

Quarterly Securities Report

For the First Quarter of the 51st Fiscal Year
(January 1, 2022 through March 31, 2022)

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 (EDNET) 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	May 12, 2022
Quarterly accounting period	The first quarter of the 51st fiscal year (January 1, 2022 through March 31, 2022)
Company name	Roland Kabushiki Kaisha
Company name in English	Roland Corporation
Title and name of representative	Gordon Raison, 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 Director
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 Director
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 First Quarter	51st First Quarter	50th
Accounting period		(January 1, 2021 through March 31, 2021)	(January 1, 2022 through March 31, 2022)	(January 1, 2021 through December 31, 2021)
Net sales	(million yen)	22,355	20,978	80,032
Ordinary profit	(million yen)	4,369	2,601	10,102
Profit attributable to owners of parent	(million yen)	3,423	1,912	8,586
Comprehensive income	(million yen)	4,564	3,707	11,361
Net assets	(million yen)	23,827	29,829	28,656
Total assets	(million yen)	50,130	57,390	52,807
Basic earnings per share	(yen)	125.42	69.42	312.73
Diluted earnings per share	(yen)	122.16	68.29	306.26
Equity-to-asset ratio	(%)	47.0	51.5	53.7
Net cash provided by (used in) operating activities	(million yen)	2,411	(1,128)	4,929
Net cash provided by (used in) investing activities	(million yen)	88	(252)	(803)
Net cash provided by (used in) financing activities	(million yen)	(1,199)	1,101	(6,071)
Cash and cash equivalents at end of period	(million yen)	12,259	8,557	8,781

- Notes: 1. Non-consolidated financial data is not presented as the Company prepares quarterly consolidated financial statements.
2. 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.
3. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the fiscal year ending December 31, 2022. Accordingly, the key financial data for the fiscal year ending December 31, 2022 are those after applying the said accounting standard.

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 three months ended March 31, 2022. No changes were made to major subsidiaries and affiliates.

Item 2. Overview of Business

1. Business Risks

During the three months ended March 31, 2022 (hereinafter the “period under review”), among the matters related to Overview of Business and Financial Information stated in this Quarterly Securities Report, no major risks that might have a material impact on the financial position, operating results and cash flows of the Group have been recognized by the management. 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 period under review.

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020; hereinafter, the “Accounting Standard for Revenue Recognition”) since the beginning of the fiscal year ending December 31, 2022 (hereinafter the “current fiscal year”).

Under the Accounting Standard for Revenue Recognition, sales discounts, which were previously recognized in non-operating expenses, have been reclassified as deductions from net sales. With this change in our accounting standard, net sales and operating profit have declined, whereas ordinary profit, profit attributable to owners of parent, and cash flows have remained unaffected.

Figures for the period under review as referred to in “Business performance” below represent the results after the application of the Accounting Standard for Revenue Recognition. Therefore, direct year-on-year comparisons of these figures are not presented. Instead, to help you better understand the operating performance for the period under review, year-on-year after adjustment are presented, which are percentages calculated based on the assumption that the results for the period under review had been measured by the same accounting standard as used in the fiscal year ended December 31, 2021.

(1) Business performance

During the period under review, the global economic environment surrounding the Group remained uncertain as it was difficult to predict when the COVID-19 pandemic would subside. Continuous emergences of coronavirus variants led to repetitive expansions of infections, despite the progress of vaccine rollouts. In addition to the cost-increasing elements such as raw material costs and ocean transportation costs, highly volatile business environment persisted in the wake of Russia’s aggression in Ukraine followed by worldwide economic sanctions imposed on Russia.

Meanwhile, the environment surrounding the electronic musical instrument business was favorable, as the demand for this segment remained strong backed by a new lifestyle which has become normal. On the supply side, the overall factory utilization for the segment made a steady recovery, and the order backlog turned downward with the recovery of output, while the supply of raw materials remained tight. Further, the Group continued efforts to optimize the prices of its products and minimize the impact of raw material prices and sea transportation costs which have remained high.

As a result of the above, during the period under review, the Group recorded decreases in both net sales and profits, with net sales of ¥20,978 million (down 5.3% year on year after adjustment), operating profit of ¥2,567 million (down 40.0% year on year after adjustment), ordinary profit of ¥2,601 million (down 40.5% year on year), and profit attributable to owners of parent of ¥1,912 million (down 44.1% year on year). This is attributable to a one-time factor that temporarily pushed up net sales (by approximately ¥2 billion) during the three months ended March 31, 2021—a factor associated with the inventory policy implemented at the end of the fiscal year ended December 31, 2020. Both net sales and profits for the period under review have increased compared with the fourth quarter of the previous fiscal year.

Sales performance by mainstay category is as shown below:

(Keyboards) Net sales: ¥6,553 million (down 4.5% year on year after adjustment)

Among the mainstay categories, electronic pianos remained in strong demand, driven by brisk demand from people staying home for longer hours. However, the supply of electric pianos continued to fall short of demand because of a chronic supply shortage of raw materials. Sales of low-end pianos were somewhat affected by the short supply. On the other hand, sales of high-end and grand pianos hovered largely as expected thanks to an improved product supply.

(Percussion and Wind Instruments) Net sales: ¥4,893 million (down 2.3% year on year after adjustment)

Among the mainstay categories, while the electronic drum market was somewhat tepid, sales of high-end electronic drums, including the model with a flagship sound module launched in the previous fiscal year, remained strong.

Sales of electronic wind instruments, especially the mid- to high-end products, such as the standard model of Aerophone Series released in the first quarter of the current fiscal year, went strong.

(Guitar-related Products) Net sales: ¥5,065 million (down 8.4% year on year after adjustment)

Among the mainstay categories, sales of guitar effects were constrained by the short supply of compact effecters. However, Loop Station Series released in the previous fiscal year and multi-effects released in the current fiscal year performed strongly, contributing to overall sales of guitar effects.

Sales of musical instrument amplifiers hovered as expected, although the short supply of products persisted especially for the KATANA amplifier series which have been enjoying brisk demand from customers.

(Creation-related Products & Services) Net sales: ¥2,758 million (down 1.7% year on year after adjustment)

Among the mainstay categories, sales of synthesizers remained firm, backed by strong sales of compact stage pianos, and light-weight new synthesizers with advanced functions released in the current fiscal year.

Sales of dance and DJ-related products also remained brisk, driven by strong sales of the latest model of long-selling Sampler Series which was released in the fourth quarter of the previous fiscal year.

In the software and service domain, through Roland Cloud where software sound sources are offered at a fixed membership fee, the Group released additional sound sources that extend the functions of our existing synthesizers.

(Video and Professional Audio) Net sales: ¥1,066 million (down 15.6% year on year after adjustment)

Among the mainstay categories, sales of video related products in a higher price range remained strong as the demand for events was largely on a recovery track in each country, although the video distribution demand from individuals staying home plateaued.

(2) Analysis of consolidated financial position

Total assets at the end of the period under review on a consolidated basis increased by ¥4,583 million from the end of the previous fiscal year to ¥57,390 million. This is attributable primarily to increases in trade receivables of ¥2,429 million and inventories of ¥2,407 million.

Liabilities increased by ¥3,410 million from the end of the previous fiscal year to ¥27,561 million. This is attributable primarily to an increase in borrowings of ¥3,687 million.

Net assets increased by ¥1,173 million from the end of the previous fiscal year to ¥29,829 million. This is attributable mainly to the recording of profit attributable to owners of parent of ¥1,912 million and an increase in foreign currency translation adjustment of ¥1,821 million due to the continued depreciation of yen against major currencies, which were partially offset by a ¥628 million increase in treasury shares, which is a deduction item from net asset, reflecting purchases of treasury shares, and a decrease in retained earnings of ¥1,929 million due to payments of dividends.

As a result of the above, the equity ratio fell 2.2 percentage points from the end of the previous fiscal year to 51.5%.

(3) Cash flows for the three months ended March 31, 2022

During the period under review, cash and cash equivalents (“net cash”) decreased by ¥223 million (an increase of ¥1,426 million for the same period of the previous fiscal year) to ¥8,557 million at the end of the period.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥1,128 million (¥2,411 million provided for the same period of the previous fiscal year), which is attributable primarily to increased working capital.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥252 million (¥88 million provided for the same period of the previous fiscal year), which is attributable primarily to purchasing of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥1,101 million (¥1,199 million used for the same period of the previous fiscal year), which is attributable primarily to an increase in short-term borrowings, which was partially offset by payments of dividends.

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

During the period under review, there were no significant changes in the Group's management policy, management strategies and issues to address.

(5) Research and development activities

R&D expenses for the period under review totaled ¥978 million.

During the period under review, there were no significant changes in the Group's research and development activities.

3. Material Contracts, etc.

During the period under review, no material contract 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 (March 31, 2022) (shares)	Number of issued shares as of filing date (May 12, 2022) (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	28,034,702	28,034,702	Tokyo Stock Exchange First Section (as of the current quarter end) Prime Market (as of the filing date)	The number of shares constituting one unit is 100 shares.
Total	28,034,702	28,034,702	–	–

(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

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
January 1, 2022 through March 31, 2022	64,168	28,034,702	18	9,603	18	5,189

Note: The increase was due to the exercise of share acquisition rights.

(5) Major shareholders

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

(6) Voting rights

The status of voting rights as of the end of the period under review is presented by disclosing the status as of December 31, 2021, the most recent record date, because the number of beneficiary shareholders as of March 31, 2022 could not be ascertained.

1) Issued shares

As of December 31, 2021

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 100	–	–
Shares with full voting rights (other)	Common stock 27,966,000	279,660	The number of shares constituting one unit is 100 shares.
Share less than one unit	Common stock 4,434	–	–
Total number of issued shares	27,970,534	–	–
Voting rights held by all shareholders	–	279,660	–

- Notes: 1. “Shares with full voting rights (other)” of common stock includes 421,700 shares of the Company (4,217 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 67 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

As of December 31, 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. 421,767 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.
3. The Company repurchased 163,000 treasury shares during the period from February 14, 2022 to March 31, 2022 based on the resolution passed at the Board of Directors meeting held on February 10, 2022.

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 2 of the Regulations for Quarterly Consolidated Financial Statements.

2. Quarterly Review Report

The Company’s quarterly consolidated financial statements for the current quarter (from January 1, 2022 to March 31, 2022) 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 Sheets

(Millions of yen)

	Previous fiscal year (As of December 31, 2021)	Current quarter (As of March 31, 2022)
Assets		
Current assets:		
Cash and deposits	8,781	8,557
Notes and accounts receivable – trade	7,444	9,874
Merchandise and finished goods	15,508	17,462
Work in process	1,715	1,391
Raw materials and supplies	8,016	8,794
Other	1,470	1,429
Allowance for doubtful accounts	(313)	(309)
Total current assets	42,623	47,201
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	2,421	2,424
Land	1,626	1,646
Other, net	1,808	1,930
Total property, plant and equipment	5,857	6,000
Intangible assets	632	602
Investments and other assets:		
Investment securities	1,245	1,197
Other	2,549	2,514
Allowance for doubtful accounts	(101)	(124)
Total investments and other assets	3,693	3,586
Total non-current assets	10,183	10,189
Total assets	52,807	57,390

(Millions of yen)

	Previous fiscal year (As of December 31, 2021)	Current quarter (As of March 31, 2022)
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	6,391	6,755
Short-term borrowings	–	* 4,000
Current portion of long-term borrowings	1,252	1,252
Income taxes payable	360	250
Provision for bonuses	1,662	545
Provision for bonuses for directors (and other officers)	78	4
Provision for product warranties	373	400
Other	5,915	6,532
Total current liabilities	16,033	19,741
Non-current liabilities:		
Long-term borrowings	5,822	5,509
Provision for product warranties	1	1
Provision for share awards	262	265
Provision for share awards for directors (and other officers)	58	62
Retirement benefit liability	725	714
Asset retirement obligations	86	87
Other	1,160	1,179
Total non-current liabilities	8,117	7,819
Total liabilities	24,150	27,561
Net assets		
Shareholders' equity:		
Share capital	9,585	9,603
Capital surplus	163	182
Retained earnings	18,894	18,876
Treasury shares	(482)	(1,111)
Total shareholders' equity	28,161	27,552
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	140	113
Foreign currency translation adjustment	(178)	1,642
Remeasurements of defined benefit plans	258	244
Total accumulated other comprehensive income	219	2,001
Share acquisition rights	115	102
Non-controlling interests	161	174
Total net assets	28,656	29,829
Total liabilities and net assets	52,807	57,390

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

Quarterly consolidated statements of income

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales	22,355	20,978
Cost of sales	11,863	12,169
Gross profit	10,491	8,808
Selling, general and administrative expenses	5,881	6,240
Operating profit	4,610	2,567
Non-operating income:		
Interest income	2	2
Dividend income	1	7
Foreign exchange gains	–	29
Other	5	2
Total non-operating income	8	42
Non-operating expenses:		
Interest expenses	6	5
Sales discounts	178	–
Foreign exchange losses	36	–
Other	26	3
Total non-operating expenses	249	8
Ordinary profit	4,369	2,601
Extraordinary income:		
Gain on sale of non-current assets	262	0
Total extraordinary income	262	0
Extraordinary losses:		
Loss on sale and retirement of non-current assets	0	1
Loss on competition law	149	–
Total extraordinary losses	150	1
Profit before income taxes	4,481	2,599
Income taxes – current	885	524
Income taxes – deferred	171	160
Total income taxes	1,056	684
Profit	3,425	1,914
Profit attributable to non-controlling interests	2	2
Profit attributable to owners of parent	3,423	1,912

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	3,425	1,914
Other comprehensive income:		
Valuation difference on available-for-sale securities	(1)	(26)
Foreign currency translation adjustment	1,126	1,832
Remeasurements of defined benefit plans, net of tax	14	(13)
Total other comprehensive income	1,139	1,793
Comprehensive income	4,564	3,707
Comprehensive income attributable to:		
Owners of parent	4,554	3,694
Non-controlling interests	10	13

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Cash flows from operating activities:		
Profit before income taxes	4,481	2,599
Depreciation	393	390
Amortization of goodwill	1	1
Increase (decrease) in retirement benefit liability	3	(38)
Interest and dividend income	(3)	(9)
Interest expenses	6	5
Foreign exchange losses (gains)	(176)	(31)
Loss (gain) on sale and retirement of non-current assets	(261)	1
Decrease (increase) in trade receivables	(1,657)	(1,370)
Decrease (increase) in inventories	319	(718)
Increase (decrease) in trade payables	(347)	(702)
Other, net	205	(767)
Subtotal	2,964	(641)
Interest and dividends received	8	9
Interest paid	(6)	(5)
Income taxes paid	(554)	(491)
Net cash provided by (used in) operating activities	2,411	(1,128)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(198)	(273)
Proceeds from sale of property, plant and equipment	298	0
Purchase of intangible assets	(16)	(13)
Proceeds from collection of long-term loans receivable	9	2
Other, net	(4)	32
Net cash provided by (used in) investing activities	88	(252)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(8)	4,000
Repayments of long-term borrowings	(250)	(313)
Proceeds from issuance of shares	96	23
Proceeds from sale of treasury shares	32	52
Purchase of treasury shares	(0)	(646)
Dividends paid	(976)	(1,911)
Other, net	(94)	(103)
Net cash provided by (used in) financing activities	(1,199)	1,101
Effect of exchange rate change on cash and cash equivalents	126	55
Net increase (decrease) in cash and cash equivalents	1,426	(223)
Cash and cash equivalents at beginning of period	10,832	8,781
Cash and cash equivalents at end of period	* 12,259	* 8,557

Notes to Quarterly Consolidated Financial Statements

Changes in accounting policies

(Application of Accounting Standard for Revenue Recognition)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 of March 31, 2020; hereinafter the “Accounting Standard for Revenue Recognition”) since the beginning of the fiscal year ending December 31, 2022. Under the new standard, revenue is recognized upon the transfer of control of promised goods or services in an amount which is expected to be received in exchange for those goods or services. Under the new standard, sales discounts, which were previously recognized in non-operating expenses, shall be deducted from net sales.

While the Company applies the Accounting Standard for Revenue Recognition in accordance with the transitional treatment prescribed in the provision of paragraph 84 of the standard, the application had no impact on our retained earnings at the beginning of the fiscal year ending December 31, 2022.

As a result, during the period under review, net sales, gross profit, and operating profit each decreased by ¥199 million, but these decreases had no impact on ordinary profit and profit before income taxes since non-operating expenses also decreased by ¥199 million. In accordance with the transitional treatment set forth in paragraph 89-2 of the Accounting Standard for Revenue Recognition, consolidated financial statements for the previous year have not been reclassified using the new presentation method.

Information on disaggregated revenue from contracts with customers is not presented for the period under review in accordance with the transitional treatment set forth in paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020).

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Accounting Standard for Fair Value Measurement”) since the beginning of the fiscal year ending December 31, 2022. In accordance with the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Fair Value Measurement and in paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ No. 10, July 4, 2019), the Company will prospectively apply the new accounting policies prescribed by the Accounting Standard for Fair Value Measurement. The above, however, does not affect our quarterly consolidated financial statements.

Quarterly consolidated balance sheets

*1. 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:

	(Millions of yen)	
	Previous fiscal year (As of December 31, 2021)	Current quarter (As of March 31, 2022)
Total committed line of credit	5,000	5,000
Outstanding balance of drawn facilities	—	4,000
Outstanding balance of undrawn facilities	5,000	1,000

Quarterly consolidated statements of cash flows

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

	(Millions of yen)	
	Three months ended March 31, 2021	Three months ended March 31, 2022
Cash and deposits	12,259	8,557
Cash and cash equivalents	12,259	8,557

Shareholders' equity

For the three months ended March 31, 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

Note: 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 the trusts.

2. Dividends whose record date is before March 31, 2021, whereas its effective date is after March 31, 2021

Not applicable.

For the three months ended March 31, 2022

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, 2022	Common stock	1,929	69	December 31, 2021	March 31, 2022	Retained earnings

Note: The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on March 30, 2022 includes dividends of ¥29 million paid to the Company's shares held by the trusts.

2. Dividends whose record date is before March 31, 2022, whereas its effective date is after March 31, 2022

Not applicable.

3. Significant changes in shareholders' equity

The Company repurchased 163,000 treasury shares during the period under review based on the resolution passed at the Board of Directors meeting held on February 10, 2022. As a result, its treasury shares increased by ¥646 million to ¥1,111 million as of the end of the period under review.

Segment information

Segment information

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

Revenue recognition

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

(Millions of yen)

	Three months ended March 31, 2022
Keyboards	6,553
Percussion and Wind Instruments	4,893
Guitar-related Products	5,065
Creation-related Products & Services	2,758
Video and Professional Audio	1,066
Other	640
Total	20,978

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)

	Three months ended March 31, 2021	Three months ended March 31, 2022
(1) Basic earnings per share	125.42 yen	69.42 yen
(Basis for calculation)		
Profit attributable to owners of parent	3,423	1,912
Profit not attributable to common shareholders	–	–
Profit attributable to common shareholders of parent	3,423	1,912
Average number of shares of common stock during the period (thousand shares)	27,292	27,550
(2) Diluted earnings per share	122.16 yen	68.29 yen
(Basis for calculation)		
Adjustment to profit attributable to owners of parent	–	–
Number of shares of common stock increased (thousand shares)	727	458
[of which number of share acquisition rights (thousand shares)]	(727)	(458)
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.	–	–

Note: 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 three months ended March 31, 2021 and 2022 were 417,042 shares and 416,671 shares, respectively.

2. Other information

Not applicable.

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

May 11, 2022

To the Board of Directors of Roland Corporation:

Grant Thornton Taiyo LLC Osaka		
Designated Limited Liability Partner	Kenji Furuta, CPA	[Seal]
Engagement Partner		
Designated Limited Liability Partner	Tomohiro Norioka, 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 March 31, 2022, the quarterly consolidated statements of income, comprehensive income, and cash flows for the three-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 March 31, 2022, and its consolidated financial performance and cash flows for the three-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 determination is necessary to enable 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 the 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.

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	May 12, 2022
Company name	Roland Kabushiki Kaisha
Company name in English	Roland Corporation
Title and name of representative	Gordon Raison, CEO and Representative Director
Title and name of Chief Financial Officer	Shunsuke Sugiura, CFO and Director
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**

Gordon Raison, CEO and Representative Director, and Shunsuke Sugiura, CFO and Director of Roland Corporation have confirmed that this Quarterly Securities Report for the first quarter of the 51st fiscal year (January 1, 2022 through March 31, 2022) 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.