Consolidated Financial Results
for the Six Months Ended September 30, 2011 [JGAAP]

November 9, 2011

Company Name: Roland Corporation
Code Number: 7944
(URL: http://www.roland.co.jp/)
Stock Exchange Listing: Tokyo, Osaka

Representative: Hidekazu Tanaka, President and Representative Director
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Scheduled date to submit the Quarterly Securities Report: November 11, 2011
Scheduled date to commence dividend payments: December 9, 2011
Availability of supplementary briefing material on quarterly results: Available (Japanese only)
Schedule of quarterly results briefing session: Scheduled (for institutional investors and analysts)

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2011 (From April 1, 2011 to September 30, 2011)

(1) Consolidated Results of Operations (Cumulative) (% indicates changes from the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended September 30, 2011	36,989	(5.8)	(183)	-	(390)	-	512	-
Six months ended September 30, 2010	39,271	10.7	1,498	-	409	-	(510)	-

(Note) Comprehensive income: Six Months Ended September 30, 2011: ¥1,604 million (-%)
Six Months Ended September 30, 2010: ¥(3,248) million (-%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six months ended September 30, 2011	21.55	-
Six months ended September 30, 2010	(21.47)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
Six months ended September 30, 2011	78,205	65,060	62.0	2,039.88
Fiscal year ended March 31, 2011	79,121	64,129	60.2	2,001.90

(Reference) Equity: Six Months Ended September 30, 2011: ¥48,524 million
Fiscal Year Ended March 31, 2011: ¥47,621 million

2. Dividends

	Annual Dividend				
	1Q	2Q	3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2011	-	12.50	-	12.50	25.00
Fiscal year ending March 31, 2012	-	10.00			
Fiscal year ending March 31, 2012 (Forecast)			-	10.00	20.00

(Note) Revision of dividend forecasts from recently announced figures: No

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

(% 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
Full year	77,300	(1.2)	1,400	(38.3)	700	(23.0)	400	-	16.82

(Note) Revision of financial results forecast from recently announced figures: Yes

4. Others

(1) Significant changes of subsidiaries during the six months ended September 30, 2011 (changes in specific subsidiaries resulting in changes in scope of consolidation): None

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

(3) Changes in accounting policies, changes in accounting estimates and corrections of errors
1) Changes in accounting policies due to the revision of accounting standards (including laws, acts and regulations): None
2) Other changes in accounting policies: None
3) Changes in accounting estimates: None
4) Corrections of errors: None

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

Six months ended September 30, 2011	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 period:

Six months ended September 30, 2011	1,784,470 shares
Fiscal year ended March 31, 2011	1,784,485 shares

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

Six months ended September 30, 2011	23,787,923 shares
Six months ended September 30, 2010	23,788,402 shares

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

  These quarterly financial results (not translated into English) are prepared outside the quarterly review process required under the Financial Instruments and Exchange Act. The quarterly review process required under the Financial Instruments and Exchange Act has not been completed at the time of the disclosure of these quarterly financial results.

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

  - The above forecasted performance figures are based on economic environment, business plans of the Company and so on at the time of the release of this report. Therefore, there might be cases in which actual results differ from forecast values. For further information on the assumptions above, please see page 7 "Qualitative Information on Forecast of Consolidated Financial Results."
  - The supplementary briefing material on quarterly results will be published on the website on Wednesday, November 9, 2011. (Japanese only)
  - The Company plans to hold a briefing session for institutional investors and analysts on Friday, November 25, 2011. The materials to be distributed at this briefing session are scheduled to be published on the website. (Japanese only)

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1. Qualitative Information on Consolidated Performance for the Period under Review

(1) Qualitative Information on Consolidated Results of Operations

Results of operations

(Millions of Yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Changes	Change rate
Net sales	39,271	36,989	(2,281)	(5.8%)
Electronic Musical Instruments Business	22,990	20,946	(2,044)	(8.9%)
Computer Peripherals Business	16,281	16,043	(237)	(1.5%)
Operating income (loss)	1,498	(183)	(1,681)	-
Electronic Musical Instruments Business	(190)	(829)	(638)	-
Computer Peripherals Business	1,688	646	(1,042)	(61.7%)
Ordinary income (loss)	409	(390)	(799)	-
Net income (loss)	(510)	512	1,023	-

Results of net sales by business segment

(Millions of Yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Changes	Change rate
Electronic musical instruments	8,905	7,938	(967)	(10.9%)
Guitar-related equipment	4,518	4,290	(228)	(5.0%)
Home electronic musical instruments	5,209	5,047	(161)	(3.1%)
Professional video, professional audio and computer music equipment	2,987	2,633	(354)	(11.9%)
Others	1,368	1,036	(332)	(24.3%)
Electronic Musical Instruments Business	22,990	20,946	(2,044)	(8.9%)
Computer Peripherals Business	16,281	16,043	(237)	(1.5%)
Total	39,271	36,989	(2,281)	(5.8%)

Results of net sales by geographical segment (Sales breakdown by location of customers)

(Millions of Yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Changes	Change rate
Japan	5,004	4,436	(567)	(11.3%)
North America	6,931	6,058	(873)	(12.6%)
Europe	7,863	7,013	(849)	(10.8%)
Others	3,189	3,436	246	7.7%
Electronic Musical Instruments Business	22,990	20,946	(2,044)	(8.9%)
Japan	1,799	1,793	(6)	(0.3%)
North America	3,786	3,812	25	0.7%
Europe	5,662	5,556	(106)	(1.9%)
Others	5,031	4,881	(150)	(3.0%)
Computer Peripherals Business	16,281	16,043	(237)	(1.5%)
Total	39,271	36,989	(2,281)	(5.8%)

(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 came into the scope of consolidation from the first quarter ended June 30, 2011.

During the six months ended September 30, 2011, the Japanese economy climbed out of the temporary sluggishness of economic activities caused by the impact of the Great East Japan Earthquake, but concerns persisted about an economic downturn due to the further appreciation of the yen. Also, improvement was not observed in the employment situation in North America, and fiscal and financial uncertainties in the Eurozone spread in Europe. Owing to such factors, uncertainties about the future remained in developed countries on the whole. Meanwhile, in emerging countries, China and Brazil in particular, although the speed of economic expansion slowed down, their economies showed sustained growth. In this business climate, the Company conducted business as described below in each business segment.

<Electronic Musical Instruments Business>

The Electronic Musical Instruments Business took initiatives to stimulate new demand by introducing many new high-value-added products into the market as well as marketing directly to a wide range of customers through contests and product events, etc. The Company also continued to focus its efforts on expanding its sales and distribution network through the promotion of global expansion of shop-in-shops and proposal of applications in the education field.

By product, even though sales of new products of guitar-related equipment and home electronic musical instruments were robust, sales of electronic musical instruments, such as synthesizers and electronic drums, were weak particularly for high-end products. As for professional video, professional audio and computer music equipment, sales of professional video equipment were strong, but sales of other products were stagnant.

By region, even though sales steadily grew in emerging markets, especially China, Brazil and Russia, sales decreased in the major markets of Japan, North America, and Europe due in part to the stalled production of some products resulting from the earthquake amid a slowdown in individual consumption.

As a result, partly owing to the effect of the strong yen, net sales in this segment decreased by 8.9% year on year, to ¥20,946 million. Concerning the profit and loss, due to the decrease in revenue as well as a deterioration in the cost-to-sales ratio through a decrease in production output following the earthquake, the Company posted operating loss of ¥829 million (from operating loss of ¥190 million for the same period of the previous fiscal year).

<Computer Peripherals Business>

From the period under review, the Company has started taking initiatives 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.”

By product, while sales of mainstay products for printers declined, sales of 3D products and supplies grew. In 3D products, products introduced into the dental market in the previous fiscal year went on sale in earnest, thus contributing to the increase in sales.

By region, although sales temporarily contracted due to weak corporate capital investment intentions in Japan following the earthquake, initiatives such as proposing applications mainly for new products led to an expansion of demand in the latter half of the period. Sales were strong in North America, and even though the results varied by country and region, sales were robust in Europe also thanks to aggressive promotional activities and other efforts.

In Asia, on the other hand, sales declined on the whole mainly because shipments to China were suppressed due to inventory adjustment.
As a result, partly owing to the effect of the strong yen other than the aforementioned, net sales in this segment decreased by 1.5% year on year, to ¥16,043 million. Concerning the profit and loss, due to the increase in purchasing costs for overseas sales companies as well as a deterioration in the cost-to-sales ratio through a decrease in production output, operating income decreased by 61.7% year on year, to ¥646 million.

As a result of the factors described above, overall net sales decreased by 5.8% year on year, to ¥36,989 million, and operating loss was ¥183 million (from operating income of ¥1,498 million for the same period of the previous fiscal year). In addition, ordinary loss was ¥390 million (from ordinary income of ¥409 million for the same period of the previous fiscal year), and net income was ¥512 million (from net loss of ¥510 million for the same period of the previous fiscal year) as a result of the recording of deferred tax assets in connection with the absorption-type merger of Roland SG Corporation, a consolidated subsidiary.
The average exchange rates for the six months ended September 30, 2011 (*) were 82 yen to the US dollar (from 91 yen for the same period of the previous fiscal year), and 115 yen to the euro (from 121 yen for the same period of the previous fiscal year).
(*) This is the average for January 2011 to June 2011, because the business 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 sales of synthesizers, even though sales of new entry-type products were robust, sales of existing products, such as high function-type synthesizers, were weak especially in Japan, North America, and Europe, causing sales to decline year on year. As for sales of electronic drums, new low-end products contributed to sales, but sales of high-end products were sluggish mainly in Europe, causing sales to decrease year on year. With respect to sales of amplifiers for musical instruments, in spite of strong sales of new guitar amplifier products, overall sales were flat year on year. As a result, net sales for this segment decreased by 10.9% year on year, to ¥7,938 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 in major markets mainly in Europe. In addition, although sales of guitar synthesizers rose substantially year on year because new products went on sale, sales of multi-track recorder products for guitars fell year on year. As a result, net sales for this segment decreased by 5.0% year on year, to ¥4,290 million.

[Home electronic musical instruments]
Sales of digital pianos declined year on year especially in Europe because sales of products with new sound engine, which grew significantly in the previous fiscal year, cooled down. Meanwhile, sales of new products for foreign countries, such as electronic accordions, and sound modules with automatic accompaniment, were robust in North America and Europe. As a result, net sales for this segment declined by 3.1% year on year, to ¥5,047 million.

[Professional video, professional audio and computer music equipment]
With respect to professional audio equipment, sales of digital mixers, etc. were sluggish. Meanwhile, as for professional video equipment, sales of new all-in-one AV mixer for web streaming, for which demand is expected in a wide range of applications, and new video mixers were strong, posting year-on-year sales growth. With regard to computer music equipment, on the other hand, sales were stagnant in Japan and Europe, and overall sales were greatly affected by the decline in sales of portable recorders in particular. As a result, net sales for this segment fell by 11.9% year on year, to ¥2,633 million.

[Others]
Sales of products including sound engine for online karaoke machines decreased significantly in Japan. Overall net sales for this segment decreased by 24.3% year on year, to ¥1,036 million.

<Computer Peripherals Business>
With respect to printers, sales of new UV printers, such as all-in-one printers that are capable of handling printing on thin roll media to thick panel boards and desktop size products that enable direct printing on thick materials, were strong. Furthermore, with respect to conventional eco-solvent inkjet printers, the Company sought to cultivate a new customer base for which the introduction of large printers had been difficult by submitting new compact size products with metallic silver ink. Nevertheless, owing to the cautious stance of capital investment in Europe and the slowdown in growth in Asia, sales of mainstay products fell, with sales decreasing year on year on the whole.
In 3D products, new milling machines, which went on sale for the dental market in the previous fiscal year, contributed to sales.
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 processed in various shapes.
As a result, net sales for this segment decreased by 1.5% year on year, to ¥16,043 million.

(2) Qualitative Information on Consolidated Financial Position
1) Assets
Total assets decreased by ¥915 million from the end of previous consolidated fiscal year to ¥78,205 million. This is mainly attributable to a ¥2,112 million decrease in cash and deposits, a ¥332 million decrease in merchandise and finished goods due to factors such as reductions in inventories, and a ¥2,071 million increase in other under investments and other assets, including deferred tax assets, etc.

Liabilities decreased by ¥1,846 million from the end of the previous consolidated fiscal year to ¥13,144 million. This is mainly due to decreases in income taxes payable by ¥624 million as a result of payment of income taxes and other under current liabilities, including accounts payable-other, etc., by ¥1,261 million.

Net assets increased by ¥930 million from the end of the previous consolidated fiscal year to ¥65,060 million. Decreases are mainly due to dividends from surplus of ¥297 million. Increases included ¥512 million in net income, and a ¥697 million increase of foreign currency translation adjustment thanks to the depreciation of yen against major currencies except the US dollar from the end of the previous fiscal year of overseas affiliates (end of December 2010) to the end of the second quarter (end of June 2011).

The equity ratio was 62.0%, up 1.8 points from the end of the previous consolidated fiscal year, mainly due to a decrease in total assets and an increase in net assets stated above.

2) Status of cash flows

(Millions of Yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011	Changes
Net cash provided by (used in) operating activities	332	792	460
Net cash provided by (used in) investing activities	(582)	(2,024)	(1,441)
Net cash provided by (used in) financing activities	(166)	(521)	(355)
Effect of exchange rate change on cash and cash equivalents	(1,548)	14	1,563
Net increase (decrease) in cash and cash equivalents	(1,965)	(1,738)	226
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 the second quarter	18,611	17,426	(1,184)

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the second quarter ended September 30, 2011 decreased by ¥1,184 million from the end of the second quarter ended September 30, 2010, to ¥17,426 million.

Net cash provided by operating activities was ¥792 million, an increase of ¥460 million compared with the six months ended September 30, 2010. This is mainly attributable to increases in funds resulting from decreases in inventories for the six months ended September 30, 2011, while income taxes, which were refunded in the same period of the previous fiscal year, were paid.

Net cash used in investing activities was ¥2,024 million, an increase of ¥1,441 million from the six months ended September 30, 2010. This is mainly due to the purchase of stocks of subsidiaries and affiliates and an increase in purchase of property, plant, and equipment during the six months ended September 30, 2011.
Net cash used in financing activities was ¥521 million, an increase of ¥355 million compared with the six months ended September 30, 2010. This is mainly due to increases in funds resulting from an increase in short-term loans payable during the six months ended September 30, 2010.

(3) Qualitative Information on Forecast of Consolidated Financial Results

The Company has revised its forecast of consolidated financial results for the fiscal year ending March 31, 2012 announced on June 10, 2011. Details will be disclosed today in a separate document, titled “Notice of Revision to Forecast of Consolidated Financial Results.”