainly due to production-related impacts stemming from the U.S. tariff policies and inflationary pressures.

In electronic wind instruments, while the launch of a new flute-type model provided a positive boost, sales were negatively impacted by weaker demand and intensified competition in China, the mainstay market.

[Guitar-related Products] Net sales: ¥25,149 million (up 0.6%)
Sales of guitar effects remained strong, supported by the reduction of order backlogs, contributions from new product lines, and solid demand for long-selling products.

As for musical instrument amplifiers, the key models that underwent updates in the second quarter of the previous fiscal year performed well, although demand declined for product lines optimized for outdoor use.

[Creation-related Products & Services] Net sales: ¥13,060 million (up 3.4%)
Sales of synthesizers remained very strong, supported by new product launches in the previous and current fiscal years.

As for dance and DJ-related products, while demand for existing products declined mainly in Europe, the new high-end products launched in the fourth quarter of the current fiscal year performed very strongly.

In software and service domain, in order to enhance users' LTV (Lifetime Value), the Company continuously provided new content and services via Roland Cloud and external channels, which contributed to performance exceeding the plan.

[Video and Professional Audio] Net sales: ¥3,057 million (down 4.4%)
Sales of video-related products benefited from new products launched in the previous fiscal year, but overall sales moderated as demand for livestreaming normalized.

(b) Operating profit
Although profit was boosted by price optimization, owing to the tariff impacts and an increase in selling, general and administrative expenses such as personnel expenses and advertising expenses, operating profit for the current fiscal year amounted to ¥9,412 million (down 5.4% year on year).

(c) Ordinary profit
Non-operating income and non-operating expenses came in at ¥195 million and ¥585 million, respectively. Foreign exchange losses of ¥316 million were recognized in non-operating expenses.

As a result of the above, ordinary profit for the current fiscal year came in at ¥9,022 million (up 7.3% year on year).

(d) Profit attributable to owners of parent
Extraordinary income of ¥362 million includes settlement income of ¥361 million, and extraordinary losses of ¥4,112 million include an impairment loss on non-current assets of Drum Workshop, Inc. (hereinafter "DW"), our U.S.-based consolidated subsidiary, of ¥3,860 million. Income tax expenses amounted to ¥3,089 million as a result of the recognition of income taxes – deferred of ¥1,724 million mainly due to the reversal of DW's deferred tax assets.

As a result of the above, profit attributable to owners of parent for the current fiscal year amounted to ¥2,168 million (down 63.7% year on year).

(e) Objective indicators for assessing the achievement of management targets
Return on equity (ROE) was 5.0% (down 8.9 percentage points year on year) due to the above-mentioned decrease in profit attributable to owners of parents despite purchase and cancellation of treasure shares.
Return on invested capital (ROIC) was 15.2% (up 0.9 percentage points year on year) as a result of the decrease in working capital despite the decrease in operating profit as mentioned above.

(f) Actual amounts of production, orders received, and sales

The Group operates in a single business segment which is engaged in manufacturing and distributing electronic musical instruments, and therefore no segment breakdowns are provided.

(i) Actual amounts of production

(Millions of yen, unless otherwise stated)

Item	54th fiscal year (From January 1 to December 31, 2025)	YoY change (%)
Keyboards	25,987	+1.5
Percussion and Wind Instruments	30,825	+10.1
Guitar-related Products	24,224	(2.4)
Creation-related Products & Services	10,621	(7.7)
Video and Professional Audio	2,851	+16.3
Others	2,046	(8.9)
Total	96,555	+2.0

Note: The amount is calculated based on the selling price.

(ii) Actual amounts of orders received

Not applicable as the Group manufactures products based on demand forecasts.

(iii) Actual amounts of sales

(Millions of yen, unless otherwise stated)

Item	54th fiscal year (From January 1 to December 31, 2025)	YoY change (%)
Keyboards	27,223	+1.3
Percussion and Wind Instruments	29,364	+2.7
Guitar-related Products	25,149	+0.6
Creation-related Products & Services	13,060	+3.4
Video and Professional Audio	3,057	(4.4)
Others	3,097	(2.0)
Total	100,952	+1.5

(3) Analysis of financial position

Total assets as of December 31, 2025 increased by ¥1,891 million from the end of the previous fiscal year to ¥83,477 million. This is attributable primarily to increases in cash and deposits of ¥1,397 million as described in the following cash flows section; property, plant and equipment of ¥4,668 million; and retirement benefit asset of ¥2,566 million, partly offset by decreases in inventories of ¥1,826 million and intangible assets of ¥4,418 million.

Total liabilities increased by ¥7,209 million from the end of the previous fiscal year to ¥42,113 million. This is primarily attributable to increases in trade payables of ¥2,110 million, borrowings of ¥3,669 million, accrued expenses of ¥524 million and deferred tax liabilities of ¥607 million.

Net assets decreased by ¥5,318 million from the end of the previous fiscal year to ¥41,364 million. This is primarily attributable to a decrease in retained earnings of ¥11,503 million, mainly due to the cancellation of treasury shares and the declaration and payment of dividends, partially offset by a decrease in treasury share (a contra account of net assets) of ¥1,262 million mainly resulting from the cancellation of treasury shares, and by increases in foreign currency translation adjustment of ¥1,423 million caused by the depreciation of the yen against major currencies and remeasurements of defined benefit plans of ¥1,351 million, as well as by profit attributable to owners of parent amounting to ¥2,168 million.

As a result of the above, the equity ratio decreased by 7.6 percentage points from the end of the previous fiscal year to 49.2%.

(4) Cash flows

During the current fiscal year, cash and cash equivalents ("net cash") increased by ¥1,397 million (an increase by ¥1,595 million for the previous fiscal year) to ¥15,876 million at the end of the period.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥13,699 million (¥11,717 million provided for the previous fiscal year), which was primarily attributable to the recording of profit before income taxes and a decrease in working capital.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥6,439 million (¥1,193 million used for the previous fiscal year), which was primarily attributable to the capital outlay for the purchase of property, plant and equipment and intangible assets.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥7,417 million (¥9,658 million used for the previous fiscal year), which is primarily attributable to purchase of treasury shares and payment of dividends, partly offset by proceeds from long-term borrowings.

(5) Factors that have a material impact on operating results

Factors that have a material impact on the Group's operating results are as stated in "3. Business Risks."

(6) Capital resources and liquidity of funds

Most of the Group's funding needs are for operating funds to cover operating expenses including the purchase of raw materials for manufacturing its products, labor costs, the purchase of its products manufactured by subcontractors, research and development expenses, and advertising and promotion expenses as well as for the refurbishment and expansion of manufacturing facilities.

The Group finances its operations and capital investments with its own funds or borrowings from external sources. To raise funds efficiently, the Company has entered into overdraft agreements and committed line of credit agreements with its main bank and managed liquidity risk. As of the end of the current fiscal year, the balance of unused credit was ¥14,000 million.

The Group will seek to curb its funding costs and optimize its capital efficiency by taking into consideration the outlook for its cash flow conditions and the trend of market interest rates, and borrowing funds from banks as needed, while using own funds earned by operating activities as the basic source of funding. In addition, the Company aims to achieve sustainable growth of its corporate value while building empathy with all stakeholders through the maximization of added value created from business activities and appropriate distribution thereof.

Regarding shareholder return, the Company will provide sustainable and stable dividends while also conducting flexibly acquire treasury shares as appropriate, taking into account stock market conditions and capital efficiency. The Company targets a consolidated total payout ratio of 50% on a cumulative basis for the three-year period of is Mid-term Management Plan. Even when the necessary funds are required for growth investments, we will set a minimum target of 5% for Dividend on Equity Ratio (DOE). For the details of our dividend policy, please refer to "Item 4. Information about Reporting Company, 3. Dividend Policy."

Reference information

Besides net sales stated in its consolidated financial statements, the Group has recognized the historical changes in its net sales to external customers by major regional market and by product category, for the purpose of providing investors with the information that helps them evaluate the Group's operating performance and corporate value, as shown in the tables below. Note that percentages (expressed in %) indicate the composition of net sales.

(1) Net sales by region

(Millions of yen, unless otherwise stated)

	2021		2022		2023		2024		2025	
Japan	9,666	12.1%	9,736	10.2%	9,693	9.5%	9,054	9.1%	9,262	9.2%
North America (Note 1)	25,959	32.4%	34,904	36.4%	38,920	38.0%	38,382	38.6%	38,764	38.4%
Europe (Note 2)	24,958	31.2%	26,439	27.6%	29,663	28.9%	28,755	28.9%	28,968	28.7%
China (Note 3)	8,673	10.8%	9,641	10.1%	8,796	8.6%	7,411	7.5%	7,561	7.5%
Asia / Oceania / Other Regions	10,775	13.5%	15,118	15.7%	15,372	15.0%	15,830	15.9%	16,394	16.2%
Total	80,032	100.0%	95,840	100.0%	102,445	100.0%	99,433	100.0%	100,952	100.0%

Notes: 1. Net sales in the U.S. and Canada.
2. Including net sales in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.
3. Net sales in mainland China.

(2) Net sales by product category

(Millions of yen, unless otherwise stated)

	2021		2022		2023		2024		2025	
Keyboards	24,792	31.0%	29,869	31.2%	27,546	26.9%	26,869	27.0%	27,223	27.0%
Percussion and Wind Instruments	19,053	23.8%	23,046	24.1%	29,342	28.6%	28,588	28.8%	29,364	29.1%
Guitar-related Products	19,093	23.9%	23,540	24.6%	25,726	25.1%	24,988	25.1%	25,149	24.9%
Creation-related Products & Services	10,122	12.6%	12,206	12.7%	12,662	12.4%	12,627	12.7%	13,060	12.9%
Video and Professional Audio	4,282	5.3%	4,357	4.5%	4,073	4.0%	3,199	3.2%	3,057	3.0%
Others	2,689	3.4%	2,819	2.9%	3,094	3.0%	3,160	3.2%	3,097	3.1%
Total	80,032	100.0%	95,840	100.0%	102,445	100.0%	99,433	100.0%	100,952	100.0%

5. Material Contracts, etc.

Lease agreement

Contracting party	The other party	Contract date	Contract details	Contract period
Roland Manufacturing Malaysia Sdn. Bhd.	Formosa Prosonic Industries Berhad	December 1, 2025	Factories, warehouses and offices for manufacturing electronic musical instruments	December 1, 2025–November 30, 2028

* The contract was renewed on the renewal date in December 2025. The Company, as lessee, is given an option to renew the contract for additional three years at its expiration.

6. Research and Development Activities

The Group's research and development activities can be classified into the following two: the development of elemental technologies that can be shared across the entire Group; and the development of technologies that specialize in product categories. The development of elemental technologies includes construction of theories for musical sound synthesis, modeling, sound effects, sound field analysis, and high-efficiency coding; and the development of our original large-scale integrations (LSIs) for sound generators and effects, which are at the heart of our electronic musical instruments, and digital signal processors that run on the LSIs. We are also engaged in the development of telecommunications technologies to transmit audio and Musical Instrument Digital Interface (MIDI) data using communications/interface standards such as USB, Bluetooth, and wireless LAN; and a platform for our cloud-based service Roland Cloud. In 2024, we launched Roland Future Design Lab, a new development organization dedicated to the exploration, research and development of new technologies such as AI and Web3. Meanwhile, the development of technologies focused on each of our product categories includes sensor technology for playing keyboards, percussion, and wind instruments; sound effect technology for guitar-related products; and video processing technology for video equipment.

Specific research and development activities conducted during the current fiscal year are described below. The Company and its consolidated subsidiaries operate as a single segment covering development, manufacture and sale of electronic musical instruments. Accordingly, these activities are not associated with segment information.

(a) Keyboards

In the electronic piano products, we have been working for many years to improve sound expression through modeling sound engine technology. The high-end LX series digital pianos feature the Piano Reality, a technology that enables seamlessly integrates the latest modeling sound engine with the keyboard, pedals, audio components and speakers. The series is equipped with the following features to further enhance the expression of piano performance: a sound engine that more precisely models piano tone, keyboard sensing technology that faithfully reproduces the difference in sound based on the player's way, and three-dimensional sound field projection technology achieved through a speaker system and signal processing. Meanwhile, the entry-level portable keyboards of GO:KEYS 3 and GO:KEYS 5 are installed with an arranger function, an automatic accompaniment feature that combines our ZEN-Core (Note 1) sound engine and chord detection technology. The interactive automatic accompaniment feature equipped in these models enhances the realism of accompaniment by using a unique algorithm to adjust the arrangement and sound level in real time, synchronized with the performance.

Note 1: An extensible and customizable synthesizer sound engine running on the original LSI and computer.

(b) Percussion and Wind Instruments

In the electronic drums category, we developed the mid-range models V51 and V31 sound modules, which leverage the technology used in the flagship V71 sound module released in September 2024, and launched V-Drums incorporating these modules in October 2025. As a result, all V series sound modules are now able to deliver the optimal drum sounds based on a common sound engine platform. In terms of operability, we have optimized the user interface of each product to allow users to select models that best suit their needs, including live performance, music production, and home practice. In addition, we redesigned our drum pads and expanded our product lineup with the new PD-P series tom pads, which feature chrome hoops and rubber rims to enhance stick feel, as well as the basic PD-H series tom pads.

Moreover, we developed wireless trigger adapters and wireless hubs with DrumLink (Note 2), a new wireless system that transforms how to connect an electronic drum sound module with a pad, in partnership with Drum Workshop, Inc. (hereinafter "DW"). These are compatible with the V-Drums series and DWe, DW's acoustic-electronic convertible drum kits, and make it possible for users to set up their drum kits more freely than before by eliminating cable connections between wireless trigger adapters and sound sources.

In the electronic percussion category, we launched Mood Pan MN-10, an electronic handpan inspired by acoustic handpans, in July 2025. While keeping playability of handpans, it includes specific functions of electronic instruments, such as tuning styles for traditional music in different countries, effects, and different key assignment to each pad. At the same time, we released Mood Pan Plus app to control parameters including tone.

In terms of content, we continually release new drum sounds linked to Roland Cloud. We continually introduce V-Drums Instrument Expansions brought to the market for V series sound modules in October 2024. Adding multi-sampled acoustic drum sounds and electronic drum sounds to V series sound modules makes it possible for users to increase sound variations in their modules. In addition, users can freely mix and match drums with the module's onboard sound library and other installed expansions to create customized kits. Moreover, we released a new V-Drums Kit Pack, drum sounds in enduring tunes reproduced on V-Drums, for V series sound modules. These have contributed to increasing the lifetime value of our products.

In the electronic wind instruments category, we launched Aerophone Brisa with features specific to electronic instruments such as a diverse selection of onboard sounds, expressive sounds, and usability while keeping the

design and key layout of a flute in November 2025. For these features, the Aerophone Brisa is equipped with SuperNATURAL Winds, a new sound engine that leverages our latest advancements in natural wind expression, and a newly developed dual breath sensor system for natural wind control that will be familiar to all types of players.

Note 2: A wireless triggering technology for electronic pads, cymbals, and drum triggers. This proprietary system is designed specifically for drumming applications and enables the connection of up to 30 pads, providing low-latency response and stable performance comparable to analog triggering.

(c) Guitar-related Products

BOSS has been focusing on developing new technologies to offer musicians new expression and creativity by its products. In February 2025, BOSS released the VG-800 V-Guitar processor that takes users' performances beyond reality. Coupled with a divided pickup GK-5 or GK-5B which senses each string of a guitar or bass individually and sends their signals to separate outputs, the VG-800 allows users to recreate a variety of guitars and basses, and string instruments including the sitar and the banjo. Especially, it distinctively includes the GR-300 sound, which has many fans with its iconic sound in the past, and a newly developed VIO Guitar inspired by violin sound and therefore expands the range of sounds. Users can freely change the tuning for each string independently, taking advantage of its capability to sense each string individually and send their signals to separate outputs. It allows instant tuning, such as down-tuning for heavier sounds, which has become common in recent years, and open tuning for unique sounds. These functions help reduce the amount of equipment musicians on tour carry and have been well received.

For guitar effects, in August 2025, BOSS launched a compact pedal RT-2 that faithfully reproduces the distinctive modulation effects and expressive spatial effects of rotary speakers. It features a classic rotary sound as well as three newly developed rotary sounds and allows for control of many functions required for a rotary effect with simple operation. In September 2025, BOSS launched an innovative compact pedal PX-1 which delivers the experience of the BOSS's iconic sound that stands the test of time. The PX-1's permanent library features eight BOSS pedals, including the three models from the 1977 debut, and with its powerful Digital Signal Processor (DSP), it allows for recreation of the sounds of the pedals it is based on as well as their distinctive response and unique noise. Users can also change effects with a Model Pass license available for purchase for additional effects to be available over time. In October 2025, BOSS released XS-100 and XS-1 pitch shifters that realize natural pitch shifting while maintaining an instrument's character and playability with newly invented algorithm. The XS-100's expression pedal and footswitches provide linear pitch control across +/- four octaves to realize unrivaled dynamic pitch expression. The XS-1 is a compact pedal with the same algorithms as the XS-100 to realize simple operation and more intuitive retuning.

For amplifier-related products, in February 2025, BOSS launched WAZA Tube Amp Expander Core for tube amplifiers that provides genuine, quality recorded sound and seamless attenuation (to make signals and volume weaker or less). It features an analog reactive load developed based on our unique design philosophy Tube Logic (Note 3) to optimally adjust volume without compromising the nature of the tube amplifier. The compact load box also contains two tools to help users achieve quality recorded tones so that it will increase the opportunity for many guitarists to use their beloved tube amplifiers.

Note 3: A design philosophy for designing the entire amplifier based on a thorough analysis of the precise workings of each part and component from guitar input to speaker output of tube amplifiers, as well as the complex behavior generated by their interaction.

(d) Creation-related Products & Services

In the synthesizer products category, we released V-STAGE 88 and V-STAGE 76, our new flagship performance keyboards, in February 2025. These are the culmination of the marvels of our best sound source technologies developed over the years. Our four innovative modelling sound engines, V-Piano technology, Virtual Tone Wheel, SuperNATURAL Piano, and ZEN-Core, are condensed into the V-STAGE's rock-solid build. The V-STAGE performance keyboards help the player's best performance at every gig by fusing rich sonic expression of the technologies with an enormous amount of know-how built up by our past development.

In the Dance & DJ category, we launched a new-generation rhythm machine TR-1000 in October 2025. The TR-1000 supports music production in a wide range of genres by fusing analog sounds succeeding legendary TR-808 and TR-909 with the latest digital engines and sampling technology. It features intuitive operability and diverse effects and shows great creativity in live performances and studio work.

For streamers, we released the BRIDGE CAST series, and BRIDGE CAST X, which integrates a video capture function into the BRIDGE CAST to enable video and audio capture from gaming consoles, joined our product line-up. With multiple USB-C and HDMI ports, it can simultaneously connect to all devices, simplifying the cabling and setup, and the intuitive user interface supports high-quality, real-time game streaming. In addition, BRIDGE CAST ONE, the most compact gaming audio mixer in the series, enables users to easily control the voice chat and game audio volume with a highly-operable large dial while playing. The palm-sized compact body

retains a high gain microphone preamplifier for higher-end models, and also features various audio processing functions for upgrading sound quality for talk and chat of streamers. With a small footprint and an easy-to-carry design, users can enjoy superb sound for gameplay and quality streaming even while on the road for player versus player or traveling.

For the subscription service Roland Cloud, a cloud-based software instruments for music and media creators, enhancing the network platform and expanding the services have been underway. We have continually released the BOSS Effects Pedals series, BOSS effects software, since May 2025 to increase the variety of software products and the number of users. In November 2025, Roland Future Design Lab introduced a prototype of LYDIA, an effect with AI that learns the tonal qualities of any sound and applies them to another in real time, developed in collaboration with Neutone, Inc. We will continue research and development to deliver musical instrument experiences stimulating creativity to users by utilizing the rapidly advancing AI technology.

(e) Video and Professional Audio

While live stream performances became widespread amid the COVID-19 pandemic, conventional real live stage performances have revived since the end of the pandemic. Such revival of live performances results in new and booming varieties of events. In such a situation, our AV Mixer VR series and Video Mixer V series have satisfied such demand at those live events. As the newest product in the V series, we have V-80HD with operability and stability as well as high versatility and advanced video production capabilities needed today. Also, the Graphics Presenter software is also available, which enables the V-80HD to combine subtitles and animated graphics when connected to a PC via a single HDMI cable, supporting the enhancement of video production capabilities. The content of Graphics Presenter is available for free download from Roland Cloud.

During the current fiscal year, research and development expenses came in at ¥5,438 million.

Item 3. Information about Facilities

1. Overview of Capital Expenditures

During the fiscal year ended December 31, 2025, the Group made capital expenditures of ¥6,839 million for investments primarily in new headquarters building.

The Company and its consolidated subsidiaries operate as a single segment covering manufacture and sale of electronic musical instruments. Accordingly, information in association with segment information is not presented.

2. Major Facilities

The Company and its consolidated subsidiaries operate as a single segment covering manufacture and sale of electronic musical instruments. Accordingly, information in association with segment information is not presented.

(1) Reporting company

As of December 31, 2025

Office (Location)	Description of facilities	Carrying amount (millions of yen)					Number of employees (Persons)
		Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land (Area: m^2)	Total	
Roland Inspiration Hub (Hamana-ku, Hamamatsu-shi, Shizuoka)	Facilities for development and administration operations	6,410	–	103	671 (19,792)	7,185	–
Headquarters (Hamana-ku, Hamamatsu-shi, Shizuoka)	Facilities for development and administration operations	204	0	41	540 (35,460)	786	466
Miyakoda Factory, Miyakoda Testing Laboratory (Hamana-ku, Hamamatsu-shi, Shizuoka)	Facilities for production, development and quality control	274	4	32	611 (38,357)	923	195
R&D Center (Hamana-ku, Hamamatsu-shi, Shizuoka)	Facilities for research and development	435	0	17	138 (28,270)	591	50

Notes: 1. There are no major facilities that are currently out of operation.
2. The number of temporary employees is omitted since it is less than 10% of the total number of employees.
3. The above figures are the carrying amounts of property, plant and equipment, and do not include construction in progress.
4. The headquarters relocated to Roland Inspiration Hub in Hamana-ku, Hamamatsu-shi in January 2026.

(2) Overseas subsidiaries

As of December 31, 2025

Company name	Location	Description of facilities	Carrying amount (millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land (Area: m^2)	Total	
Roland Electronics (Suzhou) Co., Ltd.	Suzhou, China	Production facilities	140	205	358	– (26,870) [26,870]	705	177
Roland Manufacturing Malaysia Sdn. Bhd.	Selangor Darul Ehsan, Malaysia	Production facilities	374	135	532	– (49,580) [49,580]	1,042	896

Notes: 1. There are no major facilities that are currently out of operation.
2. The number of temporary employees is omitted since it is less than 10% of the total number of employees.
3. The figures of areas of land in square brackets indicate the areas of land leased from entities other than the consolidated companies, which is included in the areas of land.
4. The above figures are the carrying amounts of property, plant and equipment, and do not include construction in progress.

3. Facility Construction and Disposal Plans

The Company and its consolidated subsidiaries operate as a single segment covering manufacture and sale of electronic musical instruments. Accordingly, information in association with segment information is not presented.

(1) New construction of significant facilities

Not applicable.

(2) Disposal of significant facilities

Company name	Office (Location)	Description of facilities	Carrying amount as of December 31, 2025 (millions of yen)	Scheduled date of sale
Reporting company	Headquarters (Hamana-ku, Hamamatsu-shi Shizuoka)	Facilities for development and administration operations	786	September 2026

Item 4. Information about Reporting Company

1. Company's Shares, etc.

(1) Total number of shares

(i) Authorized shares

Class	Total number of shares authorized to be issued (shares)
Common stock	80,000,000
Total	80,000,000

(ii) Issued shares

Class	Number of issued shares as of fiscal year end (December 31, 2025) (shares)	Number of issued shares as of the filing date (March 5, 2026) (shares)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Description
Common stock	26,580,659	26,580,659	Prime Market of the Tokyo Stock Exchange	The number of shares constituting one unit is 100 shares.
Total	26,580,659	26,580,659	–	–

(2) Share acquisition rights

(i) Stock option plans

The 1st Series Share Acquisition Rights and the 3rd Series Share Acquisition Rights issued by the Company pursuant to the resolutions at the Extraordinary General Meeting of Shareholders held on April 30, 2015 and March 4, 2016, respectively, had been fully exercised by the end of the current fiscal year.

(ii) Rights plans

Not applicable.

(iii) Share acquisition rights for other uses

Not applicable.

(3) Exercises of moving strike convertible bonds, etc.

Not applicable.

(4) Changes in number of issued shares, share capital and legal capital surplus

(Millions of yen, unless otherwise stated)

Date	Increase in total number of issued shares (shares)	Balance of total number of issued shares (shares)	Increase in share capital	Balance of share capital	Increase in legal capital surplus	Balance of legal capital surplus
January 1, 2021 through December 31, 2022 (Note 1)	389,168	27,970,534	94	9,585	94	5,170
January 1, 2022 through December 31, 2022 (Note 2)	96,252	28,066,786	27	9,613	27	5,198
January 1, 2023 through December 31, 2023 (Note 3)	96,252	28,163,038	27	9,641	27	5,226
April 30, 2025 (Note 4)	(1,582,379)	26,580,659	–	9,641	–	5,226

Notes: 1. Upon the exercise of share acquisition rights, the total number of issued shares, the amount of share capital and the amount of legal capital surplus increased by 389,168 shares, ¥94 million and ¥94 million, respectively.
2. Upon the exercise of share acquisition rights, the total number of issued shares, the amount of share capital and the amount of legal capital surplus increased by 96,252 shares, ¥27 million and ¥27 million, respectively.
3. Upon the exercise of share acquisition rights, the total number of issued shares, the amount of share capital and the amount of legal capital surplus increased by 96,252 shares, ¥27 million and ¥27 million, respectively.
4. The decrease in the total number of issued shares results from the cancellation of treasury shares.

(5) Shareholding by shareholder category

As of December 31, 2025

Category	Shareholding status (Number of shares constituting one unit: 100 Shares)								Shares less than one unit (shares)
	National and local governments	Financial institutions	Financial service providers	Other corporations	Foreign investors, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders (Persons)	–	19	23	72	189	26	8,289	8,618	–
Number of shares held (units)	–	39,062	5,401	2,843	170,681	5,340	42,143	265,470	33,659
Ratio of shareholdings (%)	–	14.71	2.04	1.07	64.29	2.01	15.88	100.00	–

Note: Out of 38,913 treasury shares, 389 units are included in “Individuals and others,” and 13 shares in “Shares less than one unit.”

(6) Major shareholders

As of December 31, 2025

Name	Address	Number of shares held (shares)	Shareholding ratio (excluding treasury shares) (%)
NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT (Standing proxy: Tokyo Branch, the Hongkong and Shanghai Banking Corporation Limited)	50 Bank Street, Canary Wharf, London, E14 5NT, U.K. (3-11-1 Nihombashi, Chuo-ku, Tokyo)	6,304,183	23.75
MINERVA GROWTH CAPITAL, LP (Standing proxy: SMBC Nikko Securities Inc.)	C/O The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, U.S.A. (Shin Marunouchi Building, 1-5-1, Marunouchi, Chiyoda-ku, Tokyo)	4,352,600	16.39
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 1-8-1, Akasaka, Minato-ku, Tokyo	2,280,200	8.59
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	1,067,854	4.02
NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10PCT TREATY ACCOUNT (Standing proxy: Tokyo Branch, the Hongkong and Shanghai Banking Corporation Limited)	50 Bank Street, Canary Wharf, London, E14 5NT, U.K. (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	970,100	3.65
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS (Standing proxy: Tokyo Branch, the Hongkong and Shanghai Banking Corporation Limited)	50 Bank Street, Canary Wharf, London, E14 5NT, U.K. (3-11-1 Nihombashi, Chuo-ku, Tokyo)	805,000	3.03
Brian K. Heywood (Standing proxy: SMBC Nikko Securities Inc.)	Redmond, WA. U.S.A. (Shin Marunouchi Building, 1-5-1, Marunouchi, Chiyoda-ku, Tokyo, Japan)	503,926	1.89
Roland Employee Shareholding Association	2036-1 Nakagawa, Hosoe-cho, Hamana-ku, Hamamatsu-shi, Shizuoka	375,920	1.41
Jun-ichi Miki	Hamana-ku, Hamamatsu-shi, Shizuoka	334,121	1.25
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, Massachusetts U.S.A. (SHINAGAWA INTERCITY Tower A, 2-15-1, Konan, Minato-ku, Tokyo, Japan)	270,516	1.01
Total	—	17,264,420	65.04

Notes: 1. In addition to the above, the Company holds treasury shares of 38,913 shares.

2. TAIYO JUPITER HOLDINGS,L.P., which was a major shareholder as of December 31, 2024 ceased to be a major shareholder as of December 31, 2025, and NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT newly became a major shareholder.

3. According to the Change Report of Large-Volume Holdings made available for public inspection on November 10, 2025, FMR LLC held shares of the Company as of October 31, 2025, as described below. However, this information has not been included in the above table, as the Company was unable to confirm the actual number of shares effectively held by the entity as of December 31, 2025. As the Company confirmed a change in its major shareholders through the Statement of Large-Volume Holdings (Change Report), it filed an Extraordinary Report (Change of Major Shareholder) on July 8, 2025. The details of the Large-Volume Holdings Report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
FMR LLC	245 Summer Street, Boston, Massachusetts 02210, U.S.A.	1,868,000	7.03

4. According to the Change Report of Large-Volume Holdings made available for public inspection on March 5, 2025, Jupiter Asset Management, Limited. held shares of the Company as of February 28, 2025, as described below. However, this information has not been included in the above table, as the Company was unable to confirm the actual number of shares effectively held by the entity as of December 31, 2025. The details of the Change Report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
Jupiter Asset Management, Limited	The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ. U.K.	1,154,900	4.10

5. According to the Large-Volume Holdings Report made available for public inspection on February 21, 2025, Crimson White Investment Pte. Ltd. held shares of the Company as of February 14, 2025, as described below. However, this information has not been included in the above table, as the Company was unable to confirm the actual number of shares effectively held by the entity as of December 31, 2025. As the Company confirmed a change in its major shareholders through the Statement of Large-Volume Holdings (Change Report), it filed an Extraordinary Report (Change of Major Shareholder) on February 17, 2025. The details of the Large-Volume Holdings Report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
Crimson White Investment Pte. Ltd.	#37-01, Capital Tower, 168 Robinson Road, 068912, Singapore	6,304,183	22.38

6. According to the Change Report of Large-Volume Holdings made available for public inspection on May 13, 2025, Taiyo Jupiter Holdings GP Ltd. and its joint holders, Brian K. Heywood and Hiramori Holdings, LLC held shares of the Company as of May 2, 2025, as described below. However, this information, except for Brian K. Heywood, has not been included in the above table, as the Company was unable to confirm the actual number of shares effectively held by these entities as of December 31, 2025. The details of the Large-Volume Holdings Report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
Taiyo Jupiter Holdings GP Ltd.	4TH FLOOR, HARBOUR PLACE, 103 SOUTH CHURCH STREET, GEORGE TOWN, P.O.BOX 10240 GRAND CAYMAN KY1-1002	409,600	1.54
Brian K. Heywood	REDMOND, WA U.S.A.	503,926	1.90
Hiramori Holdings, LLC	9 East Loockerman Street, Suite 311, Dover, Kent County, Delaware 19901, U.S.A.	215,968	0.81
Total	—	1,129,494	4.25

(7) Voting Rights

(i) Issued shares

As of December 31, 2025

Category	Number of shares (shares)	Number of voting rights (units)	Description
Shares with no voting rights	–	–	–
Shares with restricted voting rights (treasury shares)	–	–	–
Shares with restricted voting rights (other)	–	–	–
Shares with full voting rights (treasury shares)	(Treasury shares) Common stock 38,900	–	–
Shares with full voting rights (other)	Common stock 26,508,100	265,081	The number of shares constituting one unit is 100 shares.
Share less than one unit	Common stock 33,659	–	–
Total number of issued shares	26,580,659	–	–
Voting rights held by all shareholders	–	265,081	–

Notes: 1. “Shares with full voting rights (other)” of common stock includes 169,400 shares of the Company (1,694 voting rights) held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets of the Board Benefit Trust and Employee Stock Ownership Plan Trust.

2. “Share less than one unit” of common stock include 54 shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets of the Board Benefit Trust and Employee Stock Ownership Plan Trust.

3. “Share less than one unit” of common stock includes 13 treasury shares held by the Company.

(ii) Treasury shares

As of December 31, 2025

Name of shareholder	Address of shareholder	Number of shares held in own name (shares)	Number of shares held in others' names (shares)	Total number of shares held (shares)	Shareholding ratio (%)
(Treasury shares) Roland Corporation	2036-1 Nakagawa, Hosoe-cho, Hamana-ku, Hamamatsu-shi, Shizuoka	38,900	–	38,900	0.15
Total	—	38,900	–	38,900	0.15

Notes: 1. In addition to the above, the Company holds treasury shares less than one unit of 13 shares.
2. The Company has contributed 169,454 shares to Custody Bank of Japan, Ltd. (Trust Account) as trust assets of the Board Benefit Trust and the Employee Stock Ownership Plan Trust.
3. The Company relocated its headquarters to 1-6-4 Shinmiyakoda, Hamana-ku, Hamamatsu-shi on January 6, 2026.

(8) Share ownership plan for Directors and other Officers and employees

1. Performance Share Unit and the Restricted Stock Unit

(1) Overview of Performance Share Unit and the Restricted Stock Unit

In accordance with the resolution of the General Meeting of Shareholders held on March 30, 2022, the Company has introduced a new performance-based stock compensation plan for Directors (excluding Outside Directors) and Executive Officers (entrustment type), consisting of the performance share unit (PSU) where the shares are granted subsequently subject to achievement of performance targets and a fixed stock compensation for Outside Directors based on their position in the Company, consisting of the restricted stock unit (RSU) where the shares are granted subsequently subject to continuous engagement commencing in fiscal year 2022. Also, for employees recognized by the Company as eligible (hereinafter referred to as "executive employees"), a new performance-based stock compensation plan consisting of the performance share unit (PSU) where the shares are granted subsequently subject to achievement of performance targets was introduced in fiscal year 2022. Under the new stock compensation plan, Directors, Executive Officers (entrustment type), and executive employees are provided the units in accordance with the Rules on Stock Compensation set forth by the Company. Then they are provided the shares of the Company in exchange for an in-kind contribution of the monetary remuneration claims provided to them by the Company according to the units.

(2) Total number of shares to be delivered to Directors, Executive Officers (entrustment type), and executive employees

Directors and Executive Officers (entrustment type) : Up to 120,000 shares for three fiscal years
Executive employees : Up to 30,000 shares for three fiscal years

(3) Persons eligible to receive beneficiary rights and other rights under the Plan

Directors, Executive Officers (entrustment type) and executive employees who meet the requirements for beneficiaries

2. Board Benefit Trust Plan

(1) Overview of the Board Benefit Trust Plan

In accordance with the resolution of the General Meeting of Shareholders held on December 21, 2016, the Company introduced the "Board Benefit Trust (BBT)" as a performance-based stock compensation plan for Directors (excluding non-executive Directors) and Executive Officers. Upon introduction of the Board Benefit Trust Plan (hereinafter the "BBT Plan"), the Company established the "Stock Benefit Rules for Board Benefit Trust" and entrusted money to a trust bank for the advance purchase of shares to be delivered in the future in accordance with given rules. The trust bank acquired the Company's shares with the entrusted money. The BBT Plan is a stock benefit plan in which points are granted to Directors and Executive Officers in accordance with the Stock Benefit Rules for Board Benefit Trust, and shares are delivered to them according to the number of points granted.

Note that, the period of granting the points under this plan has been closed due to the introduction of 1. "Performance Share Unit and Restricted Stock Unit" above.

(2) Total number of shares to be delivered to Directors and Executive Officers

25,989 shares

(3) Persons eligible to receive beneficiary rights and other rights under the Plan

Directors and Executive Officers of the Company who meet the requirements for beneficiaries

3. Employee (at management level) Stock Ownership Plan

(1) Overview of the Employee (at management level) Stock Ownership Plan

The Company introduced an incentive plan of "Employee Stock Ownership Plan (ESOP) Trust," in which shares of the Company are delivered to employees of the Company and its subsidiaries in order to increase their motivation and morale to improve the Company's share price and business performance. Upon introduction of the ESOP, the Company established the "Stock Benefit Rules for ESOP" and entrusted money to a trust bank for the advance purchase of shares to be delivered in the future in accordance with given rules. The trust bank acquired the Company's shares with the entrusted money. The ESOP is a stock benefit plan under which points are granted to employees in accordance with the Stock Benefit Rules for ESOP, and shares are delivered to them according to the number of points granted.

Note that, the period of granting the points under this plan has been closed.

(2) Total number of shares to be delivered to employees

140,354 shares

(3) Persons eligible to receive beneficiary rights and other rights under the Plan

The Company's employees with certain qualifications and at a certain grade or higher who meet the requirements for beneficiaries

Reference information

At the Board of Directors meeting held on February 13, 2026, the Company resolved to revise the performance achievement coefficient for stock compensation and to increase the maximum number of shares to be delivered under the stock compensation plan (performance share unit (PSU)) as part of its efforts to maximize corporate value over the medium- to long-term. At the same time, the Company resolved to introduce a new Board Benefit Trust (BBT-RS), under which shares subject to transfer restrictions until retirement will be delivered during the term of office through a trust, on the condition of continued service, to Directors (excluding Outside Directors) and Executive Officers (entrustment type). These changes will be proposed for approval at the 54th Ordinary General Meeting of Shareholders.

Accordingly, the total number of shares to be delivered to Directors (including Outside Directors) and Executive Officers (entrustment type) under the "1.Performance Share Unit and the Restricted Stock Unit" is expected to be up to 240,000 shares for the applicable three fiscal years.

In addition, with respect to " Share Benefit Trust Plan (BBT-RS)" , the total number and aggregate number of shares to be delivered to Directors (excluding Outside Directors) and Executive Officers (entrustment type) are expected to be up to 84,000 shares (with a maximum trust contribution amount of ¥420 million) for the applicable three fiscal years.

2. Acquisition and Disposal of Treasury Shares

Class of shares: Acquisition of common stock under Article 155, Item 3 and Article 155, Item 7 of the Companies Act

(1) Acquisition by resolution of General Meeting of Shareholders
Not applicable.

(2) Acquisition by resolution of Board of Directors meeting
Acquisition in accordance with the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act.

Category	Number of shares (shares)	Total value (yen)
Status of resolution at the Board of Directors (held on February 13, 2025) (Acquisition period: February 17, 2025 to February 28, 2025)	1,800,000	5,800,000,000
Treasury shares acquired before the fiscal year ended December 31, 2025	–	–
Treasury shares acquired during the fiscal year ended December 31, 2025	1,518,300	5,799,906,000
Total number and value of remaining resolution shares	281,700	94,000
Unexercised percentage as of December 31, 2025 (%)	15.6	0.0
Treasury shares acquired during the period from January 1, 2026 to the filing date of this Annual Securities Report	–	–
Unexercised percentage as of the filing date (%)	15.6	0.0

Notes: 1. The number of treasury shares acquired during the period from January 1, 2026 to the filing date of this Annual Securities Report does not include treasury shares acquired during the period from March 1, 2026 to the filing date of this Annual Securities Report.
2. Acquisition period and the number of treasury shares acquired are based on the trade date.
3. The shares were acquired through off-floor trading method (ToSTNet-3).
4. The acquisition of treasury shares based on the said resolution has been completed on February 20, 2025.

(3) Acquisition not based on resolution of General Meeting of Shareholders or Board of Directors meeting

Category	Number of shares (shares)	Total value (yen)
Treasury shares acquired during the fiscal year ended December 31, 2025	40	134,200
Treasury shares acquired during the period from January 1, 2026 to the filing date of this Annual Securities Report	–	–

Notes: 1. The number of treasury shares acquired during the period from January 1, 2026 to the filing date of this Annual Securities Report does not include shares acquired through purchase of shares less than one unit during the period from March 1, 2026 to the filing date of this Annual Securities Report.

(4) Disposal of acquired treasury shares and number of treasury shares held

Category	Current fiscal year		From January 1, 2026 to the filing date of this Annual Securities Report	
	Number of shares (shares)	Total amount of disposal (yen)	Number of shares (shares)	Total amount of disposal (yen)
Acquired treasury shares for which subscribers were solicited	–	–	–	–
Acquired treasury shares that were disposed of	1,582,379	6,148,334,279	–	–
Acquired treasury shares that were transferred for merger, share exchange, share issuance and company split	–	–	–	–
Other (exercise of share acquisition rights)	216,580	862,962,464	–	–
Other (performance-based stock compensation)	6,666	25,900,521	–	–
Treasury shares held	38,913	–	38,913	–

Notes: 1. The number of treasury shares held during the period from January 1, 2026 to the filing date of this Annual Securities Report does not include shares acquired based on the resolution of the Board of Directors and shares less than one unit purchased during the period from March 1, 2026 to the filing date of this Annual Securities Report.
2. The number of treasury shares held is based on the delivery date.
3. The number of treasury shares held does not include 169,454 shares in the current fiscal year and 166,343 shares during the period from January 1, 2026 to the filing date of this Annual Securities Report by Custody Bank of Japan, Ltd. as trust assets of the Board Benefit Trust and Employee Stock Ownership Plan Trust.

3. Dividend policy

The Company aims to achieve sustainable growth of its corporate value while building empathy with all stakeholders through the maximization of added value created from business activities and appropriate distribution thereof.

With respect to shareholder returns, the Company targets to achieve a consolidated total payout ratio of 50% on a cumulative basis over the three-year Mid-term Management Plan period, and sets a minimum target dividend on equity (DOE) of 5.0% even when the necessary funds are required for growth investment, while making sustainable and stable dividend payments, by flexibly purchasing treasury shares in consideration of stock market trends and capital efficiency.

Given the above policy and financial position of the Company, a dividend of ¥170 per share (of which an interim dividend of ¥85 per share) is scheduled to be paid for the 54th fiscal year ended December 31, 2025.

For the fiscal year ending December 31, 2026, an annual dividend of ¥170 per share (comprising of the interim dividend of ¥85 per share and the year-end dividend of ¥85 per share) is anticipated.

The Company, in principle, distributes dividends twice a year with the record dates being each interim fiscal year-end and fiscal year-end. The payment of interim dividends and fiscal year-end dividends are to be resolved by the Board of Directors and the General Meeting of Shareholders, respectively.

The Company stipulates in its Articles of Incorporation that it may distribute interim dividends as prescribed in Article 454, Paragraph 5 of the Companies Act.

Dividends of surplus whose record date falls within the 54th fiscal year are as follows:

Resolution date	Total amount of dividends (millions of yen)	Dividend paid per share (yen)
Board of Directors meeting held on August 7, 2025 (Note 1)	2,254	85
Ordinary General Meeting of Shareholders to be held on March 26, 2026 (Note 2)	2,256	85

Notes: 1. The total amount of dividends paid based on the resolution at the Board of Directors meeting held on August 7, 2025 includes dividends of ¥14 million paid to the Company's shares held by trusts.
2. The total amount of dividends to be paid subject to the resolution at the Ordinary General Meeting of Shareholders to be held on March 26, 2026 includes dividends of ¥14 million paid to the Company's shares held by trusts.

4. Corporate Governance

(1) Overview of corporate governance

(i) Basic view on corporate governance

The Company defines corporate governance as a system effectively working in the Group composed of the Company and its subsidiaries, to increase its corporate value sustainably and autonomously for the benefits of all the stakeholders, including shareholders, customers, business partners and employees, as well as to achieve sustainable environment and society. The Company aims to build and promote this kind of system.

The Company established the Roland Group's corporate philosophy, which represents its underlying purpose, and lives up to its stakeholders' expectations under this philosophy.

The corporate philosophy is embodied in three slogans below. These slogans have been representing the Group's underlying purpose and vision since its foundation without any changes.

- Inspire the Enjoyment of Creativity
- Be the BEST rather than the BIGGEST
- Cooperative Enthusiasm for All Stakeholders

(ii) Overview of the corporate governance system and reasons for adopting this corporate governance system

The Company has adopted the organization form of a company with an Audit & Supervisory board under the Companies Act to ensure appropriate and proper business execution under the supervision of Directors and through audit by Audit & Supervisory Board Members who have wide-ranging investigation authority. In addition, the Company has set up the Nomination and Remuneration Committee to supplement the Board of Directors to ensure the transparency and fairness of important personnel affairs.

The corporate governance system of the Company as of the filing date is described as follows.

Board of Directors

The Board of Directors consists of seven directors (including five Outside Directors). It formulates the fundamental principle of management, a Mid-term Management Plan, and the basic business portfolio policy; designs the internal control system; makes decisions on important managerial matters stipulated by laws and regulations, the Articles of Incorporation, company rules and regulations and reports the Directors' performance of business management. The Board of Directors holds a regular meeting on a monthly basis and holds extraordinary meetings or adopts written resolutions whenever an urgent resolution is required.

Audit & Supervisory Board

The Audit & Supervisory Board consists of three Outside Audit & Supervisory Board Members and holds a regular meeting on a monthly basis. The Audit & Supervisory Board formulates audit plans and audit reports of the Audit & Supervisory Board as well as receives reports mainly made by the full-time Audit & Supervisory Board Member regarding the implementation status of audits conducted in accordance with audit plans. It also discusses matters concerning proposals submitted to the Board of Directors. In addition, it holds extraordinary meetings whenever necessary. Furthermore, to understand important decision-making processes and the status of business execution, Audit & Supervisory Board Members attend important internal meetings in addition to the Board of Directors meetings and are committed to supervising the Directors' execution of duties by ways such as visiting subsidiaries for audits.

Nomination and Remuneration Committee

The Company has set up a voluntary Nomination and Remuneration Committee, the majority of which are Independent Directors, to ensure transparency and fairness in appointment/dismissal of Directors and Audit & Supervisory Board Members as well as CEO and Executive Officers, along with determination of remuneration.

Risk Management and Compliance Committee

The Company has set up the Risk Management and Compliance Committee, composed of CEO, Executive Directors, Executive Officers, the Group's key executives, with Outside Directors and Audit & Supervisory Board Members serving as observers. The Risk Management and Compliance Committee reports matters that are particularly important in terms of risk management or compliance and disseminates and approves countermeasures therefor.

Board of Executive Officers

The Company has set up the Board of Executive Officers, consisting of all Executive Officers. The Board of Executive Officers considers and deliberates matters to be submitted to the Board of Directors and important matters in business execution and shares important information.

Sustainability Promotion Committee

The Company has set up the Sustainability Promotion Committee, consisting of Executive Officers, as a supplementary organization to the Board of Executive Officers. The Sustainability Promotion Committee promotes the Company's activities designed to enhance sustainability that incorporates the ideas of ESG and

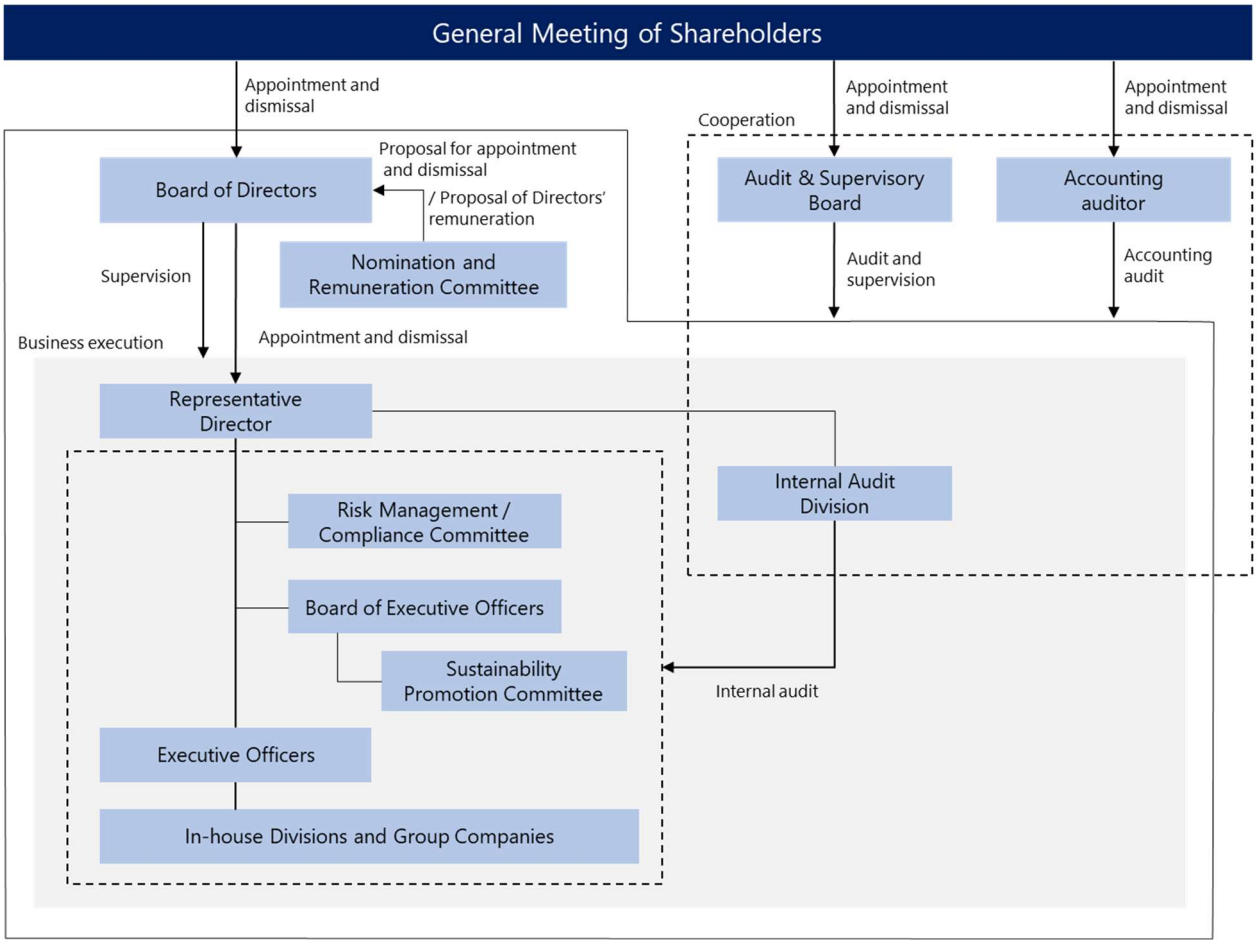
SDGs and makes regular reports to the Board of Directors so that it can ensure the supervision of sustainability initiatives from the business management side.

Chairpersons, members, and observers of each organization are as follows:

C: Chairperson, M: Member and O: Observer

Position title	Name	Board of Directors	Audit & Supervisory Board	Nomination and Remuneration Committee	Risk Management and Compliance Committee	Board of Executive Officers	Sustainability Promotion Committee
CEO and Representative Director	Masahiro Minowa	C			C	C	C
Director	Yasunobu Suzuki	M			M	M	M
Outside Director	Toshihiko Oinuma	M		C	O		
Outside Director	Brian K. Heywood	M			O		
Outside Director	Mikio Katayama	M		M	O		
Outside Director	Hiroshi Yamamoto	M		M	O		
Outside Director	Ryoko Takei	M			O		
Outside Audit & Supervisory Board Member (Full-time)	Yoshito Imaishi	O	C	O	O	O	
Outside Audit & Supervisory Board Member	Kazuhiro Ishihara	O	M		O	O	
Outside Audit & Supervisory Board Member	Yoji Morizumi	O	M		O	O	
Executive Officer	Tim Walter				M	M	M
Executive Officer	Yuichi Hakamata				M	M	M
Executive Officer	Yuko Maeda				M	M	M
Executive Officer	Chris Lombardi				M	M	M
Executive Officer	Hisakazu Yamasato				M	M	M
Executive Officer	Takamitsu Shimizu				M	M	M

The schematic depiction of the Company's corporate governance is shown below:



(iii) Other matters regarding corporate governance

(a) Internal control system

At the Board of Directors meeting, the Company has resolved the system for ensuring the appropriateness of the Group's business as follows:

1. The system to ensure the execution of duties by the Directors of the Group and employees conforms with laws, regulations and articles of incorporation

(1) "Roland Group Compliance Guidelines," which is the basic guiding principle for observance of the compliance in the Group is formulated and make it familiarized with everyone in the Group aiming at overall observance of laws and regulations.

(2) Risk Management and Compliance Committee, consisting of CEO, Executive Directors, Executive Officers, and the Group's key executives, with Outside Directors and Audit & Supervisory Board Members serving as observers, is organized to encourage compliance across the Group by drawing up a compliance plan and identifying priority laws and regulations to be observed by the entire Group.

Compliance promotors are appointed by each business region to draw up and implement a compliance promotion plan tailored to the actual circumstances of their respective regions, in accordance with the principles set forth by the Risk Management and Compliance Committee.

Through these efforts, the Group compliance is encouraged and advanced.

(3) A whistleblowing system is installed so that a suspicion regarding the violation of laws or regulations, or wrongdoing by the management or employees of the Company, or the actions which may lead to such conduct could be reported. At the same time, a global whistleblowing system is also installed so those employees of subsidiaries could report to the Company about their managements' suspicion, the violation of laws or regulations, or wrongdoing and so forth aiming at increasing the self-regulatory function of the entire Group.

(4) The Internal Audit Division of the Company takes charge of the audit of the entire Group and reports to the Board of Directors and the Audit & Supervisory Board every year on the plan and result of its internal audit so as to increase the effectiveness of the internal audit of the entire Group through

promoting collaboration between the Board of Directors and the Audit & Supervisory Board and the Internal Audit Division.

2. The system for the preservation and management of information related to the execution of duties by Directors
   (1) Information relating to the Directors' execution of their duties, including the minutes of the General Meeting of Shareholders and the Board of Directors meetings, as well as approved documents, is prepared in writing and maintained in accordance with applicable laws and regulations and the Company's internal rules, including the Document Storage Regulations.
   (2) Directors and Audit & Supervisory Board Members of the Company may peruse such documents, in case it is necessary for performance of their duties.

3. Regulations and other systems concerning the management of the risk of losses of the Group
   (1) Appropriate management systems against various types of risk surrounding the Group are organized by laying down the "Risk Management Basic Regulations".
   (2) The Risk Management and Compliance Committee analyzes and assesses risk surrounding the Group in terms of the probability of occurrence and the degree of influence and sets forth principles for coping it. The Board of Directors regularly reviews material risk and conducts the risk management covering the entire Group.
   (3) When emerging risk with the possibility of occurrence of losses has surfaced, it shall be reported to the Board of Executive Officers, consisting of Executive Officers, based on the reports from the Executive Officers and from our subsidiaries, verify the countermeasures, and make the measures for prevention of recurrence be informed to everyone.
   (4) In an emergency, CEO forms the responding organization as the chief administrator in the crisis management system and grasps the situation and takes appropriate steps based on the business continuity plan prescribed in advance.

4. The system to ensure the efficient performance of duties of Directors of the Group
   (1) The Company adopts the Executive Officer system so that the number of Directors is kept small for the sake of improving the quality of discussion at the Board Meeting and quick decision making.
   (2) The Board holds a meeting on a monthly basis to discuss over the fundamental principles and strategies for the group management, to determine material businesses execution and to supervise the Directors' execution of their duties.
   (3) The Company develops a medium- to long-term business plan as well as an annual plan for the Group at the Board. The Company and its subsidiaries perform the businesses according to these plans, and review regularly the progress of implementation.
   (4) An Executive Officer for each business function is appointed to build the system which allows to manage and supervise the execution of businesses of the entire Group including subsidiaries by each function, so that the group management is operated efficiently.
   (5) Authorization for approval of the matters concerning business transaction is stipulated in the "Approval Regulations." In addition, among the matters concerning subsidiaries, the Company identified matters that requires the Company's approval and stipulated them in the "Regulations of the Management of Affiliated Companies." Thus, the responsibility for the decision-making for the entire Group will be specified and the performance of duties will become more efficient.

5. The system concerning the reports to the Company on the subsidiary Directors' execution of their duties
   (1) In the "Regulations of the Management of Affiliated Companies," these matters such as subsidiaries' business results and financial status, and these which may affect the Group, such as the occurrence of risk, should be organized and regarded to be reported to the corresponding divisions of the Company by the subsidiaries. The regulation shall be thoroughly known to everyone in the Group.
   (2) The Corporate Planning division of the Company supervises the reports from subsidiaries to make sure they are made in an accurate and appropriate manner and improves the reporting system and gives instructions about it.

6. The system to guarantee the effectiveness of the audit by Audit & Supervisory Board Members
   (1) Audit & Supervisory Board Members may instruct the personnel of the Internal Audit Division of the Company to assist in the auditing business as an assistant to his/her business.
   (2) Personnel assessment, appointment, and personnel change of the personnel of the Internal Audit Division shall be subject to the agreement by Audit & Supervisory Board Members, to ensure independence from Directors.
   (3) When a member of the personnel of the Internal Audit Division assists Audit & Supervisory Board Members in performing duties, he/she will exclusively obey Audit & Supervisory Board Members' instructions and command.
   (4) Audit & Supervisory Board Members may request Directors or employees of the Company or its subsidiaries to report to him/her at any time as required.

(5) In case any actions which are (or may possibly be) in violation of laws, regulations or articles of incorporation, or facts which may possibly cause a significant loss to the Group, they must be reported immediately to Audit & Supervisory Board Members.
(6) If a report is made through the whistleblowing system, the fact of a report has been made, and its contents will be reported to Audit & Supervisory Board Members.
(7) The Company arranges a protection system so that the one who reported to Audit & Supervisory Board Members or used the whistleblowing system will be treated or handled properly.
(8) The necessary expenses to perform duties of Audit & Supervisory Board Members shall be budgeted in advance and non-budgeted expenses arising from unexpected events are covered by the Company.
(9) Audit & Supervisory Board Members may attend the important internal meetings and express his/her opinion.
(10) Audit & Supervisory Board Members shall hold meetings regularly, or as required, with CEO to exchange insights and so forth concerning important subjects in connection with auditing.
(11) Audit & Supervisory Board Members shall hold meetings regularly with the accounting auditor to exchange insights and so forth concerning matters related to accounting.

(b) Agreements for limited liabilities contract
Based on the provisions of the Articles of Incorporation and Article 427 of the Companies Act, the Company has concluded with all the Directors (excluding Executive Directors) and Audit & Supervisory Board Members the agreement that, concerning the responsibility for damages stipulated in Article 423-1 of the Companies Act, if they perform duties in good faith and there is no gross negligence, the maximum compensation for the damage shall be the minimum liability provided for by the laws.

(c) Directors and officers liability insurance
The Company has purchased directors and officers liability insurance (D&O insurance) for all Directors, Audit & Supervisory Board Members, Executive Officers, and other employees in capacity of heir, managers or supervisors of the Company and its subsidiaries in Japan and overseas as the insured. The insurance premiums including riders are borne by the Company in full and no substantial insurance premiums are borne by the insured.

The insurance policies shall cover liabilities of Directors and Officers arising in the performance of their duties and damage claims received pertaining to the pursuit of said liability. However, there are certain exclusions, such as no coverage for liabilities arising from misconduct taken with the knowledge that they were in violation of laws and regulations.

(d) Number of Directors
The Company's Articles of Incorporation stipulate that the number of the Company's Directors shall be not more than 15.

(e) Requirements for resolution for election of Directors
The Company's Articles of Incorporation stipulate that resolution for election of Directors shall be made by a majority of the votes of the shareholders present at a General Meeting of Shareholders, where the shareholders who hold no less than one-third of the voting rights of shareholders who are entitled to exercise their voting rights and shall not be by cumulative voting.

(f) Decision-making body of interim dividends
The Company's Articles of Incorporation stipulate that the Board of Directors may resolve to distribute dividends of surplus as prescribed in Article 454, paragraph 5 of the Companies Act to execute the dividend policy in a timely manner.

(g) Acquisition of treasury shares
The Company's Articles of Incorporation stipulate that the Board of Directors may resolve to acquire treasury shares as prescribed in Article 165, paragraph 2 of the Companies Act to ensure timely execution of the capital policy in response to changes in business environment.

(h) Requirements for special resolution at the general meeting of shareholders
The Company's Articles of Incorporation stipulate that, in order to ensure to secure the quorum for special resolutions at a General Meeting of Shareholders, the resolutions prescribed in Article 309, paragraph 2 of the Companies Act shall require at least two thirds of the votes of shareholders present at the General Meeting of Shareholders, where the shareholders holding at least one third of the voting rights of shareholders who are entitled to exercise their voting rights are present.

(iv) Activities of the Board of Directors and the Nominating and Remuneration Committee of the reporting company during the current fiscal year

(a) Board of Directors

The Company held 13 meetings of the Board of Directors during the current fiscal year, and the attendance of each Director is as follows:

Name	Number of meetings held	Number of meetings attended	Remark
Masahiro Minowa	13 times	13 times	
Yasunobu Suzuki	13 times	13 times	
Toshihiko Oinuma	13 times	13 times	
Brian K. Heywood	13 times	13 times	
Mikio Katayama	13 times	13 times	
Hiroshi Yamamoto	13 times	13 times	
Ryoko Takei	10 times	10 times	Appointed on March 26, 2025 Attended all the meetings held since appointment

Specific activities of the Board of Directors included periodic reports on business conditions and performance progress, as well as discussions on matters requiring regular resolutions, such as approval of budgets and financial results and convocation of General Meetings of Shareholders, and important matters concerning business operations and management policies (equity policy, compliance and risk management, etc.).

(b) Nomination and Remuneration Committee

The Company held 10 meetings of the Nomination and Remuneration Committee during the current fiscal year, and the attendance of each committee member is as follows:

Name	Number of meetings held	Number of meetings attended	Remarks
Toshihiko Oinuma	10 times	10 times	
Mikio Katayama	10 times	9 times	
Hiroshi Yamamoto	10 times	10 times	

Specific activities of the Nomination and Remuneration Committee included discussions on matters related to the selection of officer personnel, officer remuneration, and the president's succession plan, as well as the role of the Nomination and Remuneration Committee and improvements in its effectiveness.

(2) Directors and Audit & Supervisory Board Members

(i) List of Directors and Audit & Supervisory Board Members

1. The status of Directors and Audit & Supervisory Board Members of the Company as of March 5, 2026 (the filing date of this Annual Securities Report) are as follows:
Male: 9, Female: 1 (Ratio of female Directors and Audit & Supervisory Board Members: 10%)

Position title	Name	Date of birth	Career summary	Term of office	Number of the Company's shares held [the Company's shares to be granted] (Thousands of shares) (Note 7)
CEO and Representative Director	Masahiro Minowa	December 21, 1972	Apr. 1996 Joined Roland Corporation Jan. 2016 General Manager, RPG Company Planning Dept. Sep. 2017 Executive Officer, RPG Company President Jan. 2018 Executive Officer, RPG Development Dept. Mar. 2022 Director, CIO Mar. 2024 COO, CIO and Representative Director Jul. 2024 CEO, CIO and Representative Director Jan. 2025 CEO and Representative Director (current position)	Note 3	6 [12]
Director	Yasunobu Suzuki	January 18, 1966	Apr. 1988 Joined Roland Corporation Apr. 2006 General Manager, Piano Development Dept. Aug. 2014 Executive Officer, Development Division Jul. 2019 Executive Officer, Production Division Mar. 2022 Executive Officer, CPO Mar. 2023 Director, CPO Jan. 2025 Director (current position)	Note 3	31 [9]
Director (Part-time)	Toshihiko Oinuma	May 13, 1966	Apr. 1994 Registered as attorney-at-law, joined Kitahama Law Office Sep. 2000 Worked at Latham & Watkins LLP (New York office) Feb. 2001 Admitted to New York Bar Association Jan. 2002 Partner, Kitahama Partners L.P.C. Jan. 2007 Representative Partner, Kitahama Partners L.P.C. Sep. 2014 Established Oinuma International Law and Patent Office as Representative Attorney (current position) Mar. 2016 Outside Audit & Supervisory Board Member, Roland Corporation Jun. 2016 Outside Audit & Supervisory Board Member, Nippon Paint Holdings Co., Ltd. Mar. 2020 Outside Audit & Supervisory Board Member, Nippon Paint Automotive Coatings Co., Ltd. (current position) Outside Director, Roland Corporation (current position)	Note 3	– [2]
Director (Part-time)	Brian K. Heywood	January 9, 1967	Sep. 1991 Joined J.D. Power and Associates Aug. 1997 Director, Belron International Aug. 1999 Vice President, Citibank Japan Ltd. Jan. 2001 CEO, Taiyo Pacific Partners, L.P. Dec. 2009 Outside Director, Ohizumi Mfg. Co., Ltd. Nov. 2011 Part-time Director, SEIRYU Asset Management Ltd. Apr. 2014 Director, Tokowaka Co., Ltd. Nov. 2014 Outside Director, Roland Corporation Mar. 2020 Outside Director, Roland DG Corporation (current position) Jun. 2020 Outside Director, Nifco Inc. Outside Director, Maxell Holdings, Ltd. (currently Maxell, Ltd.) Mar. 2022 Outside Director, Roland Corporation (current position) Aug. 2025 Managing Partner, Taiyo Pacific Partners, L. P. (current position)	Note 3	503 [–]

Position title	Name	Date of birth	Career summary	Term of office	Number of the Company's shares held [the Company's shares to be granted] (Thousands of shares) (Note 7)
Director (Part-time)	Mikio Katayama	December 12, 1957	Apr. 1981 Joined Sharp Corporation Apr. 2006 Representative Director and Senior Managing Director Apr. 2007 President and Representative Director Apr. 2012 Chairman of the Board of Directors Sep. 2014 Joined Nidec Corporation Oct. 2014 Vice Chairman and Chief Technology Officer (CTO) Jun. 2015 Representative Director, Vice Chairman and Chief Technology Officer (CTO) Jun. 2020 Vice President and Chief Technology Officer (CTO) Oct. 2021 Special Adviser Apr. 2022 Research Advisor, Institute of Industrial Science, University of Tokyo (current position) President and CEO, Kconcept Corporation (current position) Sep. 2022 Advisor, Yoshimoto Integrated Fund Co., Ltd. (current position) Mar. 2023 Outside Director, Roland Corporation (current position) Jun. 2023 Outside Director, SRS HOLDINGS CO., LTD. (current position) Mar. 2025 Outside Director, STAR MICRONICS CO., LTD. (current position)	Note 3	2 [1]
Director (Part-time)	Hiroshi Yamamoto	March 30, 1958	Apr. 1982 Joined Hitachi Industry Corporation (currently Hitachi, Ltd.) Oct. 1988 Joined IBM Japan Ltd. Apr. 2008 Technical Director Oct. 2013 Global Electronics Industry CTO Jul. 2018 Joined Toshiba Corporation, Corporate Digitization CTO Apr. 2020 Corporate Executive Office and VP of Digital Innovation Technology Center Sep. 2022 Joined NEC Corporation, Managing Executive & Chief Architect in the Digital Platform Business Unit Mar. 2023 Outside Director, Roland Corporation (current position) Nov. 2024 Technical Advisor, Ricoh Company, Ltd. (current position) Dec. 2024 Representative, Works Design Pro LLC (current position)	Note 3	0 [1]
Director (Part-time)	Ryoko Takei	February 18, 1971	Apr. 1994 Joined Dentsu Inc. Feb. 1997 Joined Ogilvy & Mather Japan Jan. 2001 Joined FIFA Marketing Japan Office Oct. 2002 Joined Culture Convenience Club Co., Ltd. Apr. 2005 President and CEO, R&M Communication Planning Sep. 2008 Joined McKinsey & Company, Inc., Japan Jun. 2010 Joined The Walt Disney Company (Japan) Ltd., Senior Marketing Manager Apr. 2017 Part-time Lecturer, Faculty of Global and Regional Studies, Toyo University Apr. 2022 Professor, Graduate School of Management, Globis University Apr. 2023 Professor, College of Music, Ferris University Jun. 2023 Outside Director, YANMAR Holdings Co., Ltd. (current position) Dec. 2023 Representative Director, Sogakukai General Incorporated Association (current position) Mar. 2024 Outside Director, uSonar Co., Ltd. Apr. 2024 Vice President, Ferris University Mar. 2025 Outside Director, Roland Corporation (current position)	Note 3	0 [0]

Position title	Name	Date of birth	Career summary	Term of office	Number of the Company's shares held [the Company's shares to be granted] (Thousands of shares) (Note 7)
Audit & Supervisory Board Member (Full-time)	Yoshito Imaishi	August 3, 1963	Apr. 1986 Joined Tabai ESPEC Corporation (currently ESPEC Corporation) Apr. 2007 General Manager, Finance and Accounting Department Jun. 2018 Full-time Auditor Jun. 2020 Joined Nipron Co., Ltd., General Manager, Corporate Planning Department Sep. 2020 Deputy Head of Administration Division and General Manager of Corporate Planning Department Apr. 2021 Executive Officer, Head of Administration Division and General Manager of Corporate Planning Department Apr. 2022 Executive Officer, Head of Administration Division Mar. 2023 Outside Audit & Supervisory Board Member, Roland Corporation (current position)	Note 4	0 [–]
Audit & Supervisory Board Member (Part-time)	Kazuhiro Ishihara	April 18, 1949	Apr.1973 Joined the Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) Feb. 2002 Manager of Corporate Banking Division, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.) Sep. 2002 Managing Director, SHO-BOND Corporation Aug. 2005 President and Representative Director Jan. 2008 President and Representative Director, SHO-BOND Holdings Co., Ltd. Jan. 2010 Representative Director and Vice-chairman, SHO-BOND Corporation Sep. 2017 Special Counsel, SHO-BOND Holdings Co., Ltd. Jun. 2019 Outside Audit & Supervisory Board Member, Kawakin Holdings Co., Ltd. (current position) Mar. 2020 Outside Audit & Supervisory Board Member, Roland Corporation (current position) Jul. 2023 Outside Director, Lilycolor Co., Ltd.	Note 5	0 [–]
Audit & Supervisory Board Member (Part-time)	Yoji Morizumi	May 18, 1975	Oct. 1999 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) Apr. 2003 Registered as a certified public accountant Jan. 2016 Established Morizumi Yoji Certified Public Accountant Office as Principal (current position) Outside Director, Glad Cube Inc. May 2018 Outside Audit & Supervisory Board Member, DAIKEN CO., LTD. (current position) Jun. 2019 Outside Director, GENKI SUSHI CO., LTD. Mar. 2020 Outside Audit & Supervisory Board Member, Roland Corporation (current position) Dec. 2025 Outside Director, HAMARI holdings, Ltd. (current position)	Note 5	– [–]
Total					544 [26]

Notes: 1. Directors Toshihiko Oinuma, Brian K. Heywood, Mikio Katayama, Hiroshi Yamamoto, and Ryoko Takei are Outside Directors.
2. Audit & Supervisory Board Members Yoshito Imaishi, Kazuhiro Ishihara and Yoji Morizumi are Outside Audit & Supervisory Board Members.
3. The term of office of the Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one year after the Ordinary General Meeting of Shareholders held on March 26, 2025.
4. The term of office of the Audit & Supervisory Board Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four years after the Ordinary General Meeting of Shareholders held on March 29, 2023.
5. The term of office of the Audit & Supervisory Board Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four years after the Ordinary General Meeting of Shareholders held on March 26, 2024.

6. The Company has elected one substitute Audit & Supervisory Board Member as prescribed in Article 329, Paragraph 3 of the Companies Act in preparation for the possibility of the number of Audit & Supervisory Board Members falling below the number prescribed in laws and regulations. The career summary of the substitute Audit & Supervisory Board Member is as follows:

Name	Date of birth	Career summary		Number of the Company's shares held [the Company's shares to be granted] (Thousands of shares) (Note 7)
Noriyuki Honda	February 24, 1967	Apr. 1990 Jul. 1999 Apr. 2009 Feb. 2015 Aug. 2016 Apr. 2018	Joined Ricoh Company, Ltd. Joined Shizuoka Pioneer Corporation (dissolved after name change to Pioneer Display Products Corporation) Joined Roland Corporation Manager of Purchasing Department Director, Roland Manufacturing Malaysia Sdn, Bhd. Head of Internal Audit Division, Roland corporation (current position)	1 [1]

7. The "Number of the Company's shares held" represents the number of shares of common stock of the Company held by each of the above Directors and Audit & Supervisory Board Members as of December 31, 2025, including the number of shares effectively held in the name of the Chairperson of the Roland Officers' Share Ownership for the Directors and Audit & Supervisory Board Members of the Company.

   The "Number of shares to be granted" represents the total number of shares of common stock of the Company to be granted under Employee Stock Ownership Plan (ESOP) Trust-type compensation, the performance share unit (PSU) where the shares are granted subsequently subject to achievement of performance targets, and the restricted stock unit (RSU) where the shares are granted subsequently subject to continuous engagement. Under ESOP, the Company's shares are granted after the retirement of the beneficiaries, and the period of granting the points under ESOP was closed in 2021. Therefore, the number of shares to be granted has been fixed.

   In addition, under PSU and RSU, the Company's shares will also be granted to the candidates after their retirement (at the end of the target period of the Mid-term Management Plan for non-residents of Japan). Of the number of the Company's shares to be granted, the number of shares to be granted under PSU shall be the maximum number of shares to be granted calculated based on the accumulated number of units granted by December 31, 2025. The number of shares to be actually granted may decrease depending on the degree of achievement of the performance target and other factors during the target period of each Mid-term Management Plan. Meanwhile, the number of the Company's shares to be granted under RSU shall be the maximum number of shares to be granted calculated based on the accumulated number of units granted by December 31, 2025, and the number of shares to be actually granted may decrease.

2. The Company has made a proposal of "Election of Six Directors" and "Election of One Audit & Supervisory Board Member" to be resolved at the Ordinary General Meeting of Shareholders to be held on March 26, 2026. Below is a list of Directors and Audit & Supervisory Board Members after the proposal is approved. The position title and career summary of each member reflect a proposal to be resolved at the Board of Directors meeting, which will be held immediately after the 54 th Ordinary General Meeting of Shareholders.
   Male: 7, Female: 2 (Ratio of female Directors and Audit & Supervisory Board Members: 22.2%)

Position title	Name	Term of office	Type of appointment
CEO and Representative Director	Masahiro Minowa	Note 3	Reappointment
Director	Yasunobu Suzuki	Note 3	Reappointment
Director (Part-time)	Mikio Katayama	Note 3	Reappointment
Director (Part-time)	Hiroshi Yamamoto	Note 3	Reappointment
Director (Part-time)	Ryoko Takei	Note 3	Reappointment
Director (Part-time)	Yoji Morizumi	Note 3	New appointment
Audit & Supervisory Board Member (Full-time)	Yoshito Imaishi	Note 4	–
Audit & Supervisory Board Member (Part-time)	Kazuhiro Ishihara	Note 5	–
Audit & Supervisory Board Member (Part-time)	Shizuko Kamoda	Note 6	New appointment

Notes 1. Directors Mikio Katayama, Hiroshi Yamamoto, Ryoko Takei and Yoji Morizumi are Outside Directors.
2. Audit & Supervisory Board Members Yoshito Imaishi, Kazuhiro Ishihara and Shizuko Kamoda are Outside Audit & Supervisory Board Members.

3. The term of office of the Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one year after the Ordinary General Meeting of Shareholders to be held on March 26, 2026.
4. The term of office of the Audit & Supervisory Board Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four years after the General Meeting of Shareholders held on March 29, 2023.
5. The term of office of the Audit & Supervisory Board Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four years after the Ordinary General Meeting of Shareholders held on March 26, 2024.
6. The term of office of the Audit & Supervisory Board Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four years after the Ordinary General Meeting of Shareholders to be held on March 26, 2026.
7. Yoji Morizumi, a candidate of Outside Director, is currently serving as an Audit & Supervisory Board Member of the Company and is scheduled to resign from his position following the conclusion of the Ordinary General Meeting of Shareholders to be held on March 26, 2026.
8. The career summary and other information of Shizuko Kamoda are as follows.

Position title	Name	Date of birth	Career summary		Number of the Company's shares held (Thousands of shares) (Note 1)
Audit & Supervisory Board Member (Part-time)	Shizuko Kamoda	January 4, 1980	Dec. 2008	Registered as attorney-at-law, joined Ogasawara & Partners	–
			Apr. 2009	Practitioner Lecturer, Graduate School of Law, Chuo University	
			Apr. 2013	Secretariat of the Public-Private Competition Tendering Monitoring Committee, Cabinet Office	
			Jun. 2018	Established RITA Legal Professional Corporation as Representative Attorney (current position)	
			May. 2019	Outside Director, S Foods Inc. (current position)	
			Apr. 2020	Member, Kokubunji City Administrative Review Committee (current position)	
			Mar. 2023	Audit and Supervisory Committee Member, Daisei every24 Co., Ltd.	
			Jun. 2024	Outside Director, Sanrio Company, Ltd. (current position)	

Notes 1. The "Number of the Company's shares held" represents the number of shares of common stock of the Company held by the Audit & Supervisory Board Member as of December 31, 2025, including the number of shares effectively held in the name of the Chairperson of the Roland Officers' Share Ownership for the Directors and Audit & Supervisory Board Members of the Company.

(ii) Outside Directors and Outside Audit & Supervisory Board Members

The Company has established the criteria for independent Outside Directors and Outside Audit & Supervisory Board Members as follows based on the criteria for independence prescribed by the Tokyo Stock Exchange.

Criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members

1. A person who does not fall under any of the items mentioned below currently or for the period of recent one year.
   (1) The Company's main business partner, or its executing person[*1]
   (2) A person who transacts businesses mainly with the Company, or its executing person[*2]
   (3) A consultant, an accounting expert or a legal expert who receives a large amount of pecuniary or other property besides remuneration for Director, from the Company (or, if the party receiving such property is an organization such as corporation or partnership, this shall refer to a person who is a member of such an organization)[*3].
   (4) The Company's major shareholder or, if such a major shareholder is a corporation, this shall refer to an executing person of the corporation[*4]
   (5) A party to which the Company makes a large amount of donation (or its executing person, if a party receiving such donations is an organization such as corporation or partnership)[*5]
   (6) An executive of an organization with which the Company has mutually appointed Outside Directors or Outside Audit & Supervisory Board Members.

2. A person who is not or was not an executing person of the Company or its subsidiary at present, or during the last 10 years. However, in case when a person was in a position of non-executing Director or Audit &

Supervisory Board Member of the Company or its subsidiary anytime in the past ten years, a person who was not an executive person of the Company or its subsidiary during the 10 years before assuming such a position.

3. Neither a person's spouse, nor a relative of the second degree of consanguinity fall under any of the following during the past one year. This, however, applies only when a spouse or a relative has an "important position" for business partners[*6]
   (1) A person who falls under any items (1) to (4) of above Clause 1.
   (2) Executing person of the Company or its subsidiary.

4. In addition to the foregoing, there shall be no special circumstances where the person has any potential conflicts of interest with ordinary shareholders, such as a situation where the person is engaged in ongoing transactions with the Company.

5. Notwithstanding of the requirements stipulated in the preceding subparagraphs, when it is considered that there is substantially no fear for occurrence of conflict of interest with general shareholders, a person could be regarded to meet the independence standard through specifying the reasons behind the considerations.

*1. "The Company's main business partner" shall mean a business party which meets any of the followings:
   (i) A customer or supplier of the Company, with the transaction value surpassing 2% of the Group's consolidated sales in the most recent fiscal year.
   (ii) A financial institution from which the Company borrows funds, with the balance of borrowings surpassing 2% of the Group's consolidated total assets as of the end of the most recent fiscal year.
*2. "A person who transacts businesses mainly with the Company" shall mean a supplier or the like of the Company, when it receives over ¥10 million from the Company, and at the same time the receipt surpasses 2% of the partner's sales in the most recent fiscal year.
*3. "Large amount" shall mean one of the following depending on the provision of services to the Company.
   (i) In the case that the consultant is an individual, a "large amount" is defined if the consideration received from the Company exceeds ¥10 million annually in the most recent fiscal year.
   (ii) In the case that the consultant belongs to an organization such as corporation or partnership, and the organization provides service to the Company, a "large amount" is defined if the consideration the organization received from the Company in the most recent fiscal year exceeds ¥10 million annually and 2% of the organization's annual consolidated sales.
*4. "Major shareholder" shall mean a shareholder holding 10% or more of the voting rights (including both direct and indirect holdings).
*5. "Large amount of donation" shall mean a donation of ¥10 million or more annually in the most recent fiscal year.
*6. "Important position" shall mean Director, executive officer and executing person ranking General Manager or above or, as to the accounting audit corporation or legal professional corporation, certified public accountant or attorney belonging to such a corporation.

The Company has five Outside Directors and three Outside Audit & Supervisory Board Member as of March 5, 2026 (the filing date of Annual Securities Report). The reasons for election of the incumbent Outside Directors and Outside Audit & Supervisory Board Members and their relationship with the Company are as follows.

Toshihiko Oinuma, Outside Director
He has legal knowledge and a wide range of insight acquired as an attorney-at-law through his abundant experience in global cases. He has served as Outside Director since March 2020 and provided supervision and advice based on his expertise and wealth of experience as an attorney-at-law. The Company has appointed him as Outside Director based on the expectation that he will play his proper role in ensuring appropriateness and fairness of the Board's decision making. He previously served as Outside Audit & Supervisory Board Member of the Company for four years, however, the Company has no other personal, capital or material business relationships or any other conflicts of interest with him.

Brian K. Heywood, Outside Director
He has a wealth of knowledge and experience as an expert in corporate management and global investment. During the period when he served as Outside Director of the Company for over six years from November 2014, he contributed to growing the Company and enhancing its corporate value by helping the Board make decisions on major management directions and swift and bold execution as well as providing highly effective supervision based on his abundant experience and insight as an investor. Accordingly, the Company has appointed him as Outside Director based on the expectation that he will provide supervision and advice on the Company's management by experience and insight. The Company has no personal, capital or material business relationships or any other conflicts of interest with him.

Mikio Katayama, Outside Director
He has served as president and chairman of several listed companies and has broad insight in all aspect of corporate management, technology and product development. Based on these achievements, the Company has determined that he could provide appropriate supervision and advice on corporate management as Outside Director of the Company. The Company has no personal, capital, material business or other conflicts of interest with him.

Hiroshi Yamamoto, Outside Director
He has held important positions at multiple operating companies, mainly in the information technology field, and has broad insight and an outstanding track record in technology development. Based on these achievements, the Company has determined that he could provide appropriate supervision and advice on corporate management as Outside Director of the Company. The Company has no personal, capital, material business or other conflicts of interest with him.

Ryoko Takei, Outside Director
She has extensive knowledge of music as a player and educator, and has held key positions at multiple companies, primarily in the marketing field. As she is expected, based on this track record, to provide proper supervision and advice on corporate management, the Company has appointed her as Outside Director. The Company has no personal, capital or material business relationships or any other conflicts of interest with her.

Yoshito Imaishi, Outside Audit & Supervisory Board Member
He has experience in overseeing corporate accounting as general manager at a listed company and auditing the business execution of directors at administration division. The Company has appointed him based on a judgment that he could provide appropriate auditing and supervisory functions as Outside Audit & Supervisory Board Member of the Company through his abundant experience and insight. The Company has no personal, capital, material business or other conflicts of interest with him.

Kazuhiro Ishihara, Outside Audit & Supervisory Board Member
He has knowledge and experience in finance and accounting acquired through his experience of working for financial institutions for a long time and extensive insight into management gained from his long-term experience of serving as a corporate manager. Since his appointment as Outside Audit & Supervisory Board Member of the Company in March 2020, he has provided appropriate advice to contribute to improving the Company's corporate value by utilizing his insight from an objective standpoint as Outside Audit & Supervisory Board Member. The Company has appointed him based on the expectation that he will provide effective auditing and supervisory functions. The Company has no personal, capital or material business relationships or any other conflicts of interest with him.

Yoji Morizumi, Outside Audit & Supervisory Board Member
He has knowledge and experience in finance and accounting as a certified public accountant. Since his appointment as Outside Audit & Supervisory Board Member in March 2020, he has provided appropriate audit and supervision to contribute to improving the Company's corporate value by utilizing his insight from an objective standpoint as Outside Audit & Supervisory Board Member. The Company has appointed him based on the expectation that he will provide effective auditing and supervisory functions. The Company has no personal, capital or material business relationships or any other conflicts of interest with him.

The Company has made a proposal of "Election of Six Directors" and "Election of One Audit & Supervisory Board Member" to be resolved at the Ordinary General Meeting of Shareholders to be held on March 26, 2026. The reasons for election of those candidates and relationship with the Company are as follows.

Yoji Morizumi, Outside Director
He has knowledge and experience in finance and accounting as a certified public accountant. Since his appointment as Outside Audit & Supervisory Board Member in March 2020, he has provided appropriate audit and supervision to contribute to improving the Company's corporate value by utilizing his insight from an objective standpoint. The Company has appointed him as an Outside Director with the expectation that he will continue to provide effective oversight and advice. He is scheduled to resign from his position as Outside Audit & Supervisory Board Member upon the conclusion of the Ordinary General Meeting of Shareholders to be held on March 26, 2026. The Company has no personal, capital or material business relationships or any other conflicts of interest with him.

Shizuko Kamoda, Outside Audit & Supervisory Board Member
She has abundant legal experience as an attorney-at-law and also holds a Master of Business Administration (MBA), and such, she has the ability to address not only legal matters but also overall management issues, utilizing her specialist knowledge. As she is expected to fully perform her auditing and supervisory roles as Outside Audit &

Supervisory Member based on these experiences and expertise, and has therefore been appointed to this position. The Company has no personal, capital or material business relationships or any other conflicts of interest with her.

(iii) Supervision, audit and internal audit by Outside Directors and Outside Audit & Supervisory Board Members, mutual cooperation between audits by Audit & Supervisory Board Members and accounting audits, and relationship with the Internal Audit Division

Outside Directors grasp the status of internal audits through the Board of Directors meetings. Outside Audit & Supervisory Board Members receive reports on audits by Audit & Supervisory Board Members, accounting audits and internal audits through the Board of Directors meetings and the Audit & Supervisory Board meetings. They state their opinions at meetings of the Board of Directors and the Audit & Supervisory Board, as necessary to improve the utilization of audits. Outside Directors and Outside Audit & Supervisory Board Members cooperate with each other by receiving reports from divisions relevant to internal control through the Board of Directors meeting.

(3) Audits

(i) Audits by the Audit & Supervisory Board Members

The Company is a company with an audit & supervisory board and has the Audit & Supervisory Board, which consists of one full-time Audit & Supervisory Board Member and two part-time Audit & Supervisory Board Members. Full-time Audit & Supervisory Board Member Yoshito Imaishi has worked in the Finance and Accounting Department of a listed company for a long time and has auditing experience and extensive knowledge of finance and accounting. Part-time Audit & Supervisory Board Member Kazuhiro Ishihara has worked for financial institutions for a long time and has experience of serving as a corporate manager of a listed company, and therefore has extensive knowledge of finance, accounting, and corporate management. Part-time Audit & Supervisory Board Member Yoji Morizumi has the qualification of certified public accountant and extensive knowledge of finance and accounting. All the three Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members. Employees belonging to the Internal Audit Division (six employees as of December 31, 2025) have been in charge of internal audit and appointed as assistants to Audit & Supervisory Board Members in accordance with the basic policy of Company's internal control system.

The Audit & Supervisory Board designs an audit policy taking into consideration the importance, timeliness and other necessary factors and prepares audit plans by selecting the scope of audit properly and how and when to conduct the audit, while keeping in mind the status of development and operation of the internal control system. The Audit & Supervisory Board engages in the following activities in accordance with the audit plan:

a. Audit & Supervisory Board Members attend meetings of the Board of Directors, the Audit & Supervisory Board, and the Risk Management and Compliance Committee as well as meetings of the accounting auditor related to accounting audits and state their opinions timely and appropriately.
b. The full-time Audit & Supervisory Board Member is responsible for overall audits including audits on operations in Japan and accounting audits. At the same time, the full-time Audit & Supervisory Board Member is engaged in activities such as attending important meetings other than meetings of the Board of Directors, inspecting approval forms and other important documents, collaborating, coordinating and communicating with the accounting auditors and the Internal Audit Division, preparing audit documentation and storing audit trails.
c. Part-time Audit & Supervisory Board Members are assigned to conduct audits mainly on overseas subsidiaries, given their experience and expertise gained from their previous positions and work experience in foreign countries or language skills, in addition to attending important meetings other than the Board of Directors meetings.

The breakdown of audits conducted during the fiscal year ended December 31, 2025 for which individual audit documentation and reports were prepared is as follows: three items relating to the effectiveness and operational status of the internal control system; two items relating to the status of strengthening governance by the parent company over the corporate group; eight items relating to audit reports and accounting audits; and 70 items identified through 12 monthly reviews of CEO approval forms.

Each Audit & Supervisory Board Member records the results of audits they conducted in audit documentation and reports the status of execution of his duties to the Audit & Supervisory Board regularly and from time to time. The Audit & Supervisory Board prepares an audit report to be provided to shareholders through deliberations based on the audit report prepared by each Audit & Supervisory Board Member. The Audit & Supervisory Board and its members also regularly make a report on the implementation status of audits and the results thereof to the Board of Directors and Representative Director, if deemed necessary, they would take appropriate measures according to the circumstances as well as providing advice or recommendations.

The Company holds a meeting of the Audit & Supervisory Board once a month, in principle. During the fiscal year ended December 31, 2025, the Company held 12 meetings of the Audit & Supervisory Board. The attendance of each Audit & Supervisory Board Member is as follows:

	Name	Number of meetings held	Number of meetings attended
Full-time Outside Audit & Supervisory Board Member	Yoshito Imaishi	12	12
Part-time Outside Audit & Supervisory Board Member	Kazuhiro Ishihara	12	12
Part-time Outside Audit & Supervisory Board Member	Yoji Morizumi	12	12

Specific matters reviewed by the Audit & Supervisory Board consist of eight matters resolved such as preparation of audit reports and audit plans, selection of duties for the full-time Audit & Supervisory Board Members and other positions, reappointment/non-reappointment of the accounting auditor, consent to remuneration for the accounting auditor; seven matters consulted about audit plans, remuneration for Audit & Supervisory Board Members, and the whistleblowing system; and 10 matters reported by each Audit & Supervisory Board Member, including audit results and related matters.

(ii) Internal audit

The Company has set up the Internal Audit Division (consisting of six members as of December 31, 2025) directly under CEO and independently from departments conducting business. The Company defines that the purpose of internal audits is to promote communications between departments and contribute to business management while examining and assessing the Company's and the subsidiaries' business activities in light of legitimacy and rationality thereof and providing advice on rationalization and streamlining of management, improvement of business activities and preservation of assets. To achieve such purpose, the Internal Audit Division conducts audit systematically in accordance with the Internal Audit Regulations established by the Company.

The Company's Internal Audit Division takes charge of the audit of the entire Group and reports timely to the Board of Directors and the Audit & Supervisory Board on the plan and result of its internal audit so as to increase the effectiveness of the internal audit of the entire Group through promoting collaboration between the Board of Directors and the Audit & Supervisory Board and the Internal Audit Division.

(iii) Mutual cooperation among internal auditors, Audit & Supervisory Board Members and accounting auditors, and relationship between their audits and the internal control departments

The Company has an audit system in which Audit & Supervisory Board Members, the accounting auditor, and the Internal Audit Division conduct audits in cooperation with each other. Audit & Supervisory Board Members and the Internal Audit Division communicate with each other by sharing audit plans and audit documentation and internal audit reports as appropriate, and jointly conduct audits in the same department, as necessary. Audit & Supervisory Board Members and the Internal Audit Division also share information and understanding of issues by receiving reports on audit plans and the progress of year-end accounting audit during and at the end of it or attending a physical inventory conducted by the accounting auditor. In conducting audits, Audit & Supervisory Board Members and the Internal Audit Division cooperate and share information with departments related to internal control such as Finance and Accounting, Corporate Planning and Human Resource, as necessary for efficient and effective audits.

(iv) Accounting audits

(a) Name of audit firm
Grant Thornton Taiyo LLC

(b) Years of continuous auditing
9 years

(c) Certified public accountants who executed the audit duties
Iwao Arai
Tomohiro Norioka

(d) Composition of assistants of audit engagement
10 certified public accountants and 18 other individuals assisted with the duties of accounting audits of the Company.

(e) Policy and reasons for appointing audit firm
The Audit & Supervisory Board has developed the "Standards for Appointment and Evaluation of Accounting Auditor" and established the procedures for appointment, reappointment and dismissal of the accounting auditor as well as the standards for evaluation of the accounting auditor's execution of duties. When appointing a new accounting auditor, the Audit & Supervisory Board requests several audit firms to present a proposal on the overview of the audit firm, the system to conduct audits and the estimated amount of audit fees and makes a decision on the appointment through deliberations at the board after verifying the appropriateness of the accounting auditor's audit system, independence and expertise. The Audit & Supervisory Board appointed Grant Thornton Taiyo LLC as its current accounting auditor since it determined that Grant Thornton Taiyo LLC was the most appropriate audit firm as a result of a

comprehensive comparative review of the firm's quality control, audit system, independence and expertise required to conduct accounting audits appropriately.

Meanwhile, the Audit & Supervisory Board has also established the following policies on dismissal or non-reappointment of the accounting auditor.

a. If the accounting auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and the Audit & Supervisory Board deems that it is reasonable to dismiss the accounting auditor, the accounting auditor will be dismissed upon the consent of all the Audit & Supervisory Board Members.
b. The Audit & Supervisory Board deliberates whether to reappoint the accounting auditor or not based on the full-time Audit & Supervisory Board Member's report on the results of evaluation of the accounting auditor's execution of duties in accordance with the Standards for Appointment and Evaluation of Accounting Auditor. As a result of the deliberations, if the Audit & Supervisory Board decides not to reappoint the accounting auditor, the Audit & Supervisory Board determines the content of a proposal to be submitted to the General Meeting of Shareholders regarding the non-reappointment of the accounting auditor, pursuant to the provisions of Article 344 of the Companies Act.

(f) Evaluation of audit firm by Audit & Supervisory Board Members and the Audit & Supervisory Board
The Audit & Supervisory Board always inspects and evaluates the accounting auditor's execution of duties in accordance with the "Standards for Appointment and Evaluation of Accounting Auditor." As stated above, the Audit & Supervisory Board deliberates whether to reappoint the accounting auditor or not based on the results of these evaluations.

(v) Details of audit fees, etc.

(a) Audit fees paid to auditing certified public accountants.

(Millions of yen)

Classification	Previous fiscal year		Current fiscal year	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting company	58	–	58	–
Consolidated subsidiaries	–	–	–	–
Total	58	–	58	–

(b) Audit fees paid to the same network (Grant Thornton member firms) to which certified public accountants belong (excluding fees specified in (a) above).

(Millions of yen)

Classification	Previous fiscal year		Current fiscal year	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting company	–	–	–	–
Consolidated subsidiaries	144	19	118	10
Total	144	19	118	10

Note: Fees for non-audit services for the consolidated subsidiaries in the previous and current fiscal years were both fees for tax consulting and other services.

(c) Details of fees for other significant audit certification services
Not applicable.

(d) Policy for determining audit fees
The Company determines fees for the accounting auditor with consent of the Audit & Supervisory Board after consulting with the accounting auditor on the content of audit plans in light of the effectiveness and efficiency of such plans and examining, among other factors, the number of hours required for the accounting auditor to conduct necessary audits.

(e) Reasons for the Audit & Supervisory Board's consent to fees for the accounting auditor
The Audit & Supervisory Board has consented to the amount of fees for the accounting auditor in accordance with Article 399, Paragraph 1 of the Companies Act based on its review and validity verification of the accounting auditor's audit plans, the status of execution of its duties and the grounds for calculation of estimated fees.

(4) Remuneration for Directors and Audit & Supervisory Board Members

(i) Policy on determination of remuneration amount for Directors and Audit & Supervisory Board Members or the calculation method thereof

The Company's Board of Directors resolved at the meeting held on October 21, 2020 that the Company would establish the Rules for Nomination and Remuneration Committee in order to ensure the transparency and fairness of appointment of the Company's Directors and Audit & Supervisory Board Members and that the Company would set up the Nomination and Remuneration Committee mainly consisting of independent Outside Directors. The Committee has defined the process of determining remuneration for Directors and Executive Officers in the Rules. From and after the fiscal year ended December 31, 2021 (the 50th fiscal year), the amount of remuneration for Directors and Executive Officers would be resolved by the Board of Directors through consultation by the Committee to the extent of the total amount of remuneration for Directors resolved at the General Meeting of Shareholders.

Remuneration for Audit & Supervisory Board Members is determined through consultation by the Audit & Supervisory Board to the extent of the total amount of remuneration resolved at the General Meeting of Shareholders. Audit & Supervisory Board Members receive monthly fixed compensation (basic compensation) based on their individual experience, expertise and role and so forth.

The Company has established a policy on determination of the amount of remuneration for Directors or the calculation method thereof. The following details are the contents of the policy, remuneration structure by position, standard total amount of remuneration by position and the policy on determination of remuneration:

- Remuneration system should contribute to the Group's sustainable growth and improvement of mid- to long-term corporate value;
- The compensation plan should be closely related to business performance and motivate Directors and Audit & Supervisory Board Members to accomplish business strategies and achieve the Company-wide performance target;
- The compensation plan should be attractive to retain, reward and encourage diversified and talented human resources ;
- The compensation plan should raise awareness of sharing profits with shareholders; and
- The process of determining remuneration should be highly transparent and objective.

The policy stipulates the remunerations for Executive Directors is composed of fixed compensation (basic compensation), consolidated performance-based bonus, and stock compensation in a ratio of approximately 5:3:2 to further defines the linkage of the Company's business performance and corporate value with the remunerations for Executive Directors.

The policy also stipulates the remunerations for Outside Directors is composed of fixed compensation (basic compensation) and fixed-type stock compensation in a ratio of approximately 8:2. The Company will increase stability of the remunerations of Outside Directors so that they can properly perform their management supervising functions.

Based on the results of the executive compensation survey conducted by an external specialized agency, the Nomination and Remuneration Committee deliberates these standards and consults them to the Board of Directors, considering the level of companies in the same industry and business scale as the Company.

* Remuneration structure by position and standard total amount of remuneration

Title	Standard total amount of remuneration per person	Number of recipients	Remuneration structure		
CEO and Representative Director	¥77.5 million	1	Fixed compensation: 50%	Short-term performance-based compensation: 33.3%	Mid- to long-term performance-based compensation: 16.7%
Inside Directors	¥31.5 to ¥66.5 million (Note)	1	Fixed compensation: 50%	Short-term performance-based compensation: 33.3%	Mid- to long-term performance-based compensation: 16.7%
Outside Directors	¥11.5 million	4	Fixed compensation: 83.3%		Fixed-type stock compensation: 16.7%
Audit & Supervisory Board Members	–	3	Fixed compensation: 100%		

Note: The Nomination and Remuneration Committee evaluates each Director's ability to execute his/her duties and his/her expected values and determines the amount of remuneration (in the range between ¥31.5 million and ¥66.5 million) according to the position. The aggregate of the standard total amount of remuneration for the current recipients is ¥39 million.

* Method of determination of remuneration

- The amount of remuneration for Directors is determined by the Board of Directors as approved by the Nomination and Remuneration Committee.

・ The amount of remuneration for Audit & Supervisory Board Members is determined through mutual consultation by Audit & Supervisory Board Members to the extent of the total amount of remuneration determined by the General Meeting of Shareholders.

In those cases when the Company's performance declines considerably or the Company should be held socially accountable, the Board of Directors may resolve at the meeting (for remuneration for Audit & Supervisory Board Members, through consultation by Audit & Supervisory Board Members) to take ad hoc emergency measures such as reducing the amount of remuneration or partially cutting remuneration.

(ii) Delegation of determination of remuneration for each Director

The Company's Board of Directors meeting held on December 20, 2023 resolved to amend the policy for determining remuneration for each Director as follows. (Effective January 1, 2024)

(Method of determining individual remuneration)

The amount of remuneration for each Director is allocated to the extent of the total amount of remuneration resolved at the General Meeting of Shareholders. With an aim to effectively ensure appropriateness and transparency of remuneration, the amount shall be determined by the Board of Directors after the renumeration proposal submitted by the CEO is approved by the Nomination and Remuneration Committee with a majority of independent Outside Directors, which was established to improve transparency in nominating Directors and deciding their remuneration and the supervising function. The remuneration of Directors for the current fiscal year was determined by the Board of Directors as approved by the Nomination and Remuneration Committee held on March 15, 2024 (the members of the Committee as of the date were Toshihiko Oinuma, Mikio Katayama, and Hiroshi Yamamoto, Outside Directors at the time of the approval), and on March 5, 2025 (the members of the Committee as of the date were Toshihiko Oinuma, Mikio Katayama, and Hiroshi Yamamoto, Outside Directors at the time of the approval), respectively.

(Remuneration for foreign national officers)

In order to maintain market competitiveness in the remuneration of foreign national officers, components of remuneration (the fixed compensation (monthly monetary compensation), the bonuses linked to the Group's performance and the stock compensation) and the standard total amount of remuneration are determined individually in the light of the policy for determining the amount and calculation method of Directors' remuneration, taking into account the results of market remuneration surveys in each country carried out by external specialized agencies. The Nomination and Remuneration Committee met 10 times during the current fiscal year.

Remuneration for Audit & Supervisory Board Members is composed of fixed compensation based on their individual experience, expertise and role and so forth. It is determined to the extent of the total amount of remuneration resolved at the General Meeting of Shareholders through consultation with Audit & Supervisory Board Members. Also, the Board of Directors has confirmed that the method of determining the contents and the decided details of the remuneration for each Director for the fiscal year ended December 31, 2025 are consistent with the decision policy and that the reports by the Nomination and Remuneration Committee are esteemed. Therefore, the remuneration is judged to be in line with the decision policy.

(iii) Total amount of remuneration by position, type of remuneration and number of recipients

Position	Total amount of consolidated remuneration (million yen)	Total amount for each class of remuneration by (million yen)				Number of recipients (persons)
		Basic compensation	Performance-based compensation		Non-monetary compensation	
			Bonus	Performance-based stock compensation	Fixed-type stock compensation	
Director [of which Outside Director]	126 [42]	94 [35]	21 [–]	4 [–]	6 [6]	6 [4]
Audit & Supervisory Board Member [of which Outside Audit & Supervisory Board Member]	30 [30]	30 [30]	– [–]	– [–]	– [–]	3 [3]
Total [of which Outside Officer]	157 [72]	124 [66]	21 [–]	4 [–]	6 [6]	9 [7]

Notes: 1. One Director out of the seven Directors who assumed office of Director during the current fiscal year received no remuneration.

2. The total amount of remuneration for Directors as monetary compensation (basic compensation and bonus) was resolved to be limited to ¥500 million per year, (excluding the portion of salaries as employees for Directors concurrently serving as employees) at the Extraordinary General Meeting of Shareholders held on September 14, 2020. The number of Directors as of the close of the General Meeting of Shareholders is six, including four Outside Directors.

3. The total amount of remuneration for Audit & Supervisory Board Members was resolved to be limited to ¥50 million per year at the Extraordinary General Meeting of Shareholders held on September 14, 2020. The number of Audit &

Supervisory Board Members as of the close of the General Meeting of Shareholders is three, all of which are outside Audit & Supervisory Board Members.

4. Bonuses include ¥22 million of provision for bonuses for directors and other officers for the current fiscal year.
5. The Ordinary General Meeting of Shareholders held on March 30, 2022 resolved to introduce a new stock compensation plan in place of the Board Benefit Trust-type compensation. This plan includes two types of compensation: performance-based stock compensation to be granted to Directors other than Outside Directors, and Executive Officers (entrustment type) subsequently subject to the achievement of performance targets (performance share unit), and a fixed-type stock compensation to be granted to Outside Directors subsequently subject to continuous engagement (restricted stock unit). The meeting also resolved that the upper limit of number of shares to be delivered to applicable Directors and Executive Officers (entrustment type) is 40,000 shares per business year (the maximum amount of monetary remuneration claims to be granted is 40,000 shares multiplied by the share price at the time of delivery, which is separated from the total amount of remuneration for Directors (monetary compensation) as described in Note 2 above). The number of Directors eligible for the plan as of the close of the General Meeting of Shareholders is six, including three Outside Directors.
6. The amount of performance-based stock compensation and fixed-type stock compensation is the amount of expenses for such compensation recorded for the current fiscal year.
7. Performance-based compensation is categorized as both performance-based compensation and non-monetary compensation though it is presented as performance-based compensation.

(iv) Total amount of consolidated remuneration by Director/Audit & Supervisory Board Member

The information is omitted because there is no Director/Audit & Supervisory Board Member whose total amount of consolidated remuneration is ¥100 million or more.

(v) Performance-based compensation

The Company has adopted consolidated performance-based bonuses and the stock compensation plan to the remuneration system for the Company's Directors (excluding Outside Directors), in addition to basic compensation, for the purpose of clarifying a linkage of the Company's business performance and corporate value with the remuneration system and raising the Directors' awareness of contributing to an increase of the Company's mid- to long-term business performance and corporate value.

The Ordinary General Meeting of Shareholders held on March 30, 2022 resolved to introduce a new stock compensation plan in place of the previous Board Benefit Trust system, to grant stock compensation to Directors subsequently subject to the achievement of performance targets (performance share unit; the "PSU"), as well as to grant stock compensation to Outside Directors subsequently subject to continuous engagement (restricted stock unit; the "RSU").

Performance-based compensation for the Company's Directors (excluding Outside Directors) is set consolidated operating profit and consolidated ROIC as indicators and is decided based on its comprehensive review of factors such as the contribution to the Company's business performance.

Consolidated operating profit as the indicator of performance-based bonus was ¥9,412 million for the fiscal year ended December 31, 2025, which was 93.1% of the originally budgeted consolidated operating profit (original budget of ¥10,100 million).

As for the stock compensation, the consolidated ROIC of 20% or higher is a targeted indicator of performance-based compensation in the current Mid-term Management Plan 2023–2025, and was 15.2% in the fiscal year ended December 31, 2025, falling short of the target.

The following details performance-based compensation consisting of short-term performance-based compensation and mid- to long-term performance-based compensation:

(A) Short-term performance-based compensation (monetary compensation)

Short-term performance-based compensation (monetary compensation) uses consolidated operating profit for a single fiscal year as the performance indicator to raise awareness of improving business performance for each fiscal year. The amount of the compensation is calculated based on the degree of achievement of the indicator. The source of compensation is calculated as follows. If profit attributable to owners of parent is negative (loss), no short-term performance-based compensation (monetary compensation) is provided to Executive Directors. However, as long as dividends are paid, the Nomination and Remuneration Committee would decide whether the recorded extraordinary loss will improve corporate value after careful consideration. The indicator used for actual calculation in connection with consolidated operating profit specified below is that before recording performance-based compensation.

Source of compensation = Actual consolidated operating profit × Multiplying factor (a) × Achievement coefficient (b)

(a) Multiplying factor = Total amount of compensation when the eligible person achieves the expected consolidated operating profit (*) / Expected consolidated operating profit (subject to review for each fiscal period)

(*) Standard amount of short-term performance-based compensation calculated based on the aforementioned compensation structure by position and standard total amount of remuneration

(b) Achievement coefficient is determined as follows based on the status of achievement of the expected consolidated operating profit:

Ratio of achievement of the expected consolidated operating profit	Achievement coefficient
130% or more	× 1.42
125% or more and less than 130%	× 1.35
120 % or more and less than 125%	× 1.28
115% or more and less than 120%	× 1.21
110% or more and less than 115%	× 1.14
105% or more and less than 110%	× 1.07
100% or more and less than 105%	× 1.00
95% or more and less than 100%	× 0.70
90% or more and less than 95%	× 0.63
85% or more and less than 90%	× 0.56
80% or more and less than 85%	× 0.49
75%or more and less than 80%	× 0.42
Less than 75%	× 0.35

(B) Mid- to long-term performance-based compensation (stock compensation)

A mid- to long-term performance-based compensation plan (a performance-based stock compensation plan, with PSU and RSU, hereinafter, the "Plan") is based on the consolidated ROIC (Return On Invested Capital)* as the performance indicator to clarify a linkage between remuneration for Directors and the Company's business performance and shareholder value and to raise awareness of contributing to improving the Company's mid- to long-term business performance and corporate value.

* Consolidated ROIC (all the figures are consolidated basis)
= Operating profit after tax / (Beginning balance of invested capital (*) + Ending balance of invested capital) / 2)
(*) Invested capital = Working capital (Trade receivables + Inventories - Trade payables) + Fixed assets

Under the Plan, units are granted based on the positions and the degree of achievement of the performance target for each fiscal year during three fiscal years, in principle, corresponding to the Company's Mid-term Management Plan (hereinafter referred to as the "Target Period"). The number of units granted for the Target Period is determined by calculating the number of units to be added or reduced based on the degree of achievement of the performance target for the last fiscal year during the Target Period (for Outside Directors, a non-performance-based fixed-type stock compensation plan, "RSU" has been adopted, in which units are granted based only on their positions without reference to the degree of achievement of the performance target). If the eligible Directors satisfy the requirements set forth in the Rules on Stock Compensation owing to their retirement (at the end of the Target Period for non-residents of Japan), the Company grants monetary remuneration claims for receiving the Company's common stocks to Directors and Executive Officers based on the accumulated number of units granted in each Target Period. Then they are provided with the shares of the Company and an amount equivalent to the market price thereof in exchange for an in-kind contribution of the monetary remuneration claims provided to them by the Company.

The initial Target Period following the introduction of the Plan spans for four fiscal years, from the fiscal year ended December 31, 2022, the final fiscal year of the previous Mid-term Management Plan, to the final fiscal year ended December 31, 2025, which marks the final year of the current Mid-term Management Plan.

The number of the Company's shares to be delivered to Directors (including shares to be delivered in cash) is one share per unit. Fractions less than one unit shall be rounded down. However, in case the number of the Company's shares increases or decreases due to a stock split, allotment of share without contribution, stock consolidation or other similar acts, the Company shall adjust the number of shares to be delivered per unit in proportion to the rate of increase or decrease.

The number of units to be granted during the Target Period is calculated as follows. In case a person assumes office of Director or there is a change of a Director's position or post during the Target Period, the number of units to be granted shall be adjusted based on the term in office.

• Directors excluding Outside Directors (performance-based stock compensation)

<Number of units granted for each fiscal year>

Number of standard compensation units (a) × Number of months in office (b) / 12 months × Achievement coefficient (c)

(a) Number of standard compensation units

The number of standard compensation units is calculated by dividing the amount of the standard amount of mid- to long-term performance-based compensation calculated based on the above remuneration structure by position and standard total amount of remuneration, by the reference share price (*).

* The reference share price is the average of closing prices of the Company's shares for one month in April 2022 on the Prime Market of the Tokyo Stock Exchange.

(b) Number of months in office

When calculating the number of months in office, a director's term is counted as one full month if it exceeds 15 days. A term of less than 14 days is not counted as a month in office.

(c) The achievement coefficient is as follows. The indicator used for measurement of the degree of achievement of actual consolidated ROIC is that before recording performance-based compensation.

Ratio of achievement of consolidated ROIC	Achievement coefficient
100% or more	× 1.0
80% or more	× 0.7
70% or more	× 0.5
60% or more	× 0.3
Less than 60%	× 0.0

<Number of units granted based on the degree of achievement of the performance target for the last fiscal year for the Target Period>

The current Mid-term Management Plan 2023–2025 targets achievement of 20% or more of the consolidated ROIC. The number of units to be granted is determined as follows based on the degree of achievement of the consolidated ROIC for the last fiscal year for the Target Period. However, the number of units granted during the Target Period shall not exceed the number calculated by multiplying the number of standard compensation units by the number of years based on the Target Period.

Achieved the consolidated ROIC of 20% or more: Adding the number of units calculated by multiplying the accumulated number of units for the Target Period by 10%

Unachieved: Reducing the number of units calculated by multiplying the accumulated number of units for the Target Period by 10%

• Outside Directors (fixed-type stock compensation)

<Number of units granted for each fiscal year>

Number of standard compensation points (a) × Number of months in office (b) / 12 months

(a) Number of standard compensation units

The number of standard compensation units is calculated by dividing the standard amount of fixed-type stock compensation based on the above remuneration structure by position and standard total amount of remuneration, by the reference share price (*).

* The reference share price is the average of closing prices of the Company's shares for one month in April 2022 on the Prime Market of the Tokyo Stock Exchange.

(b) Number of months in office

When calculating the number of months in office, a director's term is counted as one full month if it exceeds 15 days. A term of less than 14 days is not counted as a month in office.

Reference information

At the Board of Directors meeting held on February 13, 2026, the Company resolved to revise the performance achievement coefficient for stock compensation and to increase the maximum number of shares to be delivered under the stock compensation plan (performance share unit (PSU)) as part of its efforts to maximize corporate value over the medium- to long-term. At the same time, the Company resolved to introduce a new Board Benefit Trust (BBT-RS), under which shares subject to transfer restrictions until retirement will be delivered during the term of office through a trust, on the condition of continued service, to Directors (excluding Outside Directors) and Executive Officers (entrustment type). These changes will be proposed for approval at the 54th Ordinary General Meeting of Shareholders.

(5) Shareholdings

(i) Standards for and views on classification of investment shares

The Company classifies investment shares by holding purpose, for pure investment or for purposes other than pure investment. Pure investment means that the Company holds shares only for the purpose of returns from share price fluctuations and/or dividends.

(ii) Investment shares held for purposes other than pure investment

a. Shareholding policy, method of verification of the rationale for shareholdings, and details of verification by the Board of Directors of the appropriateness of shareholdings in individual issues

The Company has no investment shares for purposes other than pure investment in principle, except the case that holding such shares is deemed reasonable. In the case when rationality of holding investment share is recognized, the Company assesses holding investment share could lead to further improvement of the corporate value of the Group, after properly understanding of the risk, cost, return and so forth, comprehensively considering the purpose of holding those shares such as maintaining and strengthening of business relationships, capitalization, business alliance with a mid- to- long term view in mind.

The Company decides whether to hold a specific issue after carefully reviewing the rationale for the holdings stated above at a meeting of the Board of Directors in accordance with the Approval Regulations. If the shareholding is deemed no longer reasonable, the Company considers disposing of the investment shares.

b. Number of issues and carrying amount

	Number of issues	Total carrying amount (millions of yen)
Unlisted shares	4	191
Shares other than unlisted shares	–	–

(Issues whose number of shares increased during the fiscal year ended December 31, 2025)

Not applicable.

(Issues whose number of shares decreased during the fiscal year ended December 31, 2025)

Not applicable.

c. Number and carrying amount of specified investment shares and deemed holdings of investment shares by issue

Not applicable.

(iii) Investment shares held for pure investment

Not applicable.

(iv) Investment shares reclassified from held for pure investment to held for purposes other than pure investment during the fiscal year ended December 31, 2025

Not applicable.

(v) Investment shares reclassified from held for purposes other than pure investment to held for pure investment during the four fiscal years prior to and during the fiscal year ended December 31, 2025

Not applicable.

Item 5. Financial Information

1. Basis for Preparation of Consolidated and Non-consolidated Financial Statements
   (1) The consolidated financial statements of Roland Corporation (the Company) are prepared in accordance with the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976).

   (2) The non-consolidated financial statements of the Company are prepared in accordance with the "Ordinance on the Terminology, Forms, and Preparation Methods of Financial Statements" (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter the "Ordinance on Financial Statements").
   The Company falls under the company allowed to file specified financial statements and prepares its financial statements pursuant to the provision of Article 127 of the Ordinance on Financial Statements.

2. Audit Certificate
   The Company's consolidated and non-consolidated financial statements for the fiscal year from January 1, 2025 to December 31, 2025 were audited by Grant Thornton Taiyo LLC, in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. Special Measures to Ensure the Appropriateness of Consolidated Financial Statements, etc.
   The Company has taken special measures to ensure the appropriateness of consolidated financial statements. Specifically, the Company has been working to collect information proactively by joining the Financial Accounting Standards Foundation and participating in seminars and training programs organized by audit firms and other institutions as well as subscribing to accounting journals, in order to establish a system that allows the Company to understand accounting standards properly and adapt to changes in accounting standards appropriately.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Assets		
Current assets:		
Cash and deposits	14,478	15,876
Notes receivable – trade	–	2
Accounts receivable – trade	*1 12,538	*1 13,351
Merchandise and finished goods	*1 19,076	*1 18,829
Work in process	1,462	1,438
Raw materials and supplies	8,608	7,052
Other	2,564	2,972
Allowance for doubtful accounts	(736)	(728)
Total current assets	57,993	58,795
Non-current assets:		
Property, plant and equipment:		
Buildings and structures:	12,899	19,601
Accumulated depreciation	(9,562)	(10,047)
Buildings and structures, net	3,337	9,553
Machinery, equipment and vehicles:	2,222	2,473
Accumulated depreciation	(1,561)	(1,836)
Machinery, equipment and vehicles, net	661	636
Tools, furniture and fixtures:	8,745	9,200
Accumulated depreciation	(7,028)	(7,592)
Tools, furniture and fixtures, net	1,716	1,607
Land	2,324	2,338
Construction in progress	1,525	98
Total property, plant and equipment	9,566	14,234
Intangible assets:		
Goodwill	3,087	2
Other	4,358	3,024
Total intangible assets	7,445	3,026
Investments and other assets:		
Investment securities	*3 724	*3 759
Retirement benefit asset	2,061	4,628
Deferred tax assets	3,207	1,422
Other	*3 677	709
Allowance for doubtful accounts	(90)	(99)
Total investments and other assets	6,581	7,420
Total non-current assets	23,592	24,681
Total assets	81,586	83,477

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	4,730	6,841
Short-term borrowings	5,300	1,100
Current portion of long-term borrowings	2,358	2,570
Lease obligations	715	707
Accrued expenses	3,594	4,119
Income taxes payable	331	411
Provision for bonuses	739	879
Provision for bonuses for directors (and other officers)	17	22
Provision for product warranties	330	411
Other	*5 2,967	*5 3,107
Total current liabilities	21,085	20,170
Non-current liabilities:		
Long-term borrowings	10,832	18,490
Lease obligations	1,237	1,170
Deferred tax liabilities	421	1,028
Provision for share awards	243	248
Provision for share awards for directors (and other officers)	73	47
Retirement benefit liability	264	280
Asset retirement obligations	89	100
Other	655	576
Total non-current liabilities	13,818	21,942
Total liabilities	34,903	42,113
Net assets		
Shareholders' equity:		
Share capital	9,641	9,641
Retained earnings	28,300	18,965
Treasury shares	(1,604)	(342)
Total shareholders' equity	36,337	28,264
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	36	37
Foreign currency translation adjustment	8,422	9,845
Remeasurements of defined benefit plans	1,579	2,930
Total accumulated other comprehensive income	10,037	12,813
Share acquisition rights	45	–
Non-controlling interests	262	286
Total net assets	46,682	41,364
Total liabilities and net assets	81,586	83,477

(ii) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Net sales	*1 99,433	*1 100,952
Cost of sales	*3 56,862	*3 58,307
Gross profit	42,571	42,644
Selling, general and administrative expenses	*2, *4 32,619	*2, *4 33,231
Operating profit	9,951	9,412
Non-operating income:		
Interest income	46	41
Dividend income	36	36
Subsidy income	25	–
Miscellaneous income	4	111
Other	7	6
Total non-operating income	119	195
Non-operating expenses:		
Interest expenses	153	258
Foreign exchange losses	1,496	316
Other	9	10
Total non-operating expenses	1,659	585
Ordinary profit	8,411	9,022
Extraordinary income:		
Gain on sale of non-current assets	*5 9	*5 0
Gain on sale of investment securities	406	–
Gain on sale of businesses	297	–
Settlement income	–	361
Total extraordinary income	712	362
Extraordinary losses:		
Loss on sale and retirement of non-current assets	*6 16	*6 70
Impairment losses	–	*7 3,860
Loss on liquidation of subsidiaries	–	11
Extra retirement payments	169	171
Provision of allowance for doubtful accounts	156	–
Total extraordinary losses	342	4,112
Profit before income taxes	8,782	5,272
Income taxes – current	1,935	1,365
Income taxes – deferred	852	1,724
Total income taxes	2,788	3,089
Profit	5,993	2,182
Profit attributable to non-controlling interests	17	14
Profit attributable to owners of parent	5,976	2,168

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Profit	5,993	2,182
Other comprehensive income:		
Valuation difference on available-for-sale securities	(117)	0
Foreign currency translation adjustment	4,714	1,433
Remeasurements of defined benefit plans, net of tax	546	1,351
Total other comprehensive income	* 5,143	* 2,785
Comprehensive income	11,136	4,968
Comprehensive income attributable to:		
Owners of parent	11,098	4,944
Non-controlling interests	38	24

(iii) Consolidated Statements of Changes in Equity

Previous fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of January 1, 2024	9,641	124	27,334	(2,207)	34,892
Changes during period					
Dividends of surplus			(4,722)		(4,722)
Profit attributable to owners of parent			5,976		5,976
Disposal of treasury shares		(412)		603	190
Transfer of negative balance of other capital surplus		287	(287)		–
Net changes in items other than shareholders' equity					–
Total changes during period	–	(124)	965	603	1,444
Balance as of December 31, 2024	9,641	–	28,300	(1,604)	36,337

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance as of January 1, 2024	153	3,728	1,032	4,915	70	235	40,114
Changes during period							
Dividends of surplus				–			(4,722)
Profit attributable to owners of parent				–			5,976
Disposal of treasury shares				–			190
Transfer of negative balance of other capital surplus				–			–
Net changes in items other than shareholders' equity	(117)	4,693	546	5,122	(24)	26	5,123
Total changes during period	(117)	4,693	546	5,122	(24)	26	6,568
Balance as of December 31, 2024	36	8,422	1,579	10,037	45	262	46,682

Current fiscal year (from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of January 1, 2025	9,641	–	28,300	(1,604)	36,337
Changes during period					
Dividends of surplus			(4,619)		(4,619)
Profit attributable to owners of parent			2,168		2,168
Purchase of treasury shares				(5,800)	(5,800)
Disposal of treasury shares		(734)		913	178
Cancellation of treasury shares		(6,148)		6,148	–
Transfer of negative balance of other capital surplus		6,883	(6,883)		–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	(9,334)	1,262	(8,072)
Balance as of December 31, 2025	9,641	–	18,965	(342)	28,264

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance as of January 1, 2025	36	8,422	1,579	10,037	45	262	46,682
Changes during period							
Dividends of surplus				–			(4,619)
Profit attributable to owners of parent				–			2,168
Purchase of treasury shares				–			(5,800)
Disposal of treasury shares				–			178
Cancellation of treasury shares				–			–
Transfer of negative balance of other capital surplus				–			–
Net changes in items other than shareholders' equity	0	1,423	1,351	2,776	(45)	24	2,754
Total changes during period	0	1,423	1,351	2,776	(45)	24	(5,318)
Balance as of December 31, 2025	37	9,845	2,930	12,813	–	286	41,364

(iv) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Cash flows from operating activities:		
Profit before income taxes	8,782	5,272
Depreciation	2,506	2,593
Impairment losses	–	3,860
Amortization of goodwill	386	382
Increase (decrease) in retirement benefit liability	(388)	(204)
Decrease (increase) in retirement benefit asset	–	(395)
Interest and dividend income	(82)	(78)
Interest expenses	153	258
Foreign exchange losses (gains)	613	174
Loss (gain) on sale of investment securities	(406)	–
Loss (gain) on sale and retirement of non-current assets	6	69
Loss (gain) on liquidation of subsidiaries	–	11
Loss (gain) on sale of businesses	(297)	–
Decrease (increase) in trade receivables	3,201	(1,025)
Decrease (increase) in inventories	3,027	2,844
Increase (decrease) in trade payables	(2,613)	1,322
Other, net	(973)	100
Subtotal	13,916	15,185
Interest and dividends received	82	78
Interest paid	(153)	(258)
Income taxes paid	(2,127)	(1,305)
Net cash provided by (used in) operating activities	11,717	13,699
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,368)	(5,971)
Proceeds from sale of property, plant and equipment	33	9
Purchase of intangible assets	(1,173)	(425)
Proceeds from sale of investment securities	683	–
Proceeds from sale of businesses	632	–
Other, net	(0)	(52)
Net cash provided by (used in) investing activities	(1,193)	(6,439)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	1,000	(4,200)
Proceeds from long-term borrowings	4,010	10,400
Repayments of long-term borrowings	(9,402)	(2,530)
Purchase of treasury shares	–	(5,800)
Proceeds from sale of treasury shares	284	83
Dividends paid	(4,722)	(4,619)
Other, net	(828)	(749)
Net cash provided by (used in) financing activities	(9,658)	(7,417)
Effect of exchange rate change on cash and cash equivalents	730	1,554
Net increase (decrease) in cash and cash equivalents	1,595	1,397
Cash and cash equivalents at beginning of period	12,883	14,478
Cash and cash equivalents at end of period	*1 14,478	*1 15,876

Notes to Consolidated Financial Statements

Significant accounting policies for preparation of consolidated financial statements

1. Disclosure of scope of consolidation
   Number of consolidated subsidiaries: 14

   The information is omitted as it is stated in "Item 1. Overview of Company, 4. Subsidiaries and Other Affiliated Entities."

2. Disclosure about application of the equity method
   Number of associates accounted for using the equity method: 0

   Number of associates not accounted for using the equity method: 1

   Roland Taiwan Enterprise Co., Ltd.

   One associate is not accounted for using the equity method because it has no material impact on consolidated financial statements in terms of the total amount of items such as profit (loss) attributable to owners of parent (amount proportionate to the Company's equity interests) and retained earnings (amount proportionate to the Company's equity interests).

3. Disclosure about fiscal year of consolidated subsidiaries
   The closing date of consolidated subsidiaries is identical to that of the Company.

4. Disclosure of accounting policies
   (1) Accounting policy for valuation of significant assets
      (i) Securities
         Shares of subsidiaries and associates:
            Stated at cost determined by the moving-average method.
         Available-for-sale securities
            Securities other than shares that do not have market prices:
               Stated at fair value (with any unrealized gain or loss recognized directly in net assets and the cost of securities sold determined using the moving-average method).
            Shares that do not have market prices:
               Stated at cost determined by the moving-average method.
      (ii) Inventories
         Merchandise and finished goods, work in process and raw materials
            The Company:
               Stated at cost using the weighted-average method (a method in which book value is written down based on any decline in profitability).
            Overseas consolidated subsidiaries:
               Primarily stated at cost using the first-in, first-out (FIFO) method (a method in which book value is written down based on any decline in profitability).
         Supplies:
            Primarily stated at cost using the last purchase price method (a method in which book value is written down based on any decline in profitability).
      (iii) Derivatives
            Stated at fair value.

   (2) Accounting policy for depreciation/amortization of significant depreciable assets
      (i) Property, plant and equipment (excluding leased assets)
         Depreciated primarily by using the declining-balance method.
         However, buildings (except for facilities attached to buildings) acquired by the Company on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated on a straight-line basis.
         The principal useful lives are as follows:
            Building and structures: 13 to 50 years
            Tools, furniture and fixtures: 2 to 6 years
      (ii) Intangible assets (excluding goodwill)
         Amortized primarily on a straight-line basis.
         The principal useful life is as follows:
            Software: 5 years
      (iii) Leased assets
         Leased assets in finance lease transactions that do not transfer ownership are depreciated on a straight-line basis using the lease term as the useful life and with zero residual value.

(3) Accounting policy for significant provisions

(i) Allowance for doubtful accounts

To provide for potential credit losses on receivables, after eliminating intra-group balances of receivables and payables, allowance for doubtful accounts is recorded at an amount of estimated uncollectible receivables calculated based on the historical rate of credit loss for general receivables and determined in consideration of collectability of individual receivables for doubtful accounts and certain other receivables.

(ii) Provision for bonuses

To provide for the payment of bonuses to employees, provision for bonuses is recorded based on the estimated amount to be paid.

(iii) Provision for bonuses for directors (and other officers)

To provide for the payment of bonuses to Officers, provision for bonuses for Directors (and other Officers) is recorded based on the estimated amount to be paid.

(iv) Provision for product warranties

To provide for product warranty costs that might be incurred after products are sold, provision for product warranties is recorded at an estimated amount calculated based on historical experience.

(v) Provision for share awards

To provide for delivery of shares of the Company to employees in accordance with stock benefit rules, provision for share-based remuneration is recorded based on the estimated amount of stock benefit obligations at the end of the current fiscal year.

(vi) Provision for share awards for directors (and other officers)

To provide for delivery of shares of the Company to Officers in accordance with stock benefit rules, provision for share-based remuneration for Directors (and other Officers) is recorded based on the estimated amount of stock benefit obligations at the end of the current fiscal year.

(4) Accounting policy for retirement benefits

(i) Method of attributing estimated retirement benefits to accounting periods

In calculating retirement benefit obligations, the benefit formula method is used to attribute the estimated amount of retirement benefits to periods up to the end of the current fiscal year.

(ii) Method of accounting for actuarial gains and losses

Actuarial gains and losses are amortized primarily using the declining-balance method over a certain number of years (10 years) within the average remaining service period of employees at the time of recognition from the fiscal year following the respective fiscal year of recognition.

(5) Accounting policy for significant revenues and expenses

The Group engages primarily in the manufacture and sale of electronic musical instruments including keyboards, percussion and wind instruments, and guitar-related products. The primary performance obligation for these products and merchandise is the obligation to deliver them to a customer. Revenue is recognized from the sale of the products and merchandise mainly based upon delivery to the customer because control of the products and merchandise is considered to be transferred to the customer at the time of delivery based on the contract with the customer. However, revenue generated within Japan is recognized upon shipment of the products and merchandise as the period from shipment to the transfer of control to the customer is generally within a normal timeframe. For export sales, revenue is recognized when the risk is transferred to the customer based on the trade terms mainly stipulated in Incoterms.

(6) Accounting policy for translating significant foreign currency assets and liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate on the consolidated balance sheets date, and translation adjustments are accounted for as profit or loss. Meanwhile, assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rates on the balance sheets dates of the subsidiaries whereas their revenue and expenses are translated into Japanese yen at average exchange rates for their respective fiscal years, and translation adjustments are included in “Foreign currency translation adjustment” and “Non-controlling interests” under net assets.

(7) Accounting policy for goodwill

Goodwill is amortized on a straight-line basis within a period of 10 years.

(8) Scope of cash and cash equivalents in consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, deposits that can be withdrawn at any time and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and exposed to only insignificant risk of fluctuation in value.

Significant accounting estimates

Valuation of inventories

1. Amounts recorded in the consolidated financial statements of the previous year and current fiscal year

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Merchandise and finished goods	19,076	18,829
Work in process	1,462	1,438
Raw materials and supplies	8,608	7,052

2. Information on the significant accounting estimates of the identified items

For inventory valuation, the carrying amount of inventory is written down when the inventories whose net realizable value or replacement cost of the inventory as of the end of the period falls below the acquisition cost. Besides that, when inventories whose inventory turnover periods exceed a certain threshold, the carrying amount of those inventories is written down using the write-down percentage based on the historical sales record to reflect a profitability decline in the consolidated financial statements

The accounting estimates may have a significant impact on the inventory amounts in the consolidated financial statements for the following fiscal year in the event of future fluctuations in market prices, downward pressure on prices due to intensified competition, and other changes in inventory level due to differences caused by the discrepancies between historical sales performance and actual demand.

Impairment of non-current assets of Drum Workshop, Inc.

1. Amounts recorded in the consolidated financial statements of the previous year and current fiscal year

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Impairment losses	–	3,860

2. Information on the significant accounting estimates of the identified items

The Company acquired shares of Drum Workshop, Inc. (“DW”), a U.S.-based company, in October 2022, and the goodwill and other intangible assets arising from this acquisition are recorded in the consolidated balance sheets.

The Group groups its assets based on the company level. In identifying indications of impairment for the DW asset group, the Company considers whether profit arising from operating activities (including amortization of goodwill) has been consistently negative, whether events such as changes that significantly reduce the recoverable amount or a significant deterioration in the business environment have occurred, or whether such events are expected to occur.

DW demonstrated a certain level of growth after becoming a consolidated subsidiary, driven by new product launches and other factors. However, its response to changes in the market environment and its progress in generating synergies with the Company did not meet expectations at the time of acquisition. As a result, after considering whether an impairment loss should be recognized for the current fiscal year, it was determined that the total undiscounted future cash flows expected to be generated from DW’s asset group were less than its carrying amount. Accordingly, the carrying amount was reduced to the recoverable amount, and an impairment loss was recognized.

The undiscounted future cash flows described above are estimated based on DW’s business plan approved by the Company’s Board of Directors. The business plan includes significant assumptions regarding projected net sales and gross profit for the next fiscal year and beyond, as well as the projected net sales growth rate following the business plan period. In addition, estimating the discount rate used to calculate the value in use requires a high degree of expertise in valuation when selecting calculation methods and input data. These assumptions and estimates may be affected by changes in future uncertain economic conditions. If a revision of these assumptions becomes necessary, it could have a material impact on the consolidated financial statements for the following fiscal year.

Changes in accounting policies

Application of Accounting Standard for Current Income Taxes and other standards

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, issued on October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) and related standards, effective from the beginning of the fiscal year ended December 31, 2025.

Regarding the amendments related to the classification of corporate income taxes (i.e., taxation on other comprehensive income), the Company has adopted the transitional treatment set forth in the proviso to paragraph 20-3 of the Revised

Accounting Standard 2022, as well as the transitional treatment stipulated in the proviso to paragraph 65-2(2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the "Revised Guidance 2022"). These changes in accounting policies had no impact on the consolidated financial statements.

Furthermore, with respect to the amendments related to the revised accounting treatment in consolidated financial statements for deferred taxes on gains or losses arising from intra-group sales of shares in subsidiaries, the Company has applied the Revised Guidance 2022 from the beginning of the fiscal year ended December 31, 2025. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the fiscal year ended December 31, 2024 have been restated accordingly. These restatements had no impact on the aforementioned consolidated financial statements.

Accounting standards issued but not yet adopted

Accounting standards for leases, etc.

- *Accounting Standard for Leases* (ASBJ Statement No. 34, September 13, 2024)
- *Implementation Guidance on Accounting Standard for Leases* (ASBJ Guidance No.33, September 13, 2024), etc.

(1) Overview

In an effort to promote consistency between Japanese and international standards, the Accounting Standards Board of Japan (ASBJ) has conducted reviews with reference to international accounting standards, aiming to develop accounting standards for leases that require lessees to recognize assets and liabilities for all leases. While the newly issued Accounting Standards for Leases, etc. are based on the single accounting model of IFRS 16 as a basic policy, they incorporate only the key provisions, rather than all provisions of IFRS 16, to be a simple and highly convenient standard that does not require adjustments in principle, when IFRS 16 is applied to non-consolidated financial statements.

Similarly to IFRS 16, a single accounting model is applied for cost allocation, requiring the lessee to recognize depreciation of the right-of-use assets and interest expense on the lease liabilities for all leases, regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled date for the application

The new standard is scheduled to be applied from the beginning of the fiscal year ending December 31, 2028.

(3) Impact of the application of the accounting standards

The impact of the application of the Accounting Standard for Leases, etc. on the consolidated financial statements is under assessment.

Additional information

1. Board Benefit Trust

In accordance with the resolution of the General Meeting of Shareholders held on December 21, 2016, the Company introduced the "Board Benefit Trust (BBT)" as a performance-based stock compensation plan for Directors (excluding Non-executive Directors) and Executive Officers, effective from December 27, 2016.

(1) Overview of transaction

Upon introduction of the Board Benefit Trust Plan (hereinafter the "BBT Plan"), the Company established the "Stock Benefit Rules for Board Benefit Trust."

The Company entrusted money to a trust bank for the advance purchase of shares to be delivered in the future in accordance with the established Stock Benefit Rules for Board Benefit Trust, and the trust bank acquired the Company's shares with the entrusted money.

The BBT Plan is a stock benefit plan in which points are granted to Directors and Executive Officers in accordance with the Stock Benefit Rules for Board Benefit Trust, and shares are delivered to them according to the number of points granted.

Applying the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees through Trusts" (PITF No. 30 of March 26, 2015) issued by the Accounting Standards Board of Japan (ASBJ), assets and liabilities of the BBT are accounted for using the gross method, in which such assets and liabilities are recorded on the balance sheets as assets and liabilities of the Company.

(2) The Company's shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at the carrying amount in the trust (excluding the amount of ancillary expenses).

The carrying amount and number of such treasury shares as of December 31, 2024 and 2025 were ¥84 million and 35,556 shares and ¥66 million and 25,989 shares, respectively.

2. Employee (at management-level) Stock Ownership Plan Trust

The Company introduced an incentive plan, "Employee Stock Ownership Plan (ESOP) Trust," in which shares of the Company are delivered to employees of the Company and its subsidiaries, effective from December 27, 2016, in order to increase their motivation and morale to improve the Company's share price and business performance.

(1) Overview of transaction

Upon introduction of the ESOP, the Company established the "Stock Benefit Rules for ESOP." The Company entrusted money to a trust bank for the advance purchase of shares to be delivered in the future in accordance with the established "Stock Benefit Rules for ESOP, and the trust bank acquired the Company's shares with the entrusted money.

The ESOP is a stock benefit plan under which points are granted to employees in accordance with the Stock Benefit Rules for ESOP, and shares are delivered to them according to the number of points granted.

Applying the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees through Trusts" (PITF No. 30 of March 26, 2015) issued by the ASBJ, assets and liabilities of the ESOP Trust are accounted for using the gross method, in which such assets and liabilities are recorded on the balance sheets as assets and liabilities of the Company.

(2) The Company's shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at the carrying amount in the trust (excluding the amount of ancillary expenses). The carrying amount and the number of such treasury shares as of December 31, 2024 and 2025 were ¥131 million and 151,439 shares and ¥124 million and 143,465 shares, respectively.

Consolidated balance sheets

*1. Assets pledged as collateral

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Accounts receivable – trade	877	780
Merchandise and finished goods	586	509
Total	1,464	1,290

Some of these assets are pledged as collateral for derivative transactions.

*2. Contingent liabilities

Litigation

On December 16, 2022 (local time), Roland Europe Group Limited ("REG"), a subsidiary of the Company, and on September 21, 2023, the Company were served with collective proceedings claim form pertaining to a claim filed with the Competition Appeal Tribunal in the United Kingdom.

This lawsuit was filed by Elisabetta Sciallis (plaintiff) against the Company and REG for compensations on behalf of consumers to cover economic loss in connection with a decision by the UK Competition and Markets Authority dated June 29, 2020 (local time) which found that Roland (U.K.) Limited and the Company had violated UK and EU competition law.

In the claim form, the amount of compensation for the lawsuit is estimated at least tens of million pounds; however, no precise figure is indicated.

Given the difficulties in calculating the potential monetary impact caused by the lawsuit at this stage, the future impact to the Company's business performance and financial position is uncertain.

*3. Assets relating to unconsolidated subsidiaries and associates

Investments and other assets

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Investment securities (equity securities)	109	109
Other (investments in capital)	11	–

*4. Overdraft agreements and committed line of credit agreements with financial institutions

The Company has concluded overdraft agreements and committed line of credit agreements with its financial institutions to raise working capital efficiently.

The year-end balances of undrawn facilities under the overdraft agreements and the committed line of credit agreements are as follows:

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Overdraft limit and total committed line of credit	14,000	14,000
Outstanding balance of drawn facilities	2,300	–
Outstanding balance of undrawn facilities	11,700	14,000

*5. Contract liabilities

Contract liabilities are included in the "Other" under current liabilities. The balance of contact liabilities is presented in "Notes to Consolidated Financial Statements, Revenue recognition, 3. (i) Balance of contract liabilities."

Consolidated statements of income

*1. Revenue from contracts with customers

Net sales are not presented separately as revenues arising from contracts with customers and other revenues. The amount of revenue from contracts with customers is presented in "Notes to Consolidated Financial Statements, Revenue recognition, 1. Information on disaggregated revenue from contracts with customers."

*2. Total amount of research and development expenses included in general administrative expenses

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
	5,585	5,438

*3. Write-down of inventories held for sale in the ordinary course of business due to decline in profitability (reversal shown in parentheses)

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Cost of sales	111	(475)

*4. Major items of selling, general and administrative expenses and their amounts

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Provision of allowance for doubtful accounts	81	142
Salaries and bonuses	18,219	18,501
Provision for bonuses	611	734
Retirement benefit expenses	(53)	(218)

*5. Gain on sale of non-current assets

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Buildings and structures	1	–
Machinery, equipment and vehicles	3	0
Tools, furniture and fixtures	0	0
Land	3	–
Other	0	–
Total	9	0

*6. Loss on sale and retirement of non-current assets

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Buildings and structures	5	4
Machinery, equipment and vehicles	1	8
Tools, furniture and fixtures	9	15
Other	0	41
Total	16	70

*7. Impairment losses

Current fiscal year (from January 1, 2025 to December 31, 2025)

The Group recorded impairment loss on the following asset group during the fiscal year ended December 31, 2025:

Location	Purpose of use	Class	Impairment loss (Millions of yen)
Drum Workshop, Inc.	–	Goodwill	2,612
	Business assets	Buildings and structures	130
		Machinery, equipment and vehicles	67
		Other intangible assets	1,048

The assets grouping is based on company units.

Drum Workshop, Inc. ("DW") demonstrated a certain level of growth after becoming a consolidated subsidiary in October 2022, driven by new product launches and other factors. However, its response to changes in the market environment and its progress in generating synergies with the Company did not meet expectations at the time of acquisition.

As a result of a careful reassessment of the latest business plan, it was determined that the total undiscounted future cash flows expected to be generated from DW's asset group were less than its carrying amount. Accordingly, the carrying amount was reduced to the recoverable amount, and an impairment loss of ¥3,860 million was recognized. The recoverable amount was calculated based on value in use, which was determined by discounting future cash flows at an annual rate of 16.1%

Consolidated statements of comprehensive income

* Notes regarding reclassification adjustments, income taxes and tax effects relating to other comprehensive income

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Valuation difference on available-for-sale securities		
Amount arising during period	234	1
Reclassification adjustments	(406)	–
Before income taxes and tax effect adjustment	(172)	1
Income taxes and tax effect	54	(1)
Valuation difference on available-for-sale securities, net of tax	(117)	0
Foreign currency translation adjustment		
Amount arising during period	4,714	1,433
Remeasurements of defined benefit plans		
Amount arising during period	1,093	2,470
Reclassification adjustments	(314)	(489)
Before income taxes and tax effect adjustment	778	1,981
Income taxes and tax effect	(232)	(629)
Remeasurements of defined benefit plans, net of tax	546	1,351
Total other comprehensive income	5,143	2,785

Consolidated statements of changes in equity

Previous fiscal year (from January 1, 2024 to December 31, 2024)

1. Issued shares

Class of shares	Beginning of period	Increase	Decrease	End of period
Common stock (shares)	28,163,038	–	–	28,163,038
Total	28,163,038	–	–	28,163,038

2. Treasury shares

Class of shares	Beginning of period	Increase	Decrease	End of period
Common stock (shares)	722,886	–	209,693	513,193
Total	722,886	–	209,693	513,193

Notes: 1. The above number of treasury shares of common stock as of December 31, 2024 includes the number of the Company's shares of 186,995 shares held by the Board Benefit Trust and Employee Stock Ownership Plan Trust.

2. Overview of reasons for change
Major factors are as follows:
Decrease due to sale of treasury shares by Employee Shareholding Association-type ESOP Trust: 54,300 shares
Decrease due to the exercise of share acquisition rights (stock options): 113,412 shares
Decrease due to share-based remuneration for retired employees from ESOP Trust: 13,032 shares
Decrease due to share-based remuneration for retired officers from the Board Benefit Trust: 27,001 shares
Decrease due to share-based remuneration for retired officers under the Performance Share Unit plan: 1,948 shares

3. Share acquisition rights

Company name	Details	Class of shares underlying the stock options	Number of shares underlying the stock options (shares)				End of period (millions of yen)
			Beginning of period	Increase	Decrease	End of period	
Reporting company	2015 Share Acquisition Rights Issued as Stock Options (1st series)	–	–	–	–	–	33
	2016 Share Acquisition Rights Issued as Stock Options (3rd series)	–	–	–	–	–	11
Total			–	–	–	–	45

4. Dividends

(1) Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on March 26, 2024	Common stock	2,356	85	December 31, 2023	March 27, 2024
Board of Directors meeting held on August 7, 2024	Common stock	2,366	85	June 30, 2024	September 10, 2024

Notes: 1. The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on March 26, 2024, includes dividends of ¥23 million paid to the Company's shares held by trusts.

2. The total amount of dividends paid based on the resolution at the Board of Directors meeting held on August 7, 2024, includes dividends of ¥16 million paid to the Company's shares held by trusts.

(2) Dividends with a record date within the reporting period and an effective date after the end of the reporting period

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on March 26, 2025	Common stock	Retained earnings	2,366	85	December 31, 2024	March 27, 2025

Note: The total amount of dividends paid includes dividends of ¥15 million paid to the Company's shares held by trusts.

Current fiscal year (from January 1, 2025 to December 31, 2025)

1. Issued shares

Class of shares	Beginning of period	Increase	Decrease	End of period
Common stock (shares)	28,163,038	–	1,582,379	26,580,659
Total	28,163,038	–	1,582,379	26,580,659

Note: Overview of reasons for change
Major factors are as follows:
Decrease due to cancellation of treasury shares based on a resolution of the Board of Directors: 1,582,379 shares

2. Treasury shares

Class of shares	Beginning of period	Increase	Decrease	End of period
Common stock (shares)	513,193	1,518,340	1,823,166	208,367
Total	513,193	1,518,340	1,823,166	208,367

Notes: 1. The above number of treasury shares of common stock as of December 31, 2025 includes the number of the Company's shares of 169,454 shares held by the Board Benefit Trust and Employee Stock Ownership Plan Trust.
2. Overview of reasons for change
Major factors are as follows:

Increase due to purchase of treasury shares based on a resolution of the Board of Director:	1,518,300 shares
Increase due to purchase of shares less than one unit:	40 shares
Decrease due to cancellation of treasury shares based on a resolution of the Board of Directors:	1,582,379 shares
Decrease due to the exercise of share acquisition rights (stock options):	216,580 shares
Decrease due to share-based remuneration for retired employees from ESOP Trust:	7,974 shares
Decrease due to share-based remuneration for retired officers from the Board Benefit Trust:	9,567 shares
Decrease due to share-based remuneration for retired officers under the Performance Share Unit plan:	6,666 shares

3. Dividends

(1) Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on March 26, 2025	Common stock	2,366	85	December 31, 2024	March 27, 2025
Board of Directors meeting held on August 7, 2025	Common stock	2,254	85	June 30, 2025	September 11, 2025

Notes: 1. The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on March 26, 2025, includes dividends of ¥15 million paid to the Company's shares held by trusts.
2. The total amount of dividends paid based on the resolution at the Board of Directors meeting held on August 7, 2025, includes dividends of ¥14 million paid to the Company's shares held by trusts.

(2) Dividends with a record date within the reporting period and an effective date after the end of the reporting period

The Company is scheduled to make a proposal at the Ordinary General Meeting of Shareholders to be held on March 26, 2026, as follows:

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on March 26, 2026	Common stock	Retained earnings	2,256	85	December 31, 2025	March 27, 2026

Note: The total amount of dividends paid includes dividends of ¥14 million paid to the Company's shares held by trusts.

Consolidated statements of cash flows

*1. The reconciliation of ending balance of cash and cash equivalents with account balances per consolidated balance sheets is as follows:

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Cash and deposits	14,478	15,876
Cash and cash equivalents	14,478	15,876

Leases

Operating leases

As lessee

Future lease payments under non-cancellable operating leases

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Due within 1 year	65	108
Due after 1 year	76	114
Total	142	222

Financial instruments

1. Status of financial instruments

(1) Policies on financial instruments

The Group finances its necessary working capital and funds for investments and loans with its own funds or external borrowings. For external borrowings, short-term borrowings are mainly used for working capital, while long-term borrowings are mainly used for capital expenditures. The Group's fund management policy limits its investments to highly secure financial assets such as short-term deposits. Derivatives are entered into based on actual demand and not used for speculative purposes.

(2) Nature and risks of financial instruments

Trade receivables, such as notes and accounts receivable – trade, are exposed to customers' credit risk. In addition, trade receivables denominated in foreign currencies arising from our global business are exposed to the risk of exchange rate fluctuations.

Investment securities mainly comprise stocks of companies with which we have business relationships and are exposed to the risk of fluctuations in value due to the financial conditions of the issuers (business partners), among other factors.

Trade payables, such as notes and accounts payable – trade, are due within one year. Some of these payables are denominated in foreign currencies and are exposed to the risk of exchange rate fluctuations. However, the balances of such payables are consistently within the balances of accounts receivable denominated in the same foreign currencies.

Short-term borrowings are mainly for the purpose of financing working capital and are exposed to interest rate risk because they bear variable interest rates.

Long-term borrowings have been used to finance working capital, the acquisition of shares of Drum Workshop, Inc. to make it a subsidiary, the purchase of treasury shares, and the acquisition of real estate and construction costs for the new headquarters. As they all bear fixed interest rates, they have no interest rate risk during the borrowing period. However, they will be exposed to interest rate risk if refinancing becomes necessary.

Lease obligations are primarily used for working capital and equipment, and the longest maturity is five years after the balance sheet date.

The Company and some overseas subsidiaries use derivatives primarily to hedge against the risk of exchange rate fluctuations and conclude forward exchange contracts and other instruments to the extent necessary based on balances of monetary receivables and payables denominated in foreign currencies or the actual volume of exports and imports related to operating transactions denominated in foreign currencies.

(3) Risk management system for financial instruments

(i) Management of credit risk (risk related to counterparties' breach of contract)

For credit risk on trade receivables, the sales departments thoroughly investigate the credit status of customers and manage the due dates and balances of trade receivables to mitigate the risk in accordance with the company rules and regulations.

The Group trades derivatives only with highly rated financial institutions to reduce counterparty risk.

(ii) Management of market risk (risk of exchange rate and interest rate fluctuations)
For receivables and payables denominated in foreign currencies, the Company and some overseas subsidiaries use forward exchange contracts and other instruments to hedge against the risk of exchange rate fluctuations.

For investment securities, the Group regularly assesses the fair value and financial conditions of the issuers (business partners).

Derivatives are executed and managed by the finance department of the Company after the approval process stipulated in the internal approval regulations.

(iii) Management of liquidity risk in financing (risk of being unable to make payments by the due dates)
The Company manages its liquidity risk by preparing and updating cash flow plans in a timely manner based on reports from each department.

(4) Supplementary explanation on fair value of financial instruments
In measuring the fair value of financial instruments, certain assumptions that incorporate various factors are used; accordingly, the resulting values may change if different assumptions are applied. In addition, the contract amounts of derivative transactions presented in the note "Derivatives" do not, in themselves, represent the market risk associated with such derivative transactions.

2. Fair value of financial instruments
Carrying amount and fair value of financial instruments and their differences are as follows.

Previous fiscal year (as of December 31, 2024)

(Millions of yen)

	Carrying amount (*1)	Fair value (*1)	Difference
(1) Long-term borrowings (*2)	(13,190)	(13,183)	7
(2) Lease obligations	(1,953)	(1,949)	4
Total liabilities	(15,143)	(15,132)	11
(3) Derivatives (*3)	(196)	(196)	–

*1: Items recorded as liabilities are presented in parentheses.
*2: The figures include current portion of long-term borrowings.
*3: Receivables and payables arising from derivatives are presented on a net basis.

Current fiscal year (as of December 31, 2025)

(Millions of yen)

	Carrying amount (*1)	Fair value (*1)	Difference
(1) Long-term borrowings (*2)	(21,060)	(21,012)	47
(2) Lease obligations	(1,877)	(1,875)	2
Total liabilities	(22,937)	(22,887)	49
(3) Derivatives (*3)	(83)	(83)	–

*1: Items recorded as liabilities are presented in parentheses.
*2: The figures include current portion of long-term borrowings.
*3: Receivables and payables arising from derivatives are presented on a net basis.

Note 1: Footnote for Cash is omitted, and the ones for deposits, notes receivable – trade, accounts receivable – trade, notes and accounts payable – trade, short-term borrowings, accrued expenses, and income taxes payable are omitted since they are settled in a short period of time and their fair value approximates their carrying amount.

Note 2: Shares that do not have a market price are not included in the table above. The consolidated balance sheets amounts of such financial instruments are as follows:

(Millions of yen)

Classification	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Unlisted shares	724	759

Note 3: Redemption schedule of monetary receivables after the consolidated balance sheets date

Previous fiscal year (as of December 31, 2024)

(Millions of yen)

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	14,478	–	–	–
Accounts receivable – trade	12,538	–	–	–
Total	27,017	–	–	–

Current fiscal year (as of December 31, 2025)

(Millions of yen)

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	15,876	–	–	–
Notes receivable – trade	2	–	–	–
Accounts receivable – trade	13,351	–	–	–
Total	29,230	–	–	–

Note 4: Repayment schedule of short-term borrowings, long-term borrowings and lease obligations after the consolidated balance sheet date

Previous fiscal year (as of December 31, 2024)

(Millions of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term borrowings	5,300	–	–	–	–	–
Long-term borrowings	2,358	2,340	2,040	1,140	1,140	4,172
Lease obligations	715	519	296	155	132	132
Total	8,373	2,859	2,336	1,295	1,272	4,305

Current fiscal year (as of December 31, 2025)

(Millions of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term borrowings	1,100	–	–	–	–	–
Long-term borrowings	2,570	2,560	2,530	2,530	2,530	8,340
Lease obligations	707	477	324	189	178	–
Total	4,377	3,037	2,854	2,719	2,708	8,340

3. Fair value of financial instruments

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using quoted prices of identical assets or liabilities in active markets among observable valuation inputs.
Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.
Level 3 fair value: Fair value measured using unobservable inputs.

When multiple inputs that have a significant impact on fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest level among the levels to which those inputs belong.

(1) Financial instruments measured at fair value

Previous fiscal year (as of December 31, 2024) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Derivatives	–	(196)	–	(196)

Current fiscal year (as of December 31, 2025) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Derivatives	–	(83)	–	(83)

(2) Financial instruments other than those measured at fair value

Previous fiscal year (as of December 31, 2024) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	(13,183)	–	(13,183)
Lease obligations	–	(1,949)	–	(1,949)
Total liabilities	–	(15,132)	–	(15,132)

Current fiscal year (as of December 31, 2025) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	(21,012)	–	(21,012)
Lease obligations	–	(1,875)	–	(1,875)
Total liabilities	–	(22,887)	–	(22,887)

Note: Description of the valuation techniques and inputs used in fair value measurements

Derivatives

The Group uses forward exchange contracts for derivative transactions. Their fair value is measured based on the price provided by counterparty financial institutions and other relevant inputs, and is classified as a Level 2 fair value.

Long-term borrowings

The fair value of long-term borrowings is measured at the present value of the total principal and interest discounted using an interest rate assumed to apply to similar new borrowings, and is classified as a Level 2 fair value.

Lease obligations

The fair value of lease obligations is measured at the present value of the total principal and interest discounted using an interest rate assumed to apply to similar new lease transactions, and is classified as a Level 2 fair value.

Securities

1. Available-for-sale securities sold during the fiscal year

Previous fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of yen)

Classification	Amount of the sale	Total gains on sale of securities	Total losses on sale of securities
Equity securities	683	406	–
Total	683	406	–

Current fiscal year (from January 1, 2025 to December 31, 2025)

Not applicable.

Derivatives

Derivatives to which hedge accounting is not applied

Currency-related derivatives

Previous fiscal year (as of December 31, 2024)

(Millions of yen)

Classification	Type	Contract amount	Contract amount due after one year	Fair value	Gain (loss) on valuation
Off-market transactions	Forward exchange contracts				
	Selling				
	USD	6,115	–	(185)	(185)
	EUR	7,218	–	(18)	(18)
	Buying				
	USD	1,252	–	7	7
Total		14,587	–	(196)	(196)

Current fiscal year (as of December 31, 2025)

(Millions of yen)

Classification	Class	Contract amount	Contract amount due after one year	Fair value	Gain (loss) on valuation
Off-market transactions	Forward exchange contracts				
	Selling				
	USD	5,828	–	45	45
	EUR	5,015	–	(132)	(132)
	Buying				
	USD	928	–	3	3
Total		11,772	–	(83)	(83)

Retirement benefits

1. Overview of retirement benefit plans

The Company has adopted a defined benefit pension plan (cash balance plan) and makes contributions to external funds to pay retirement benefits to employees. Under this plan, the Company grants employees retirement benefit points determined based on their occupation, qualifications and positions and interest points calculated based on the balance of points on a monthly basis. At the time of employees' retirement, the Company pays retirement benefits calculated based on the balance of such points, the reason for retirement and length of service.

In addition, the Company and certain overseas consolidated subsidiaries have defined contribution pension plans.

2. Defined benefit plan

(1) Reconciliation of beginning and ending balances of retirement benefit obligations

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Retirement benefit obligations at beginning of period	9,874	9,813
Service cost	386	376
Interest cost	100	98
Actuarial gains and losses incurred	(67)	(1,418)
Retirement benefits paid	(492)	(562)
Foreign currency translation gains (losses)	12	29
Retirement benefit obligations at end of period	9,813	8,337

(2) Reconciliation of beginning and ending balances of plan assets

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Plan assets at beginning of period	10,517	11,610
Expected return on plan assets	262	290
Actuarial gains and losses incurred	1,025	1,051
Contributions from employer	297	294
Retirement benefits paid	(492)	(562)
Plan assets at end of period	11,610	12,684

(3) Reconciliation of ending balances of retirement benefit obligations and plan assets, retirement benefit liability and retirement benefit asset recorded in the consolidated balance sheets

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Funded retirement benefit obligations	9,813	8,337
Plan assets	(11,610)	(12,684)
	(1,796)	(4,347)
Unfunded retirement benefit obligations	–	–
Net amount of liability and asset recorded in consolidated balance sheet	(1,796)	(4,347)
Retirement benefit liability	264	280
Retirement benefit asset	(2,061)	(4,628)
Net amount of liability and asset recorded in consolidated balance sheet	(1,796)	(4,347)

(4) Components of retirement benefit cost

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Service cost	386	376
Interest cost	100	98
Expected return on plan assets	(262)	(290)
Amortization of actuarial gains and losses	(314)	(489)
Retirement benefit expenses for defined benefit plans	(90)	(305)

(5) Remeasurements of defined benefit plans

Components of items (before income taxes and tax effect) recorded in remeasurements of defined benefit plans are as follows:

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Actuarial gains and losses	778	1,981
Total	778	1,981

(6) Accumulated remeasurements of defined benefit plans

Components of items (before income taxes and tax effect) recorded in accumulated remeasurements of defined benefit plans are as follows:

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Unrecognized actuarial gains and losses	2,251	4,232
Total	2,251	4,232

(7) Plan assets

(i) Major components of plan assets

Ratios to the total plan assets by major category are as follows:

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Domestic debt securities	5.0%	5.0%
Domestic equity securities	24.0%	23.0%
Foreign debt securities	23.0%	23.0%
Foreign equity securities	25.0%	28.0%
General account	21.0%	19.0%
Cash	2.0%	2.0%
Total	100.0%	100.0%

(ii) Determination procedure of long-term expected rate of return on plan assets

In determining the long-term expected rate of return on plan assets, the Company considers the current and projected asset allocations as well as the current and future expected long-term rates of return on various assets that constitute the plan assets.

(8) Actuarial assumptions

Major actuarial assumptions (presented in weighted average)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Discount rate	Mainly 0.98%	Mainly 0.98%
Long-term expected rate of return on plan assets	Mainly 2.50%	Mainly 2.50%

3. Defined contribution plans

The amounts of required contributions to the defined contribution plans of the Group for the fiscal years ended December 31, 2024 and 2025 were ¥325 million and ¥354 million, respectively.

Stock options, etc.

1. Amount recorded as expenses for stock options and line items

   Not applicable.

2. Details and number of stock options and changes therein

   (1) Details of stock options

	1st Series Share Acquisition Rights	3rd Series Share Acquisition Rights
Company name	Reporting company	Reporting company
Resolution date	April 30, 2015	March 4, 2016
Title and number of grantees	4 Directors and 7 Executive Officers of the Company	2 Executive Officers of the Company and 4 Officers of subsidiaries of the Company
Class and number of shares granted	845,000 shares of common stock	234,000 shares of common stock
Grant date	April 30, 2015	March 4, 2016
Vesting conditions	(i) Performance achievement conditions determined in consultation between the Remuneration Committee and Representative Director must have been met. (ii) The grantee must be a Director, Executive Officer or employee, or must not have been demoted to a position lower than these positions. (iii) Other conditions for share acquisition rights shall be provided for in the "Subscription Agreement for Share Acquisition Rights" entered into between the Company and each person to whom share acquisition rights have been allocated, in accordance with resolutions at the General Meeting of Shareholders and the Board of Directors meeting.	(i) Performance achievement conditions determined in consultation between the Remuneration Committee and Representative Director must have been met. (ii) The grantee must be a Director, Executive Officer or employee, or must not have been demoted to a position lower than these positions. (iii) Other conditions for share acquisition rights shall be provided for in the "Subscription Agreement for Share Acquisition Rights" entered into between the Company and each person to whom share acquisition rights have been allocated, in accordance with resolutions at the General Meeting of Shareholders and the Board of Directors meeting.
Requisite service period	Not specified.	Not specified.
Exercise period	May 1, 2017 through April 30, 2025	March 5, 2018 through March 4, 2026

Note: The number of stock options is translated into the number of shares. In addition, as the Company conducted a 30-for-1 common stock split effective on September 14, 2020, the above numbers of shares were adjusted for the stock split.

(2) Number of stock options and changes therein

The following describes changes in the number of stock options that existed during the fiscal year ended December 31, 2025. The number of stock options is translated into the number of shares.

(i) Number of stock options

	1st Series Share Acquisition Rights	3rd Series Share Acquisition Rights
Company name	Reporting company	Reporting company
Resolution date	April 30, 2015	March 4, 2016
Before vesting (shares)		
As of December 31, 2024	–	–
Granted	–	–
Forfeited	–	–
Vested	–	–
Outstanding unvested stock options	–	–
After vesting (shares)		
As of December 31, 2024	164,580	52,000
Vested	–	–
Exercised	164,580	52,000
Forfeited	–	–
Outstanding unexercised stock options	–	–

Note: As the Company conducted a 30-for-1 common stock split effective on September 14, 2020, the above numbers of shares were adjusted for the stock split.

(ii) Unit price information

	1st Series Share Acquisition Rights	3rd Series Share Acquisition Rights
Company name	Reporting company	Reporting company
Resolution date	April 30, 2015	March 4, 2016
Exercise price (yen)	374	413
Average share price at exercise (yen)	3,754	3,512
Fair unit price at grant date (yen)	5,304	5,851

Note: As the Company conducted a 30-for-1 common stock split effective on September 14, 2020, the above exercise prices were adjusted for the stock split.

3. Estimation of the number of stock options vested

There is no information to be disclosed as all stock options were vested at the grant date.

Tax effect accounting

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Deferred tax assets		
Loss on valuation of inventories	658	499
Intercompany profits on inventories	147	396
Depreciation	1,474	1,320
Loss on valuation of securities	108	109
Allowance for doubtful accounts	190	173
Provision for bonuses	220	262
Retirement benefit liability	25	21
Foreign tax credit carryforwards	1,751	1,778
Tax loss carryforwards (Note 2)	825	971
Other	1,143	1,191
Subtotal of deferred tax assets	6,546	6,724
Valuation allowance for tax loss carryforwards (Note 2)	(333)	(821)
Valuation allowance for future deductible temporary differences	(2,145)	(3,424)
Subtotal of valuation allowance (Note 1)	(2,479)	(4,245)
Total deferred tax assets	4,067	2,478
Deferred tax liabilities		
Retirement benefit asset	(615)	(1,301)
Retained earnings of overseas consolidated subsidiaries	(604)	(617)
Other	(60)	(165)
Total deferred tax liabilities	(1,280)	(2,085)
Deferred tax assets, net	2,786	393

Notes: 1. The valuation allowance increased by ¥1,766 million. This increase was mainly due to the reversal of deferred tax assets resulting from a review of the recoverability of deferred tax assets at a consolidated subsidiary.

2. Expiration of tax loss carryforwards, the related valuation allowance, and the resulting net deferred tax assets.

Previous fiscal year (as of December 31, 2024)

(Millions of yen)

	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
Tax loss carryforwards (a)	–	–	–	80	78	667	825
Valuation allowance for tax loss carryforwards	–	–	–	–	–	(333)	(333)
Deferred tax assets	–	–	–	80	78	333	(b) 492

a. Tax loss carryforwards were calculated by applying the effective statutory tax rate.

b. Net deferred tax assets of ¥492 million were recognized for tax loss carryforwards of ¥825 million (calculated by applying the effective statutory tax rate). The net deferred tax assets of ¥492 million were recognized for a part of tax loss carryforwards of consolidated subsidiaries. Valuation allowances have not been recognized for the part of the deferred tax assets expected to be collectible considering future taxable income.

Current fiscal year (as of December 31, 2025)

(Millions of yen)

	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
Tax loss carryforwards (c)	–	–	–	33	24	914	971
Valuation allowance for tax loss carryforwards	–	–	–	–	–	(821)	(821)
Deferred tax assets	–	–	–	33	24	93	(d) 150

c. Tax loss carryforwards were calculated by applying the effective statutory tax rate.

d. Net deferred tax assets of ¥150 million were recognized for tax loss carryforwards of ¥971 million (calculated by applying the effective statutory tax rate). The net deferred tax assets of ¥150 million were recognized for a part of tax

loss carryforwards of consolidated subsidiaries. Valuation allowances have not been recognized for the part of the deferred tax assets expected to be collectible considering future taxable income.

2. Reconciliation between the effective statutory tax rate and the actual effective tax rate after applying tax effect accounting

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Effective statutory tax rate	29.9 %	29.9 %
Adjustments:		
Valuation allowance	6.4 %	71.5 %
Non-deductible permanent differences (e.g. entertainment expenses)	3.2 %	0.6 %
Non-taxable permanent differences (e.g. dividend income)	(0.1) %	(21.3) %
Tax credits on research and development expenses, etc.	(1.2) %	(3.1) %
Tax rate differences with overseas consolidated subsidiaries	(3.3) %	(5.8) %
Retained earnings of overseas consolidated subsidiaries	0.3 %	0.3 %
Foreign withholding taxes on dividends from overseas subsidiaries	0.1 %	0.5 %
Tax credits by preferential taxation	(6.9) %	(11.6) %
Upward adjustment of deferred tax assets at the end of the period due to tax rate change	– %	(2.6) %
Other	3.3 %	0.2 %
Actual effective tax rate after applying tax effect accounting	31.7 %	58.6 %

Changes in presentation

"Non-taxable permanent differences (e.g. dividend income)" which was included in "Other" in the previous fiscal year, is presented separately from the current fiscal year due to its increased materiality. To reflect this reclassification, "Other" of 3.2% in the previous fiscal year has been reclassified and separated in "Non-taxable permanent differences (e.g. dividend income)" of (0.1) % and "Other" of 3.3 % for that period.

3. Adjustment of deferred tax assets and deferred tax liabilities due to changes in income tax rates
Following the enactment of the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025), which was passed by the National Diet on March 31, 2025, the Special Corporate Tax for Defense will be imposed for the fiscal years beginning on or after April 1, 2026. Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences and other items that are expected to reverse in the fiscal years beginning on or after January 1, 2027 have been calculated using a revised effective statutory tax rate of 30.8%, instead of 29.9%. The impact of this change in the tax rate on the consolidated financial statements for the current fiscal year is immaterial.

Revenue recognition

1. Information on disaggregated revenue from contracts with customers

The Group operates a single segment of the Electronic Musical Instruments Business. The information on disaggregated of revenue from contracts with customers is as follows.

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Keyboards	26,869	27,223
Percussion and Wind Instruments	28,588	29,364
Guitar-related Products	24,988	25,149
Creation-related Products & Services	12,627	13,060
Video and Professional Audio	3,199	3,057
Other	3,160	3,097
Total	99,433	100,952

Note. Net sales in the consolidated statements of income does not include revenues other than revenue from contracts with customers.

2. Basic information in understanding revenue from contracts with customers

Basic information in understanding revenue is stated in "Notes to Consolidated Financial Statements, Significant accounting policies for preparation of consolidated financial statements, 4. Disclosure of accounting policies, (5) Accounting policy for significant revenues and expenses."

3. Reconciliation of satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in the next fiscal year and thereafter arising from contracts with customers that existed at the end of the current fiscal year

(i) Balance of contract liabilities

The balance of contractual liabilities arising from contracts with customers is as follows.

(Millions of yen)

	Previous fiscal year (From January 1 2024 to December 31, 2024)	Current fiscal year (From January 1 2025 to December 31, 2025)
Contract liabilities (beginning balance)	159	240
Contract liabilities (ending balance)	240	410

Notes: 1. Contract liabilities are included in "Other" under current liabilities in the consolidated balance sheets.
2. Revenue recognized in the fiscal year ended December 31, 2024 that was included in the balance of contract liabilities at the beginning of the fiscal year was ¥159 million.
Revenue recognized in the fiscal year ended December 31, 2025 that was included in the balance of contract liabilities at the beginning of the fiscal year was ¥240 million.
3. Contract liabilities primarily relate to advances received from customers.
4. The amount of revenue recognized in the current fiscal year from performance obligations that were satisfied in the previous periods is immaterial.

(ii) Transaction price allocated to the remaining performance obligations

The description of the remaining performance obligations is omitted since the Group has no significant contracts with an original expected contractual duration of one year or more. In addition, consideration arising from contracts with customers does not have any significant amounts that are not included in the transaction price.

Segment information, etc.

Segment information

Segment information is omitted because the Group operates a single segment of the Electronic Musical Instruments Business.

Related Information

Previous fiscal year (from January 1, 2024 to December 31, 2024)

1. Information by product or service

This information is omitted because revenues from external customers for a single product or service category account for more than 90% of consolidated net sales.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North America		Europe	China	Asia/Oceania/ Other Regions	Total
		U.S.				
9,054	38,382	34,391	28,755	7,411	15,830	99,433

Note: Revenues are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
4,907	4,658	9,566

3. Information by major customers

This information is omitted because no external customer accounts for 10% or more of consolidated net sales.

Current fiscal year (from January 1, 2025 to December 31, 2025)

1. Information by product or service

   This information is omitted because revenues from external customers for a single product or service category account for more than 90% of consolidated net sales.

2. Information by region

   (1) Net sales

(Millions of yen)

Japan	North America		Europe	China	Asia/Oceania/ Other Regions	Total
		U.S.				
9,262	38,764	34,704	28,968	7,561	16,394	100,952

Note: Revenues are classified by country or region based on the location of customers.

   (2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
10,004	4,230	14,234

Changes in presentation

"Malaysia", which was separately presented in the previous fiscal year, is included in "Other" from the current fiscal year due to its reduced materiality. As a result, the amount of ¥1,335 million for "Malaysia" in the previous fiscal year has been reclassified and included in "Other" which totaled ¥4,658 million for that period.

3. Information by major customers

   This information is omitted because no external customer accounts for 10% or more of consolidated net sales.

Disclosure of impairment loss on non-current assets for each reportable segment

Segment information is omitted because the Roland Group operates a single segment of the Electronic Musical Instruments Business.

Amortization and unamortized balance of goodwill for each reportable segment

Segment information is omitted because the Roland Group operates a single segment of the Electronic Musical Instruments Business.

Information about gain on bargain purchase for each reportable segment

Not applicable.

Related parties

Previous fiscal year (from January 1, 2024 to December 31, 2024)

Not applicable.

Current fiscal year (from January 1, 2025 to December 31, 2025)

Not applicable.

Per share information

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Net assets per share	1,677.22 yen	1,557.62 yen
Basic earnings per share	216.49 yen	81.69 yen
Diluted earnings per share	214.76 yen	81.54 yen

Notes: 1. For the purpose of calculating net assets per share, the aggregate number of shares of the Company held by the Board Benefit Trust and Employee Stock Ownership Plan Trust was included in the number of treasury shares, which was to be deducted from the number of shares issued at the end of the fiscal year.
In addition, for the purpose of calculating basic earnings per share and diluted earnings per share, the aggregate number of shares of the Company held by these trusts was also included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares of common stock during the period. The average number of shares of common stock held by these trusts during the fiscal years ended December 31, 2024, and 2025 was 202,854 shares and 173,818 shares, respectively. Meanwhile, the aggregate number of shares of the Company held by these trusts as of December 31, 2024, and 2025 was 186,995 shares and 169,454 shares, respectively.

2. Basis for calculation of both basic and diluted earnings per share is as follows:

(Millions of yen, unless otherwise stated)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent	5,976	2,168
Profit not attributable to common shareholders	–	–
Profit attributable to common shareholders of parent	5,976	2,168
Average number of shares of common stock during the period (Thousand shares)	27,603	26,539
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	–	–
Number of shares of common stock increased (Thousand shares)	223	49
[of which number of share acquisition rights (Thousand shares)]	[223]	[49]
Summary of potential shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	–	–

3. Basis for calculation of net assets per share is as follows:

(Millions of yen, unless otherwise stated)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Total net assets	46,682	41,364
Deductions from total net assets	307	286
[of which, share acquisition rights]	[45]	[–]
[of which, non-controlling interests]	[262]	[286]
Net assets applicable to common stock at end of period	46,374	41,078
Number of shares of common stock at end of period used for the calculation of net assets per share (Thousands shares)	27,649	26,372

(v) Annexed consolidated detailed schedules

Annexed consolidated detailed schedule of corporate bonds

Not applicable.

Annexed consolidated detailed schedule of borrowings

Category	Balance as of January 1, 2025 (millions of yen)	Balance as of December 31, 2025 (millions of yen)	Average interest rate (%)	Repayment due
Short-term borrowings	5,300	1,100	0.972	–
Current portion of long-term borrowings	2,358	2,570	0.674	–
Current portion of lease obligations	715	707	2.103	–
Long-term borrowings (excluding current portion)	10,832	18,490	1.119	September 2027 to March 2035
Lease obligations (excluding current portion)	1,237	1,170	1.520	February 2027 to December 2030
Other interest-bearing liabilities	–	–	–	–
Total	20,443	24,037	–	–

Notes: 1. "Average interest rate" represents the weighted-average rate applicable to the ending balances of borrowings.
2. The repayment schedule within five years after the consolidated balance sheet date of long-term borrowings and lease obligations (excluding the current portion) is as follows:

(Millions of yen)

Category	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years
Long-term borrowings	2,560	2,530	2,530	2,530
Lease obligations	477	324	189	178

Annexed consolidated schedule of asset retirement obligations

This information is omitted as the beginning and ending balances of asset retirement obligations for the fiscal year ended December 31, 2025 were less than one percent of the total beginning and ending balances of liabilities and net assets of the fiscal year.

(2) Other information

Semi-annual results for the fiscal year ended December 31, 2025

(Millions of yen, unless otherwise stated)

	First half	Current fiscal year
Net sales	45,806	100,952
Profit before income taxes	3,852	5,272
Profit attributable to owners of parent	3,914	2,168
Basic earnings per share (yen)	146.43	81.69

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated financial statements

(i) Non-consolidated balance sheets

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Assets		
Current assets:		
Cash and deposits	8,380	8,932
Notes receivable - trade	–	2
Accounts receivable - trade	*1 2,300	*1 2,828
Merchandise and finished goods	1,492	1,407
Work in process	377	259
Raw materials and supplies	4,026	2,831
Short-term loans receivable from subsidiaries and associates	7,142	4,605
Accounts receivable - other	*1 644	*1 1,011
Other	*1 251	*1 290
Allowance for doubtful accounts	(0)	(0)
Total current assets	24,614	22,168
Non-current assets:		
Property, plant and equipment:		
Buildings	1,202	7,437
Tools, furniture and fixtures	189	270
Land	3,141	3,141
Other	1,420	200
Total property, plant and equipment	5,954	11,049
Intangible assets:		
Software	1,192	1,220
Other	283	130
Total intangible assets	1,475	1,351
Investments and other assets:		
Investment securities	190	191
Shares of subsidiaries and associates	25,954	17,048
Investments in capital of subsidiaries and associates	2,311	2,311
Prepaid pension costs	–	456
Deferred tax assets	726	498
Guarantee deposits	82	80
Other	108	109
Total investments and other assets	29,374	20,697
Total non-current assets	36,804	33,097
Total assets	61,418	55,266

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Liabilities		
Current liabilities:		
Accounts payable - trade	*1 754	*1 1,245
Short-term borrowings	5,300	1,100
Short-term borrowings payable to subsidiaries and associates	8,958	9,065
Current portion of long-term borrowings	2,358	2,570
Accounts payable - other	*1 2,178	*1 1,576
Accrued expenses	128	152
Income taxes payable	–	153
Deposits received	84	88
Provision for bonuses	739	879
Provision for bonuses for directors (and other officers)	17	22
Provision for product warranties	11	15
Other	374	430
Total current liabilities	20,904	17,299
Non-current liabilities:		
Long-term borrowings	10,832	18,490
Deferred tax liabilities for land revaluation	98	98
Provision for retirement benefits	113	–
Provision for share awards	243	248
Provision for share awards for directors (and other officers)	73	47
Asset retirement obligations	82	82
Other	149	179
Total non-current liabilities	11,593	19,146
Total liabilities	32,497	36,446
Net Assets		
Shareholders' equity:		
Share capital	9,641	9,641
Capital surplus:		
Legal capital surplus	5,226	5,226
Other capital surplus	1,906	–
Total capital surplus	7,133	5,226
Retained earnings:		
Legal retained earnings	847	847
Other retained earnings:	13,623	4,211
Retained earnings brought forward	13,623	4,211
Total retained earnings	14,471	5,059
Treasury shares	(1,604)	(342)
Total shareholders' equity	29,640	19,584
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	36	37
Revaluation reserve for land	(801)	(801)
Total valuation and translation adjustments	(765)	(764)
Share acquisition rights	45	–
Total net assets	28,920	18,819
Total liabilities and net assets	61,418	55,266

(ii) Non-consolidated statements of income

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Net sales	*1 30,110	*1 30,412
Cost of sales	*1 12,912	*1 12,665
Gross profit	17,197	17,746
Selling, general and administrative expenses	*1, *2 14,735	*1, *2 15,365
Operating profit	2,462	2,380
Non-operating income:		
Interest and dividend income	*1 6,580	*1 6,349
Miscellaneous income	3	92
Other	*1 8	*1 8
Total non-operating income	6,591	6,450
Non-operating expenses:		
Interest expenses	*1 407	*1 590
Foreign exchange losses	744	195
Other	2	3
Total non-operating expenses	1,154	789
Ordinary profit	7,899	8,041
Extraordinary income:		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	630	–
Settlement income	–	361
Total extraordinary income	630	362
Extraordinary losses:		
Loss on sale and retirement of non-current assets	1	15
Loss on valuation of shares of subsidiaries and associates	–	7,148
Extra retirement payments	–	61
Total extraordinary losses	1	7,225
Profit before income taxes	8,528	1,178
Income taxes - current	870	766
Income taxes - deferred	221	227
Total income taxes	1,091	993
Profit	7,436	184

Schedule of cost of goods manufactured

(Millions of yen, unless otherwise stated)

Category	Notes	Previous fiscal year (From January 1, 2024 to December 31, 2024)		Current fiscal year (From January 1, 2025 to December 31, 2025)	
		Amount	Ratio (%)	Amount	Ratio (%)
I Materials cost		5,261	70.8	5,118	70.0
II Labor cost		1,211	16.3	1,225	16.8
III Manufacturing overhead cost	*1	958	12.9	963	13.2
Total manufacturing costs		7,431	100.0	7,308	100.0
Beginning work in process inventory		562		377	
Total		7,993		7,685	
Ending work in process inventory		377		259	
Transfer to other accounts	*2	110		100	
Cost of goods manufactured		7,506		7,324	

Notes: *1 Major components of manufacturing overhead cost are as follows:

(Millions of yen)

Items	Previous fiscal year	Current fiscal year
Subcontract processing expenses	204	191
Depreciation	88	173

*2 The details of transfer to other accounts are as follows:

(Millions of yen)

Items	Previous fiscal year	Current fiscal year
Selling, general and administrative expenses		
Advertising and promotion expenses	7	7
After-sales service parts expense	51	41
Other	46	47
Non-current assets	5	4
Other	–	0
Total	110	100

Cost accounting method

The Company uses the actual costing based on the continuous process costing system.

(iii) Non-consolidated statement of changes in equity

Previous fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance as of January 1, 2024	9,641	5,226	2,319	7,545
Changes during period				
Dividends of surplus				–
Profit				–
Disposal of treasury shares			(412)	(412)
Reversal of revaluation reserve for land				–
Net changes in items other than shareholders' equity				–
Total changes during period	–	–	(412)	(412)
Balance as of December 31, 2024	9,641	5,226	1,906	7,133

	Shareholders' equity				
	Retained earnings			Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings	Total retained earnings		
		Retained earnings			
Balance as of January 1, 2024	847	10,909	11,756	(2,207)	26,735
Changes during period					
Dividends of surplus		(4,722)	(4,722)		(4,722)
Profit		7,436	7,436		7,436
Disposal of treasury shares			–	603	190
Reversal of revaluation reserve for land		0	0		0
Net changes in items other than shareholders' equity			–		–
Total changes during period	–	2,714	2,714	603	2,904
Balance as of December 31, 2024	847	13,623	14,471	(1,604)	29,640

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance as of January 1, 2024	311	(801)	(490)	70	26,315
Changes during period					
Dividends of surplus			–		(4,722)
Profit			–		7,436
Disposal of treasury shares			–		190
Reversal of revaluation reserve for land			–		0
Net changes in items other than shareholders' equity	(274)	(0)	(275)	(24)	(299)
Total changes during period	(274)	(0)	(275)	(24)	2,605
Balance as of December 31, 2024	36	(801)	(765)	45	28,920

Current fiscal year (from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance as of January 1, 2025	9,641	5,226	1,906	7,133
Changes during period				
Dividends of surplus				–
Profit				–
Purchase of treasury shares				–
Disposal of treasury shares			(734)	(734)
Cancellation of treasury shares			(6,148)	(6,148)
Transfer of negative balance of other capital surplus			4,976	4,976
Net changes in items other than shareholders' equity				–
Total changes during period	–	–	(1,906)	(1,906)
Balance as of December 31, 2025	9,641	5,226	–	5,226

	Shareholders' equity				
	Retained earnings			Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings	Total retained earnings		
		Retained earnings			
Balance as of January 1, 2025	847	13,623	14,471	(1,604)	29,640
Changes during period					
Dividends of surplus		(4,619)	(4,619)		(4,619)
Profit		184	184		184
Purchase of treasury shares			–	(5,800)	(5,800)
Disposal of treasury shares			–	913	178
Cancellation of treasury shares			–	6,148	–
Transfer of negative balance of other capital surplus		(4,976)	(4,976)		–
Net changes in items other than shareholders' equity			–		–
Total changes during period	–	(9,411)	(9,411)	1,262	(10,056)
Balance as of December 31, 2025	847	4,211	5,059	(342)	19,584

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance as of January 1, 2025	36	(801)	(765)	45	28,920
Changes during period					
Dividends of surplus			–		(4,619)
Profit			–		184
Purchase of treasury shares			–		(5,800)
Disposal of treasury shares			–		178
Cancellation of treasury shares			–		–
Transfer of negative balance of other capital surplus			–		–
Net changes in items other than shareholders' equity	0	(0)	0	(45)	(44)
Total changes during period	0	(0)	0	(45)	(10,101)
Balance as of December 31, 2025	37	(801)	(764)	–	18,819

Notes to Non-consolidated Financial Statements

Significant accounting policies

1. Accounting policy for valuation of assets

(1) Accounting policy for valuation of securities
Shares of subsidiaries and associates:
Stated at cost determined by the moving-average method.
Available-for-sale securities:
Securities other than shares that do not have market prices:
Stated at fair value (with any unrealized gain or loss recognized directly in net assets and the cost of securities sold determined using the moving-average method).
Shares that do not have market prices:
Stated at cost determined by the moving-average method.

(2) Accounting policy for valuation of inventories
Merchandise and finished goods, work in process and raw materials:
Stated at cost using the weighted-average method (a method in which book value is written down based on any decline in profitability).
Supplies:
Stated at cost using the last purchase price method (a method in which book value is written down based on any decline in profitability).

(3) Accounting policy for derivatives
Derivatives:
Stated at fair value.

2. Accounting policy for depreciation of non-current assets

(1) Property, plant and equipment (excluding leased assets):
Depreciated by using the declining-balance method; provided, however, that buildings (except for facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated on a straight-line basis.

The principal useful lives are as follows:
Buildings: 13 to 50 years
Tools, furniture and fixtures: 2 to 6 years

(2) Intangible assets:
Amortized on a straight-line basis.

The principal useful life is as follows:
Software: 5 years

(3) Leased assets:
Leased assets in finance lease transactions that do not transfer ownership are depreciated on a straight-line basis using the lease term as the useful life and with zero residual value.

3. Recognition criteria for allowances and provisions

(1) Allowance for doubtful accounts
To provide for potential credit losses on receivables, allowance for doubtful accounts is recorded at an amount of estimated uncollectible receivables calculated based on the historical rate of credit loss for general receivables and determined in consideration of collectability of individual receivables for doubtful accounts and certain other receivables.

(2) Provision for bonuses
To provide for the payment of bonuses to employees, provision for bonuses is recorded based on the estimated amount to be paid.

(3) Provision for bonuses for directors (and other officers)
To provide for the payment of bonuses to Officers, provision for bonuses for Directors (and other Officers) is recorded based on the estimated amount to be paid.

(4) Provision for product warranties
To provide for product warranty costs that might be incurred after products are sold, provision for product warranties is recorded at an estimated amount calculated based on historical experience.

(5) Provision for retirement benefits (Prepaid pension costs)
To provide for the payment of retirement benefits to employees, provision for retirement benefits is recorded at an amount deemed to be accrued at the end of the current fiscal year, based on the estimated amounts of retirement benefit obligations and plan assets as of that date.

Actuarial gains and losses are amortized using the declining-balance method over a certain number of years (10 years) within the average remaining service period of employees at the time of recognition from the fiscal year following the respective fiscal year of recognition.

Unrecognized actuarial gains and losses are accounted for differently in the non-consolidated balance sheets from how they are accounted for in the consolidated balance sheets.

(6) Provision for share awards
To provide for delivery of shares of the Company to employees in accordance with stock benefit rules, provision for share-based remuneration is recorded based on the estimated amount of stock benefit obligations at the end of the current fiscal year.

(7) Provision for share awards for directors (and other officers)
To provide for delivery of shares of the Company to Officers in accordance with stock benefit rules, provision for share-based remuneration for Directors (and other Officers) is recorded based on the estimated amount of stock benefit obligations at the end of the current fiscal year.

4. Recognition criteria for revenues and expenses

The Company engages primarily in the manufacture and sale of electronic musical instruments including keyboards, percussion and wind instruments, and guitar-related products. The primary performance obligation for these products and merchandise is the obligation to deliver them to a customer. Revenue is recognized from the sale of the products and merchandise mainly based upon delivery to the customer because control of the products and merchandise is considered to be transferred to the customer at the time of delivery according to the contract with the customer. However, revenue generated within Japan is recognized upon shipment of the products and merchandise as the period from shipment to the transfer of control to the customer is generally within a normal timeframe. For export sales, revenue is recognized when the risk is transferred to the customer based on the trade terms mainly stipulated in Incoterms.
Royalty income from contracts in which the Company primarily permits its subsidiaries and associates to manufacture or sell products or use its technology is measured based on the sales of the contracted party and other factors, and revenue is recognized in consideration of the point in time when such revenue is generated.

Significant accounting estimates

Valuation of inventories

1. Amount recorded in the non-consolidated financial statements of the previous and current fiscal years

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Merchandise and finished goods	1,492	1,407
Work in process	377	259
Raw materials and supplies	4,026	2,831

2. Information on the significant accounting estimates of the identified items

The content is identical to that described in “Notes to Consolidated Financial Statements, Significant accounting estimates (valuation of inventories).”

Valuation of shares of subsidiaries and associates and investments in capital of subsidiaries and associates

1. Amount recorded in the non-consolidated financial statements of the previous and current fiscal years

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Shares of subsidiaries and associates	25,954	17,048
Investments in capital of subsidiaries and associates	2,311	2,311

2. Information on the significant accounting estimates of the identified items

In recognizing valuation loss on shares of subsidiaries and associates and investments in capital of subsidiaries and associates that have no market prices, the acquisition costs of these shares and investments are compared with their

substantive values based on the subsidiaries' and associates' respective amounts of net assets, and only if their substantive value falls by 50% or more from the acquisition costs, the carrying amount of these shares and investments is reduced to their substantive values and valuation loss is recognized. However, if the recoverability of the substantive values is backed by sufficient evidence, the Company does not recognize valuation loss even when the substantive value falls by 50% or more from the acquisition costs.

The recoverability of the substantive value of a subsidiary or associate is determined based on the status of its achievement of business plans and future business plans.

In case of any changes in these estimates due to deteriorated operating performance at the subsidiaries and associates, changes in their business plans and market environments, and other factors, they may have a material impact on the evaluation of shares of subsidiaries and associates and investments in capital of subsidiaries and associates in the non-consolidated financial statements for the following fiscal year.

During the current fiscal year, the Company recognized an impairment loss on the shares of Drum Workshop, Inc. ("DW") and recorded a loss on valuation of shares of subsidiaries and associates of ¥7,148 million. The excess earning power reflected in the substantial value of the shares of DW has been evaluated based on its future business plan. Details of the principal assumptions used in the future business plan are described in the Notes to Consolidated Financial Statements under "Significant accounting estimates" (Impairment of non-current assets of Drum Workshop, Inc.)

Changes in accounting policies

Application of Accounting Standard for Current Income Taxes and other standards

The note disclosure is omitted as the content is identical to that in "Notes to Consolidated Financial Statements, Changes in accounting policies."

Additional information

1. Board Benefit Trust
   In accordance with the resolution of the General Meeting of Shareholders held on December 21, 2016, the Company has introduced the "Board Benefit Trust (BBT)" as a performance-based stock compensation plan for Directors (excluding Non-executive Directors) and Executive Officers, effective from December 27, 2016. This information is omitted as the details are stated in "Notes to Consolidated Financial Statements, Additional information."

2. Employee (at management-level) Stock Ownership Plan Trust
   The Company has introduced an incentive plan "Employee Stock Ownership Plan (ESOP) Trust," in which shares of the Company are delivered to employees of the Company and its subsidiaries, effective from December 27, 2016, in order to increase their motivation and morale to improve the Company's share price and business performance. This information is omitted as the details are stated in "Notes to Consolidated Financial Statements, Additional information."

Non-consolidated balance sheets

*1. Monetary receivables from and payables to subsidiaries and associates
   The amounts of monetary receivables from and payables to subsidiaries and associates, other than those presented as separate lines, are as follows:

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Short-term monetary receivables	868	1,411
Short-term monetary payables	1,772	1,103

*2. Contingent liabilities
   The note disclosure is omitted as the content is identical to that in "Item 5. Financial Information 1. Consolidated Financial Statements, etc., (1) Consolidated financial statements, (i) Consolidated balance sheets."

*3. Overdraft agreements and committed line of credit agreements with financial institutions
   The note disclosure is omitted as the content is identical to that in "Item 5. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated financial statements, (i) Consolidated balance sheets."

Non-consolidated statement of income

*1. Transactions with subsidiaries and associates (excluding those presented as separate lines)

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Operating transactions		
Net sales	18,388	18,390
Purchases, etc.	8,168	8,384
Non-operating transactions	6,274	5,973

*2. Major items of selling, general and administrative expenses and their amounts and approximate ratios are as follows:

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Salaries and bonuses	4,777	4,737
Provision for bonuses	611	734
Provision for bonuses for directors (and other officers)	17	22
Retirement benefit expenses	(37)	(204)
Depreciation	287	377
Commission expenses	3,971	4,636
Approximate ratios:		
Selling expenses	25%	24%
General and administrative expenses	75%	76%

Securities

The fair value of shares of subsidiaries and associates is not stated because they do not have market prices.

The carrying amounts of shares of subsidiaries and associates without a market price in the non-consolidated balance sheets are as follows:

(Millions of yen)

Category	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Shares of subsidiaries	25,845	16,939
Shares of associates	109	109
Total	25,954	17,048

Note: During the current fiscal year, an impairment loss on subsidiary shares was recognized, resulting in a loss on valuation of shares of subsidiaries and associates of ¥7,148 million.

Tax effect accounting

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Deferred tax assets		
Loss on valuation of inventories	401	243
Depreciation	57	56
Impairment loss	31	31
Loss on valuation of shares of subsidiaries and associates	1,812	4,607
Loss on valuation of investments in capital of subsidiaries and associates	13	13
Loss on valuation of securities	14	14
Accrued expenses	36	42
Provision for bonuses	220	262
Provision for retirement benefits	33	–
Provision for share awards	94	91
Asset retirement obligations	25	27
Foreign tax credit carryforwards	1,751	1,778
Other	25	49
Subtotal of deferred tax assets	4,519	7,217
Valuation allowance	(3,761)	(6,570)
Total deferred tax assets	758	647
Deferred tax liabilities		
Prepaid pension costs	–	(140)
Valuation difference on available-for-sale securities	(5)	(6)
Other	(25)	(1)
Total deferred tax liabilities	(31)	(149)
Deferred tax assets, net	726	498

In addition to those above, major components of deferred tax assets and liabilities related to land revaluation recorded as “Deferred tax liabilities for land revaluation” are as follows:

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Deferred tax assets		
Deferred tax assets related to land revaluation	308	317
Valuation allowance	(308)	(317)
Total deferred tax assets	–	–
Deferred tax liabilities		
Deferred tax liabilities related to land revaluation	(98)	(98)
Total deferred tax liabilities	(98)	(98)
Deferred tax liabilities, net	(98)	(98)

2. Reconciliation of significant difference between the effective statutory tax rate and the actual effective tax rate after applying tax effect accounting

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Effective statutory tax rate	29.9 %	29.9 %
Adjustments:		
Valuation allowance	5.6	238.4
Non-deductible permanent differences (e.g. entertainment expenses)	0.2	3.7
Non-taxable permanent differences (e.g. dividend income)	(24.6)	(191.3)
Foreign withholding taxes on dividends from overseas subsidiaries	0.1	2.1
Corporate inhabitant tax on per capita basis	0.1	0.9
Foreign tax credits	2.8	27.2
Special tax credits	(1.3)	(13.9)
Upward adjustment of deferred tax assets at the end of the period due to tax rate change	–	(11.6)
Other	(0.0)	(1.1)
Actual effective tax rate after applying tax effect accounting	12.8	84.3

3. Adjustment of deferred tax assets and deferred tax liabilities due to changes in income tax rates
Following the enactment of the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025), which was passed by the National Diet on March 31, 2025, the Special Corporate Tax for Defense will be imposed for the fiscal years beginning on or after April 1, 2026. Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences and other items that are expected to reverse in the fiscal years beginning on or after January 1, 2027 have been calculated using a revised effective statutory tax rate of 30.8%, instead of 29.9%. The impact of this change in the tax rate on the non-consolidated financial statements for the current fiscal year is immaterial.

Revenue recognition

The information to provide basis for understanding revenue from contracts with customers is stated in “Notes to Non-consolidated Financial Statements, Significant accounting policies, 4. Recognition criteria for revenues and expenses.”

iv) Annexed non-consolidated schedules

Annexed detailed schedule of property, plant and equipment, etc.

(Millions of yen)

Classification	Type of assets	Balance at beginning of period	Increase	Decrease	Balance at end of period	Accumulated depreciation or amortization at end of period	Depreciation and amortization	Carrying amount at end of period
Property, plant and equipment	Buildings	7,312	6,328	29	13,611	6,174	92	7,437
	Tools, furniture and fixtures	1,794	192	170	1,816	1,546	102	270
	Land	3,141 [(703)]	–	–	3,141 [(703)]	–	–	3,141
	Other	2,169	190	1,441	918	717	3	200
	Total	14,417	6,710	1,641	19,487	8,438	198	11,049
Intangible assets	Software	3,842	377	211	4,008	2,788	344	1,220
	Other	320	70	222	167	36	–	130
	Total	4,162	448	434	4,176	2,825	344	1,351

Notes: 1. The balances at beginning and end of period are stated at cost.

2. The figures shown in square brackets for balance at beginning of period and balance at end of period of land represent differences with the carrying amount before the revaluation of land for business use performed pursuant to the Act on Revaluation of Land (Act No. 34 of March 31, 1998).

3. Major components of the increase during the current period are as follows:

Classification	Type of assets	Description	Amount (Millions of yen)
Property, plant and equipment	Buildings	New headquarters building	6,325

4. Major components of the decrease during the current period are as follows:

Classification	Type of assets	Description	Amount (Millions of yen)
Property, plant and equipment	Other	Transfer from construction in progress related to the new headquarters building	1,405

Annexed schedule of provisions

(Millions of yen)

Account	Balance at beginning of period	Increase	Decrease	Balance at end of period
Allowance for doubtful accounts	0	0	0	0
Provision for bonuses	739	879	739	879
Provision for bonuses for directors (and other officers)	17	22	17	22
Provision for product warranties	11	15	11	15
Provision for share awards	243	33	28	248
Provision for share awards for directors (and other officers)	73	17	43	47

(2) Components of major assets and liabilities

This information is omitted because the Group has prepared the consolidated financial statements.

(3) Other information

Not applicable.

Item 6. Outline of Share-related Administration of Reporting Company

Fiscal year	From January 1 to December 31 of each year
Ordinary General Meeting of Shareholders	Within three months after the end of each fiscal year
Record date	December 31
Record date of dividends of surplus	June 30 of each year December 31 of each year
Number of shares constituting one unit	100 shares
Purchase or additional purchase of shares of less than one unit	
Handling office	Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-4-5, Marunouchi, Chiyoda-ku, Tokyo
Shareholder register administrator	Mitsubishi UFJ Trust and Banking Corporation 1-4-5, Marunouchi, Chiyoda-ku, Tokyo
Forwarding office	—
Purchase or additional purchase fee	Separately specified amount equivalent to share trading brokerage fees
Method of public notice	The Company will post public notices in electronic format. However, if an electronic format is not available due to an accident or any other unavoidable reason, the public notices shall be given in The Nihon Keizai Shimbun. (URL for the Company's public notice) https://www.roland.com/global/
Special benefits for shareholders	Not applicable.

Note: A shareholder of the Company may not exercise any rights other than those listed below with respect to shares of less than one unit held by such shareholder:

(1) Rights listed in each item of Article 189, Paragraph 2 of the Companies Act;
(2) Rights to make a request pursuant to the provisions of Article 166, Paragraph 1 of the Companies Act;
(3) Right to receive allocation of shares for subscription and allocation of share acquisition rights for subscription in proportion to the number of shares held by the shareholder; and
(4) Rights to request the Company to sell the number of shares that will, together with the number of shares of less than one unit held by the shareholder, constitute one unit of shares (additional purchase request).

Item 7. Reference Information of Reporting Company

1. Information about Parent of Reporting Company

The Company does not have a parent company as prescribed in Article 24-7, paragraph 1 of the Financial Instruments and Exchange Act.

2. Other Reference Information

From the beginning of this fiscal year until the filing date of this Annual Securities Report, the Company has filed the following documents:

(1) Annual Securities Report and attached document thereof and Confirmation Letter
Filed for the 53rd fiscal year ended December 31, 2024 (from January 1 to December 31, 2024) with the Director-General of the Kanto Local Finance Bureau on March 5, 2025.

(2) Internal Control Report
Filed with the Director-General of the Kanto Local Finance Bureau on March 5, 2025.

(3) Semi-annual Securities Report and Confirmation Letter
Filed for the first half (from January 1 to June 30, 2025) of the 54th fiscal year ended December 31, 2025 with the Director-General of the Kanto Local Finance Bureau on August 8, 2025.

(4) Extraordinary Reports
Filed the Extraordinary Report pursuant to the provisions of Article 19, paragraph 2, (iv) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs (Change of the Major Shareholders) with the Director-General of the Kanto Local Finance Bureau on February 17, 2025.

Filed the Extraordinary Report pursuant to the provisions of Article 19, paragraph 2, (ix)-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs (Results of the Exercise of Voting Rights at the General Meeting of Shareholders) with the Director-General of the Kanto Local Finance Bureau on March 27, 2025.

Filed the Extraordinary Report pursuant to the provisions of Article 19, paragraph 2, (xii) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs (Events That May Have a Material Impact on the Financial Position, Operating Results, and Cash Flows) with the Director-General of the Kanto Local Finance Bureau on June 25, 2025.

Filed the Extraordinary Report pursuant to the provisions of Article 19, paragraph 2, (iv) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs (Change of the Major Shareholders) with the Director-General of the Kanto Local Finance Bureau on July 8, 2025.

Filed the Extraordinary Report pursuant to the provisions of Article 19, paragraph 2, (xii) and (xix) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs (Events That May Have a Material Impact on the Financial Position, Operating Results, and Cash Flows) with the Director-General of the Kanto Local Finance Bureau on February 13, 2026.

(5) Report on Share Buyback
Filed with the Director-General of the Kanto Local Finance Bureau on March 10, 2025.

Section 2 Information about Reporting Company's Guarantor, etc.

Not applicable.

NOTE TO READERS:
The following is an English translation of the Independent Auditor's Report and Internal Control Audit Report originally issued in the Japanese language as required by the Financial Instruments and Exchange Act of Japan for the convenience of the reader. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Independent Auditor's Report and Internal Control Audit Report

March 5, 2026

To the Board of Directors of Roland Corporation

Grant Thornton Taiyo LLC, Osaka office

Designated Limited Liability Partner, Engagement Partner	Iwao Arai, CPA
Designated Limited Liability Partner, Engagement Partner	Tomohiro Norioka, CPA

<Audit of Consolidated Financial Statements>

Audit Opinion

Pursuant to the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Roland Corporation (the Company) and its consolidated subsidiaries (the Group) provided in the "Financial Information" section in the Company's Annual Securities Report, namely, the consolidated balance sheets as of December 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the fiscal year from January 1, 2025 to December 31, 2025, and the notes to significant accounting policies for preparation of consolidated financial statements and other notes and the annexed consolidated detailed schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2025, and its consolidated financial performance and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. Those matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment loss of non-current assets including goodwill of Drum Workshop, Inc,	
Key audit matter and the reasoning	How the matter was addressed in our audit
As described in "Notes to Consolidated Financial Statements, (Significant accounting estimates)," the Company recorded an impairment loss of ¥3,860 million on non-current assets, including goodwill of Drum Workshop, Inc. (hereinafter "DW"), in its consolidated balance sheet for the current fiscal year. The non-current assets including goodwill arise from a single business and the Company treats DW as a single asset group. The Company has determined that there is an indication of impairment of the asset group given the fact that DW's business activities have been recording operating loss. After reviewing the need to recognize an impairment loss, the Company has recorded the impairment loss because the undiscounted future cash flows fell below the carrying amount. The future cash flows used to measure the impairment loss are estimated in accordance with the DW's business plan approved by the Company's Board of Directors, which includes material assumptions, such as estimated net sales and gross profit for the next fiscal year and beyond, as well as the growth rate of net sales after the business plan period associated with uncertainty. Furthermore, estimating the discount rate used to calculate the value in use requires highly sophisticated valuation expertise in selecting the calculation method and input data. As the appropriateness of the impairment loss on DW's non-current assets, including goodwill, is particularly material to the consolidated financial statements for the current fiscal year, we determined this as a key audit matter.	We mainly performed the following audit procedures to verify the appropriateness of the impairment loss the Company has recorded on non-current assets including goodwill: (1) Assessment of the internal controls We obtained understanding of the internal controls regarding the recognition and measurement of impairment loss on non-current assets including goodwill. (2) Assessment of the reasonableness of the estimated value in use We mainly performed the following audit procedure to assess the appropriateness of major assumptions used in the estimates in the business plan that form the basis for the measurement of value in use. • We analyzed and assessed the uncertainty of DW's business plan by comparing the original business plan against actual result for the current fiscal year. • We examined the appropriateness of assumptions for the estimated net sales included in the business plan and the growth rate of net sales after the business plan period, based on the past sales performance and market forecast data sourced from external organizations. • We examined the appropriateness of assumptions for the estimated gross profit included in the business plan, based on the past performance and other data. • We assessed the appropriateness of the calculation methods and input data used to estimate the discount rate, utilizing valuation specialists from our domestic network firms.

Other information
Other information included in the annual securities report is information other than the consolidated financial statements and financial statements and their audit reports. Management is responsible for preparing and disclosing other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors in the development and operation of the reporting process for other information.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion on it separately.

Our responsibility in the audit of the consolidated financial statements is to read and, while reading, consider whether there is a material difference between the other information and the consolidated financial statements or the knowledge we have gained in the audit. In addition to such material differences, attention should be paid to whether there are other indications of material misstatements in the description.

If we believe that there is a material misstatement in other information based on our work, we are required to report the fact. There are no matters to be reported by us.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles for consolidated financial statements accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles for consolidated financial statements accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Director's execution of duties relating to the design, implementation and operation of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When performing risk assessment procedures, obtain understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the consolidated financial statements to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by the management and their method of application, as well as the reasonableness of accounting estimates made by the management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements. And, based on the audit evidence obtained, determine whether a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern exists. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Group to provide basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to lower threats to an acceptable level.

Of the matters communicated with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current fiscal year as key audit matters and describe the matters in our auditor's report. Provided that laws and regulations preclude public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Audit of Internal Control>
Audit Opinion
Pursuant to the provisions of Article 193-2, paragraph 2 of the Financial Instruments and Exchange Act, we have audited the Internal Control Report of the Company as of December 31, 2025.

In our opinion, the accompanying Internal Control Report, in which the Company states that internal control over financial reporting was effective as of December 31, 2025, presents fairly, in all material respects, the assessment of internal control over financial reporting, in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Audit Opinion
We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Internal Control" section of our report. We are independent of the Group in accordance

with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Internal Control Report
Management is responsible for the design, implementation and maintenance of internal control over financial reporting, and the preparation and fair presentation of the Internal Control Report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing and examining the design, implementation and maintenance of internal control over financial reporting.
Internal control over financial reporting may not fully prevent or detect misstatements in financial reporting.

Auditor's Responsibilities for the Audit of the Internal Control
Our responsibilities are to obtain reasonable assurance about whether the Internal Control Report is free from material misstatement and to issue an internal control audit report that includes our opinion on the Internal Control Report based on our internal control audit from an independent point of view.

In accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the Internal Control Report. The procedures selected to be applied depend on the auditor's judgment, including the significance of effects on the reliability of financial reporting.
- Evaluate the overall presentation of the Internal Control Report, including the appropriateness of the scope, procedures, and results of management's assessments of internal control over financial reporting.
- Plan and perform audit on internal control to obtain sufficient and appropriate audit evidence about the results of the assessments of internal control over financial reporting in the Internal Control Report. We are responsible for the direction, supervision, and inspection of the audit of the Internal Control Report. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of the planned internal control audit, the results thereof, significant deficiencies in internal control to be disclosed that we identify during our audit and those that were remediated, and other matters required by auditing standards for internal control.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

<Fee-related Information>
The amounts of fees paid to our firm and others in the same network for audit certification services and non-audit services for the company and its subsidiaries are as described in "(3) Audits" under "Corporate Governance" included in "Information about Reporting Company."

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan
Our firm and its engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes: 1. The original copy of the above report is kept separately by the Company (the reporting company of the Annual Securities Report).
2. The associated XBRL data are not included in the scope of the audit.

NOTE TO READERS:
The following is an English translation of the Independent Auditor's Report originally issued in the Japanese language as required by the Financial Instruments and Exchange Act of Japan for the convenience of the reader. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Independent Auditor's Report

March 5, 2026

To the Board of Directors of Roland Corporation

Grant Thornton Taiyo LLC, Osaka office

Designated Limited Liability Partner, Engagement Partner	Iwao Arai, CPA
Designated Limited Liability Partner, Engagement Partner	Tomohiro Norioka, CPA

<Audit of Financial Statements>

Audit Opinion

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, we have audited the non-consolidated financial statements of Roland Corporation (the Company) provided in the "Financial Information" section in the Company's Annual Securities Report, namely, the non-consolidated balance sheet as of December 31, 2025, and the non-consolidated statement of income and non-consolidated statement of changes in equity and the notes to significant accounting policies for the 54th business term from January 1, 2025 to December 31, 2025, and the related notes and the annexed detailed schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and its financial performance for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the non-consolidated financial statements for the current fiscal year. Those matters were addressed in the context of our audit of the non-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of shares of Drum Workshop, Inc.	
Key audit matter and the reasoning	How the matter was addressed in our audit
As described in "Notes to Non-Consolidated Financial Statements, (Significant accounting estimates)," The Company recorded shares of subsidiaries and associates of ¥17,048 million and investments in the capital of subsidiaries and associates of ¥2,311 million in the non-consolidated balance sheet for the current fiscal year. Of this amount, ¥3,429 million relates to the shares of Drum Workshop, Inc. (hereinafter, "DW"). In the current fiscal year, the Company recognized a loss on valuation of shares of subsidiaries and associates of ¥7,148 million. In assessing the valuation of DW shares, we compared the acquisition cost with the substantive value, which reflects the excessive earning capacity expected at the time of acquisition of the shares. The key assumptions that affect the assessment of the excess earning power include the business plan of DW, which forms the basis for future cash flows, specifically the projected net sales and gross profit for the following fiscal year and thereafter, as well as the sales growth rate beyond the business plan period. These estimates involve uncertainty. In addition, the estimation of the discount rate used in calculating value in use requires a high level of specialized expertise in valuation, particularly in selecting appropriate valuation methodologies and input data. We determined that the appropriateness of the valuation shares of subsidiaries and associates related to DW is particularly important to the non-consolidated financial statements for the current fiscal year and therefore constitutes a key audit matter.	In order to assess the appropriateness of the Company's valuation of the shares of DW, we performed the following principal audit procedures: • After reviewing the valuation materials for DW shares prepared by the Company and understanding the valuation methodology, we verified through recalculation that the loss on valuation of shares of subsidiaries and associates was appropriately determined based on the fair value. • In evaluating the excess earning power included in the substantial value, we performed the procedures described in the key audit matter, "impairment loss on non-current assets including goodwill of Drum Workshop, Inc." in the auditor's report on the consolidated financial statements.

Other information

Other information included in the annual securities report is information other than the consolidated financial statements and financial statements and their audit reports. Management is responsible for preparing and disclosing other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors in the development and operation of the reporting process for other information.

Our audit opinion on the non-consolidated financial statements does not cover the other information, and we do not express an opinion on it separately.

Our responsibility in the audit of the non-consolidated financial statements is to read and, in the course of reading, consider whether there is a material difference between the other information and the non-consolidated financial statements or the knowledge we have gained in the course of our audit. In addition to such material differences, attention should be paid to whether there are other indications of material misstatements in the description.

If we believe that there is a material misstatement in other information based on our work, we are required to report the fact. There are no matters to be reported by the us.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles for non-consolidated financial statements generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements with the assumption of the Company's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Director's execution of duties relating to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the non-consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When performing risk assessment procedure, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the non-consolidated financial statements to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and their method of application, as well as the reasonableness of accounting estimates made by the management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements. And, based on the audit evidence obtained, determine whether a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation of the non-consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the notes thereto, and whether the non-consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate obstruction factors or safeguards applied to reduce obstruction factors to an acceptable level.

Of the matters communicated with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the non-consolidated financial statements for the current fiscal year as key audit matters and describe the matters in our auditor's report. Provided that laws and regulations preclude public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-related Information>

Information related to the audit fees is provided in the auditors' report on the consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes: 1. The original copy of the above audit report is kept separately by the Company (the reporting company of the Annual Securities Report).
2. The associated XBRL data are not included in the scope of the audit.

Cover

Document title	Internal Control Report
Clause of stipulation	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act
Place of filing	Director, Kanto Local Finance Bureau
Filing date	March 5, 2026
Company name	Roland Kabushiki Kaisha
Company name in English	Roland Corporation
Title and name of representative	Masahiro Minowa, CEO and Representative Director
Title and name of Chief Financial Officer	Yuichi Hakamata, CFO and Executive Officer
Address of registered headquarters	1-6-4 Shinmiyakoda, Hamana-ku, Hamamatsu-shi, Shizuoka (Relocated on January 6, 2026 from 2036-1 Nakagawa, Hosoe-cho, Hamana-ku, Hamamatsu-shi, Shizuoka)
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Basic Framework of Internal Control over Financial Reporting

Masahiro Minowa, CEO and Representative Director, and Yuichi Hakamata, CFO and Executive Officer of Roland Corporation (the Company) and its consolidated subsidiaries (the Group) have responsibility for the design, implementation and maintenance of internal control over financial reporting, and fulfill that responsibility in accordance with the basic framework of internal control set forth in the "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council.

Note that internal control aims at achieving its objectives to a reasonable extent given that all individual components of internal control are integrated and function as a whole. Thus, internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

2. Scope, Date and Procedures for Evaluation

The assessment of internal control over financial reporting was performed as of December 31, 2025, which is the end of this fiscal year, in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In this assessment, management first assessed group-level control which would have a material impact on the reliability of overall financial reporting on a consolidated basis, and based on such result, the management then selected business processes to be assessed. In the process-level control assessment, the management assessed the effectiveness of internal control by analyzing the business processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting and assessing the design, implementation and maintenance of such key controls.

Management determined the scope of assessment of internal control over financial reporting by selecting the Company and its consolidated subsidiaries based on their materiality of impacts on the reliability of financial reporting. The materiality of the impacts on the reliability of financial reporting was determined in consideration of the significance of both quantitative and qualitative impacts, as well as the probability of their occurrence, and the management reasonably determined the scope of assessment of process-level control based on the result of the group-level control assessment, which included the Company and its 10 significant consolidated subsidiaries. In addition, the scope of the group-level control assessment does not include the other four consolidated subsidiaries, as their impact on financial reporting was determined to be immaterial.

In determining the scope of assessment of internal control over business processes, management judged that net sales and cost of sales were appropriate indicators of the scale of each business location, as the Group is a consolidated group primarily engaged in the development, manufacture, and sale of electronic musical instruments, and its consolidated subsidiaries operate separate production and sales locations. Specifically, given that the group-level internal controls were assessed as effective, management aggregated the budgeted net sales (after elimination of intercompany transactions) and the budgeted cost of sales (after elimination of intercompany transactions) for each business location, starting with these locations with the largest amounts. As a result, six business locations were identified as "Significant Business Locations," comprising those locations whose aggregated amounts reached approximately two-thirds of the consolidated budgeted net sales and consolidated budgeted cost of sales for the current fiscal year, together with other qualitatively significant business locations. At the identified Significant Business Locations, because the Group's business primarily involves the manufacture and sale of electronic musical instruments, business processes related to accounts that are closely associated with the Group's business objectives—namely net sales, trade accounts receivable, and inventories—were included in the scope of evaluation. Furthermore, regardless of if they are part of the Significant Business Locations or not, certain other business processes with a high probability of material misstatements and which are related to significant accounts involving estimates and management's judgement and business processes related to businesses or operations dealing with high-risk transactions were added to the assessment scope as business processes with material impact on financial reporting. These business processes were added to the scope of assessment at specific business locations, based on consideration of the materiality of both quantitative and qualitative impacts, as well as the probability of their occurrence.

3. Result of Evaluation

Based on the above-mentioned assessment results, the management concluded that the internal control over financial reporting of the Roland Group as of December 31, 2025 was effective.

4. Supplementary Information

Not applicable.

5. Other Information for Special Attention

Not applicable.

Cover

Document title	Confirmation Note
Clause of stipulation	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act
Place of filing	Director, Kanto Local Finance Bureau
Filing date	March 5, 2026
Company name	Roland Kabushiki Kaisha
Company name in English	Roland Corporation
Title and name of representative	Masahiro Minowa, CEO and Representative Director
Title and name of Chief Financial Officer	Yuichi Hakamata, CFO and Executive Officer
Address of registered headquarters	1-6-4 Shinmiyakoda, Hamana-ku, Hamamatsu-shi, Shizuoka (Relocated on January 6, 2026 from 2036-1 Nakagawa, Hosoe-cho, Hamana-ku, Hamamatsu-shi, Shizuoka)
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Appropriateness of the Contents of this Annual Securities Report

Masahiro Minowa, CEO and Representative Director, and Yuichi Hakamata, CFO and Executive Officer of Roland Corporation have confirmed that this Annual Securities Report for the 54th fiscal year (January 1, 2025 through December 31, 2025) is reasonably and fairly stated in accordance with the Financial Instruments and Exchange Act and related laws and regulations.

2. Other Information for Special Attention

There are no noteworthy matters that are pertinent to this Annual Securities Report.