*** The original disclosure in Japanese was released on February 8, 2013 at 16:30 (GMT+9). ***

Consolidated Financial Results for the Nine Months Ended December 31, 2012 [JGAAP]

February 8, 2013

Company Name: Roland Corporation
Code Number: 7944
(URL: http://www.roland.com/)
Stock Exchange Listing: Tokyo, Osaka
Representative: Hidekazu Tanaka, President and Representative Director
Contact: Ichiro Nishizawa, Senior Managing Director
Phone: 053-523-3652
Scheduled date to submit the Quarterly Securities Report: February 13, 2013
Scheduled date to commence dividend payments: －
Availability of supplementary briefing material on quarterly results: Available (Japanese only)
Schedule of quarterly results briefing session: Not scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

(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	%
Nine months ended December 31, 2012	53,013	(4.3)	(252)	-	(465)	-	(2,714)	-
Nine months ended December 31, 2011	55,369	(4.6)	510	(71.7)	(38)	-	268	-

(Note) Comprehensive income: Nine Months Ended December 31, 2012: ¥(2,647) million (-%)
Nine Months Ended December 31, 2011: ¥(839) million (-%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended December 31, 2012	(114.13)	-
Nine months ended December 31, 2011	11.27	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
Nine months ended December 31, 2012	75,038	55,856	54.6	1,720.95
Fiscal year ended March 31, 2012	73,643	60,260	59.9	1,855.45

(Reference) Equity: Nine Months Ended December 31, 2012: ¥40,934 million
Fiscal Year Ended March 31, 2012: ¥44,135 million

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2012	-	10.00	-	10.00	20.00
Fiscal year ending March 31, 2013	-	7.50	-		
Fiscal year ending March 31, 2013 (Forecast)				5.00	12.50

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

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

(% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	72,000	(3.8)	(800)	-	(1,100)	-	(4,000)	-	(168.16)

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

*** Notes**

(1) Significant changes of subsidiaries during the nine months ended December 31, 2012 (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, etc.: Yes
2) Other changes in accounting policies: None
3) Changes in accounting estimates: Yes
4) Corrections of errors: None
(Note) Method for depreciation has been changed since the three months ended June 30, 2012, which falls under "the case where changes in accounting policies are difficult to distinguish from changes in accounting estimates." Please refer to Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors in "2. Issues Related to Summary Information (Notes)" on page 6 of the attached Appendix for details.

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

Nine months ended December 31, 2012	25,572,404 shares
Fiscal year ended March 31, 2012	25,572,404 shares

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

Nine months ended December 31, 2012	1,786,558 shares
Fiscal year ended March 31, 2012	1,785,290 shares

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

Nine months ended December 31, 2012	23,786,273 shares
Nine months ended December 31, 2011	23,787,827 shares

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

These quarterly financial results (not translated into English) are not subject to the quarterly review process required under the Financial Instruments and Exchange Act. However, the quarterly review process required under the Financial Instruments and Exchange Act was in progress 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 and other forward-looking statements stated herein are based on economic environment, business plans of the Company and other factors at the time of the release of this report. Therefore, actual results may differ from forecast values due to various factors. For further information on the assumptions above, please see page 6 “Qualitative Information on Forecast of Consolidated Financial Results.”
- The supplementary briefing material on quarterly results will be posted on the Company’s website on Friday, February 8, 2013. (Japanese only)

Table of Contents of Appendix

1. Qualitative Information on Consolidated Performance for the Period under Review 2
(1) Qualitative Information on Consolidated Results of Operations 2
(2) Qualitative Information on Consolidated Financial Position 5
(3) Qualitative Information on Forecast of Consolidated Financial Results 6

2. Issues Related to Summary Information (Notes) 6
Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors 6

The following information has not been translated into English (we have Japanese version only.).

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets
(2) Consolidated Statement of Income and Comprehensive Income
(3) Notes to Going Concern Assumption
(4) Segment Information, etc.
(5) Notes in Case of Large Changes in Shareholder’s Equity

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)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Changes	Change rate
Net sales	55,369	53,013	(2,355)	(4.3%)
Electronic Musical Instruments Business	31,227	29,361	(1,866)	(6.0%)
Computer Peripherals Business	24,141	23,652	(489)	(2.0%)
Operating income (loss)	510	(252)	(762)	-
Electronic Musical Instruments Business	(756)	(1,166)	(409)	-
Computer Peripherals Business	1,267	913	(353)	(27.9%)
Ordinary income (loss)	(38)	(465)	(427)	-
Net income (loss)	268	(2,714)	(2,983)	-

Results of net sales by business segment

(Millions of Yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Changes	Change rate
Electronic musical instruments	11,586	10,957	(629)	(5.4%)
Guitar-related equipment	6,382	5,793	(588)	(9.2%)
Home electronic musical instruments	7,752	7,422	(330)	(4.3%)
Professional video, professional audio and computer music equipment	3,871	3,353	(517)	(13.4%)
Others	1,634	1,834	199	12.2%
Electronic Musical Instruments Business	31,227	29,361	(1,866)	(6.0%)
Computer Peripherals Business	24,141	23,652	(489)	(2.0%)
Total	55,369	53,013	(2,355)	(4.3%)

Results of net sales by geographical segment

(Millions of Yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Changes	Change rate
Japan	6,829	6,825	(3)	(0.0%)
North America	8,686	8,002	(683)	(7.9%)
Europe	10,360	8,946	(1,413)	(13.6%)
Others	5,351	5,586	234	4.4%
Electronic Musical Instruments Business	31,227	29,361	(1,866)	(6.0%)
Japan	2,865	3,024	159	5.6%
North America	5,708	6,138	430	7.5%
Europe	7,989	7,377	(611)	(7.7%)
Others	7,578	7,111	(467)	(6.2%)
Computer Peripherals Business	24,141	23,652	(489)	(2.0%)
Total	55,369	53,013	(2,355)	(4.3%)

During the nine months ended December 31, 2012, with regard to the global economy, signs of an economic recovery were observed in some sectors in the United States, but the recession continued in Europe due to prolonged financial problems. Also, although emerging markets, for the most part, achieved strong growth, the pace of economic growth became slow in China. Meanwhile, in Japan, the business environment remained harsh because Japanese economy entered a recessionary phase due to factors such as a decline in exports stemming from the rapid appreciation of the yen and a slowdown in overseas economies.

Amid these circumstances, with respect to the Electronic Musical Instruments Business, in Japan, North America and Europe, new products of electronic drums and digital pianos contributed to sales, but sales especially of existing products, such as stage pianos, synthesizers and guitar-related equipment, generally decreased. As for emerging markets, although the growth rate in China slowed down, sales grew steadily in countries such as Brazil and Indonesia.
As a result, combined with the significant impact of the strong yen, net sales decreased by 6.0% year on year to ¥29,361 million. In terms of profitability, the Company posted an operating loss of ¥1,166 million (from an operating loss of ¥756 million for the same period of the previous fiscal year).

In the Electronic Musical Instruments Business, developed markets, which have been experiencing a lull since the Lehman crisis, have yet to recover and are recording stagnant sales. As such, the Company is undertaking structural reforms in an effort to establish a system that can secure profit on the current scale of sales. To this end, we are engaging in consolidating the organization and narrowing down the products to enhance the efficiency of development, consolidating domestic factories to enhance cost competitiveness, relocating production to countries such as China, Taiwan and Indonesia, and consolidating sales offices in Japan and abroad, among other initiatives. In addition, as part of such reforms, the Company is pursuing the optimization of the organization through a personnel cutback of 350 staff members, equivalent to roughly 15% in the Electronic Musical Instruments Business.

In the Computer Peripherals Business, in order to bolster our competitive edge in emerging markets, a manufacturing subsidiary in Thailand commenced operations in October 2012. With regard to the sales system, a subsidiary was established to aggregate and enhance the efficiency of back office functions of the European sales subsidiaries, and a Chinese sales subsidiary was established with the aim of expanding sales and developing new markets.
In Japan and North America, robust sales were recorded mainly for new printers, which were launched in the previous fiscal year. In Europe, however, sales fell below the same period of the previous fiscal year, due to the effects of the economic slump in Southern Europe and the strong yen. In Asia, sales decreased year on year, reflecting the slowdown of economic growth in China, the change in the sales network in Korea, and other factors.
As a result, combined with the significant impact of the strong yen, net sales decreased by 2.0% year on year to ¥23,652 million, and operating income decreased by 27.9% year on year to ¥913 million.

As a result of the factors described above, overall net sales decreased by 4.3% year on year to ¥53,013 million, operating loss was ¥252 million (from an operating income of ¥510 million for the same period of the previous fiscal year), and ordinary loss was ¥465 million (from an ordinary loss of ¥38 million for the same period of the previous fiscal year). Ultimately, the Company posted a net loss of ¥2,714 million (from a net income of ¥268 million for the same period of the previous fiscal year) mainly due to expenses of ¥1,400 million associated with soliciting voluntary retirement implemented as part of structural reforms and tax expenses of ¥700 million.

The average exchange rates for the nine months ended December 31, 2012 (*) were 79 yen to the US dollar (from 81 yen for the same period of the previous fiscal year), and 102 yen to the euro (from 113 yen for the same period of the previous fiscal year).

(*) Average for January to September 2012, because the fiscal year of the Company's foreign consolidated subsidiaries is from January to December.

Results of net sales by business segment are as follows.

<Electronic Musical Instruments Business>
[Electronic musical instruments]
Sales of electronic drums increased due to the launch of new products with new sound engines. Sales of existing products such as stage pianos and synthesizers were sluggish, mainly in the United States and Europe. As a result, net sales for this segment decreased by 5.4% year on year to ¥10,957 million.

[Guitar-related equipment]
Sales were weak for existing compact type effects and multi-track recorder products for guitars. With regard to guitar synthesizers, new products which were jointly developed with Fender Musical Instruments Corporation of the United States contributed to sales, but sales of existing products declined in North America. As a result, net sales for this segment decreased by 9.2% year on year to ¥5,793 million.

[Home electronic musical instruments]
With regard to digital pianos, even though new products contributed to sales, sales have been stagnant since the third quarter in Japan. Meanwhile, sales of new products of keyboards with automatic accompaniment adapted to the local musical style were robust in Asia, Central and South America, and the Middle East. As a result, net sales of this segment decreased by 4.3% year on year to ¥7,422 million.

[Professional video, professional audio and computer music equipment]
With regard to professional video equipment, robust sales of all-in-one AV mixers for live online video streaming were recorded, but sales of professional audio equipment were low primarily in the United States and Europe. In computer music equipment, however, sales of music production software and peripheral equipment were weak. As a result, net sales for this segment fell by 13.4% year on year to ¥3,353 million.

[Others]
Sales of sound engines for online karaoke machines were favorable in Japan. As a result, overall net sales for this segment increased by 12.2% year on year to ¥1,834 million.

As a result of the factors described above, net sales for the Electronic Musical Instruments Business decreased by 6.0% year on year to ¥29,361 million.

<Computer Peripherals Business>
Regarding printers, compact UV printers capable of directly printing on three-dimensional objects and desktop size low-solvent printers have performed strongly. Also, at the end of September, we launched a flagship model of large low-solvent printers capable of producing items such as high-quality posters and signboards. As a result, sales of printers were at almost the same level year on year.
In 3D products, sales of dental milling machines increased steadily mainly in Italy and the United States, but sales fell below the same period of the previous fiscal year because shipments to sales agents were concentrated after the launch in the previous fiscal year.
Sales of supplies were flat year on year because sales of inks in the Southern Europe region decreased while sales of inks in Japan and the United Kingdom increased.

As a result of the factors described above, net sales for Computer Peripherals Business decreased by 2.0% year on year to ¥23,652 million.

(2) Qualitative Information on Consolidated Financial Position
Total assets increased by ¥1,394 million from the end of previous consolidated fiscal year to ¥75,038 million. This is mainly attributable to a ¥1,105 million increase in cash and deposits and ¥2,077 million increase in merchandise and finished goods, as well as the decreases of ¥681 million in notes and accounts receivable-trade and ¥934 million in other current assets including accounts receivable-other.

Liabilities increased by ¥5,798 million from the end of the previous consolidated fiscal year to ¥19,181 million. This is due mainly to increases of ¥902 million in notes and accounts receivable-trade, ¥2,341 million in short-term loans payable, ¥993 million in long-term loans payable including current portion, and ¥1,800 million in other current liabilities including accounts payable-other for structural reform expenses, etc., as well as a ¥718 million decrease in provision for bonuses due to payment of bonuses.

Net assets decreased by ¥4,403 million from the end of the previous consolidated fiscal year to ¥55,856 million. Key factors included the posting of net loss of ¥2,714 million and the dividends from surplus of ¥416 million, along with a ¥1,202 million decrease in minority interests due to the purchase of stocks of subsidiaries and affiliates and other factors.

The equity ratio was 54.6%, down 5.3 points from the end of the previous consolidated fiscal year, mainly due to an increase in total assets and a decrease in net assets stated above.

(3) Qualitative Information on Forecast of Consolidated Financial Results

The Company has revised its forecasts of consolidated financial results for the full year of the fiscal year ending March 31, 2013 announced on November 7, 2012. Details will be disclosed today in a separate document, titled “Notice of Revision of Financial Results Forecast.”

2. Issues Related to Summary Information (Notes)

Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors

(Changes in accounting policies difficult to distinguish from changes in accounting estimates)

The Company and its domestic consolidated subsidiaries have changed their method for depreciation reflecting the revised Corporation Tax Act from the first quarter ended June 30, 2012, following the revision of the Act, in respect to property, plant and equipment acquired on or after April 1, 2012.

The impact of this change on the operating loss, ordinary loss and loss before income taxes and minority interests is minimal.