

Translation

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Consolidated Financial Results
for the Fiscal Year Ended December 31, 2024
(Under Japanese GAAP)



February 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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Phone: +81-53-523-0230
Scheduled date to hold ordinary general meeting of shareholders: March 26, 2025
Scheduled date to commence payment of dividends: March 27, 2025
Scheduled date to file Annual Securities Report (Yukashoken Hokokusho): March 5, 2025
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, 2024 (from January 1, 2024 to December 31, 2024)

(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, 2024	99,433	(2.9)	9,951	(16.2)	8,411	(24.6)	5,976	(26.7)
December 31, 2023	102,445	6.9	11,871	10.4	11,154	8.8	8,151	(8.8)

Note: Comprehensive income

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

For the fiscal year ended December 31, 2023: ¥10,799 million [(2.4)%]

	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, 2024	216.49	214.76	13.9	10.3	10.0
December 31, 2023	297.97	294.33	22.2	14.1	11.6

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

For the fiscal year ended December 31, 2024: –

For the fiscal year ended December 31, 2023: –

(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, 2024	81,586	46,682	56.8	1,677.22
December 31, 2023	80,969	40,114	49.2	1,450.74

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

As of December 31, 2024: ¥46,374 million As of December 31, 2023: ¥39,808 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, 2024	11,717	(1,193)	(9,658)	14,478
December 31, 2023	15,428	(3,576)	(8,668)	12,883

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	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2023	—	85.00	—	85.00	170.00	4,710	57.8	12.7
December 31, 2024	—	85.00	—	85.00	170.00	4,732	79.2	10.9
Fiscal year ending December 31, 2025 (forecast)	—	85.00	—	85.00	170.00		65.7	

Note: The total dividends include the dividends paid to the Board Benefit Trust, Employee Stock Ownership Plan Trust and Employee Shareholding Association-type ESOP Trust (¥50 million and ¥32 million for the fiscal years ended December 31, 2023 and 2024, 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, 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	46,400	(0.7)	3,800	(14.2)	3,600	(5.5)	2,600	(29.6)	94.56
Fiscal year	100,900	1.5	10,100	1.5	9,700	15.3	7,200	20.5	258.65

[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: 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
- (3) Number of shares of common stock issued
 - 1) Number of shares issued (including treasury shares)
 - As of December 31, 2024: 28,163,038 shares
 - As of December 31, 2023: 28,163,038 shares
 - 2) Number of treasury shares
 - As of December 31, 2024: 513,193 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)
 - Fiscal year ended December 31, 2024: 27,603,767 shares
 - Fiscal year ended December 31, 2023: 27,358,306 shares

Notes: 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 of common stock during the period. It is noted that the average numbers of shares of common stock held by these trusts during the fiscal years ended December 31, 2023 and 2024 were 318,462 shares and 202,854 shares, respectively.

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results

(Percentage indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	30,110	(11.7)	2,462	(60.8)	7,899	13.7	7,436	45.5
December 31, 2023	34,092	(0.8)	6,285	(15.9)	6,946	(27.3)	5,110	(33.4)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2024	269.40	267.24
December 31, 2023	186.78	184.50

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	61,418	28,920	47.0	1,044.33
December 31, 2023	64,691	26,315	40.6	956.47

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

As of December 31, 2024: ¥28,875 million As of December 31, 2023: ¥26,245 million

* Financial results reports are exempt from audit procedures 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 this forward-looking statements due to a variety of factors. For further information on the forecast of consolidated financial results, please refer to "1. Overview of Operating Results, etc. (1) Overview of operating results for the fiscal year ended December 31, 2024 (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 14, 2025. Materials used at the financial results briefing will be posted 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, 2024

(i) Operating results for the fiscal year ended December 31, 2024

During the fiscal year ended December 31, 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, unstable currency fluctuations, inflation, and economic stagnation in China.

In the environment surrounding the Electronic Musical Instruments Business, although the impacts of dealer inventory adjustments triggered by supply chain disruption during the COVID-19 pandemic have largely subsided by the end of the second quarter, it took time for final demand to recover from the implications of a reactionary decline after stay-at-home demand and rising prices. In the fourth quarter, amid signs of a gradual recovery in demand, the Company launched demand-creating new products in a planned way toward the next phase of growth in the coming fiscal year and beyond. At the same time, the Company made continuous efforts to optimize market prices to maintain and improve our brand value. In terms of costs, the Company continuously focused on controlling sales promotion and other expenses in order to adapt to the uncertain market environment in an agile manner, while making investments to build a foundation for medium- to long-term growth.

Surrounded by these circumstances, for the second year of the current Medium-term Business Plan, the Group dedicated its efforts to the following strategies: (1) Create demand, (2) Expand market share, (3) Increase Lifetime Value (LTV), and (4) Strengthen foundation.

Regarding “Create demand,” on top of refreshing our core product families and adding new products to our lineup to strengthen our market competitiveness, creating a new market with Game Changer products was our major focus during the period. Specifically, VQD106, the quietest electronic drum in Roland’s history, was launched. The drum kit reduces drumming noise and vibrations by 75% compared with a Roland’s conventional drums kit. In addition, new models of JUNO-D Series, our most popular live synthesizer keyboards, were released at the timing of the 20th anniversary of the introduction of the first model. These new models are equipped with higher-class sound engine and a sound library that can be expanded via Roland Cloud. Moreover, targeting the market for hybrid events that became popular during the COVID-19 pandemic, V-80HD, a compact video switcher that enables high-quality video production and audio control for both in-person events and livestreaming was launched.

Regarding “Expand market share,” we launched Go: KEYS Series, a keyboard series that allows users to play the instruments and create music like a professional creator, for the portable keyboard market, which had been an untapped market for the Group. This Go: KEYS Series applicable to Roland Cloud were successful not only in advanced countries but also in emerging countries. Meanwhile, in emerging countries, efforts for strengthening our sales structure were emphasized especially in India, Indonesia, and Central and South America where the purchasing power of the middle class is enhanced on an ongoing basis in line with significant population growth. Furthermore, sales made by both directly-operated Roland Store in major cities around the world and Store in Store whose networks have been expanding mainly in emerging countries, respectively, remained strong, even though the Group launched their new stores in carefully selected locations in consideration of the market conditions.

Regarding “Increase LTV,” new services and contents of Roland Cloud were released on an ongoing basis. Also, the Group has expanded the lineup of Cloud-ready products, for which services and contents are available by connecting to Roland Cloud, including V-Drum 7 Series, which features a built-in wireless LAN and a variety of drum sounds that can be expanded via Roland Cloud.

Regarding “Strengthen foundation,” a new ERP system, SAP S/4HANA, went live in the period under review. The update of ERP system is expected to solve our business continuity risks and challenges and improve our operational efficiency. In addition, a new production management system also started its operations to minimize loss of sales opportunities and shorten lead times. Furthermore, the construction of a new headquarters building, which will serve as a core research and development center, has commenced to relocate the headquarters at the end of 2025, with the aim of accelerating innovation through the consolidation of our development divisions and improving employee engagement and productivity. Moreover, the Group has launched the Roland Future Design Lab, a research and development division formed to explore the creative possibilities presented by emerging technologies and help design the future of music creation.

As a result of the above, during the period under review, the Group recorded net sales of ¥99,433 million (down 2.9% year on year). In terms of profit, the Group recorded operating profit of ¥9,951 million (down 16.2% year on year), ordinary profit of ¥8,411 million (down 24.6% year on year), and profit attributable to owners of parent of ¥5,976 million (down 26.7% year on year).

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

[Keyboards] Net sales: ¥26,869 million (down 2.5% year on year)

As to electronic pianos, despite the adverse impact of rising prices and intensified competition for low-end products, on top of ongoing demand decrease in China, sales of new products launched in the current fiscal year remained brisk.

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

[Percussion and Wind Instruments] Net sales: ¥28,588 million (down 2.6% year on year)

Sales of drums were affected by dealer inventory adjustments of drums and a slowdown in demand for Sampling Pad series, which had been very strong in prior periods. Meanwhile, although actual sales of drum sets were adversely affected by competition, new flagship product lines were released from the end of September to early in October to strengthen our competitiveness.

Although sales of middle- to low-end products among electronic wind instruments continued to struggle mainly due to increased competing products, there were signs of a gradual recovery in sales in the mainstay market of China.

[Guitar-related Products] Net sales: ¥24,988 million (down 2.9% year on year)

As to guitar effects, while demand for effects pedals, our mainstay products, and newly launched products remained firm, demand for Looper series and multi-effects showed signs of a flat and slight decrease.

Regarding musical instruments amplifiers, despite a contribution of guitar amplifier lines launched in the current fiscal year, sales of other product lines have been soft as a whole due partly to the adverse impact of dealer inventory adjustments.

[Creation-related Products & Services] Net sales: ¥12,627 million (down 0.3% year on year)

Regarding synthesizers, although demand for high-end products and 88-note stage piano-type products calmed down, sales recovered gradually, contributed by newly launched products.

As to dance and DJ-related products, although demand for existing products remained flat, sales recovered gradually, thanks to new product lines launched in the current fiscal year.

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

[Video and Professional Audio] Net sales: ¥3,199 million (down 21.5% year on year)

Despite the recovery in video-related events, sales demand was severely affected by the reactionary declines to new products and backlogged orders made in the previous fiscal year, and struggled to cope with them.

(ii) Future outlook

Regarding the consolidated financial forecasts for the fiscal year ending December 31, 2025, we expect net sales of ¥100,900 million (up 1.5% year on year), operating profit of ¥10,100 million (up 1.5% year on year), ordinary profit of ¥9,700 million (up 15.3% year on year), and profit attributable to owners of parent of ¥7,200 million (up 20.5% year on year).

The forward-looking statements in this document contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results.

(2) Overview of financial position for the fiscal year ended December 31, 2024

(i) Assets as of December 31, 2024

Total assets as of December 31, 2024 increased by ¥616 million from the end of the previous fiscal year to ¥81,586 million. This is attributable primarily to increases in cash and deposits of ¥1,595 million with details described in cash flows in the next section and intangible assets of ¥1,205 million, partially offset by decreases in trade receivables of ¥1,266 million and inventories of ¥997 million, respectively.

Total liabilities decreased by ¥5,951 million from the end of the previous fiscal year to ¥34,903 million. This is attributable primarily to decreases in trade payables of ¥1,536 million and borrowings of ¥4,392 million, respectively.

Net assets increased by ¥6,568 million from the end of the previous fiscal year to ¥46,682 million. This is attributable primarily to the recording of profit attributable to owners of parent of ¥5,976 million and an increase in foreign currency translation

adjustment of ¥4,693 million due to the depreciation of the yen against major currencies, partially offset by a decrease in retained earnings of ¥4,722 million due to declarations and payments of dividends.

As a result of the above, the equity ratio rose 7.7 percentage points from the end of the previous fiscal year to 56.8%.

(ii) Cash flows for the fiscal year ended December 31, 2024

During the period under review, cash and cash equivalents (“net cash”) increased by ¥1,595 million (an increase by ¥2,377 million for the same period of the previous fiscal year) to ¥14,478 million at the end of the period.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥11,717 million (¥15,428 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 ¥1,193 million (¥3,576 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 and intangible assets, partially offset by proceeds from sales of investment securities and businesses.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥9,658 million (¥8,668 million used for the same period of the previous fiscal year), which is attributable primarily to repayments of borrowings and payments of dividends.

(3) Basic policy for profit distribution and dividends for the fiscal year ending December 31, 2025

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 consolidated total return ratio of 50% in principle while making sustainable and stable dividend payments, by purchasing treasury shares in consideration of stock market trends and capital efficiency, or a consolidated total return ratio of 30% or higher 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, 2024. 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 for the fiscal year ending December 31, 2025. Meanwhile, at the Board of Directors meeting held on February 13, 2025, the Company resolved matters concerning the acquisition of the Company’s own shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act. For further information, please refer to the Subsequent events, Acquisition of own shares section.

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, 2023)	Current fiscal year (As of December 31, 2024)
Assets		
Current assets:		
Cash and deposits	12,883	14,478
Notes receivable - trade	2	—
Accounts receivable - trade	13,802	12,538
Merchandise and finished goods	18,094	19,076
Work in process	1,443	1,462
Raw materials and supplies	10,606	8,608
Other	2,311	2,564
Allowance for doubtful accounts	(485)	(736)
Total current assets	58,659	57,993
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	12,515	12,899
Accumulated depreciation	(8,581)	(9,562)
Buildings and structures, net	3,934	3,337
Machinery, equipment and vehicles	1,910	2,222
Accumulated depreciation	(1,299)	(1,561)
Machinery, equipment and vehicles, net	610	661
Tools, furniture and fixtures	7,986	8,745
Accumulated depreciation	(6,203)	(7,028)
Tools, furniture and fixtures, net	1,783	1,716
Land	2,328	2,324
Construction in progress	1,305	1,525
Total property, plant and equipment	9,961	9,566
Intangible assets		
Goodwill	3,129	3,087
Other	3,110	4,358
Total intangible assets	6,240	7,445
Investments and other assets:		
Investment securities	1,107	724
Retirement benefit asset	891	2,061
Deferred tax assets	3,510	3,207
Other	703	677
Allowance for doubtful accounts	(105)	(90)
Total investments and other assets	6,107	6,581
Total non-current assets	22,309	23,592
Total assets	80,969	81,586

	(Millions of yen)	
	Previous fiscal year (As of December 31, 2023)	Current fiscal year (As of December 31, 2024)
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	6,266	4,730
Short-term borrowings	4,300	5,300
Current portion of long-term borrowings	8,526	2,358
Lease obligations	744	715
Accrued expenses	3,306	3,594
Income taxes payable	415	331
Provision for bonuses	852	739
Provision for bonuses for directors (and other officers)	39	17
Provision for product warranties	335	330
Other	3,254	2,967
Total current liabilities	28,041	21,085
Non-current liabilities:		
Long-term borrowings	10,056	10,832
Lease obligations	1,669	1,237
Deferred tax liabilities	3	421
Provision for share awards	252	243
Provision for share awards for directors (and other officers)	96	73
Retirement benefit liability	249	264
Asset retirement obligations	88	89
Other	396	655
Total non-current liabilities	12,812	13,818
Total liabilities	40,854	34,903
Net assets		
Shareholders' equity:		
Share capital	9,641	9,641
Capital surplus	124	–
Retained earnings	27,334	28,300
Treasury shares	(2,207)	(1,604)
Total shareholders' equity	34,892	36,337
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	153	36
Foreign currency translation adjustment	3,728	8,422
Remeasurements of defined benefit plans	1,032	1,579
Total accumulated other comprehensive income	4,915	10,037
Share acquisition rights	70	45
Non-controlling interests	235	262
Total net assets	40,114	46,682
Total liabilities and net assets	80,969	81,586

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

Consolidated statements of income

(Millions of yen)

	Previous fiscal year (From January 1, 2023 to December 31, 2023)	Current fiscal year (From January 1, 2024 to December 31, 2024)
Net sales	102,445	99,433
Cost of sales	58,512	56,862
Gross profit	43,932	42,571
Selling, general and administrative expenses	32,060	32,619
Operating profit	11,871	9,951
Non-operating income:		
Interest income	36	46
Dividend income	85	36
Subsidy income	66	25
Other	22	11
Total non-operating income	210	119
Non-operating expenses:		
Interest expenses	144	153
Foreign exchange losses	760	1,496
Other	22	9
Total non-operating expenses	927	1,659
Ordinary profit	11,154	8,411
Extraordinary income:		
Gain on sale of non-current assets	8	9
Gain on sale of investment securities	—	406
Gain on sale of businesses	—	297
Total extraordinary income	8	712
Extraordinary losses:		
Loss on sale and retirement of non-current assets	14	16
Extra retirement payments	—	169
Provision of allowance for doubtful accounts	—	156
Total extraordinary losses	14	342
Profit before income taxes	11,148	8,782
Income taxes – current	2,821	1,935
Income taxes – deferred	134	852
Total income taxes	2,955	2,788
Profit	8,192	5,993
Profit attributable to non-controlling interests	40	17
Profit attributable to owners of parent	8,151	5,976

Consolidated statements of comprehensive income

(Millions of yen)

	Previous fiscal year (From January 1, 2023 to December 31, 2023)	Current fiscal year (From January 1, 2024 to December 31, 2024)
Profit	8,192	5,993
Other comprehensive income:		
Valuation difference on available-for-sale securities	85	(117)
Foreign currency translation adjustment	1,859	4,714
Remeasurements of defined benefit plans, net of tax	662	546
Total other comprehensive income	2,606	5,143
Comprehensive income	10,799	11,136
Comprehensive income attributable to:		
Owners of parent	10,748	11,098
Non-controlling interests	51	38

(3) Consolidated statements of changes in equity

Previous fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance as of January 1, 2023	9,613	191	23,750	(2,407)	31,148
Changes during period					
Issuance of new shares - exercise of share acquisition rights	27	27			55
Dividends of surplus			(4,506)		(4,506)
Profit attributable to owners of parent			8,151		8,151
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(94)		199	104
Change in scope of consolidation			(60)		(60)
Net changes in items other than shareholders' equity					—
Total changes during period	27	(66)	3,584	199	3,744
Balance as of December 31, 2023	9,641	124	27,334	(2,207)	34,892

	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, 2023	68	1,879	370	2,319	95	184	33,747
Changes during period							
Issuance of new shares - exercise of share acquisition rights				—			55
Dividends of surplus				—			(4,506)
Profit attributable to owners of parent				—			8,151
Purchase of treasury shares				—			(0)
Disposal of treasury shares				—			104
Change in scope of consolidation				—			(60)
Net changes in items other than shareholders' equity	85	1,849	662	2,596	(25)	51	2,622
Total changes during period	85	1,849	662	2,596	(25)	51	6,366
Balance as of December 31, 2023	153	3,728	1,032	4,915	70	235	40,114

Current 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

(4) Consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year (From January 1, 2023 to December 31, 2023)	Current fiscal year (From January 1, 2024 to December 31, 2024)
Cash flows from operating activities:		
Profit before income taxes	11,148	8,782
Depreciation	2,397	2,506
Amortization of goodwill	358	386
Increase (decrease) in retirement benefit liability	(154)	(388)
Interest and dividend income	(121)	(82)
Interest expenses	144	153
Foreign exchange losses (gains)	518	613
Loss (gain) on sale of investment securities	–	(406)
Loss (gain) on sale and retirement of non-current assets	6	6
Loss (gain) on sale of businesses	–	(297)
Decrease (increase) in trade receivables	(46)	3,201
Decrease (increase) in inventories	4,677	3,027
Increase (decrease) in trade payables	(849)	(2,613)
Other, net	192	(973)
Subtotal	18,272	13,916
Interest and dividends received	121	82
Interest paid	(149)	(153)
Income taxes paid	(2,815)	(2,127)
Net cash provided by (used in) operating activities	15,428	11,717
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,084)	(1,368)
Proceeds from sale of property, plant and equipment	18	33
Purchase of intangible assets	(402)	(1,173)
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	(58)	(0)
Net cash provided by (used in) investing activities	(3,576)	(1,193)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(13,404)	1,000
Proceeds from long-term borrowings	12,100	4,010
Repayments of long-term borrowings	(2,339)	(9,402)
Proceeds from issuance of shares	84	–
Proceeds from sale of treasury shares	190	284
Dividends paid	(4,506)	(4,722)
Other, net	(792)	(828)
Net cash provided by (used in) financing activities	(8,668)	(9,658)
Effect of exchange rate change on cash and cash equivalents	(762)	730
Net increase (decrease) in cash and cash equivalents	2,421	1,595
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	12,883	14,478

(5) Notes to consolidated financial statements

(Going concern assumption)

Not applicable

(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, 2023 to December 31, 2023)	Current fiscal year (from January 1, 2024 to December 31, 2024)
Net assets per share	1,450.74 yen	1,677.22 yen
Basic earnings per share	297.97 yen	216.49 yen
Diluted earnings per share	294.33 yen	214.76 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, 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 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, 2023 and 2024 were 318,462 shares and 202,854 shares, respectively. Meanwhile, the aggregate number of shares of the Company held by these trusts as of December 31, 2023 and 2024 were 281,328 shares and 186,995 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, 2023 to December 31, 2023)	Current fiscal year (from January 1, 2024 to December 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent	8,151	5,976
Profit not attributable to common shareholders	—	—
Profit attributable to common shareholders of parent	8,151	5,976
Average number of shares of common stock during the period (Thousand shares)	27,358	27,603
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	—	—
Number of shares of common stock increased (Thousand shares)	337	223
[of which number of share acquisition rights (Thousand shares)]	[337]	[223]
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, 2023)	Current fiscal year (As of December 31, 2024)
Total net assets	40,114	46,682
Deductions from total net assets	305	307
[of which, share acquisition rights]	[70]	[45]
[of which, non-controlling interests]	[235]	[262]
Net assets applicable to common stock at end of period	39,808	46,374
Number of shares of common stock at end of period used for the calculation of net assets per share (Thousands shares)	27,440	27,649

(Subsequent events)**(Acquisition of own shares)**

At the Board of Directors meeting held on February 13, 2025, the Company resolved matters concerning the acquisition of the Company's own shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act. The details are described below.

1. Reason for acquisition of own shares

The Company has received notice from Taiyo Jupiter Holdings, L.P. ("TJH"), the largest shareholder and a major shareholder of the Company, that TJH intends to make an in-kind distribution of shares of the Company (approximately 26% of the total number of the Company's issued and outstanding shares (excluding treasury shares)) to certain long-term LP investors who will hold the Company's shares directly, and the Company has received notice of TJH's intention to dispose of shares (approximately 7% of the total number of the Company's issued and outstanding shares (excluding treasury shares)) to provide cash redemptions to LP investors who have difficulty physically receiving the distribution in kind. The Company will repurchase its own shares after giving full consideration of the potential impact of the sale of the Company's shares on the stock market on supply and demand for the shares, shareholder returns and capital efficiency.

2. Details of matters related to acquisition

(1)	Class of shares to be acquired	Common stock
(2)	Total number of shares to be acquired	1,800,000 shares (maximum) (6.5% of the total number of shares issued and outstanding, excluding treasury shares)
(3)	Total amount of share acquisition costs	¥5.8 billion (maximum)
(4)	Acquisition period	From February 17, 2025 to February 28, 2025
(5)	Method of acquisition	Purchase through off-floor trading of treasury shares (ToSTNeT-3)
(6)	Other matters	All other decisions regarding matters necessary for the acquisition of the Company's own shares shall be left to Masahiro Minowa, President and Representative Director of the Company.

(Notes)

1. Depending on market conditions, sell orders may not be executed, in whole or in part.
2. When the Company decides to acquire its own shares through ToSTNeT-3, it will do so after making a prior announcement.

3. Other matters

TJH has indicated its intention to apply to ToSTNeT-3 should the Company decide to acquire its own shares. All shares to be acquired by the Company will be cancelled. In addition, as a result of the aforementioned distribution in kind by TJH, the Company's largest shareholder and major shareholders will change. For details, please refer to the "Notice Concerning Scheduled Change of Largest Shareholder and Major Shareholders" announced today.

(Reference) Holding status of treasury shares as of June 30, 2024

Total number of issued shares (excluding treasury shares)	27,836,938 shares
Number of treasury shares	326,100 shares