

# Quarterly Securities Report

For the Second Quarter of the 51st Fiscal Year  
(April 1, 2022 through June 30, 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	August 9, 2022
Quarterly accounting period	The second quarter of the 51st fiscal year (April 1, 2022 through June 30, 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) Key financial data

Fiscal year		50th First Half	51st First Half	50th
Accounting period		(January 1, 2021 through June 30, 2021)	(January 1, 2022 through June 30, 2022)	(January 1, 2021 through December 31, 2021)
Net sales	(million yen)	43,030	43,004	80,032
Ordinary profit	(million yen)	7,456	4,794	10,102
Profit attributable to owners of parent	(million yen)	6,179	3,927	8,586
Comprehensive income	(million yen)	7,611	7,976	11,361
Net assets	(million yen)	26,807	32,788	28,656
Total assets	(million yen)	50,388	62,777	52,807
Basic earnings per share	(yen)	225.71	143.08	312.73
Diluted earnings per share	(yen)	220.44	140.80	306.26
Equity-to-asset ratio	(%)	52.7	51.8	53.7
Net cash provided by (used in) operating activities	(million yen)	4,229	(910)	4,929
Net cash provided by (used in) investing activities	(million yen)	(229)	(443)	(803)
Net cash provided by (used in) financing activities	(million yen)	(3,246)	1,342	(6,071)
Cash and cash equivalents at end of period	(million yen)	11,497	8,722	8,781

Fiscal year		50th Second Quarter	51st Second Quarter
Accounting period		(April 1, 2021 through June 30, 2021)	(April 1, 2022 through June 30, 2022)
Basic earnings per share	(yen)	100.38	73.67

- Notes: 1. Non-consolidated financial data are 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 six months ended June 30, 2022. No changes were made to major subsidiaries and affiliates.

## Item 2. Overview of Business

### 1. Business Risks

During the six months ended June 30, 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 Security 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, referred as the “Accounting Standard for Revenue Recognition”) since the beginning of the fiscal year ending December 2022 .

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, for better understanding of 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, while new COVID-19 cases were contained to some extent and social and economic activities were on a recovery track, the Group went through various obstacles in the external environment, including ongoing difficulties in purchasing semiconductors, soaring material and ocean freight costs, in addition the disruption of supply chains triggered by China’s lockdown and the prolonged Russia-Ukraine conflict.

In the electronic musical instruments business hemisphere, compared to the pre-pandemic era, sales standards went on to become a further solid position endorsed by the entrenched new lifestyle brought by the COVID-19 pandemic. On the supply side, although the supply-demand balance of raw materials remained tight, continued efforts such as prompt management decisions for securing the necessary materials contributed to the anticipated overall factory utilization level. Also, order backlog was progressed favorably. Meanwhile, on the cost side, as several difficult conditions, such as lingering high ocean transportation costs and raw materials prices persisted, the Group has focused on to optimize its product prices. At the same time, it reallocated the declined sales opportunities in China and Russia to other regions in response to these unfavorable conditions.

As a result of the above, during the period under review, the Group recorded net sales of ¥43,004 million (up 5.9% compared to Forecast, up 1.0% year on year after adjustment), operating profit of ¥4,677 million (up 1.7% compared to Forecast, down 34.8% year on year after adjustment), ordinary profit of ¥4,794 million (up 2.0% compared to Forecast, down 35.7% year on year), and profit attributable to owners of parent of ¥3,927 million (up 12.2% compared to Forecast, down 36.5% year on year). Whereas the forecast target was achieved, year on year profit was dropped. This is primarily attributable to the fact that a one-time sales increment (approximately ¥2 billion), associated with the inventory management implemented at the end of the fiscal year ended December 31, 2020 was recorded in the previous year.

Sales performance by mainstay category is as shown below:

**(Keyboards)** Net sales: ¥13,761 million (up 5.5% year on year after adjustment)

Among the mainstay categories, electronic pianos remained in stronger demand compared to the pre-pandemic era driven by brisk demand from people staying home for longer hours. Demand for this category continued to remain steady as order backlog reduction caused by stronger shipments, which was also the case among competitors, and the market competitiveness was gradually returning to normal position as compared to the one before the outbreak of the COVID-19 pandemic.

**(Percussion and Wind Instruments)** Net sales: ¥9,367 million (down 5.5% year on year after adjustment)

Among the mainstay categories, sales of the electronic drum products in the mid- to high-price range continued strong, yet total sales of this category slightly fell short of expectations, partially due to the lockdown in China.

Sales of electronic wind instruments, especially the mid- to high-end products, remained firm as the market continued to expand.

**(Guitar-related Products)** Net sales: ¥10,712 million (up 1.6% year on year after adjustment)

Among the mainstay categories, sales of guitar effects, especially the Loop Station Series and compact effector “Waza Craft Pedal” series released in the previous fiscal year and the multi-effecters released in the current fiscal year performed strong.

Sales of musical instrument amplifiers also went on as anticipated as order backlogs were progressed during the period, although this category is yet being affected by short supply of products.

**(Creation-related Products & Services)** Net sales: ¥5,836 million (up 6.1% year on year after adjustment)

Among the mainstay categories, synthesizer sales remained firm, boosted by the strong sales of compact stage pianos, and new products released in the current fiscal year.

In the dance and DJ-related products domain, compact gadget instruments allowing a full-scale electronic music easily were released. On top of that, sales of the latest model of the long-selling Sampler Series, released in the fourth quarter of the previous fiscal year, remained strong.

In the software and service domain, through Roland Cloud platform where software sound sources are offered at a fixed membership fee, the Group continued to release new software synthesizers and sound packs. The Group also started offering an online service where users can share customized settings of effects and amplifiers with each other.

**(Video and Professional Audio)** Net sales: ¥1,997 million (down 12.9% year on year after adjustment)

Among the mainstay categories, video related products struggled as parts shortage problem prevented the Group from supplying sufficient products while events-related demand is on a recovery track in each country. Moreover, sales of new models for V-MODA brand products fell short of expectation.

(2) Analysis of consolidated financial position

Total assets at the end of the period under review on a consolidated basis increased by ¥9,970 million from the end of the previous fiscal year to ¥62,777 million. This is attributable primarily to increases in trade receivable of ¥2,942 million and inventories of ¥6,507 million.

Liabilities increased by ¥5,838 million from the end of the previous fiscal year to ¥29,989 million. This is attributable primarily to an increase in borrowings of ¥5,380 million.

Net assets increased by ¥4,132 million from the end of the previous fiscal year to ¥32,788 million. This is attributable mainly to the recognition of profit attributable to owners of parent of ¥3,927 million and an increase in foreign currency translation adjustment of ¥4,078 million due to the continued depreciation of yen against major currencies, which were partially offset by a ¥1,950 million increase in treasury shares, a deduction item from net assets, which reflects the repurchase of treasury shares, and a decrease in retained earnings of ¥1,929 million due to the payments of dividends.

As a result of the above, the equity ratio fell 2.0 percentage points from the end of the previous fiscal year to 51.8%.

(3) Cash flows for the six months ended June 30, 2022

During the period under review, cash and cash equivalents (“net cash”) decreased by ¥59 million (an increase of ¥664 million for the same period of the previous fiscal year) to ¥8,722 million at the end of the period.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥910 million (¥4,229 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 ¥443 million (¥229 million used for the same period of the previous fiscal year), which is attributable primarily to the capital outlay for the purchases of the property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥1,342 million (¥3,246 million used for the same period of the previous fiscal year), which is attributable primarily to an increase in short-term borrowings, although this increase was offset partially by the repurchase of treasury shares and the 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 ¥1,998 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 (June 30, 2022) (shares)	Number of issued shares as of filing date (August 9, 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	28,066,786	28,066,786	Tokyo Stock Exchange Prime Market	The number of shares constituting one unit is 100 shares.
Total	28,066,786	28,066,786	–	–

##### (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
April 1, 2022 through June 30, 2022	32,084	28,066,786	9	9,613	9	5,198

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



## (5) Major shareholders

As of June 30, 2022

Name	Address	Number of shares held (shares)	Shareholding ratio (excluding treasury shares) (%)
Taiyo Jupiter Holdings, L.P. (Standing proxy: SMBC Nikko Securities Inc.)	4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240 Grand Cayman KY1-1002 (Shin Marunouchi Building, 1-5-1, Marunouchi, Chiyoda-ku, Tokyo)	9,724,430	35.23
MINERVA GROWTH CAPITAL, LP (Standing proxy: SMBC Nikko Securities Inc.)	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, U.S.A. (Shin Marunouchi Building, 1-5-1, Marunouchi, Chiyoda-ku, Tokyo)	4,195,600	15.20
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	2,779,000	10.07
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	1,250,277	4.53
NORTHERN TRUST CO. (AVFC) RE UK UCITS CLIENTS NON LENDING 10PCT TREATY ACCOUNT (Standing proxy: Custody Service, Tokyo Branch, the Hongkong and Shanghai Banking Corporation Limited)	50 Bank Street, CanaryWharf, London, E14 5NT, UK (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	1,041,500	3.77
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS (Standing proxy: Custody Service, Tokyo Branch, the Hongkong and Shanghai Banking Corporation Limited)	50 Bank Street, CanaryWharf, London, E14 5NT, UK (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	1,021,774	3.70
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Custody Service, Tokyo Branch, the Hongkong and Shanghai Banking Corporation Limited)	One Lincoln Street, Boston, MA, USA 02111 (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	617,234	2.23
Jun-ichi Miki	Kita-ku, Hamamatsu-shi, Shizuoka	483,552	1.75
BBH FOR MATTHEWS JAPAN FUND (Standing proxy: MUFG Bank, Ltd.)	4 EMBARCADERO CTR STE 550 SAN FRANCISCO CALIFORNIA ZIP CODE: 94111 (Transaction Services Division, 2-7-1, Marunouchi, Chiyoda-ku, Tokyo, Japan)	379,500	1.37
Roland Employee Shareholding Association	2036-1 Nakagawa, Hosoe-cho, Kita-ku, Hamamatsu-shi, Shizuoka	365,220	1.32
Total	—	21,858,087	79.17

Notes: 1. In addition to the above, the Company holds treasury shares of 470,167 shares.

2. According to the Statement of Large-Volume Holdings (Change Report), which was made available for public inspection on April 22, 2022, the shares of the Company were held by FMR LLC, as of April 15, 2022 with the detail shown below. However, it is not included in the table above because the number of shares effectively held by the entity as of June 30, 2022 was not confirmed. The detail of the Statement of Large-Volume Holdings is as follows:

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
FMR LLC	245 Summer Street, Boston, Massachusetts 02210, USA	2,114,067	7.55

3. According to the Statement of Large-Volume Holdings (Change Report), which was made available for public inspection on May 11, 2022, the shares of the Company were held by Capital Research and Management Company, and its joint holders, namely Capital International Inc, Capital International Sarl, and Capital International KK, as of April 29, 2022 with the detail shown below. However, it is not included in the table above because the numbers of shares effectively held by these entities as of June 30, 2022 were not confirmed. The detail of the Statement of Large-Volume Holdings is as follows:

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
Capital Research and Management Company	333 South Hope Street, Los Angeles, CA 90071, U.S.A.	530,600	1.89
Capital International Inc	11100 Santa Monica Boulevard, 15th FL., Los Angeles, CA 90025, U.S.A.	102,600	0.37
Capital International Sarl	3 Place des Bergues, 1201 Geneva, Switzerland	105,500	0.38
Capital International K.K.	Meiji Yasuda Seimei Bldg. 14th Floor, 2-1-1, Marunouch, Chiyoda-ku, Tokyo	837,600	2.99
Total	—	1,576,300	5.62

4. According to the Statement of Large-Volume Holdings (Change Report), which was made available for public inspection on February 21, 2022, the shares of the Company were held by Jupiter Asset Management, Limited, as of February 15, 2022 with the detail shown below. However, it is not included in the table above because the number of shares effectively held by the entity as of June 30, 2022 was not confirmed. The detail of the Statement of Large-Volume Holdings is as follows:

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
Jupiter Asset Management, Limited	The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ, United Kingdom	1,408,200	5.03

(6) Voting rights  
1) Issued shares

As of June 30, 2022

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 470,100	—	—
Shares with full voting rights (other)	Common stock 27,591,600	275,916	The number of shares constituting one unit is 100 shares.
Share less than one unit	Common stock 5,086	—	—
Total number of issued shares	28,066,786	—	—
Voting rights held by all shareholders	—	275,916	—

- Notes: 1. “Shares with full voting rights (other)” of common stock includes 381,500 shares of the Company (3,815 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 77 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 67 treasury shares held by the Company.

2) Treasury shares

As of June 30, 2022

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	470,100	—	470,100	1.67
Total	—	470,100	—	470,100	1.67

- Notes: 1. In addition to the above, the Company holds treasury shares less than one unit of 67 shares.
2. 381,577 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.”

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

The Company’s quarterly consolidated financial statements for the current quarter (from April 1, 2022 to June 30, 2022) and for the six months ended June 30, 2022 (from January 1, 2022 to June 30, 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 June 30, 2022)
<b>Assets</b>		
Current assets:		
Cash and deposits	8,781	8,722
Notes and accounts receivable – trade	7,444	10,387
Merchandise and finished goods	15,508	19,941
Work in process	1,715	1,399
Raw materials and supplies	8,016	10,406
Other	1,470	1,624
Allowance for doubtful accounts	(313)	(303)
Total current assets	42,623	52,178
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	2,421	2,366
Land	1,626	1,650
Other, net	1,808	2,139
Total property, plant and equipment	5,857	6,156
Intangible assets	632	587
Investments and other assets:		
Investment securities	1,245	1,009
Other	2,549	2,956
Allowance for doubtful accounts	(101)	(110)
Total investments and other assets	3,693	3,854
Total non-current assets	10,183	10,598
Total assets	52,807	62,777

(Millions of yen)

	Previous fiscal year (As of December 31, 2021)	Current quarter (As of June 30, 2022)
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable – trade	6,391	7,718
Short-term borrowings	—	* 6,006
Current portion of long-term borrowings	1,252	1,252
Income taxes payable	360	387
Provision for bonuses	1,662	937
Provision for bonuses for directors (and other officers)	78	23
Provision for product warranties	373	426
Other	5,915	5,798
<b>Total current liabilities</b>	<b>16,033</b>	<b>22,550</b>
Non-current liabilities:		
Long-term borrowings	5,822	5,196
Provision for product warranties	1	1
Provision for share awards	262	247
Provision for share awards for directors (and other officers)	58	65
Retirement benefit liability	725	710
Asset retirement obligations	86	87
Other	1,160	1,129
<b>Total non-current liabilities</b>	<b>8,117</b>	<b>7,438</b>
<b>Total liabilities</b>	<b>24,150</b>	<b>29,989</b>
<b>Net assets</b>		
Shareholders' equity:		
Share capital	9,585	9,613
Capital surplus	163	191
Retained earnings	18,894	20,891
Treasury shares	(482)	(2,432)
<b>Total shareholders' equity</b>	<b>28,161</b>	<b>28,263</b>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	140	112
Foreign currency translation adjustment	(178)	3,899
Remeasurements of defined benefit plans	258	231
<b>Total accumulated other comprehensive income</b>	<b>219</b>	<b>4,242</b>
Share acquisition rights	115	95
Non-controlling interests	161	186
<b>Total net assets</b>	<b>28,656</b>	<b>32,788</b>
<b>Total liabilities and net assets</b>	<b>52,807</b>	<b>62,777</b>

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

## Quarterly consolidated statements of income

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Net sales	43,030	43,004
Cost of sales	22,704	25,452
Gross profit	20,326	17,551
Selling, general and administrative expenses	*1 12,480	*1 12,874
Operating profit	7,845	4,677
Non-operating income:		
Interest income	4	4
Dividend income	81	87
Subsidy income	51	108
Other	9	5
Total non-operating income	146	205
Non-operating expenses:		
Interest expenses	12	12
Sales discounts	392	—
Foreign exchange losses	98	69
Other	31	6
Total non-operating expenses	536	88
Ordinary profit	7,456	4,794
Extraordinary income:		
Gain on sale of non-current assets	372	2
Gain on liquidation of subsidiaries	—	*2 168
Total extraordinary income	372	171
Extraordinary losses:		
Loss on sale and retirement of non-current assets	6	4
Loss on competition law	149	—
Total extraordinary losses	156	4
Profit before income taxes	7,672	4,960
Income taxes – current	1,594	1,180
Income taxes – deferred	(103)	(150)
Total income taxes	1,491	1,029
Profit	6,181	3,931
Profit attributable to non-controlling interests	1	3
Profit attributable to owners of parent	6,179	3,927

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Profit	6,181	3,931
Other comprehensive income:		
Valuation difference on available-for-sale securities	90	(27)
Foreign currency translation adjustment	1,311	4,099
Remeasurements of defined benefit plans, net of tax	28	(26)
Total other comprehensive income	1,430	4,045
Comprehensive income	7,611	7,976
Comprehensive income attributable to:		
Owners of parent	7,599	7,950
Non-controlling interests	12	25



## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from operating activities:		
Profit before income taxes	7,672	4,960
Depreciation	793	813
Amortization of goodwill	2	2
Increase (decrease) in retirement benefit liability	1	(71)
Interest and dividend income	(85)	(92)
Interest expenses	12	12
Foreign exchange losses (gains)	84	58
Loss (gain) on sale and retirement of non-current assets	(366)	1
Loss (gain) on liquidation of subsidiaries	—	(168)
Decrease (increase) in trade receivables	(1,450)	(710)
Decrease (increase) in inventories	(351)	(2,033)
Increase (decrease) in trade payables	(881)	(1,388)
Other, net	167	(1,250)
Subtotal	5,599	133
Interest and dividends received	85	92
Interest paid	(11)	(12)
Income taxes paid	(1,443)	(1,123)
Net cash provided by (used in) operating activities	4,229	(910)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(746)	(554)
Proceeds from sale of property, plant and equipment	552	2
Purchase of intangible assets	(21)	(46)
Proceeds from collection of long-term loans receivable	18	4
Proceeds from liquidation of subsidiaries	—	140
Other, net	(32)	10
Net cash provided by (used in) investing activities	(229)	(443)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(140)	6,006
Proceeds from long-term borrowings	1,500	—
Repayments of long-term borrowings	(3,497)	(626)
Proceeds from issuance of shares	145	35
Proceeds from sale of treasury shares	61	66
Purchase of treasury shares	(121)	(2,000)
Dividends paid	(992)	(1,929)
Other, net	(202)	(209)
Net cash provided by (used in) financing activities	(3,246)	1,342
Effect of exchange rate change on cash and cash equivalents	(88)	(47)
Net increase (decrease) in cash and cash equivalents	664	(59)
Cash and cash equivalents at beginning of period	10,832	8,781
Cash and cash equivalents at end of period	* 11,497	* 8,722

## Notes to Quarterly Consolidated Financial Statements

### Changes in accounting policies

#### 1. 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 referred as 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 ¥437 million, which had no impact on ordinary profit and profit before income taxes since non-operating expenses also decreased by ¥437 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 fiscal 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).

#### 2. 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 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

\* Overdraft agreements and committed line of credit agreements with financial institutions

The Company has concluded overdraft agreements and committed line of credit agreements with its corresponding financial institution in order to finance working capital efficiently.

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

	Previous fiscal year (As of December 31, 2021)	Current quarter (As of June 30, 2022)
Overdraft limit and total committed line of credit	5,000	8,000
Outstanding balance of drawn facilities	—	6,000
Outstanding balance of undrawn facilities	5,000	2,000

### Quarterly consolidated statements of income

\*1. Major items of selling, general and administrative expenses and their amounts are as follows:

	Six months ended June 30, 2021	Six months ended June 30, 2022
Salaries and bonuses	6,428	6,811

\*2. Gain on liquidation of a subsidiary

The amount is attributable to liquidation of a non-consolidated subsidiary, Roland (Switzerland) AG.

### Quarterly consolidated statements of cash flows

\* 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)	
	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash and deposits	11,497	8,722
Cash and cash equivalents	11,497	8,722

### Shareholders' equity

For the six months ended June 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

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 accompanied by a record date in the reporting period and an effective date after the end of the reporting period

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

Note: 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 the trusts.

For the six months ended June 30, 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 accompanied by a record date in the reporting period and an effective date after the end of the reporting period

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date	Source of dividends
Board of Directors Meeting held on August 8, 2022	Common stock	2,152	78	June 30, 2022	September 9, 2022	Retained earnings

Note: The total amount of dividends paid based on the resolution at the Board of Directors Meeting held on August 8, 2022 includes dividends of ¥29 million paid to the Company's shares held by the trusts.

#### 3. Significant changes in shareholders' equity

The Company repurchased 469,900 treasury shares during the period under review based on the resolution resolved at the Board of Directors meeting held on February 10, 2022. As a result, its treasury shares increased by ¥1,999 million to ¥2,432 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)

	Six months ended June 30, 2022
Keyboards	13,761
Percussion and Wind Instruments	9,367
Guitar-related Products	10,712
Creation-related Products & Services	5,836
Video and Professional Audio	1,997
Other	1,328
Total	43,004

### Per share information

Basic and diluted earnings per share and basis for calculation of those figures are as follows:

(Millions of yen, unless otherwise stated)

	Six months ended June 30, 2021	Six months ended June 30, 2022
(1) Basic earnings per share	225.71 yen	143.08 yen
(Basis for calculation)		
Profit attributable to owners of parent	6,179	3,927
Profit not attributable to common shareholders	—	—
Profit attributable to common shareholders of parent	6,179	3,927
Average number of shares of common stock during the period (thousand shares)	27,379	27,448
(2) Diluted earnings per share	220.44 yen	140.80 yen
(Basis for calculation)		
Adjustment to profit attributable to owners of parent	—	—
Number of shares of common stock increased (thousand shares)	655	443
[of which number of share acquisition rights (thousand shares)]	(655)	(443)
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 six months ended June 30, 2021 and 2022 were 423,973 shares and 401,886 shares, respectively.

## 2. Other information

As to the interim dividend for the 51st fiscal year (January 1, 2022 through December 31, 2022), the Company resolved at the Board of Directors meeting held on August 8, 2022 to pay the interim dividends to its shareholders recorded on the Company's shareholder registry dated on June 30, 2022 as follows.

(1) Total amount of dividends	2,152 million yen
(2) Amount per share	78.00 yen
(3) Effective date for right to claim dividend payment and commencement date of dividend payment	September 9, 2022

**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

August 8, 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 June 30, 2022, the quarterly consolidated statements of income, comprehensive income, and cash flows for the six-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 June 30, 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 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	August 9, 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 second quarter of the 51st fiscal year (April 1, 2022 through June 30, 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.