

Translation

Note: This is an English translation of the original Japanese version and is provided for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the Japanese version shall prevail.



**Consolidated Financial Results
for the Fiscal Year Ended December 31, 2025
(Under Japanese GAAP)**



February 13, 2026

Company name:	Roland Corporation	Listing:	Tokyo Stock Exchange
Security code:	7944	URL:	https://www.roland.com/global/
Representative:	Masahiro Minowa, CEO and Representative Director		
Contact:	Yuichi Hakamata, CFO and Executive Officer		
Phone:	+81-53-523-0230		
Scheduled date to hold ordinary general meeting of shareholders:		March 26, 2026	
Scheduled date to commence payment of dividends:		March 27, 2026	
Scheduled date to file Annual Securities Report (<i>Yukashoken Hokokusho</i>):		March 5, 2026	
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 fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	100,952	1.5	9,412	(5.4)	9,022	7.3	2,168	(63.7)
December 31, 2024	99,433	(2.9)	9,951	(16.2)	8,411	(24.6)	5,976	(26.7)

Note: Comprehensive income

For the fiscal year ended December 31, 2025: ¥4,968 million [(55.4)%]

For the fiscal year ended December 31, 2024: ¥11,136 million [3.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	81.69	81.54	5.0	10.9	9.3
December 31, 2024	216.49	214.76	13.9	10.3	10.0

Reference: Share of profit or loss of entities accounted for using equity method

For the fiscal year ended December 31, 2025: –

For the fiscal year ended December 31, 2024: –

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	83,477	41,364	49.2	1,557.62
December 31, 2024	81,586	46,682	56.8	1,677.22

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

As of December 31, 2025: ¥41,078 million As of December 31, 2024: ¥46,374 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	13,699	(6,439)	(7,417)	15,876
December 31, 2024	11,717	(1,193)	(9,658)	14,478

2. Dividends

	Annual dividend per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	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	Millions of yen 4,732	% 79.2	% 10.9
December 31, 2025	—	85.00	—	85.00	170.00	4,509	208.0	10.5
Fiscal year ending December 31, 2026 (forecast)	—	85.00	—	85.00	170.00		62.7	

Note: The total dividends include the dividends paid to the Board Benefit Trust and Employee Stock Ownership Plan Trust (¥32 million and ¥29 million for the fiscal years ended December 31, 2024 and 2025, respectively). The dividend payout ratio is calculated by dividing the total dividends by profit attributable to owners of parent.

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026) (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	49,500	8.1	3,900	2.0	3,700	0.3	3,000	(23.4)	114.03
Fiscal year	106,400	5.4	10,000	6.2	9,600	6.4	7,200	232.1	273.24

[Notes]

- (1) Significant changes in the scope of consolidation during the period: None
- (2) 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
- (3) Number of shares of common stock issued
 - 1) Number of shares issued (including treasury shares)
 - As of December 31, 2025: 26,580,659 shares
 - As of December 31, 2024: 28,163,038 shares
 - 2) Number of treasury shares
 - As of December 31, 2025: 208,367 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)
 - Fiscal year ended December 31, 2025: 26,539,677 shares
 - Fiscal year ended December 31, 2024: 27,603,767 shares

Notes: 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 of common stock during the period. The average numbers of shares outstanding held by these trusts during the fiscal years ended December 31, 2024 and 2025 were 202,854 shares and 173,818 shares, respectively.

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentage indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2025	30,412	1.0	2,380	(3.3)	8,041	1.8	184	(97.5)
December 31, 2024	30,110	(11.7)	2,462	(60.8)	7,899	13.7	7,436	45.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended December 31, 2025	6.95	6.94
December 31, 2024	269.40	267.24

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2025	55,266	18,819	34.1	713.61
December 31, 2024	61,418	28,920	47.0	1,044.33

Reference: Equity (Shareholders' equity + Valuation and translation adjustments)

As of December 31, 2025: ¥18,819 million As of December 31, 2024: ¥28,875 million

* Financial results reports are not subject to review 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 on certain assumptions deemed reasonable. Accordingly, please be advised that Roland Corporation (the "Company") does not guarantee the achievement of these forecasts, and the actual results may differ from those described in this forward-looking statements due to various factors. For further information regarding the consolidated earnings forecast, please refer to "1. Overview of Operating Results, etc. (1) Overview of operating results for the fiscal year ended December 31, 2025 (ii) Future outlook" on page 3 of the Attached Materials.
- The Company will hold a financial results briefing for institutional investors and securities analysts on Friday, February 13, 2026. The materials used in the briefing will be available on the Company's website.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year ended December 31, 2025

(i) Operating results for the fiscal year ended December 31, 2025

During the fiscal year ended December 31, 2025 (hereinafter referred to as the “period under review”), the global economic environment surrounding the Roland Group (the “Group) remained highly uncertain due to turmoil stemming from the U.S. tariff policies, rising geopolitical risks worldwide and unstable currency fluctuations.

In the electronic musical instruments market where the Group operates, an overall recovery trend was observed as the post-pandemic pullback from the COVID-19-related surge in demand and inventory adjustments by retailers had largely bottomed out. In the United States, our key market, demand remained strong despite various concerns. Meanwhile, in the Chinese market, which had continued to face sluggish conditions, demand for our product offerings began to recover. In Europe, demand softened partly due to intensified competition among musical instrument retailers, including some bankruptcies. However, emerging market, where the Group’s presence is expected to expand, continued to perform favorably.

On the other hand, significant changes in the U.S. tariff policies have brought to light new challenges in areas such as supply chains and costs. To mitigate the tariff impacts, the Company conducted a zero-based cost review, promptly adjusted prices in key countries, and optimized production sites. Along with improvements in the product mix, these measures largely offset the impact.

Amid such significant external changes, the Company acted swiftly by implementing optimal measures while, in the final year of its Medium-term Business Plan, also focused on four key initiatives: (1) Create demand, (2) Expand market share, (3) Increase Lifetime Value (LTV), and (4) Strengthen foundation.

Regarding “Create demand,” on top of strengthening our existing product lineup and refreshing our key product lines, we focused on creating new markets. Building on the momentum of the next-generation V-Drums, which began with the high-end electronic drum V-Drums 7 Series launched in the previous fiscal year, we released the mid-range models V-Drums 5 Series and V-Drums 3 Series. Moreover, we launched the TR-1000, a modern version of the TR Series rhythm machines originally released mainly in the 1980s and now regarded as legendary products. Featuring both a newly developed digital sound engine and a newly developed analog sound engine—the first of its kind in approximately 40 years in Roland’s history – the TR-1000 represents a significant technological advancement. In addition, the Company introduced the Aerophone Brisa, a flute-type electronic wind instrument in the new format, aiming to enhance brand awareness and attract new users in the wind instrument market, where digitalization is expected to expand.

Regarding “Expand market share,” we released software update for the GO:KEYS Series, launched in the previous fiscal year, as a foothold for re-entering the portable keyboard market, aiming to enhance product appeal and market penetration.

Meanwhile, in emerging markets, we focused on strengthening our sales structure, particularly in India, Indonesia, and Central and South America, where the purchasing power of the middle class continues to grow alongside population increases. In terms of products, dedicated models were also launched for these regions.

Furthermore, sales at both directly operated Roland Store in major cities worldwide and expanding Store in Store networks, mainly in emerging countries, remained strong, even though new stores were opened only in carefully selected locations in consideration of the market conditions.

Regarding “Increase LTV,” we continuously released new services and sound content for Roland Cloud, as well as apps designed to enhance long-term product enjoyment. The new V-Drums series features a built-in wireless LAN, enabling smoother sound expansion via Roland Cloud.

Regarding “Strengthen foundation,” in addition to the stable operation of SAP S/4HANA, the new ERP system introduced in the previous fiscal year, the Company automated demand forecasting and production planning based on this system during the period under review. This has enabled more flexible and rapid reflection of market condition in ordering and production. Furthermore, in October 2025, the new headquarters building, Roland Inspiration Hub, was completed in Hamamatsu City. By integrating functions that had previously been scattered throughout the city – including research and development, production divisions and administrative divisions - the new headquarters provides an environment where employees can work creatively while generating new ideas collaboratively.

As a result of the above, during the period under review, the Group recorded net sales of ¥100,952 million (up 1.5% year on year). In terms of profit, the Group recorded operating profit of ¥9,412 million (down 5.4% year on year) and ordinary profit of ¥9,022 million (up 7.3% year on year). Profit attributable to owners of parent amounted to ¥2,168 million (down 63.7% year on year),

mainly due to recording an impairment loss at a consolidated subsidiary in the fourth quarter. For details, please refer to “Notice Concerning the Differences between Consolidated Financial Forecasts and Actual Results for the Fiscal Year Ended December 31, 2025, Recognition of Impairment Loss, Reversal of Deferred Tax Assets and Loss on Valuation of Shares of Subsidiary (Non-Consolidated)” announced today (February 13, 2026).

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

[Keyboards] Net sales: ¥27,223 million (up 1.3% year on year)

As to electronic pianos, signs of recovery were observed in China, where sales have been struggling. In other major regions, sales of portable models remained robust, while sales of mid-sized models were slightly weak.

Sales of portable keyboards remained strong, supported by new products launched in the previous and current fiscal years.

[Percussion and Wind Instruments] Net sales: ¥29,364 million (up 2.7% year on year)

For electronic drums, the core new product lines launched in the previous and current fiscal years significantly contributed to the very strong performance. Meanwhile, sales of acoustic drums struggled to grow, mainly due to production-related impacts stemming from the U.S. tariff policies and inflationary pressures.

In electronic wind instruments, while the launch of a new flute-type model provided a positive boost, sales were negatively impacted by weaker demand and intensified competition in China, the mainstay market.

[Guitar-related Products] Net sales: ¥25,149 million (up 0.6% year on year)

Sales of guitar effects remained strong, supported by the reduction of order backlogs, contributions from new product lines, and solid demand for long-selling products.

As for musical instrument amplifiers, the key models that underwent updates in the second quarter of the previous fiscal year performed well, although demand declined for product lines optimized for outdoor use.

[Creation-related Products & Services] Net sales: ¥13,060 million (up 3.4% year on year)

Sales of synthesizers remained very strong, supported by new product launches in the previous and current fiscal years.

As for dance and DJ-related products, while demand for existing products declined mainly in Europe, the new high-end product launched in the fourth quarter of the current fiscal year performed very strongly.

In software and service domain, in order to enhance users’ LTV (Lifetime Value), the Company continuously provided new content via Roland Cloud and external channels, which contributed to performance exceeding the plan.

[Video and Professional Audio] Net sales: ¥3,057 million (down 4.4% year on year)

Sales of video-related products benefited from new products launched in the previous fiscal year, but overall sales moderated as demand for livestreaming normalized.

For details of sales performance by region, please refer to the Financial Results Highlights posted on the Company’s IR website.
<https://ir.roland.com/en/ir.html>

(ii) Future outlook

Regarding the consolidated financial forecasts for the fiscal year ending December 31, 2026, we expect net sales of ¥106,400 million (up 5.4% year on year), operating profit of ¥10,000 million (up 6.2% year on year), ordinary profit of ¥9,600 million (up 6.4% year on year), and profit attributable to owners of parent of ¥7,200 million (up 232.1% year on year).

The forward-looking statements in this document, which are based on projections and plans concerning the future, involve risks and uncertainties, and actual results or performance may differ materially from the outlook presented herein.

(2) Overview of financial position for the fiscal year ended December 31, 2025

(i) Assets as of December 31, 2025

Total assets as of December 31, 2025 increased by ¥1,891 million from the end of the previous fiscal year to ¥83,477 million. This is attributable primarily to increases in cash and deposits of ¥1,397 million with details described in the following cash flows

section, property, plant and equipment of ¥4,668 million and retirement benefit asset of ¥2,566 million, partially offset by a decrease in inventories of ¥1,826 million and intangible assets of ¥4,418 million, respectively.

Total liabilities increased by ¥7,209 million from the end of the previous fiscal year to ¥42,113 million. This is primarily attributable to increases in trade payables of ¥2,110 million, borrowings of ¥3,669 million, accrued expenses of ¥524 million and deferred tax liabilities of ¥607 million.

Net assets decreased by ¥5,318 million from the end of the previous fiscal year to ¥41,364 million. This is primarily attributable to a decrease in retained earnings of ¥11,503 million, mainly due to the cancellation of treasury shares and the declaration and payment of dividends, partially offset by a decrease in treasury shares (a contra account of net assets) of ¥1,262 million mainly resulting from the cancellation of treasury shares, and by increases in foreign currency translation adjustment of ¥1,423 million caused by the depreciation of the yen against major currencies and remeasurements of defined benefit plans of ¥1,351 million, as well as by profit attributable to owners of parent amounting to ¥2,168 million.

As a result of the above, the equity ratio decreased by 7.6 percentage points from the end of the previous fiscal year to 49.2%.

(ii) Cash flows for the fiscal year ended December 31, 2025

During the period under review, cash and cash equivalents ("net cash") increased by ¥1,397 million (an increase by ¥1,595 million for the same period of the previous fiscal year) to ¥15,876 million at the end of the period.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥13,699 million (¥11,717 million provided for the same period of the previous fiscal year), which is primarily attributable 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 ¥6,439 million (¥1,193 million used for the same period of the previous fiscal year), which is primarily attributable to the capital outlay for the purchase of property, plant and equipment and intangible assets.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥7,417 million (¥9,658 million used for the same period of the previous fiscal year), which is primarily attributable to purchase of treasury shares and dividends paid, partially offset by proceeds from long-term borrowings.

(3) Basic policy for profit distribution and dividends for the fiscal year ending December 31, 2026

The Company aims to achieve sustainable growth of its corporate value while building empathy with all stakeholders through the maximization of added value created from business activities and appropriate distribution thereof.

The Company targets to achieve a cumulative consolidated total return ratio of 50% over the three-year period of the Medium-term Business Plan while making sustainable and stable dividend payments, by purchasing treasury shares in consideration of stock market trends and capital efficiency, while also targeting a minimum DOE (dividend on equity) of 5.0% even when necessary funds are required for growth investments.

Given the above policy and financial standing of the Company, a fiscal year-end dividend of ¥85 per share (annual dividend of ¥170 per share, which includes an interim dividend of ¥85 per share) will be paid for the fiscal year ended December 31, 2025. For the fiscal year ending December 31, 2026, an annual dividend of ¥170 per share (consisting of an interim dividend of ¥85 per share and a fiscal year-end dividend of ¥85 per share) is anticipated.

2. Basic Approach to Selection of Accounting Standards

The Group prepares the consolidated financial statements in accordance with generally accepted accounting principles in Japan (Japanese GAAP). The Group will work on the adoption of the International Financial Reporting Standards (IFRS) in an appropriate manner, taking into consideration various domestic and international circumstances.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Assets		
Current assets:		
Cash and deposits	14,478	15,876
Notes receivable – trade	–	2
Accounts receivable – trade	12,538	13,351
Merchandise and finished goods	19,076	18,829
Work in process	1,462	1,438
Raw materials and supplies	8,608	7,052
Other	2,564	2,972
Allowance for doubtful accounts	(736)	(728)
Total current assets	<u>57,993</u>	<u>58,795</u>
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	12,899	19,601
Accumulated depreciation	(9,562)	(10,047)
Buildings and structures, net	<u>3,337</u>	<u>9,553</u>
Machinery, equipment and vehicles	2,222	2,473
Accumulated depreciation	(1,561)	(1,836)
Machinery, equipment and vehicles, net	<u>661</u>	<u>636</u>
Tools, furniture and fixtures	8,745	9,200
Accumulated depreciation	(7,028)	(7,592)
Tools, furniture and fixtures, net	<u>1,716</u>	<u>1,607</u>
Land	2,324	2,338
Construction in progress	1,525	98
Total property, plant and equipment	<u>9,566</u>	<u>14,234</u>
Intangible assets		
Goodwill	3,087	2
Other	4,358	3,024
Total intangible assets	<u>7,445</u>	<u>3,026</u>
Investments and other assets:		
Investment securities	724	759
Retirement benefit asset	2,061	4,628
Deferred tax assets	3,207	1,422
Other	677	709
Allowance for doubtful accounts	(90)	(99)
Total investments and other assets	<u>6,581</u>	<u>7,420</u>
Total non-current assets	<u>23,592</u>	<u>24,681</u>
Total assets	<u>81,586</u>	<u>83,477</u>

(Millions of yen)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	4,730	6,841
Short-term borrowings	5,300	1,100
Current portion of long-term borrowings	2,358	2,570
Lease obligations	715	707
Accrued expenses	3,594	4,119
Income taxes payable	331	411
Provision for bonuses	739	879
Provision for bonuses for directors (and other officers)	17	22
Provision for product warranties	330	411
Other	2,967	3,107
Total current liabilities	21,085	20,170
Non-current liabilities:		
Long-term borrowings	10,832	18,490
Lease obligations	1,237	1,170
Deferred tax liabilities	421	1,028
Provision for share awards	243	248
Provision for share awards for directors (and other officers)	73	47
Retirement benefit liability	264	280
Asset retirement obligations	89	100
Other	655	576
Total non-current liabilities	13,818	21,942
Total liabilities	34,903	42,113
Net assets		
Shareholders' equity:		
Share capital	9,641	9,641
Retained earnings	28,300	18,965
Treasury shares	(1,604)	(342)
Total shareholders' equity	36,337	28,264
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	36	37
Foreign currency translation adjustment	8,422	9,845
Remeasurements of defined benefit plans	1,579	2,930
Total accumulated other comprehensive income	10,037	12,813
Share acquisition rights	45	–
Non-controlling interests	262	286
Total net assets	46,682	41,364
Total liabilities and net assets	81,586	83,477

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

	(Millions of yen)	
	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Net sales	99,433	100,952
Cost of sales	56,862	58,307
Gross profit	42,571	42,644
Selling, general and administrative expenses	32,619	33,231
Operating profit	9,951	9,412
Non-operating income:		
Interest income	46	41
Dividend income	36	36
Subsidy income	25	–
Miscellaneous income	4	111
Other	7	6
Total non-operating income	119	195
Non-operating expenses:		
Interest expenses	153	258
Foreign exchange losses	1,496	316
Other	9	10
Total non-operating expenses	1,659	585
Ordinary profit	8,411	9,022
Extraordinary income:		
Gain on sale of non-current assets	9	0
Gain on sale of investment securities	406	–
Gain on sale of businesses	297	–
Settlement income	–	361
Total extraordinary income	712	362
Extraordinary losses:		
Loss on sale and retirement of non-current assets	16	70
Impairment losses	–	3,860
Loss on liquidation of subsidiaries	–	11
Extra retirement payments	169	171
Provision of allowance for doubtful accounts	156	–
Total extraordinary losses	342	4,112
Profit before income taxes	8,782	5,272
Income taxes – current	1,935	1,365
Income taxes – deferred	852	1,724
Total income taxes	2,788	3,089
Profit	5,993	2,182
Profit attributable to non-controlling interests	17	14
Profit attributable to owners of parent	5,976	2,168

Consolidated statements of comprehensive income

(Millions of yen)

	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Profit	5,993	2,182
Other comprehensive income:		
Valuation difference on available-for-sale securities	(117)	0
Foreign currency translation adjustment	4,714	1,433
Remeasurements of defined benefit plans, net of tax	546	1,351
Total other comprehensive income	5,143	2,785
Comprehensive income	11,136	4,968
Comprehensive income attributable to:		
Owners of parent	11,098	4,944
Non-controlling interests	38	24

(3) Consolidated statements of changes in equity

Previous fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance as of January 1, 2024	9,641	124	27,334	(2,207)	34,892
Changes during period					
Dividends of surplus			(4,722)		(4,722)
Profit attributable to owners of parent			5,976		5,976
Disposal of treasury shares		(412)		603	190
Transfer of negative balance of other capital surplus		287	(287)		–
Net changes in items other than shareholders' equity					–
Total changes during period	–	(124)	965	603	1,444
Balance as of December 31, 2024	9,641	–	28,300	(1,604)	36,337

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of January 1, 2024	153	3,728	1,032	4,915	70	235	40,114
Changes during period							
Dividends of surplus				–			(4,722)
Profit attributable to owners of parent				–			5,976
Disposal of treasury shares				–			190
Transfer of negative balance of other capital surplus				–			–
Net changes in items other than shareholders' equity	(117)	4,693	546	5,122	(24)	26	5,123
Total changes during period	(117)	4,693	546	5,122	(24)	26	6,568
Balance as of December 31, 2024	36	8,422	1,579	10,037	45	262	46,682

Current fiscal year (from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance as of January 1, 2025	9,641	–	28,300	(1,604)	36,337
Changes during period					
Dividends of surplus			(4,619)		(4,619)
Profit attributable to owners of parent			2,168		2,168
Purchase of treasury shares				(5,800)	(5,800)
Disposal of treasury shares		(734)		913	178
Cancellation of treasury shares		(6,148)		6,148	–
Transfer of negative balance of other capital surplus		6,883	(6,883)		–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	(9,334)	1,262	(8,072)
Balance as of December 31, 2025	9,641	–	18,965	(342)	28,264

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of January 1, 2025	36	8,422	1,579	10,037	45	262	46,682
Changes during period							
Dividends of surplus				–			(4,619)
Profit attributable to owners of parent				–			2,168
Purchase of treasury shares				–			(5,800)
Disposal of treasury shares				–			178
Cancellation of treasury shares				–			–
Transfer of negative balance of other capital surplus				–			–
Net changes in items other than shareholders' equity	0	1,423	1,351	2,776	(45)	24	2,754
Total changes during period	0	1,423	1,351	2,776	(45)	24	(5,318)
Balance as of December 31, 2025	37	9,845	2,930	12,813	–	286	41,364

(4) Consolidated statements of cash flows

	(Millions of yen)	
	Previous fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Cash flows from operating activities:		
Profit before income taxes	8,782	5,272
Depreciation	2,506	2,593
Impairment losses	–	3,860
Amortization of goodwill	386	382
Increase (decrease) in retirement benefit liability	(388)	(204)
Decrease (increase) in retirement benefit asset	–	(395)
Interest and dividend income	(82)	(78)
Interest expenses	153	258
Foreign exchange losses (gains)	613	174
Loss (gain) on sale of investment securities	(406)	–
Loss (gain) on sale and retirement of non-current assets	6	69
Loss (gain) on liquidation of subsidiaries	–	11
Loss (gain) on sale of businesses	(297)	–
Decrease (increase) in trade receivables	3,201	(1,025)
Decrease (increase) in inventories	3,027	2,844
Increase (decrease) in trade payables	(2,613)	1,322
Other, net	(973)	100
Subtotal	13,916	15,185
Interest and dividends received	82	78
Interest paid	(153)	(258)
Income taxes paid	(2,127)	(1,305)
Net cash provided by (used in) operating activities	11,717	13,699
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,368)	(5,971)
Proceeds from sale of property, plant and equipment	33	9
Purchase of intangible assets	(1,173)	(425)
Proceeds from sale of investment securities	683	–
Proceeds from sale of businesses	632	–
Other, net	(0)	(52)
Net cash provided by (used in) investing activities	(1,193)	(6,439)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	1,000	(4,200)
Proceeds from long-term borrowings	4,010	10,400
Repayments of long-term borrowings	(9,402)	(2,530)
Purchase of treasury shares	–	(5,800)
Proceeds from sale of treasury shares	284	83
Dividends paid	(4,722)	(4,619)
Other, net	(828)	(749)
Net cash provided by (used in) financing activities	(9,658)	(7,417)
Effect of exchange rate change on cash and cash equivalents	730	1,554
Net increase (decrease) in cash and cash equivalents	1,595	1,397
Cash and cash equivalents at beginning of period	12,883	14,478
Cash and cash equivalents at end of period	14,478	15,876

(5) Notes to consolidated financial statements

(Going concern assumption)

Not applicable

(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, issued on October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) and related standards, effective from the beginning of the period under review.

Regarding the amendments related to the classification of corporate income taxes (i.e., taxation on other comprehensive income), the Company has adopted the transitional treatment set forth in the proviso to paragraph 20-3 of the Revised Accounting Standard 2022, as well as the transitional treatment stipulated in the proviso to paragraph 65-2(2) of the *Guidance on Accounting Standard for Tax Effect Accounting* (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the “Revised Guidance 2022”). These changes in accounting policies had no impact on the consolidated financial statements.

Furthermore, with respect to the amendments related to the revised accounting treatment in consolidated financial statements for deferred taxes on gains or losses arising from intra-group sales of shares in subsidiaries, the Company has applied the Revised Guidance 2022 from the beginning of the period under review. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the fiscal year ended December 31, 2024 have been restated accordingly. These restatements had no impact on the aforementioned consolidated financial statements.

(Segment information, etc.)

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

(Per share information)

	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Current fiscal year (from January 1, 2025 to December 31, 2025)
Net assets per share	1,677.22 yen	1,557.62 yen
Basic earnings per share	216.49 yen	81.69 yen
Diluted earnings per share	214.76 yen	81.54 yen

Notes: 1. For the purpose of calculating net assets 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 number of shares issued at the end of the period. In addition, for the purpose of calculating basic earnings per share and diluted earnings per share, the aggregate number of shares of the Company held by these trusts was also 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 fiscal years ended December 31, 2024 and 2025 were 202,854 shares and 173,818 shares, respectively. Meanwhile, the aggregate number of shares of the Company held by these trusts as of December 31, 2024 and 2025 were 186,995 shares and 169,454 shares, respectively.

2. Basis for calculation of both basic and diluted earnings per share is as follows:

(Millions of yen, unless otherwise stated)

	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Current fiscal year (from January 1, 2025 to December 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent	5,976	2,168
Profit not attributable to common shareholders	–	–
Profit attributable to common shareholders of parent	5,976	2,168
Average number of shares of common stock during the period (Thousand shares)	27,603	26,539
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	–	–
Number of shares of common stock increased (Thousand shares)	223	49
[of which number of share acquisition rights (Thousand shares)]	[223]	[49]
Summary of potential shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	–	–

3. Basis for calculation of net assets per share is as follows:

(Millions of yen, unless otherwise stated)

	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
Total net assets	46,682	41,364
Deductions from total net assets	307	286
[of which, share acquisition rights]	[45]	[–]
[of which, non-controlling interests]	[262]	[286]
Net assets applicable to common stock at end of period	46,374	41,078
Number of shares of common stock at end of period used for the calculation of net assets per share (Thousands shares)	27,649	26,372

(Subsequent events)

Not applicable