

Translation

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**Consolidated Financial Results  
for the Six Months Ended June 30, 2024  
(Under Japanese GAAP)**



August 7, 2024

Company name: Roland Corporation      Listing: Tokyo Stock Exchange  
 Security code: 7944      URL: <https://www.roland.com/global/>  
 Representative: Masahiro Minowa, CEO, CIO and Representative Director  
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 Scheduled date to file Semi-annual Securities Report (*Hanki Hokokusho*): August 8, 2024  
 Scheduled date to commence dividend payments: September 10, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Note) Amounts less than one million yen have been omitted.

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2024	46,705	1.3	4,428	4.0	3,811	(5.0)	3,694	15.6
June 30, 2023	46,096	7.2	4,256	(9.0)	4,012	(16.3)	3,195	(18.6)

Note: Comprehensive income

For the six months ended June 30, 2024      ¥8,302 million [44.9%]  
 For the six months ended June 30, 2023      ¥5,727 million [(28.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2024	134.05	132.84
June 30, 2023	116.97	115.47

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	83,768	46,219	54.8
December 31, 2023	80,969	40,114	49.2

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)

As of June 30, 2024: ¥45,911 million      As of December 31, 2023: ¥39,808 million

2. Dividends

	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
December 31, 2023	–	85.00	–	85.00	170.00
Fiscal year ending December 31, 2024	–	85.00			
Fiscal year ending December 31, 2024 (forecast)			–	85.00	170.00

Note: Revisions from the most recently announced dividends forecast: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2024 (from January 1 to December 31, 2024)

(Percentages indicate year-on-year changes.)

Fiscal year	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	99,900	(2.5)	11,400	(4.0)	11,300	1.3	8,500	4.3	308.37

Note: Revisions from the most recently announced forecast of consolidated financial results: None

[Notes]

- (1) Significant changes in scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements
  - 1) Changes in accounting policies due to the application of new or revised accounting standards: None
  - 2) Changes in accounting policies due to reasons other than the above 1): None
  - 3) Changes in accounting estimates: None
  - 4) Restatements of prior period financial statements: None

(4) Number of shares of common stock issued

- 1) Number of shares issued (including treasury shares)
  - As of June 30, 2024: 28,163,038 shares
  - As of December 31, 2023: 28,163,038 shares
- 2) Number of treasury shares
  - As of June 30, 2024: 520,792 shares
  - As of December 31, 2023: 722,886 shares
- 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
  - Six months ended June 30, 2024: 27,559,983 shares
  - Six months ended June 30, 2023: 27,317,576 shares

Note: 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 outstanding during the period. It is noted that the average numbers of shares outstanding held by these trusts during the six months ended June 30, 2023 and 2024 were 338,130 shares and 216,088 shares, respectively.

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* [Proper use of earnings forecasts and other special notes]

(Disclaimer with respect to earnings and other forecasts)

- The forward-looking statements including the earnings forecast contained in this document are based on information currently available and certain assumptions that are believed to be reasonable. Accordingly, please be advised that the Company does not guarantee the achievement of the forecasts and the actual results may differ from the results described in the forward-looking statements due to a variety of factors. For further information on the forecast of consolidated financial results, please refer to "Explanation of forward-looking information including consolidated earnings forecast" on page 3 of the Attached Materials.
- The Company will hold a financial results briefing for institutional investors and securities analysts on Thursday, August 8, 2024. Materials used at the financial results briefing will be posted on the Company's website.

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## 1. Qualitative Information on Semi-annual Consolidated Financial Results

### (1) Explanation of consolidated operating results

During the interim period ended June 30, 2024 (hereinafter the “period under review”), the global economic environment surrounding the Group remained uncertain due to geopolitical risks, such as the Russia-Ukraine and Israel-Palestine situations, persistently high prices and interest rates worldwide, the prolonged depreciation of the Japanese Yen, and economic stagnation in China.

Demand for electronic musical instruments was affected by a reactionary decline after stay-at-home demand as well as by rising prices in some product categories and regions. Meanwhile, the Company believes that the impacts of dealer inventory adjustments triggered by supply chain disruption during the COVID-19 pandemic, which were the main cause of the year-on-year decrease in revenue, have largely subsided during the period under review. Under such circumstances, the Company made active efforts to control SG&A expenses based on the assumption that the market uncertainty will continue for the time being, while working to develop demand-creating new products toward the peak demand period, i.e., the fourth quarter from October to December 2024.

As a result of the above, during the period under review, the Group recorded net sales of ¥46,705 million (up 1.3% year on year). In terms of profit, the Group recorded operating profit of ¥4,428 million (up 4.0% year on year), ordinary profit of ¥3,811 million (down 5.0% year on year), and profit attributable to owners of parent of ¥3,694 million (up 15.6% year on year).

Sales performance (year-on-year change) by mainstay category is as shown below:

**[Keyboards]** Net sales: ¥11,800 million (down 0.4% year on year)

Sales of electronic pianos were affected by rising prices and dealer inventory adjustments, as well as by decreased demand in China, despite the contribution of new products launched in the current fiscal year.

Meanwhile, sales of portable keyboards remained strong as a result of the market launch of new products.

**[Percussion and Wind Instruments]** Net sales: ¥13,871 million (up 4.5% year on year)

Sales of drums were affected by dealer inventory adjustments and a slowdown in demand for Sampling Pad series, which had been very strong in prior periods. On the other hand, actual sales of drum sets remained robust.

Sales of electronic wind instruments continued to struggle in medium- to low-end products due to new products launched in the market by competitors.

**[Guitar-related Products]** Net sales: ¥12,017 million (up 7.0% year on year)

As to guitar effects, demand for compact effects, our mainstay products, remained firm, despite the dealer inventory adjustments and a slowdown in demand for Looper series.

Sales of musical instruments amplifiers remained strong thanks to the contribution of new products lines launched in the current fiscal year.

**[Creation-related Products & Services]** Net sales: ¥5,884 million (down 4.4% year on year)

Regarding synthesizers, demand for 88-note stage piano-type products calmed down, although new products launched in the current fiscal year contributed to sales.

As to dance and DJ-related products, existing products showed signs of slowing down, although new product lines launched in the current fiscal year contributed to sales.

In the software and service domain, Roland Cloud continued to provide additional contents and new services to increase the LTV (Lifetime Value) of users, resulting in stable growth in membership.

**[Video and Professional Audio]** Net sales: ¥1,585 million (down 26.5% year on year)

Demand for video-related events recovered, and there was an increase in the demand for related products. However, sales were severely affected by a reactionary decline after the shipments of new products launched and backlogged orders made in the same period of the previous fiscal year.

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

### **(i) Assets, liabilities and net assets as of June 30, 2024**

Total assets at the end of the period under review on a consolidated basis increased by ¥2,799 million from the end of the previous fiscal year to ¥83,768 million. This is attributable primarily to increases in cash and deposits of ¥551 million with details described in cash flows in the next section, inventories of ¥2,616 million, and intangible assets of ¥1,382 million, partially offset by a decrease in trade receivables of ¥1,641 million.

Total liabilities decreased by ¥3,305 million from the end of the previous fiscal year to ¥37,549 million. This is attributable primarily to a decrease in borrowings of ¥3,496 million.

Net assets increased by ¥6,104 million from the end of the previous fiscal year to ¥46,219 million. This is attributable primarily to the recording of profit attributable to owners of parent of ¥3,694 million and an increase in foreign currency translation adjustment of ¥4,801 million due to the depreciation of the yen against major currencies, partially offset by a decrease in retained earnings of ¥2,356 million due to a declaration and payments of dividends.

As a result of the above, the equity ratio rose 5.6 percentage points from the end of the previous fiscal year to 54.8%.

### **(ii) Cash flows for the six months ended June 30, 2024**

During the period under review, cash and cash equivalents (“net cash”) increased by ¥551 million (a decrease by ¥512 million for the same period of the previous fiscal year) to ¥13,434 million at the end of the period.

#### *Cash flows from operating activities*

Net cash provided by operating activities amounted to ¥6,116 million (¥9,248 million provided for the same period of the previous fiscal year), which is attributable primarily to the recording of profit before income taxes and a decrease in working capital.

#### *Cash flows from investing activities*

Net cash provided by investing activities amounted to ¥245 million (¥1,123 million used for the same period of the previous fiscal year), which is attributable primarily to proceeds from sales of investment securities and businesses, partially offset by purchases of property, plant and equipment and intangible assets.

#### *Cash flows from financing activities*

Net cash used in financing activities amounted to ¥6,008 million (¥7,869 million used for the same period of the previous fiscal year), which is attributable primarily to repayments of borrowings and payments of dividends.

## **(3) Explanation of forward-looking information including consolidated earnings forecast**

There is no change in the consolidated financial result forecasts for the current fiscal year, which was announced on February 14, 2024. In the event of any changes, a new forecast will be disclosed in an appropriate manner.

## 2. Semi-annual consolidated financial statements and Major Notes

### (1) Semi-annual consolidated balance sheet

	(Millions of yen)	
	Previous fiscal year (As of December 31, 2023)	Semi-annual period (As of June 30, 2024)
Assets		
Current assets:		
Cash and deposits	12,883	13,434
Notes and accounts receivable - trade	13,805	12,163
Merchandise and finished goods	18,094	20,304
Work in process	1,443	1,869
Raw materials and supplies	10,606	10,587
Other	2,311	2,201
Allowance for doubtful accounts	(485)	(650)
Total current assets	58,659	59,911
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	3,934	3,803
Land	2,328	2,350
Other, net	3,699	3,784
Total property, plant and equipment	9,961	9,938
Intangible assets		
Goodwill	3,129	3,349
Other	3,110	4,273
Total intangible assets	6,240	7,623
Investments and other assets:		
Investment securities	1,107	717
Other	5,106	5,683
Allowance for doubtful accounts	(105)	(104)
Total investments and other assets	6,107	6,295
Total non-current assets	22,309	23,857
Total assets	80,969	83,768

(Millions of yen)

	Previous fiscal year (As of December 31, 2023)	Semi-annual period (As of June 30, 2024)
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable - trade	6,266	6,772
Short-term borrowings	4,300	2,000
Current portion of long-term borrowings	8,526	5,384
Income taxes payable	415	370
Provision for bonuses	852	953
Provision for bonuses for directors (and other officers)	39	2
Provision for product warranties	335	328
Other	7,305	7,030
Total current liabilities	28,041	22,841
Non-current liabilities:		
Long-term borrowings	10,056	12,002
Provision for share awards	252	236
Provision for share awards for directors (and other officers)	96	67
Retirement benefit liability	249	279
Asset retirement obligations	88	89
Other	2,069	2,033
Total non-current liabilities	12,812	14,708
Total liabilities	40,854	37,549
<b>Net assets</b>		
Shareholders' equity:		
Share capital	9,641	9,641
Capital surplus	124	-
Retained earnings	27,334	28,385
Treasury shares	(2,207)	(1,611)
Total shareholders' equity	34,892	36,415
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	153	39
Foreign currency translation adjustment	3,728	8,530
Remeasurements of defined benefit plans	1,032	926
Total accumulated other comprehensive income	4,915	9,496
Share acquisition rights	70	45
Non-controlling interests	235	262
Total net assets	40,114	46,219
Total liabilities and net assets	80,969	83,768

**(2) Semi-annual consolidated statement of income and consolidated statement of comprehensive income**

## Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	46,096	46,705
Cost of sales	26,323	26,522
Gross profit	19,772	20,183
Selling, general and administrative expenses	15,516	15,754
Operating profit	4,256	4,428
Non-operating income:		
Interest income	16	23
Dividend income	78	36
Subsidy income	61	–
Other	10	6
Total non-operating income	167	66
Non-operating expenses:		
Interest expenses	72	76
Foreign exchange losses	326	603
Other	11	4
Total non-operating expenses	411	683
Ordinary profit	4,012	3,811
Extraordinary income:		
Gain on sale of non-current assets	2	3
Gain on sale of investment securities	–	406
Gain on sale of businesses	–	297
Total extraordinary income	2	707
Extraordinary losses:		
Loss on sale and retirement of non-current assets	8	4
Extra retirement payments	–	158
Provision of allowance for doubtful accounts	–	156
Total extraordinary losses	8	319
Profit before income taxes	4,006	4,198
Income taxes - current	784	540
Income taxes - deferred	9	(37)
Total income taxes	794	502
Profit	3,211	3,695
Profit attributable to non-controlling interests	16	1
Profit attributable to owners of parent	3,195	3,694



## Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	3,211	3,695
Other comprehensive income:		
Valuation difference on available-for-sale securities	85	(114)
Foreign currency translation adjustment	2,468	4,827
Remeasurements of defined benefit plans, net of tax	(38)	(106)
Total other comprehensive income	2,515	4,606
Comprehensive income	5,727	8,302
Comprehensive income attributable to:		
Owners of parent	5,701	8,275
Non-controlling interests	26	26

**(3) Semi-annual consolidated statement of cash flows**

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities:		
Profit before income taxes	4,006	4,198
Depreciation	1,151	1,237
Amortization of goodwill	172	194
Increase (decrease) in retirement benefit liability	(94)	(190)
Interest and dividend income	(94)	(59)
Interest expenses	72	76
Foreign exchange losses (gains)	(433)	64
Loss (gain) on sale of investment securities	–	(406)
Loss (gain) on sale and retirement of non-current assets	6	0
Loss (gain) on sale of businesses	–	(297)
Decrease (increase) in trade receivables	4,073	4,351
Decrease (increase) in inventories	2,400	450
Increase (decrease) in trade payables	(348)	(1,260)
Other, net	(429)	(1,449)
Subtotal	10,482	6,908
Interest and dividends received	94	60
Interest paid	(75)	(76)
Income taxes paid	(1,253)	(776)
Net cash provided by (used in) operating activities	9,248	6,116
Cash flows from investing activities:		
Purchase of property, plant and equipment	(887)	(574)
Proceeds from sale of property, plant and equipment	9	20
Purchase of intangible assets	(141)	(512)
Proceeds from sale of investment securities	–	683
Proceeds from sale of businesses	–	632
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(50)	–
Other, net	(52)	(4)
Net cash provided by (used in) investing activities	(1,123)	245
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(15,041)	(2,300)
Proceeds from long-term borrowings	10,700	4,010
Repayments of long-term borrowings	(1,161)	(5,206)
Proceeds from issuance of shares	71	–
Proceeds from sale of treasury shares	92	284
Dividends paid	(2,152)	(2,356)
Other, net	(378)	(440)
Net cash provided by (used in) financing activities	(7,869)	(6,008)
Effect of exchange rate change on cash and cash equivalents	(724)	197
Net increase (decrease) in cash and cash equivalents	(468)	551
Cash and cash equivalents at beginning of period	10,506	12,883
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(43)	–
Cash and cash equivalents at end of period	9,993	13,434

**(4) Notes to semi-annual consolidated financial statements**

**(Going concern assumption)**

Not applicable

**(Significant changes in shareholders' equity)**

Not applicable