Q1. **Sales increased sharply during the first quarter. What is your analysis on the market expansion and share increase in the market? To what extent has the supply shortage at your competitors impacted on the sales?**

We consider that the market has expanded. We are not clear about the impact of the short supply at our competitors because we do not know much about the status at them. We understand that the supply shortage somewhat continues. We believe that the supply will recover going forward and our forecast for the current fiscal year has included the impact of the supply recovery.

Q2. **The first quarter sales has increased by around 8 billion yen compared with the same period last year. Would you tell us the amount which came from the shipment of inventory secured by the end of last fiscal year and those came from other factors?**

Of the increment amount, around 2 billion yen was attributed to the sale of secured inventory by the last fiscal year-end, and the remainder of around 6 billion yen was due to new demand.

Q3. **For the second quarter of the fiscal year ending December 2021, operating profit is forecast to be lower compared with the same period last year. Would you explain its causes?**

It is primarily because that the second quarter sales will be lower than the first quarter in which we sold the inventory secured by the last fiscal year-end. In addition, we see that the rising raw material cost will gradually impact on it.

Q4. **Referring to sales forecast of guitar-related products for the current fiscal year, would you explain why its sales growth rate is lower than other products?**

It is because that we have constraints in purchasing raw materials. It can be said that the sales growth rate reflects the policy on the allocation of raw materials.

Q5. **Would you see a recovering trend in the demand from professional users? Would you also tell us the demand from professional users as a percentage of the total demand?**

We do not have sales percentages by user category of amateurs and professionals. We suppose that the sales in emerging countries, where the purchase of professionals is reportedly pretty high, are recovering.
Q6. Would you tell us the order backlog amount in the end of March?
Order backlog amount in the end of last December was around 9 billion yen and those in the end of March was around 7 billion yen. We have not reduced the backlog amount significantly because we are receiving new orders while shipping products.

Q7. Would you have any idea on the sales scale after the lifting of restriction on activity due to the COVID-19?
Although it is very difficult to estimate the demand after the wind-down of COVID-19, we suppose that the sales scale could be somewhere between the first half forecast which premises a continuation of strong demand and the second half forecast which assumes a slowing demand and constraints due to supply shortage.

Q8. Would you tell us the most recent status of raw material purchase, production, and shipping?
Although we are facing the COVID-19 and, as well, the aftermath of fire accident in factories at semiconductor manufacturers, we would not anticipate any problems on raw material purchase, production and shipping to achieve the forecast announced on May 7.

Q9. Are you proceeding with on schedule the purchase of substitute parts and the alternation in design, which are owing to the fire accident in a factory at semiconductor manufacturer last year?
Yes, we are proceeding with them as scheduled.

Q10. You would expect additional increase in raw material cost and shipping cost. Would you explain your measures to cope with them?
To cope with these incremental costs, we will consider another fixed cost review and price adjustment. However, the fiscal forecast this time has not incorporated these measures, because we will have to be in sync with the future trends of demand.

Q11. Would you tell us the details of price adjustment measures which you have already implemented?
We have increased price by around 2% on average overall, while the increment differs by region.

Q12. Paid membership of Roland Cloud is increasing. Would you see any changes in regions or user groups?
In terms of region, the U.S. is still the main market and, in terms of user group, expert amateurs who are routinely involved in music production are the main user group.
Q13. We understand that you expect an even higher demand after the wind-down of COVID 19. Would you tell us any specific trends in countries where more people have been vaccinated than other countries? Would you find any contrast in demand by product group?
While vaccination is progressing in the U.K. and the U.S., demand remains strong. The portable electronic pianos at affordable price keep the strongest demand.

Q14. Would you see any impact of the freighter stranding accident in the Suez Canal on your business results?
We would not anticipate any impact on our business results. It caused a delay in product delivery for seven to ten days, but its impact was minimal.

Q15. A third state of emergency has been declared in Japan. Would you see any impact of this on your business results?
We understand that this declaration has requested temporary shutdown of commercial facilities. While this might have some impact on the sales of high-end pianos, we would see that this would be a minor factor on our consolidated business results.

Q16. Would you plan to secure inventory in the future, as you did in the end of last fiscal year-end?
We do not plan it so far. However, we might consider it depending on the situation of our supply chain. We will base our activity on the achievement of the fiscal forecast this time.

Q17. Would you explain the reasons for not announcing a revision of expected dividend?
We did not revise the expected dividend this time, since it is just the closing of the first quarter. We will consider it weighing the future demand of funds.

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

Disclaimer
This material contains statement 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.