Translation
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September 12 2022

Company: Roland Corporation
Representative: Gordon Raison, CEO & Representative Director
(Securities Code: 7944; TSE Prime)
Contact: Shunsuke Sugiura, CFO & Director
(Tel. +81-53-523-0230)

Notice Regarding the Acquisition of the Shares of Drum Workshop, Inc. (Consolidation as a Wholly Owned Subsidiary)

Roland Corporation ("Roland") hereby announces that our Board of Directors has resolved on September 12, 2022, that Roland Drum Corporation, a consolidated subsidiary of Roland, will acquire all the outstanding shares of Drum Workshop, Inc. (Headquartered in Oxnard, California, USA; "DW") and make it a wholly owned subsidiary (making it Roland's sub-subsidiary) and that we have executed a stock purchase agreement as follows. DW is a company that designs, manufactures, and sells drums and percussion products, hardware, and software.

1. Reason for the Acquisition of Shares

Building on the success of the recent V-Drums Acoustic Design ("VAD") series launch, Roland aims to further expand our drum business. To further advance our efforts to become the world leader in drums, we have determined that a partnership with DW will greatly contribute to acquiring a dominant position in the drum market and further our development opportunities. Drum Workshop has outstanding people, innovative product development capabilities, and world-class drum and percussion brands including DW Drums and Hardware, Pacific Drums and Percussion (PDP), Latin Percussion (LP), Gretsch Drums, and Slingerland. With the combination of the major brands in both electronic drums and acoustic drums, the partnership will endeavor to expand the global drum market.

<About Roland and DW>

- Roland is a global manufacturer of electronic musical instruments. We aim to spread the creative experience globally through innovative products and services based on our unchanged management philosophy since our founding: "1. Inspire the Enjoyment of Creativity," "2. Be the BEST Rather Than the BIGGEST," and "3. Cooperative Enthusiasm for All Stakeholders". In line with this philosophy, we will build a partnership with DW.

- DW is a 50-year-old manufacturer of drums and related hardware (drum stands, pedals, thrones, etc.) renowned for excellence and authenticity. DW provides best-in-class solutions for drummers and percussionists across all genres, skill levels, and price points inspiring creativity and musical passion around the world. With a strategy rooted in building products and solutions that improve the experience of drumming and a DNA rooted in education, the company has developed strong brands such as DW Drums and Hardware, PDP, LP, and Gretsch in more than 60 countries around the world and continues to be widely loved by many drummers.

<The strategic significance of this partnership for Roland and DW>

- For Roland:

  1. Innovation: Develop Game Changing Products

  Through joint development with DW, we aim to develop and globally launch innovative hybrid-drum products that combine acoustic and electronic technologies that have never been seen before. We will also work to expand our development in the service field through collaboration with DW's software, content, and service offerings.

  2. Reach and Reputation: Expanding our customer base

  The collaboration between the two companies is expected to significantly enhance our presence, brand awareness, and reputation in the drumming community and among acoustic drum users and artists that we have not been able to reach until now.

  3. IP and Capabilities: Talent, technology, and other business resources

  By integrating DW's talented human resources, expertise in hardware and technology, and operating resources such as production facilities and supply chain partnerships, we expect to significantly strengthen our product development and product deployment capabilities.

- For DW:

  In Product Development, DW receives strong R&D and technical support in the development of innovative new products. In Sales & Distribution, DW will be able to expand market share using our sales network. In Production, DW will have access to greater production capacity and obtain stable buying power for the procurement of components amid the current supply-chain challenges.

<Our business development policy behind this partnership>

Since its foundation, Roland in principle has developed its business as a manufacturer specializing in electronic musical instruments. This policy will remain unchanged in the future. As evidenced by the recent success of our VAD series of drums, we predict that the acoustic and electronic drum markets will rapidly become more borderless in the future. This is due to technological advances that have improved the status of electronic instruments and increased awareness of their effectiveness, which we see as an irreversible trend.

With our dominant share of the electronic drum market, to further develop our drum business in this industry trend, we need to aggressively approach the acoustic drum and hybrid-drum market. By adding Drum Workshop and their respective brands to our drum portfolio, integrating DW's product design resources, and driving innovation by Game Changers for the benefit of our drummer customers, we believe that we can further expand our drum business.

Drum Workshop's corporate culture of constant innovation, commitment to product development, and quality-first approach to manufacturing have much in common with ours. We are confident that this partnership will greatly contribute to the further development of both companies.

2. Outline of the subsidiary acquiring the shares

(1)	Name	Roland Drum Corporation
(2)	Address	Delaware, United States
(3)	Representative name	Shunsuke Sugiura
(4)	Principal business	Holding company
(5)	Capital stock	To be determined
(6)	Date Established	To be determined
(7)	Major shareholders and shareholding ratios	Roland Corporation 100.0%

(Note) Expected to be established in September 2022. All of the above items are current plans.

3. Outline of the sub-subsidiary to be transferred

(1)	Trade Name	Drum Workshop, Inc.	
(2)	Address	3450 Lunar Court, Oxnard, California 93030	
(3)	Representative name	Christopher D. Lombardi	
(4)	Principal business	Design, Manufacture, and Sale of Drum and Percussion products, hardware and software	
(5)	Capital stock	USD 21,090	
(6)	Date Established	January 19, 1976	
(7)	Major shareholders and shareholding ratios	Christopher D. Lombardi 59.51% Donald G. Lombardi 35.23% John Good 5.26%	
(8)	Relationships with the listed company	Capital	None in particular
		Personnel	None in particular
		Business	None in particular
(9)	Consolidated business results and financial condition of the company over the last three years (in USD)		

Fiscal Year (ended December)	2019	2020	2021
Consolidated net assets	6,185,610	7,229,762	12,612,691
Consolidated total assets	26,841,254	26,971,009	32,275,384
Consolidated net assets per share	293	342	598
Consolidated net sales	62,234,728	49,824,057	63,416,189
Consolidated operating profit	1,745,303	48,221	3,139,003
Consolidated ordinary profit	1,234,988	1,969,555	6,634,578
Consolidated net income	1,223,520	1,946,032	6,588,538
Consolidated net income per share	58	92	312
Dividends per share	36.48	42.76	57.16

4. Outline of the counterparty of the share acquisition

(1)-a	Name	Christopher D. Lombardi
(2)-a	Address	Camarillo, California U.S.A.
(3)-a	Relationships with the individual	None in particular
(1)-b	Name	Donald G. Lombardi

(2)-b	Address	Westlake Village, California U.S.A.
(3)-b	Relationships with the individual	None in particular
(1)-c	Name	John Good
(2)-c	Address	Thousand Oaks, California U.S.A.
(3)-c	Relationships with the individual	None in particular

5. Number of shares to be acquired, acquisition price and ownership of shares before and after the acquisition

(1)	Number of shares held before the acquisition	0 shares (number of voting rights: 0, equity ownership: 0.0%)
(2)	Number of shares to be acquired	21,090 shares (number of voting rights: 21,090)
(3)	Acquisition price	USD 65 million (cash-free and debt-free basis) Advisory Expenses or other (estimated): USD 1.8 million
(4)	Number of shares to be held after the acquisition	21,090 shares (number of voting rights: 21,090, equity ownership: 100%)

6. Schedule

(1)	Resolution of the Board of Directors	September 12, 2022
(2)	Contract date	September 12, 2022
(3)	Date of share acquisition	October 3, 2022 (planned)

7. Outlook

Drum Workshop, Inc. is scheduled to become a consolidated subsidiary of Roland on October 3, 2022, as a result of this acquisition. The company's consolidation as a subsidiary is expected to be reflected in our consolidated results from the fourth quarter of the current fiscal year. The impact on our consolidated business performance for the fiscal year ending December 31, 2022, is currently under review and will be announced as soon as there are any matters to be disclosed, but as stated in the Reason for the Acquisition of Shares, we believe that the acquisition will contribute to enhancing the corporate value of Roland over the medium to long term.