

Translation

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Consolidated Financial Results
for the Three Months Ended March 31, 2025
(Under Japanese GAAP)



May 13, 2025

Company name:	Roland Corporation	Listing:	Tokyo Stock Exchange
Security code:	7944	URL:	https://www.roland.com/global/
Representative:	Masahiro Minowa, CEO and Representative Director		
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Scheduled date to commence payment of dividends:	—		
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 three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(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	%
Three months ended March 31, 2025	22,543	2.1	1,442	(7.8)	1,343	19.6	1,835	87.1
March 31, 2024	22,083	(3.4)	1,564	(22.5)	1,122	(39.8)	980	(30.4)

Note: Comprehensive income

For the three months ended March 31, 2025: ¥(415) million [-%]

For the three months ended March 31, 2024: ¥3,165 million [80.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	67.65	67.29
March 31, 2024	35.63	35.28

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	80,264	38,196	47.3
December 31, 2024	81,586	46,682	56.8

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

As of March 31, 2025: ¥37,931 million

As of December 31, 2024: ¥46,374 million

2. Dividends

	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended December 31, 2024	Yen —	Yen 85.00	Yen —	Yen 85.00	Yen 170.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (forecast)		85.00	—	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, 2025 (from January 1, 2025 to December 31, 2025)
(Percentages indicate year-on-year changes.)

	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
First six months	—	—	—	—	—	—	—	—	—
Fiscal year	96,900	(2.5)	8,100	(18.6)	7,700	(8.5)	5,700	(4.6)	214.83
	~100,900	~1.5	~10,100	~1.5	~9,700	~15.3	~7,200	~20.5	~271.36

Note: Revisions from the most recently announced forecast of consolidated financial results: Yes

- * Forecast for the First six months was withdrawn, however, the fiscal year forecast has been revised to a range format.
For details, please refer to the press release titled “Notice of Revisions of Financial Results Forecasts” announced today (on May 13, 2025).

[Notes]

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly 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: Yes
 - 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 March 31, 2025: 28,163,038 shares
 - As of December 31, 2024: 28,163,038 shares
 - 2) Number of treasury shares
 - As of March 31, 2025: 1,877,971 shares
 - As of December 31, 2024: 513,193 shares
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
 - Three months ended March 31, 2025: 27,125,302 shares
 - Three months ended March 31, 2024: 27,518,189 shares

Note: The aggregate number of shares of the Company held by the Board Benefit Trust and Employee Stock Ownership Plan 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 three months ended March 31, 2024 and 2025 were 232,030 shares and 177,619 shares, respectively.

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* [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 this 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 Tuesday, May 13, 2025. Materials used at the financial results briefing will be posted on the Company’s website.

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of consolidated operating results

During the three months ended March 31, 2025 (hereinafter the “period under review”), the global economic environment surrounding the Group remained uncertain due to increased concerns over a potential economic slowdown induced by changes in the U.S. administration and policies, geopolitical risks that are rising across the world, and unstable currency fluctuations.

While the musical instruments market has continued to face a challenging situation, especially for acoustic piano, in the electronic musical instruments market where the Group operates, those that could be said COVID-19 aftereffects such as dealer inventory adjustments and a reactionary decline in demand, have shown signs of bottoming out. As a result, the Group’s actual sales results for the first quarter were almost in line with the initially expected figure. However, the situation in the European region remained uncertain partly due to the bankruptcy of some musical instruments dealers caused by intensifying competition among them. Surrounded by these circumstances, the Company made continuous efforts to make the Group’s brands and new product families more appealing to consumers by, for example, running a full-scale booth for the first time in the last five years at NAMM Show, the world’s largest trade show for musical instruments held in the United States in January 2025.

As a result of the above, during the period under review, the Group recorded net sales of ¥22,543 million (up 2.1% year on year). In terms of profit, the Group recorded operating profit of ¥1,442 million (down 7.8% year on year), ordinary profit of ¥1,343 million (up 19.6% year on year), and profit attributable to owners of parent of ¥1,835 million (up 87.1% year on year).

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

[Keyboards] Net sales: ¥5,819 million (up 6.6% year on year)

As to electronic pianos, although the situation remained challenging in China compared to the same period of the previous fiscal year, there were signs of gradual bottoming out. Meanwhile, sales in other major regions gradually recovered and remained firm.

Sales of portable keyboards remained robust thanks to the continued effects of new products launched in the previous fiscal year.

[Percussion and Wind Instruments] Net sales: ¥6,425 million (down 2.8% year on year)

As to drums, despite very strong demand for new flagship product lines released last year, sell-in fell slightly below the predicted figure due to the stockout of some products.

Although sales of electronic wind instruments continued to be adversely affected by competing products in China and low-end products, those of high-end products remained strong.

[Guitar-related Products] Net sales: ¥5,575 million (up 0.8% year on year)

While demand for guitar effects remained largely firm, sell-in fell slightly below the predicted figure partly due to the stockout of some products.

Regarding musical instruments amplifiers, although sales of new products released last year remained firm, boosted by booming demand, the entire sales were adversely affected by the stockout of some products as was the case with guitar effects.

[Creation-related Products & Services] Net sales: ¥3,247 million (up 8.0% year on year)

Sales of synthesizers remained very strong, contributed by new product lines launched in the previous and current fiscal years.

As to dance and DJ-related products, sales remained sluggish mainly due to a reactionary decline in the shipment of limited models released in the previous year and a decrease in demand for existing products.

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

[Video and Professional Audio] Net sales: ¥798 million (up 8.7% year on year)

Sales of video-related products remained firm, backed by a gradual recovery in demand for equipment.

(2) Explanation of consolidated financial position

(i) Assets, liabilities and net assets as of March 31, 2025

Total assets at the end of the period under review decreased by ¥1,321 million from the end of the previous fiscal year to ¥80,264 million. This is attributable primarily to decreases in trade receivables of ¥1,266 million, inventories of ¥1,980 million, and intangible assets of ¥471 million, respectively, partially offset by an increase in cash and deposits of ¥2,637 million with details described in cash flows in the next section.

Total liabilities increased by ¥7,164 million from the end of the previous fiscal year to ¥42,068 million. This is attributable primarily to an increase in borrowings of ¥8,202 million, partially offset by a decrease in accrued expenses of ¥780 million included in other under current liabilities.

Net assets decreased by ¥8,486 million from the end of the previous fiscal year to ¥38,196 million. This is attributable primarily to an increase in treasury shares, which is a contra account of net assets, of ¥5,206 million resulting mainly from the purchase of treasury shares, as well as to decreases in retained earnings of ¥2,366 million due to a declaration and payment of dividends and foreign currency translation adjustment of ¥2,125 million due to the appreciation trend of the yen against major currencies, respectively, partially offset by the recording of profit attributable to owners of parent of ¥1,835 million.

As a result of the above, the equity ratio decreased 9.6 percentage points from the end of the previous fiscal year to 47.3%.

(ii) Cash flows for the three months ended March 31, 2025

During the period under review, cash and cash equivalents (“net cash”) increased by ¥2,637 million (a decrease by ¥623 million for the same period of the previous fiscal year) to ¥17,116 million at the end of the period.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥3,894 million (¥3,229 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 used in investing activities amounted to ¥959 million (¥16 million used for the same period of the previous fiscal year), which is attributable primarily to the capital outlay for the purchases of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥97 million (¥3,603 million used for the same period of the previous fiscal year), which is attributable primarily to purchase of treasury shares and payments of dividends, partially offset by proceeds from long-term borrowings.

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

Considering the recent uncertainty surrounding the U.S. tariff policy, the consolidated financial result forecasts announced on February 13, 2025 have been revised. For details, please refer to “Notice of Revisions of Financial Results Forecasts” published today (May 13, 2025).

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of December 31, 2024)	Current quarter (As of March 31, 2025)
Assets		
Current assets:		
Cash and deposits	14,478	17,116
Notes and accounts receivable – trade	12,538	11,272
Merchandise and finished goods	19,076	17,293
Work in process	1,462	1,654
Raw materials and supplies	8,608	8,218
Other	2,564	1,994
Allowance for doubtful accounts	(736)	(650)
Total current assets	57,993	56,899
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	3,337	3,237
Land	2,324	2,314
Other, net	3,903	4,341
Total property, plant and equipment	9,566	9,893
Intangible assets		
Goodwill	3,087	2,822
Other	4,358	4,150
Total intangible assets	7,445	6,973
Investments and other assets:		
Investment securities	724	683
Other	5,947	5,905
Allowance for doubtful accounts	(90)	(91)
Total investments and other assets	6,581	6,496
Total non-current assets	23,592	23,364
Total assets	81,586	80,264

	(Millions of yen)	
	Previous fiscal year (As of December 31, 2024)	Current quarter (As of March 31, 2025)
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	4,730	5,443
Short-term borrowings	5,300	6,200
Current portion of long-term borrowings	2,358	2,575
Income taxes payable	331	284
Provision for bonuses	739	504
Provision for bonuses for directors (and other officers)	17	9
Provision for product warranties	330	324
Other	7,278	6,270
Total current liabilities	21,085	21,613
Non-current liabilities:		
Long-term borrowings	10,832	17,917
Provision for share awards	243	248
Provision for share awards for directors (and other officers)	73	42
Retirement benefit liability	264	257
Asset retirement obligations	89	89
Other	2,313	1,899
Total non-current liabilities	13,818	20,454
Total liabilities	34,903	42,068
Net assets		
Shareholders' equity:		
Share capital	9,641	9,641
Retained earnings	28,300	27,299
Treasury shares	(1,604)	(6,811)
Total shareholders' equity	36,337	30,129
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	36	26
Foreign currency translation adjustment	8,422	6,296
Remeasurements of defined benefit plans	1,579	1,478
Total accumulated other comprehensive income	10,037	7,802
Share acquisition rights	45	16
Non-controlling interests	262	247
Total net assets	46,682	38,196
Total liabilities and net assets	81,586	80,264

(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, 2024	Three months ended March 31, 2025
Net sales	22,083	22,543
Cost of sales	12,691	12,983
Gross profit	9,392	9,559
Selling, general and administrative expenses	7,827	8,117
Operating profit	1,564	1,442
Non-operating income:		
Interest income	14	9
Miscellaneous income	0	35
Other	1	1
Total non-operating income	17	46
Non-operating expenses:		
Interest expenses	36	39
Foreign exchange losses	420	104
Other	2	2
Total non-operating expenses	459	145
Ordinary profit	1,122	1,343
Extraordinary income:		
Gain on sale of non-current assets	2	—
Gain on sale of businesses	297	—
Total extraordinary income	299	—
Extraordinary losses:		
Loss on sale and retirement of non-current assets	1	1
Loss on liquidation of subsidiaries	—	11
Extra retirement payments	158	11
Total extraordinary losses	160	24
Profit before income taxes	1,262	1,319
Income taxes – current	139	(46)
Income taxes – deferred	148	(467)
Total income taxes	287	(514)
Profit	975	1,833
Loss attributable to non-controlling interests	(5)	(1)
Profit attributable to owners of parent	980	1,835

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	975	1,833
Other comprehensive income:		
Valuation difference on available-for-sale securities	164	(9)
Foreign currency translation adjustment	2,079	(2,138)
Remeasurements of defined benefit plans, net of tax	(53)	(100)
Total other comprehensive income	2,190	(2,248)
Comprehensive income	3,165	(415)
Comprehensive income attributable to:		
Owners of parent	3,160	(400)
Non-controlling interests	5	(14)

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Cash flows from operating activities:		
Profit before income taxes	1,262	1,319
Depreciation	609	658
Amortization of goodwill	94	97
Increase (decrease) in retirement benefit liability	(96)	(148)
Interest and dividend income	(14)	(9)
Interest expenses	36	39
Foreign exchange losses (gains)	(42)	189
Loss (gain) on sale and retirement of non-current assets	(1)	1
Loss (gain) on liquidation of subsidiaries	–	11
Loss (gain) on sale of businesses	(297)	–
Decrease (increase) in trade receivables	4,040	34
Decrease (increase) in inventories	273	772
Increase (decrease) in trade payables	(885)	1,292
Other, net	(1,441)	(273)
Subtotal	3,538	3,983
Interest and dividends received	15	9
Interest paid	(36)	(39)
Income taxes paid	(288)	(59)
Net cash provided by (used in) operating activities	3,229	3,894
Cash flows from investing activities:		
Purchase of property, plant and equipment	(238)	(830)
Proceeds from sale of property, plant and equipment	2	8
Purchase of intangible assets	(406)	(120)
Proceeds from sale of businesses	632	–
Other, net	(5)	(17)
Net cash provided by (used in) investing activities	(16)	(959)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(700)	900
Proceeds from long-term borrowings	4,010	7,900
Repayments of long-term borrowings	(4,608)	(598)
Purchase of treasury shares	–	(5,799)
Proceeds from sale of treasury shares	238	51
Dividends paid	(2,333)	(2,340)
Other, net	(210)	(210)
Net cash provided by (used in) financing activities	(3,603)	(97)
Effect of exchange rate change on cash and cash equivalents	(232)	(200)
Net increase (decrease) in cash and cash equivalents	(623)	2,637
Cash and cash equivalents at beginning of period	12,883	14,478
Cash and cash equivalents at end of period	12,259	17,116

(4) Notes to quarterly consolidated financial statements

(Going concern assumption)

Not applicable

(Significant changes in shareholders' equity)

The Company repurchased 1,518,300 treasury shares during the period under review based on the resolution passed at the Board of Directors meeting held on February 13, 2025. As a result, its treasury shares increased by ¥5,799 million to ¥6,811 million as of the end of the period under review.

(Changes in accounting policies)

(Application of *Accounting Standard for Current Income Taxes* and other standards)

The Company has applied the *Accounting Standard for Current Income Taxes* (ASBJ Statement No. 27, October 28, 2022; hereinafter the "Revised Accounting Standard 2022") and other standards since the beginning of the period under review.

As to the revisions to the classification for recording current income taxes (taxation on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2(2) of the *Guidance on Accounting Standard for Tax Effect Accounting* (ASBJ Guidance No. 28, October 28, 2022; hereinafter the "Revised Guidance 2022"). Note that this change in accounting policies has no impact on the quarterly consolidated financial statements.

In addition, for the revisions related to changes in the accounting treatment in consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 since the beginning of the period under review. As this change in accounting policies was applied retrospectively, the quarterly consolidated financial statements for the three months ended March 31, 2024 and the consolidated financial statements for the fiscal year ended December 31, 2024 have been restated retrospectively. Note that this change in accounting policies has no impact on the quarterly consolidated financial statements for the three months ended March 31, 2024 and the consolidated financial statements for the fiscal year ended December 31, 2024.

(Segment information, etc.)

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

(Per share information)

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

(Millions of yen, unless otherwise stated)

	Three months ended March 31, 2024	Three months ended March 31, 2025
(1) Basic earnings per share	35.63 yen	67.65 yen
(Basis for calculation)		
Profit attributable to owners of parent	980	1,835
Profit not attributable to common shareholders	—	—
Profit attributable to common shareholders of parent	980	1,835
Average number of shares outstanding during the period (Thousand shares)	27,518	27,125
(2) Diluted earnings per share	35.28 yen	67.29 yen
(Basis for calculation)		
Adjustment to profit attributable to owners of parent	—	—
Number of shares of common stock increased (Thousand shares)	276	145
[of which number of share acquisition rights (Thousand shares)]	[276]	[145]
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 and Employee Stock Ownership Plan 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. The average numbers of shares outstanding held by these trusts during the three months ended March 31, 2024 and 2025 were 232,030 shares and 177,619 shares, respectively.

(Subsequent events)

(Cancellation of treasury shares)

At the Board of Directors meeting held on April 23, 2025, the Company resolved the cancellation of a portion of the Company's treasury shares pursuant to Article 178 of the Companies Act of Japan and it cancelled its treasury shares as described below.

1. Class of shares canceled	Common shares of the Company
2. Total number of shares canceled	1,582,379 shares (5.62% of the total number of shares issued prior to the cancellation)
3. Cancellation date	April 30, 2025
4. Total number of issued shares after the cancellation	26,580,659 shares