

# Quarterly Securities Report

For the Third Quarter of the 50th Fiscal Year  
(July 1, 2021 through September 30, 2021)

## Roland Corporation

1. This is an English translation of the Quarterly Securities Report (*Shihanki Hokokusho*), which was produced based on Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan and was filed via the Electronic Disclosure for Investors' NETwork (EDINET) system as set forth in Article 27-30-2 of the same act. The translation includes a table of contents and pagination that are not included in the electronic filing.
2. Appended to the back of this document are English translations of the independent auditors' Quarterly Review Report attached to the Quarterly Securities Report when it was filed using the aforementioned method, and the Confirmation Note that was filed at the same time as the Quarterly Securities Report.
3. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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Independent Auditor's Quarterly Review Report

Confirmation Note

## Cover

Document title	Quarterly Securities Report
Clause of stipulation	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act
Place of filing	Director, Kanto Local Finance Bureau
Filing date	November 9, 2021
Quarterly accounting period	The third quarter of the 50th fiscal year (July 1, 2021 through September 30, 2021)
Company name	Roland Kabushiki Kaisha
Company name in English	Roland Corporation
Title and name of representative	Jun-ichi Miki, CEO and Representative Director
Address of registered headquarters	2036-1 Nakagawa, Hosoe-cho, Kita-ku, Hamamatsu-shi, Shizuoka
Telephone number	+81-53-523-0230
Name of contact person	Shunsuke Sugiura, CFO and Senior Executive Officer
Nearest place of contact	2036-1 Nakagawa, Hosoe-cho, Kita-ku, Hamamatsu-shi, Shizuoka
Telephone number	+81-53-523-0230
Name of contact person	Shunsuke Sugiura, CFO and Senior 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		49th Nine-month Period	50th Nine-month Period	49th
Accounting period		(January 1, 2020 through September 30, 2020)	(January 1, 2021 through September 30, 2021)	(January 1, 2020 through December 31, 2020)
Net sales	(million yen)	46,321	60,668	64,044
Ordinary profit	(million yen)	4,816	8,936	6,277
Profit attributable to owners of parent	(million yen)	3,331	7,741	4,301
Comprehensive income	(million yen)	2,563	9,256	3,934
Net assets	(million yen)	18,529	26,542	20,151
Total assets	(million yen)	43,909	51,028	46,096
Basic earnings per share	(yen)	124.06	282.25	160.13
Diluted earnings per share	(yen)	—	276.15	155.37
Equity-to-asset ratio	(%)	41.6	51.5	43.1
Net cash provided by (used in) operating activities	(million yen)	5,405	4,207	6,902
Net cash provided by (used in) investing activities	(million yen)	(742)	(545)	(901)
Net cash provided by (used in) financing activities	(million yen)	(3,504)	(5,535)	(3,669)
Cash and cash equivalents at end of period	(million yen)	9,432	8,787	10,832

Fiscal year		49th Third quarter accounting period	50th Third quarter accounting period
Accounting period		(July 1, 2020 through September 30, 2020)	(July 1, 2021 through September 30, 2021)
Earnings per share	(yen)	62.60	56.74

- Notes: 1. Non-consolidated financial data is not presented as the Company prepares quarterly consolidated financial statements.  
2. Net sales do not include the consumption taxes.  
3. Basic earnings per share and diluted earnings per share are computed using the average number of shares of common stock during the period, which is 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.  
4. For the nine-month period of the 49th fiscal year, the amount of diluted earnings per share is not stated since the shares of the Company were not publicly traded back then, and thus, the average share price during the period was unavailable, although diluted shares existed.

#### 2. Description of Business

There were no significant changes in the business in which the Company and its subsidiaries and affiliates (collectively, the “Group”) operate during the nine months ended September 30, 2021.

Changes in major subsidiaries and affiliates are as follows: V-MODA, LLC, a specified subsidiary of the Company, ceased to exist as a result of an absorption-type merger with the Company’s consolidated subsidiary Roland VM Holdings effective on September 1, 2021. Meanwhile, Roland VM Holdings also ceased to exist as a result of an absorption-type merger with the Company’s specified subsidiary Roland Corporation U.S. as of the same day.

## Item 2. Overview of Business

### 1. Business Risks

During the nine months ended September 30, 2021, among the matters related to Overview of Business and Financial Information stated in this quarterly securities report, there were no major risks occurred that the management has recognized that may have a material impact on the financial position, operating results and cash flows of the consolidated companies, and there were no significant changes in the matters related to “Business and other risks” stated in the annual securities report for the previous fiscal year.

### 2. Management’s Discussion and Analysis of Financial Position, Operating Results and Cash Flows

This document contains forward-looking statements, which are based on the Group’s estimates and assumptions made as of the end of the third quarter of the current fiscal year.

#### (1) Business performance

During the nine months ended September 30, 2021, the global economic environment surrounding the Group remained unstable along with the difficulty in foreseeing when the COVID-19 pandemic is ending. This was due in part to the occurrence of variants and breakthrough infections, which resulted in the rebound of COVID-19 cases, despite the progress in vaccination campaigns.

The electronic musical instruments business continued to enjoy firm demand especially from customers taking up a challenge to start playing musical instruments or those who resume musical performance, both hoping to enjoy themselves, as a new lifestyle brought by COVID-19 has become normal. The major attraction of electronic musical instruments is that people can enjoy playing them alone or with others whenever and wherever they want.

However, on the supply side, Malaysia, where our main factory is located, experienced a worsening outbreak of COVID-19 from the latter half of the second quarter to the latter half of the third quarter of the current fiscal year. Accordingly, in accordance with the instructions of the Malaysian government and authorities, our Malaysia factory operation was restricted and suspended. To ensure an early resumption of supplying, the Company proactively promoted COVID-19 vaccination and antigen test among employees and resumed the normal operation in the first half of September 2021. Despite such efforts, the production decreased in the third quarter of the current fiscal year due to the restriction of operations. Also, on the logistics side, the global logistics delays caused by, for example, U.S. port congestion, led to extended lead times. Meanwhile, order backlog increased significantly against the backdrop of strong demand and restricted supply.

As a result of the above, during the nine months ended September 30, 2021, net sales stood at ¥60,668 million (up 31.0% year on year) with operating profit of ¥9,664 million (up 77.8% year on year), ordinary profit of ¥8,936 million (up 85.5% year on year), and profit attributable to owners of parent of ¥7,741 million (up 132.4% year on year).

Sales performance by mainstay category is as shown below:

#### **(Keyboards)**

Among the mainstay categories, sales of electronic pianos remained strong, driven by brisk demand from people staying home for longer hours in the wake of the COVID-19 pandemic. Sales of new portable piano series and new space-saving models went well, and the order backlog also grew. Sales of medium- to high-end products at retail stores also recovered as more stores resumed normal business operations compared to the same period of the previous fiscal year.

As a result of the above, net sales from the Keyboards category amounted to ¥18,584 million (up 46.1% year on year).

#### **(Percussion and Wind Instruments)**

Among the mainstay categories, sales of electronic drums, especially the V-Drums Acoustic Design series launched in the previous fiscal year, remained strong, and sales soared in all regions.

Sales of electronic wind instruments remained very firm, especially the highest model of Aerophone launched in the fourth quarter of the previous fiscal year and the region limited model released in the current fiscal year went very well. The significant sales growth was also driven by the upswing of the entire electronic wind instruments market.

As a result of the above, net sales from the Percussion and Wind Instruments category amounted to ¥14,524 million (up 41.7% year on year).

### **(Guitar-related Products)**

Among the mainstay categories, sales of guitar effects soared, backed especially by strong sales of new product families launched in the previous fiscal year and other products such as the anniversary versions of compact effects released in the current fiscal year, despite supply shortages.

Sales of musical instruments amplifiers, especially the KATANA amplifier series increased mainly in Europe and North America. Also, in addition to products intended for outdoor use, sales of amplifiers for keyboards and electronic drums performed very well.

As a result of the above, net sales from the Guitar-related Products category amounted to ¥14,782 million (up 19.9% year on year).

### **(Creation-related Products & Services)**

Among the mainstay categories, sales of synthesizers performed very strongly, driven by increased demand for electronic pianos from people staying home for longer hours amid the COVID-19 pandemic and the return of live performance demand accompanying the recovery in performance opportunities. Not only synthesizers equipped with 88 keys like electronic pianos but also stage pianos contributed to sales growth.

Sales of dance and DJ-related products also soared, driven by strong sales of new product families launched during the previous and current fiscal years on the back of increased interest in music production among people staying home during the COVID-19 pandemic.

In the software and service domain, through Roland Cloud where software sound source could be obtained at a fixed membership fee, new versions of software sound source were released in addition to the upgrade software which enables existing electronic drum products to expand their functions. The software editors for Roland's hardware were also offered through the platform. As a result of the above, net sales from the Creation-related Products & Services category amounted to ¥7,706 million (up 24.8% year on year).

### **(Video and Professional Audio)**

Among the mainstay categories, sales of video related products plateaued as a result of diminishing video distribution demand from individuals staying home for longer hours in the wake of COVID-19 pandemic and intensifying competition with products of other companies.

Sales of professional audio related products remained sluggish due to the lack of recovery in capital investment demand under the influence of preventive measures against the spread of COVID-19.

As a result of the above, net sales from the Video and Professional Audio category amounted to ¥3,127 million (down 2.7% year on year).

## **(2) Analysis of consolidated financial position**

Total assets at the end of the third quarter of the current fiscal year on a consolidated basis increased by ¥4,931 million from the end of the previous fiscal year to ¥51,028 million. This is attributable primarily to increases in trade receivables of ¥2,400 million and inventories of ¥4,213 million, which were partially offset by a decrease in cash and deposits of ¥2,044 million. The position of cash and deposits is described in detail in the next section.

Liabilities decreased by ¥1,459 million from the end of the previous fiscal year to ¥24,486 million. This is mainly owing to decreases in borrowings of ¥2,448 million and the provision for loss on competition law of ¥562 million, which were partially offset by an increase in trade payables of ¥1,595 million.

Net assets increased by ¥6,391 million from the end of the previous fiscal year to ¥26,542 million. This is mainly owing to recording of profit attributable to owners of parent of ¥7,741 million and an increase in foreign currency translation adjustment of ¥1,325 million resulting from a further depreciation of yen against major currencies, which were partially offset by dividends from retained earnings of ¥2,922 million.

As a result of the above, the equity ratio rose 8.4 percentage points from the end of the previous fiscal year to 51.5%.

(3) Cash flows for the nine months ended September 30, 2021

During the nine months ended September 30, 2021, cash and cash equivalents (“net cash”) decreased by ¥2,044 million from the end of the previous fiscal year to ¥8,787 million.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥4,207 million (down ¥1,197 million in the inflow year on year), which is mainly owing to the contribution of profit before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥545 million (down ¥196 million in the outflow year on year), which is mainly as a result of payments for purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥5,535 million (up ¥2,031 million in the outflow year on year), which is mainly due to repayments of borrowings and payments of dividends.

(4) Management policy, management strategies, and issues to address

The Company has revised its numerical targets for the fiscal year ending December 31, 2022, the final year of the current three-year Medium-term Management Plan that started in the fiscal year ended December 31, 2020, as described below. This is because the Group now expects to achieve the fiscal year 2022 targets during the fiscal year ending December 31, 2021, on the back of ongoing strong demand for electronic musical instruments.

- Net sales ¥81,500 million
- Operating profit ¥12,300 million
- Profit attributable to owners of parent ¥8,600 million
- ROE 20% or higher
- ROIC 15% or higher

For the details, please refer to the “Notice of Revision of Numerical Targets in Medium-Term Management Plan” announced on August 6, 2021. Also, the management strategy set out in the current Medium-term Management Plan has not changed in this revision of numerical targets, because the Company has been producing a steady flow of successful results so far.

(5) Research and development activities

R&D expenses for the nine months ended September 30, 2021 totaled ¥3,066 million.

During the nine months ended September 30, 2021, there were no significant changes in the Group’s research and development activities.

3. Material Contracts, etc.

During the nine months ended September 30, 2021, no material contract, etc. was concluded or executed.

### Item 3. Information about Reporting Company

#### 1. Company's Shares, etc.

##### (1) Total number of shares

###### 1) Authorized shares

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

###### 2) Issued shares

Class	Number of issued shares as of current quarter end (September 30, 2021) (shares)	Number of issued shares as of filing date (November 9, 2021) (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	27,970,534	27,970,534	First Section of the Tokyo Stock Exchange	The number of shares constituting one unit is 100 shares.
Total	27,970,534	27,970,534	—	—

##### (2) Share acquisition rights

###### 1) Stock option plans

Not applicable.

###### 2) 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 (decrease) in total number of issued shares (shares)	Balance of total number of issued shares (shares)	Increase (decrease) in share capital	Balance of share capital	Increase (decrease) in legal capital surplus	Balance of legal capital surplus
July 1, 2021 through September 30, 2021	—	27,970,534	—	9,585	—	5,170

##### (5) Major shareholders

There is nothing to be stated as this quarter is the third quarterly accounting period.



(6) Voting rights

The status of voting rights as of the end of the current quarter is presented as of June 30, 2021, the most recent record date, because the number of beneficiary shareholders as of September 30, 2021 could not be ascertained.

1) Issued shares

As of June 30, 2021

Category	Number of shares (shares)	Number of voting rights (units)	Description
Shares with no voting rights	–	–	–
Shares with restricted voting rights (treasury shares, etc.)	–	–	–
Shares with restricted voting rights (other)	–	–	–
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common stock: 100	–	–
Shares with full voting rights (other)	Common stock: 27,967,900	279,679	Number of shares constituting one unit: 100 shares
Share less than one unit	Common stock: 2,534	–	–
Total number of issued shares	27,970,534	–	–
Voting rights held by all shareholders	–	279,679	–

- Notes: 1. “Shares with full voting rights (other)” of common stock includes 453,700 shares of the Company (4,537 voting rights) held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets of the Board Benefit Trust, Employee Stock Ownership Plan Trust and Employee Shareholding Association-type ESOP Trust.
2. “Share less than one unit” of common stock includes 20 shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets of the Board Benefit Trust, Employee Stock Ownership Plan Trust and Employee Shareholding Association-type ESOP Trust.
3. “Share less than one unit” of common stock includes 64 treasury shares held by the Company.

2) Treasury shares, etc.

As of June 30, 2021

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, Kita-ku, Hamamatsu-shi, Shizuoka	100	–	100	0.00
Total	–	100	–	100	0.00

- Notes: 1. In addition to the above, the Company holds treasury shares less than one unit of 64 shares.
2. 453,720 shares are contributed to Custody Bank of Japan, Ltd. (Trust Account) as trust assets of the Board Benefit Trust, the Employee Stock Ownership Plan Trust and Employee Shareholding Association-type ESOP Trust.

2. Directors and Other Officers

Not applicable.

## **Item 4. Financial Information**

### **1. Basis for Preparation of Quarterly Consolidated Financial Statements**

The quarterly consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 64, 2007 “Regulations Concerning the Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements” (“Regulations for Quarterly Consolidated Financial Statements”).

In addition, the quarterly consolidated statements of cash flows are prepared pursuant to Article 5-2, Paragraph 3 of the Regulations for Quarterly Consolidated Financial Statements.

### **2. Quarterly Review Report**

The Company’s quarterly consolidated financial statements for the current quarter (from July 1, 2021 to September 30, 2021) and the current nine-month period (from January 1, 2021 to September 30, 2021) were reviewed by Grant Thornton Taiyo LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

# 1. Quarterly Consolidated Financial Statements, etc.

## (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (As of December 31, 2020)	Current quarter (As of September 30, 2021)
<b>Assets</b>		
Current assets:		
Cash and deposits	10,832	8,787
Notes and accounts receivable – trade	5,930	8,331
Merchandise and finished goods	13,622	13,516
Work in process	889	1,576
Raw materials and supplies	3,563	7,196
Other	1,558	1,425
Allowance for doubtful accounts	(338)	(356)
<b>Total current assets</b>	<b>36,058</b>	<b>40,476</b>
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	2,717	2,542
Land	1,652	1,656
Other, net	1,391	1,759
<b>Total property, plant and equipment</b>	<b>5,761</b>	<b>5,957</b>
Intangible assets	759	668
Investments and other assets:		
Investment securities	949	1,141
Other	2,677	2,882
Allowance for doubtful accounts	(110)	(98)
<b>Total investments and other assets</b>	<b>3,517</b>	<b>3,925</b>
<b>Total non-current assets</b>	<b>10,038</b>	<b>10,552</b>
<b>Total assets</b>	<b>46,096</b>	<b>51,028</b>

(Millions of yen)

	Previous fiscal year (As of December 31, 2020)	Current quarter (As of September 30, 2021)
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable – trade	5,228	6,824
Short-term borrowings	138	—
Current portion of long-term borrowings	3,935	1,252
Income taxes payable	467	603
Provision for bonuses	1,441	942
Provision for bonuses for directors (and other officers)	84	58
Provision for product warranties	294	356
Provision for loss on competition law	562	—
Other	4,826	5,312
Total current liabilities	16,979	15,349
Non-current liabilities:		
Long-term borrowings	5,762	6,135
Provision for product warranties	0	0
Provision for share-based remuneration	217	247
Provision for share-based remuneration for directors (and other officers)	25	49
Retirement benefit liability	1,482	1,426
Asset retirement obligations	85	86
Other	1,391	1,191
Total non-current liabilities	8,965	9,136
Total liabilities	25,945	24,486
<b>Net assets</b>		
Shareholders' equity:		
Share capital	9,490	9,585
Capital surplus	69	163
Retained earnings	13,230	18,049
Treasury shares	(403)	(492)
Total shareholders' equity	22,386	27,306
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	(51)	80
Foreign currency translation adjustment	(2,203)	(877)
Remeasurements of defined benefit plans	(278)	(235)
Total accumulated other comprehensive income	(2,533)	(1,032)
Share acquisition rights	158	115
Non-controlling interests	139	153
Total net assets	20,151	26,542
Total liabilities and net assets	46,096	51,028

## (2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

## Quarterly consolidated statements of income

(Millions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	46,321	60,668
Cost of sales	23,888	32,538
Gross profit	22,432	28,130
Selling, general and administrative expenses	16,996	18,465
Operating profit	5,435	9,664
Non-operating income:		
Interest income	7	7
Dividend income	21	86
Subsidy income	90	51
Other	18	13
Total non-operating income	137	159
Non-operating expenses:		
Interest expenses	26	18
Sales discounts	357	589
Foreign exchange losses	270	185
Other	101	93
Total non-operating expenses	756	887
Ordinary profit	4,816	8,936
Extraordinary income:		
Gain on sales of non-current assets	123	374
Total extraordinary income	123	374
Extraordinary losses:		
Loss on sales and retirement of non-current assets	20	6
Loss on competition law	343	149
Loss related to COVID-19	* 183	—
Total extraordinary losses	547	156
Profit before income taxes	4,392	9,154
Income taxes – current	1,145	1,963
Income taxes – deferred	(86)	(551)
Total income taxes	1,059	1,411
Profit	3,333	7,743
Profit attributable to non-controlling interests	2	1
Profit attributable to owners of parent	3,331	7,741

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	3,333	7,743
Other comprehensive income:		
Valuation difference on available-for-sale securities	(105)	131
Foreign currency translation adjustment	(730)	1,338
Remeasurements of defined benefit plans, net of tax	66	43
Total other comprehensive income	(769)	1,513
Comprehensive income	2,563	9,256
Comprehensive income attributable to:		
Owners of parent	2,562	9,242
Non-controlling interests	1	14

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
<b>Cash flows from operating activities:</b>		
Profit before income taxes	4,392	9,154
Depreciation	1,167	1,194
Amortization of goodwill	3	3
Increase (decrease) in retirement benefit liability	55	1
Interest and dividend income	(28)	(94)
Interest expenses	26	18
Foreign exchange losses (gains)	183	137
Loss (gain) on sales and retirement of non-current assets	(102)	(367)
Decrease (increase) in trade receivables	(166)	(1,415)
Decrease (increase) in inventories	(1,244)	(3,025)
Increase (decrease) in trade payables	1,650	684
Other, net	578	(71)
Subtotal	6,516	6,221
Interest and dividends received	28	94
Interest paid	(27)	(18)
Income taxes paid	(1,113)	(2,090)
Net cash provided by (used in) operating activities	5,405	4,207
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(833)	(1,001)
Proceeds from sales of property, plant and equipment	142	555
Purchase of intangible assets	(137)	(73)
Long-term loan advances	(5)	—
Collection of long-term loans receivable	35	26
Other, net	56	(53)
Net cash provided by (used in) investing activities	(742)	(545)
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term borrowings	(2,988)	(143)
Proceeds from long-term borrowings	6,200	1,500
Repayments of long-term borrowings	(4,261)	(3,810)
Proceeds from issuance of shares	—	145
Proceeds from sales of treasury shares	—	93
Purchase of treasury shares	—	(121)
Dividends paid	(2,203)	(2,903)
Other, net	(250)	(295)
Net cash provided by (used in) financing activities	(3,504)	(5,535)
Effect of exchange rate change on cash and cash equivalents	(540)	(171)
Net increase (decrease) in cash and cash equivalents	617	(2,044)
Cash and cash equivalents at beginning of period	8,815	10,832
Cash and cash equivalents at end of period	* 9,432	* 8,787

## Notes to Quarterly Consolidated Financial Statements

### *Quarterly consolidated balance sheet*

Committed line of credit agreements with financial institutions

The Company has concluded committed line of credit agreements with its correspondent financial institution Resona Bank, Limited in order to finance working capital efficiently.

The balances of undrawn facilities under the committed line of credit agreements are as follows:

	Previous fiscal year (As of December 31, 2020)	Current quarter (As of September 30, 2021)
Total committed line of credit	8,000	5,000
Drawn facilities	-	-
Differences (balance of undrawn facilities)	8,000	5,000

(Millions of yen)

### *Quarterly consolidated statements of income*

- \* Loss related to COVID-19

For the nine months ended September 30, 2020

Roland Manufacturing Malaysia Sdn. Bhd., a Malaysian subsidiary of the Company, suspended operations from March 18 to April 26 due to the movement control order imposed by the Malaysian government to prevent the spread of COVID-19. As a result, the Company recorded an extraordinary loss of ¥183 million for fixed costs incurred during the period until the subsidiary returned to normal production.

### *Quarterly consolidated statements of cash flows*

- \* The relation of the quarterly ending balance of cash and cash equivalents and the balance of the account presented on the quarterly consolidated balance sheets is as follows:

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Cash and deposits	9,432	8,787
Cash and cash equivalents	9,432	8,787

(Millions of yen)



### Shareholders' equity

For the nine months ended September 30, 2020

#### 1. Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on March 31, 2020	Common stock	1,290	1,416	December 31, 2019	March 31, 2020	Retained earnings
Board of Directors Meeting held on September 23, 2020	Common stock	984	1,080	June 30, 2020	September 28, 2020	Retained earnings

Notes: 1. The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on March 31, 2020 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 September 23, 2020 includes dividends of ¥17 million paid to the Company's shares held by trusts.

3. As the Company conducted a 30-for-1 stock split of its common stock on September 14, 2020, the dividends per share presented is a figure before the stock split.

#### 2. Dividends whose record date fell in the nine months ended September 30, 2020, but whose effective date was after September 30, 2020

Not applicable.

For the nine months ended September 30, 2021

#### 1. Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on March 30, 2021	Common stock	992	36	December 31, 2020	March 31, 2021	Retained earnings
Board of Directors Meeting held on August 6, 2021	Common stock	1,929	69	June 30, 2021	September 7, 2021	Retained earnings

Notes: 1. The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on March 30, 2021 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 6, 2021 includes dividends of ¥31 million paid to the Company's shares held by trusts.

#### 2. Dividends whose record date fell in the nine months ended September 30, 2021, but whose effective date was after September 30, 2021

Not applicable.

### Segment information, etc.

#### Segment information

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

### Per share information

Basic and diluted earnings per share and basis for calculation of both of them are as follows:

(Millions of yen, unless otherwise stated)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
(1) Basic earnings per share	124.06 yen	282.25 yen
(Basis for calculation)		
Profit attributable to owners of parent	3,331	7,741
Profit not attributable to common shareholders	—	—
Profit attributable to common shareholders of parent	3,331	7,741
Average number of shares of common stock during the period (thousand shares)	26,852	27,428
(2) Diluted earnings per share	—	276.15 yen
(Basis for calculation)		
Adjustment to profit attributable to owners of parent	—	—
Number of shares of common stock increased (thousand shares)	—	606
[(of which number of share acquisition rights (thousand shares)]	[-]	[606]
Any significant changes from the prior fiscal year end in potential shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	—	—

Notes: 1. Diluted earnings per share for the nine months ended September 30, 2020 is not stated because the Company's stock was not listed and thus the average stock price is not available during that period.

2. For the purpose of calculating basic earnings per share and diluted earnings per share, the aggregate number of shares of the Company held by the Board Benefit Trust, Employee Stock Ownership Plan Trust and Employee Shareholding Association-type ESOP Trust was 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 numbers of shares of common stock held by these trusts during the nine months ended September 30, 2020 and 2021 were 491,010 shares and 431,632 shares, respectively.

## 2. Other information

Regarding the interim dividend for the 50th fiscal year (January 1, 2021 through December 31, 2021), the Board of Directors, at its meeting held on August 6, 2021, resolved to pay the interim dividend to the shareholders recorded in the shareholder registry dated on June 30, 2021 as follows:

- 1) Total amount of dividends: ¥1,929 million
- 2) Amount per share: ¥69.00
- 3) Effective date for right to claim dividend payment and commencement date of dividend payment: September 7, 2021

**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 Quarterly Review 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 Quarterly Review Report

November 9, 2021

To the Board of Directors of Roland Corporation:

Grant Thornton Taiyo LLC  
Osaka office  
Designated Limited Liability Partner      Shigeyuki Moriuchi, CPA      [Seal]  
Engagement Partner  
Designated Limited Liability Partner      Kenji Furuta, CPA      [Seal]  
Engagement Partner

*Auditor's Conclusion*

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have reviewed the quarterly consolidated financial statements of Roland Corporation (the "Company") and its consolidated subsidiaries (the "Group") provided in the "Financial Information" section in the Company's Quarterly Securities Report, namely, the quarterly consolidated balance sheet as of September 30, 2021, the quarterly consolidated statements of income, comprehensive income, and cash flows for the nine-month period then ended, and the related notes.

Based on our quarterly review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements do not present fairly, in all material respects, the financial position of the Group as of September 30, 2021, and its consolidated financial performance and cash flows for the nine-month period then ended in accordance with the accounting principles for quarterly consolidated financial statements generally accepted in Japan.

*Basis for Auditor's Conclusion*

We conducted our review in accordance with the review standards for quarterly financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Review of the Quarterly 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 we have obtained evidence to provide a basis for our conclusion.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Quarterly Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the quarterly consolidated financial statements in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan, including the design, implementation and maintenance of such internal controls as management determines is necessary to enable the preparation and fair presentation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with accounting principles for quarterly consolidated financial statements 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 Review of the Quarterly Consolidated Financial Statements*

Our responsibilities are to issue an auditor's quarterly review report that includes our conclusion based on our quarterly review from an independent point of view.

As part of a quarterly review in accordance with the review standards for quarterly financial statements generally accepted in Japan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other quarterly review procedures. A quarterly review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, then we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not presented fairly in accordance with the accounting principles for quarterly consolidated financial statements generally accepted in Japan. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's quarterly review report to the related notes to the quarterly consolidated financial statements or, if such notes are inadequate, to express a qualified conclusion or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's quarterly review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the overall presentation of the quarterly consolidated financial statements and the notes thereto are not in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan, as well as whether anything has come to our attention that causes us to believe that the overall presentation, structure and content of the quarterly consolidated financial statements, including the notes thereto do not represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain evidence regarding the financial information of the Group to express a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and performance of the review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the quarterly review and significant review findings.

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, related safeguards in order to eliminate or reduce obstruction factors.

### *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.

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Notes: 1. The above report is the electronic version of the original Independent Auditor's Quarterly Review Report. The original report is kept separately by the Company (the reporting company of the Quarterly Securities Report).  
2. The associated XBRL data are not included in the scope of the quarterly review.

## Cover

Document title	Confirmation Note
Clause of stipulation	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act
Place of filing	Director, Kanto Local Finance Bureau
Filing date	November 9, 2021
Company name	Roland Kabushiki Kaisha
Company name in English	Roland Corporation
Title and name of representative	Jun-ichi Miki, CEO and Representative Director
Title and name of Chief Financial Officer	Shunsuke Sugiura, CFO and Senior Executive Officer
Address of registered headquarters	2036-1 Nakagawa, Hosoe-cho, Kita-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 Quarterly Securities Report

Jun-ichi Miki, CEO and Representative Director, and Shunsuke Sugiura, CFO and Senior Executive Officer of Roland Corporation have confirmed that this Quarterly Securities Report for the third quarter of the 50th Fiscal Year (July 1, 2021 through September 30, 2021) 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 Quarterly Securities Report.