

Translation

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Notice of Revisions to Financial Result Forecasts

Roland Corporation (the “Company”) hereby announces the revisions to the consolidated financial result forecasts released on August 8, 2022, in consideration of the recent trends in financial results, as follows.

1. Revisions to the consolidated financial result forecasts

Revisions to the consolidated financial result forecasts for the fiscal year ended December 31, 2022
(January 1, 2022 to December 31, 2022)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on Aug 8, 2022)	Million Yen 92,400	Million Yen 12,400	Million Yen 12,500	Million Yen 9,800	Yen 357.58
Revised forecast (B)	95,800	10,700	10,200	8,500	310.94
Change (B–A)	3,400	(1,700)	(2,300)	(1,300)	–
Change (%)	3.7%	(13.7%)	(18.4%)	(13.3%)	–

* Reference: Year-on-year comparisons (Before application of Accounting Standard for Revenue Recognition)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
(After adjusted) Revised forecast (A)	96,800	11,700	10,200	8,500	310.94
Previous fiscal year results (B)	80,032	11,093	10,102	8,586	312.73
Year-on-year (A–B)	16,767	606	97	(86)	–
Year-on-year (%)	21.0%	5.5%	1.0%	(1.0%)	–

Note: The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of the fiscal year ended December 31, 2022.

2. Reasons for the Revision

During the second half of the fiscal year ended December 31, 2022, the Company observed weaker demand in Europe with weaker consumer confidence due to such factors as soaring energy prices and in China

with the remaining effects of lockdowns. Substantive sales that disregards the effect of changes in foreign exchange rate is expected to slightly fall below the forecast; however, net sales is expected to exceed the forecast partly due to our effort to accelerate the shipment of order backlog and compensate for the shortfall with strong sales in North America and other regions. In addition to the above, the Company included Drum Workshop, Inc. (“DW”) acquired on October 3, 2022 in the scope of consolidation, starting from the fourth quarter ended December 31, 2022, and this brought in ¥2,500 million. Consequently, net sales is expected to increase by ¥3,400 million compared to the consolidated financial result forecast.

On the profit side, the negative effects of lower profits than the forecasts include the postponement of some price increases in response to changes in demand, the slightly lower substantive sales than the forecast, no effect of lower transportation costs on profit during the fiscal year ended December 31, 2022, and the recording of non-recurring expenses associated with the acquisition of DW. To deal with these negative effects of lower profits than the forecasts, the Company made a corporate-wide effort to review expenses spent and reduced SG&A expenses by hundreds of millions of yen during the fourth quarter; however, operating profit, ordinary profit, and profit attributable to owners of parent are expected to fall below the consolidated financial result forecasts.

Although the Company made downward revisions to operating profit, ordinary profit, and profit attributable to owners of parent, the year-on-year operating profit is expected to increase, which excludes the effect of changes in accounting standard, because the Company has the effect of price optimization to cover increases in various costs during and after the pandemic. For the following fiscal year ending December 31, 2023, the Company forecasts a year-on-year increase in profit because it expects that the price optimization will contribute to the increase throughout the year and that the effect of lower ocean transportation costs will appear, among other positive effects, although parts costs will remain high and there will be an effect of soaring personnel expenses.

The Company also forecasts a year-on-year increase in net sales because it will have new product launches that boost demand and strive to expand its market share as well as the inclusion of DW in the scope of consolidation will contribute to the increase throughout the year, in addition to a demand recovery in China and a return to a growth path in Europe.

The Company will disclose the consolidated financial results for the fiscal year ended December 31, 2022 and the consolidated financial result forecasts for the fiscal year ending December 31, 2023 on February 13, 2023.

The Company does not expect to make a revision to the year-end dividend forecast of ¥78 from the perspective of sustainable and stable dividend payment.

Note: The financial result forecasts contained in this document are prepared based on the information currently available. Actual results may differ significantly from these forecasts due to a variety of factors going forward.