

FINANCIAL HIGHLIGHTS

OVERVIEW OF BUSINESS PERFORMANCE

Roland Corporation

May 14, 2014

FY ended March 31, 2014

In the consolidated fiscal year under review (April 1, 2013 to March 31, 2014), with regard to the economic climate, Japan experienced a mild economic recovery on the back of improved corporate earnings, and the North American economy, too, tended to pick up moderately thanks to strong individual consumption. In Europe, the economic slump continued in Southern Europe but signs of recovery were observed in the euro zone as a whole. Meanwhile, economic expansion slowed down in emerging markets including China.

Amid these circumstances, looking at the sales in the Electronic Musical Instruments Business by product, sales of stage pianos and professional video equipment were robust, increasing year on year. Also, as initiatives in new fields, new products were introduced into the dance market and made a good start. Meanwhile, sales of drums, pianos, and guitar effects, which are mainstay products, fell year on year due to the impact of the sharp drop in sales of existing products during the first half of the fiscal year, even though a recovery trend was observed in some areas from the second half of the fiscal year.

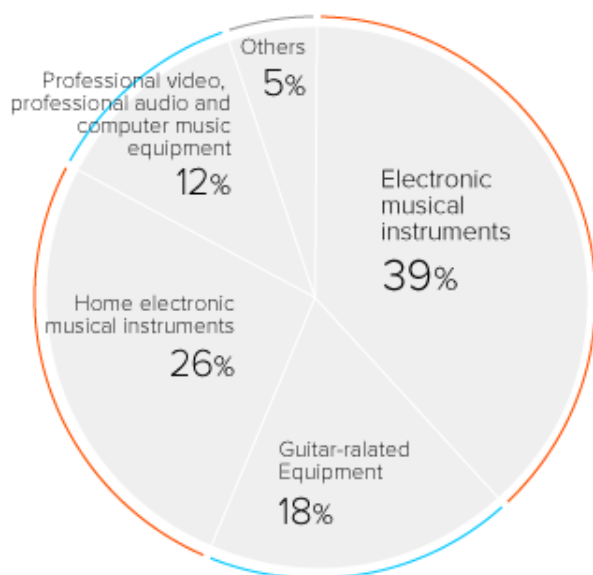
By region, sales of some products increased before the consumption tax hike in Japan but declined year on year. In North America and Europe too, although signs of recovery were observed in some areas, sales decreased year on year. In other regions, although sales decreased in South America due to an economic recession, sales in Australia increased slightly year on year, and sales in Asia increased year on year thanks to a strong performance.

As a result, despite virtually declining year on year, net sales increased by 8.4% year on year to ¥43,258 million due to the impact of the depreciation of the yen. Operating income amounted to ¥1,370 million (from an operating loss of ¥2,094 million for the previous consolidated fiscal year) due to personnel cutbacks implemented at the end of the previous fiscal year as part of business structural reforms, as well as the impact of the depreciation of the yen, and other factors.

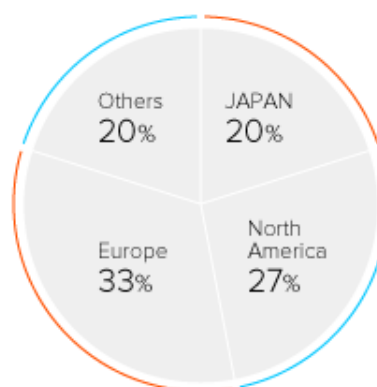
BUSINESS PERFORMANCE BY SEGMENT

Consolidated Net Sales FY 2014 (Ended March 31, 2014)

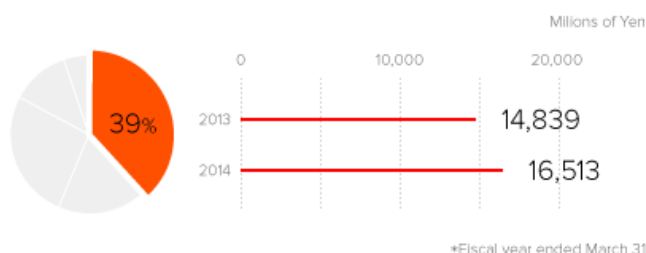
Proportion by Business Segment



Proportion by Geographic Area

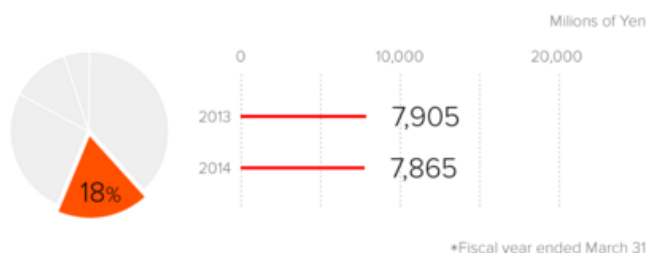


Electronic musical instruments



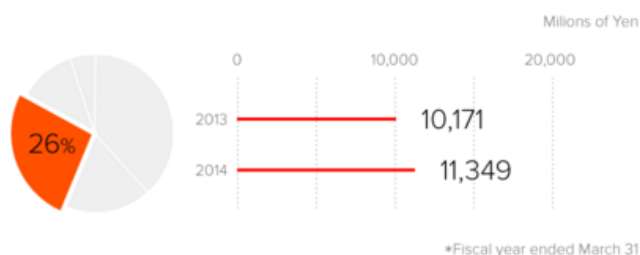
As for stage pianos, sales increased year on year due to the contribution of new products. Also, the sale of new products for the dance market started from the fourth quarter, making a good start. With regard to drums, although signs of recovery were seen from the second half of the fiscal year amid robust sales for the new foldable product and existing compact-type products, it did not offset the drop in sales in the first half of the fiscal year, resulting in a year-on-year decline. With respect to synthesizers, even though sound engine modules equipped with tones of generations made a contribution, sales of existing products were down mainly in North America and South America.

Guitar-related equipment



As for guitar effects, although new products posted strong sales and some existing products headed towards a recovery in Asia, sales of existing products fell sharply amid intensified market competition in North America and Europe, thus resulting in a year-on-year decline. With respect to guitar synthesizers, sales fell sharply in reaction to new products launched in the previous fiscal year.

Home electronic musical instruments



Sales of keyboards with automatic accompaniment were robust mainly in Asia and increased year on year. Accordion sales, which had declined year on year during the first half of the fiscal year, picked up year on year thanks to strong performance in Europe by new products. Digital piano sales, which started to show signs of recovery from the second half of the fiscal year, rose year on year thanks to an increase in sales of new products particularly stemming from last-minute demand before the consumption tax hike in Japan. However, this did not offset the drop in sales in North America and Europe during the first half of the fiscal year, resulting in a year-on-year decline.

Professional video, professional audio and computer music equipment



With regard to professional video equipment, sales of both new products of switchers and existing products increased year on year due to solid performance mainly in Japan, North America and Europe. Sales of professional audio equipment, which had decreased year on year during the first half of the fiscal year, increased year on year driven by mixers for the iPad. As for computer music equipment, although sales of audio interfaces for computers and keyboard equipment for data entry rose year on year, sales of music software declined, resulting in a year-on-year decrease.

Others



Sales of sound engines for online karaoke machines were declined year on year due to a sharp decline in sales in Japan despite strong sales in Asia, resulting in a year-on-year decline. As for music schools, sales decreased year on year due to a gradual drop in the number of students as a result of the declining birth rate.

FINANCIAL HIGHLIGHTS

Years ended March 31

	2010	2011	2012	2013	2014
Net sales (*)	75,034	78,270	74,825	72,310	85,607
Operating Income (loss) (*)	(813)	2,270	872	(451)	7,797

(*) million of yen