Annual Report 2007

Year Ended March 31, 2007

Roland

Roland DG Corporation

MESSAGE FROM THE PRESIDENT

For the fiscal year 2007 (April 1, 2006 through March 31, 2007), I am pleased to report that Roland DG Corporation achieved record sales and profits for the sixth consecutive year.

Despite high crude oil prices and other destabilizing factors, the global economy continued to expand. In the U.S., personal consumption remained steady despite moderating housing investment and decreasing capital investment. Germany, the UK and France continued to lead European economic growth.

The Japanese economy maintained moderate growth under generally favorable business conditions bolstered by strong corporate profits, increasing employment and growth in personal consumption.

Roland DG Corporation continued to focus our efforts on the two areas of business where we expected the greatest growth. Highlights of our business plan: 1) Concentrate resources in the two strongest business opportunities – Color and 3D products. 2) Continue to streamline the manufacturing process through the benefits of our "Digital Yatai System," which is a scalable cell production system utilizing proprietary technology. 3) Shorten both the internal product development and marketing processes by coordinating development, production and sales teams using Roland's core business process of Digital Value Engineering (DVE). 4) Maintain the alignment of our business direction in accordance with market needs.

In addition to the solid foundation we built during last fiscal year 2006, we acquired a sales subsidiary in Italy to strengthen our sales and marketing network and appointed the President of our U.S. subsidiary as an Executive Officer of Roland DG Corporation to maximize our international marketing efforts.

In the Color business, increasing demand for outdoor signage drove strong sales performance of our low-solvent inkjet printers. Major contributors to sales were our best-selling VersaCAMM SP-540V inkjet printer/cutter and the introduction of the high-speed, 6-color SOLJET PRO III XC-540 inkjet printer with high-volume, 440cc cartridges for ECO-SOL MAX ink, which features higher durability and brighter color reproduction. For our 3D business, we hosted seminars and product previews, introduced a web portal site for tutorials and endowed higher learning institutions to foster market acceptance of our efficient, value-added solutions for streamlining the manufacturing process from design to production. We also introduced the MDX-540/540A milling machines, with easy-to-use CAM software, and the LPX-60 entry-level 3D scanner.

As a result of the business activities described above, consolidated sales revenue rose to 36,106 million yen (a 25.1% increase over the previous year). Our largest markets, North America and Europe, led the way with sales of inkjet printers and eco-solvent inks. The introduction of new products in combination with strong-selling existing products, such as the VersaCAMM SP-540V, contributed to results.

For fiscal year 2008, we expect overseas economies to expand at the current rate. Notwithstanding uncertainties regarding exchange and interest rates or the efforts of competitors, we expect another record-breaking year of sales and profit and continued market leadership through the further refinement of our sales, service and R&D activities.

June 2007

Masahiro Tomioka
President

Financial Highlights

Roland DG Corporation and Consolidated Subsidiaries
Years Ended March 31

●Consolidated

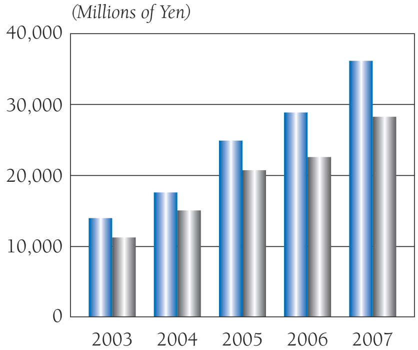
	Millions of Yen					Thousands of U.S. Dollars
	2007	2006	2005	2004	2003	2007
Operating Results						
Net sales	¥ 36,106	¥ 28,868	¥ 24,849	¥ 17,570	¥ 13,936	$305,985
Operating income	6,234	4,889	4,664	2,585	1,478	52,833
Net income	3,494	3,052	2,828	1,610	863	29,614
Net cash provided by operating activities	5,979	1,720	2,498	1,082	1,503	50,669
Financial Position						
Total equity	23,599	19,252	16,745	10,865	9,541	199,989
Total assets	30,321	24,757	21,235	13,984	13,257	256,958
	Yen					U.S. Dollars
Per Share Data						
Net income	¥ 196.32	¥ 166.94	¥ 161.38	¥ 95.12	¥ 50.37	$ 1.66
equity	1,255.11	1,077.07	935.93	659.46	579.54	10.64
Cash dividends applicable to the year	50.00	40.00	64.00	38.00	20.00	0.42

●Non-consolidated

	Millions of Yen					Thousands of U.S. Dollars
	2007	2006	2005	2004	2003	2007
Operating Results						
Net sales	¥ 28,295	¥ 22,564	¥ 20,636	¥ 14,964	¥ 11,143	$239,789
Operating income	3,709	2,974	3,520	2,244	1,225	31,433
Net income	2,938	2,283	2,317	1,418	741	24,901
Financial Position						
Total equity	19,706	17,675	16,093	10,758	9,567	167,000
Total assets	24,754	21,337	19,346	13,352	11,404	209,778
	Yen					U.S. Dollars
Per Share Data						
Net income	¥ 165.08	¥ 123.79	¥ 131.29	¥ 83.42	¥ 42.95	$ 1.40
equity	1,107.08	988.50	899.32	652.98	581.12	9.38

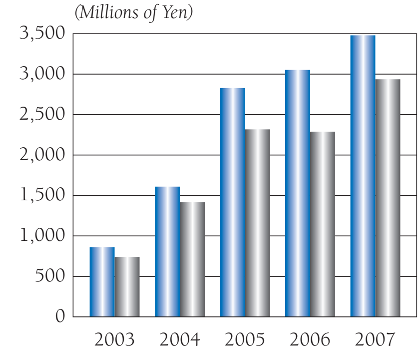
Note:
1. The U.S. dollar amounts above have been translated from Japanese yen, for convenience only, at the rate of ¥118 to U.S.$1, the approximate Tokyo foreign exchange market rate as of March 31, 2007.
2. On May 20, 2005, the Company made a stock split at the rate of 2 shares for each outstanding share and 8,900,000 shares were issued to stockholders. The computation of per share data is based on the numbers of shares outstanding after giving retroactive adjustment for the stock split.
3. From the year ended March 31, 2007, the Company applied "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan Statement No. 5) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No. 8).

Net Sales
(Millions of Yen)



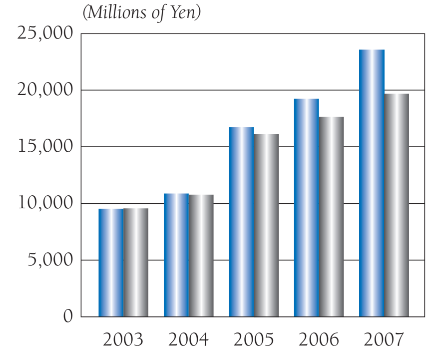
Consolidated
Non-consolidated

Net Income
(Millions of Yen)



Consolidated
Non-consolidated

Total Equity
(Millions of Yen)



Consolidated
Non-consolidated

Consolidated Balance Sheets

Roland DG Corporation and Consolidated Subsidiaries
March 31, 2007 and 2006

Assets

	Thousands of Yen 2007	Thousands of Yen 2006	Thousands of U.S. Dollars (Note 1) 2007
CURRENT ASSETS:			
Cash and time deposits (Note 3)	¥ 8,049,341	¥ 5,033,779	$ 68,215
Notes and accounts receivable (Note 17):			
Trade notes	26,205	33,843	222
Trade accounts	4,159,799	4,498,318	35,253
Allowance for doubtful receivables	(65,948)	(66,697)	(559)
Inventories (Note 5)	6,520,574	5,135,080	55,259
Deferred tax assets (Note 8)	862,596	590,062	7,310
Prepaid expenses and other	1,626,519	1,636,880	13,784
Total current assets	21,179,086	16,861,265	179,484
PROPERTY, PLANT AND EQUIPMENT:			
Land	1,993,683	1,976,098	16,896
Buildings and structures	4,714,031	4,456,258	39,950
Machinery and equipment	447,709	317,498	3,793
Tools, furniture and fixtures	2,027,824	1,714,446	17,185
Construction in progress	82,482	50,404	699
Total	9,265,729	8,514,704	78,523
Accumulated depreciation	(4,025,264)	(3,467,040)	(34,112)
Net property, plant and equipment	5,240,465	5,047,664	44,411
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 4)	48,683	355,003	413
Investments in unconsolidated subsidiaries and associated companies	105,052	115,052	890
Long-term loans	59,615	76,608	505
Goodwill (Note 14)	1,949,768	749,902	16,523
Software	647,191	632,341	5,485
Long-term time deposit	500,000	500,000	4,237
Deferred tax assets (Note 8)	260,363	159,161	2,206
Other assets	330,788	259,859	2,804
Total investments and other assets	3,901,460	2,847,926	33,063
TOTAL	¥30,321,011	¥24,756,855	$256,958

See notes to consolidated financial statements.

Liabilities and Equity

	Thousands of Yen 2007	Thousands of Yen 2006	Thousands of U.S. Dollars (Note 1) 2007
CURRENT LIABILITIES:			
Accounts payable - trade	¥ 2,343,948	¥ 2,171,116	$ 19,864
Income taxes payable	1,360,025	393,296	11,526
Accrued bonuses	489,794	386,122	4,151
Accrued bonuses for Directors and Corporate Auditors (Note 2-k)	82,000	—	695
Other	1,981,283	1,359,074	16,790
Total current liabilities	6,257,050	4,309,608	53,026
LONG-TERM LIABILITIES:			
Retirement benefits (Notes 2-h and 6)	—	3,349	—
Deferred tax liabilities (Note 8)	266,426	120,366	2,258
Long-term payable (Note 2-h)	121,684	127,959	1,031
Other	77,197	—	654
Total long-term liabilities	465,307	251,674	3,943
MINORITY INTERESTS	—	943,747	—
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 10 and 12)			
EQUITY (Notes 7 and 15):			
Common stock, authorized, 32,800,000 shares; issued 17,800,000 shares in 2007 and 2006	3,668,700	3,668,700	31,091
Capital surplus	3,700,604	3,700,604	31,361
Retained earnings	14,539,620	11,926,174	123,217
Unrealized gain on available-for-sale securities	18,287	44,950	155
Foreign currency translation adjustments	413,668	(88,602)	3,506
Total	22,340,879	19,251,826	189,330
Minority interests	1,257,775	—	10,659
Total equity	23,598,654	—	199,989
TOTAL	¥30,321,011	¥24,756,855	$256,958

Consolidated Statements of Income

Roland DG Corporation and Consolidated Subsidiaries
Years Ended March 31, 2007 and 2006

	Thousands of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
NET SALES (Note 17)	¥36,106,189	¥28,867,745	$305,985
COST OF SALES (Note 9)	20,964,001	16,887,639	177,661
Gross profit	15,142,188	11,980,106	128,324
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8,907,886	7,091,101	75,491
Operating income	6,234,302	4,889,005	52,833
OTHER INCOME (EXPENSES):			
Interest and dividend income	135,272	91,358	1,146
Interest expense	(81,673)	(60,983)	(692)
Loss on disposals or sales of property, plant and equipment	(5,770)	(13,444)	(49)
Gain on sale of investment in an associated company	—	130,870	—
Foreign exchange gains (losses)	36,066	(9,465)	306
Other - net	(40,938)	18,401	(347)
Other income - net	42,957	156,737	364
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	6,277,259	5,045,742	53,197
INCOME TAXES (Note 8):			
Current	2,590,688	1,692,458	21,955
Deferred	(201,272)	(92,673)	(1,706)
Total income taxes	2,389,416	1,599,785	20,249
MINORITY INTERESTS IN NET INCOME	393,397	(394,408)	3,334
NET INCOME	¥ 3,494,446	¥ 3,051,549	$ 29,614

	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK (Note 13):			
Net income	¥196.32	¥166.94	$1.66
Cash dividends	50.00	40.00	0.42

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Roland DG Corporation and Consolidated Subsidiaries
Years Ended March 31, 2007 and 2006

	Outstanding Number of Shares of Common Stock	Thousands of Yen							
		Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2005	8,900,000	¥3,668,700	¥3,700,604	¥ 9,600,425	¥20,063	¥(245,276)	¥16,744,516		¥16,744,516
Stock split (Note 7)	8,900,000								
Net income				3,051,549			3,051,549		3,051,549
Cash dividends, ¥52 per share				(640,800)			(640,800)		(640,800)
Bonuses to directors and corporate auditors				(85,000)			(85,000)		(85,000)
Net increase in unrealized gain on available-for-sale securities					24,887		24,887		24,887
Net change in foreign currency translation adjustments						156,674	156,674		156,674
BALANCE, MARCH 31, 2006	17,800,000	3,668,700	3,700,604	11,926,174	44,950	(88,602)	19,251,826		19,251,826
Reclassified balance as of March 31, 2006 (Note 2.i)								¥ 943,747	943,747
Net income				3,494,446			3,494,446		3,494,446
Cash dividends, ¥45 per share				(801,000)			(801,000)		(801,000)
Bonuses to directors and corporate auditors				(80,000)			(80,000)		(80,000)
Net decrease in unrealized gain on available-for-sale securities					(26,663)		(26,663)		(26,663)
Net change in foreign currency translation adjustments						502,270	502,270		502,270
Net increase in minority interests								314,028	314,028
BALANCE, MARCH 31, 2007	17,800,000	¥3,668,700	¥3,700,604	¥14,539,620	¥18,287	¥ 413,668	¥22,340,879	¥1,257,775	¥23,598,654

	Thousands of U.S. Dollars (Note 1)							
	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2006	$31,091	$31,361	$101,069	$381	$ (751)	$163,151		$163,151
Reclassified balance as of March 31, 2006 (Note 2.i)							$ 7,998	7,998
Net income			29,614			29,614		29,614
Cash dividends, $0.38per share			(6,788)			(6,788)		(6,788)
Bonuses to directors and corporate auditors			(678)			(678)		(678)
Net decrease in unrealized gain on available-for-sale securities				(226)		(226)		(226)
Net change in foreign currency translation adjustments					4,257	4,257		4,257
Net increase in minority interests							2,661	2,661
BALANCE, MARCH 31, 2007	$31,091	$31,361	$123,217	$155	$3,506	$189,330	$10,659	$199,989

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Roland DG Corporation and Consolidated Subsidiaries
Years Ended March 31, 2007 and 2006

	Thousands of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥6,277,259	¥5,045,742	$53,197
Adjustments for:			
Income taxes paid	(1,657,195)	(2,378,042)	(14,044)
Depreciation and amortization	963,871	612,202	8,168
Gain on sale of investment in an associated company	—	(130,870)	—
Reversal of allowance for doubtful receivables	40,396	9,136	342
Increase in accrued bonuses	102,745	4,978	871
Decrease in retirement benefits	(3,349)	(9,950)	(28)
Interest and dividend income	(135,272)	(91,358)	(1,146)
Interest expense	81,673	60,983	692
Loss on disposals or sales of property, plant and equipment	5,770	13,444	49
Payment for bonuses to directors and corporate auditors	(80,000)	(85,000)	(678)
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable	442,766	(843,252)	3,752
Increase in inventories	(501,110)	(583,720)	(4,247)
Decrease (Increase) in prepaid expenses and other current assets	258,498	(583,753)	2,191
Increase in other investments and assets	(113,289)	(15,366)	(960)
Increase in accounts payable	4,371	340,022	37
Increase in other current liabilities	161,548	375,174	1,369
Increase (Decrease) in other long-term liabilities	66,953	(18,143)	567
Other - net	63,318	(1,970)	537
Net cash provided by operating activities	5,978,953	1,720,257	50,669
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(664,084)	(1,822,477)	(5,628)
Purchases of software and other intangible assets	(248,208)	(151,749)	(2,103)
Purchases of marketable and investment securities	(857)	(902)	(7)
Proceeds from sale of investment in an associated company	—	265,440	—
Proceeds from sales of marketable securities	281,727	9,000	2,388
Payment for acquisition of business	—	(752,689)	—
Purchase of shares of an associated company (Note 14)	(1,679,115)	—	(14,230)
Other	64,515	56,617	546
Net cash used in investing activities	(2,246,022)	(2,396,760)	(19,034)
FINANCING ACTIVITIES:			
Net decrease in short-term bank loans	—	(36,616)	—
Dividends paid	(801,000)	(640,800)	(6,788)
Dividends paid to the minority shareholders	(166,010)	(97,940)	(1,407)
Other	27,404	—	232
Net cash used in financing activities	(939,606)	(775,356)	(7,963)
EFFECTS OF FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	222,234	63,210	1,884
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,015,559	(1,388,649)	25,556
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,033,425	6,422,074	42,656
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3)	¥8,048,984	¥5,033,425	$68,212

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Roland DG Corporation and Consolidated Subsidiaries
Years Ended March 31, 2007 and 2006

Note: 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 Securities and Exchange Law 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.

On December 27, 2005, the Accounting Standards Board of Japan (the ASBJ) published a new accounting standard for the statement of changes in equity, which is effective for fiscal years ending on or after May 1, 2006. The consolidated statement of shareholders' equity, which was previously voluntarily prepared in line with the international accounting practices, is now required under Japanese GAAP and has been renamed "the consolidated statement of changes in equity" in the current fiscal year.

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 2006 financial statements to conform to the classifications used in 2007.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Roland DG 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 ¥118 to $1, the approximate rate of exchange at March 31, 2007. 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.

Note: 2

Summary of Significant Accounting Policies

a. Consolidation — The consolidated financial statements as of March 31, 2007 include the accounts of the Company and its 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.

Investments in the unconsolidated subsidiaries and 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 differences between the costs of the Company's investments in consolidated subsidiaries and its equities in the net assets at the respective dates of acquisition, are amortized over five 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 is eliminated.

b. 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, all of which become due within three months of the date of acquisition.

c. Inventories — Inventories are stated at the lower of cost, principally determined by the average method, or market.

d. 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.

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

f. Intangible Assets — Goodwill is amortized by the straight-line method over 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 salable years of the software. Software for internal use is amortized by the straight-line method over its useful life of five years.

g. Long-lived assets — The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. Retirement Benefits — The Company has a contributory funded pension plan together with Roland Corporation, the Company's parent company, and consolidated domestic subsidiaries of Roland Corporation, covering substantially all of their employees.

The unrecognized actual gain or loss is being amortized by the declining-balance method over ten years, which is within the average remaining service period of employees expected to receive benefits under the plan. Since the year ended March 31, 2006, the Company has amended the severance indemnity plan by introducing a "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 performance.

Since the year ended March 31, 2006, the Company has amended their defined benefit pension plans, and established cash balance pension plans. Under the cash balance pension plans, each employee has an account which is credited yearly based on their job classification, job performance and interest crediting rate calculated based on a market interest rate.

In addition, the Company has a contributory trusteed pension plan covering most employees, together with multi-employers including Roland Corporation and its domestic subsidiaries. The Company funds and records contributions as charges to income when paid. The pension fund assets available for benefits under this plan were approximately ¥1,920,145 thousand ($16,272 thousand) and ¥1,564,052 thousand at March 31, 2007 and 2006, respectively.

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.

Retirement benefits to directors and corporate auditors had been provided at the amount which would be required if all directors and corporate auditors retired at each balance sheet date.

The Company resolved to abolish this benefit at the General Shareholders' Meeting on June 22, 2005 and the retirement benefits to directors and corporate auditors has not been made for the period after the meeting on June 22, 2005. The amounts of retirement benefit to directors and corporate auditors at the General Shareholders' Meeting on June 22, 2005 of ¥117,100 thousand are included in long-term payable. The benefits will be paid when the directors and corporate auditors retire.

i. Presentation of equity — On December 9, 2005, the ASBJ published a new accounting standard for presentation of equity. Under this accounting standard, certain items which were previously presented as liabilities are now presented as components of equity. Such items include stock acquisition rights, minority interests, and any deferred gain or loss on derivatives accounted for under hedge accounting. This standard is effective for fiscal years ending on or after May 1, 2006. The consolidated balance sheet as of March 31, 2007 is presented in line with this new accounting standard.

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

k. Bonuses to directors and corporate auditors — Prior to the fiscal year ended March 31, 2005, bonuses to directors and corporate auditors were accounted for as a reduction of retained earnings in the fiscal year following approval at the general shareholders' meeting. The ASBJ issued ASBJ Practical Issues Task Force (PITF) No. 13, "Accounting Treatment for Bonuses to Directors and Corporate Auditors," which encouraged companies to record bonuses to directors and corporate auditors on the accrual basis with related charge to income, but still permitted the direct reduction of such bonuses from retained earnings after approval of the appropriation of retained earnings.

The ASBJ replaced the above accounting pronouncement by issuing a new accounting standard for bonuses to directors and corporate auditors on November 29, 2005. Under the new accounting standard, bonuses to directors and corporate auditors must be expensed and are no longer allowed to be directly charged to retained earnings. This accounting standard is effective for fiscal years ending on or after May 1, 2006. The Companies must accrue bonuses to directors and corporate auditors at the year end to which such bonuses are attributable.

The Company adopted the new accounting standard for bonuses to directors and corporate auditors for the year ended March 31, 2007. The effect of adoption of this accounting standard was to decrease income before income taxes and minority interests for the year ended March 31, 2007 by ¥82 million ($695 thousand).

l. Leases — All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

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. Appropriations of Retained Earnings — Appropriations of retained earnings are reflected in the consolidated financial statements for the following year upon stockholders' approval.

o. 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 statement of income to the extent that they are not hedged by forward exchange contracts.

p. 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 yen at the average exchange rates.

q. 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 currency 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.

r. Per Share Information — Basic 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 period, retroactively adjusted for stock splits.

Diluted net income per share is not disclosed because there are no securities with dilutive effect upon exercise or conversion into common stock.

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.

s. Use of Estimates — The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

t. New Accounting Pronouncements —
Measurement of Inventories
Under Japanese GAAP, inventories are currently measured either the cost method, or at the lower of cost or market. On July 5, 2006, the ASBJ issued ASBJ Statement No.9, "Accounting Standard for Measurement of Inventories", which is effective for this fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. This standard also requires that inventories held for trading purposes be measured at the market price.

Lease Accounting
On March 31, 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting standard for Lease Transactions", which revised the existing accounting standard for lease transactions issued on June 17, 1993.

Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, however, other finance leases are permitted to be accounted for as operating lease transaction 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. The revised accounting standard for lease transaction is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after 2007.

Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements
Under Japanese GAAP, a company currently can use the financial statements of foreign subsidiaries which are prepared in accordance with generally accepted accounting principles in their respective jurisdictions for its consolidation process unless they are clearly unreasonable. On May 17, 2006, the ASBJ issued ASBJ PITF No. 18, "Practical solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". The new task force 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 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) Actuarial gains and losses of defined benefit plans recognized outside profit or loss

(3) Capitalization of intangible assets arising from development phases
(4) Fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets
(5) Retrospective application when accounting policies are changed
(6) Accounting for net income attributable to a minority interest

The new task force is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

Note: 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, 2007 and 2006, were as follows:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Cash and time deposits	¥8,049,341	¥5,033,779	$68,215
Time deposits with original maturities of more than three months	(357)	(354)	(3)
Cash and cash equivalents	¥8,048,984	¥5,033,425	$68,212

Note: 4

Marketable and Investment Securities

Marketable and investment securities as of March 31, 2007 and 2006 consisted of the following:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Non-current:			
Marketable equity securities	¥48,683	¥ 94,092	$ 413
Trust fund investments and other	—	260,911	—
Total	¥48,683	¥355,003	$ 413

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2007 and 2006, were as follows:

	Thousands of Yen			
	2007			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	¥15,371	¥30,352	¥ —	¥45,723

	Thousands of Yen			
	2006			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	¥ 19,390	¥74,702	¥ —	¥ 94,092
Other	124,629	25	121	124,533

	Thousands of U.S. Dollars			
	2007			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	$130	$257	$ —	$387

Available-for-sale securities whose fair values are not readily determinable as of March 31, 2007 and 2006 were as follows:

	Carrying Amounts		
	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Available-for-sale:			
Equity securities	¥2,960	¥ 10,200	$25
Other	—	126,178	—
Total	¥2,960	¥136,378	$25

Proceeds from sales of marketable and investment securities for the years ended March 31, 2007 and 2006 were ¥281,727 thousand ($2,388 thousand) and ¥9,000 thousand, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥26,051 thousand (221 thousand) and ¥248 thousand (¥2 thousand), respectively for the year ended March 31, 2007 and gross realized gains were ¥1 thousand for the year ended March 31, 2006.

Note: 5

Inventories

Inventories at March 31, 2007 and 2006 consisted of the following:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Merchandise and finished products	¥4,929,356	¥3,252,031	$41,774
Work in process	128,827	82,990	1,092
Raw materials and supplies	1,462,391	1,800,059	12,393
Total	¥6,520,574	¥5,135,080	$55,259

Note: 6

Retirement Benefits

Under the pension plan, employees terminating their employment are, in most circumstances, entitled to pension payments based on their average pay during their employment, period of service and certain other factors.

The liability (asset) for employees' retirement benefits at March 31, 2007 and 2006 consisted of the following:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Projected benefit obligation	¥1,594,008	¥1,638,134	$13,509
Fair value of plan assets	(1,772,871)	(1,678,700)	(15,025)
Unrecognized prior service cost	137,887	—	1,169
Unrecognized actuarial gain	13,691	43,915	116
Net liability (asset)	¥ (27,285)	¥ 3,349	$ (231)

The components of net periodic benefit costs for the years ended March 31, 2007 and 2006 were as follows:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Service cost	¥107,837	¥104,243	$ 914
Interest cost	37,123	36,820	315
Expected return on plan assets	(41,967)	(30,675)	(356)
Amortization of prior service cost	(15,321)	—	(130)
Recognized actuarial (gain) loss	(9,046)	47,894	(77)
Other retirement expenses	124,347	106,823	1,054
Net periodic benefit costs	¥202,973	¥265,105	$1,720

Other retirement expenses consist of the Company's contribution to the employees' pension plan and the consolidated foreign subsidiaries' contributions to the defined contribution plans. Assumptions used for the years ended March 31, 2007 and 2006 are set forth as follows:

	2007	2006
Discount rate	2.5%	2.5%
Expected rate of return on plan assets	2.5%	2.5%

The Company recognizes unrecognized actuarial gain or loss by the declining-balance method over ten years beginning in the year following the year in which such gain or loss incurred.

Note: 7
Equity

At March 31, 2007, 40.0% of the Company's outstanding shares were owned by Roland Corporation, which is principally engaged in the manufacturing and sales of electronic musical instruments.

On and after May 1, 2006, Japanese companies are subject to a new corporate law of Japan (the "Corporate Law"), which reformed and replaced the Commercial Code of Japan (the "Code") with various revisions that are, for the most part, applicable to events or transactions which occur on or after May 1, 2006 and for the fiscal years ending on or after May 1, 2006. The significant changes in the Corporate Law that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Corporate Law, 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 of such company 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.

The Corporate Law 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 Corporate Law 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 Corporate Law 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 Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation of such threshold. The Corporate Law 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 Corporate Law 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 Corporate Law, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity.

The Corporate Law 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.

On May 20, 2005, the Company made a stock split by way of a free share distribution at the rate of 2 shares for each outstanding share and 8,900,000 shares were issued to shareholders of record on March 31, 2005.

Note: 8

Income Taxes

The Company is 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, 2007 and 2006.

The tax effects of significant temporary differences and tax loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2007 and 2006, were as follows:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Deferred tax assets:			
Intercompany profits on inventories	¥ 294,886	¥127,049	$2,499
Accrued enterprise taxes	98,265	46,235	833
Accrued bonuses	190,648	151,259	1,616
Long-term payables	46,547	46,547	394
Accrued expenses	114,263	95,107	968
Other	513,967	416,920	4,356
Less valuation allowance	(5,750)	(2,740)	(49)
Total	¥1,252,826	¥880,377	$10,617
Deferred tax liabilities:			
Retained earnings appropriated for special allowance	¥ (59,448)	¥ 8,440	$ (504)
Undistributed earnings of subsidiaries	(307,066)	208,280	(2,602)
Other	(32,529)	34,800	(276)
Total	¥ (399,043)	¥251,520	$ (3,382)
Net deferred tax assets	¥ 853,783	¥628,857	$ 7,235

The difference between the normal effective statutory tax rate and the actual effective tax rate of the year ended March 31, 2007 was less than 5% and the explanatory note was omitted.

The difference between the normal effective statutory tax rate and the actual effective tax rate for the year ended March 31, 2006 was as follows:

	2006
Normal effective statutory tax rate	39.8%
Expenses not deductible for income tax purposes	0.1
Per capita inhabitant tax	0.3
Extra tax deduction on expenses for research and development	(3.8)
Valuation allowance	(2.8)
Foreign tax credit	(1.3)
Other - net	(0.6)
Actual effective tax rate	31.7%

Note: 9

Research and Development Costs

Research and development costs included in cost of sales for the years ended March 31, 2007 and 2006 were ¥1,766,193 thousand ($14,968 thousand) and ¥1,712,893 thousand, respectively.

Note: 10

Leases

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

Total lease payments under finance leases for the years ended March 31, 2007 and 2006 were ¥5,313 thousand ($45 thousand) and ¥561 thousand, respectively.

Pro forma information of leased property under finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2007 and 2006 was as follows:

	Machinery and Equipment		
	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Acquisition cost	¥34,950	¥ —	$296
Accumulated depreciation	5,097	—	43
Net leased property	¥29,853	¥ —	$253

Obligations under finance leases:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Due within one year	¥ 8,572	¥ —	$ 72
Due after one year	21,457	—	182
Total	¥30,029	¥ —	$254

Depreciation expense and interest expense under finance leases:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Depreciation expense	¥5,097	¥489	$ 43
Interest expense	393	14	4
Total	¥5,490	¥503	$ 47

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, 2007 and 2006 were as follows:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Due within one year	¥129,497	¥ 89,909	$1,098
Due after one year	187,061	135,315	1,585
Total	¥316,558	¥225,224	$2,683

Note: 11

Derivatives

The Group enters into foreign currency forward contracts 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, 2007 and 2006:

	Thousands of Yen					
	2007			2006		
	Contract Amount	Fair Value	Unrealized Loss	Contract Amount	Fair Value	Unrealized Loss
Foreign currency forward contracts:						
Buying Japanese yen; selling U.S. dollars	¥2,731,484	¥2,657,150	¥(74,334)	¥1,689,607	¥1,669,667	¥(19,940)

	Thousands of U.S. Dollars		
	2007		
	Contract Amount	Fair Value	Unrealized Loss
Foreign currency forward contracts:			
Buying Japanese yen; selling U.S. dollars	$23,148	$22,518	$(630)

The contract or notional 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.

Note: 12

Contingent Liabilities

At March 31, 2007, the Group had the following contingent liabilities:

	Thousands of Yen	Thousands of U.S. Dollars
Trade notes discounted	¥986,652	$ 8,361
Guarantees for bank loans of an unconsolidated subsidiary and employees	128,501	1,089

On January 30, 2007, Gerber Scientific International, Inc. has filed a lawsuit against the Company's subsidiary, Roland DGA Corporation for claiming infringement of certain patent rights by the products distributed by Roland DGA Corporation. The Company believes that none of the cases being litigated constitute an infringement of any patent rights and is so insisting; however, such litigation process may adversely affect its operating results.

Note: 13

Net income per Share

The basis of the computing earnings per share ("EPS") for the years ended March 31, 2007 and 2006 is as follows:

	Thousands of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income	Weighted Average Shares	EPS	
For the year ended March 31, 2007:				
EPS				
Net income available to common stockholders	¥3,494,446	17,800	¥196.32	$1.66
For the year ended March 31, 2006:				
EPS				
Net income available to common stockholders	¥2,971,549	17,800	¥166.94	

The number of the weighted average shares is adjusted retroactively for stock split made on May 20, 2005.

Note: 14

Supplementary Information to The Statement of Cash Flows

During the year ended March 31, 2007, the Company purchased shares of a company in Italy from a subsidiary of Roland Corporation. The reconciliation of assets acquired and liabilities assumed in the acquisition to cash paid was as follows:

	Thousands of Yen	Thousands of U.S. Dollars
Inventories	¥ 653,183	$ 5,535
Other current assets	93,323	791
Building	90,105	763
Goodwill	1,177,592	9,980
Other fixed assets	59,441	504
Other debts	(394,529)	(3,343)
Cash Paid	¥1,679,115	$14,230

In the year ended March 31, 2006, the Company acquired a sales business in Spain from a subsidiary of Roland Corporation. The reconciliation of assets acquired and liabilities assumed in the acquisition to cash paid was as follows:

	Thousands of Yen
Trade accounts receivable	¥ 151,285
Inventories	201,351
Other current assets	125,038
Tools, Furniture and fixtures	32,633
Goodwill	547,662
Assets payable - trade	(305,280)
Cash paid	¥ 752,689

Note: 15

Subsequent Event

The following appropriations of retained earnings at March 31, 2007 were approved at the Company's shareholders' meeting held on June 20, 2007:

	Thousands of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥25 ($0.21) per share	¥445,000	$3,771

Note: 16

Segment Information

Information about industry segments is not disclosed because the computer peripheral equipments segment, which is the Group's main business, represented more than 90% of their operations.

(1) Geographical Segments

The geographical segments of the Group for the years ended March 31, 2007 and 2006 are summarized as follows:

	Thousands of Yen				
	2007				
	Japan	USA	Europe	Eliminations /Corporate	Consolidated
Sales to customers	¥14,855,844	¥10,913,640	¥10,336,705	¥ —	¥36,106,189
Interarea transfers	13,439,286	—	—	(13,439,286)	—
Total sales	28,295,130	10,913,640	10,336,705	(13,439,286)	36,106,189
Operating expenses	24,586,029	9,732,563	8,696,685	(13,143,390)	29,871,887
Operating income	¥ 3,709,101	¥ 1,181,077	¥ 1,640,020	¥ (295,896)	¥ 6,234,302
Total assets	¥20,817,289	¥ 4,731,367	¥ 8,134,323	¥(3,361,968)	¥30,321,011

	Thousands of Yen				
	2006				
	Japan	USA	Europe	Eliminations /Corporate	Consolidated
Sales to customers	¥14,553,424	¥8,997,002	¥5,317,319	¥ —	¥28,867,745
Interarea transfers	8,010,235	—	—	(8,010,235)	—
Total sales	22,563,659	8,997,002	5,317,319	(8,010,235)	28,867,745
Operating expenses	19,590,149	8,077,362	4,446,997	(8,135,768)	23,978,740
Operating income	¥ 2,973,510	¥ 919,640	¥ 870,322	¥ 125,533	¥ 4,889,005
Total assets	¥19,057,088	¥3,778,285	¥3,875,375	¥(1,953,893)	¥24,756,855

	Thousands of U.S. Dollars				
	2007				
	Japan	USA	Europe	Eliminations /Corporate	Consolidated
Sales to customers	$125,897	$92,489	$87,599	$ —	$305,985
Interarea transfers	113,892	—	—	(113,892)	—
Total sales	239,789	92,489	87,599	(113,892)	305,985
Operating expenses	208,356	82,479	73,701	(111,384)	253,152
Operating income	$ 31,433	$10,010	$13,898	$ (2,508)	$ 52,833
Total assets	$176,418	$40,096	$68,935	$(28,491)	$256,958

(2) Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2007 and 2006 are summarized as follows:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Sales to foreign customers in:			
North America	¥10,188,321	¥ 8,526,893	$ 86,342
Europe	13,475,121	10,029,907	114,196
Asia	3,809,869	3,185,962	32,287
Other	4,443,637	3,180,896	37,658
Total	¥31,916,948	¥24,923,658	$270,483

Note: 17

Related Party Transactions

The material transactions and related balances of the Company with subsidiaries and associated companies for the years ended March 31, 2007 and 2006 were as follows:

	Thousands of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Sales	¥ —	¥1,932,274	$ —
Purchase of shares of affiliate	1,703,700	—	14,438
Trade notes and accounts receivable	—	497,881	—

Transfer prices between the Company and associated companies are determined based on arm's-length transactions.

INDEPENDENT AUDITORS' REPORT

Deloitte Touche Tohmatsu
Nakanoshima Central Tower
2-2-7, Nakanoshima, kita-ku
Osaka-shi, Osaka 530-0005
Japan

Tel: +81 6 4560 6000
Fax: +81 6 4560 6001
www.deloitte.com/jp

To the Board of Directors of Roland DG Corporation:

We have audited the accompanying consolidated balance sheets of Roland DG Corporation and consolidated subsidiaries (the "Company") as of March 31, 2007 and 2006, 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 DG Corporation and consolidated subsidiaries as of March 31, 2007 and 2006, 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.

Deloitte Touche Tohmatsu

June 20, 2007

Corporate Data

COMPANY OUTLINE *(As of March 31, 2007)*

Company Name:
Roland DG Corporation

Founded:
May 1, 1981

Common Stock:
¥3,669 million

Net Sales for 2007:
¥28,295 million

Number of Employees:
389

Main Products:
Color Graphics/Signmaking Devices, Vinyl Sign Cutters
Engraving/Routing Systems
Prototyping/Modeling Machines, 3D Scanner, Metal Printer

Headquarters:
1-6-4 Shinmiyakoda, Kita-ku, Hamamatsu-shi,
Shizuoka-ken, 431-2103 Japan
Phone: +81-53-484-1200 Fax:+81-53-484-1227
Website: http://www.rolanddg.com

Branch Offices in Japan:
Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, Sendai, Hiroshima

Number of Stockholders:
2,648

Stock Exchange Listing:
Tokyo

Stock Transfer Agent:
Daiko Shoken Business Co.,Ltd.

Independent Auditor:
Deloitte Touche Tohmatsu

Directors and Corporate Auditors:
(As of June 20, 2007)

President	Masahiro Tomioka
Executive Director	Masanori Morita
Executive Director	Hisao Omori
Managing Director	Hideyuki Kakiuchi
Director	Harumi Sakawa
Director	Kenji Murayama
Director	Masaharu Kamata
Director	Jun Ito
Director	Shuji Hotta
Director	Hidekazu Tanaka
Corporate Auditor	Jiro Sato
Corporate Auditor	Masahiro Kinoshita
Corporate Auditor	Takuo Hirose

ROLAND GROUP NETWORK *(As of June 20, 2007)*

Japan:
Roland Corporation
BOSS Corporation
Roland SG Corporation
Roland Engineering Corporation
Modeling R Corporation

Overseas:
Roland DGA Corporation
15363 Barranca Parkway, Irvine, CA 92618, U.S.A.
Phone: +1 949 727 2100
Fax: +1 949 727 2112

Roland D.G. Benelux N.V.
Houtstraat 3, B-2260, Westerlo, Belgium
Phone: +32 14 57 59 11
Fax: +32 14 57 59 12

Roland DG (U.K.) Limited
Westway House, Hither Green Industrial Estate, Clevedon, North Somerset, BS21 6XT
Phone: +44 1275 335540
Fax: +44 1275 335541

Roland Digital Group Iberia, S.L.
Paseo Garcia i Faria, 33-35,
08005, Barcelona, Spain
Phone: +34 93 493 9100
Fax: +34 93 493 9132

Roland DG Mid Europe S.r.l.
Via Leonardo da Vinci 1/b
63030 Acquaviva Picena (AP) Italy
Phone: +39 0735 586558
Fax: +39 0735 576176

Roland DG Australia Pty. Ltd.
Allambie Grove Business Park, Unit 14,
25 Frenchs Forest Rd, Frenchs Forest NSW 2086
Australia
Phone: +61 2 9975 0000
Fax: +61 2 9975 0001

Roland DG New Zealand Limited
32 Shaddock Street, Mt. Eden, Auckland, New Zealand
Phone +64 9 309 8104
Fax +64 9 309 1065

Electronic Musical Instruments Roland Scandinavia a-s
Nordhavnsvej 7.Box 880 DK-2100
Copenhagen, Denmark
Phone: +45 39 16 62 62
Fax: +45 39 16 62 77

Roland East Europe Ltd.
Warehouse Area “DEPO” Pf. 83, H-2046 Torokbalint, Hungary
Phone: +36 23 338 041
Fax: +36 23 338 087

Roland Brasil Importacao Exportacao, Comercio, Representacao e Servicos Ltda.
Rua San Jose, 780 Sala B CEP 06700-000 Parque Industrial San Jose
Cotia-São Paulo-Brazil
Phone: +55 11 4615 5666
Fax: +55 11 4615 5699

Roland Taiwan Enterprise Co.,Ltd.
Room 5, 9 FL., No.112 Chung Shan N. Rd.
Sec. 2, Taipei, Taiwan, Republic of China
Phone: +886 2 2536 5217
Fax: +886 2 2531 1366

Headquarters

Miyakoda Factory

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http://www.rolanddg.com/