Consolidated Financial Results
for the Fiscal Year Ended March 31, 2014 [JGAAP]

May 14, 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
Contact: Naoyuki Tamura, Director, Executive Officer
Phone: 053-523-3652
Scheduled date of Ordinary General Meeting of Shareholders: June 27, 2014
Scheduled date to submit the Annual Securities Report: June 30, 2014
Scheduled date to commence dividend payments: June 30, 2014
Availability of supplementary briefing material on financial results: Available (Japanese only)
Schedule of financial results briefing session: Not scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(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, 2014	85,607	18.4	7,797	-	7,762	-	470	-
Fiscal year ended March 31, 2013	72,310	(3.4)	(451)	-	(754)	-	(4,066)	-

(Note) Comprehensive income: Fiscal year Ended March 31, 2014: ¥8,479 million (-%)
Fiscal year Ended March 31, 2013: ¥(741) million (-%)

	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, 2014	20.28	-	1.1	9.6	9.1
Fiscal year ended March 31, 2013	(170.95)	-	(9.5)	(1.0)	(0.6)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal Year Ended March 31, 2014: ¥- million
Fiscal Year Ended March 31, 2013: ¥- 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, 2014	84,037	63,160	52.0	1,969.67
Fiscal year ended March 31, 2013	77,341	57,749	54.1	1,760.66

(Reference) Equity: Fiscal Year Ended March 31, 2014: ¥43,722 million
Fiscal Year Ended March 31, 2013: ¥41,878 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, 2014	9,582	(2,096)	(6,636)	20,106
Fiscal year ended March 31, 2013	1,020	(2,698)	3,239	17,207

2. Dividends

	Annual Dividend					Total dividends paid (annual)	Payout ratio (consoli-dated)	Dividends to net assets (consoli-dated)
	1Q	2Q	3Q	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2013	-	7.50	-	5.00	12.50	297	-	0.7
Fiscal year ended March 31, 2014	-	7.50	-	7.50	15.00	344	74.0	0.8
Fiscal year ending March 31, 2015 (Forecast)	-	-	-	-	-		-	

(Note) Dividend forecast for the fiscal year ending March 31, 2015 has not yet been calculated.

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

*** Notes**

(1) Significant changes of subsidiaries during the fiscal year under review (changes in specific subsidiaries resulting in changes in scope of consolidation): Yes

New: one company (Company name) Roland Europe Group Limited

(Note) Please refer to “2. Status of Corporate Group” on page 10 and “Significant accounting policies as bases for the preparation of consolidated financial statements” on page 22 of the attached Appendix for details.

(2) 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

(3) Total number of issued shares (common stock)

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

Fiscal year ended March 31, 2014	23,835,796 shares
Fiscal year ended March 31, 2013	23,835,796 shares

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

Fiscal year ended March 31, 2014	1,638,142 shares
Fiscal year ended March 31, 2013	50,000 shares

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

Fiscal year ended March 31, 2014	23,181,017 shares
Fiscal year ended March 31, 2013	23,786,160 shares

(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, 2014 (From April 1, 2013 to March 31, 2014)

(1) Non-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, 2014	31,497	13.5	1,624	-	2,340	-	(518)	-
Fiscal year ended March 31, 2013	27,754	(0.3)	(1,045)	-	(405)	-	(2,863)	-

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2014	(22.36)	-
Fiscal year ended March 31, 2013	(120.38)	-

(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, 2014	38,757	32,189	83.1	1,450.13
Fiscal year ended March 31, 2013	41,446	34,977	84.4	1,470.54

(Reference) Equity: Fiscal Year Ended March 31, 2014: ¥32,189 million
Fiscal Year Ended March 31, 2013: ¥34,977 million

2. Forecast of Non-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		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half (Cumulative)	16,000	9.9	1,000	22.4	900	10.9	40.54
Full year	33,400	6.0	2,500	6.8	2,400	-	108.12

* Presentation regarding the implementation status of the audit process:

These financial results are not subject to the audit process required under the Financial Instruments and Exchange Act, and the audit process required under the Financial Instruments and Exchange Act was in progress at the time of the disclosure of these 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 conditions for the assumptions above and other related information, please see page 6 “Outlook for the fiscal year ending March 31, 2015 (fiscal 2015)” and page 11 “3. Management Philosophy.”
- The supplementary briefing material on financial results will be posted on the Company’s website on Wednesday, May 14, 2015. (Japanese only)

Table of Contents of Appendix

1. Results of Operations

(1) Analysis of Results of Operations

1) Results of operations

(Millions of Yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Changes	Change rate
Net sales	72,310	85,607	13,297	18.4%
Electronic Musical Instruments Business	39,889	43,258	3,368	8.4%
Computer Peripherals Business	32,420	42,349	9,929	30.6%
Operating income (loss)	(451)	7,797	8,248	-
Electronic Musical Instruments Business	(2,094)	1,370	3,465	-
Computer Peripherals Business	1,643	6,427	4,783	291.0%
Ordinary income (loss)	(754)	7,762	8,517	-
Net income (loss)	(4,066)	470	4,536	-

Results of net sales by business segment

(Millions of Yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Changes	Change rate
Electronic musical instruments	14,839	16,513	1,673	11.3%
Guitar-related equipment	7,905	7,865	(40)	(0.5%)
Home electronic musical instruments	10,171	11,349	1,177	11.6%
Professional video, professional audio and computer music equipment	4,552	5,231	678	14.9%
Others	2,420	2,299	(120)	(5.0%)
Electronic Musical Instruments Business	39,889	43,258	3,368	8.4%
Computer Peripherals Business	32,420	42,349	9,929	30.6%
Total	72,310	85,607	13,297	18.4%

Results of net sales by geographical segment

(Millions of Yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Changes	Change rate
Japan	9,009	8,660	(348)	(3.9%)
North America	10,717	11,796	1,079	10.1%
Europe	12,523	14,184	1,661	13.3%
Others	7,639	8,616	976	12.8%
Electronic Musical Instruments Business	39,889	43,258	3,368	8.4%
Japan	4,232	4,727	494	11.7%
North America	8,412	11,656	3,243	38.6%
Europe	10,339	14,384	4,045	39.1%
Others	9,435	11,581	2,146	22.7%
Computer Peripherals Business	32,420	42,349	9,929	30.6%
Total	72,310	85,607	13,297	18.4%

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.

In the Computer Peripherals Business, by product, sales of printers and supplies, mainstay products, rose year on year on the strength of robust sales primarily of new products of large inkjet printers introduced in the previous and current fiscal years. Also, in 3D products, sales increased year on year thanks to strong sales of milling machines for dental applications.

By region, sales were robust in Japan primarily for new printer products, and sales grew significantly year on year in North America and Europe due to the impact of the depreciation of the yen, in addition to growth in sales of new printer products and milling machines for dental applications. In Asia too, large inkjet printers that are in demand among local sign manufacturers in China expanded sales, recording a year-on-year increase. In other regions, sales were steady in such regions as Australia and South America.

As a result, combined with the impact of the depreciation of the yen, net sales increased by 30.6% year on year to ¥42,349 million, and operating income rose by 291.0% year on year to ¥6,427 million, as a result of factors including increase in profit and an 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 18.4% year on year to ¥85,607 million, operating income was ¥7,797 million (from an operating loss of ¥451 million for the previous consolidated fiscal year), and ordinary income was ¥7,762 million (from an ordinary loss of ¥754 million for the previous consolidated fiscal year). Ultimately, the Company posted a net income of ¥470 million (from a net loss of ¥4,066 million for the previous consolidated fiscal year) due to such factors as extraordinary loss resulting from the dissolution and liquidation of an overseas production subsidiary, tax expenses and transfer of income to minority shareholders.

The average exchange rates for the current consolidated fiscal year (*) were 98 yen to the US dollar (from 80 yen for the same period of the previous fiscal year), and 130 yen to the euro (from 103 yen for the same period of the previous fiscal year).

(*) Average for January to December 2013, 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]

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. As a result, net sales for this segment increased by 11.3% year on year to ¥16,513 million, partly due to the impact of the depreciation of the yen, in spite of a virtual decline in sales.

[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. As a result, net sales for this segment decreased by 0.5% year on year to ¥7,865 million.

[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. As a result, net sales for this segment increased by 11.6% year on year to ¥11,349 million, due to the depreciation of the yen despite a virtual decline in sales.

[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. As a result, net sales for this segment increased by 14.9% year on year to ¥5,231 million.

[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. As a result, overall net sales for this segment decreased by 5.0% year on year to ¥2,299 million.

As a result of the factors described above, net sales for the Electronic Musical Instruments Business increased by 8.4% year on year to ¥43,258 million.

<Computer Peripherals Business>
Regarding printers, sales continued to be robust for new products of large inkjet printers for the sign market, the Company's core market, mainly in replacement demand among existing users after being highly rated for their high-value-added expressiveness. In addition, sales of new products offering enhanced output speed advanced among major sign manufacturers. Furthermore, sales of print only machines grew mainly in such regions as China and South America.
As for 3D products, sales of milling processing machines and engraving machines, mainstay products, for the manufacturing field were robust. Also, sales of milling machines for dental applications expanded in North America, as well as in Japan and China, 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, in addition to the introduction of compact and low-priced new products.
As for supplies, sales of inks increased mainly in North America and Europe, where sales of printers were strong.

As a result of the factors described above, net sales for Computer Peripherals Business increased by 30.6% year on year to ¥42,349 million.

2) Outlook for the fiscal year ending March 31, 2015 (fiscal 2015)

(Millions of Yen)

		Results for the fiscal year ended March 31, 2014	Outlook for the fiscal year ending March 31, 2015	Changes	Change rate
Net sales		85,607	56,700	(28,907)	(33.8)%
	Electronic Musical Instruments Business	43,258	46,800	3,541	8.2%
	Computer Peripherals Business	42,349	9,900	(32,449)	(76.6)%
Operating income		7,797	4,500	(3,297)	(42.3)%
	Electronic Musical Instruments Business	1,370	2,500	1,129	82.4%
	Computer Peripherals Business	6,427	2,000	(4,427)	(68.9)%
Ordinary income		7,762	4,900	(2,862)	(36.9)%
Net income		470	7,000	6,529	1,388.8%

In terms of the global economy during the fiscal year ending March 31, 2015, a mild economic recovery trend is expected to continue on the whole mainly in developed regions. However, there are also many uncertain factors concerning the future economy, such as unstable U.S. economic indicators following the severe cold wave at the beginning of the year, the slowdown in economic growth in some emerging countries including China and India, and political instability surrounding the situation in Ukraine. Meanwhile in Japan, there are concerns about the impact of the hike in consumption tax on private-sector demand.

Under these circumstances, the Electronic Musical Instruments Business will further expedite business structural reforms in the second fiscal year of the Medium-term Business Plan announced in May of last year. While continuing to pursue “improvement of earnings power” through low-cost operation, the Company will endeavor to deliver innovative products and unique solutions to customers by “strengthening of product power” and “strengthening of regional response”, and expand market share and cultivate new markets to enable as many people as possible to actively enjoy music and video.

In the Computer Peripherals Business, we will continue to press ahead with activities focused on the three measures of “create opportunities for new growth,” “strengthen the global brand,” and “management that responds to diversification”—key themes for our “GlobalOne” structural reform. In doing so, the Company will strive to build the global sales system and develop products and production regime capable of sensitively and swiftly responding to the fast-changing market.

Roland DG Corporation, a consolidated subsidiary of the Company which operates the Computer Peripherals Business, resolved at the meeting of the board of directors held today to acquire its treasury stocks and to conduct a tender offer as the method of acquisition of such treasury stocks. Additionally, with regard to the 3,560,000 shares of common shares of said subsidiary held by the Company, the Company resolved at the meeting of the board of directors held today to dispose said shares by tendering to the tender offer. If, as a result of the tender offer, the percentage of voting rights held by the Company in said subsidiary falls below 40.00%, said subsidiary will cease to be a consolidated subsidiary of the Company, and is expected to become an affiliate accounted for under the

equity method from the second quarter of the fiscal year ending March 31, 2015. Additionally, if the total number of shares to be tendered to the tender offer matches the maximum number of shares to be tendered to the tender offer (3,916,000 shares) and all 3,560,000 shares, which the Company intends to tender to the tender offer, are purchased, the Company expects to report an extraordinary income of ¥3,700 million. Accordingly, the forecast of consolidated financial results for the fiscal year ending March 31, 2015 has been calculated based on such prospects. Details of this tender offer have been disclosed in "Announcement on Resolving Share Buy Back and Self Tender Offer by the Subsidiary and Transfer of Subsidiary," which was announced separately today.
Consolidated net sales for the fiscal year ending March 31, 2015 are forecasted to be ¥56,700 million, down by 33.8% year on year. Operating income is forecasted to be ¥4,500 million, down by 42.3% year on year, ordinary income is forecasted to be ¥4,900 million, down by 36.9% year on year and net income is forecasted to be ¥7,000 million, up by 1,388.8% year on year.

(2) Analysis of Financial Position

1) Assets as of the end of the Fiscal 2014

(Millions of Yen)

	Fiscal 2013	Fiscal 2014	Changes
Total assets	77,341	84,037	6,696
Net assets	57,749	63,160	5,411
Equity ratio	54.1%	52.0%	2.1 point decrease

Total assets increased by ¥6,696 million from the end of previous consolidated fiscal year to ¥84,037 million. This is mainly attributable to a decrease in property, plant and equipment by ¥822 million, as well as increases in cash and deposits by ¥3,732 million reflecting the status of cash flows as described in detail below, notes and accounts receivable-trade by ¥2,098 million, and increased financial statement yen equivalent values for our overseas affiliates due to the ongoing depreciation of the yen against other major currencies during the period from the end of the previous fiscal year of overseas affiliates (end of December 2012) to the end of the current fiscal year (end of December 2013).

Liabilities increased by ¥1,284 million from the end of the previous consolidated fiscal year to ¥20,876 million. This is mainly due to a decrease in short-term loans payable by ¥3,192 million, as well as provision for loss on liquidation of subsidiaries and associates by ¥1,652 million, income taxes payable by ¥1,183 million and other current liabilities including accounts payable-other by ¥727 million, respectively.

Net assets increased by ¥5,411 million from the end of the previous consolidated fiscal year to ¥63,160 million. Key factors included purchase of treasury stock of ¥2,055 million and dividends from surplus of ¥297 million, as well as an increase in foreign currency translation adjustment by ¥3,621 million due to the above-mentioned depreciation of the yen and net income of ¥470 million.

As a result of the factors above, the equity ratio was 52.0%, down 2.1 points from the end of the previous consolidated fiscal year.

2) Status of cash flows for Fiscal 2014

(Millions of Yen)

	Fiscal 2013	Fiscal 2014	Changes
Net cash provided by (used in) operating activities	1,020	9,582	8,561
Net cash provided by (used in) investing activities	(2,698)	(2,096)	601
Net cash provided by (used in) financing activities	3,239	(6,636)	(9,875)
Effect of exchange rate change on cash and cash equivalents	1,121	2,048	927
Net increase (decrease) in cash and cash equivalents	2,683	2,898	215
Cash and cash equivalents at beginning of period	14,063	17,207	3,144
Increase in cash and cash equivalents from newly consolidated subsidiary	460	-	(460)
Cash and cash equivalents at end of period	17,207	20,106	2,898

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the current consolidated fiscal year increased by ¥2,898 million from the end of the previous fiscal year to ¥20,106 million.

Net cash provided by operating activities for the consolidated fiscal year under review was ¥9,582 million, compared with ¥1,020 million in the previous consolidated fiscal year. Major factors include income before income taxes and minority interests of ¥5,459 million, depreciation and amortization of ¥1,980 million and loss on liquidation of subsidiaries and of ¥2,148 million as items excluded from funds or expenses included in income before income taxes and minority interests, decrease in inventories (increase in funds) of ¥2,922 million, increase in notes and accounts receivable-trade (decrease in funds) of ¥1,517 million, and decrease in notes and accounts payable-trade (decrease in funds) of ¥1,587 million.

Net cash used in investing activities for the consolidated fiscal year under review was ¥2,096 million, compared with ¥2,698 million in the previous consolidated fiscal year. Major factors were payments into time deposits of ¥779 million, purchase of property, plant and equipment of ¥1,079 million, and purchase of intangible assets of ¥575 million.

Net cash used by financing activities for the consolidated fiscal year under review was ¥6,636 million, while funds increased ¥3,239 million in the previous consolidated fiscal year. Major factors were net decrease in short-term loans payable of ¥3,410 million, purchase of treasury stock of ¥2,055 million.

(Reference) Changes in cash flow-related indicators

	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Equity ratio	62.8%	60.2%	59.9%	54.1%	52.0%
Equity ratio, fair value basis (%)	32.6%	29.6%	28.4%	24.8%	37.7%
Number of years for debt redemption	0.1	0.4	-	5.2	0.2
Interest coverage ratio	38.0	36.1	-	13.2	107.8

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 statement of cash flows. Interest-bearing liabilities are the sum of all the liabilities shown on the consolidated balance sheets that bear interest. Interest expense payment is equal to interest expenses paid shown in the consolidated statement of cash flows.
* Operating cash flow was negative, therefore, the number of years for debt redemption and the interest coverage ratio are not indicated for fiscal 2012.

(3) Basic Policy on Earnings Distributions and Dividends for the Current and Next Fiscal Years

In light of current performance trends and as indicated in the forecast released on May 8, 2013, the year-end dividend for the fiscal year ended March 31, 2014 is scheduled to be ¥7.50 per share. The total annual dividend, including the interim dividend that is already paid, is scheduled to be ¥15.00 per share.

The Company resolved at the meeting of the board of directors held today that the board of directors of the Company has resolved to express an opinion in favor of the tender offer (“Tender Offer”) by Tokowaka Co., Ltd. (“Tender Offeror”) for the Company’s ordinary shares (excluding the treasury shares held by the Company; “Company’s Ordinary Shares”), conducted as part of the management buyout (“MBO”) (Note) and to recommend the shareholders of the Company to accept the Tender Offer. The decision of the board of directors, as mentioned above, has been made on the premises that the Tender Offeror intends to make the Company a wholly-owned subsidiary through the Tender Offer and subsequent transactions, and that the ordinary shares of the Company will be delisted. In light of such circumstances, the annual dividend for the fiscal year ending March 31, 2015 will remain undecided. Details of the Tender Offer have been disclosed in the “Announcement concerning Implementation of MBO and Recommendation to Tender,” which was announced separately today.

Note: A management buyout (MBO) generally refers to the acquisition of shares of a target company with funds provided, in whole or in part, by the management of the target company, based on the presumption that the target company’s business will continue.

2. Status of Corporate Group

Significant changes of subsidiaries

The Company, on February 20, 2014, established a holding company through the in-kind contribution of shares of its European subsidiaries for the Electronics Musical Instruments Business.

(1) Reason for the establishment of the holding company

At present, the Company, in the European region including Russia, has developed sales activities through its ten sales subsidiaries. In recent years, as the Musical Instruments market becomes “borderless”, the Company more than ever has been required to take unified measures. Under such circumstance, in an effort to speed up the decision-making process and enhance work efficiency and the management structure in its European sales operation, the Company decided to set up a holding company for the promotion of its unified business operation.

(2) Outline of the holding company

1) Name	Roland Europe Group Limited
2) Address	Atlantic House, Imperial Way, Reading, United Kingdom, RG2 0TD
3) Representative	Gordon Raison
4) Businesses	Holding shares of European sales subsidiaries and consolidated management of pan-European business activities
5) Amount of capital	Stg.£ 33,610 thousand
6) Date of incorporation	February 20, 2014
7) Major shareholders and shareholding ratio	Roland Corporation 100%

3. Management Philosophy

(1) Basic Management Philosophy

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

As a group, the Company's mission is to transform imagination into reality with innovative audio, video, and printing tools, and 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) Management Indicators to be Achieved

The Roland Group aims to secure a stable revenue and enhance capital efficiency from the Electronic Musical Instruments Business, focusing on the ratio of operating income to net sales and the rate of return on invested capital (ROIC) by business. The Group is also making efforts to improve the rate of return on equity (ROE), with an aim to boost shareholder value.

(3) Medium to Long-term Business Strategy and Issues to be Addressed

The Group announced the "Medium-term Business Plan 2016/3" (2014/3 to 2016/3) on May 8, 2013. We are tackling the following priority issues in the Electronics Musical Instruments Business to achieve this plan.

(i) LOW-COST OPERATION ~ Improvement of Earnings Power and Establishment of Foundation

The Company will continue business structural reforms and further improve its earnings power. In the medium term, it will focus on reducing procurement costs through such initiatives as the promotion of global purchasing and the optimization of back office with a view to cutting fixed costs. Also, the Company will further strengthen revenue management by category and product, as well as start considering steps to unify the closing date of the fiscal year of companies within the Group. Furthermore, the Company will not only reduce costs but also optimize inventory of products and materials by pushing ahead with improving distribution primarily through the continuation of consolidated production which was promoted in fiscal 2013 and the utilization of centralized warehouses overseas.

(ii) GLOCALIZATION ~ Strengthening Regional Response

While globalization is making progress in various fields along with the development of the information-oriented society, music and musical instruments are fields still characterized by strong regional features and traits. The Company will strive to expand sales through global operations while at the same time undertaking activities suited to regional traits. In Japan, Europe and the United States where changes in distribution are conspicuous as seen by the oligopoly of distribution and the expansion of Internet sales, the Company will aim at expanding sales by strengthening communication with customers through the utilization of the Internet and the establishment of new points of contact other than existing distribution channels. In China and emerging countries where the market is expanding, the Company will make efforts for development of distribution, as well as cope with products supporting unique music culture and contents such as tone and accompaniment style, in proceeding with the cultivation of the market.

(iii) INNOVATION ~ Strengthening of Product Power

Since its founding, Roland has created markets through solutions unique to electronic musical instruments based on its own technology and has worked to increase the population of musicians. By utilizing the Internet and cloud systems, the possibilities of electronic musical instruments will further expand. We will further advance proprietary digital signal processing technologies and bring them together in custom LSI, realizing such technologies as our core competence. Our aim is to realize product innovation.

In existing fields, the Company will strive to stabilize sales through measures such as further incorporating market needs and appropriate price-setting, mainly for pianos, drums and guitar-related equipment, which boast a large market size. In addition, the Company will proceed with cultivating and expanding in the musical instruments sector, including dance and vocal, professional video and professional audio equipment. In the long term, the Company will proceed with extending usage of proprietary technologies without being bound by the existing market and seek to also expand the business domain.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	17,450,652	21,183,330
Notes and accounts receivable-trade	10,246,794	12,345,665
Merchandise and finished goods	16,271,365	15,834,607
Work in process	329,303	419,710
Raw materials and supplies	4,282,421	4,161,001
Deferred tax assets	1,242,842	1,818,100
Other	2,281,718	3,347,655
Allowance for doubtful accounts	(351,537)	(416,078)
Total current assets	51,753,561	58,693,991
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	21,284,444	21,606,988
Accumulated depreciation	(13,669,400)	(14,578,853)
Buildings and structures, net	7,615,043	7,028,134
Machinery, equipment and vehicles	3,136,187	3,450,194
Accumulated depreciation	(2,471,834)	(2,728,479)
Machinery, equipment and vehicles, net	664,352	721,714
Tools, furniture and fixtures	11,187,949	11,921,987
Accumulated depreciation	(9,778,510)	(10,404,142)
Tools, furniture and fixtures, net	1,409,438	1,517,844
Land	8,147,553	7,840,384
Construction in progress	128,324	33,923
Total property, plant and equipment	17,964,712	17,142,002
Intangible assets		
Goodwill	843,326	898,698
Software	831,965	1,043,355
Software in progress	163,462	127,776
Other	151,537	133,090
Total intangible assets	1,990,292	2,202,921
Investments and other assets		
Investment securities	1,908,565	1,994,848
Long-term loans receivable	53,924	36,274
Deferred tax assets	961,026	862,060
Other	2,872,721	3,254,724
Allowance for doubtful accounts	(163,800)	(149,786)
Total investments and other assets	5,632,437	5,998,119
Total noncurrent assets	25,587,442	25,343,044
Total assets	77,341,003	84,037,035

(Thousands of Yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,660,144	2,904,733
Short-term loans payable	4,316,106	1,124,273
Current portion of long-term loans payable	403,648	402,505
Income taxes payable	304,311	1,488,169
Deferred tax liabilities	36,322	21,164
Provision for bonuses	1,068,482	1,620,998
Provision for directors' bonuses	-	100,000
Provision for product warranties	397,768	484,143
Provision for loss on liquidation of subsidiaries and associates	-	1,652,501
Other	5,710,958	6,438,143
Total current liabilities	14,897,744	16,236,633
Noncurrent liabilities		
Long-term loans payable	603,207	201,169
Deferred tax liabilities	568,563	665,417
Deferred tax liabilities for land revaluation	164,155	164,155
Provision for retirement benefits	809,152	-
Net defined benefit liability	-	859,436
Other	2,548,920	2,749,547
Total noncurrent liabilities	4,693,999	4,639,725
Total liabilities	19,591,744	20,876,358
Net assets		
Shareholders' equity		
Capital stock	9,274,272	9,274,272
Capital surplus	10,800,378	10,800,378
Retained earnings	27,569,796	27,568,789
Treasury stock	(50,141)	(2,105,184)
Total shareholders' equity	47,594,306	45,538,256
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	225,620	307,205
Revaluation reserve for land	(1,453,231)	(1,279,368)
Foreign currency translation adjustment	(4,487,969)	(866,011)
Remeasurements of defined benefit plans	-	22,054
Total accumulated other comprehensive income	(5,715,579)	(1,816,119)
Minority interests	15,870,532	19,438,540
Total net assets	57,749,259	63,160,676
Total liabilities and net assets	77,341,003	84,037,035

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Thousands of Yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Net sales	72,310,144	85,607,821
Cost of sales	43,658,864	46,022,195
Gross profit	28,651,279	39,585,625
Selling, general and administrative expenses		
Advertising and promotion expenses	2,873,288	3,106,204
Provision of allowance for doubtful accounts	122,327	104,081
Salaries and bonuses	14,164,101	15,121,410
Provision for bonuses	492,400	735,420
Provision for directors' bonuses	-	100,000
Provision for product warranties	153,897	166,640
Other	11,296,567	12,454,305
Total selling, general and administrative expenses	29,102,582	31,788,062
Operating income (loss)	(451,303)	7,797,562
Non-operating income		
Interest income	84,397	103,445
Dividends income	46,524	52,496
Gain on valuation of investments in money held in trust	47,304	126,513
Foreign exchange gains	105,727	195,330
Other	134,494	238,938
Total non-operating income	418,447	716,724
Non-operating expenses		
Interest expenses	74,555	87,110
Sales discounts	541,310	588,803
Other	106,052	75,643
Total non-operating expenses	721,918	751,556
Ordinary income (loss)	(754,773)	7,762,731
Extraordinary income		
Gain on sales of noncurrent assets	51,847	121,938
Gain on sales of investment securities	25,265	-
Gain on liquidation of subsidiaries and affiliates	1,802	-
Gain on sales of shares of subsidiaries and associates	-	160,871
Total extraordinary income	78,915	282,809

(Thousands of Yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	93,586	189,651
Impairment loss	348,592	-
Loss on sales of investment securities	17,361	-
Loss on valuation of investment securities	-	45,268
Loss on valuation of investments in capital	-	202,055
Loss on liquidation of subsidiaries and associates	-	2,148,926
Business restructuring cost	1,447,858	-
Total extraordinary losses	1,907,398	2,585,902
Income (loss) before income taxes and minority interests	(2,583,256)	5,459,639
Income taxes-current	1,255,010	2,369,929
Income taxes-deferred	(144,793)	(184,751)
Total income taxes	1,110,217	2,185,177
Income (loss) before minority interests	(3,693,474)	3,274,461
Minority interests in income	372,789	2,804,284
Net income (loss)	(4,066,263)	470,177

(Consolidated Statement of Comprehensive Income)

(Thousands of Yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Income (loss) before minority interests	(3,693,474)	3,274,461
Other comprehensive income		
Valuation difference on available-for-sale securities	218,496	80,603
Foreign currency translation adjustment	2,733,734	5,124,180
Total other comprehensive income	2,952,231	5,204,784
Comprehensive income	(741,242)	8,479,246
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,840,053)	4,173,719
Comprehensive income attributable to minority interests	1,098,810	4,305,526

(3) Consolidated Statement of Changes in Net Assets

For the fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)

(Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	9,274,272	10,801,175	33,793,387	(1,768,520)	52,100,315
Changes of items during the period					
Dividends from surplus			(416,264)		(416,264)
Net loss			(4,066,263)		(4,066,263)
Purchase of treasury stock				(863)	(863)
Retirement of treasury stock		(796)	(1,718,445)	1,719,241	–
Reversal of revaluation reserve for land			(22,617)		(22,617)
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(796)	(6,223,591)	1,718,378	(4,506,008)
Balance at the end of current period	9,274,272	10,800,378	27,569,796	(50,141)	47,594,306

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	10,531	(1,475,849)	(6,499,089)	-	(7,964,407)	16,124,570	60,260,478
Changes of items during the period							
Dividends from surplus							(416,264)
Net loss							(4,066,263)
Purchase of treasury stock							(863)
Retirement of treasury stock							-
Reversal of revaluation reserve for land		22,617			22,617		-
Net changes of items other than shareholders' equity	215,089	-	2,011,120	-	2,226,210	(254,037)	1,972,172
Total changes of items during the period	215,089	22,617	2,011,120	-	2,248,827	(254,037)	(2,511,218)
Balance at the end of current period	225,620	(1,453,231)	(4,487,969)	-	(5,715,579)	15,870,532	57,749,259

For the fiscal year ended Mar. 31, 2014 (from Apr. 1, 2013 to Mar. 31, 2014)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	9,274,272	10,800,378	27,569,796	(50,141)	47,594,306
Changes of items during the period					
Dividends from surplus			(297,321)		(297,321)
Net income			470,177		470,177
Purchase of treasury stock				(2,055,042)	(2,055,042)
Reversal of revaluation reserve for land			(173,862)		(173,862)
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	–	(1,007)	(2,055,042)	(2,056,049)
Balance at the end of current period	9,274,272	10,800,378	27,568,789	(2,105,184)	45,538,256

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	225,620	(1,453,231)	(4,487,969)	–	(5,715,579)	15,870,532	57,749,259
Changes of items during the period							
Dividends from surplus							(297,321)
Net income							470,177
Purchase of treasury stock							(2,055,042)
Reversal of revaluation reserve for land		173,862			173,862		–
Net changes of items other than shareholders' equity	81,584	-	3,621,957	22,054	3,725,596	3,568,007	7,293,604
Total changes of items during the period	81,584	173,862	3,621,957	22,054	3,899,459	3,568,007	5,411,417
Balance at the end of current period	307,205	(1,279,368)	(866,011)	22,054	(1,816,119)	19,438,540	63,160,676

(4) Consolidated Statement of Cash Flows

(Thousands of Yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(2,583,256)	5,459,639
Depreciation and amortization	2,137,301	1,980,460
Impairment loss	348,592	-
Amortization of goodwill	267,623	201,870
Increase (decrease) in provision for retirement benefits	335,977	-
Increase (decrease) in net defined benefit liability	-	83,659
Interest and dividends income	(130,921)	(155,941)
Interest expenses	74,555	87,110
Foreign exchange losses (gains)	(197,713)	510,587
Loss (gain) on sales and retirement of noncurrent assets	41,738	67,712
Loss (gain) on sales of investment securities	(7,904)	-
Loss (gain) on valuation of investment securities	-	45,268
Loss (gain) on sales of shares of subsidiaries and associates	-	(160,871)
Loss on valuation of investments in capital	-	202,055
Loss (gain) on liquidation of subsidiaries and affiliates	(1,802)	-
Loss on liquidation of subsidiaries and associates	-	2,148,926
Business restructuring cost	1,447,858	-
Decrease (increase) in notes and accounts receivable-trade	(61,934)	(1,517,446)
Decrease (increase) in inventories	849,711	2,922,001
Decrease (increase) in other current assets	990,500	(743,308)
Increase (decrease) in notes and accounts payable-trade	(1,216,727)	(1,587,294)
Other, net	795,199	1,664,920
Subtotal	3,088,798	11,209,349
Interest and dividends income received	125,582	156,350
Interest expenses paid	(77,329)	(88,881)
Payments for business restructuring costs	(1,325,372)	(92,584)
Income taxes paid	(791,019)	(1,601,836)
Net cash provided by (used in) operating activities	1,020,658	9,582,397
Net cash provided by (used in) investing activities		
Payments into time deposits	(665,863)	(779,415)
Proceeds from withdrawal of time deposits	1,558,739	246,573
Purchase of property, plant and equipment	(1,649,610)	(1,079,910)
Proceeds from sales of property, plant and equipment	334,767	485,537
Purchase of intangible assets	(350,639)	(575,817)
Purchase of investment securities	(125,007)	(1,007)
Proceeds from sales of investment securities	186,468	-
Purchase of stocks of subsidiaries and affiliates	(1,519,693)	(153,126)
Purchase of treasury stock of subsidiaries in consolidation	(265,581)	(219,928)
Payments for investments in capital	(90,824)	(104,905)
Payments of long-term loans receivable	(27,447)	(16,342)
Collection of long-term loans receivable	10,824	43,529
Other, net	(94,295)	58,593
Net cash provided by (used in) investing activities	(2,698,162)	(2,096,220)

(Thousands of Yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	3,326,915	(3,410,013)
Proceeds from long-term loans payable	1,000,000	-
Repayment of long-term loans payable	(257,435)	(404,093)
Cash dividends paid	(416,264)	(297,321)
Cash dividends paid to minority shareholders	(385,445)	(379,943)
Purchase of treasury stock	(828)	(2,055,036)
Other, net	(27,456)	(89,952)
Net cash provided by (used in) financing activities	3,239,484	(6,636,360)
Effect of exchange rate change on cash and cash equivalents	1,121,340	2,048,842
Net increase (decrease) in cash and cash equivalents	2,683,321	2,898,658
Cash and cash equivalents at beginning of period	14,063,151	17,207,403
Increase in cash and cash equivalents from newly consolidated subsidiary	460,930	-
Cash and cash equivalents at end of period	17,207,403	20,106,062

(5) Notes to Consolidated Financial Statements

(Notes to going concern assumption)

None applicable.

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

Scope of consolidation

Consolidated subsidiaries: 33 companies

Unconsolidated subsidiaries: 7 companies

Roland Europe Group Limited and Roland DG Europe Holdings B.V. have been included in the scope of consolidation. Additionally, Cakewalk, Inc., which had been a consolidated subsidiary in the previous fiscal year, has been excluded from the scope of consolidation from the current fiscal year, due to the sale of all its shares, which had been held by the Company.

The seven unconsolidated subsidiaries have been excluded from the scope of consolidation because their total amounts in terms of total assets, net sales, net income or loss (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), etc. do not materially impact the consolidated financial statements.

Other than the above items, there are no significant changes from the statements in the latest securities report (submitted on June 26, 2013).

(Changes in accounting policies)

Effective from the current consolidated fiscal year, 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”) are applied (excluding the 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), and the previous method has been changed to a method in which the amount obtained by subtracting plan assets from the retirement benefit obligations is recorded as liabilities for retirement benefits. Unrecognized net actuarial gains or losses and unrecognized prior service costs are recorded as liabilities for retirement benefits.

The Retirement Benefits Accounting Standard, etc. are applied in line with the transitional measurement set forth in Paragraph 37 of the Retirement Benefits Accounting Standard, and accordingly, the amount of the effects of this change has been added to or deducted from accumulated adjustments for retirement benefits within accumulated other comprehensive income as of the end of the current fiscal year. As a result, ¥859,436 thousands of liabilities for retirement benefits has been recorded as of the end of the current fiscal year, and accumulated other comprehensive income has increased by ¥22,054 thousands.

The effect on per share information is given in the relevant part.

(Segment information)

For the fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

Information on net sales and income or loss of reportable segments

(Millions of Yen)

	Electronic Musical Instruments Business	Computer Peripherals Business	Total
Net sales			
Sales to external customers	39,889	32,420	72,310
Inter-segment sales and transfers	-	-	-
Total sales	39,889	32,420	72,310
Segment income (loss)	(2,094)	1,643	(451)

(Note) Total segment income (loss) is the same amount as operating loss on consolidated statement of income.

Net sales by region

(Millions of Yen)

Japan	United States	Europe	Others	Total
13,241	16,339	22,862	19,865	72,310

(Note) Net sales are based on the location of customers and categorized into country or region

For the fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

Information on net sales and income of reportable segments

(Millions of Yen)

	Electronic Musical Instruments Business	Computer Peripherals Business	Total
Net sales			
Sales to external customers	43,258	42,349	85,607
Inter-segment sales and transfers	-	-	-
Total sales	43,258	42,349	85,607
Segment income	1,370	6,427	7,797

(Note) Total segment income is the same amount as operating income on consolidated statement of income.

Net sales by region

(Millions of Yen)

Japan	United States	Europe	Others	Total
13,387	19,965	28,569	23,686	85,607

(Note) Net sales are based on the location of customers and categorized into country or region.

(Per share information)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Net assets per share	¥1,760.66	¥1,969.67
Net income (loss) per share	(¥170.95)	¥20.28

(Notes) 1. Diluted net income per share, for the fiscal year ended March 31, 2013, is not presented since the Company posted net loss and there was no residual stock. For the fiscal year ended March 31, 2014, it is not presented since there is no residual stock.

2. As stated in "Changes in accounting policies," Retirement Benefits Accounting Standard, etc. are applied in line with the transitional measurement set forth in Paragraph 37 of the Retirement Benefits Accounting Standard.

As a result, net assets per share for the current fiscal year has increased by 0.99 yen.

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

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Total net assets (Millions of Yen)	57,749	63,160
Amount to be deducted from total net assets (Millions of Yen)	15,870	19,438
(Minority interest of the above)	[15,870]	[19,438]
Net assets applicable to common stock at the end of the fiscal year (Millions of Yen)	41,878	43,722
Number of common stock used in the calculation of net assets per share at the end of the fiscal year (thousand shares)	23,785	22,197

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

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Net income (loss) (Millions of Yen)	(4,066)	470
Net income not affordable to common shareholders (Millions of Yen)	-	-
Net income (loss) available to common shareholders (Millions of Yen)	(4,066)	470
Weighted average of the number of common stock outstanding (thousand shares)	23,786	23,181

(Significant subsequent events)

<Implementation of MBO and Recommendation to Tender>

The Company resolved that, at the meeting of the board of directors of the Company held on May 14, 2014, to express an opinion in favor of the tender offer ("Tender Offer") by Tokowaka Co., Ltd. ("Tender Offeror") for the Company's ordinary shares (excluding the treasury shares held by the Company; "Company's Ordinary Shares"), conducted as part of the management buyout ("MBO") (Note) and to recommend the shareholders of the Company to accept the Tender Offer.

The resolution of the board of directors has been made on the premises that the Tender Offeror intends to make the Company a wholly-owned subsidiary through the Tender Offer and subsequent transactions, and that the ordinary shares of the Company will be delisted.

(Note) A management buyout (MBO) generally refers to the acquisition of shares of a target company with funds provided, in whole or in part, by the management of the target company, based on the presumption that the target company's business will continue.

1. Overview of the Tender Offeror

(1)	Name	Tokowaka Co., Ltd.
(2)	Address	6-10-1 Roppongi, Minato-ku, Tokyo
(3)	Name and title of representative	Junichi Miki, Representative Director
(4)	Businesses	The principal business is the acquisition and retention, etc. of the share certificates, etc. of the Company
(5)	Amount of capital	10,000 yen
(6)	Date of incorporation	April 21, 2014
(7)	Major shareholders and shareholding ratio (as of May 14, 2014)	Taiyo Jupiter Holdings, L.P. 100%
(8)	Relationship between the listed company and the Tender Offeror	
	Shareholding	Not applicable.
	Personnel	Mr. Junichi Miki, who is the President and Representative Director of the Company, is concurrently the Representative Director of the Tender Offeror.
	Trading	Not applicable.
	Applicability as a related party	Not applicable.

2. Content of the Opinion regarding the Tender Offer

The Company resolved at the meeting of the board of directors held on May 14, 2014 that it expresses an opinion in support of the Tender Offer and recommends the shareholders of the Company to accept the Tender Offer.

3. Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)

The Company has received the following explanation from the Tender Offeror with respect to the policy of reorganization after the Tender Offer.

The Tender Offeror plans to take the procedures stated below in order to acquire all of the issued shares of the Company (excluding the treasury shares held by the Company) (the "Acquisition of All Shares") after the Tender Offer is completed, in the event the Tender Offeror does not acquire all of the issued shares of the Company (excluding the treasury shares held by the Company) when the Tender Offer is completed.

Specifically, after the Tender Offer is completed, the Tender Offeror plans to request the Company to hold an extraordinary general shareholders' meeting (the "Extraordinary Shareholders' Meeting"), which is to include the following proposals: (i) to partially amend the articles of incorporation to include a clause which allows the

Company to issue shares of a class separate from ordinary shares, in order for the Company to become a company with class shares as provided for in the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same); (ii) to partially amend the articles of incorporation to make all ordinary shares issued by the Company subject to a compulsory acquisition provision (meaning the provision on the matters provided in Article 108, Paragraph 1, Item 7 of the Companies Act; hereinafter the same); and (iii) to acquire all ordinary shares of the Company subject to the compulsory acquisition provision (excluding the treasury shares held by the Company), and deliver the separate class of shares of the Company in exchange for such acquisition.

In the event proposal (i) above is approved by the Extraordinary Shareholders' Meeting, the Company will become a company that issues classes of shares under the Companies Act. In order for the partial amendment of the articles of incorporation regarding (ii) above to take effect, a resolution of a shareholders' meeting of holders of the class shares consisting of the shareholders who own the Company's Ordinary Shares subject to the compulsory acquisition provision is necessary in addition to the resolution of the Extraordinary Shareholders' Meeting regarding (ii) above, pursuant to Article 111, Paragraph 2, Item 1 of the Companies Act. Therefore, the Tender Offeror plans to request the Company to hold a shareholders' meeting of holders of the class shares (the "Class Shareholders' Meeting"), which includes the partial amendment of the articles of incorporation in (ii) above as a proposal, on the same day as the date of the Extraordinary Shareholders' Meeting.

Where the proposals above are proposed at the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting, the Tender Offeror plans to vote in favor of each of the proposals above at such shareholders' meetings.

If each of the above procedures is implemented, all ordinary shares issued by the Company will be subject to the compulsory acquisition provision and all of these shares (excluding the treasury shares held by the Company) will be acquired by the Company, and the Company's shareholders (excluding the Company) will receive a separate class of shares of the Company as consideration for the acquisition. However, the Company's shareholders who are to receive fractions of shares of less than one (1) share of the separate class of shares will receive cash obtained through the sale of the shares equivalent to the total of such fractions (any fractions of less than one (1) share in such total will be rounded off), pursuant to the procedures provided in Article 234 of the Companies Act and other relevant laws and regulations. The amount of cash to be paid to each shareholder as a result of sale of such shares of the Company equivalent to the total of such fractions is planned to be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company's Ordinary Shares held by such shareholder. Furthermore, although the class and the number of shares of the Company to be delivered as consideration for the acquisition of the Company's Ordinary Shares subject to the compulsory acquisition provision has not been determined as of today, the number of shares of the Company is planned to be determined so that the number of the separate class of shares of the Company that must be delivered to the Company's shareholders besides the Company will be a fraction of less than one (1) share, in order for the Tender Offeror to hold all of the Company's issued shares.

An application for listing has not been contemplated for the separate class of shares of the Company to be delivered as consideration for the acquisition of the Company's Ordinary Shares subject to the compulsory acquisition provision.

The Tender Offeror plans to request the Company to hold the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting in or around September 2014 in principle, and the Company plans to announce the specific procedures and timing of the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting promptly upon determination.

Under the provisions under the Companies Act purporting to protect the rights of minority shareholders related to the procedures above, if the acquisition of all of the Company's Ordinary Shares subject to the compulsory acquisition provision in (iii) above is resolved at the Extraordinary Shareholders' Meeting, it is provided that the shareholders may petition for determination of the price for acquisition of the relevant shares pursuant to the provisions of Article 172 of the Companies Act and other relevant laws and regulations. Under this procedure, the acquisition price per share will ultimately be determined by the courts.

Aside from the petition for determination of the price for acquisition of shares pursuant to Article 172 of the Companies Act provided above, in relation to the amendment of the articles of incorporation in (ii) above, it is provided that the shareholders may demand the purchase of the shares they own and petition for determination of the purchase price of the shares, pursuant to the provisions of Articles 116 and 117 of the Companies Act and other relevant laws and regulations. However, if the acquisition of the shares pursuant to the compulsory acquisition provision comes into effect, the shareholders may be determined as lacking the standing to petition for determination of the purchase price as provided in Article 117, Paragraph 2 of the Companies Act.

Furthermore, the procedures above may be changed to other methods with equivalent effects or may require time for the implementation of the procedures above or such other methods, depending on the status of the holding of shares of the Tender Offeror in the Company after the Tender Offer, the status of the holding of shares of the Company's shareholders other than the Tender Offeror in the Company, or circumstances of the relevant authorities' interpretation of the relevant laws and regulations. However, in the case of such change to other methods, it has been planned to ultimately pay cash to the Company's shareholders, other than the Tender Offeror, who did not accept the Tender Offer in order for the Tender Offeror to hold all of the Company's issued shares. In that case, the amount of cash to be paid to each shareholder of the Company other than the Tender Offeror has been planned to be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company's Ordinary Shares held by such shareholder. The specific procedures in such circumstances are planned to be announced promptly upon determination after consultation between Tender Offeror and the Company.

The Tender Offeror plans to conduct a merger with the Company after the completion of the Acquisition of All Shares. The specific date and time thereof have not been fixed.

Furthermore, the Tender Offer is not intended to solicit support by the shareholders of the Company at the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting, and shall not be interpreted in such way.

4. Prospect of Being Delisted and the Grounds for Aiming at Being Delisted

The Company's Ordinary Shares are listed on the First Section of the Tokyo Stock Exchange Market as of today. However, since the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Company's Ordinary Shares may be delisted in accordance with the prescribed procedures, pursuant to the delisting standards of the Tokyo Stock Exchange. Furthermore, even if the relevant standards do not apply at the time of completion of the Tender Offer, if the Tender Offer is completed, the Tender Offeror plans to implement the procedures for the Acquisition of All Shares in order for the Tender Offeror to hold all of the Company's issued shares, and in the case each of the procedures set forth in "(3) Policy of Reorganization After the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)" above is implemented after the Tender Offer is completed, the Company's Ordinary Shares will be delisted in accordance with the prescribed procedures. After the delisting, the Company's Ordinary Shares may not be traded on the First Section of the Tokyo Stock Exchange.

5. Overview of the Tender Offer

(1) Class of Shares to be Purchased

Ordinary shares

(2) Tender Offer Period

From May 15, 2014 (Thursday) to June 25, 2014 (Wednesday) (30 business days)

(3) Purchase Price

1,875 yen per ordinary share

(4) Bases of Valuation of Purchase Price

In order to determine the Tender Offer Price, the Tender Offeror has obtained a Share Valuation Report from KPMG FAS as a financial advisor, who is a third party valuation firm independent from the Tender Offeror and the Company.

(5) Number of Shares to be Purchased

Number of shares to be purchased	22,197,654 shares
Minimum number of shares to be purchased	14,798,500 shares (Holding Ratio: 66.67%)
Maximum number of shares to be purchased	- shares

(6) Date of Public Notice for Commencing Tender Offer

May 15, 2014 (Thursday)

<Resolution Regarding an Acquisition of the Treasury Shares Held by the Company and a Tender Offer by the Subsidiary and Change in the Subsidiary>

Roland DG Corporation ("DG"), a consolidated subsidiary of the Company, adopted a resolution at the meeting of the board of directors held on May 14, 2014, to conduct the acquisition of the treasury shares held by the Company and the tender offer ("Self Tender Offer") as the detailed method of the acquisition in accordance with the provisions of Article 156, Paragraph 1 of the Company Act applicable pursuant to Article 165, Paragraph 3 of the said Act. The Company adopted a resolution at the meeting of the board of directors held as of the same date to divest 3,560,000 shares of the ordinary shares of DG held by the Company by tendering to the Self Tender Offer. DG is expected to become equity method affiliate from a consolidated subsidiary of the Company if the percentage of voting rights the Company holds falls below 40.00% as a result of completion of the Self Tender Offer.

1. Reason and method of the change

The Company and DG have maintained sufficient independence in corporate activities and decision-making and have been operating businesses under a good relationship. However, the Company and DG recognized the capital relationship in the future as a long-term managerial issue including termination of the relationship as publicly listed parent/subsidiary pairs, thus have exchanged opinions for many years.

Currently, the Company is subjected to severe changes in the management environment concerning related businesses such as intensified competition and falling prices in the electronic musical instruments industry, and it is confronted with many management challenges such as high fixed costs, the necessity of product development, marketing, and restructuring of its business structure, the necessity of medium and long-term growth strategies, and the decentralization of management resources. Under these circumstances, the Company has implemented the medium-term management plan announced on May 8, 2013. According to such plan, the Electronic Musical Instruments Business is in a rebuilding phase. The Company promoted restructuring of its business structure starting from the fiscal year ended March 31, 2013, and as a result, returned to profitability in the fiscal year ended March 31, 2014, the first time in five fiscal years. However, this result was strongly influenced by the depreciation of yen more than restructuring. Therefore, the sales were decreased compared to the previous fiscal year if the impact of exchange rate fluctuations were excluded. The importance of business development in overseas countries will not change in the future and one of the major challenges is to create a profit structure that can absorb the impact of exchange rate fluctuations. In order for the Company to increase its corporate value in the medium and long-term and continue to exist in the future, it is essential for the Company to focus its management resources on the Electronic Musical Instrument Business and to more quickly and reliably resolve the management issues above. However, if the drastic reforms on business structures were executed when they were listed, our shareholders would take on a risk arising from the fluctuation of the share prices. In order to prevent such risk, the decision was made that the Company needs to be going private by so called management buyout ("MBO", please see the above mentioned "Implementation of MBO and Recommendation to Tender" for detail).

In the middle of February 2014, the Company notified DG that the Company is considering MBO and sale of DG shares. In the middle of April 2014, DG offered a proposal of a tender in Self Tender Offer which will be conducted at the price discounted from the market price of the ordinary shares of DG, and the Company replied that the Company was open to consider positive actions. Consequently, from the middle of April to the beginning of May 2014, detailed conditions of the Self Tender Offer were discussed.

The Company came to conclusion that tendering to the Self Tender Offer will provide DG further independence from the Company in corporate activities and decision-making, which will enhance DG's corporate value. At the same time, tendering will promote the Company's intended drastic reforms on the business structure more promptly and certainly by going private through the MBO. Therefore, the Company decided to tender to the Self Tender Offer, and the Company entered into an agreement with DG concerning tendering to the Self Tender Offer ("Tender Agreement") as of May 14, 2014.

2. Purchaser's name

Roland DG Corporation

3. Timing of sale

July 3, 2014 (planned), the commencement date of settlement of the Tender Offer

4. Subsidiary to be sold: name, business activity and business relationship with the Company

Company name: Roland DG Corporation

Address: 1-6-4 Shinmiyakoda, Kita-ku, Hamamatsu-shi, Shizuoka

Representative: Masahiro Tomioka, President

Business activity: manufacture and sale of computer peripherals

Business relationship with the Company: The Company leases the Subsidiary a part of buildings and undertakes a part of electronic processing services.

5. The number of shares to be sold, sales value, sales gain / loss, and ownership ratio after the sale (planned)

The number of shares held before tendering	7,120,000 shares (ownership ratio: 40.01%)
The number of shares to be tendered	3,560,000 shares (ownership ratio: 20.00%) (Transfer value 11,420,480,000 yen (3,208 yen per share)) (Sales profit 3,738,000,000 yen (1,050 yen per share))
The number of shares held after tendering	3,560,000 shares (ownership ratio: 25.65%) (planned)

(Note 1) With regard to the ownership ratios in “the number of shares held before tendering” and “the number of shares to be tendered” columns, the total voting rights (177,961 rights) of DG as of December 31, 2013, as indicated on DG’s financial results briefing for the three months ended December 31, 2013 submitted on February 10, 2014, is used as the denominator (rounded to the second decimal place).

(Note 2) Transfer value is the amount by multiplying the number of shares tendered by the Company to the Self Tender offer (the “Number of Tender”) with the Self Tender Offer price.

(Note 3) The figure in “the number of shares held after tendering” is presented with the assumption that the Company tenders 3,560,000 shares of DG ordinary shares held by the Company to the Self Tender Offer and that the total number of shares tendered to the Self Tender Offer is equivalent to the maximum limit to the number of tendered shares expected to be purchased (3,916,000 shares). With regard to the ownership ratio in the same column, by calculating with the total voting rights (177,961 rights) of DG as of December 31, 2013, as indicated on DG’s financial results briefing for the three months ended December 31, 2013 submitted on February 10, 2014, less the voting rights (39,160 rights) related to the shares to be acquired by DG at the settlement of the Self Tender Offer based on the assumption (3,916,000 shares), the voting rights (138,801 rights) is used as the denominator (rounded to the second decimal place). The maximum limit to the number of tendered shares expected to be purchased has set in the Self Tender Offer, and if the total number of shares tendered to the Self Tender Offer exceeds the maximum limit, settlement will be conducted on a pro rata basis prescribed in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Law of Japan as applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the said Law and Article 21 of Cabinet Office Ordinance regarding disclosure of tender offers for shares, etc. by the issuer, and a part of the shares tendered by the Company may not be purchased.

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Thousands of Yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	5,564,921	3,610,321
Notes receivable-trade	12,449	40,806
Accounts receivable-trade	3,229,011	4,581,101
Merchandise and finished goods	3,908,629	4,413,211
Work in process	159,997	121,959
Raw materials and supplies	1,387,835	1,435,126
Short-term loans receivable from subsidiaries and affiliates	198,590	242,738
Accounts receivable-other	644,440	638,435
Other	245,911	245,605
Allowance for doubtful accounts	(15,065)	(74,589)
Total current assets	15,336,721	15,254,716
Noncurrent assets		
Property, plant and equipment		
Buildings	2,484,095	2,084,468
Tools, furniture and fixtures	6	158,878
Land	4,008,641	3,761,627
Other	17,266	21,683
Total property, plant and equipment	6,510,009	6,026,658
Intangible assets		
Software	-	82,699
Other	-	13,840
Total intangible assets	-	96,540
Investments and other assets		
Investment securities	1,630,365	1,756,011
Stocks of subsidiaries and affiliates	14,393,901	13,007,823
Investments in capital of subsidiaries and affiliates	2,200,019	1,848,947
Long-term loans receivable from subsidiaries and affiliates	1,080,920	488,492
Guarantee deposits	264,141	226,174
Other	31,326	53,619
Allowance for doubtful accounts	(1,129)	(1,642)
Total investments and other assets	19,599,546	17,379,425
Total noncurrent assets	26,109,555	23,502,624
Total assets	41,446,277	38,757,340

(Thousands of Yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Accounts payable-trade	1,022,802	1,709,222
Short-term loans payable	1,000,000	-
Current portion of long-term loans payable	400,255	400,265
Accounts payable-other	1,245,554	1,072,519
Accrued expenses	89,774	177,493
Income taxes payable	48,729	63,351
Deferred tax liabilities	35,680	35,662
Deposits received	128,625	33,053
Provision for bonuses	573,311	858,494
Provision for product warranties	21,137	17,128
Provision for loss on liquidation of subsidiaries and associates	-	985,885
Other	409,109	70,958
Total current liabilities	4,974,981	5,424,036
Noncurrent liabilities		
Long-term loans payable	601,434	201,169
Long-term accounts payable-other	36,500	7,200
Deferred tax liabilities	129,498	144,033
Deferred tax liabilities for land revaluation	164,155	164,155
Provision for retirement benefits	560,860	614,777
Other	998	12,476
Total noncurrent liabilities	1,493,447	1,143,812
Total liabilities	6,468,428	6,567,848
Net assets		
Shareholders' equity		
Capital stock	9,274,272	9,274,272
Capital surplus		
Legal capital surplus	10,800,378	10,800,378
Total capital surpluses	10,800,378	10,800,378
Retained earnings		
Legal retained earnings	847,654	847,654
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	53,998	-
General reserve	19,844,000	14,944,000
Retained earnings brought forward	(4,561,506)	(596,923)
Total retained earnings	16,184,146	15,194,731
Treasury stock	(50,141)	(2,105,184)
Total shareholders' equity	36,208,656	33,164,198
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	222,423	304,661
Revaluation reserve for land	(1,453,231)	(1,279,368)
Total valuation and translation adjustments	(1,230,807)	(974,706)
Total net assets	34,977,848	32,189,491
Total liabilities and net assets	41,446,277	38,757,340

(2) Non-consolidated Statement of Income

(Thousands of Yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Net sales	27,754,824	31,497,876
Cost of sales	20,768,700	22,203,091
Gross profit	6,986,124	9,294,785
Selling, general and administrative expenses	8,031,738	7,670,031
Operating income (loss)	(1,045,614)	1,624,753
Non-operating income		
Interest and dividend income	470,817	676,851
Foreign exchange gains	172,951	43,025
Other	26,234	38,578
Total non-operating income	670,003	758,455
Non-operating expenses		
Interest expenses	19,686	11,396
Other	10,620	30,815
Total non-operating expenses	30,307	42,211
Ordinary income (loss)	(405,918)	2,340,997
Extraordinary income		
Gain on sales of noncurrent assets	32,501	102,795
Gain on sales of investment securities	25,265	-
Gain on sales of subsidiaries and affiliates' stocks	-	135,272
Gain on sales of investments in capital of subsidiaries and affiliates	1,128,017	-
Total extraordinary income	1,185,784	238,067
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	74,973	145,403
Impairment loss	957,269	-
Loss on sales of investment securities	17,361	-
Loss on valuation of stocks of subsidiaries and affiliates	114,649	1,717,402
Loss on valuation of investments in capital of subsidiaries and affiliates	489,519	215,031
Provision for loss on liquidation of subsidiaries and associates	-	985,885
Business restructuring cost	1,429,798	-
Total extraordinary losses	3,083,572	3,063,723
Loss before income taxes	(2,303,707)	(484,658)
Income taxes-current	32,259	62,462
Income taxes-deferred	527,396	(28,890)
Total income taxes	559,655	33,572
Net loss	(2,863,362)	(518,230)

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

For the fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)

(Thousands of Yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of current period	9,274,272	10,800,378	796	10,801,175
Changes of items during the period				
Dividends from surplus				
Net loss				
Purchase of treasury stock				
Retirement of treasury stock			(796)	(796)
Reversal of general reserve				
Reversal of revaluation reserve for land				
Net changes of items other than shareholders’ equity				
Total changes of items during the period	-	-	(796)	(796)
Balance at the end of current period	9,274,272	10,800,378	-	10,800,378

	Shareholders' equity				
	Retained earnings				
	Legal retained earnings	Other retained earnings			Total retained earnings
		Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	847,654	53,998	24,544,000	(4,240,815)	21,204,837
Changes of items during the period					
Dividends from surplus				(416,264)	(416,264)
Net loss				(2,863,362)	(2,863,362)
Purchase of treasury stock					
Retirement of treasury stock				(1,718,445)	(1,718,445)
Reversal of general reserve			(4,700,000)	4,700,000	-
Reversal of revaluation reserve for land				(22,617)	(22,617)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	(4,700,000)	(320,690)	(5,020,690)
Balance at the end of current period	847,654	53,998	19,844,000	(4,561,506)	16,184,146

(Thousands of Yen)

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at the beginning of current period	(1,768,520)	39,511,765	9,605	(1,475,849)	(1,466,244)	38,045,521
Changes of items during the period						
Dividends from surplus		(416,264)				(416,264)
Net loss		(2,863,362)				(2,863,362)
Purchase of treasury stock	(863)	(863)				(863)
Retirement of treasury stock	1,719,241	-				-
Reversal of general reserve		-				-
Reversal of revaluation reserve for land		(22,617)		22,617	22,617	-
Net changes of items other than shareholders' equity			212,818	-	212,818	212,818
Total changes of items during the period	1,718,378	(3,303,108)	212,818	22,617	235,436	(3,067,672)
Balance at the end of current period	(50,141)	36,208,656	222,423	(1,453,231)	(1,230,807)	34,977,848

For the fiscal year ended Mar. 31, 2014 (from Apr. 1, 2013 to Mar. 31, 2014)

(Thousands of Yen)

	Shareholders' equity		
	Capital stock	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at the beginning of current period	9,274,272	10,800,378	10,800,378
Changes of items during the period			
Dividends from surplus			
Net loss			
Purchase of treasury stock			
Retirement of treasury stock			
Reversal of general reserve			
Reversal of revaluation reserve for land			
Net changes of items other than shareholders' equity			
Total changes of items during the period	-	-	-
Balance at the end of current period	9,274,272	10,800,378	10,800,378

	Shareholders' equity				
	Retained earnings				
	Legal retained earnings	Other retained earnings			Total retained earnings
		Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	847,654	53,998	19,844,000	(4,561,506)	16,184,146
Changes of items during the period					
Dividends from surplus				(297,321)	(297,321)
Net loss				(518,230)	(518,230)
Purchase of treasury stock					
Retirement of treasury stock		(53,998)		53,998	-
Reversal of general reserve			(4,900,000)	4,900,000	-
Reversal of revaluation reserve for land				(173,862)	(173,862)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(53,998)	(4,900,000)	3,964,582	(989,415)
Balance at the end of current period	847,654	-	14,944,000	(596,923)	15,194,731

(Thousands of Yen)

	Shareholders' equity		Valuation and translation adjustments			
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	Total net assets
Balance at the beginning of current period	(50,141)	36,208,656	222,423	(1,453,231)	(1,230,807)	34,977,848
Changes of items during the period						
Dividends from surplus		(297,321)				(297,321)
Net loss		(518,230)				(518,230)
Purchase of treasury stock	(2,055,042)	(2,055,042)				(2,055,042)
Retirement of treasury stock		-				-
Reversal of general reserve		-				-
Reversal of revaluation reserve for land		(173,862)		173,862	173,862	-
Net changes of items other than shareholders’ equity			82,238	-	82,238	82,238
Total changes of items during the period	(2,055,042)	(3,044,457)	82,238	173,862	256,101	(2,788,356)
Balance at the end of current period	(2,105,184)	33,164,194	304,661	(1,279,368)	(974,706)	32,189,491

6. Other Information

(1) Changes in Directors or Corporate Auditors

There are no items to report at the present time.

Changes in Directors or Corporate Auditors will be announced as soon as a resolution is passed at the Board of directors' meeting.