

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 [JGAAP]



May 9, 2012

Company Name: Roland Corporation

Code Number: 7944

(URL: <http://www.roland.com/>)

Stock Exchange Listing: Tokyo, Osaka

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Scheduled date of Ordinary General Meeting of Shareholders: June 22, 2012

Scheduled date to submit the Annual Securities Report: June 22, 2012

Scheduled date to commence dividend payments: June 25, 2012

Availability of supplementary briefing material on financial results: Available (Japanese only)

Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(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, 2012	74,825	(4.4)	872	(61.6)	136	(85.0)	(1,930)	-
Fiscal year ended March 31, 2011	78,270	4.3	2,270	-	909	-	(694)	-

(Note) Comprehensive income: Fiscal Year Ended March 31, 2012: ¥(2,856) million (-%)

Fiscal Year Ended March 31, 2011: ¥(4,019) 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, 2012	(81.16)	-	(4.2)	0.2	1.2
Fiscal year ended March 31, 2011	(29.21)	-	(1.4)	1.1	2.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal Year Ended March 31, 2012: ¥- million

Fiscal Year Ended March 31, 2011: ¥- 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, 2012	73,643	60,260	59.9	1,855.45
Fiscal year ended March 31, 2011	79,121	64,129	60.2	2,001.90

(Reference) Equity: Fiscal Year Ended March 31, 2012: ¥44,135 million

Fiscal Year Ended March 31, 2011: ¥47,621 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, 2012	(330)	(3,374)	(850)	14,063
Fiscal year ended March 31, 2011	2,662	(1,744)	(678)	19,047

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, 2011	-	12.50	-	12.50	25.00	594	-	1.2
Fiscal year ended March 31, 2012	-	10.00	-	10.00	20.00	475	-	1.0
Fiscal year ending March 31, 2013 (Forecast)	-	7.50	-	7.50	15.00		357.1	

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

(% 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)	38,600	4.4	400	-	200	-	(400)	-	(16.82)
Full year	80,200	7.2	2,400	175.1	1,900	1,288.5	100	-	4.20

\* Notes

(1) Significant changes of subsidiaries during the fiscal year under review (changes in specific subsidiaries resulting in changes in scope of consolidation): None

(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.: None

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 current fiscal year (including treasury stock):

Fiscal year ended March 31, 2012	25,572,404 shares
Fiscal year ended March 31, 2011	25,572,404 shares

2) Total number of treasury stock at the end of the current fiscal year:

Fiscal year ended March 31, 2012	1,785,290 shares
Fiscal year ended March 31, 2011	1,784,485 shares

3) Average number of shares during the current fiscal year:

Fiscal year ended March 31, 2012	23,787,689 shares
Fiscal year ended March 31, 2011	23,788,260 shares

(Note) Please refer to "Per share information" on page 25 for details.

(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, 2012 (From April 1, 2011, to March 31, 2012)**

(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, 2012	27,831	(14.9)	(1,315)	-	(999)	-	(4,283)	-
Fiscal year ended March 31, 2011	32,719	7.8	(12)	-	(138)	-	(109)	-

	Net income per share	Fully diluted net income per share
Fiscal year ended March 31, 2012	Yen (180.05)	Yen -
Fiscal year ended March 31, 2011	(4.61)	-

(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, 2012	42,738	38,045	89.0	1,599.42
Fiscal year ended March 31, 2011	46,379	42,789	92.3	1,798.78

(Reference) Equity: Fiscal Year Ended March 31, 2012: ¥38,045 million  
Fiscal Year Ended March 31, 2011: ¥42,789 million

\* 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. However, 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, 2013 (fiscal 2013)” and page 10 “3. Management Philosophy.”

The Company plans to hold a briefing session for investors as detailed below. Materials distributed at the session will be posted on the Company’s website.

- Wednesday, May 16, 2012: Financial results briefing session for institutional investors and analysts

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## 1. Results of Operations

### (1) Analysis of Results of Operations

#### 1) Results of operations

(Millions of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Changes	Change rate
Net sales	78,270	74,825	(3,444)	(4.4%)
Electronic Musical Instruments Business	45,815	42,314	(3,500)	(7.6%)
Computer Peripherals Business	32,454	32,510	56	0.2%
Operating income (loss)	2,270	872	(1,398)	(61.6%)
Electronic Musical Instruments Business	(128)	(1,036)	(907)	-
Computer Peripherals Business	2,398	1,908	(490)	(20.4%)
Ordinary income	909	136	(772)	(85.0%)
Net loss	(694)	(1,930)	(1,235)	-

#### Results of net sales by business segment

(Millions of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Changes	Change rate
Electronic musical instruments	17,447	15,458	(1,988)	(11.4%)
Guitar-related equipment	9,087	8,830	(256)	(2.8%)
Home electronic musical instruments	10,804	10,645	(159)	(1.5%)
Professional video, professional audio and computer music equipment	5,896	5,211	(684)	(11.6%)
Others	2,580	2,168	(412)	(16.0%)
Electronic Musical Instruments Business	45,815	42,314	(3,500)	(7.6%)
Computer Peripherals Business	32,454	32,510	56	0.2%
Total	78,270	74,825	(3,444)	(4.4%)

#### Results of net sales by geographical segment

(Millions of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Changes	Change rate
Japan	9,885	9,217	(667)	(6.8%)
North America	13,104	11,645	(1,459)	(11.1%)
Europe	15,879	14,179	(1,699)	(10.7%)
Others	6,945	7,272	326	4.7%
Electronic Musical Instruments Business	45,815	42,314	(3,500)	(7.6%)
Japan	3,856	4,069	213	5.5%
North America	7,802	7,659	(142)	(1.8%)
Europe	10,949	10,820	(128)	(1.2%)
Others	9,845	9,960	114	1.2%
Computer Peripherals Business	32,454	32,510	56	0.2%
Total	78,270	74,825	(3,444)	(4.4%)

(Note) Because the importance of Roland (Shanghai) Logistics Co., Ltd. and Roland DG Australia Pty. Ltd., which were non-equity method non-consolidated subsidiaries in the previous consolidated fiscal year, has grown, the companies were included in the scope of consolidation from the first quarter ended June 30, 2011.

In the consolidated fiscal year under review (April 1, 2011 to March 31, 2012), the Japanese economy climbed out of the temporary economic sluggishness caused by the impact of the Great East Japan Earthquake, but concerns persisted of an economic downturn due to the appreciation of the yen. Also, the economic recovery in North America was slow, and fiscal and financial uncertainties in the Eurozone exacerbated resulting in lingering uncertainties in the major markets of Japan, North America, and Europe. Meanwhile, in emerging markets such as China and Brazil, although the speed of economic expansion slowed down, their economies showed sustained growth.

In this business climate, the Electronic Musical Instruments Business took initiatives to stimulate new demand by introducing many new high-value-added products into the market and striving to appeal directly to a wide range of customers through contests and product events, etc. The Company also focused its efforts on expanding its sales and distribution network through the global expansion of shop-in-shops and application proposals in the education field, etc.

By product, although sales of new products of guitar-related equipment and home electronic musical instruments were robust, sales of synthesizers and electronic drums were weak, particularly for existing high-end products. As for professional video, professional audio and computer music equipment, sales of music production software and recorders were stagnant.

By region, even though sales steadily grew in emerging markets such as China, Brazil and Russia, sales decreased in the major markets of Japan, North America, and Europe amid continuously low in individual consumption due to future economic uncertainty.

As a result, partly owing to the effect of the strong yen, net sales in this segment decreased by 7.6% year on year to ¥42,314 million with an operating loss of ¥1,036 million (compared with an operating loss of ¥128 million for the previous consolidated fiscal year).

From the consolidated fiscal year under review, the Company worked to establish a management foundation for the future based on the priority measures of “Increase our Pillars of Support,” “Strengthen Cost Competitiveness” and “Improve Market Management” for the Computer Peripherals Business. Moreover, in order to respond to the needs of the Asian market, for which medium- to long-term economic growth is forecast, the Company has established a subsidiary in Thailand as a base for planning and producing products that fit local demands, and proceeded with the construction of a factory geared to start operations in October 2012.

In terms of individual products, sales of new desktop size printers and new UV printers were favorable, but sales of existing mainstay products were sluggish resulting in overall sales that fell below those of the previous consolidated fiscal year. On the other hand, 3D products introduced into the dental market in the previous fiscal year contributed to sales that exceeded those of the previous consolidated fiscal year.

By region, proposals for high-value-added printing business using new products in Japan led to an expansion of sales year on year. Sales were strong in North America and Europe, especially of new products. In Asia, on the other hand, while sales trended towards recovery beginning with the second quarter, because competition with local

manufacturers increased and shipments to China constricted considering local stock during the first quarter, sales fell below those of the previous consolidated fiscal year.

As a result, net sales in this segment increased by 0.2% year on year to ¥32,510 million and operating income decreased by 20.4% year on year to ¥1,908 million due partially to the strong yen and an increase in selling, general and administrative expenses such as personnel costs.

As a result of the factors described above, overall net sales for the consolidated fiscal year under review decreased by 4.4% year on year, to ¥74,825 million, operating income decreased by 61.6% year on year, to ¥872 million, and ordinary income decreased by 85.0% year on year, to ¥136 million. The Company ultimately posted a net loss of ¥1,930 million (compared with a net loss of ¥694 million for the previous consolidated fiscal year) due partially to a decrease in operating income and reversal of deferred tax assets.

The average exchange rates for the current consolidated fiscal year (\*) were 80 yen to the US dollar (from 88 yen for the previous consolidated fiscal year), and 111 yen to the euro (from 116 yen for the previous consolidated fiscal year).

(\*) Average for January to December 2011, 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]

With respect to synthesizers, sales of existing products, especially high-end models, were weak in the major markets of Japan, North America, and Europe, causing sales to significantly decline year on year. As for sales of electronic drums, new products with new sound engines were launched in the fourth quarter in Japan, where sales were roughly flat year on year. Despite this, sales of existing products were weak overall in North America and Europe. As a result, net sales for this segment decreased by 11.4% year on year, to ¥15,458 million.

[Guitar-related equipment]

With regard to guitar effects, in spite of robust sales in Central and South America and Asia, overall sales were flat year on year due to sluggish sales of multi-functional guitar effects, primarily in Europe. At the same time, sales of existing multi-track recorder products for guitars fell significantly year on year, but sales of new guitar synthesizer products rose substantially. As a result, net sales for this segment decreased by 2.8% year on year, to ¥8,830 million.

[Home electronic musical instruments]

Sales of digital pianos stayed solid, thanks to sales expansion in Central and South America and Asia, and the launch of new products in our mainstay product series in Japan during the fourth quarter. However, flagging sales in Europe brought down overall sales, which fell below those of the previous consolidated fiscal year. Meanwhile, sales of new products of sound modules with automatic accompaniment for foreign countries were robust, primarily in Europe. As a result, net sales for this segment decreased by 1.5% year on year, to ¥10,645 million.

[Professional video, professional audio and computer music equipment]

With respect to professional audio equipment, sales were sluggish against a backdrop of decreased corporate capital expenditure in Japan and Europe, but in the case of professional video equipment, sales of new all-in-one AV mixers for live online video streaming contributed to the posting of year-on-year sales growth. Computer music equipment, on the other hand, saw sales of music production software and portable recorders decline. As a result, net sales for this segment fell by 11.6% year on year, to ¥5,211 million.

[Others]

Sales of sound engines for online karaoke machines and music schools decreased in Japan. The decline in music class sales was because we transferred some of our music class operations as part of our efforts to expand our music schools through stronger partnerships with retailers. As a result, overall net sales for this segment decreased by 16.0% year on year to ¥2,168 million.

<Computer Peripherals Business>

With respect to printers, our new compact size printers with metallic silver ink sold well, as did our new UV printer products, capable of directly printing on three-dimensional objects. We also launched new inkjet printers which use water-based ink in the Chinese and Korean markets, in order to capture Asian sign and display market demand. Nevertheless, owing to the reduced sales of high-end models in Europe due to decreased incentive for capital expenditure, as well as sluggish sales in Asia due to increasing competition from local manufacturers, sales decreased year on year on the whole.

In 3D products, sales of engraving machines were strong, and milling machines for the dental market contributed to sales. We also launched new compact milling machines for the hobby market, and are working to open up new markets. As for supplies, sales especially of inks grew on the strength of such factors as rising demand in foreign countries and strong sales of UV curable inks with high elasticity that allows printing on packages of various shapes. As a result, net sales for this segment increased by 0.2% year on year, to ¥32,510 million.

2) Outlook for the fiscal year ending March 31, 2013 (fiscal 2013)

(Millions of Yen)

	Results for the fiscal year ended March 31, 2012	Outlook for the fiscal year ending March 31, 2013	Changes	Change rate
Net sales	74,825	80,200	5,374	7.2%
Electronic Musical Instruments Business	42,314	45,000	2,685	6.3%
Computer Peripherals Business	32,510	35,200	2,689	8.3%
Operating income (loss)	872	2,400	1,527	175.1%
Electronic Musical Instruments Business	(1,036)	400	1,436	-
Computer Peripherals Business	1,908	2,000	91	4.8%
Ordinary income	136	1,900	1,763	1,288.5%
Net income (loss)	(1,930)	100	2,030	-

In terms of the global economy during the fiscal year ending March 31, 2013, demand is forecast to grow in emerging countries, but economic recovery in Japan, the United States and European countries are expected to be slow, and the outlook will likely remain uncertain as a result of factors including the strong yen and the possibility of a repeat of Europe's financial problems.

Under these circumstances, the Company will strive to increase its market share in the Electronic Musical Instruments Business by launching highly competitive products in its main fields of keyboard instruments, percussion instruments, and guitar-related equipment. At the same time, in emerging markets, it will work to launch products tailored to the needs of respective countries and strengthen distribution. In the professional audio and video equipment field and the computer music based media production field, positioned as areas of growth, the Company will focus on enhancing product lineups in order to achieve future growth, and on cultivating demand. In the Computer Peripherals Business, the Company, in addition to aggressively expanding sales operations, will promote business efficiency by maintaining appropriate inventory levels, improving production efficiency, and reducing costs. In addition, in order to achieve a greater level of future cost competitiveness, a manufacturing subsidiary in Thailand as well as a subsidiary which will aggregate the back office functions of the European sales subsidiaries are expected to become active.

Consolidated net sales for the full year are forecast to increase by ¥5,374 million (7.2%) year on year, to ¥80,200 million. Operating income is forecast to increase by ¥1,527 million (175.1%) year on year, to ¥2,400 million, and ordinary income is forecast to increase by ¥1,763 million (1,288.5%) to ¥1,900 million. Net income is forecast to increase by ¥2,030 million year on year, to ¥100 million (from a net loss of ¥1,930 million for the previous consolidated fiscal year).

The outlook of performance for the fiscal year ending March 31, 2013 assumes exchange rates (for the consolidated period from January to December 2012) of 80 yen to the US dollar (unchanged from the previous consolidated fiscal year), and 105 yen to the euro (from 111 yen for the previous consolidated fiscal year).

## (2) Analysis of Financial Position

### 1) Assets as of the end of the Fiscal 2012

(Millions of Yen)

	Fiscal 2011	Fiscal 2012	Changes
Total assets	79,121	73,643	(5,478)
Net assets	64,129	60,260	(3,869)
Equity ratio	60.2%	59.9%	0.3 point decrease

Total assets decreased by ¥5,478 million from the end of previous consolidated fiscal year to ¥73,643 million. This is mainly attributable to a ¥4,698 million decrease in cash and deposits reflecting the status of cash flows as described in detail below and decreased financial statement yen equivalent values for our overseas affiliates due to the ongoing appreciation of the yen against other major currencies during the period from the end of the previous fiscal year of overseas affiliates (end of December 2010) to the end of the current fiscal year (end of December 2011).

Liabilities decreased by ¥1,608 million from the end of the previous consolidated fiscal year to ¥13,382 million. This is mainly due to decreases in notes and accounts payable-trade by ¥708 million and income taxes payable by ¥662 million respectively.

Net assets decreased by ¥3,869 million from the end of the previous consolidated fiscal year to ¥60,260 million. Key factors included net loss of ¥1,930 million and dividends from surplus of ¥535 million, as well as a decrease in foreign currency translation adjustments by ¥1,145 million due to the above-mentioned appreciation of yen.

The equity ratio was 59.9%, down 0.3 points from the end of the previous consolidated fiscal year, mainly due to a decrease in both total assets and net assets stated above.

2) Status of cash flows for Fiscal 2012

(Millions of Yen)

	Fiscal 2011	Fiscal 2012	Changes
Net cash provided by (used in) operating activities	2,662	(330)	(2,993)
Net cash provided by (used in) investing activities	(1,744)	(3,374)	(1,629)
Net cash provided by (used in) financing activities	(678)	(850)	(172)
Effect of exchange rate change on cash and cash equivalents	(1,768)	(547)	1,221
Net increase (decrease) in cash and cash equivalents	(1,529)	(5,102)	(3,573)
Cash and cash equivalents at beginning of period	20,401	19,047	(1,354)
Increase in cash and cash equivalents from newly consolidated subsidiary	175	118	(56)
Cash and cash equivalents at end of period	19,047	14,063	(4,983)

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current consolidated fiscal year decreased by ¥4,983 million from the end of the previous fiscal year to ¥14,063 million.

Net cash used in operating activities for the consolidated fiscal year under review was ¥330 million due to decrease in notes and accounts payable-trade, etc., while funds increased ¥2,662 million in the previous consolidated fiscal year. Major factors include loss before income taxes and minority interests of ¥176 million, depreciation of ¥2,356 million as an item excluded from funds or expenses included in loss before income taxes and minority interests, increase in inventories (decrease in funds) of ¥750 million, decrease in notes and accounts payable-trade (decrease in funds) of ¥518 million, and income taxes paid of ¥1,435 million.

Net cash used in investing activities for the consolidated fiscal year under review was ¥3,374 million due to increase in purchase of stocks of subsidiaries and affiliates, etc., compared with ¥1,744 million in the previous consolidated fiscal year. Major factors were expenditures for purchase of stocks of subsidiaries and affiliates of ¥1,463 million, and purchase of property, plant and equipment of ¥1,307 million.

Net cash used in financing activities for the consolidated fiscal year under review was ¥850 million due to decrease in short-term loans payable, etc., compared with ¥678 million in the previous consolidated fiscal year. Major factors were cash dividends paid of ¥535 million and cash dividends paid to minority shareholders of ¥365 million.

(Reference) Changes in cash flow-related indicators

	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012
Equity ratio	60.7%	57.7%	62.8%	60.2%	59.9%
Equity ratio, fair value basis (%)	49.2%	28.1%	32.6%	29.6%	28.4%
Number of years for debt redemption	0.1	6.2	0.1	0.4	-
Interest coverage ratio	40.3	6.1	38.0	36.1	-

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

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

Based on the Company's basic policy of profit distribution, emphasis has been placed on stable payment of dividends, and, as indicated in the forecast released on June 10, 2011, the year-end dividend for the fiscal year ended March 31, 2012 will be ¥10 per share. The total annual dividend, including the interim dividend that was already paid, will be ¥20 per share. However, in order to recover from the performance decline which began with the collapse of Lehman Brothers, the Company will increase the size of its internal reserves. Unfortunately, to do so will require annual dividend for the fiscal year ending March 31, 2013 to be lowered to ¥15 per share, a decrease of ¥5 from the consolidated fiscal year under review.

2. Status of Corporate Group

Disclosure regarding "Business activities" and "Status of subsidiaries and affiliates" is omitted as there are no significant changes in the content thereof in the latest securities report (submitted on June 24, 2011).

### 3. Management Philosophy

#### (1) Basic Management Philosophy

Since its founding, the Roland Group has launched innovative new products in the market that were the first of their kind in the world or in Japan. Moving forward, the Company remains committed to creating new products and pioneering new fields 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 from both the Electronic Musical Instruments Business and the Computer Peripherals Business, focusing on the ratio of operating income to net sales 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

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

##### <Electronic Musical Instruments Business>

Electronic musical instruments/ professional video professional audio equipment	Roland
Guitar-related equipment	BOSS
Computer music	Cakewalk
Large classic organs	Rodgers

##### <Computer Peripherals Business>

Roland DG

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

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

##### <Electronic Musical Instruments Business>

#### 1. Realization of "Better Life with Music"

"Better Life with Music" is an initiative to create demand for the Company's musical instruments by proposing the enjoyment of music to enrich one's life through the playing of musical instruments. It will be possible to enable more people to enjoy playing musical instruments by resolving each of the issues holding

back people who are interested in playing a musical instrument, but have put off starting. Incorporating music in people lives, the Company proposes the enjoyment of playing a musical instrument and a life more filled with happiness.

## 2. Promote “MONO-KOTO 301 Project”

The goal of the “MONO-KOTO 301 Project” is to create and develop products that are No. 1 in their categories and increase the Roland Value by 30%.

“Roland Value” refers to the entire value that the Company can offer its customers. In addition to “MONO-Zukuri (“Design & Manufacturing”) through which it seeks to perfect its musical instruments, the Company is also engaged in a variety of widely disseminated “KOTO-Zukuri (“Value Creation”) efforts to tell customers about the products such as contests and events, shop-in-shops, and customer support services, through which the Company aims to raise Roland Value by 30% and achieving the highest rank in each product area.

## 3. Initiatives in Growth Fields

While maintaining growth in musical instrument fields such as keyboard instruments, percussion instruments, and guitar-related equipment, we endeavor to expand sales by identifying audio-visual equipment for professional use, along with media production fields based on computer music, as two new growing areas.

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

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

## 4. Build a Global Production Regime

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

## 5. Enhance Music Education Business

The Company advocates a new style of lessons based on a unique philosophy called “ism,” which improves musicality by making effective use of the distinctive features of electronic musical instruments, such as music data and automated accompaniment.

Based on this philosophy, in Japan, the Company has deployed a nationwide network of music schools in collaboration with retailers, capitalizing on its assets of proprietary education system and instructor force fostered in-house. The Company will also strive to enhance its business overseas through further collaboration with music education institutions and retailers in each country. Furthermore, the Company has established an Educational Product Division in the fiscal year under review, with an aim to enhance products for the education market along with application proposals.

#### 6. Enhance Distribution through Shop-in-Shop Concept

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

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

#### <Computer Peripherals Business>

In the Computer Peripherals Business, the Company is making efforts to provide products and services which transforms customers’ imagination into reality, using color and 3D digital control technologies.

The sign market in developed countries, the Company’s core market, is growing mature, and printer product commoditization is progressing. Against this background, the Company has begun initiatives to shift from “manufacturing (product)” centered business activities to business activities aimed at “value creation” for customers, in order to vitalize the market and create a new value-added market.

The Company will also strive to achieve sustainable growth by cultivating new businesses, while actively responding to changes in the societal structure, such as the economic growth of emerging countries and the development of digital networking technology.

#### 1. Implement Structural Reforms to Unify the Corporate Group

In order to respond to environmental changes in the increasingly globalizing market and achieve “value creation,” it is important to reflect the customer needs and market trends of individual regions in the Company’s business strategy, and rapidly implement the strategy.

The Company is moving forward with efforts to create an organization and structure that allows it to not only unify its manufacturing and sales & marketing functions, but also manage the global market in regional blocks to steadily execute business strategies such as cultivation of new markets in addition to efforts on existing markets and joint development with local partners. Moreover, the Company will identify new business opportunities from the perspectives of both markets and technologies, and establish a Steering Committee to

promote commercialization, with an aim to enhance the Company's product planning abilities, improving both speed and competitiveness.

## 2. Enhancing the Development and Production Regime

Based on the "Digital Factory" concept of sharing digital data and working in parallel, the Company has taken a flexible approach to manufacturing, as seen in its concurrent realization of products, and its adoption of cell manufacturing system in high-mix/low-volume production, etc. As diversification of customer value continues, the Company must achieve new levels of product planning strength, cost competitiveness, currency exchange responsiveness, quality, and manufacturing lead time reductions, etc., in order to provide value to customers. The Company will further enhance its manufacturing structure, through renovation of its global marketing-coordinated processes, overseas production through the establishment of a plant in Thailand, overseas procurement, and research and development investments aimed at strengthening core technologies.

## 3. Increase Efficiency of Business Group Management

Business fields are growing more complex, but in order to achieve increased business group competitiveness, the Company must fully utilize all its management resources, improving both its superior position and its efficiency. In 2011, the Company started the "IV" (Integration Values) project in Europe, home to five sales companies, integrating their overlapping management operations and increasing their SCM (Supply Chain Management) efficiency, thereby reducing lead times and costs. It also began initiatives such as reallocation of resources to new business cultivation. This project will be expanded to all business groups, with the aim of increasing both profitability and growth.

The Company is also increasing web-based marketing and sales activities for consumer products, in order to both improve efficiency and establish a new business model for market creation.

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(Thousands of Yen)

	As of March 31, 2011	As of March 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	19,586,781	14,888,089
Notes and accounts receivable-trade	9,502,158	9,828,197
Merchandise and finished goods	15,242,183	14,999,529
Work in process	553,285	702,222
Raw materials and supplies	4,158,458	4,550,601
Deferred tax assets	1,448,375	1,312,472
Other	3,775,017	2,986,437
Allowance for doubtful accounts	(406,993)	(321,294)
<b>Total current assets</b>	<b>53,859,266</b>	<b>48,946,255</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	21,767,329	20,794,648
Accumulated depreciation	(13,378,726)	(13,014,983)
Buildings and structures, net	8,388,603	7,779,664
Machinery, equipment and vehicles	3,388,322	3,395,334
Accumulated depreciation	(2,593,272)	(2,687,922)
Machinery, equipment and vehicles, net	795,049	707,412
Tools, furniture and fixtures	10,742,474	10,841,935
Accumulated depreciation	(9,386,194)	(9,583,860)
Tools, furniture and fixtures, net	1,356,280	1,258,075
Land	8,372,349	7,884,078
Construction in progress	99,636	81,756
<b>Total property, plant and equipment</b>	<b>19,011,919</b>	<b>17,710,988</b>
Intangible assets		
Goodwill	90,288	418,822
Software	1,003,287	750,812
Software in progress	74,473	262,664
Other	82,090	169,743
<b>Total intangible assets</b>	<b>1,250,139</b>	<b>1,602,043</b>
Investments and other assets		
Investment securities	1,809,280	2,109,667
Long-term loans receivable	36,495	29,198
Deferred tax assets	446,989	436,162
Other	2,787,445	2,889,876
Allowance for doubtful accounts	(80,455)	(81,162)
<b>Total investments and other assets</b>	<b>4,999,756</b>	<b>5,383,742</b>
<b>Total noncurrent assets</b>	<b>25,261,816</b>	<b>24,696,774</b>
<b>Total assets</b>	<b>79,121,082</b>	<b>73,643,029</b>

(Thousands of Yen)

	As of March 31, 2011	As of March 31, 2012
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	3,972,272	3,263,406
Short-term loans payable	770,458	798,464
Current portion of long-term loans payable	3,923	253,904
Income taxes payable	855,255	193,173
Deferred tax liabilities	101	5,472
Provision for bonuses	1,245,956	1,244,063
Provision for product warranties	461,508	419,325
Other	4,928,603	4,287,808
Total current liabilities	12,238,080	10,465,619
Noncurrent liabilities		
Long-term loans payable	264,208	9,616
Deferred tax liabilities	23,846	347,115
Deferred tax liabilities for land revaluation	187,289	164,155
Provision for retirement benefits	329,092	473,175
Other	1,948,661	1,922,869
Total noncurrent liabilities	2,753,099	2,916,932
Total liabilities	14,991,179	13,382,551
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,274,272	9,274,272
Capital surplus	10,801,182	10,801,175
Retained earnings	36,207,360	33,793,387
Treasury stock	(1,767,961)	(1,768,520)
Total shareholders' equity	54,514,854	52,100,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(40,929)	10,531
Revaluation reserve for land	(1,498,983)	(1,475,849)
Foreign currency translation adjustment	(5,353,845)	(6,499,089)
Total accumulated other comprehensive income	(6,893,758)	(7,964,407)
Minority interests	16,508,807	16,124,570
Total net assets	64,129,902	60,260,478
Total liabilities and net assets	79,121,082	73,643,029

## (2) Consolidated Statement of Income and Comprehensive Income

## (Consolidated Statement of Income)

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
Net sales	78,270,217	74,825,431
Cost of sales	46,868,418	45,031,035
Gross profit	31,401,798	29,794,395
Selling, general and administrative expenses		
Advertising and promotion expenses	3,337,949	3,372,737
Provision of allowance for doubtful accounts	168,308	9,134
Salaries and bonuses	13,927,857	13,897,615
Provision for bonuses	555,114	559,956
Provision for product warranties	229,498	212,667
Other	10,912,490	10,869,763
Total selling, general and administrative expenses	29,131,218	28,921,873
Operating income	2,270,579	872,522
Non-operating income		
Interest income	115,058	102,027
Dividends income	84,713	72,946
Other	348,439	224,940
Total non-operating income	548,212	399,914
Non-operating expenses		
Interest expenses	59,859	60,264
Sales discounts	661,620	619,739
Foreign exchange losses	1,011,199	332,428
Other	176,859	123,166
Total non-operating expenses	1,909,539	1,135,598
Ordinary income	909,252	136,838
Extraordinary income		
Reversal of allowance for doubtful accounts	32,665	-
Reversal of provision for product warranties	11,204	-
Gain on sales of noncurrent assets	16,260	15,098
Gain on sales of investment securities	124,100	1,547
Gain on liquidation of subsidiaries and affiliates	5,047	-
Total extraordinary income	189,277	16,646

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	65,916	27,473
Impairment loss	-	12,782
Loss on sales of investment securities	4,882	-
Loss on valuation of investment securities	108,509	14,999
Loss on valuation of investments in capital of subsidiaries and affiliates	3,347	-
Loss on transfer of business	93,639	-
Workers' compensation	-	73,000
Special retirement expenses	-	201,582
Total extraordinary losses	276,296	329,837
Income (loss) before income taxes and minority interests	822,234	(176,352)
Income taxes-current	1,173,628	845,180
Income taxes-deferred	13,095	489,375
Total income taxes	1,186,723	1,334,555
Loss before minority interests	(364,489)	(1,510,908)
Minority interests in income	330,451	419,662
Net loss	(694,940)	(1,930,570)

## (Consolidated Statement of Comprehensive Income)

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
Loss before minority interests	(364,489)	(1,510,908)
Other comprehensive income		
Valuation difference on available-for-sale securities	(206,774)	50,621
Revaluation reserve for land	-	23,134
Foreign currency translation adjustment	(3,448,234)	(1,419,345)
Total other comprehensive income	(3,655,008)	(1,345,589)
Comprehensive income	(4,019,498)	(2,856,498)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(3,249,851)	(3,001,219)
Comprehensive income attributable to minority interests	(769,646)	144,721

## (3) Consolidated Statement of Changes in Net Assets

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
<b>Shareholders' equity</b>		
<b>Capital stock</b>		
Balance at the beginning of current period	9,274,272	9,274,272
Balance at the end of current period	9,274,272	9,274,272
<b>Capital surplus</b>		
Balance at the beginning of current period	10,801,192	10,801,182
<b>Changes of items during the period</b>		
Disposal of treasury stock	(9)	(7)
Total changes of items during the period	(9)	(7)
Balance at the end of current period	10,801,182	10,801,175
<b>Retained earnings</b>		
Balance at the beginning of current period	37,360,369	36,207,360
<b>Changes of items during the period</b>		
Dividends from surplus	(535,240)	(535,228)
Net loss	(694,940)	(1,930,570)
Increase due to addition of consolidated subsidiaries	77,171	51,826
Total changes of items during the period	(1,153,008)	(2,413,972)
Balance at the end of current period	36,207,360	33,793,387
<b>Treasury stock</b>		
Balance at the beginning of current period	(1,767,421)	(1,767,961)
<b>Changes of items during the period</b>		
Purchase of treasury stock	(659)	(593)
Disposal of treasury stock	119	34
Total changes of items during the period	(540)	(559)
Balance at the end of current period	(1,767,961)	(1,768,520)
<b>Total shareholders' equity</b>		
Balance at the beginning of current period	55,668,412	54,514,854
<b>Changes of items during the period</b>		
Dividends from surplus	(535,240)	(535,228)
Net loss	(694,940)	(1,930,570)
Purchase of treasury stock	(659)	(593)
Disposal of treasury stock	110	27
Increase due to addition of consolidated subsidiaries	77,171	51,826
Total changes of items during the period	(1,153,558)	(2,414,539)
Balance at the end of current period	54,514,854	52,100,315

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	162,677	(40,929)
Changes of items during the period		
Net changes of items other than shareholders' equity	(203,606)	51,460
Total changes of items during the period	(203,606)	51,460
Balance at the end of current period	(40,929)	10,531
Revaluation reserve for land		
Balance at the beginning of current period	(1,498,983)	(1,498,983)
Changes of items during the period		
Net changes of items other than shareholders' equity	-	23,134
Total changes of items during the period	-	23,134
Balance at the end of current period	(1,498,983)	(1,475,849)
Foreign currency translation adjustment		
Balance at the beginning of current period	(3,002,540)	(5,353,845)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,351,305)	(1,145,243)
Total changes of items during the period	(2,351,305)	(1,145,243)
Balance at the end of current period	(5,353,845)	(6,499,089)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(4,338,847)	(6,893,758)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,554,911)	(1,070,648)
Total changes of items during the period	(2,554,911)	(1,070,648)
Balance at the end of current period	(6,893,758)	(7,964,407)
Minority interests		
Balance at the beginning of current period	16,948,143	16,508,807
Changes of items during the period		
Net changes of items other than shareholders' equity	(439,336)	(384,237)
Total changes of items during the period	(439,336)	(384,237)
Balance at the end of current period	16,508,807	16,124,570
Total net assets		
Balance at the beginning of current period	68,277,708	64,129,902
Changes of items during the period		
Dividends from surplus	(535,240)	(535,228)
Net loss	(694,940)	(1,930,570)
Purchase of treasury stock	(659)	(593)
Disposal of treasury stock	110	27
Increase due to addition of consolidated subsidiaries	77,171	51,826
Net changes of items other than shareholders' equity	(2,994,247)	(1,454,885)
Total changes of items during the period	(4,147,805)	(3,869,424)
Balance at the end of current period	64,129,902	60,260,478

## (4) Consolidated Statement of Cash Flows

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	822,234	(176,352)
Depreciation and amortization	2,398,484	2,356,169
Impairment loss	-	12,782
Amortization of goodwill	57,950	87,096
Interest and dividends income	(199,772)	(174,974)
Interest expenses	59,859	60,264
Foreign exchange losses (gains)	510,700	(95,617)
Loss (gain) on sales and retirement of noncurrent assets	49,656	12,374
Loss (gain) on sales of investment securities	(119,217)	(1,547)
Loss (gain) on valuation of investment securities	108,509	-
Loss on valuation of stocks of subsidiaries and affiliates	-	14,999
Loss on valuation of investments in capital	3,347	-
Loss (gain) on liquidation of subsidiaries and affiliates	(5,047)	-
Decrease (increase) in notes and accounts receivable-trade	(643,221)	(19,858)
Decrease (increase) in inventories	(2,248,195)	(750,886)
Increase (decrease) in notes and accounts payable-trade	1,378,358	(518,710)
Other, net	658,037	195,238
Subtotal	2,831,685	1,000,978
Interest and dividends income received	190,252	164,428
Interest expenses paid	(73,822)	(59,953)
Income taxes paid	(285,441)	(1,435,886)
Net cash provided by (used in) operating activities	2,662,674	(330,433)
Net cash provided by (used in) investing activities		
Payments into time deposits	(553,650)	(952,036)
Proceeds from withdrawal of time deposits	62,825	674,778
Purchase of short-term investment securities	(121,652)	-
Proceeds from sales of short-term investment securities	107,732	-
Purchase of property, plant and equipment	(1,163,399)	(1,307,403)
Proceeds from sales of property, plant and equipment	34,750	522,715
Purchase of intangible assets	(293,733)	(423,471)
Purchase of investment securities	(10,738)	(10,796)
Proceeds from sales of investment securities	224,949	12,178
Purchase of stocks of subsidiaries and affiliates	(156,075)	(1,463,175)
Payments for investments in capital	(2,007)	(20,408)
Payments of long-term loans receivable	(2,532)	(2,402)
Collection of long-term loans receivable	14,446	8,060
Other, net	114,632	(412,096)
Net cash provided by (used in) investing activities	(1,744,453)	(3,374,058)

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	259,002	91,909
Proceeds from long-term loans payable	12,006	-
Repayment of long-term loans payable	(41,688)	(4,024)
Cash dividends paid	(535,240)	(535,228)
Cash dividends paid to minority shareholders	(343,714)	(365,946)
Purchase of treasury stock	(643)	(572)
Other, net	(28,588)	(37,045)
Net cash provided by (used in) financing activities	(678,865)	(850,908)
Effect of exchange rate change on cash and cash equivalents	(1,768,856)	(547,239)
Net increase (decrease) in cash and cash equivalents	(1,529,501)	(5,102,640)
Cash and cash equivalents at beginning of period	20,401,506	19,047,136
Increase in cash and cash equivalents from newly consolidated subsidiary	175,131	118,655
Cash and cash equivalents at end of period	19,047,136	14,063,151

(5) Notes to Going Concern Assumption

None applicable.

(6) Significant Accounting Policies as Bases for the Preparation of Consolidated Financial Statements

No further disclosure is made hereby as there are no significant changes in the description in the latest securities report (submitted on June 24, 2011).

(7) Notes to Consolidated Financial Statements

(Segment information, etc.)

[Segment information]

For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

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	45,815	32,454	78,270
Inter-segment sales and transfers	-	-	-
Total sales	45,815	32,454	78,270
Segment income (loss)	(128)	2,398	2,270

(Note) Total segment income (loss) 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
13,742	17,920	26,829	19,777	78,270

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

For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

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	42,314	32,510	74,825
Inter-segment sales and transfers	-	-	-
Total sales	42,314	32,510	74,825
Segment income (loss)	(1,036)	1,908	872

(Note) Total segment income (loss) 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
13,287	16,511	25,000	20,025	74,825

(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, 2011	For the fiscal year ended March 31, 2012
Net assets per share	¥2,001.90	¥1,855.45
Net loss per share	(¥29.21)	(¥81.16)

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

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

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
Total net assets (Millions of Yen)	64,129	60,260
Amount to be deducted from total net assets (Millions of Yen)	16,508	16,124
(Minority interest of the above)	[16,508]	[16,124]
Net assets applicable to common stock at the end of the fiscal year (Millions of Yen)	47,621	44,135
Number of common stock used in the calculation of net assets per share at the end of the fiscal year (thousand shares)	23,787	23,787

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

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
Net loss (Millions of Yen)	(694)	(1,930)
Net income not affordable to common shareholders (Millions of Yen)	-	-
Net loss available to common shareholders (Millions of Yen)	(694)	(1,930)
Weighted average of the number of common stock outstanding (thousand shares)	23,788	23,787

(Significant subsequent events)

None applicable.

## 5. Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Thousands of Yen)

	As of March 31, 2011	As of March 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	5,134,671	2,483,553
Notes receivable-trade	9,595	3,128
Accounts receivable-trade	5,000,304	4,599,807
Merchandise and finished goods	2,624,408	3,584,375
Work in process	159,476	212,427
Raw materials and supplies	1,635,519	1,902,048
Prepaid expenses	99,988	76,988
Deferred tax assets	373,058	362,471
Short-term loans receivable from subsidiaries and affiliates	746,301	632,830
Accounts receivable-other	550,509	853,695
Other	132,055	268,947
Allowance for doubtful accounts	(620)	(610)
<b>Total current assets</b>	<b>16,465,267</b>	<b>14,979,663</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	10,093,154	10,250,116
Accumulated depreciation	(7,228,578)	(7,426,466)
Buildings, net	2,864,576	2,823,649
Structures	730,078	749,144
Accumulated depreciation	(656,295)	(689,399)
Structures, net	73,782	59,744
Machinery and equipment	1,615,776	1,620,094
Accumulated depreciation	(1,307,181)	(1,393,645)
Machinery and equipment, net	308,595	226,448
Vehicles	39,361	34,886
Accumulated depreciation	(37,011)	(33,853)
Vehicles, net	2,350	1,032
Tools, furniture and fixtures	5,196,385	5,539,877
Accumulated depreciation	(4,797,082)	(5,188,264)
Tools, furniture and fixtures, net	399,303	351,613
Land	4,181,882	4,169,100
Construction in progress	-	14
<b>Total property, plant and equipment</b>	<b>7,830,490</b>	<b>7,631,603</b>
Intangible assets		
Goodwill	34,568	4,938
Patent right	1,614	1,337
Right of trademark	-	676
Software	500,666	333,855
Software in progress	22,300	29,627
Telephone subscription right	21,817	22,090
Right of using facilities	2,940	1,980
Other	-	92,776
<b>Total intangible assets</b>	<b>583,907</b>	<b>487,282</b>

(Thousands of Yen)

	As of March 31, 2011	As of March 31, 2012
Investments and other assets		
Investment securities	1,388,146	1,419,773
Stocks of subsidiaries and affiliates	14,749,991	14,346,491
Investments in capital	5,882	5,882
Investments in capital of subsidiaries and affiliates	3,348,825	2,885,498
Long-term loans receivable from employees	3,848	3,314
Long-term loans receivable from subsidiaries and affiliates	1,119,550	480,000
Long-term prepaid expenses	89,854	138,086
Deferred tax assets	513,302	52,934
Guarantee deposits	252,361	273,309
Other	28,460	36,056
Allowance for doubtful accounts	(116)	(1,648)
Total investments and other assets	21,500,107	19,639,700
Total noncurrent assets	29,914,505	27,758,587
Total assets	46,379,772	42,738,251
Liabilities		
Current liabilities		
Accounts payable-trade	1,503,266	1,800,170
Current portion of long-term loans payable	512	250,534
Lease obligations	271	876
Accounts payable-other	651,139	857,761
Accrued expenses	114,748	134,255
Income taxes payable	56,306	46,489
Advances received	16,616	8,198
Deposits received	43,490	105,829
Forward exchange contracts	-	226,451
Provision for bonuses	729,496	689,846
Provision for product warranties	30,688	22,746
Other	10	16
Total current liabilities	3,146,544	4,143,176
Noncurrent liabilities		
Long-term loans payable	3,875	3,341
Lease obligations	-	1,557
Long-term accounts payable-other	56,700	58,800
Deferred tax liabilities for land revaluation	187,289	164,155
Provision for retirement benefits	194,761	321,199
Other	1,430	500
Total noncurrent liabilities	444,056	549,553
Total liabilities	3,590,601	4,692,729

(Thousands of Yen)

	As of March 31, 2011	As of March 31, 2012
Net assets		
Shareholders' equity		
Capital stock	9,274,272	9,274,272
Capital surplus		
Legal capital surplus	10,800,378	10,800,378
Other capital surplus	804	796
Total capital surpluses	10,801,182	10,801,175
Retained earnings		
Legal retained earnings	847,654	847,654
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	49,929	53,998
General reserve	25,244,000	24,544,000
Retained earnings brought forward	(118,508)	(4,240,815)
Total retained earnings	26,023,075	21,204,837
Treasury stock	(1,767,961)	(1,768,520)
Total shareholders' equity	44,330,569	39,511,765
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(42,414)	9,605
Revaluation reserve for land	(1,498,983)	(1,475,849)
Total valuation and translation adjustments	(1,541,398)	(1,466,244)
Total net assets	42,789,171	38,045,521
Total liabilities and net assets	46,379,772	42,738,251

## (2) Non-consolidated Statement of Income

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
Net sales		
Net sales of finished goods	30,158,322	27,350,053
Net sales of goods	2,625,795	529,727
Sales allowance and returns	64,326	48,648
Total net sales	32,719,790	27,831,133
Cost of sales		
Beginning finished goods	2,644,026	1,992,574
Cost of products manufactured	21,947,635	21,725,280
Ending finished goods	1,992,574	3,350,914
Finished goods transfer to other account	-	(477,835)
Cost of finished goods sold	22,599,087	20,844,775
Beginning goods	429,949	631,833
Cost of purchased goods	2,299,989	497,436
Ending goods	631,833	233,460
Goods transfer to other account	17,316	455,875
Cost of goods sold	2,080,788	439,935
Total cost of sales	24,679,876	21,284,710
Gross profit	8,039,913	6,546,422
Selling, general and administrative expenses		
Transportation and warehousing expenses	704,982	866,279
Advertising and promotion expenses	1,083,140	1,074,270
Salaries and bonuses	2,552,338	2,444,017
Provision for bonuses	304,401	269,553
Provision for product warranties	30,688	22,746
Retirement benefit expenses	288,794	287,097
Welfare expenses	377,910	386,966
Traveling and transportation expenses	185,443	204,399
Communication expenses	86,780	90,400
Depreciation	455,398	418,226
Rent expenses	169,679	149,570
Research and development expenses	552,520	333,943
Commission fee	253,624	273,100
Other	1,006,464	1,041,374
Total selling, general and administrative expenses	8,052,168	7,861,946
Operating loss	(12,254)	(1,315,523)
Non-operating income		
Interest income	145,203	122,404
Dividends income	360,070	330,482
Other	28,804	31,479
Total non-operating income	534,078	484,366

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
<b>Non-operating expenses</b>		
Interest expenses	722	5,128
Commission fee	5,262	8,861
Loss on sales of accounts receivable	1,287	1,391
Foreign exchange losses	653,153	147,641
Other	99	5,307
<b>Total non-operating expenses</b>	<b>660,526</b>	<b>168,330</b>
Ordinary loss	(138,702)	(999,488)
<b>Extraordinary income</b>		
Reversal of allowance for doubtful accounts	739	-
Gain on sales of noncurrent assets	11,760	87
Gain on sales of investment securities	123,450	1,547
Gain on extinguishment of tie-in shares	-	42,366
<b>Total extraordinary income</b>	<b>135,949</b>	<b>44,001</b>
<b>Extraordinary loss</b>		
Loss on sales and retirement of noncurrent assets	35,503	11,249
Impairment loss	-	12,782
Loss on sales of investment securities	4,882	-
Loss on valuation of investment securities	103,869	-
Loss on valuation of stocks of subsidiaries and affiliates	-	1,395,568
Loss on valuation of investments in capital of subsidiaries and affiliates	-	1,102,506
Loss on transfer of business	93,639	-
Workers' compensation	-	73,000
Special retirement expenses	-	201,582
<b>Total extraordinary losses</b>	<b>237,895</b>	<b>2,796,689</b>
Loss before income taxes	(240,647)	(3,752,176)
Income taxes-current	30,868	40,621
Income taxes-deferred	(161,904)	490,212
<b>Total income taxes</b>	<b>(131,035)</b>	<b>530,833</b>
<b>Net loss</b>	<b>(109,612)</b>	<b>(4,283,009)</b>

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

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
<b>Shareholders' equity</b>		
Capital stock		
Balance at the beginning of current period	9,274,272	9,274,272
Balance at the end of current period	9,274,272	9,274,272
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	10,800,378	10,800,378
Balance at the end of current period	10,800,378	10,800,378
Other capital surplus		
Balance at the beginning of current period	813	804
Changes of items during the period		
Disposal of treasury stock	(9)	(7)
Total changes of items during the period	(9)	(7)
Balance at the end of current period	804	796
Total capital surplus		
Balance at the beginning of current period	10,801,192	10,801,182
Changes of items during the period		
Disposal of treasury stock	(9)	(7)
Total changes of items during the period	(9)	(7)
Balance at the end of current period	10,801,182	10,801,175
Retained earnings		
Legal retained earnings		
Balance at the beginning of current period	847,654	847,654
Balance at the end of current period	847,654	847,654
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets		
Balance at the beginning of current period	49,929	49,929
Changes of items during the period		
Provision of reserve for advanced depreciation of noncurrent assets	-	4,068
Total changes of items during the period	-	4,068
Balance at the end of current period	49,929	53,998
General reserve		
Balance at the beginning of current period	25,844,000	25,244,000
Changes of items during the period		
Reversal of general reserve	(600,000)	(700,000)
Total changes of items during the period	(600,000)	(700,000)
Balance at the end of current period	25,244,000	24,544,000
Retained earnings brought forward		
Balance at the beginning of current period	(73,655)	(118,508)
Changes of items during the period		
Dividends from surplus	(535,240)	(535,228)
Net loss	(109,612)	(4,283,009)
Provision of reserve for advanced depreciation of noncurrent assets	-	(4,068)
Reversal of general reserve	600,000	700,000
Total changes of items during the period	(44,852)	(4,122,307)
Balance at the end of current period	(118,508)	(4,240,815)

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
<b>Total retained earnings</b>		
Balance at the beginning of current period	26,667,928	26,023,075
<b>Changes of items during the period</b>		
Dividends from surplus	(535,240)	(535,228)
Net loss	(109,612)	(4,283,009)
Provision of reserve for advanced depreciation of noncurrent assets	-	-
Reversal of general reserve	-	-
Total changes of items during the period	(644,852)	(4,818,238)
Balance at the end of current period	26,023,075	21,204,837
<b>Treasury stock</b>		
Balance at the beginning of current period	(1,767,421)	(1,767,961)
<b>Changes of items during the period</b>		
Purchase of treasury stock	(659)	(593)
Disposal of treasury stock	119	34
Total changes of items during the period	(540)	(559)
Balance at the end of current period	(1,767,961)	(1,768,520)
<b>Total shareholders' equity</b>		
Balance at the beginning of current period	44,975,972	44,330,569
<b>Changes of items during the period</b>		
Dividends from surplus	(535,240)	(535,228)
Net loss	(109,612)	(4,283,009)
Purchase of treasury stock	(659)	(593)
Disposal of treasury stock	110	27
Total changes of items during the period	(645,402)	(4,818,804)
Balance at the end of current period	44,330,569	39,511,765
<b>Valuation and translation adjustments</b>		
<b>Valuation difference on available-for-sale securities</b>		
Balance at the beginning of current period	159,080	(42,414)
<b>Changes of items during the period</b>		
Net changes of items other than shareholders' equity	(201,494)	52,019
Total changes of items during the period	(201,494)	52,019
Balance at the end of current period	(42,414)	9,605
<b>Revaluation reserve for land</b>		
Balance at the beginning of current period	(1,498,983)	(1,498,983)
<b>Changes of items during the period</b>		
Net changes of items other than shareholders' equity	-	23,134
Total changes of items during the period	-	23,134
Balance at the end of current period	(1,498,983)	(1,475,849)
<b>Total valuation and translation adjustments</b>		
Balance at the beginning of current period	(1,339,903)	(1,541,398)
<b>Changes of items during the period</b>		
Net changes of items other than shareholders' equity	(201,494)	75,154
Total changes of items during the period	(201,494)	75,154
Balance at the end of current period	(1,541,398)	(1,466,244)

(Thousands of Yen)

	For the fiscal year ended March 31, 2011	For the fiscal year ended March 31, 2012
<b>Total net assets</b>		
Balance at the beginning of current period	43,636,068	42,789,171
<b>Changes of items during the period</b>		
Dividends from surplus	(535,240)	(535,228)
Net loss	(109,612)	(4,283,009)
Purchase of treasury stock	(659)	(593)
Disposal of treasury stock	110	27
Net changes of items other than shareholders' equity	(201,494)	75,154
<b>Total changes of items during the period</b>	<b>(846,896)</b>	<b>(4,743,650)</b>
Balance at the end of current period	42,789,171	38,045,521

(4) Notes to Going Concern Assumption

None applicable.

6. Other Information

(1) Changes in Directors or Corporate Auditors

As stated in the annex.

Changes in Directors or Corporate Auditors

Roland hereby announces that the personnel changes regarding its officers after the conclusion of the Company's General Meeting of Shareholders to be held on June 22, 2012 was resolved at the Board of Directors' meeting held on May 9, 2012.

1. Changes in Directors (as of June 22, 2012)

(1) Candidates for a new Director position

Director	Takahiro Tomita
	(Currently responsible for Overseas Sales Department, Asia Sales Department, CK Sales Department, School Operation Department and Marketing Department, and General Manager of Domestic Sales Department)

(2) Retiring Directors

No items to report.

2. Changes in Corporate Auditors (as of June 22, 2012)

(1) Candidates for a new Corporate Auditor position

Corporate Auditor (part-time)	Tameyuki Hosoi
	(Currently Attorney at Law, Outside Director of CHUBU SERVICER CO., LTD.)

(2) Retiring Corporate Auditor

Corporate Auditor (part-time)	Minoru Kawashima
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(Note) New Corporate Auditor candidate Tameyuki Hosoi is a candidate for Outside Corporate Auditor as stipulated in Article 2, Item 16 of the Companies Act.