Roland Corporation
Financial Results Briefing for the First Quarter of the Fiscal Year Ending December 31, 2026

Date & Time: May 14, 2026, 1:00–1:35 p.m. JST

Speakers: Yoshiyuki Shimizu, CFO and Executive Officer; Kenji Hori, Vice President and Head of Investor Relations

Q1. Please explain, to the extent possible, your view on the impact of changes in the external environment (Middle East situation, semiconductor memory, U.S. tariffs, FX) on your earnings outlook.

At this point, we believe that the negative impact from rising semiconductor memory prices will be largely offset by the positive impact from lower U.S. tariff rates. Regarding the Middle East situation, in addition to higher raw material prices, we are closely monitoring potential impacts on procurement and are arranging alternative sourcing. Therefore, we expect the impact on the FY2026 outlook to be mainly limited to price increases. However, taking into account the weaker-than-assumed yen, we believe the overall financial impact can be absorbed.

Q2. Please explain the scope of the impact from rising semiconductor memory prices and your approach to additional price revisions.

Previously, we expected the impact to be limited to certain products, but recently it has expanded to multiple product categories. As for pricing, we will continue to make flexible decisions based on market conditions and the competitive environment, as we have done so far.

Q3. Please explain the Q1 performance relative to your internal plan.

In terms of sales, by product category, keyboards and guitar-related products exceeded expectations, percussion and wind instruments were largely in line with plan, while creation-related products & services, and visual and professional audio slightly underperformed. By region, major regions performed generally as expected. Including operating profit, overall results landed broadly in line with the internal plan.

Q4. Please explain demand trends in Europe.

In Europe, we do not see any notable deterioration in demand or the competitive environment. Shipments have been recovering, partly due to the rebound from the impact of dealer bankruptcies in the previous year.

Q5. As the market gradually recovers, please highlight the products performing well.

During the January–March period, the market across all regions continued to bottom out and gradually recover from the second half of last year. In this environment, new products such as drums and guitar-related products contributed to year-on-year sales growth.

Q6. To what extent can SG&A expenses be controlled flexibly?

We do not operate with a built-in buffer in general, but we may adjust spending depending on the situation. In the short term, items such as advertising and promotion expenses may be subject to adjustment. However, we intend to continue investments necessary for executing the mid-term management plan, and we are not assuming any significant reductions at this stage.

Q7. Please explain why the effective tax rate appears low in Q1.

Our business structure tends to generate more profit in the second half of the year than in the first half. Within this pattern, in the first half, profits tend to be recognized earlier at our manufacturing subsidiary in Malaysia, where the tax burden is relatively low, resulting in a lower effective tax rate. In the second half, as profits and tax expenses increase at our sales subsidiaries, the full-year effective tax rate is expected to normalize.

Q8. Please explain the objectives and future development of your AI-related initiatives (e.g., Melody Flip).

We view AI not as a replacement for musical expression but as a tool to support the creativity of musicians and creators. For example, "Melody Flip," a melody-generation software developed using research results from Sony Computer Science Laboratories, is offered free of charge to Roland Cloud subscribers, aiming to expand customer touchpoints via the cloud. We are also advancing experimental initiatives such as AI-based effects, and will continue to promote the use of AI through co-creation with external partners.

(*) This material summarizes key questions asked by the participants in the meeting. Some communications have been revised to clarify the meaning of our responses further.

Disclaimer

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