

Consolidated Financial Results for the Fiscal Year Ended March 31, 2010



May 7, 2010

Company Name: Roland Corporation

Code Number: 7944

(URL: <http://www.roland.co.jp/>)

Stock Exchange Listing: Tokyo, Osaka

Representative: Hidekazu Tanaka, President

Contact: Kenya Nakamura, Officer responsible for Corporate Management Department and Finance & Accounting Department

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Scheduled date of Ordinary General Meeting of Shareholders: June 18, 2010

Scheduled date to submit the Annual Securities Report: June 18, 2010

Scheduled date to commence dividend payments: June 21, 2010

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2010 (From April 1, 2009 to March 31, 2010)

(1) Consolidated Results of Operations

(% indicates changes from the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal year ended March 31, 2010	75,034	(25.3)	(813)	-	(541)	-	(2,090)	-
Fiscal year ended March 31, 2009	100,506	(7.4)	7,430	(44.3)	6,050	(53.8)	1,047	(71.1)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2010	(83.99)	-	(4.0)	(0.6)	(1.1)
Fiscal year ended March 31, 2009	41.72	-	1.8	6.3	7.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2010: ¥(7) million
Fiscal year ended March 31, 2009: ¥17 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
Fiscal year ended March 31, 2010	81,675	68,277	62.8	2,157.75
Fiscal year ended March 31, 2009	93,886	71,499	57.7	2,158.28

(Reference) Equity: Fiscal year ended March 31, 2010: ¥51,329 million
Fiscal year ended March 31, 2009: ¥54,190 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal year ended March 31, 2010	8,555	(311)	(11,088)	20,401
Fiscal year ended March 31, 2009	1,540	(2,914)	6,980	23,078

2. Dividends

	Dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q	2Q	3Q	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2009	-	15.00	-	15.00	30.00	753	71.9	1.3
Fiscal year ended March 31, 2010	-	10.00	-	10.00	20.00	488	-	0.9
Fiscal year ending March 31, 2011 (Forecast)	-	12.50	-	12.50	25.00		84.9	

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

(% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half	39,000	9.9	300	-	200	-	(300)	-	(12.61)
Full year	81,000	8.0	3,000	-	2,800	-	700	-	29.43

4. Others

- (1) Significant changes of subsidiaries during the fiscal year under review (affecting specific subsidiaries due to changes in scope of consolidation): None
- (2) Changes in accounting principles, procedures or format related to preparation of consolidated financial statements (those to be described as Changes in Significant Matters that are the Basis for Preparing Consolidated Financial Statements)
 - 1) Changes due to the revision of accounting standards (including laws, acts and regulations): None.
 - 2) Other changes: None.
- (3) Total number of issued shares (common stock)
 - 1) Total number of issued shares at the end of the current fiscal year (including treasury stock):
 - Fiscal year ended March 31, 2010: 25,572,404 shares
 - Fiscal year ended March 31, 2009: 25,572,404 shares
 - 2) Total number of treasury stock at the end of the current fiscal year:
 - Fiscal year ended March 31, 2010: 1,783,960 shares
 - Fiscal year ended March 31, 2009: 464,247 shares

(Note) Please refer to “Per share information” on page 31 for the number of common stock used in the calculation of consolidated net income per share.

(Reference) Summary of the Non-consolidated Financial Results

1. Overview of the Non-consolidated Financial and Operating Results for the Fiscal Year Ended March 31, 2010 (From April 1, 2009, to March 31, 2010)

(1) Non-consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal year ended March 31, 2010	30,355	(24.7)	(1,260)	-	(436)	-	(118)	-
Fiscal year ended March 31, 2009	40,330	(4.3)	1,560	(45.6)	2,545	(35.7)	1,013	(60.2)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2010	(4.75)	-
Fiscal year ended March 31, 2009	40.37	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
Fiscal year ended March 31, 2010	47,341	43,636	92.2	1,834.34
Fiscal year ended March 31, 2009	54,376	45,344	83.4	1,805.98

(Reference) Equity: Fiscal year ended March 31, 2010: ¥43,636 million

Fiscal year ended March 31, 2009: ¥45,344 million

* Explanation of the proper use of earnings projections and other notes:

The above forecasted performance figures are based on economic environment, business plans of the Company and so on at the time of the release of this report. Therefore, there might be cases in which actual results differ from forecast values. For further information on the conditions in the assumptions above and other related information, please see page 8 “Outlook for the fiscal year ending March 31, 2011 (fiscal 2011)” and page 15 “3. Management Philosophy”.

Qualitative Information, Financial Statements and Other Information

1. Results of Operations

(1) Analysis of Results of Operations

1) Results of operations in the consolidated fiscal year under review

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Changes	Change rate
Net sales	100,506	75,034	(25,472)	(25.3%)
Electronic musical instruments business	58,875	45,486	(13,389)	(22.7%)
Computer peripherals business	41,631	29,547	(12,083)	(29.0%)
Operating income	7,430	(813)	(8,243)	-
Electronic musical Instruments business	1,489	(1,870)	(3,360)	-
Computer peripherals business	5,940	1,057	(4,882)	(82.2%)
Ordinary income	6,050	(541)	(6,592)	-
Net income	1,047	(2,090)	(3,138)	-

In the consolidated fiscal year under review (April 1, 2009 to March 31, 2010), global economy saw a continuous minimization of corporate capital investment and weak individual consumption, due to the economic recession brought on by the financial crisis of the previous consolidated fiscal year. Despite some signs of a mild recovery in the second half, the future prospects remain uncertain, and the significant impact of the strong yen in Japan has created a challenging business climate.

In terms of Electronic Musical Instruments Business, under these circumstances, the Company continued its efforts to streamline businesses with a focus on reducing costs, inventories, and the number of models. Meanwhile, the Company also continued working to cultivate new demand, by marketing directly to customers through measures including shop-in-shop activities, and the “Better Life with Music” concept that proposes better quality of life through playing musical instruments. Although these efforts resulted in robust sales for new amplifiers for musical instruments, synthesizers, and digital pianos, sales of existing products were sluggish overall, especially in the higher price ranges. In terms of results by area, eliminating the effects of exchange rates, sales in Australia and Brazil were up from the previous consolidated fiscal year, but sales in Japan and Europe were down approximately 10%, and fell by approximately 25% in North America, due to the significant impact from weak consumer spending.

As a result, net sales in this segment decreased by 22.7% year on year to ¥45,486 million, partly due to the impact of the strong yen. Concerning the profit and loss, although improvements in efficiency through reductions in costs and inventories positively affected the bottom line, reduction in revenues and worse cost-to-sales ratio in the overseas sales affiliates due to the strong yen resulted in an operating loss of ¥1,870 million, from operating income of ¥1,489 million for the previous consolidated fiscal year.

In its Computer Peripherals Business, the Company focused its resources on two fields: color (large-format color printers for business use) and 3D (3D image input and output equipment). It also promoted measures in response to the challenging business climate, including reducing inventories and expenses, and streamlining operations. As a result, net sales in this segment decreased by 29.0% year on year, to ¥29,547 million, partly due to the impact of the strong yen. Concerning the profit and loss, although improvements in efficiency through reductions in costs positively affected the bottom line, due to reduction in revenue, along with the significant impact from its worsened cost-to-sales ratio in the overseas sales affiliates due to the strong yen and lower production output, operating income decreased by 82.2% year on year to ¥1,057 million.

As a result of the factors described above, overall net sales was ¥75,034 million, a fall of 25.3% year-on-year, and an operating loss was ¥813 million (from operating income of ¥7,430 million in the previous consolidated fiscal year). Ordinary loss was ¥541 million (from an ordinary income of ¥6,050 million in the previous consolidated fiscal year), and a net loss was ¥2,090 million (from a net income of ¥1,047 million in the previous consolidated fiscal year).

The average exchange rates for the consolidated fiscal year under review (*) were 94 yen to the US dollar (from 103 yen for the previous consolidated fiscal year), and 130 yen to the euro (from 152 yen for the previous consolidated fiscal year).

(*) This is the average for January 2009 to December 2009, because the fiscal year of the Company's foreign consolidated subsidiaries is from January to December.

Results of net sales by business segment are as follows.

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Changes	Change rate
Electronic musical instruments	24,752	18,364	(6,388)	(25.8%)
Guitar-related equipment	11,806	9,018	(2,788)	(23.6%)
Home electronic musical instruments	12,016	9,628	(2,388)	(19.9%)
Video, audio and computer music equipment	6,924	5,714	(1,210)	(17.5%)
Others	3,374	2,760	(613)	(18.2%)
Electronic musical instruments business	58,875	45,486	(13,389)	(22.7%)
Computer peripherals business	41,631	29,547	(12,083)	(29.0%)
Total	100,506	75,034	(25,472)	(25.3%)

<Electronic Musical Instruments Business>

[Electronic musical instruments]

For synthesizers, although such new products as battery-powered shoulder and mobile synthesizers contributed to sales and sales were upbeat compared to the previous consolidated fiscal year in Japan, Australia, and Brazil, sales of core products fell significantly, especially in North America and Europe. In terms of electronic drums, sales of new low-end electronic drum products remained robust, both in Japan and overseas, and sales were up greatly year on year in Australia and Brazil. Despite these bright spots, however, sales of electronic drums were down overall, due to poor sales of mid-range and high-end products in North America and Southeast Asia. As a result, net sales for this segment fell by 25.8% year on year, to ¥18,364 million.

[Guitar-related equipments]

For guitar effects, sales of new mid-range multi-functional guitar effects were robust, and in Australia and Brazil they exceeded the sales of the previous consolidated fiscal year, but overall sales of guitar effects were down, due to factors including sluggish sales for large lineup of single-function compact guitar effects, especially in Japan. In the multi-track recorders category, a series of multi-track recorders also fell substantially, due to the impact of the contraction of the market. As a result, net sales for this segment fell by 23.6% year on year, to ¥9,018 million.

[Home electronic musical instruments]

Sales were robust for new digital piano products with the new SuperNATURAL Piano sound engine, which went on sale in Japan in the second half of the consolidated fiscal year under review, and sales for this category also increased year on year. The Company also focused on electronic accordions as a new business field, and sales grew in each local market. Nevertheless, the significant impact of reduced sales of digital pianos and electronic organs due to weak consumer spending, especially in North America, resulted in decline in net sales in this segment by 19.9% year on year, to ¥9,628 million.

[Video, professional audio and computer music equipment]

Sales of Computer music category increased as a result of adding a music-production software maker (Cakewalk, Inc.) as a new consolidated subsidiary. Sales of low-end music-production systems packaging software and hardware were also robust. Overall computer music sales, however, were sluggish, due mainly to declined sales of portable recorders caused by intensifying competition. Sales of video and professional audio equipment were down, due to reduced capital investment by broadcasters and other corporations. As a result, net sales for this segment fell by 17.5% year on year, to ¥5,714 million.

[Others]

Sales of products including sound engine for online karaoke machines and revenues from music schools declined. Overall net sales in this segment were down 18.2% year on year, to ¥2,760 million.

<Computer Peripherals Business>

In the color field, the Company proposed new added value to the maturing sign business market, by selling new low-end products responding to the market's demand for lower prices, as well as launching the world's first wide-format eco-solvent inkjet printer equipped with metallic silver ink. It additionally expanded its lineup of UV-LED inkjet printers developed in the previous fiscal year, and worked to cultivate new markets by building a sales network and promoting sales through measures such as making suggestion for applications. The entire consolidated fiscal year under review, however, was affected by weak private-sector capital investment and deterioration of the financing environment, resulting in a substantial year-on-year decline in sales. Sales of supplies mainly comprises ink, also declined year on year, despite a trend toward recovery in the second half of the consolidated fiscal year under review.

In the 3D field, the Company worked to cultivate new customer base in the craft field (e.g. sculpting, jewelry and accessory making) by implementing measures such as promoting use of its products to customers through product workshops, and cultivating new sales channels overseas. Nevertheless, sales were down year on year due to the impact of factors including weakened capital investment, and prolonged budget reductions at educational institutions, despite a recovery in sales performance in the second half especially in the field of products for craft. As a result, net sales for the computer peripherals business fell by 29.0% year on year, to ¥29,547 million.

2) Outlook for the fiscal year ending March 31, 2011 (fiscal 2011)

(Millions of Yen)

	Fiscal 2010 (Result)	Fiscal 2011 (Forecast)	Changes	Change rate
Net sales	75,034	81,000	5,965	8.0%
Electronic musical instruments business	45,486	49,000	3,513	7.7%
Computer peripherals business	29,547	32,000	2,452	8.3%
Operating income	(813)	3,000	3,813	-
Electronic musical Instruments business	(1,870)	1,000	2,870	-
Computer peripherals business	1,057	2,000	942	89.1%
Ordinary income	(541)	2,800	3,341	-
Net income	(2,090)	700	2,790	-

Although increased demand is expected in the emerging economies next consolidated fiscal year, especially in China, the outlook for the global economy in the next consolidated fiscal year remains unclear overall, with continuously sluggish recovery of the economy in Japan, Europe and the United States.

Under these circumstances, in the electronic musical instruments business, the Company will streamline the business through measures including cost reduction, while striving to achieve “Better Life with Music” concept by focusing on growth fields such as musical instruments especially for live performance, audio equipment for professional use, video equipment and home recording based on computer music, aiming at recovery of sales and revenues as well as realization of new growth. In the computer peripherals business, the Company will also respond accurately to changes in the business climate; it will work to expand sales in the signage market, with a focus on strategic products launched in the second half of the fiscal consolidated year under review, and create stable earning base. The Company is also aiming for growth in medium and long term in UV-LED inkjet printers and machine tools, through development of new applications, cultivation of sales channels and expansion of sales for new regions.

The Company anticipates increase in consolidated net sales to ¥81,000 million for the next consolidated fiscal year, by ¥5,965 million (8.0%) compared with the previous consolidated fiscal year. For the profit, it expects operating income of ¥3,000 million, an increase by ¥3,813 million from an operating loss of ¥813 million for the previous consolidated fiscal year; ordinary income of ¥2,800 million, an increase by ¥3,341 million from an ordinary loss of ¥541 million for the previous fiscal year; net income of ¥700 million, an increase by ¥2,790 million from a net loss of ¥2,090 million in the previous consolidated fiscal year.

The exchanges rate (from January 2010 to December 2010, on consolidated basis) assumed in the forecast of financial performance for fiscal 2011 are 90 yen to the US dollar (from 94 yen in the previous consolidated fiscal year), and 125 yen to the euro (from 130 yen).

(2) Analysis of Financial Position

1) Assets as of the end of the Fiscal 2010

(Millions of Yen)

	Fiscal 2009	Fiscal 2010	Changes
Total assets	93,886	81,675	(12,210)
Net assets	71,499	68,277	(3,222)
Equity ratio	57.7%	62.8%	5.1 point increase

Total assets decreased by ¥12,210 million from the end of previous consolidated fiscal year to ¥81,675 million. This is mainly due to decrease in merchandise and finished products by ¥3,790 million, decline in cash and deposits by ¥2,483 million reflecting the status of cash flow as mentioned below, decrease in deferred tax assets by ¥1,367 million, and decrease in property, plant and equipment and intangible assets by ¥965 million and ¥476 million respectively, mainly due to depreciation.

Liabilities decreased by ¥8,988 million from the end of the previous consolidated fiscal year to ¥13,398 million. This is mainly due to decrease in short-term loans payable by ¥9,088 million mainly because of repayments.

Net assets decreased by ¥3,222 million from the end of the previous consolidated fiscal year to ¥68,277 million. This is mainly due to net loss of ¥2,090 million, dividends from surplus of ¥627 million and decrease in minority interests by ¥361 million, as well as increase in foreign currency translation adjustment by ¥997 million due to depreciation of yen against major currencies from the end of December 2008 and the end of December 2009, from the end of the previous fiscal year to current fiscal year for overseas affiliates, while treasury stock increased by ¥1,078 million.

The equity ratio was 62.8%, up 5.1 points from the end of the previous consolidated fiscal year, mainly due to decreases in total assets and net assets stated above.

2) Status of cash flows for Fiscal 2010

(Millions of Yen)

	Fiscal 2009	Fiscal 2010	Changes
Net cash provided by (used in) operating activities	1,540	8,555	7,015
Net cash provided by (used in) investing activities	(2,914)	(311)	2,603
Net cash provided by (used in) financing activities	6,980	(11,088)	(18,068)
Effect of exchange rate change on cash and cash equivalents	(2,244)	33	2,278
Net increase (decrease) in cash and cash equivalents	3,360	(2,810)	(6,171)
Cash and cash equivalents at beginning of period	19,554	23,078	3,524
Increase in cash and cash equivalents from newly consolidated subsidiary	123	133	9
Increase in cash and cash equivalents resulting from merger	39	-	(39)
Cash and cash equivalents at end of period	23,078	20,401	(2,677)

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current consolidated fiscal year decreased by ¥2,677 million from the end of the previous fiscal year to ¥20,401 million.

Net cash provided by operating activities for the consolidated fiscal year under review was ¥8,555 million due to decrease in inventories, etc., while it was ¥1,540 million for the previous consolidated fiscal year. Major factors were loss before income taxes and minority interests of ¥829 million, depreciation of ¥2,793 million and amortization of goodwill of ¥493 million as items excluded from funds or expenses included in loss before income taxes and minority interests, and amount of decrease in inventories (increase in funds) of ¥5,364 million.

Net cash used in investing activities for the consolidated fiscal year under review was ¥311 million due to decrease in expenditure for capital investment, etc., while it was ¥2,914 million for the previous consolidated fiscal year. Major factors were expenditure for acquisition of property, plant and equipment of ¥984 million and income from the collection of long-term loans receivable of ¥495 million.

Net cash used in financing activities for the consolidated fiscal year under review was ¥11,088 million due to repayment of short-term loans payable, etc., while there was net cash provided by financing activities of ¥6,980 million for the previous consolidated fiscal year. Major factors were reduction of net short-term loans payable by ¥8,946 million, payment of dividends of ¥627 million, payment of dividend to minority shareholders of ¥613 million, expenditure for acquisition of treasury stock of ¥1,078 million.

Please refer to “(4) Consolidated Statement of Cash Flows” on page 25 for details.

(Reference) Changes in cash flow-related indicators

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Equity ratio	65.5%	61.6%	60.7%	57.7%	62.8%
Equity ratio, fair value basis (%)	86.2%	72.8%	49.2%	28.1%	32.6%
Number of years for debt redemption	0.2	0.3	0.1	6.2	0.1
Interest coverage ratio	19.0	38.0	40.3	6.1	38.0

Notes: Equity ratio: (Total net assets - Minority interests) / Total assets

Equity ratio, fair value basis: Market capitalization / Total assets

Number of years for debt redemption: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payment

* Each indicator is calculated on the basis of figures in consolidated financial statements.

* Market capitalization is calculated by multiplying the closing price at the closing date of each fiscal year by the number of shares outstanding (net of treasury stock) at closing date of that fiscal year.

* Operating cash flow is equal to net cash provided by (used in) operating activities as stated in the consolidated statements of cash flows. Interest-bearing liabilities are the sum of all the liabilities shown on the consolidated balance sheets that bear interest. Interest payment is equal to interest expenses paid shown in the consolidated statements of cash flows.

(3) Basic policy on earnings distributions and dividend for current and next fiscal years

It is the Company's basic policy to attempt aggressive and continuous profit distribution to the shareholders while securing internal reserves necessary for strategic investment for future growth, and sets target for dividend ratio at 30% or above on a non-consolidated basis and 20% or above on a consolidated basis, or target for annual dividend at ¥20 or more. In principle, the Company pays dividend twice a year to shareholders at the end of the interim fiscal term and fiscal year.

The year-end dividend for the fiscal year under review will be ¥10 per share as forecasted at the beginning of the fiscal year under review, and the total annual dividend will be ¥20 per share combined with the interim dividend that was already paid. As for the annual dividend for fiscal 2011, the Company forecasts increase by ¥5 per share to ¥25 per share from the amount of the fiscal year under review because it expects to return to profitability from the net loss posted in the fiscal year under review.

2. Status of Corporate Group

No further disclosure regarding the “Group Business Structure Chart (Business Activities)” is made hereby as there are no significant changes in the “Group Business Structure Chart (Business Activities)” in the latest securities report (submitted on June 19, 2009).

Status of subsidiaries and affiliates

As of March 31, 2010

Company Name	Location	Capital	Main business	Ratio of voting rights holding	Relationship				
					Concurrent positions		Financial support	Business transactions	Equipment hiring
					Directors of the Company	Employees of the Company			
(Consolidated Subsidiaries)									
BOSS Corporation	Naka-ku Hamamatsu-shi Shizuoka	40 (Million JPY)	Electronic Musical Instruments Business	100%	2	2	None	Development of products of the Company	Yes
Roland SG Corporation	Matsumoto-shi Nagano	350 (Million JPY)	Electronic Musical Instruments Business	100%	4	1	None	Manufacturing of products of the Company	Yes
Roland DG Corporation	Kita-ku Hamamatsu-shi Shizuoka	3,668 (Million JPY)	Computer Peripherals Business	40.0%	2	-	None	-	Yes
Roland Europe S.p.A.	Acquaviva Picena Italy	9,928 (Thousand EUR)	Electronic Musical Instruments Business	100%	1	1	None	Manufacturing of products of the Company	None
Rodgers Instruments Corporation	Hillsboro Oregon U.S.A.	36,500 (Thousand USD)	Electronic Musical Instruments Business	100%	2	-	Loans receivable 93 (Million JPY)	Manufacturing of products of the Company	None
Roland Corporation U.S.	Los Angeles California U.S.A.	545 (Thousand USD)	Electronic Musical Instruments Business	100%	2	-	Loans receivable 787 (Million JPY)	Sales of products of the Company	None
Roland (U.K.) Ltd.	Swansea W.Glam. U.K.	5,019 (Thousand STG)	Electronic Musical Instruments Business	99.7%	2	-	None	Sales of products of the Company	None
Roland Elektronische Musikinstrumente HmbH.	Oststrasse Norderstedt Germany	3,300 (Thousand EUR)	Electronic Musical Instruments Business	100%	1	1	Guaranty of liabilities 14 (Million JPY)	Sales of products of the Company	None
Roland DGA Corporation	Irvine California U.S.A.	4,196 (Thousand USD)	Computer Peripherals Business	87.4% (87.4%)	1	-	None	Purchases from Roland DG Corporation	None
Roland Canada Ltd.	Richmond B.C. Canada	7 (Thousand CAD)	Electronic Musical Instruments Business	79.4%	1	-	None	Sales of products of the Company	None
Roland Central Europe n.v.	Westerlo Belgium	75 (Thousand EUR)	Electronic Musical Instruments Business	70.0%	1	-	None	Sales of products of the Company	None

Company Name	Location	Capital	Main business	Ratio of voting rights holding	Relationship				
					Concurrent positions		Financial support	Business transactions	Equipment hiring
					Directors of the Company	Employees of the Company			
Roland DG Benelux n.v.	Westerlo Belgium	72 (Thousand EUR)	Computer Peripherals Business	70.0% (70.0%)	1	-	None	Purchases from Roland DG Corporation	None
Roland Italy S.p.A.	Milano Italy	1,550 (Thousand EUR)	Electronic Musical Instruments Business	100%	1	-	None	Sales of products of the Company	None
Roland DG (U.K.) Ltd.	Clevedon N.Somerset U.K.	3,383 (Thousand STG)	Computer Peripherals Business	97.5% (97.5%)	2	-	None	Purchases from Roland DG Corporation	None
Electronic Musical Instruments Roland Scandinavia A/S	Copenhagen Denmark	600 (Thousand DKK)	Electronic Musical Instruments Business	85.0%	1	-	None	Sales of products of the Company	None
Roland Iberia, S.L.	Barcelona Spain	2,214 (Thousand EUR)	Electronic Musical Instruments Business	96.2%	2	-	None	Sales of products of the Company	None
Roland Corporation Australia Pty Ltd	Dee Why NSW Australia	833 (Thousand AUD)	Electronic Musical Instruments Business	81.0%	1	-	Guaranty of liabilities 42 (Million JPY)	Sales of products of the Company	None
Roland Systems Group U.S.	Bellingham Washington U.S.A.	6,000 (Thousand USD)	Electronic Musical Instruments Business	100%	2	-	Guaranty of liabilities 12 (Million JPY)	Sales of products of the Company	None
Roland Digital Group Iberia, S.L.	Cerdanyola del Valles Spain	106 (Thousand EUR)	Computer Peripherals Business	97.7% (97.7%)	1	-	None	Purchases from Roland DG Corporation	None
Roland DG Mid Europe S.r.l.	Acquaviva Picena Italy	1,000 (Thousand EUR)	Computer Peripherals Business	98.0% (98.0%)	1	-	None	Purchases from Roland DG Corporation	None
Roland Brasil Importação, Exportação, Comércio Representação e Serviços Ltda.	Cotia Sao Paulo Brazil	15,780 (Thousand BRL)	Electronic Musical Instruments Business and Computer Peripherals Business	98.9%	-	-	None	Sales of products of the Company and purchases from Roland DG Corporation	None
Roland DG North Europe A/S	Allerød Denmark	5,000 (Thousand DKK)	Computer Peripherals Business	100% (100%)	1	-	None	Purchases from Roland DG Corporation	None
Cakewalk, Inc.	Boston Massachusetts U.S.A.	34 (Thousand USD)	Electronic Musical Instruments Business	60.1%	2	-	None	Manufacturing and sales of products of the Company	None
(Non-consolidated, equity-method subsidiary)									
Roland Taiwan Electronic Music Corporation	Taipei Taiwan	122,000 (Thousand TWD)	Electronic Musical Instruments Business	50.0%	3	-	Loans receivable 570 (Million JPY)	Manufacturing of products of the Company	None

Notes: 1. The name of segment by the type of business is stated in the column of main businesses.

2. Figures in brackets “()” in the columns of “Ratio of voting rights holding” represent the amounts of indirect holdings of the total percentage.

3. Roland Engineering Corporation was merged into the Company as of April 1, 2009.

4. Rodgers Instruments LLC changed its company name to Rodgers Instruments Corporation as of May 29, 2009.
5. Roland DG Corporation, Roland Europe S.p.A., Rodgers Instruments Corporation, Roland Corporation U.S. and Roland (U.K.) Ltd. are specified subsidiary companies of the Company.
6. Roland DG Corporation submits the securities reports.
7. Cakewalk, Inc., which was a non-consolidated, non-equity-method subsidiary in the previous consolidated fiscal year, was included in the scope of consolidation because its importance had been increased.
8. Roland Taiwan Electronic Music Corporation, which was an equity-method affiliate of the Company in the previous consolidated fiscal year, became a non-consolidated, equity-method subsidiary as from the consolidated fiscal year under review because it was regarded as substantially controlling its decision making.
9. “Principle Information on Profit and Loss, etc.” of the consolidated subsidiaries whose sales (excluding sales among consolidated companies) exceed 10% of consolidated sales are as follows.

(Millions of Yen)

Company name	Sales	Ordinary income (loss)	Net income (loss)	Net assets	Total assets
Roland DG Corporation	20,363	968	740	23,200	27,013
Roland Corporation U.S.	9,805	(307)	(510)	3,883	7,497
Roland DGA Corporation	7,936	(140)	(86)	1,677	4,149

3. Management Philosophy

(1) Basic Management Philosophy

Since its founding, the Roland Group has launched innovative new products in the market that were the first of their kind in the world or in Japan. Moving forward, the Company remains committed to creating new products and pioneering new fields responding to customer needs.

As a group, the Company's mission is to transform imagination into reality with innovative audio, video, and printing tools, and to allow its users to combine these platforms in creative ways. The Roland Group has distilled the philosophy at the root of these efforts into three slogans.

- Inspire the Enjoyment of Creativity
- Be the BEST rather than the BIGGEST
- The Roland Family - Cooperative Enthusiasm

(2) Medium to Long Term Business Strategy and Issues to be Addressed

Because the Roland Group carries a wide range of products, it employs a multi-brand strategy for its various businesses and product lines, in order to strengthen its identity in each of its fields.

<Electronic Musical Instruments Business>

Electronic musical instruments in general	Roland
Guitar-related equipment	BOSS
Video-related equipment	EDIROL
Computer music	Cakewalk
Large classic organs	Rodgers
Audio equipment for professional use	RSS

<Computer Peripherals Business> Roland DG

In order to respond swiftly to market changes, the Roland Group has created a management structure that focuses on each of its brands. Each company in the Roland Group bases its actions on improving the value of its respective brands, with an overall goal of ensuring a stable revenue base.

The Company's business-specific strategies are described below.

<Electronic Musical Instruments Business>

1. Realization of "Better Life with Music"

"Better Life with Music" is an initiative to create demand for the Company's musical instruments by proposing the enjoyment of music that enriches people's lives through the playing of musical instruments. It will be possible to enable more people to enjoy playing musical instruments by resolving each of the issues holding back people who are interested in playing a musical instrument, but have held back until now. Adding to people's lives, the Company proposes the enjoyment of playing a musical instrument and a life more filled with enjoyment.

2. Promote “Realtime 301 Project”

The goal of the “Realtime 301 Project” is to create and develop products that are number one in their categories, and increase the market value of the Company’s products by 30%. The project sets targets in existing markets, identifies the needs in those targets, and develops products that better meet those needs. As the computer revolution and globalization make customer needs increasingly diverse, the project’s goal is to enable greater flexibility and agility, in order to increase the satisfaction of each customer.

3. Initiatives in Growth Fields

In addition to musical instrument fields with a focus on keyboard instruments, percussion instruments, and guitar-related equipment, the Company has identified the following new growth fields; audio equipment fields for professional use; video equipment fields; home recording fields based on computer music; and it is focusing its efforts on expanding sales in these fields.

In the increasingly digital field of audio and video equipment for professional use, the Company will continue to offer audio-visual system solutions, integrating everything from concerts and other live performances to recording, editing, and production.

In the home recording field as well, improved computer performance has made sophisticated music production possible in the home. The Company is committed to cultivating new demand, by offering package solutions that fuse hardware and software that make it easy to produce music with high-quality audio.

4. Build a Global Production Regime

The Company is advancing a “local production” system: making products close to where they are consumed based on the basic and applied technologies developed in Japan. The goal of this system is to make the business more efficient in terms of transportation and other factors, while also supplying products that match the differing needs of each region. At its production sites in China as well, The Company is moving beyond the manufacture of low-end products for export, and is expanding its production with a view to the domestic Chinese market. It is combining these sites with its production sites in Japan, Taiwan, North America, and Europe, in order to build a global production regime capable of flexible response.

5. Enhance Music Education Business

The Company’s music schools advocate a new style of lessons, based on a unique philosophy called “ism”, which improves musicality by making effective use of the distinctive features of electronic musical instruments, such as music data and automated accompaniment. Moving forward, it remains committed to enhancing this business by offering full-scale, high-quality lesson courses, and offering new lessons for all ages based on the idea of having fun.

6. Enhance Distribution through Shop-in-Shop Concept

The Company is rolling out a global “shop-in-shop” model, by partnering with retailers to create dedicated sales space for the products in stores. The goal of this model is to enable customers to make purchases with a full understanding of the Company’s products, in a crowded field. The attraction of the Company’s products is communicated directly to customers through extensive product displays and dedicated sales staff.

The Company currently deploys the shop-in-shop model in three formats: Roland Planet, which offers the fun of band performances and music production; Roland Planet X, which is Roland Planet in a more compact format; and Roland Foresta, which brings the enjoyment of playing musical instruments to the home. There are currently a total of more than 100 “shops-in-shops” in Japan. Moving forward, it will provide extensive support for enriching customers’ lives with music, through the “Better Life with Music” concept including solutions to improve quality of life, applications that stimulate new interest, and richer communication through music.

7. Promote Operational Reforms

In April 2008, the Company introduced a new enterprise information system, and brought it online. This integrated information system covers a wide range of tasks, from design to production, sales, and accounting, at three companies including subsidiaries of the Company in Japan. It remains committed to adding value to all operations by making effective use of this system to standardize and streamline work, and save labor. The system will also be used as infrastructure for building and maintaining effective internal controls.

<Computer Peripherals Business>

1. Implement Global Branding

At the beginning of 2010, the Company adopted “Imagine.” as its unified brand message, and it is rolling out this message globally together with its corporate logo. “Imagine.” is a simple and powerful expression of the slogan “Transforming Your Imagination into Reality” in the Company’s basic management philosophy. To those viewing this brand message, it communicates the message “Imagine freely. (Let your imagination run free),” while at the same time conveying the Company’s promise to “transform their imaginations into reality”. The Company is building a global brand image that gives an intuitive understanding linking “Imagine.” with Roland DG, in order to create a uniform brand image recognizable to anyone worldwide.

2. Promote DVE (Digital Value Engineering)

In today’s rapidly changing society, society’s needs are becoming increasingly diverse. It is necessary and vital to create new added value, including revising conventional methods, and reducing costs and lead times through process innovation using digital and information technologies. The Company will create added value from its customers’ perspectives, and offer end-to-end solutions that increase customer satisfaction. All development, manufacturing, sales, and other divisions at the Company will reform their processes and improve their internal operations, in order to add value with this perspective. The Company defines “Digital

Value Engineering” (DVE) as this process of creating new added value through process innovation responding to changes in society. It will continue to promote DVE moving forward.

3. Continue Developing Color (Color Products) and 3D (Three-Dimensional Products) Strategies

The Company remains actively committed to sales expansion by offering end-to-end solutions, concentrating its management resources in line with a basic strategy of color & 3D.

4. Expand the Sales Network

The Company is committed to using its management resources effectively, including enhancing its sales readiness suited to the unique characteristics of regions with differing cultures and customs; strengthening collaboration between sites; and making use of global human resources throughout the group. It will continue to build and enhance a global sales network moving forward.

5. Enhancing the Development and Production Regimes

The Company is actively investing in development in order to improve its agility, create new technologies, and add greater value, while at the same time employing an approach of “focus and selection.” Meanwhile, the Company will work to improve productivity, improve production quality and flexibility, and reduce production costs, by rolling out a cell production system named "Digital YATAI".

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	22,951,101	20,467,753
Notes and accounts receivable-trade	10,247,415	10,013,453
Short-term investment securities	134,120	-
Merchandise and finished goods	18,433,544	14,643,182
Work in process	403,055	317,820
Raw materials and supplies	4,027,852	3,750,236
Deferred tax assets	2,344,513	1,302,074
Other	5,328,538	4,241,135
Allowance for doubtful accounts	(459,630)	(393,386)
Total current assets	63,410,512	54,342,269
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	20,726,301	20,929,686
Accumulated depreciation	(12,237,273)	(12,991,952)
Buildings and structures, net	8,489,028	7,937,733
Machinery, equipment and vehicles	3,357,140	3,440,163
Accumulated depreciation	(2,411,644)	(2,661,309)
Machinery, equipment and vehicles, net	945,496	778,854
Tools, furniture and fixtures	10,663,447	10,916,384
Accumulated depreciation	(8,964,510)	(9,486,446)
Tools, furniture and fixtures, net	1,698,937	1,429,937
Land	7,586,969	7,825,547
Construction in progress	241,065	23,653
Total property, plant and equipment	18,961,497	17,995,726
Intangible assets		
Goodwill	211,198	126,542
Software	1,734,005	1,373,705
Software in progress	91,278	56,546
Other	81,937	85,619
Total intangible assets	2,118,420	1,642,414
Investments and other assets		
Investment securities	3,596,632	2,844,585
Long-term loans receivable	1,133,952	605,278
Deferred tax assets	1,027,141	701,733
Other	3,765,840	3,645,616
Allowance for doubtful accounts	(127,783)	(101,824)
Total investments and other assets	9,395,783	7,695,390
Total noncurrent assets	30,475,701	27,333,531
Total assets	93,886,214	81,675,801

(Thousands of Yen)

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,415,625	3,507,364
Short-term loans payable	9,511,748	422,987
Current portion of long-term loans payable	69,187	42,486
Income taxes payable	300,852	186,749
Deferred tax liabilities	1,977	1,634
Provision for bonuses	1,117,636	1,146,354
Provision for directors' bonuses	67,750	-
Provision for product warranties	505,919	430,967
Other	4,529,394	4,777,777
Total current liabilities	19,520,091	10,516,321
Noncurrent liabilities		
Long-term loans payable	4,878	257,914
Deferred tax liabilities	534,718	146,393
Deferred tax liabilities for land revaluation	187,289	187,289
Provision for retirement benefits	-	160,447
Other	2,139,369	2,129,725
Total noncurrent liabilities	2,866,256	2,881,770
Total liabilities	22,386,347	13,398,092
Net assets		
Shareholders' equity		
Capital stock	9,274,272	9,274,272
Capital surplus	10,801,209	10,801,192
Retained earnings	40,259,611	37,360,369
Treasury stock	(689,158)	(1,767,421)
Total shareholders' equity	59,645,935	55,668,412
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	43,930	162,677
Revaluation reserve for land	(1,498,983)	(1,498,983)
Foreign currency translation adjustment	(4,000,370)	(3,002,540)
Total valuation and translation adjustments	(5,455,422)	(4,338,847)
Minority interests	17,309,353	16,948,143
Total net assets	71,499,866	68,277,708
Total liabilities and net assets	93,886,214	81,675,801

(2) Consolidated Statement of Income

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Net sales	100,506,864	75,034,027
Cost of sales	57,709,921	46,467,253
Gross profit	42,796,942	28,566,774
Selling, general and administrative expenses		
Advertising and promotion expenses	5,191,658	3,537,273
Provision of allowance for doubtful accounts	258,357	42,067
Salaries and bonuses	15,589,619	14,192,444
Provision for bonuses	504,188	519,313
Provision for directors' bonuses	67,750	-
Provision for product warranties	186,076	129,347
Other	13,569,074	10,959,486
Total selling, general and administrative expenses	35,366,723	29,379,932
Operating income (loss)	7,430,218	(813,158)
Non-operating income		
Interest income	384,146	155,716
Dividends income	157,837	76,694
Foreign exchange gains	-	421,444
Equity in earnings of affiliates	17,431	-
Other	368,259	350,608
Total non-operating income	927,675	1,004,464
Non-operating expenses		
Interest expenses	200,810	235,004
Sales discounts	662,497	388,978
Foreign exchange losses	1,229,512	-
Equity in losses of affiliates	-	7,312
Other	214,319	101,878
Total non-operating expenses	2,307,139	733,173
Ordinary income (loss)	6,050,754	(541,867)
Extraordinary income		
Reversal of allowance for doubtful accounts	18,620	46,346
Reversal of provision for product warranties	94,631	35,666
Gain on sales of noncurrent assets	16,515	19,258
Gain on sales of investment securities	4,933	780
Gain on sales of investments in capital	-	663
Total extraordinary income	134,700	102,714

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	78,254	41,240
Loss on liquidation of subsidiaries and affiliates	1,391	-
Loss on sales of investment securities	2,817	-
Loss on valuation of investment securities	891,166	44,747
Loss on valuation of investments in capital of subsidiaries and affiliates	25,890	-
Loss on extinguishment of tie-in shares	17,622	-
Full amortization of goodwill	-	304,193
Total extraordinary losses	1,017,142	390,181
Income (loss) before income taxes and minority interests	5,168,312	(829,333)
Income taxes-current	2,464,321	539,504
Income taxes for prior periods	-	-
Income taxes-deferred	(374,681)	900,911
Total income taxes	2,089,639	1,440,416
Minority interests in income (loss)	2,031,292	(178,955)
Net income (loss)	1,047,379	(2,090,794)

(3) Consolidated Statement of Changes in Net Assets

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	9,274,272	9,274,272
Balance at the end of current period	9,274,272	9,274,272
Capital surplus		
Balance at the end of previous period	10,801,269	10,801,209
Changes of items during the period		
Disposal of treasury stock	(59)	(17)
Total changes of items during the period	(59)	(17)
Balance at the end of current period	10,801,209	10,801,192
Retained earnings		
Balance at the end of previous period	40,037,783	40,259,611
Effect of changes in accounting policies applied to foreign subsidiaries	35,761	-
Effect of changes in accounting policies applied to equity method affiliated companies	(45,306)	-
Changes of items during the period		
Dividends from surplus	(816,007)	(627,701)
Net income (loss)	1,047,379	(2,090,794)
Decrease due to consolidation of subsidiaries	-	(180,746)
Total changes of items during the period	231,372	(2,899,242)
Balance at the end of current period	40,259,611	37,360,369
Treasury stock		
Balance at the end of previous period	(689,119)	(689,158)
Changes of items during the period		
Purchase of treasury stock	(1,592)	(1,078,336)
Disposal of treasury stock	1,553	74
Total changes of items during the period	(38)	(1,078,262)
Balance at the end of current period	(689,158)	(1,767,421)
Total shareholders' equity		
Balance at the end of previous period	59,424,205	59,645,935
Effect of changes in accounting policies applied to foreign subsidiaries	35,761	-
Effect of changes in accounting policies applied to equity method affiliated companies	(45,306)	-
Changes of items during the period		
Dividends from surplus	(816,007)	(627,701)
Net income (loss)	1,047,379	(2,090,794)
Purchase of treasury stock	(1,592)	(1,078,336)
Disposal of treasury stock	1,494	56
Decrease due to consolidation of subsidiaries	-	(180,746)
Total changes of items during the period	231,274	(3,977,522)
Balance at the end of current period	59,645,935	55,668,412

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	55,941	43,930
Changes of items during the period		
Net changes of items other than shareholders' equity	(12,010)	118,746
Total changes of items during the period	(12,010)	118,746
Balance at the end of current period	43,930	162,677
Revaluation reserve for land		
Balance at the end of previous period	(1,498,983)	(1,498,983)
Balance at the end of current period	(1,498,983)	(1,498,983)
Foreign currency translation adjustment		
Balance at the end of previous period	1,951,778	(4,000,370)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,952,148)	997,829
Total changes of items during the period	(5,952,148)	997,829
Balance at the end of current period	(4,000,370)	(3,002,540)
Total valuation and translation adjustments		
Balance at the end of previous period	508,736	(5,455,422)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,964,159)	1,116,575
Total changes of items during the period	(5,964,159)	1,116,575
Balance at the end of current period	(5,455,422)	(4,338,847)
Minority interests		
Balance at the end of previous period	18,756,517	17,309,353
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,447,163)	(361,210)
Total changes of items during the period	(1,447,163)	(361,210)
Balance at the end of current period	17,309,353	16,948,143
Total net assets		
Balance at the end of previous period	78,689,460	71,499,866
Effect of changes in accounting policies applied to foreign subsidiaries	35,761	-
Effect of changes in accounting policies applied to equity method affiliated companies	(45,306)	-
Changes of items during the period		
Dividends from surplus	(816,007)	(627,701)
Net income (loss)	1,047,379	(2,090,794)
Purchase of treasury stock	(1,592)	(1,078,336)
Disposal of treasury stock	1,494	56
Decrease due to consolidation of subsidiaries	-	(180,746)
Net changes of items other than shareholders' equity	(7,411,323)	755,365
Total changes of items during the period	(7,180,048)	(3,222,157)
Balance at the end of current period	71,499,866	68,277,708

(4) Consolidated Statement of Cash Flows

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	5,168,312	(829,333)
Depreciation and amortization	3,208,084	2,793,423
Amortization of goodwill	113,047	493,042
Interest and dividends income	(541,983)	(232,411)
Interest expenses	200,810	235,004
Foreign exchange losses (gains)	349,198	(345,026)
Equity in (earnings) losses of affiliates	(17,431)	7,312
Loss (gain) on sales of noncurrent assets	(16,515)	-
Loss (gain) on sales and retirement of noncurrent assets	78,254	21,982
Loss (gain) on sales of investment securities	(2,116)	(780)
Loss (gain) on valuation of investment securities	891,166	12,094
Loss on valuation of stocks of subsidiaries and affiliates	-	32,652
Loss on valuation of investments in capital	25,890	-
Decrease (increase) in notes and accounts receivable-trade	165,508	189,201
Decrease (increase) in inventories	(3,525,077)	5,364,083
Increase (decrease) in notes and accounts payable-trade	880,895	45,523
Other, net	(837,772)	531,002
Subtotal	6,140,271	8,317,771
Interest and dividends income received	562,020	252,388
Interest expenses paid	(251,255)	(225,175)
Income taxes (paid) refund	(4,910,612)	210,510
Net cash provided by (used in) operating activities	1,540,423	8,555,495
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(1,016,672)
Proceeds from withdrawal of time deposits	412,596	1,043,406
Purchase of short-term investment securities	(8,171)	-
Proceeds from sales of short-term investment securities	599,616	7,582
Purchase of property, plant and equipment	(3,041,694)	(984,270)
Proceeds from sales of property, plant and equipment	90,831	43,578
Purchase of intangible assets	(601,287)	(319,351)
Purchase of investment securities	(215,884)	(10,755)
Proceeds from sales of investment securities	315,301	1,500
Purchase of stocks of subsidiaries and affiliates	(510,285)	(44,500)
Payments for investments in capital	-	(142,855)
Collection of investments in capital	4,978	663
Payments of long-term loans receivable	(505,933)	(5,326)
Collection of long-term loans receivable	66,385	495,043
Other, net	478,777	620,835
Net cash provided by (used in) investing activities	(2,914,769)	(311,120)

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	8,893,072	(8,946,478)
Proceeds from long-term loans payable	-	254,417
Repayment of long-term loans payable	(59,527)	(42,521)
Proceeds from stock issuance to minority shareholders	53,129	-
Cash dividends paid	(816,007)	(627,701)
Cash dividends paid to minority shareholders	(1,052,219)	(613,976)
Purchase of treasury stock	(1,569)	(1,078,325)
Other, net	(36,859)	(33,607)
Net cash provided by (used in) financing activities	6,980,018	(11,088,192)
Effect of exchange rate change on cash and cash equivalents	(2,244,892)	33,195
Net increase (decrease) in cash and cash equivalents	3,360,779	(2,810,621)
Cash and cash equivalents at beginning of period	19,554,529	23,078,549
Increase in cash and cash equivalents from newly consolidated subsidiary	123,605	133,578
Increase in cash and cash equivalents resulting from merger	39,635	-
Cash and cash equivalents at end of period	23,078,549	20,401,506

(5) Notes to going concern assumption

None applicable.

(6) Significant accounting policies as bases for the preparation of consolidated financial statements

No further disclosure is made hereby as there are no significant changes in the description in the latest securities report (submitted on June 19, 2009).

(7) Notes to consolidated financial statements

(Segment Information)

1) Business segment information

(Millions of Yen)

For the fiscal year ended March 31, 2009					
	Electronic musical instruments business	Computer peripherals business	Total	Eliminations/ Corporate	Consolidated
I. Net sales and operating income (loss)					
Net sales					
(1) Sales to external customers	58,875	41,631	100,506	-	100,506
(2) Inter-segment sales and transfers	-	-	-	-	-
Total sales	58,875	41,631	100,506	-	100,506
Operating expenses	57,385	35,690	93,076	-	93,076
Operating income	1,489	5,940	7,430	-	7,430
II. Assets, depreciation and amortization, and capital expenditures					
Assets	60,434	33,490	93,925	[39]	93,886
Depreciation and amortization	2,120	1,087	3,208	-	3,208
Capital expenditures	1,551	1,898	3,450	-	3,450

(Millions of Yen)

For the fiscal year ended March 31, 2010					
	Electronic musical instruments business	Computer peripherals business	Total	Eliminations/ Corporate	Consolidated
I. Net sales and operating income (loss)					
Net sales					
(1) Sales to external customers	45,486	29,547	75,034	-	75,034
(2) Inter-segment sales and transfers	-	-	-	-	-
Total sales	45,486	29,547	75,034	-	75,034
Operating expenses	47,357	28,490	75,847	-	75,847
Operating income (loss)	(1,870)	1,057	(813)	-	(813)
II. Assets, depreciation and amortization, and capital expenditures					
Assets	51,947	29,754	81,701	[26]	81,675
Depreciation and amortization	1,761	1,032	2,793	-	2,793
Capital expenditures	823	463	1,286	-	1,286

(Notes) 1. Method of business segmentation

The Company's businesses are divided into two segments, i.e., the electronic musical instruments business and the computer peripherals business based on similarities in the type and nature of products.

2. Major products in each business segment

(1) Electronic musical instruments business

Digital pianos, synthesizers, electronic drums, guitar effects, digital recorders, computer music equipment

(2) Computer Peripherals Business

Printers, plotters and modeling machines

2) Geographical segment information

(Millions of Yen)

For the fiscal year ended March 31, 2009							
	Japan	North America	Europe	Other	Total	Eliminations/Corporate	Consolidated
I. Net sales and operating income (loss)							
Net sales							
(1) Sales to external customers	25,931	30,619	36,981	6,975	100,506	-	100,506
(2) Inter-segment sales and transfers	42,055	223	435	-	42,714	[42,714]	-
Total sales	67,986	30,842	37,417	6,975	143,221	[42,714]	100,506
Operating expenses	64,396	30,764	34,714	6,173	136,050	[42,973]	93,076
Operating income	3,589	78	2,702	801	7,170	259	7,430
II. Assets	64,020	16,129	21,208	3,557	104,915	[11,029]	93,886

(Millions of Yen)

For the fiscal year ended March 31, 2010							
	Japan	North America	Europe	Others	Total	Eliminations/Corporate	Consolidated
I. Net sales and operating income (loss)							
Net sales							
(1) Sales to external customers	22,401	21,852	25,981	4,799	75,034	-	75,034
(2) Inter-segment sales and transfers	28,315	189	557	22	29,085	[29,085]	-
Total sales	50,716	22,041	26,538	4,822	104,119	[29,085]	75,034
Operating expenses	51,838	22,964	26,601	4,500	105,905	[30,058]	75,847
Operating income (loss)	(1,121)	(922)	(62)	321	(1,786)	973	(813)
II. Assets	53,736	14,295	19,971	3,099	91,102	[9,427]	81,675

(Notes) 1. Countries and regions are categorized on the basis of geographic proximity.

2. Main countries and regions in segments other than Japan are as follows:

North America: United States, Canada

Europe: Italy, United Kingdom, Germany, Belgium, Denmark, Spain

Other: Brazil, Australia

3) Overseas sales

(Millions of Yen)

For the fiscal year ended March 31, 2009				
	North America	Europe	Others	Total
I. Overseas sales	29,462	39,231	16,979	85,673
II. Consolidated net sales				100,506
III. Percentage of overseas sales in consolidated net sales (%)	29.3	39.0	16.9	85.2

(Millions of Yen)

For the fiscal year ended March 31, 2010				
	North America	Europe	Others	Total
I. Overseas sales	20,310	27,231	13,772	61,314
II. Consolidated net sales				75,034
III. Percentage of overseas sales in consolidated net sales (%)	27.1	36.3	18.3	81.7

(Notes) 1. Countries and regions are categorized on the basis of geographic proximity.

2. Main countries and regions in segments other than Japan are as follows:

North America: United States, Canada

Europe: Italy, United Kingdom, Germany, France, Belgium, Denmark, Spain

Other: Southeast Asia, Latin America, Australia

3. Overseas sales are sales of the Company and its consolidated subsidiaries in countries and regions outside of Japan.

(Per share information)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Net assets per share	¥2,158. 28	¥2,157. 75
Net income (loss) per share	¥41. 72	(¥83. 99)

(Notes) 1. Diluted net income per share is not presented, since the Company posted net loss and there is no residual stock.

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

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Total net assets (Millions of Yen)	71,499	68,277
Amount to be deducted from total net assets (Minority interest of the above)	17,309 [17,309]	16,948 [16,948]
Net assets applicable to common stock at the end of the fiscal year (Millions of Yen)	54,190	51,329
Number of common stock used in the calculation of net assets per share at the end of the fiscal year (thousand shares)	25,108	23,788

3. Assumptions used for calculation of net income (loss) per share are as follows:

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Net income (loss) (Millions of Yen)	1,047	(2,090)
Net income not affordable to common shareholders (Millions of Yen)	-	-
Net income (loss) available to common shareholders (Millions of Yen)	1,047	(2,090)
Weighted average of the number of common stock outstanding (thousand shares)	25,107	24,894

(Sales results)

(Millions of Yen)

Business Segment	Items	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010	Change rate
Electronic musical instruments business	Electronic musical instruments	24,752	18,364	(25.8%)
	Guitar-related equipment	11,806	9,018	(23.6%)
	Home electronic musical instruments	12,016	9,628	(19.9%)
	Video, audio and computer music equipment	6,924	5,714	(17.5%)
	Others	3,374	2,760	(18.2%)
	Subtotal	58,875	45,486	(22.7%)
Computer peripherals business	Printers, plotters, etc.	41,631	29,547	(29.0%)
Total		100,506	75,034	(25.3%)

(Note) Transactions between business segments are offset and eliminated.

(Significant subsequent events)

None applicable.

(Omission of disclosure)

Disclosure is omitted in respect of notes to lease transactions, transactions with related parties, tax effect accounting, financial instruments, securities, derivative transactions, retirement benefits, business combinations, rental properties as necessity of their disclosure in the summary of consolidated operating results and financial position is no longer believed to be significant.

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Thousands of Yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	9,063,063	5,085,345
Notes receivable-trade	105,617	79,782
Accounts receivable-trade	4,430,134	4,891,595
Merchandise and finished goods	3,617,016	3,073,976
Work in process	262,886	193,166
Raw materials and supplies	1,982,714	1,861,477
Advance payments-trade	776	15
Prepaid expenses	119,784	76,013
Deferred tax assets	442,897	384,545
Short-term loans receivable from subsidiaries and affiliates	2,725,294	983,235
Accounts receivable-other	882,738	1,001,001
Other	200,437	147,129
Allowance for doubtful accounts	(1,570)	(1,320)
Total current assets	23,831,794	17,775,964
Noncurrent assets		
Property, plant and equipment		
Buildings	10,119,908	10,151,531
Accumulated depreciation	(6,805,751)	(7,060,918)
Buildings, net	3,314,156	3,090,612
Structures	733,728	730,078
Accumulated depreciation	(621,690)	(639,374)
Structures, net	112,037	90,703
Machinery and equipment	1,683,679	1,660,405
Accumulated depreciation	(1,188,923)	(1,298,775)
Machinery and equipment, net	494,756	361,629
Vehicles	55,341	47,954
Accumulated depreciation	(47,942)	(43,887)
Vehicles, net	7,399	4,067
Tools, furniture and fixtures	5,200,969	5,324,616
Accumulated depreciation	(4,470,263)	(4,812,877)
Tools, furniture and fixtures, net	730,706	511,739
Land	4,007,894	4,189,924
Construction in progress	111,549	-
Total property, plant and equipment	8,778,501	8,248,677
Intangible assets		
Goodwill	93,829	64,199
Software	887,042	671,694
Software in progress	9,114	1,460
Telephone subscription right	23,130	23,158
Right of using facilities	5,161	4,045
Total intangible assets	1,018,278	764,558

(Thousands of Yen)

	As of March 31, 2009	As of March 31, 2010
Investments and other assets		
Investment securities	1,868,334	1,831,631
Stocks of subsidiaries and affiliates	14,439,013	14,090,931
Investments in capital	5,882	5,882
Investments in capital of subsidiaries and affiliates	2,381,480	3,348,825
Long-term loans receivable from employees	5,323	4,360
Long-term loans receivable from subsidiaries and affiliates	1,508,000	555,000
Claims provable in bankruptcy, claims provable in rehabilitation and other	315	0
Long-term prepaid expenses	140,203	114,638
Deferred tax assets	21,931	297,534
Guarantee deposits	328,290	270,462
Other	216,180	33,301
Allowance for doubtful accounts	(166,534)	(115)
Total investments and other assets	20,748,420	20,552,451
Total noncurrent assets	30,545,200	29,565,687
Total assets	54,376,994	47,341,651
Liabilities		
Current liabilities		
Accounts payable-trade	1,284,290	1,698,805
Short-term loans payable	5,893,200	-
Current portion of long-term loans payable	471	491
Lease obligations	1,247	1,134
Accounts payable-other	663,182	717,174
Accrued expenses	94,411	92,707
Income taxes payable	44,692	86,136
Advances received	20,285	11,838
Deposits received	43,242	45,665
Unearned revenue	7,852	-
Provision for bonuses	608,848	655,557
Provision for directors' bonuses	25,000	-
Provision for product warranties	66,243	53,745
Other	3,135	50
Total current liabilities	8,756,102	3,363,307
Noncurrent liabilities		
Long-term loans payable	4,878	4,387
Lease obligations	1,381	288
Long-term accounts payable-other	80,325	80,318
Deferred tax liabilities for land revaluation	187,289	187,289
Provision for retirement benefits	-	68,561
Other	2,232	1,430
Total noncurrent liabilities	276,107	342,275
Total liabilities	9,032,209	3,705,582

(Thousands of Yen)

	As of March 31, 2009	As of March 31, 2010
Net assets		
Shareholders' equity		
Capital stock	9,274,272	9,274,272
Capital surplus		
Legal capital surplus	10,800,378	10,800,378
Other capital surplus	830	813
Total capital surpluses	10,801,209	10,801,192
Retained earnings		
Legal retained earnings	847,654	847,654
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	49,929	49,929
General reserve	25,344,000	25,844,000
Retained earnings brought forward	1,172,200	(73,655)
Total retained earnings	27,413,784	26,667,928
Treasury stock	(689,158)	(1,767,421)
Total shareholders' equity	46,800,108	44,975,972
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	43,659	159,080
Revaluation reserve for land	(1,498,983)	(1,498,983)
Total valuation and translation adjustments	(1,455,323)	(1,339,903)
Total net assets	45,344,784	43,636,068
Total liabilities and net assets	54,376,994	47,341,651

(2) Non-consolidated Statement of Income

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Net sales		
Net sales of finished goods	31,992,234	28,136,936
Net sales of goods	8,406,623	2,277,206
Sales allowance and returns	68,480	58,698
Total net sales	40,330,378	30,355,444
Cost of sales		
Beginning finished goods	2,108,142	2,615,314
Cost of products manufactured	24,606,162	21,249,974
Ending finished goods	2,615,314	2,644,026
Finished goods transfer to other account	-	(495,970)
Cost of finished goods sold	24,098,991	21,717,232
Beginning goods	555,815	1,001,702
Cost of purchased goods	6,252,709	1,609,105
Ending goods	1,001,702	429,949
Goods transfer to other account	20,572	426,478
Cost of goods sold	5,786,251	1,754,379
Total cost of sales	29,885,242	23,471,611
Gross profit	10,445,135	6,883,833
Selling, general and administrative expenses		
Transportation and warehousing expenses	888,721	732,791
Advertising and promotion expenses	1,583,197	1,245,906
Salaries and bonuses	2,678,072	2,534,724
Provision for bonuses	257,026	282,286
Provision for directors' bonuses	25,000	-
Provision for product warranties	66,243	53,745
Retirement benefit expenses	226,865	335,244
Welfare expenses	347,430	333,512
Traveling and transportation expenses	212,920	179,079
Communication expenses	91,407	86,318
Depreciation	512,050	498,146
Rent expenses	217,552	189,206
Research and development expenses	303,705	428,770
Commission fee	231,046	218,508
Other	1,243,785	1,026,119
Total selling, general and administrative expenses	8,885,025	8,144,361
Operating income (loss)	1,560,109	(1,260,528)

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Non-operating income		
Interest income	275,399	195,575
Dividends income	1,089,569	735,554
Other	33,412	34,399
Total non-operating income	1,398,381	965,529
Non-operating expenses		
Interest expenses	10,787	70,311
Commission fee	3,531	17,335
Loss on sales of accounts receivable	1,571	814
Foreign exchange losses	396,559	47,650
Other	767	5,674
Total non-operating expenses	413,218	141,787
Ordinary income (loss)	2,545,272	(436,785)
Extraordinary income		
Reversal of allowance for doubtful accounts	82,413	1,676
Gain on sales of noncurrent assets	3,628	3,826
Dividends income of subsidiaries and affiliates	-	700,000
Gain on sales of investment securities	4,153	-
Gain on extinguishment of tie-in shares	-	391,157
Total extraordinary income	90,195	1,096,661
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	43,666	23,842
Loss on sales of investment securities	2,817	-
Loss on valuation of investment securities	891,166	12,094
Loss on valuation of stocks of subsidiaries and affiliates	481,699	1,083,938
Total extraordinary losses	1,419,348	1,119,875
Income (loss) before income taxes	1,216,119	(460,000)
Income taxes-current	10,312	(7,148)
Income taxes-deferred	192,201	(334,696)
Total income taxes	202,513	(341,845)
Net income (loss)	1,013,605	(118,154)

(3) Non-consolidated Statement of Changes in Net Assets

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	9,274,272	9,274,272
Balance at the end of current period	9,274,272	9,274,272
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	10,800,378	10,800,378
Balance at the end of current period	10,800,378	10,800,378
Other capital surplus		
Balance at the end of previous period	890	830
Changes of items during the period		
Disposal of treasury stock	(59)	(17)
Total changes of items during the period	(59)	(17)
Balance at the end of current period	830	813
Total capital surplus		
Balance at the end of previous period	10,801,269	10,801,209
Changes of items during the period		
Disposal of treasury stock	(59)	(17)
Total changes of items during the period	(59)	(17)
Balance at the end of current period	10,801,209	10,801,192
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	847,654	847,654
Balance at the end of current period	847,654	847,654
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets		
Balance at the end of previous period	49,929	49,929
Balance at the end of current period	49,929	49,929
General reserve		
Balance at the end of previous period	23,744,000	25,344,000
Changes of items during the period		
Provision of general reserve	1,600,000	500,000
Total changes of items during the period	1,600,000	500,000
Balance at the end of current period	25,344,000	25,844,000
Retained earnings brought forward		
Balance at the end of previous period	2,574,602	1,172,200
Changes of items during the period		
Provision of general reserve	(1,600,000)	(500,000)
Dividends from surplus	(816,007)	(627,701)
Net income (loss)	1,013,605	(118,154)
Total changes of items during the period	(1,402,401)	(1,245,856)
Balance at the end of current period	1,172,200	(73,655)

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Total retained earnings		
Balance at the end of previous period	27,216,186	27,413,784
Changes of items during the period		
Provision of general reserve	-	-
Dividends from surplus	(816,007)	(627,701)
Net income (loss)	1,013,605	(118,154)
Total changes of items during the period	197,599	(745,856)
Balance at the end of current period	27,413,784	26,667,928
Treasury stock		
Balance at the end of previous period	(689,119)	(689,158)
Changes of items during the period		
Purchase of treasury stock	(1,592)	(1,078,336)
Disposal of treasury stock	1,553	74
Total changes of items during the period	(38)	(1,078,262)
Balance at the end of current period	(689,158)	(1,767,421)
Total shareholders' equity		
Balance at the end of previous period	46,602,608	46,800,108
Changes of items during the period		
Dividends from surplus	(816,007)	(627,701)
Net income (loss)	1,013,605	(118,154)
Purchase of treasury stock	(1,592)	(1,078,336)
Disposal of treasury stock	1,494	56
Total changes of items during the period	197,501	(1,824,136)
Balance at the end of current period	46,800,108	44,975,972
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	48,471	43,659
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,811)	115,420
Total changes of items during the period	(4,811)	115,420
Balance at the end of current period	43,659	159,080
Revaluation reserve for land		
Balance at the end of previous period	(1,498,983)	(1,498,983)
Balance at the end of current period	(1,498,983)	(1,498,983)
Total valuation and translation adjustments		
Balance at the end of previous period	(1,450,511)	(1,455,323)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,811)	115,420
Total changes of items during the period	(4,811)	115,420
Balance at the end of current period	(1,455,323)	(1,339,903)

(Thousands of Yen)

	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Total net assets		
Balance at the end of previous period	45,152,096	45,344,784
Changes of items during the period		
Dividends from surplus	(816,007)	(627,701)
Net income (loss)	1,013,605	(118,154)
Purchase of treasury stock	(1,592)	(1,078,336)
Disposal of treasury stock	1,494	56
Net changes of items other than shareholders' equity	(4,811)	115,420
Total changes of items during the period	192,688	(1,708,716)
Balance at the end of current period	45,344,784	43,636,068

(4) Notes to going concern assumption

None applicable.

6. Other information

Changes in Directors or Corporate Auditors

As stated in the annex.

Changes in Directors or Corporate Auditors

Roland hereby announces that the personnel changes regarding its officers after the conclusion of the Company's general meeting of shareholders to be held on June 18, 2010 was resolved at the Board of Directors' meeting held on May 7, 2010.

1. Changes in Directors (as of June 18, 2010)

(1) Candidates for a new Director position

Director	Junichi Miki	
	(Currently Officer, General Manager of Classic Product Design Dept.)	

(2) Retiring Director

Director	Koichi Mizumoto	(To be elected as Officer)
Director (Executive Adviser)	Katsuyoshi Dan	(To be elected as Consultant)
Director	Masahiro Tomioka	