Consolidated Financial Results
for the Three Months Ended June 30, 2014 [JGAAP]

August 7, 2014

Company Name: Roland Corporation

Code Number: 7944
(URL: http://www.roland.com/)

Stock Exchange Listing: Tokyo

Representative: Jun-ichi Miki, CEO and Representative Director
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Scheduled date to submit the Quarterly Securities Report: August 8, 2014
Scheduled date to commence dividend payments: -
Availability of supplementary briefing material on quarterly results: Available (Japanese only)
Schedule of quarterly results briefing session: Not scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2014 (From April 1, 2014 to June 30, 2014)

(1) Consolidated Results of Operations (Cumulative) (% 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	%
Three months ended June 30, 2014	21,687	15.8	3,109	228.8	2,871	185.3	1,501	562.6
Three months ended June 30, 2013	18,725	4.0	945	-	1,006	-	226	544.5

(Note) Comprehensive income: Three Months Ended June 30, 2014: ¥1,876 million (–23.2%)
Three Months Ended June 30, 2013: ¥2,444 million (46.1%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	67.64	-
Three months ended June 30, 2013	9.53	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
Three months ended June 30, 2014	81,746	64,646	54.8	2,017.21
Fiscal year ended March 31, 2014	84,037	63,160	52.0	1,969.67

(Reference) Equity: Three Months Ended June 30, 2014: ¥44,774 million
Fiscal Year Ended March 31, 2014: ¥43,722 million

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2014	-	7.50	-	7.50	15.00
Fiscal year ending March 31, 2015	-				
Fiscal year ending March 31, 2015 (Forecast)		0.00	-	0.00	0.00

(Note) Revision of dividend forecasts from recently announced figures: Yes
For details, please refer to "Announcement concerning Dividends from Surplus for the Fiscal Year Ending March 31, 2015" released today (August 7, 2014).

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2015 (From April 1, 2014 to March 31, 2015)

(% 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 (Cumulative)	32,400	(19.5)	2,700	(13.0)	2,800	(9.8)	5,100	534.3	229.75
Full year	56,700	(33.8)	4,500	(42.3)	4,900	(36.9)	7,000	1,388.8	315.35

(Note) Revision of financial results forecast from recently announced figures: No

*** Notes**

(1) Significant changes of subsidiaries during the three months ended June 30, 2014 (changes in specific subsidiaries resulting in changes in scope of consolidation): None

(2) Adoption of special accounting treatment for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and corrections of errors
1) Changes in accounting policies due to the revision of accounting standards, etc.: Yes
2) Other changes in accounting policies: None
3) Changes in accounting estimates: None
4) Corrections of errors: None

(4) Total number of issued shares (common stock)
1) Total number of issued shares at the end of the period (including treasury stock):

Three months ended June 30, 2014	23,835,796 shares
Fiscal year ended March 31, 2014	23,835,796 shares

2) Total number of treasury stock at the end of the period:

Three months ended June 30, 2014	1,639,404 shares
Fiscal year ended March 31, 2014	1,638,142 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended June 30, 2014	22,197,407 shares
Three months ended June 30, 2013	23,785,796 shares

* Presentation regarding the implementation status of the quarterly review process:

These quarterly financial results (not translated into English) are not subject to the quarterly review process required under the Financial Instruments and Exchange Act, and the quarterly review process required under the Financial Instruments and Exchange Act was in progress at the time of the disclosure of these quarterly financial results.

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

- The above forecasted performance figures and other forward-looking statements stated herein are based on economic environment, business plans of the Company and other factors at the time of the release of this report. Therefore actual results may differ from forecast values due to various factors. For further information on the assumptions above, please see page 6 "Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information."
- The supplementary briefing material on quarterly results will be posted on the Company's website on Thursday, August 7, 2014. (Japanese only)

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The following information has not been translated into English (we have Japanese version only.).

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Results of Operations

Results of operations

(Millions of Yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Changes	Change rate
Net sales	18,725	21,687	2,962	15.8%
Electronic Musical Instruments Business	9,853	11,052	1,198	12.2%
Computer Peripherals Business	8,871	10,634	1,763	19.9%
Operating income	945	3,109	2,163	228.8%
Electronic Musical Instruments Business	89	917	827	925.9%
Computer Peripherals Business	856	2,191	1,335	156.0%
Ordinary income	1,006	2,871	1,864	185.3%
Net income	226	1,501	1,274	562.6%

Results of net sales by business segment

(Millions of Yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Changes	Change rate
Electronic musical instruments	3,725	4,703	977	26.3%
Guitar-related equipment	1,891	2,004	113	6.0%
Home electronic musical instruments	2,440	2,707	267	11.0%
Professional video, professional audio and computer music equipment	1,227	1,130	(97)	(7.9%)
Others	569	506	(63)	(11.1%)
Electronic Musical Instruments Business	9,853	11,052	1,198	12.2%
Computer Peripherals Business	8,871	10,634	1,763	19.9%
Total	18,725	21,687	2,962	15.8%

Results of net sales by geographical segment

(Millions of Yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Changes	Change rate
Japan	2,098	1,797	(300)	(14.3%)
North America	2,813	3,237	424	15.1%
Europe	3,029	4,030	1,000	33.0%
Others	1,912	1,986	73	3.8%
Electronic Musical Instruments Business	9,853	11,052	1,198	12.2%
Japan	977	1,053	75	7.8%
North America	2,515	2,704	188	7.5%
Europe	3,092	4,363	1,270	41.1%
Others	2,285	2,513	228	10.0%
Computer Peripherals Business	8,871	10,634	1,763	19.9%
Total	18,725	21,687	2,962	15.8%

During the three months ended June 30, 2014, in the Japanese economy, individual consumption weakened somewhat due to the rebound after the last-minute demand associated with the consumption tax hike. The U.S. economy was steady against the backdrop of robust individual consumption, and the European economy showed signs of picking up including a mild economic recovery in Germany and the U.K. With respect to emerging markets including China, the economy continued to expand at a moderate pace.

Amid these circumstances, the Electronic Musical Instruments Business showed signs of bottoming out, and, looking at sales by product, sales of drums, pianos, and guitar effects, which are mainstay products, increased year on year. Also, the new products that were introduced into the dance music market as initiatives in new fields made a good start.
By region, in North America, despite a year-on-year decline in some areas, there were signs of a return, and in Europe, sales increased year on year backed by the economic recovery. Sales in Japan sharply declined year on year mainly due to the rebound after the last-minute demand associated with the consumption tax hike. In other regions, sales were flat year on year, partly thanks to strong performance in China, although sales decreased in Central and South America due to an economic recession.
As a result, net sales increased by 12.2% year on year to ¥11,052 million, combined with the impact of the depreciation of the yen. Operating income amounted to ¥917 million, up 925.9% year on year, as a result of factors including increase in profit and an improvement of the cost-to-sales ratio.

In the Computer Peripherals Business, by product, sales were up year on year thanks to strong sales for new products of large inkjet printers and UV printers introduced in the previous fiscal year. Also, in 3D products, sales increased year on year mainly due to growth in sales of milling machines for dental applications.
By region, in Japan sales of milling machines for dental applications increased substantially, resulting in a year-on-year increase. In the United States and Europe, sales increased year on year, backed by robust sales for new printer products and milling machines for dental applications, in addition to factors such as the effect of yen depreciation. In Asia too, sales were favorable primarily for printers that are in demand locally and increased substantially year on year.
As a result, net sales increased by 19.9% year on year to ¥10,634 million, and operating income rose by 156.0% year on year to ¥2,191 million, as a result of a significant improvement of the cost-to-sales ratio, despite an increase in selling, general and administrative expenses.

As a result of the factors described above, overall net sales increased by 15.8% year on year to ¥21,687 million, operating income increased by 228.8% year on year to ¥3,109 million, and ordinary income increased by 185.3% year on year to ¥2,871 million. Ultimately, the Company posted a net income of ¥1,501 million, up 562.6% year on year due to such factors as tax expenses and transfer of income to minority shareholders.

The average exchange rates for the three months ended June 30, 2014 (*) were 103 yen to the US dollar (from 92 yen for the same period of the previous fiscal year), and 141 yen to the euro (from 122 yen for the same period of the previous fiscal year).

(*) Average for January to March 2014, 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.

<Electronic Musical Instruments Business>
[Electronic musical instruments]
Sales of synthesizers increased year on year on the strength of highly rated new products with updated functions and designs to suit to consumer trends. Drum sales were flat year on year, thanks to strong performance by electronic drums, a mainstay product. As for stage pianos, sales of new products were robust in North America and Europe, and increased year on year. With regard to products for the dance music market, AIRA, a new brand mainly targeting young people in Japan, North America, and Europe, was launched, and sales increased substantially year on year. As a result, net sales of this segment increased by 26.3% year on year to ¥4,703 million.

[Guitar-related equipment]
As for guitar effects, sales were flat year on year thanks to strong performance by new multi-type products in North America and Europe, despite stagnation among existing products in Japan and Asia. With respect to guitar synthesizers, although sales were strong for processors launched in Japan, sales declined year on year due to a falling off in existing products in North America. As a result, net sales for this segment increased by 6.0% year on year to ¥2,004 million, due to the depreciation of the yen, in spite of a virtual decline in sales.

[Home electronic musical instruments]
Digital piano sales were up year on year in North America, Europe, and Australia, reflecting robust performance by single-function products launched during the previous fiscal year, although Japan saw a year-on-year decline due to the rebound following the last-minute demand associated with the consumption tax hike. Accordion sales increased year on year, due to favorable performance by products launched in Europe during the previous fiscal year. Sales of keyboards with automatic accompaniment dropped in almost all regions, and decreased year on year. As a result, net sales for this segment increased by 11.0% year on year to ¥2,707 million, due to the impact of the depreciation of the yen, although sales were virtually flat year on year.

[Professional video, professional audio and computer music equipment]
With regard to professional video equipment, sales of switchers launched in the previous fiscal year increased year on year due to strong performance mainly in North America and Europe. As for computer music equipment, sales declined year on year, partly because music production software was no longer handled after the transfer of an

overseas subsidiary carried out during the previous fiscal year. Sales of professional audio equipment were down year on year due to a falling off in sales of existing products. As a result, net sales for this segment decreased by 7.9% year on year to ¥1,130 million.

[Others]
Sales of sound engines for online karaoke machines declined year on year due to a drop in demand in Japan and Asia. As for music schools, sales decreased year on year due to a drop in the number of students as a result of the declining birth rate. As a result, overall net sales for this segment decreased by 11.1% year on year to ¥506 million.

As a result of the factors described above, net sales for the Electronic Musical Instruments Business increased by 12.2% year on year to ¥11,052 million.

<Computer Peripherals Business>
Regarding printers, although sales of professional use models equipped with the print & cut function began to show signs of settling down, new products introduced during the previous fiscal year performed strongly. Professional use models offering enhanced output speed were launched in April of last year, and were increasingly introduced in areas where high productivity is demanded such as manufacturing applications. In addition, new products of mainstay models launched in October of last year were highly rated and sold well due to high value-added sign manufacturing as a result of the print & cut function. Furthermore, with regard to small flatbed UV printers, sales grew significantly among applications for manufacture of original goods such as smartphone cases, partly reflecting the effect of new products released in October of last year.
As for 3D products, sales of milling machines for dental applications grew substantially. The product is rapidly gaining recognition in the market, amid robust sales in North America, as well as in Japan and other areas, as a result of creating a system for proposing the dental prosthetics production process as a total solution and the steady progress in the establishment and expansion of a sales network.
As for supplies, sales of inks increased mainly in Europe and other areas, where sales of printers were strong.
As a result of the factors described above, net sales for the Computer Peripherals Business increased by 19.9% year on year to ¥10,634 million.

(2) Explanation of Financial Position

Total assets decreased by ¥2,291 million from the end of previous consolidated fiscal year to ¥81,746 million. This is mainly due to an increase in other investments and other assets including time deposits matured over one year by ¥821 million, decreases in cash and deposits and notes and accounts receivable-trade by ¥2,139 million and ¥1,634 million, respectively, as well as a decrease in yen equivalent values in financial statements for our overseas affiliates in the wake of continuing strong yen against major currencies during the period from the end of the previous fiscal year of overseas affiliates (end of December 2013) to the end of the current period (end of March 2014).

Liabilities decreased by ¥3,777 million from the end of the previous consolidated fiscal year to ¥17,099 million. This is mainly due to decreases in provision for loss on liquidation of subsidiaries and associates by ¥1,300 million, income taxes payable by ¥981 million, provision for bonuses by ¥733 million, and other current liabilities including accounts payable-other by ¥631 million.

Net assets increased by ¥1,486 million from the end of the previous consolidated fiscal year to ¥64,646 million. Key factors included a decrease in foreign currency translation adjustment by ¥445 million due to the above-mentioned appreciation of the yen and dividends from surplus of ¥166 million, as well as net income of ¥1,501 million.

As a result of the factors above, the equity ratio was 54.8%, up 2.8 points from the end of the previous consolidated fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There is no revision to the forecast of consolidated financial results for the six months ending September 30, 2014 and the full year of the fiscal year ending March 31, 2015 announced on May 14, 2014.

2. Summary Information (Notes)

Changes in accounting policies, changes in accounting estimates, and corrections of errors

(Changes in accounting policies)

(Application of the Accounting Standard for Retirement Benefits, etc.)
With regard to the “Accounting Standard for Retirement Benefits” (Accounting Standard Boards of Japan [ASBJ] Statement No. 26, May 17, 2012, hereinafter referred to as “Retirement Benefits Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012, hereinafter

referred to as “Retirement Benefits Guidance”), provisions specified in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the main clause of Paragraph 67 of the Retirement Benefits Guidance have been applied effective from the current period. As a result of this application, the Company has reviewed the method of calculating retirement benefit obligations and service costs, and made changes in the method of attributing expected benefits to fiscal periods from the straight-line basis to the benefit formula basis and in the method of determining discount rates from the use of the number of years approximate to the expected average remaining service period of employees to the use of a single weighted average discount rate reflecting the estimated timing and amount of benefit payment (for each estimated timing).

These changes do not affect the consolidated financial statements for the current period.