

Annual Report 2009

Year ended March 31, 2009

Roland Corporate Slogans

Inspire the Enjoyment of Creativity

Be the BEST rather than the BIGGEST

The Roland Family — Cooperative Enthusiasm

The spirit that makes Roland unique is the essence of these three slogans. They clearly articulate Roland's purpose as a company. They are the driving force behind our ever-expanding quest for a future of limitless possibilities in sound and video creation.

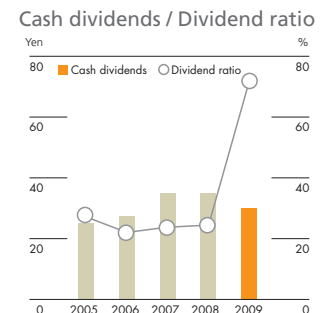
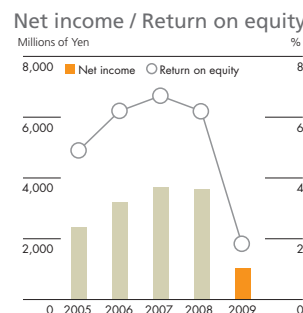
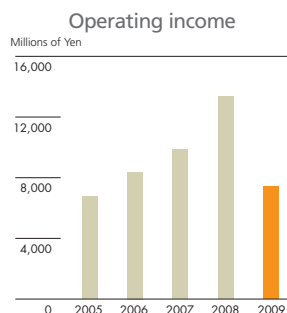
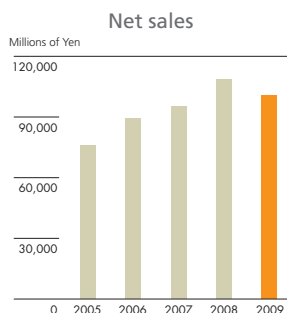
Consolidated Financial Highlights

Roland Corporation and Consolidated Subsidiaries

Years ended March 31	Millions of Yen					Thousands of U.S. Dollars (Note 1)
	2005	2006	2007	2008	2009	2009
For the year:						
Net sales	¥75,906	¥89,274	¥95,259	¥108,560	¥100,507	\$1,025,580
Operating income	6,743	8,375	9,842	13,334	7,430	75,818
Net income	2,398	3,208	3,701	3,621	1,047	10,688
Depreciation and amortization	2,133	2,566	2,652	3,141	3,321	33,890
Capital expenditures	3,044	3,617	3,343	5,351	3,450	35,207
Research and development costs	5,877	6,283	6,836	6,741	6,773	69,111
Net cash provided by operating activities	6,469	6,109	6,790	8,026	1,541	15,719
At year-end:						
Total assets	75,117	81,738	93,116	98,692	93,886	958,023
Total equity	49,323	53,525	73,332	78,689	71,500	729,591
Per share:						
	Yen					U.S. Dollars (Note 1)
Net income (Note 2)	¥ 92.43	¥ 124.65	¥ 147.40	¥ 144.22	¥ 41.72	\$ 0.43
Cash dividends	25.00	27.50	35.00	35.00	30.00	0.31
Dividend ratio (%)	27.0	22.1	23.7	24.3	71.9	
Total equity	1,961.07	2,128.44	2,285.47	2,387.00	2,158.28	22.02
Ratio:						
Equity ratio	65.7	65.5	61.6	60.7	57.7	
Return on equity	4.9	6.2	6.7	6.2	1.8	

Notes: 1. The U.S. dollar amounts have been translated, for convenience only, at the rate of ¥98=US\$1, the approximate rate of exchange at March 31, 2009.

2. Net income per share has been computed based on the weighted-average number of shares outstanding during each period.



To Our Shareholders

We are pleased to report the business results of Roland Corporation for the fiscal year from April 1, 2008 to March 31, 2009 (fiscal 2009).

In the electronic musical instruments business, led by new products, sales were generally robust in the first half of fiscal 2009 in Japan and overseas. However, sales turned sluggish in North America and Japan in the second half of 2009, due to the global economic slowdown. In the computer peripherals business, sales also decreased as many companies became reluctant to invest in new equipment. As a result, consolidated net sales for the year decreased 7.4% from the previous year to ¥100,507 million, greatly influenced by the appreciation of the yen. Operating income declined 44.3% to ¥7,430 million, because of lower production output and deterioration of the cost-to-sales ratio owing to the yen's appreciation. Net income fell 71.1% to ¥1,047 million. This plunge was attributable to a foreign exchange loss on assets denominated in foreign currencies due to the rapid strengthening of the yen, a write-down of investment securities reflecting weak stock prices and lower operating income. Cash dividends for the full year amounted to ¥30 per share, consisting of an interim dividend of ¥15 and a year-end dividend of ¥15.

In keeping with our corporate slogan, "Inspire the Enjoyment of Creativity," the Roland Group is steadily expanding its business domain. Our challenge is to transform your imagination into sound, into video, and, ultimately, into reality. At the same time, we remain keenly aware of our social responsibility as an enterprise supporting creativity. We continue to do our best to be a company that inspires enthusiastic cooperation among all our stakeholders.

We look forward to the continued support of our shareholders in the coming years.

Hidekazu Tanaka
President



Hidekazu Tanaka

President

Interview with the President

Create New Demand by Competitive New Products

Hidekazu Tanaka
President



Q Please tell us about the forecast of Roland's financial performance for the year ending March 31, 2010 (fiscal 2010).

A For fiscal 2010, we expect net sales of ¥81,100 million, down 19.3% compared with fiscal 2009, and operating income of ¥800 million, down 89.2%. The company anticipates a net loss of ¥600 million based on operating losses from consolidated subsidiaries.

The electronic musical instruments business is expected to post an operating loss of ¥500 million on sales of ¥51,000 million, which will be a 13.4% decline. Forecasts for the computer peripherals business are sales of ¥30,100 million, down 27.7%, and operating income of ¥1,300 million, down 78.1%.

Although we will continue to adjust production levels in the first half of fiscal 2010, we aim to achieve a recovery of sales in the second half of the year through introduction of competitive new products. We are also working to enhance operational efficiency by reducing costs, inventories, and the number of models. However, we believe it will be difficult to offset weak business in the first half of the year.

Additionally, the strong yen will continue to have a great impact on our business. We are assuming ¥90 to the U.S. dollar for fiscal 2010 compared with ¥103 for the previous year, a 12.6% gain, and ¥120 to the euro compared with ¥152, a 21.1% gain. The strength of the yen will reduce net sales by ¥14,600 million compared with the previous year and reduce operating income by ¥8,100 million.

	FY2010 Forecast			FY2009 Results	
	Millions of Yen	Year on year		Millions of Yen	
		Millions of Yen	%		
Net sales:	81,100	(19,407)	(19.3)	100,507	
Electronic musical instruments business	51,000	(7,875)	(13.4)	58,875	
Computer peripherals business	30,100	(11,532)	(27.7)	41,632	
Operating income:	800	(6,630)	(89.2)	7,430	
Electronic musical instruments business	(500)	(1,989)	—	1,489	
Computer peripherals business	1,300	(4,641)	(78.1)	5,941	
Net income	(600)	(1,647)	—	1,047	
		Yen			
Exchange rate	US\$	90	(13)	(12.6)%	103
	Euro	120	(32)	(21.1)%	152



What are the product categories that will underpin the recovery of the business in the second half?



Electronic drums, digital pianos and audio equipment for professional use will be the driving force of our recovery in the second half.

1. Electronic drums

COSM and Mesh Head technologies are the source of differentiation for Roland's electronic drums. COSM, short for Composite Object Sound Modeling, is Roland's proprietary technology that virtually reconstructs the material and configuration of the instrument, the amplifying system, the air and the reverberation of a room. COSM is used not only in electronic drums but in a wide range of Roland's products, including synthesizers, guitar effects, amplifiers, and recorders. Unlike other companies' rubber pads, with the Mesh Head, a mesh material applied on the drum pad offers the natural feel of an acoustic drum while ensuring sound muting. High-sensitivity sensors detect even subtle nuances of playing.



Mesh Head—the distinct advantage of V-Drums

We intend to expand the line-up of V-Drums in fiscal 2010 by adding new products that continue to capitalize on such advantages.

2. Digital pianos

Introduced in March 2009, the V-Piano offers rich, authentic piano sound and performance thanks to an advanced sound generation system based on acoustic piano components. Different from a sample-

based piano, the V-Piano replicates every detail of the acoustic piano's sound-production process, and meticulously recreates the complex interaction of components, such as strings, hammers, the soundboard, and the damper. With Roland's digital signal processing technology, the V-Piano has already won high praise from numerous professional musicians. We are confident that the V-Piano has opened a new and exciting chapter in the long history of the piano.



We will apply this unique "V-Piano" technology to our digital piano line-up within the current year to enhance the basic instrumental performance of Roland sound quality and expression.

3. Audio products for professional use

REAC (Roland Ethernet Audio Communication) digital audio transfer technology provides the foundation for Roland's professional audio



products. REAC allows two-way transfer of up to 40 channels of high-quality audio using a single LAN cable. Since its introduction in 2007, the V-Mixing System using REAC has been installed in clubs with live music, concert halls, broadcasting stations, churches and many other venues. Despite the recent economic downturn, there is growing demand for smaller, compact full-featured audio systems. Thus, orders for products incorporating REAC technology have been robust.

This April, we introduced the M-48 Live Personal Mixer, a breakthrough personal mixing and monitoring solution. The M-48 allows musicians to control sound mixing and monitoring as they desire during their live performances on stage. In addition to creating the ideal monitoring environment for each musician's preference, this system quickly and easily enables labor saving and high-quality audio performances.

Audio products for professional use are undergoing a transition from analog to digital technology. We aim to capitalize on this trend and expand our sales by achieving differentiation with REAC.



What is the significance of the "Better Life with Music" concept Roland has been promoting since last year?



"Better Life with Music" embodies Roland's desire to enhance the quality of life through the enjoyment of music and the playing of instruments with family members and friends. With Roland products, you



V-Drums Lite HD-1



CD-2e SD / CD Recorder



RG-1 Digital Grand

can transform the home into a music studio or a concert hall. This concept is part of our drive to create new demand for musical instruments.

The products we have already introduced under this concept include the V-Drums Lite HD-1 electronic drum kit, the VIMA RK-300 Recreational Keyboard, the compact RG-1 Digital Grand Piano, and the CD-2e Recorder, which enables simple recording to CD or SD memory card without using a personal computer. Many people associate Roland products with performances by professional musicians and music production. By emphasizing the "Better Life with Music" concept, we aim to broaden our customer base to appeal to more age groups with diverse musical tastes. This will create further demand for our quality electronic musical instruments.

Q Finally, what is the forecast of dividends for fiscal 2010?

A In view of the forecast of the financial performance, annual dividends for fiscal 2010 are expected to be ¥20 per share. Regrettably, this is ¥10 lower than for the previous year.

We are resolved to make a concerted effort to further enhance operational efficiency and revamp sales so that we can restore profitable operations in the year ended March 31, 2011.

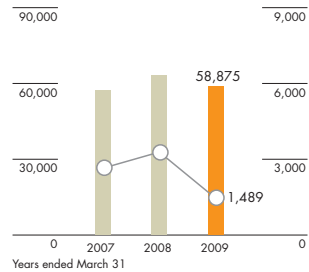
In all these activities, I am grateful for our shareholders' continued support and understanding.

Review of Operations by Segment

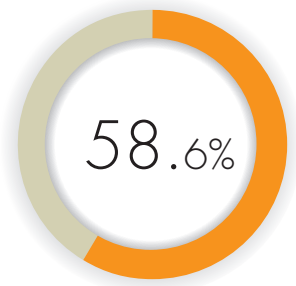
Electronic Musical Instruments Business

Roland expanded the electronic musical instruments line-up and created new demand by offering products for a wide range of general consumers to those for professional use. At the same time, we refined distribution channels and emphasized sales promotion of Roland products. Thanks to these measures, sales were generally robust in the first half of fiscal 2009 both in Japan and overseas. However, sales turned sluggish in North America and Japan in the second half of 2009, affected by the economic downturn worldwide. As a result, the segment sales decreased ¥4,069 million or 6.5% year on year, to ¥58,875 million. This decrease was largely attributable to the appreciation of

Net sales / Operating income
Millions of Yen
120,000 ■ Net sales ○ Operating income 12,000

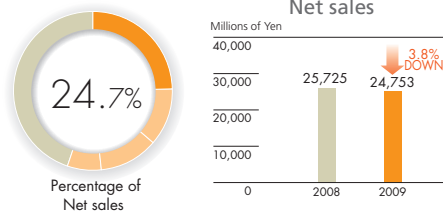


Percentage of Net sales



the yen. Operating income was ¥1,489 million, a decrease of ¥1,796 million or 54.6% year on year, owing to deterioration of the cost-to-sales ratio reflecting lower production output and the stronger yen.

Electronic musical instruments



Sales of new models of music workstations, which are the mainstay synthesizers for live performance and music creation, and sales of new models of digital pianos for stage performance popular among professional musicians, were upbeat in Japan and overseas in the first half of fiscal 2009. However, sales of high-end synthesizers and electronic drums declined, with a particularly steep decline in North America in the second half.

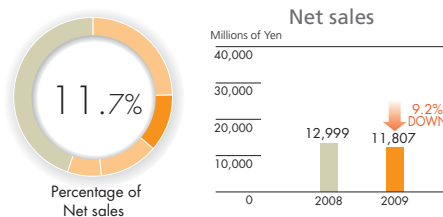


RD-700GX Digital Piano



Fantom-G8 Music Workstation

Guitar-related equipment

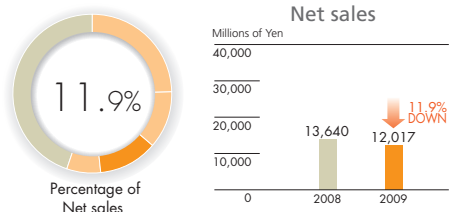


Although sales of guitar effects were robust in Japan and overseas, sales of mid-range and high-grade recorders for guitarists decreased.



GT-10 Guitar Effects Processor

● Home electronic musical instruments

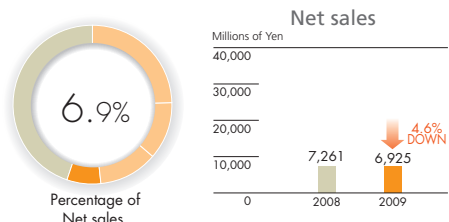


In Japan, sales of mid-range and high-grade models were robust, while sales of low-end models decreased, affected by greater competition in the market. Sales were also sluggish in North America, reflecting declining investment in housing and the rapid decrease of personal consumption spending.



LX-10 Digital Piano

● Video, audio and computer music equipment



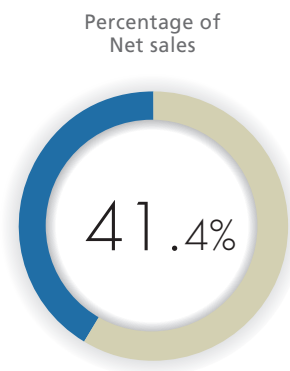
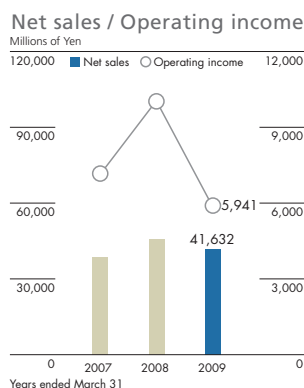
Sales of sound mixing systems for professional use that employ digital audio transfer technology originally developed by Roland increased overseas. In the computer music equipment category, sales of field recorders decreased in Japan and overseas due to intensifying competition.



V-Mixing System

Computer Peripherals Business

Roland vigorously implemented business development initiatives in two fields: color (large-format color printers) and 3D (3D image input and output equipment). However, owing to the worldwide decline in capital investment coupled with the appreciation of the yen, segment sales decreased ¥3,984 million or 8.7% year on year, to ¥41,632 million. Operating income was ¥5,941 million, a fall of ¥4,108 million or 40.9%, because of lower production output and deterioration of the cost-to-sales ratio owing to the strong yen and increased selling, general and administrative expenses.

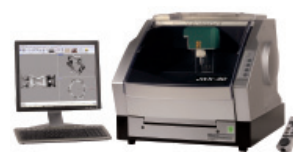


In the color printer business, Roland cultivated new markets by introducing UV printers that allow printing on materials of various types. However, overall sales of printers decreased because of weak private-sector capital investment and deterioration of the financing environment.

In the 3D business, Roland introduced a product for jewelry making that provides a complete solution for the entire jewelry model making process from design to production of wax models. However, sales were lackluster due to the deteriorating business performance of the jewelry industry. With respect to milling machines for the manufacture of jigs and other industrial applications, sales of the mainstay models declined due to lower business-to-business investment.



VersaUV UV Printer and Cutter



JWX-30 Wax Model Milling Machine for Jewelry

Corporate Governance

Keenly aware of its social responsibility as an enterprise that supports the culture of music and imaging, Roland expresses its philosophies and activities in the slogans: "Inspire the Enjoyment of Creativity," "Be the BEST rather than the BIGGEST," and "The Roland Family—Cooperative Enthusiasm." We aspire to be an enterprise delivering value to all our customers, shareholders, business partners, employees, local communities and all other stakeholders while, at the same time, contributing to society.

Corporate governance is a top priority for the Company's management. Roland strives to ensure rigorous compliance and maintain management transparency through the improvement and enhancement of internal controls and information disclosure.

1. Management Structure

The Company has adopted the corporate auditor system.

Role of the Board of Directors

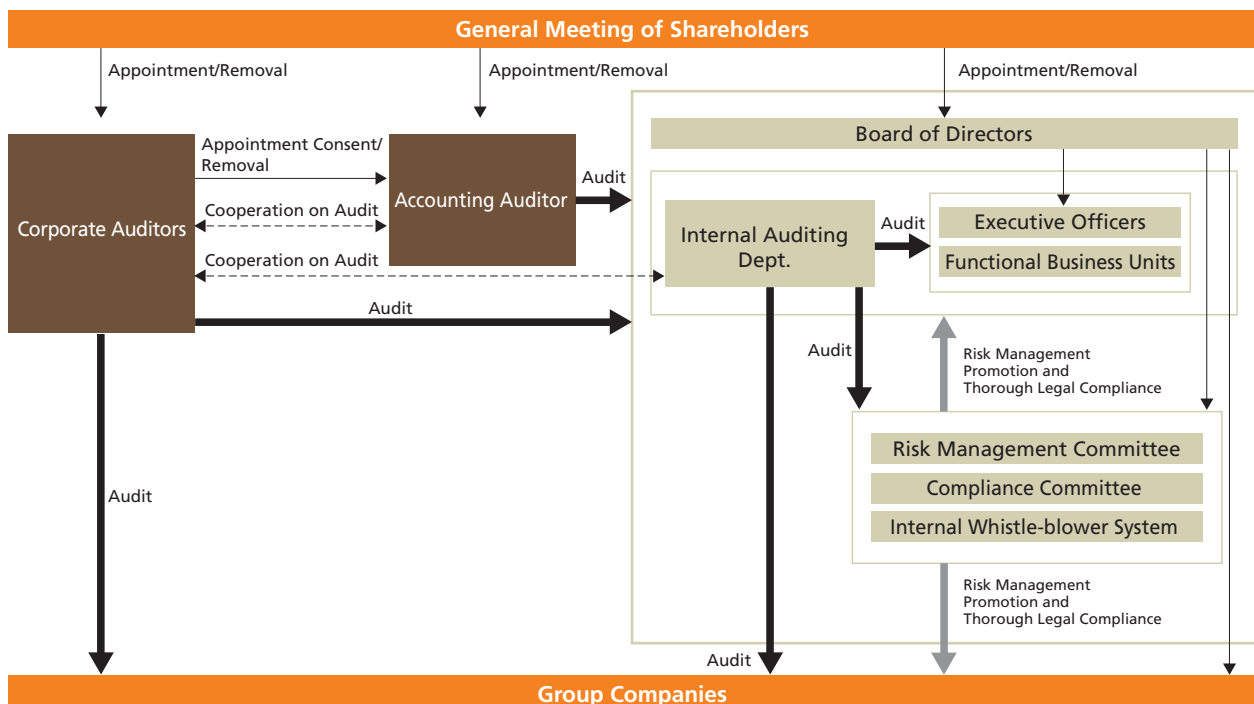
The Company has introduced an executive officer system to separate management from execution and ensure swift decision making and prompt execution of business. The Company maintains a management structure such that the Board of Directors focuses on the formulation of management policy and management plans and the oversight of the execution of business, while delegating authority over the execution of product development, sales, administration, and production to the executive officers. The Board of Directors meets monthly and, additionally, as necessary. By setting the term of office for directors at one year, the Company clearly defines man-

agement responsibility for the business year. With the objective of strengthening the oversight function of the Board of Directors, an outside director has been elected. The outside director is not from the Roland Group and has no vested interest in the Company.

Role of the Board of Corporate Auditors

The corporate auditors establish audit standards and audit the execution of duties by the directors. Of the four corporate auditors, two are outside auditors who are not from the Company or the Roland Group. The outside corporate auditors have no vested interest in the Company.

2. Relationship between Management Structure and Internal Control Systems



3. Internal Control Systems

The Board of Directors has determined that the systems necessary for ensuring the appropriateness of operations (internal control systems) of the Company are as follows:

System for Ensuring Compliance of Directors' Execution of Duties with Laws and Regulations and the Articles of Incorporation

- The Company has established the Compliance Committee, which is chaired by the executive officer responsible for administration, to ensure rigorous compliance with laws and regulations, the Articles of Incorporation, and corporate ethics. The Company has established the Compliance Guidelines as its basic policy on compliance for all officers and employees.
- The Company has established Rules of Employment for Officers specifying legal compliance and a code of conduct required of directors and mandates compliance accordingly.

System for Retention and Management of Information concerning Directors' Execution of Duties

- The Company retains and manages documents and ensures information security in accordance with the Basic Regulations for Information Security, the Document Management Regulations, and other related regulations.

Rules and Other Systems concerning Risk Management

- The Company prepares Risk Management Regulations and has established the Risk Management Committee for the purpose of preventing the materialization of risks associated with the execution of the Company's business and of ensuring a swift response in the event that a risk materializes.
- The Company uses an internal whistle-blower system to detect violation of laws and regulations or the Articles of Incorporation and takes corrective action and implements measures to prevent the recurrence of any such violation.

System for Ensuring Compliance of Employees' Execution of Duties with Laws and Regulations and the Articles of Incorporation

- The Compliance Committee ensures that all employees are familiar with the Compliance Guidelines, which is the basic policy on compliance with laws and regulations, the Articles of Incorporation, and corporate ethics, and engages in employee education and guidance.
- The Company has established an internal whistle-blower system whose point of contact is a law office in order to ensure that corrective action is swiftly taken in the event of any violation of laws and regulations, the Articles of Incorporation or corporate ethics, and that measures are implemented to prevent recurrence. The Company has also put in place a system for obtaining appropriate advice and guidance from an outside law office as necessary.
- In the Internal Auditing Dept., the Company has put in place a system for confirming the effectiveness of internal control systems and identifying areas for improvement.

System for Ensuring Appropriateness of Business Operations of the Roland Group

- "Inspire the Enjoyment of Creativity," "Be the BEST rather than the BIGGEST," and "The Roland Family—Cooperative Enthusiasm"—these three slogans embodying the key policies that have shaped the development of Roland since its foundation. These statements are positioned as the action guidelines applied throughout the Roland Group.
- Systems have been put in place enabling appropriate control and supervision of affiliated companies of the Roland Group in accordance with the Rules for Control of Affiliated Companies.
- The Company promotes establishment of systems to ensure the reliability and appropriateness of financial reporting in accordance with the Financial Instruments and Exchange Act and other regulations.

4. Internal Auditing and Corporate Auditors

At the Company, audits are performed on the basis of cooperation among corporate auditors, the accounting auditor and the Internal Auditing Dept. The Board of Corporate Auditors and the accounting auditor meet periodically and they exchange information with the Internal Auditing Dept. when it formulates an annual audit plan. An internal audit report is also distributed to Corporate Auditors and explanation is provided.

The basis of the Company's internal control systems is clear segregation of duties and authority and a checks and balances function incorporated in business processes. The Company has established the Internal Auditing Dept., which is an independent internal audit unit that periodically conducts audits of operating units and affiliated companies. In this way, the Company strives to ensure that internal control systems function effectively and to identify areas for improvement. The Company has also put in place a system for obtaining appropriate advice and guidance from an external law office and other outside specialists as necessary.

5. Accounting Audits

The Company has appointed Deloitte Touche Tohmatsu as its accounting auditor. The names of the certified public accountants engaged in the auditing for the fiscal year under review and the numbers of assistants involved in the auditing are as follows:

- The names of certified public accountants engaged in auditing: Fumihiko Kimura, Hisayoshi Takahashi.
- Thirteen certified public accountants, four junior accountants and twelve other staff are involved in the auditing function.

Financial Section

Consolidated Balance Sheets

Roland Corporation and Consolidated Subsidiaries
March 31, 2009 and 2008

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
CURRENT ASSETS:			
Cash and time deposits (Note 3)	¥ 22,951	¥ 19,991	\$ 234,195
Notes and accounts receivable:.....			
Trade (Note 6 and 16).....	10,247	13,906	104,565
Allowance for doubtful receivables	(460)	(396)	(4,690)
Marketable securities (Note 4).....	134	619	1,369
Inventories (Notes 5 and 6)	22,865	23,672	233,310
Deferred tax assets (Note 10).....	2,345	2,882	23,924
Other.....	5,329	4,298	54,373
Total current assets.....	63,411	64,972	647,046
PROPERTY, PLANT AND EQUIPMENT:			
Land (Notes 6 and 7).....	7,587	7,721	77,418
Buildings and structures (Note 6).....	20,726	19,980	211,493
Machinery and equipment.....	3,357	5,091	34,257
Tools, furniture and fixtures.....	10,663	10,299	108,811
Construction in progress.....	241	513	2,460
Total.....	42,574	43,604	434,439
Accumulated depreciation	(23,613)	(24,293)	(240,954)
Net property, plant and equipment	18,961	19,311	193,485
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 4 and 16)	1,895	2,814	19,334
Investments in unconsolidated subsidiaries and associated companies.....	2,408	3,157	24,570
Long-term loans	1,134	862	11,571
Goodwill	211	393	2,155
Software.....	1,734	1,327	17,694
Software in progress.....	91	784	932
Deferred tax assets (Note 10).....	1,027	990	10,481
Other assets (Note 8)	3,014	4,082	30,755
Total investments and other assets	11,514	14,409	117,492
TOTAL.....	¥ 93,886	¥ 98,692	\$ 958,023

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
CURRENT LIABILITIES:			
Notes and accounts payable-trade (Note 16).....	¥ 3,415	¥ 6,257	\$ 34,853
Short-term bank loans (Note 6)	9,512	380	97,059
Current portion of long-term debt (Note 6)	69	140	706
Income taxes payable	301	2,126	3,070
Accrued bonuses	1,118	1,480	11,405
Accrued bonuses to Directors and Corporate Auditors.....	68	135	691
Accrued warranties.....	506	730	5,162
Other.....	4,531	5,659	46,238
Total current liabilities	19,520	16,907	199,184
LONG-TERM LIABILITIES:			
Long-term debt (Note 6)	5	34	50
Deferred tax liabilities (Note 10).....	535	999	5,457
Deferred tax liabilities on land revaluation (Notes 7 and 10).....	187	187	1,911
Other.....	2,139	1,876	21,830
Total long-term liabilities.....	2,866	3,096	29,248
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 12, 13 and 14)			
EQUITY (Notes 9 and 17):			
Common stock,			
authorized, 60,000,000 shares;			
issued 25,572,404 shares in 2009 and 2008.....	9,274	9,274	94,636
Capital surplus.....	10,801	10,801	110,216
Retained earnings.....	40,260	40,038	410,812
Unrealized gain on available-for-sale securities	44	56	448
Land revaluation difference (Note 7)	(1,499)	(1,499)	(15,295)
Foreign currency translation adjustments.....	(4,000)	1,952	(40,820)
Treasury stock at cost,			
464,247 shares in 2009 and 464,371 shares in 2008	(689)	(689)	(7,032)
Total.....	54,191	59,933	552,965
Minority interests.....	17,309	18,756	176,626
Total equity	71,500	78,689	729,591
TOTAL.....	¥93,886	¥98,692	\$958,023

Consolidated Statements of Income

Roland Corporation and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
NET SALES (Note 16)	¥100,507	¥108,560	¥1,025,580
COST OF SALES (Note 11)	57,710	60,615	588,877
Gross profit	42,797	47,945	436,703
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Note 11)	35,367	34,611	360,885
Operating income.....	7,430	13,334	75,818
OTHER INCOME (EXPENSES):			
Interest and dividend income	542	638	5,531
Interest expense	(201)	(220)	(2,049)
Loss on disposals or sales of property, plant and equipment—net	(62)	(52)	(630)
Write-down of investment securities.....	(917)	(17)	(9,358)
Equity in earnings of unconsolidated subsidiaries and associated companies	17	183	178
Foreign exchange loss—net	(1,229)	(752)	(12,546)
Other—net	(412)	(36)	(4,206)
Other expenses—net	(2,262)	(256)	(23,080)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	5,168	13,078	52,738
INCOME TAXES (Note 10):			
Current.....	2,464	6,090	25,146
Deferred	(374)	(194)	(3,823)
Total income taxes.....	2,090	5,896	21,323
MINORITY INTERESTS IN NET INCOME	2,031	3,561	20,727
NET INCOME	¥ 1,047	¥ 3,621	\$ 10,688
		Yen	U.S. Dollars
PER SHARE OF COMMON STOCK (Notes 2.q and 15):			
Net income	¥ 41.72	¥144.22	\$0.43
Cash dividends applicable to the year	30.00	35.00	0.31

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Roland Corporation and Consolidated Subsidiaries

Years Ended March 31, 2009 and 2008

	Millions of Yen										
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2007	25,109,615	¥9,274	¥10,801	¥37,358	¥508	¥(1,499)	¥ 1,629	¥(683)	¥57,388	¥15,944	¥73,332
Net income				3,621					3,621		3,621
Cash dividends, ¥37.50 per share				(941)					(941)		(941)
Purchase of treasury stock.....	(2,011)							(6)	(6)		(6)
Disposal of treasury stock.....	429		0					0	0		0
Net change in the year					(452)		323		(129)	2,812	2,683
BALANCE, MARCH 31, 2008	25,108,033	9,274	10,801	40,038	56	(1,499)	1,952	(689)	59,933	18,756	78,689
Adjustment of retained earnings due to an adoption of PITF No.18 (Note 2.b)				36					36		36
Adjustment of retained earnings due to an adoption of ASBJ No.16 (Note 2.b)				(45)					(45)		(45)
Net income				1,047					1,047		1,047
Cash dividends, ¥32.50 per share				(816)					(816)		(816)
Purchase of treasury stock.....	(923)							(2)	(2)		(2)
Disposal of treasury stock.....	1,047		0					2	2		2
Net change in the year					(12)		(5,952)		(5,964)	(1,447)	(7,411)
BALANCE, MARCH 31, 2009	25,108,157	¥9,274	¥10,801	¥40,260	¥ 44	¥(1,499)	¥(4,000)	¥(689)	¥54,191	¥17,309	¥71,500

	Thousands of U.S. Dollars (Note 1)										
	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity	
BALANCE, MARCH 31, 2008	\$94,636	\$110,217	\$408,549	\$571	\$(15,295)	\$ 19,916	\$(7,032)	\$611,562	\$191,393	\$802,955	
Adjustment of retained earnings due to an adoption of PITF No.18 (Note 2.b)			365					365		365	
Adjustment of retained earnings due to an adoption of ASBJ No.16 (Note 2.b)			(463)					(463)		(463)	
Net income			10,688					10,688		10,688	
Cash dividends, \$0.33 per share			(8,327)					(8,327)		(8,327)	
Purchase of treasury stock.....							(16)	(16)		(16)	
Disposal of treasury stock.....			(1)				16	15		15	
Net change in the year				(123)		(60,736)		(60,859)	(14,767)	(75,626)	
BALANCE, MARCH 31, 2009	\$94,636	\$110,216	\$410,812	\$448	\$(15,295)	\$(40,820)	\$(7,032)	\$552,965	\$176,626	\$729,591	

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Roland Corporation and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 5,168	¥13,078	\$ 52,738
Adjustments for:			
Depreciation and amortization	3,321	3,141	33,890
Interest and dividend income	(542)	(638)	(5,531)
Interest expense	201	220	2,049
Foreign exchange loss—net	349	630	3,563
Equity in earnings of unconsolidated subsidiaries and associated companies	(17)	(183)	(178)
Loss on disposals or sales of property, plant and equipment	62	52	630
Gain on sales of investment securities	(2)	(15)	(22)
Write-down of investment securities	917	17	9,358
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	166	(772)	1,689
Increase in inventories	(3,525)	(2,394)	(35,970)
Decrease in notes and accounts payable	881	602	8,989
Other—net	(839)	353	(8,549)
Total	6,140	14,091	62,656
Interest and dividends received	562	631	5,735
Interest paid	(251)	(199)	(2,564)
Income taxes paid	(4,911)	(6,497)	(50,108)
Net cash provided by operating activities	1,541	8,026	15,719
INVESTING ACTIVITIES:			
Decrease (increase) in time deposits	412	(422)	4,210
Purchases of marketable securities	(8)	(278)	(83)
Proceeds from sales of marketable securities	600	190	6,119
Purchases of property, plant and equipment	(3,042)	(3,986)	(31,038)
Proceeds from sales of property, plant and equipment	91	112	927
Purchases of software and other intangible assets	(601)	(1,302)	(6,135)
Purchases of investment securities	(216)	(1,269)	(2,203)
Proceeds from sales of investment securities	315	120	3,217
Purchases of shares of subsidiaries and associated companies	(510)	(435)	(5,207)
Collections of investment in capital	5	42	51
Additions to long-term loans	(506)	(52)	(5,163)
Collections of long-term loans	66	176	677
Other—net	479	(167)	4,885
Net cash used in investing activities	(2,915)	(7,271)	(29,743)
FINANCING ACTIVITIES:			
Increase (decrease) in short-term bank loans—net	8,893	(1,239)	90,746
Repayment of long-term debt	(60)	(201)	(607)
Dividends paid	(816)	(942)	(8,327)
Dividends paid to the minority shareholders	(1,052)	(902)	(10,737)
Other—net	15	83	150
Net cash provided by (used in) financing activities	6,980	(3,201)	71,225
EFFECTS OF FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(2,245)	(413)	(22,907)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,361	(2,859)	34,294
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	19,555	22,414	199,536
CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES	123	—	1,261
INCREASE DUE TO A MERGER	40	—	404
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3)	¥23,079	¥19,555	\$235,495

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Roland Corporation and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have

been made in the 2008 financial statements to conform to the classifications used in 2009.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Roland Corporation (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥98 to \$1, the approximate rate of exchange at March 31, 2009. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation — The consolidated financial statements as of March 31, 2009 and 2008 include the accounts of the Company and its 23 (21 in 2008) significant subsidiaries (together, the "Group") except for subsidiaries which, if consolidated, would not have a material effect on the accompanying consolidated financial statements.

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investment in one associated company is accounted for by the equity method in 2009, while investments in one unconsolidated subsidiary and one associated company were accounted for by the equity method in 2008.

Investments in the remaining 13 (15 in 2008) unconsolidated subsidiaries and five (four in 2008) associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary or associated company at the date of acquisition is being amortized over a period within ten years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits included in assets resulting from transactions within the Group are eliminated.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements and to Associated Companies for the Equity Method — In May 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Practical Issues Task Force (PITF) No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". PITF No.18 prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial

statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and 6) exclusion of minority interests from net income, if contained. PITF No.18 was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

The Company applied this accounting standard effective April 1, 2008. The effect of this change was to decrease operating income by ¥16 million (\$164 thousand) and income before income taxes and minority interests by ¥79 million (\$806 thousand).

In addition, on March 10, 2008, the ASBJ issued ASBJ Statement No.16, "Accounting Standard for Equity Method" and PITF No.24, "Practical Solution on Unification of Accounting Policies to Associated Companies for the Equity Method", requiring unification of accounting policies to associated companies for the equity method as well as consolidated subsidiaries. This standard is effective for the fiscal year beginning on or after April 1, 2010, but early adoption is permitted. The Company applied this accounting standard effective April 1, 2008. The effect of this change on operating income and income before income taxes and minority interests was not material.

c. Cash Equivalents — Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits, bond funds, all of which

become due within three months of the date of acquisition.

d. Inventories — Prior to April 1, 2008, inventories were stated at the lower of cost, principally determined by the average method, or market. Effective April 1, 2008, inventories held for sale in the ordinary course of business are measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses in accordance with ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories" issued on July 5, 2006. The replacement cost may be used in place of the net selling value, if appropriate. The effect of this change was to decrease operating income and income before income taxes and minority interests for the year ended March 31, 2009 by ¥107 million (\$1,094 thousand).

e. Marketable and Investment Securities — Marketable and investment securities are classified as available-for-sale securities and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined by the moving-average method.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

f. Property, Plant and Equipment — Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed substantially by the declining-balance method based on the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired by the Company and its consolidated domestic subsidiaries after April 1, 1998, and all property, plant and equipment of consolidated foreign subsidiaries. The range of useful lives is principally thirty-one to fifty years for buildings and structures, and from two to six years for tools, furniture and fixtures. Leased property is depreciated by the straight-line method over the respective lease periods.

In accordance with the revision of the Corporate Tax Law, the estimated economic useful lives have been reviewed and as a result, certain useful lives of machinery and equipment are changed effective for fiscal years beginning on and after April 1, 2008. The effect of this change was to decrease operating income and income before income taxes and minority interests for the year ended March 31, 2009 by ¥8 million (\$79 thousand).

g. Intangible Assets — Goodwill is amortized by the straight-line method over a period within ten years.

Software to be sold is amortized in proportion of the actual sales volume of the software during the current year to the estimated total sales volume over the estimated saleable years of the software. Software for internal use is amortized by the straight-line method over its useful life of five years.

h. Product Warranty Costs — The Group and certain consolidated subsidiaries record the estimated warranty costs based on the past experiences under accrued warranties on the consolidated balance sheets.

i. Retirement Benefits — The Company and its consolidated domestic subsidiaries have a contributory funded defined-benefit pension plan covering substantially all of their employees.

The unrecognized actuarial gain or loss is being amortized by the straight-line method over ten years, which is within the average remaining service period of employees expected to receive benefits under the plan. Since year ended March 31, 2007, the Company and its consolidated domestic subsidiaries have introduced the "point-based benefits system," under which benefits are calculated based on accumulated points allocated to employees each year according to their job classification and their job performance.

In addition, the Company and its domestic subsidiaries also have a contributory trustee pension plan which covers substantially all employees. Such plan established by a number of companies in a certain electronics industry. The Company and its consolidated domestic subsidiaries fund and record contributions as charges to income when paid.

Certain consolidated foreign subsidiaries have contributory defined contribution plans which cover substantially all employees of the subsidiaries. The subsidiaries' contributions are charged to income when paid.

j. Research and Development Costs — Research and development costs are charged to income as incurred.

k. Bonuses to directors and corporate auditors — Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

l. Leases — On March 30, 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions" and Guidance No. 16, "Implementation Guidance on Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions was adopted for fiscal years beginning on or after April 1, 2008. Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which commenced prior to April 1, 2008 and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. The effect of this change on operating income and income before income taxes and minority interests was not material. All other leases are accounted for as operating leases.

m. Income Taxes — Deferred income taxes are recorded to

reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

n. Foreign Currency Transactions — All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income to the extent that they are not hedged by forward exchange contracts.

o. Foreign Currency Financial Statements — The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rates as of the balance sheet date except for equity, which is translated at the historical rates.

Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiaries are translated into Japanese yen at the average exchange rates.

p. Derivatives and Hedging Activities — The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates, principally related to intercompany balances. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement and b) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on those derivatives are deferred until maturity of the hedged transactions.

The foreign exchange forward contracts employed to hedge foreign exchange exposures related to purchases of inventories are measured at the fair value and the unrealized gains or losses are recognized in income.

q. Per Share Information — Net income per share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the respective years.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid

after the end of the year.

r. Use of Estimates — The preparation of financial statements in conformity with generally accepted accounting principles requires in Japan, management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting years. Actual results could differ from those estimates.

s. New Accounting Pronouncements

Business Combinations — On December 26, 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows:

- (1) The current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires to account for such business combination by the purchase method and the pooling of interests method of accounting is no longer allowed.
- (2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.
- (3) The current accounting standard accounts for a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed with a review of such procedures used.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Asset Retirement — On March 31, 2008, the ASBJ issued ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations", which is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted. This standard requires that an asset retirement obligation be recognized as a liability at the time that the tangible fixed assets is incurred by its acquisition, construction, development or ordinary use.

3. RECONCILIATION TO CASH AND CASH EQUIVALENTS

The reconciliation of cash and time deposits in the consolidated balance sheets to cash and cash equivalents in the consolidated statements of cash flows at March 31, 2009 and 2008, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Cash and time deposits.....	¥22,951	¥19,991	\$234,195
Time deposits with original maturities of more than three months	0	(436)	(3)
Short-term investments maturing within three months	128	—	1,303
Cash and cash equivalents.....	¥23,079	¥19,555	\$235,495

4. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Current:			
Other.....	¥ 134	¥ 619	\$ 1,369
Non-current:			
Marketable equity securities.....	¥1,376	¥1,968	\$14,040
Other equity securities.....	77	31	789
Trust fund investments and other.....	442	815	4,505
Total.....	¥1,895	¥2,814	\$19,334

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2009 and 2008, were as follows:

	Millions of Yen			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities.....	¥1,336	¥179	¥(139)	¥1,376
Other.....	481	2	(41)	442

	Millions of Yen			
	2008			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities.....	¥2,072	¥437	¥(541)	¥1,968
Other.....	896	45	(7)	934

	Thousands of U.S. Dollars			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities.....	\$13,632	\$1,829	\$(1,421)	\$14,040
Other.....	4,909	17	(421)	4,505

Proceeds from sales of marketable and investment securities for the years ended March 31, 2009 and 2008 were ¥915 million (\$9,336 thousand) and ¥310 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥17 million (\$176 thousand) and ¥3 million (\$29 thousand), respectively for the year ended March 31, 2009

and ¥31 million and ¥0 million, respectively for the year ended March 31, 2008.

The carrying values of debt securities and trust fund investments by contractual maturities for securities classified as available-for-sale included in marketable and investment securities at March 31, 2009 and 2008 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due in one year or less.....	¥134	¥ 619	\$1,369
Due in one year to five years.....	194	183	1,981
Due in five years to ten years.....	—	54	—
Due after ten years.....	202	201	2,058
Total.....	¥530	¥1,057	\$5,408

5. INVENTORIES

Inventories at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Merchandise and finished products.....	¥18,434	¥18,718	\$188,097
Work in process.....	403	1,185	4,113
Raw materials and supplies.....	4,028	3,769	41,100
Total.....	¥22,865	¥23,672	\$233,310

6. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans at March 31, 2009 and 2008, mainly consisted of notes to banks and bank overdrafts. The weighted average annual interest rates applicable to the short-term bank loans were 2.5% as of March 31, 2009 and 5.1% as of March 31, 2008.

Long-term debt at March 31, 2009 and 2008 consisted of loans from banks and other financial institutions due 2010 to

2019. The weighted average annual interest rates applicable to the long-term debt were 4.2% as of March 31, 2009 and 4.4% as of March 31, 2008.

At March 31, 2009, assets pledged as collateral for secured short-term loans and long-term debt of ¥167 million (\$1,702 thousand) were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Notes and accounts receivables.....	¥ 837		\$ 8,544
Inventories.....	680		6,940
Buildings and structures.....	112		1,147
Land.....	10		102
All of assets of Roland Corporation Australia Pty. Ltd.....	976		9,954
Total.....	¥2,615		\$26,687

As is customary in Japan, a company maintains deposit balances with banks with which it has bank loans. Such deposit balances are not legally or contractually restricted as to withdrawal. In addition collateral must be provided if requested by the lending banks and certain banks have the right to offset cash

deposited with them against any bank loan or obligation that becomes due and, in case of default and certain other specified events, against all other debt payable to the bank concerned. The Group has never received any such requests.

7. LAND REVALUATION

Under the "Law of Land Revaluation," the Company elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 2002. The resulting land revaluation difference represents unrealized depreciation of land and is stated, net of income taxes, as a component of shareholders' equity. There was no effect on the statements of income. Continuous readjustment is not permitted

unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation difference account and related deferred tax liabilities. As of March 31, 2009, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥1,050 million (\$10,717 thousand).

8. RETIREMENT BENEFITS

The asset for employees' retirement benefits under the funded pension plan at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Projected benefit obligation.....	¥ 8,874	¥ 8,343	\$ 90,551
Fair value of plan assets.....	(7,420)	(8,357)	(75,712)
Unrecognized actuarial loss.....	(2,325)	(1,041)	(23,724)
Unrecognized prior service cost.....	628	715	6,402
Net assets.....	¥ (243)	¥ (340)	\$ (2,483)

The amounts of net assets mentioned above are included in the other assets on the consolidated balance sheets.

The components of net periodic benefit costs for the years ended March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Service cost	¥ 486	¥ 454	\$ 4,960
Interest cost	209	193	2,129
Expected return on plan assets	(209)	(224)	(2,132)
Recognized actuarial gain (loss)	214	(68)	2,188
Amortization of prior service cost.....	(87)	(87)	(889)
Other retirement expenses.....	482	477	4,917
Net periodic benefit costs.....	¥1,095	¥ 745	\$11,173

Other retirement expenses consist of the consolidated foreign subsidiaries' contributions to the defined contribution plans and the Group's contributions to the trustee pension plan.

Assumptions used for the years ended March 31, 2009 and 2008 are set forth as follows:

	2009	2008
Discount rate	2.5%	2.5%
Expected rate of return on plan assets.....	2.5%	2.5%
Amortization period of prior service cost.....	10 years	10 years
Recognition period of actuarial gain/loss.....	10 years	10 years

9. EQUITY

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during fiscal year if the company has prescribed so in its articles of incorporation. However the Company has not prescribed so in its articles of incorporation.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10%

of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

10. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 39.8% for the years ended March 31, 2009 and 2008.

The tax effects of significant temporary differences and tax loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2009 and 2008, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Deferred tax assets:			
Inventories.....	¥ 1,171	¥ 1,346	\$11,950
Property and equipment	200	189	2,039
Write-down of investment securities.....	653	639	6,660
Accrued bonuses	446	591	4,548
Long-term accrued liabilities.....	93	96	951
Accrued expenses.....	376	463	3,837
Tax loss carry forwards of subsidiaries.....	1,568	1,194	16,002
Other.....	1,417	1,886	14,460
Less valuation allowance	(2,143)	(2,053)	(21,863)
Total	¥ 3,781	¥ 4,351	\$38,584
Deferred tax liabilities:			
Retained earnings appropriated for special allowance.....	¥ (125)	¥ (90)	\$ (1,278)
Undistributed earnings of subsidiaries and associated company	(557)	(1,117)	(5,683)
Unrealized gain on available-for-sale securities	(0)	(1)	(5)
Other.....	(262)	(270)	(2,670)
Total	¥ (944)	¥(1,478)	\$ (9,636)
Net deferred tax assets	¥ 2,837	¥ 2,873	\$28,948
Deferred tax liabilities on land revaluation	¥ 187	¥ 187	\$ 1,911

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2009 is omitted since there is no material difference

between the normal effective statutory tax rate and the actual effective tax rate. The reconciliation for the year ended March 31, 2008 was as follows:

	2008
Normal effective statutory tax rate	39.8 %
Expenses not deductible for income tax purposes.....	2.1
Tax credit for research and development costs.....	(2.4)
Income taxes for prior periods.....	4.5
Other—net.....	1.1
Actual effective tax rates.....	45.1 %

11. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥6,773 million (\$69,111 thousand) and ¥6,741 million for the years ended March 31, 2009 and 2008, respectively.

12. LEASES

The Group leases certain building and structures, machinery and equipment, computer equipment, office space and other assets.

As discussed in Note 2. I, the Company accounts for finance leases which commenced prior to April 1, 2008 and which do not transfer ownership of the leased property to the lessee as operating lease transactions.

Total lease payments under finance leases which commenced prior to April 1, 2008 for the years ended March 31,

2009 and 2008 were ¥34 million (\$347 thousand) and ¥34 million, respectively.

Pro forma information of leased property under finance leases which commenced prior to April 1, 2008 and that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2009 and 2008 was as follows:

	Millions of Yen					
	2009			2008		
	Machinery and Equipment	Tools, Furniture and Fixtures	Total	Machinery and Equipment	Tools, Furniture and Fixtures	Total
Acquisition cost	¥ 19	¥ 98	¥ 117	¥ 39	¥121	¥ 160
Accumulated depreciation	(12)	(59)	(71)	(22)	(38)	(60)
Net leased property	¥ 7	¥ 39	¥ 46	¥ 17	¥ 83	¥ 100

	Thousands of U.S. Dollars		
	2009		
	Machinery and Equipment	Tools, Furniture and Fixtures	Total
Acquisition cost	\$ 190	\$1,007	\$1,197
Accumulated depreciation	(123)	(606)	(729)
Net leased property	\$ 67	\$ 401	\$ 468

Obligations under finance leases which commenced prior to April 1, 2008:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
	Due within one year	¥28	¥ 37
Due after one year	19	64	194
Total	¥47	¥101	\$479

Depreciation expense and interest expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
	Depreciation expense	¥29	¥27
Interest expense	2	2	21
Total	¥31	¥29	\$314

Depreciation expense and interest expense, which are not reflected in the accompanying statements of income, are computed by the straight-line method and the interest method, respectively.

The minimum rental commitments under noncancellable operating leases at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due within one year	¥ 401	¥ 568	\$ 4,087
Due after one year	1,977	1,063	20,174
Total	¥2,378	¥1,631	\$24,261

13. DERIVATIVES

The Group enters into foreign exchange forward contracts and currency options to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.

All derivative transactions are entered into to hedge foreign currency exposures incorporated within its business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

Because the counterparties to these derivatives are limited

to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies that regulate the authorization and credit limit amount.

The Group had the following derivatives contracts outstanding at March 31, 2009 and 2008:

	Millions of Yen					
	2009			2008		
	Contract Amount	Fair Value	Unrealized Gain	Contract Amount	Fair Value	Unrealized Gain (Loss)
Foreign exchange forward contracts:						
Buying Japanese yen.....	¥3,212	¥3,313	¥101	¥3,753	¥3,746	¥(7)
Buying U.S. dollars	653	683	30	719	726	7
Buying Euros.....	40	45	5	106	110	4
Selling U.S. dollars.....	—	—	—	100	100	0

	Thousands of U.S. Dollars		
	Contract Amount	Fair Value	Unrealized Gain
Foreign exchange forward contracts:			
Buying Japanese yen.....	\$32,782	\$33,811	\$1,029
Buying U.S. dollars	6,664	6,967	303
Buying Euros.....	406	456	50
Selling U.S. dollars.....	—	—	—

The contract amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Group's exposure to credit or market risk.

14. CONTINGENT LIABILITIES

At March 31, 2009, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Trade notes discounted.....	¥660	\$6,730
Guarantees for bank loans of an unconsolidated subsidiary, employees and others	299	3,055

15. NET INCOME PER SHARE

The basis of computing earnings per share ("EPS") for the years ended March 31, 2009 and 2008 is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income	Weighted Average Shares	EPS	
For the year ended March 31, 2009:				
EPS				
Net income available to common stockholders	¥1,047	25,107	¥ 41.72	\$0.43
For the year ended March 31, 2008:				
EPS				
Net income available to common stockholders	¥3,621	25,108	¥144.22	

16. RELATED PARTY DISCLOSURES

Transactions of the Group with the related parties for the years ended March 31, 2009 and 2008 were as follows :

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Sales	¥ —	¥16	\$ —
Purchases	—	7	—
Consulting expenses.....	12	12	122
Commission expenses.....	12	12	122
Contribution	50	9	510
Other operating income	5	10	55

The balances due to or from these related parties at March 31, 2009 and 2008 were as follows :

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Notes and accounts receivable-trade.....	¥ —	¥ 2	\$ —
Other receivables	7	15	71
Investment securities.....	4	10	38
Notes and accounts payable-trade.....	—	0	—
Other payables	1	1	11
Other long-term liabilities	—	2	—

17. SUBSEQUENT EVENT

The following appropriations of retained earnings at March 31, 2009 were approved at the Company's stockholders meeting held on June 19, 2009:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥15 (\$0.15) per share	¥377	\$3,843

18. SEGMENT INFORMATION

(1) Industry Segments

The Group operates in the following industries:
 "Electronic musical instruments", including Digital pianos, Synthesizers, Electronic percussion, Guitar effectors, Digital

recorders and Desk top media products; and "Computer peripherals", including Printers, Plotters and Modeling machines.

The industry segments of the Group for the years ended March 31, 2009 and 2008 were summarized as follows:

	Millions of Yen			
	2009			
	Electronic Musical Instruments	Computer Peripherals	Eliminations/ Corporate	Consolidated
Sales to customers:.....	¥58,875	¥41,632	¥ —	¥100,507
Operating expenses	57,386	35,691	—	93,077
Operating income	¥ 1,489	¥ 5,941	¥ —	¥ 7,430
Assets	¥60,434	¥33,491	¥(39)	¥ 93,886
Depreciation	2,120	1,088	—	3,208
Capital expenditures.....	1,552	1,898	—	3,450

	Millions of Yen			
	2008			
	Electronic Musical Instruments	Computer Peripherals	Eliminations/ Corporate	Consolidated
Sales to customers:.....	¥62,944	¥45,616	¥ —	¥108,560
Operating expenses	59,659	35,568	—	95,227
Operating income	¥ 3,285	¥10,049	¥ —	¥ 13,334
Assets	¥62,506	¥36,250	¥(64)	¥ 98,692
Depreciation	2,073	955	—	3,028
Capital expenditures.....	2,335	3,016	—	5,351

	Thousands of U.S. Dollars			
	2009			
	Electronic Musical Instruments	Computer Peripherals	Eliminations/ Corporate	Consolidated
Sales to customers:.....	\$600,769	\$424,811	\$ —	\$1,025,580
Operating expenses	585,569	364,193	—	949,762
Operating income	\$ 15,200	\$ 60,618	\$ —	\$ 75,818
Assets	\$616,680	\$341,742	\$(399)	\$ 958,023
Depreciation	21,638	11,098	—	32,736
Capital expenditures.....	15,835	19,372	—	35,207

Notes: 1. As a result of the change due to the adoption of the ASBJ Statement No. 9 mentioned in Note 2.d, compared with the previous method, operating expenses of "Electronic musical instruments" increased by ¥107 million (\$1,094 thousand) and accordingly, operating income decreased by the same amount.

2. As a result of the necessary adjustments made to the consolidated financial statements based on the ASBJ PITF No.18 mentioned in the first and second paragraphs of Note 2.b, operating expenses of "Electronic Musical Instruments" and "Computer Peripherals" decreased by ¥15 million (\$156 thousand) and ¥1 million (\$8 thousand), respectively and accordingly, operating income increased by the same amounts, respectively. In addition, assets of "Electronic Musical Instruments" increased by ¥592 million (\$6,045 thousand) and assets of "Computer Peripherals" decreased by ¥13 million (\$132 thousand).

3. As a result of the change in the useful lives of machinery and equipment mentioned in the second paragraph of Note 2.f, compared with the previous method, operating expenses of "Electronic musical instruments" increased by ¥8 million (\$79 thousand) and accordingly, decreased operating income by the same amount.

(2) Geographical Segments

The geographical segments of the Group for the years ended March 31, 2009 and 2008 were summarized as follows:

	Millions of Yen					Consolidated
	2009	2008	2007	2006	2005	
	Japan	North America	Europe	Others	Eliminations/Corporate	
Sales to customers.....	¥25,931	¥30,620	¥36,981	¥6,975	¥ —	¥100,507
Interarea transfers.....	42,055	223	436	—	(42,714)	—
Total sales	67,986	30,843	37,417	6,975	(42,714)	100,507
Operating expenses	64,397	30,764	34,715	6,174	(42,973)	93,077
Operating income	¥ 3,589	¥ 79	¥ 2,702	¥ 801	¥ 259	¥ 7,430
Total assets.....	¥64,020	¥16,129	¥21,209	¥3,557	¥ (11,029)	¥ 93,886

	Millions of Yen					Consolidated
	2008	2007	2006	2005	2004	
	Japan	North America	Europe	Others	Eliminations/Corporate	
Sales to customers.....	¥30,590	¥35,522	¥40,488	¥1,960	¥ —	¥108,560
Interarea transfers.....	45,532	95	496	—	(46,123)	—
Total sales	76,122	35,618	40,985	1,960	(46,123)	108,560
Operating expenses	67,977	33,939	36,837	1,794	(45,320)	95,227
Operating income	¥ 8,145	¥ 1,679	¥ 4,148	¥ 165	¥ (803)	¥ 13,334
Total assets.....	¥62,049	¥18,960	¥26,812	¥1,508	¥ (10,636)	¥ 98,692

	Thousands of U.S. Dollars					Consolidated
	2009	2008	2007	2006	2005	
	Japan	North America	Europe	Others	Eliminations/Corporate	
Sales to customers.....	\$264,604	\$312,441	\$377,361	\$71,174	\$ —	\$1,025,580
Interarea transfers.....	429,133	2,280	4,447	—	(435,860)	—
Total sales	693,737	314,721	381,808	71,174	(435,860)	1,025,580
Operating expenses	657,111	313,921	354,235	63,000	(438,505)	949,762
Operating income	\$ 36,626	\$ 800	\$ 27,573	\$ 8,174	\$ 2,645	\$ 75,818
Total assets.....	\$653,268	\$164,586	\$216,413	\$36,299	\$(112,543)	\$ 958,023

- Notes: 1. As a result of the change due to the adoption of the ASBJ Statement No. 9 mentioned in Note 2.d, compared with the previous method, operating expenses of "Japan" increased by ¥107 million (\$1,094 thousand) and accordingly, operating income decreased by the same amount.
2. As a result of the necessary adjustments made to the consolidated financial statements based on the ASBJ PITF No.18 mentioned in the first and second paragraphs of Note 2.b, operating expenses of "Europe" and "Others" decreased by ¥15 million (\$154 thousand) and ¥1 million (\$10 thousand), respectively and accordingly, operating income increased by the same amounts, respectively. In addition, assets of "Europe" increased by ¥598 million (\$6,110 thousand) and assets of "Others" decreased by ¥19 million (\$197 thousand).
3. As a result of the change in the useful lives of machinery and equipment mentioned in the second paragraph of Note 2.f, compared with the previous method, operating expenses of "Japan" increased by ¥8 million (\$79 thousand) and accordingly, decreased operating income by the same amount.

(3) Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2009 and 2008 are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
North America.....	¥29,463	¥33,853	\$300,639
Europe.....	39,231	42,847	400,320
Others	16,979	15,617	173,258
Total	¥85,673	¥92,317	\$874,217

Independent Auditors' Report

Deloitte.

Deloitte Touche Tohmatsu
Nagoya Daiya Building 3-goukan
13-5, Meieki, 3-Chuome,
Nakamura-ku, Nagoya,
Aichi 450-8530, Japan
Tel:+81(52)565 5511
Fax:+81(52)569 1394
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To the Board of Directors of Roland Corporation:

We have audited the accompanying consolidated balance sheets of Roland Corporation and consolidated subsidiaries (the "Company") as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Roland Corporation and consolidated subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.



June 5, 2009

Member of
Deloitte Touche Tohmatsu

Corporate Information

Corporate Data (As of March 31, 2009)

Company Name	Roland Corporation	
Head Office	2036-1 Nakagawa, Hosoe-cho, Kita-ku, Hamamatsu, Shizuoka 431-1304, Japan	
	Phone	+81-53-523-0230
	Website	http://www.roland.co.jp (Japanese) http://www.roland.com (Global site)
Established	April 1972	
Capital	¥9,274 million	
Number of Employees	2,708 (consolidated)	806 (unconsolidated)
Board of Directors/Auditors (As of June 19, 2009)		
	Hidekazu Tanaka	<i>President*1</i>
	Ichiro Nishizawa	<i>Senior Managing Director</i>
	Kimitaka Kondo	<i>Managing Director</i>
	Kazuya Yanase	<i>Director</i>
	Yoshihiro Ikegami	<i>Director</i>
	Hiroshi Kinoshita	<i>Director</i>
	Masahiro Tone	<i>Director</i>
	Koichi Mizumoto	<i>Director</i>
	Katsuyoshi Dan	<i>Director (Executive Adviser)</i>
	Masahiro Tomioka	<i>Director</i>
	Dennis Houlihan	<i>Director</i>
	John Booth	<i>Director</i>
	Katsuaki Sato	<i>Independent Director</i>
	Tamotsu Kawai	<i>Corporate Auditor</i>
	Hiroshi Ueno	<i>Corporate Auditor</i>
	Minoru Kawashima	<i>Corporate Auditor*2</i>
	Mikio Maekawa	<i>Corporate Auditor*2</i>
	*1 Representative Director	
	*2 Outside Auditor	

Investor Information (As of March 31, 2009)

Authorized Shares	60,000,000
Number of Issued Shares	25,572,404
Stock Exchange Listings	First section of Tokyo stock exchange and Osaka stock exchange
Number of Shareholders	5,263
Transfer Agent	Daiko Clearing Services Corporation
Independent Auditor	Deloitte Touche Tohmatsu
Major Shareholders	

	Thousands of Shares	Percentage
Roland Foundation	2,335	9.1
Ikutaro Kakehashi	1,507	5.9
Japan Trustee Services Bank, Ltd. (Trust Account)	1,359	5.3
Taiyo Fund, L.P.	1,291	5.0
Northern Trust Company (AVFC) Sub-account American Clients	1,083	4.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,018	4.0
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	892	3.5
Pioneer Investment Corporation	800	3.1
Roland Employees' Shareholding Association	671	2.6
Resona Bank, Ltd.	561	2.2

Stock Performance (Years ended March 31)

	Yen				
	2005	2006	2007	2008	2009
High	2,050	2,850	3,040	3,620	2,295
Low	1,630	1,812	2,340	1,750	803

Global Network (As of July 1, 2009)

Development

Japan ● BOSS Corporation

Manufacturing

Japan ● Roland SG Corporation

Europe ● Roland Europe S.p.A.

Asia ● Roland Taiwan Electronic Music Corp.

● Roland Electronics (Suzhou) Co., Ltd.

Manufacturing & Sales

Japan ● Roland DG Corporation

● Atelier Vision Corporation

United States ● Rodgers Instruments Corporation

● Cakewalk, Inc.

Sales

Americas ● Roland Corporation U.S.

● Roland Systems Group U.S.

● Roland Canada Ltd

● Roland Brasil Importação, Exportação, Comércio Representação e Serviços Ltda.

Europe ● Roland (U.K.) Ltd.

● Edirol Europe Ltd.

● Roland Elektronische Musikinstrumente HmbH.

● Roland (Switzerland) AG

● Roland Scandinavia A/S

● Roland Central Europe n.v.

● Roland Italy S.p.A.

● Roland Iberia, S.L.

● Roland East Europe Ltd.

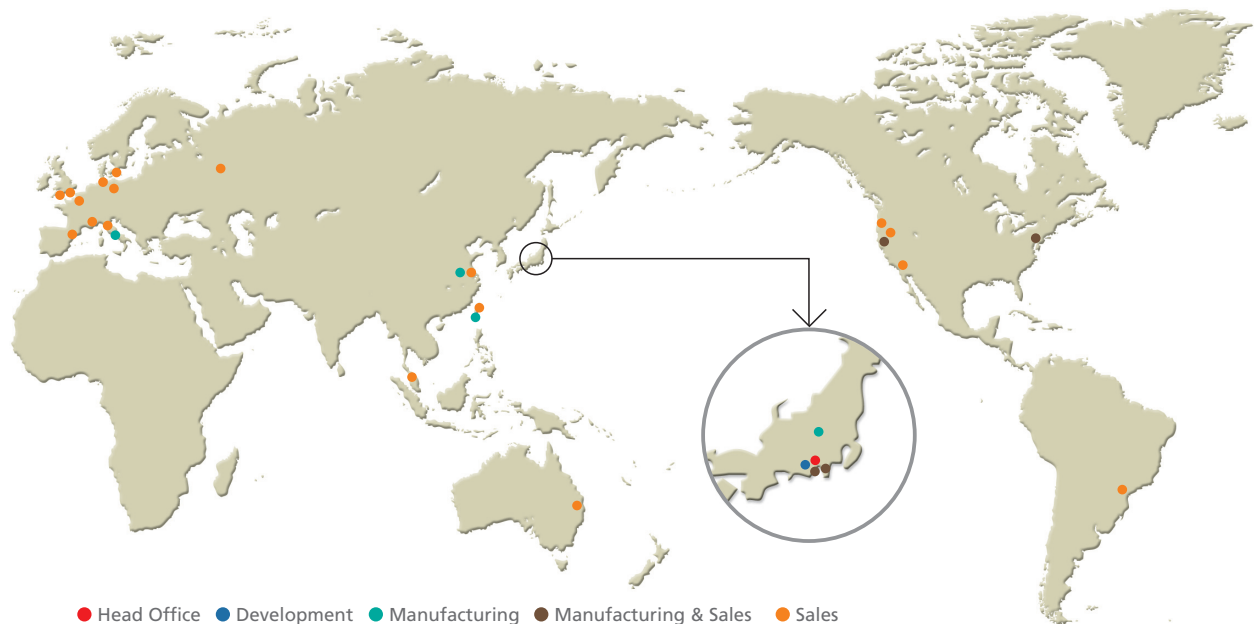
● Roland Music LLC

Asia ● Roland Taiwan Enterprise Co., Ltd.

● Roland (Shanghai) Logistics Co., Ltd.

● Roland Asia Pacific Sdn. Bhd.

● Roland Corporation Australia Pty. Ltd.



Roland Corporation

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