

# **Consolidated Financial Results**

## **for the Three Months Ended March 31, 2021**

May 12, 2021



# Summary

## ■ Q1 result

- Strong sales in our main markets - sign and dental
- Sales increase and SG&A reduction contributed to Operating Income and Ordinary Income increase
- Early retirement program related expenses **all incurred in Q1 as an extraordinary loss**

## ■ Forecast revision

- Revise up H1 and FY forecast due to increase in both sales and profit
- Keep H2 forecast unchanged given the business environment

## ■ Midterm themes

- Fixed cost reduction impact by the early retirement program
- Expansion of the Thailand factory for migration of mass production
- Production development for Growth Markets and New Markets

# Q1 Financial Summary

# FY2021 Q1 Consolidated Financial Results

**Operating Income increased due to sales increase; net income negative due to extraordinary loss**



(Millions of yen)

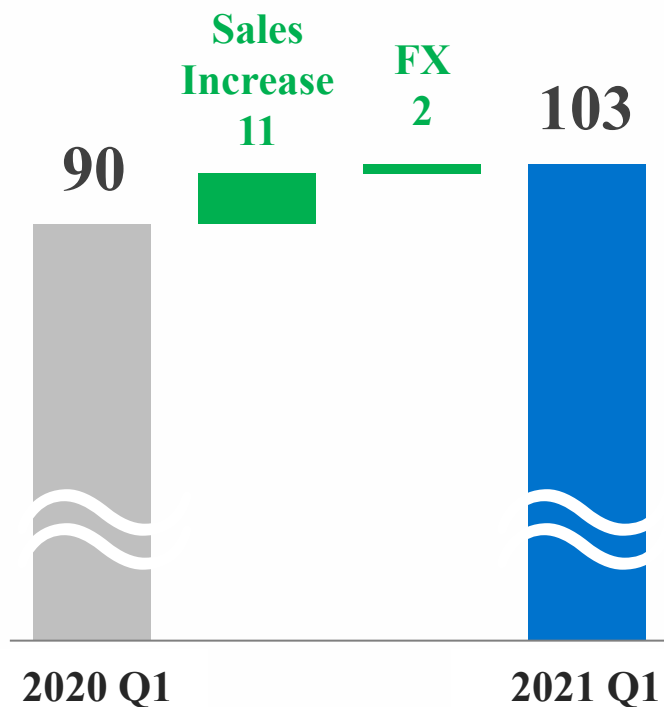
※ Income attributable to owners of parent



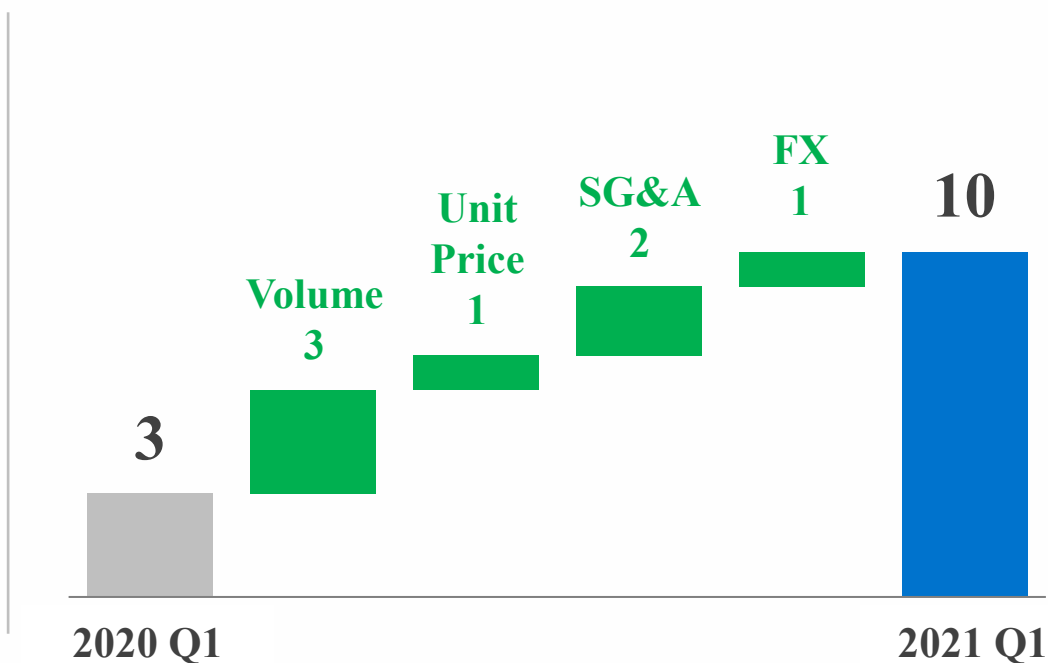
# Variance analysis YoY

(100 Millions of Yen)

## Net Sales



## Operating Income



Average FX rate  
(Unit : Yen)

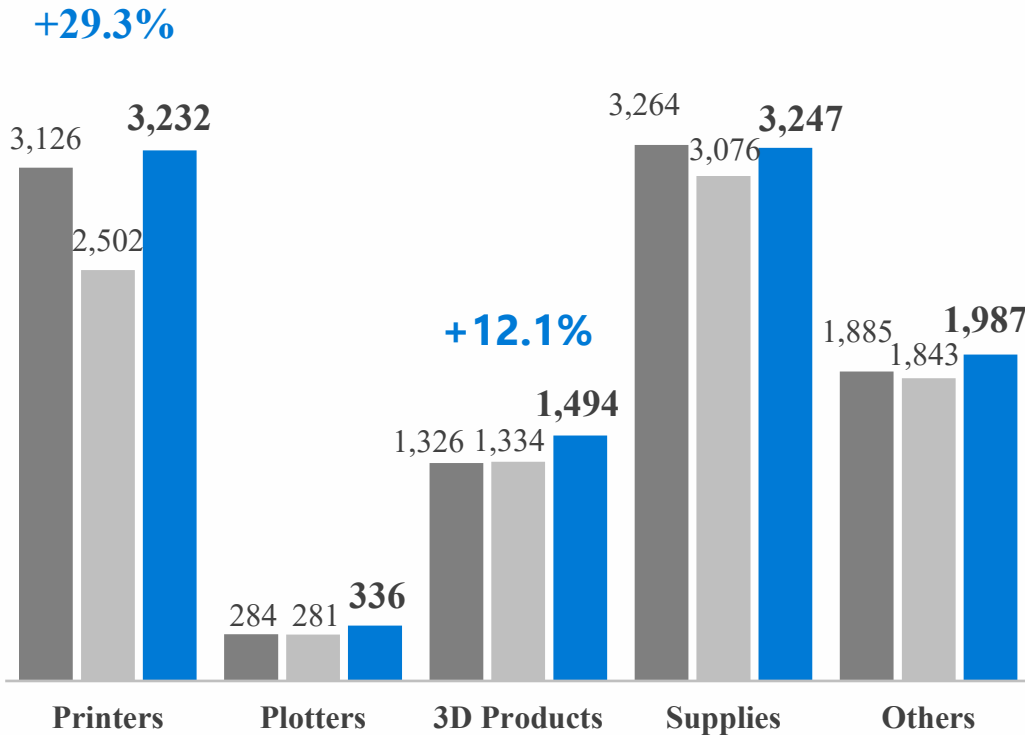
	2020/Q1	2021/Q1	
USD	108.97	105.91	97.2%
EUR	120.19	127.72	106.3%

# FY2021 Q1 Sales by Product

## Printers for sign market and dental milling machine grew

(Millions of yen)

■ 2019 Q1    ■ 2020 Q1    ■ 2021 Q1



- Printers**
  - ✓ Printers for Sign market grew
  - ✓ Small desktop models remained solid

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- Plotters**
  - ✓ Large models for sign market increased

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- 3D Products (DGSHAPE)**
  - ✓ Dental market demand was strong in Europe, America and Asia

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- Supplies**
  - ✓ Inks for sign market grew YoY

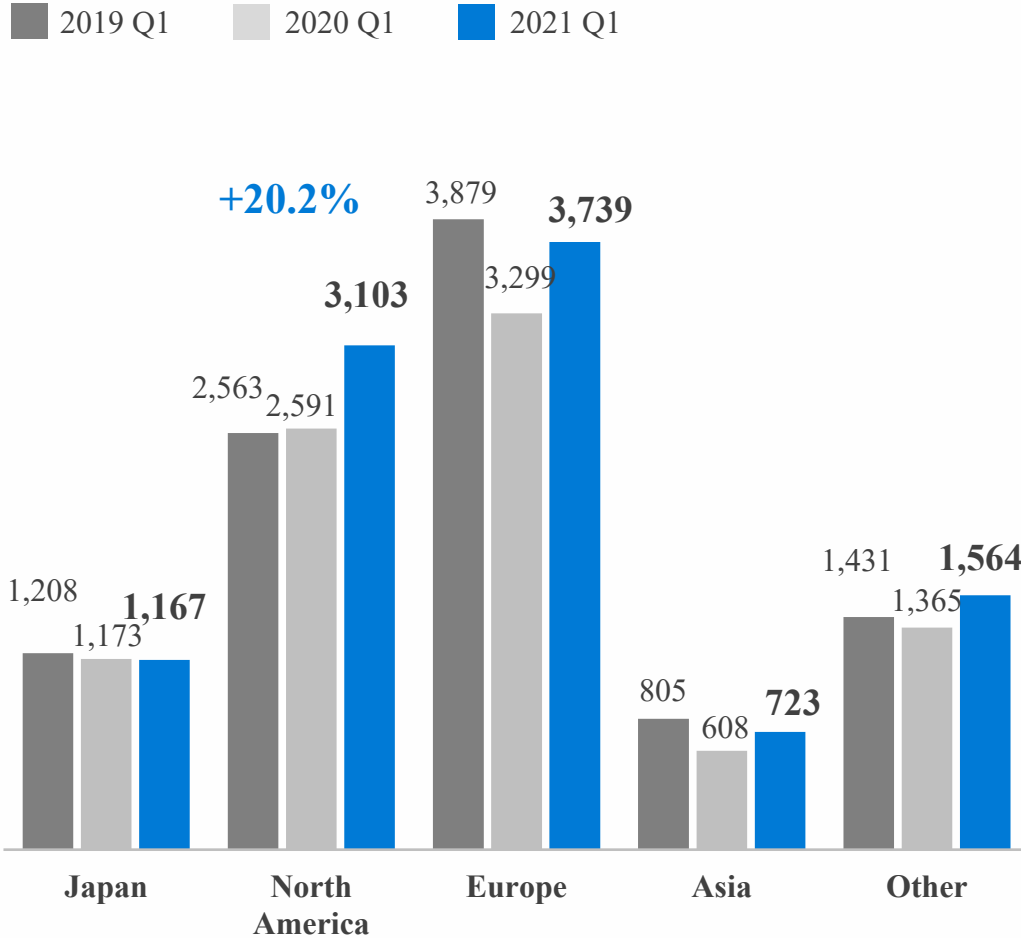
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- Others**
  - ✓ Service parts increased as product usage improved

# FY2021 Q1 Sales by region

## Recovered to pre-COVID level; N. America remains strong

(Millions of yen)



- Japan**
  - ✓ Printer and Ink for sign market declined
  - ✓ Dental milling machine increase

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- North America**
  - ✓ Printer for sign market grew
  - ✓ Dental market demand was strong but fell YoY due to product shortage

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- Europe**
  - ✓ Sign and retail printers increased under COVID
  - ✓ Dental machines strong

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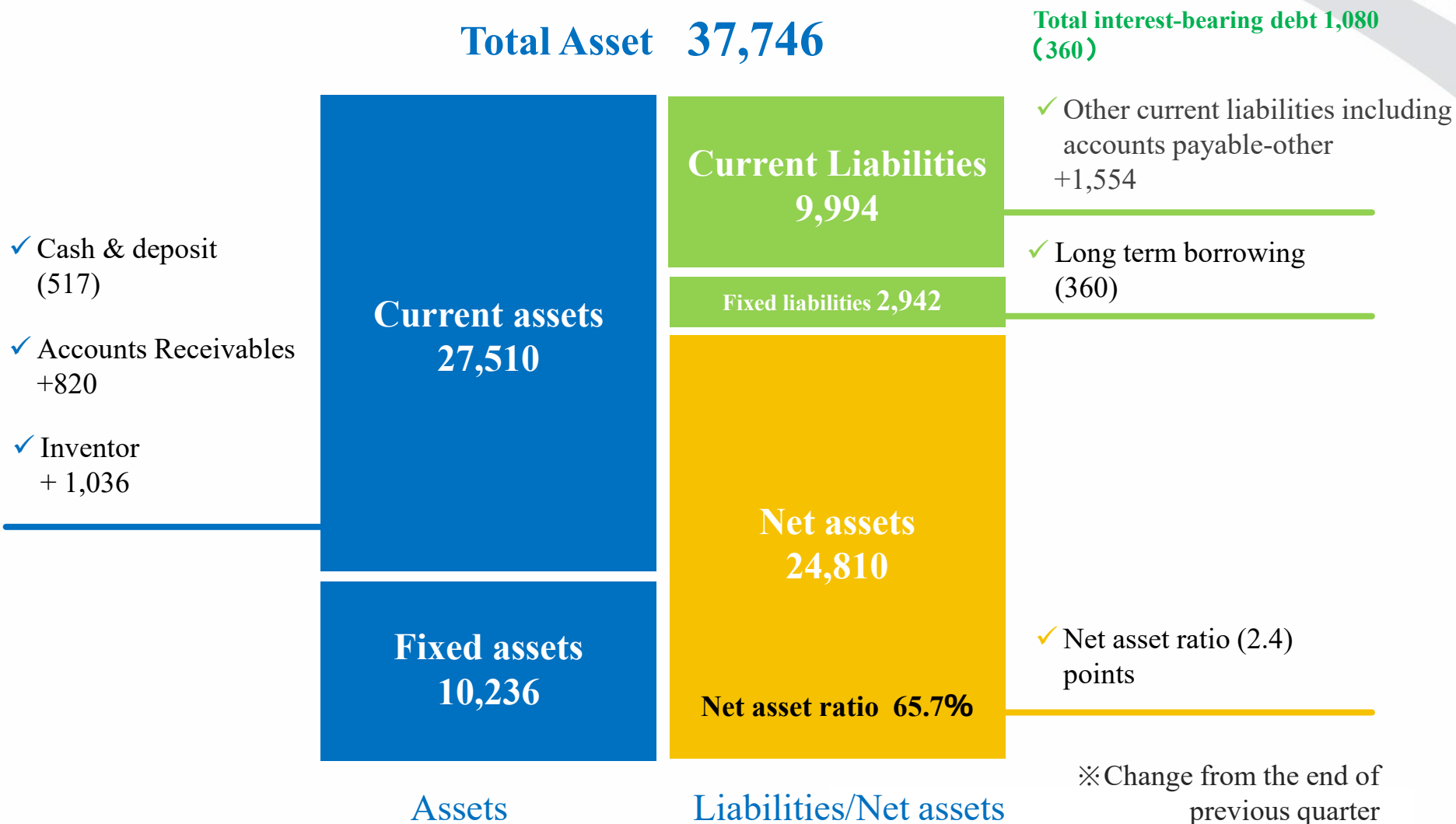
- Asia**
  - ✓ China dental milling machines increased
  - ✓ Service parts in China and ASEAN area grew

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- Others**
  - ✓ Printers for sign and eco-solvent ink grew in Australia
  - ✓ Brazil declined due to FX

# Balance sheet summary (as of 3/31/2021)

## Balance sheet remains healthy





# Forecast revision

# Revised consolidated financial forecast

## ■ Revised up H1 forecast

- Investment appetite expected to remain strong
- SG&A to be lower than expected; fixed cost reduction to be above plan due to the result of the early retirement program
- Expected to incur part of the early retirement plan related cost in H2 but ended up booking all costs in Q1. Despite that, net income is to exceed previous forecast

## ■ Revised up FY forecast accounting for the increase in H1

- Demand is to remain solid in H2 while uncertainty is increasing on the supply side
- FY revision only accounts for the uplift in H1 guidance and the impact of the result of the early retirement program

### 2021 1H Sales forecast

### 2021 2H Sales forecast

Demand



- Some impact by COVID but investment demand to stay strong



- Demand to remain solid  
※ Potential risk of downturn depending on COVID situation

Supply



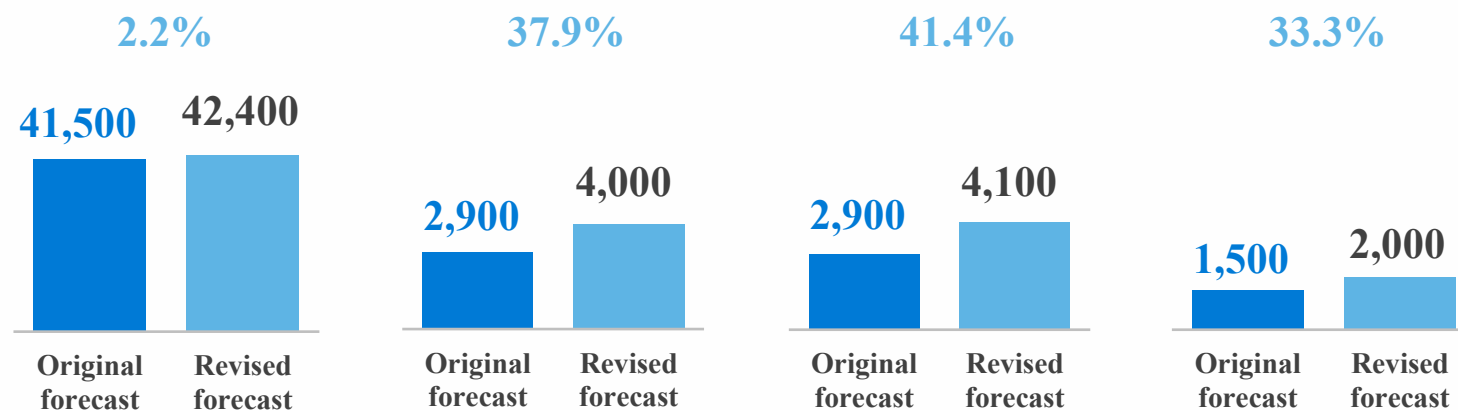
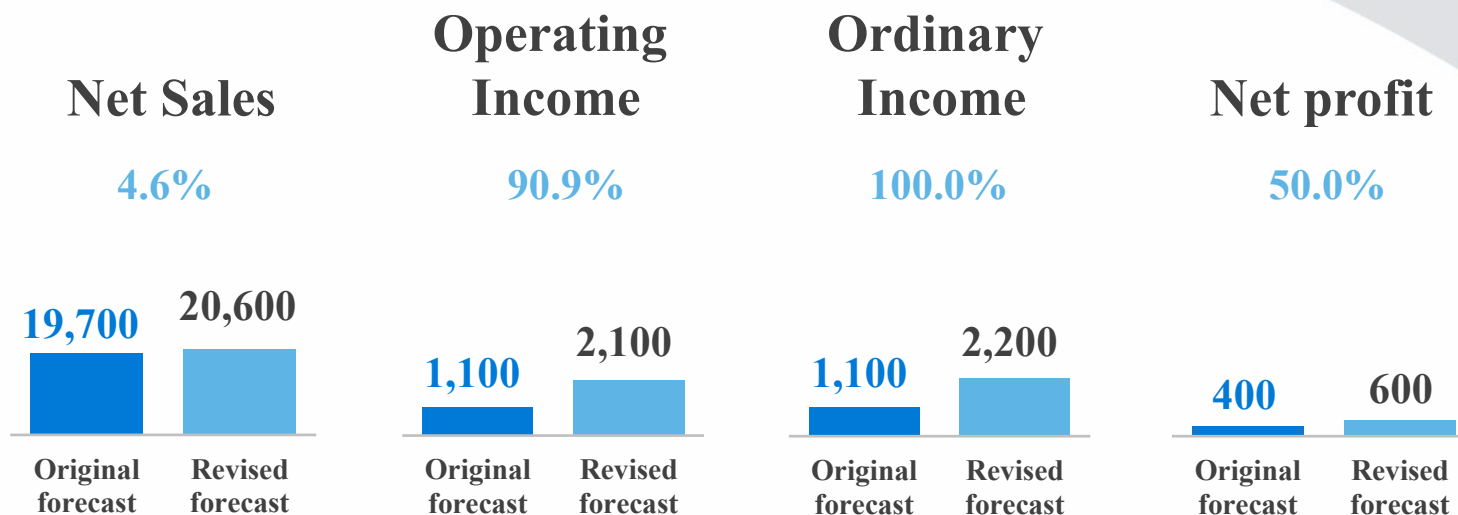
- Inventory shortage and backorder to be resolved by production increase
- Some uncertainties around future procurement but can produce products needed for H1 sales target



- Uncertainty around components (electronics etc) and container ship procurement

# Revised consolidated financial forecast

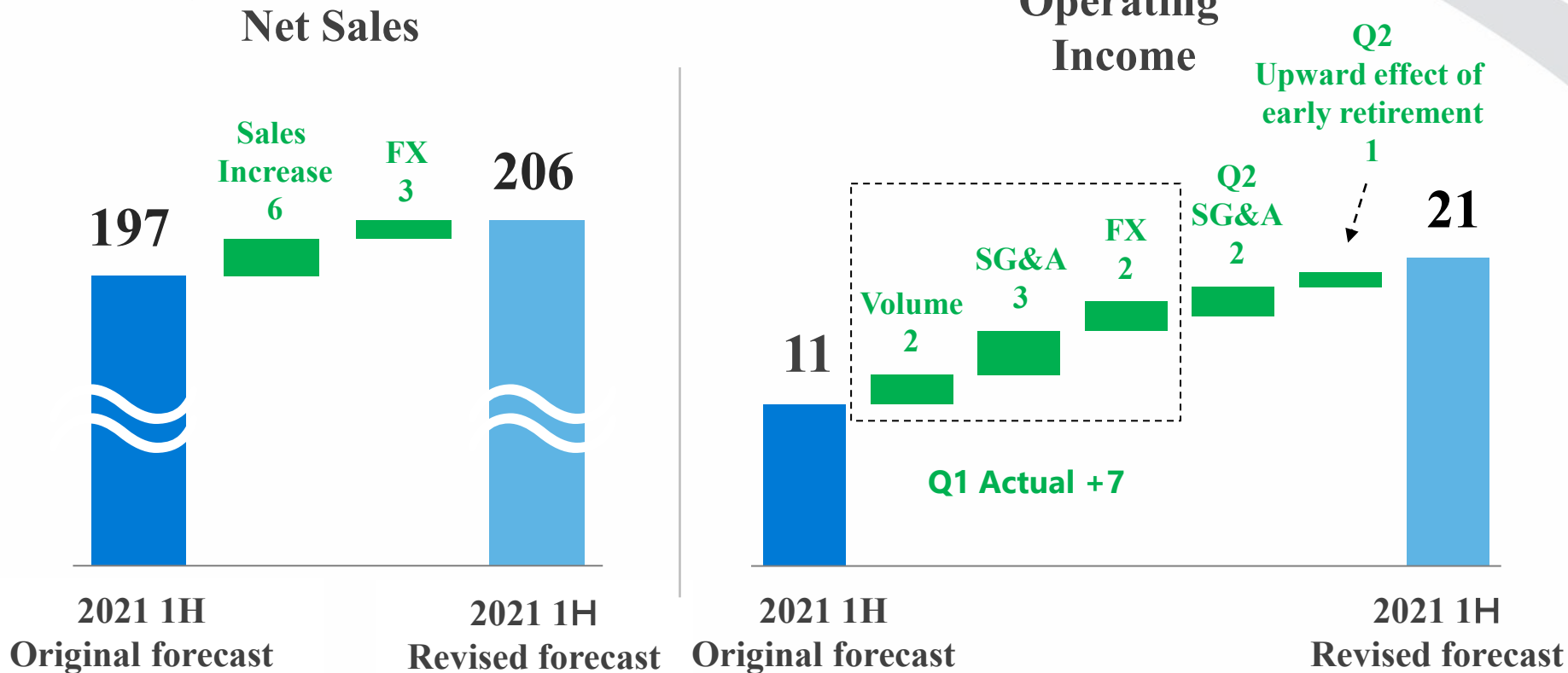
(Millions of yen)



※ Income attributable to owners of parent

# Q2 variance analysis vs original forecast

(100 Millions of Yen)



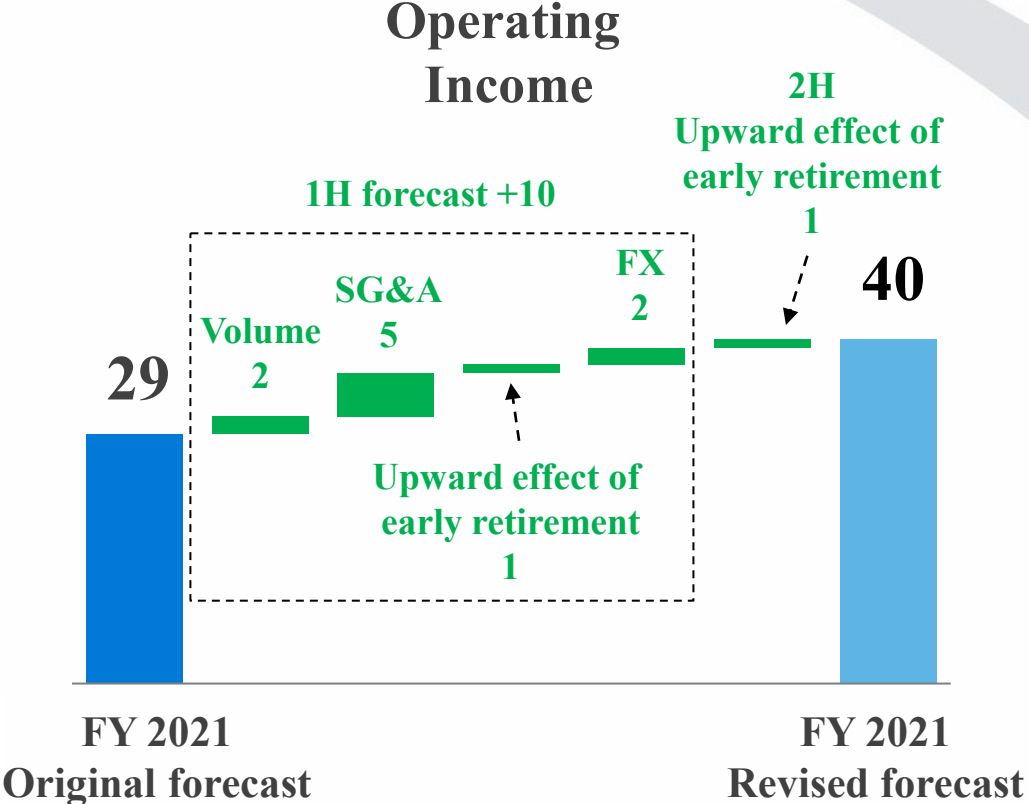
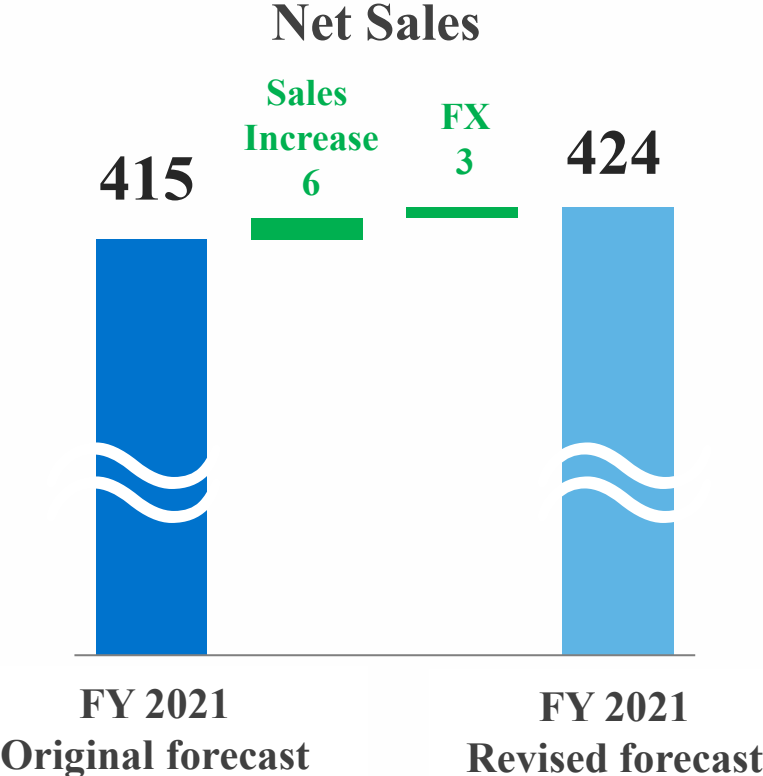
Average FX rate  
(Unit : Yen)

USD 100.00

EUR 125.00

# Full year variance analysis vs original forecast

(100 Millions of Yen)



Average FX rate  
(Unit : Yen)

USD	100.00
EUR	125.00

# **Progress report on the medium-term management plan**

# Fixed cost reduction impact by the early retirement program

## Operating Income Impact

(Millions of yen)

	2021 1H	2021 2H	FY 2021	After 2022
Original estimate	135	270	405	750
Actual Impact	220	370	590	1,090
Difference	+ 85	+ 100	+ 185	+ 340

Cost reduction impact of 1,090mn per year from the next fiscal year (FY2022)

## Early retirement program related cost ※ Extraordinary loss

(Millions of yen)

	2021 1H	2021 2H	FY 2021
Original estimate	600	400	1,000
Actual Impact	1,249	0	1,249
Difference	+ 649	△400	+ 249

# Migration of mass production to Thailand – currently conducting floor expansion

- Expansion for warehouse space etc to be completed by November (JPY260mn investment)
  - Complete migration from Japan to Thailand by around the end of 2021
  - Dental milling machines being migrated as of Q1
  - Remaining products including printers to be migrated from Q2

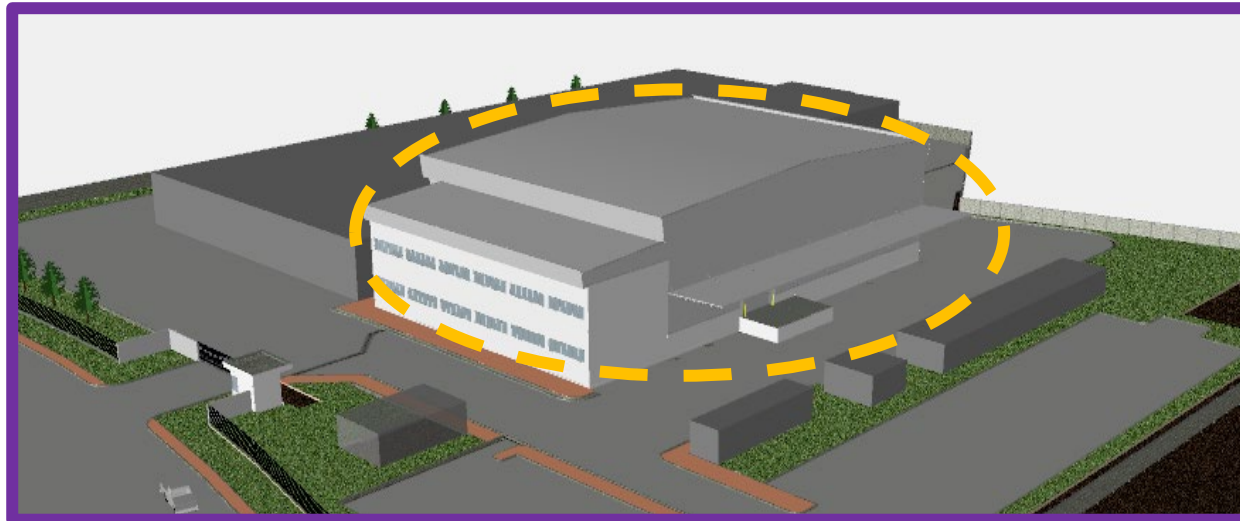


Image of the expanded floor



# Mid-term Plan Topics

## Products for Growth and New Market



**DWX-42Wi**

Dental milling machine for Growth markets



**Texart  
XT-640S-DTG  
Garment Printer**



**VersaUV  
LEC2 S-Series**

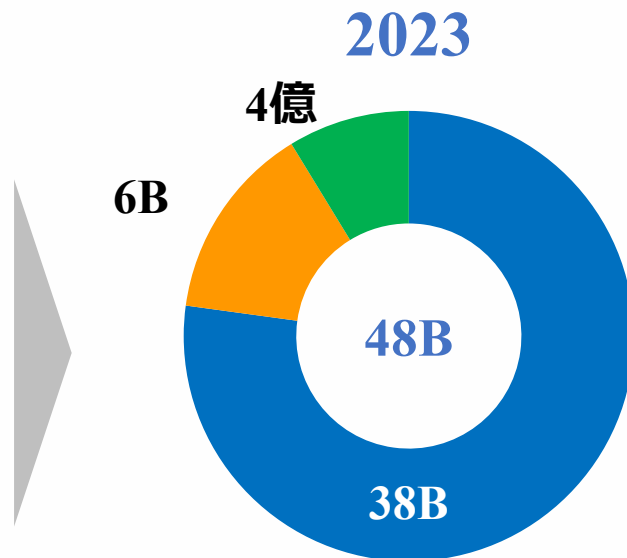
UV printers for boards and thick materials



**VersaUV  
LEC2-640 LEC2-330**

UV Printer for existing market

(March 2021 release)



(Sales JPY)

The information pertaining to our business plans and forecasts that has been provided in this presentation contains forward-looking statements that are based on the plans and prospects of the Company at this point in time. The actual business results could be significantly different from those stated in this presentation due to changes in conditions. As such, please be advised that it cannot be guaranteed that these statements will not differ materially from actual results.

# Appendix

# FY2021 Q1 Consolidates Financial Results

(Millions of yen)

	FY2020 Q1		FY2021 Q1		YoY change		
	Performance	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
<b>Net sales</b>	9,038	100.0%	<b>10,298</b>	100.0%	1,259	113.9%	112.2%
<b>Gross profit</b>	3,771	41.7%	<b>4,323</b>	42.0%	552	114.7%	111.6%
<b>SGA cost</b>	3,446	38.1%	<b>3,292</b>	32.0%	(154)	95.5%	94.4%
<b>Operating income</b>	324	3.6%	<b>1,031</b>	10.0%	707	318.0%	294.9%
<b>Ordinary income</b>	136	1.5%	<b>1,108</b>	10.8%	972	810.6%	753.1%
<b>Net profit</b>	92	1.0%	<b>△215</b>	-	(307)	-	-
<b>EPS (Yen)</b>	7.38		<b>△17.34</b>				
<b>Exchange rate Yen</b>	<b>USD</b>	108.97	<b>105.91</b>				
	<b>EUR</b>	120.19	<b>120.19</b>				

(Millions of yen)

Exchange rate Amount of impact	Net sales	152
	Operating income	75

※ Income attributable to owners of parent

# FY2021 Q1 Sales by Products

(Millions of yen)

	FY2020 Q1		FY2021 Q1		YoY change	
	Performance	% of sales	Performance	% of sales		Exchange rate impact excluded Real term
<b>Printer</b>	2,498	27.6%	<b>3,232</b>	31.4%	129.3%	127.9%
<b>Plotter</b>	281	3.1%	<b>336</b>	3.3%	119.3%	119.1%
<b>3D Products (DGSHAPE)</b>	1,334	14.8%	<b>1,494</b>	14.5%	112.1%	109.8%
<b>Supply</b>	3,079	34.1%	<b>3,247</b>	31.5%	105.5%	103.8%
<b>Others</b>	1,844	20.4%	<b>1,987</b>	19.3%	107.8%	105.9%
<b>Total</b>	9,038	100.0%	<b>10,298</b>	100.0%	113.9%	112.2%

# FY2021 Q1 Sales by Regions

(Millions of yen)

	FY2020 Q1		FY2021 Q1		YoY change	
	Performance	% of sales	Performance	% of sales		Exchange rate impact excluded Real term
<b>Japan</b>	1,173	13.0%	<b>1,167</b>	11.4%	99.5%	-
<b>North America</b>	2,581	28.6%	<b>3,103</b>	30.1%	120.2%	123.7%
<b>Europe</b>	3,309	36.6%	<b>3,739</b>	36.3%	113.0%	106.3%
<b>Asia</b>	608	6.7%	<b>723</b>	7.0%	118.9%	116.7%
<b>Others</b>	1,366	15.1%	<b>1,564</b>	15.2%	114.5%	113.9%
<b>Total</b>	9,038	100.0%	<b>10,298</b>	100.0%	113.9%	112.2%

# Revisions of the consolidated result forecasts for FY2021 1H

## Sales by Products

(Millions of yen)

	FY2019 1H		FY2020 1H		FY2021 1H Forecast				
	Performance	% of sales	Performance	% of sales	Original	Revised	% of sales	% of Original forecast	YoY
<b>Printer</b>	6,388	32.0%	4,591	29.1%	6,150	<b>6,555</b>	31.8%	106.6%	142.8%
<b>Plotter</b>	558	2.8%	497	3.2%	500	<b>620</b>	3.0%	124.0%	124.7%
<b>3D Products (DGSHAPE)</b>	2,645	13.3%	1,976	12.5%	2,900	<b>3,060</b>	14.9%	105.5%	154.8%
<b>Supply</b>	6,694	33.5%	5,565	35.3%	6,650	<b>6,630</b>	32.2%	99.7%	119.1%
<b>Others</b>	3,671	18.4%	3,144	19.9%	3,500	<b>3,735</b>	18.1%	106.7%	118.8%
<b>Total</b>	19,958	100.0%	15,774	100.0%	19,700	<b>20,600</b>	100.0%	104.6%	130.6%

# Revisions of the consolidated result forecasts for FY2021 1H

## Sales by Regions

(Millions of yen)

	FY2019 1H		FY2020 1H		FY2021 1H Forecast				
	Performance	% of sales	Performance	% of sales	Original	Revised	% of sales	% of Original forecast	YoY
<b>Japan</b>	2,271	11.4%	2,039	12.9%	2,300	<b>2,325</b>	11.3%	101.1%	114.0%
<b>North America</b>	5,487	27.5%	5,053	32.0%	5,800	<b>6,090</b>	29.6%	105.0%	120.5%
<b>Europe</b>	7,701	38.6%	5,551	35.2%	7,600	<b>7,690</b>	37.3%	101.2%	138.5%
<b>Asia</b>	1,628	8.1%	1,073	6.8%	1,500	<b>1,575</b>	7.6%	105.5%	146.7%
<b>Others</b>	2,870	14.4%	2,056	13.1%	2,500	<b>2,920</b>	14.2%	116.8%	142.0%
<b>Total</b>	19,958	100.0%	15,774	100.0%	19,700	<b>20,600</b>	100.0%	104.6%	130.6%



# FY2021 Consolidated financials forecast

(Millions of yen)

	FY2020		FY2021		YoY change	
	Performance	Ratio	Revised Forecast	Ratio	Change	Ratio
<b>Net sales</b>	34,780	100.0%	<b>42,400</b>	100.0%	7,619	121.9%
<b>Gross profit</b>	13,178	37.9%	<b>17,500</b>	41.4%	4,321	132.8%
<b>SGA cost</b>	12,678	36.5%	<b>13,500</b>	31.9%	821	106.5%
<b>Operating income</b>	500	1.4%	<b>4,000</b>	9.5%	3,499	799.7%
<b>Ordinary income</b>	422	1.2%	<b>4,100</b>	9.7%	3,677	969.8%
<b>Net profit</b>	251	0.7%	<b>2,000</b>	4.7%	1,748	796.4%
<b>EPS (Yen)</b>	20.17		<b>160.96</b>			
<b>Exchange rate</b>	<b>USD</b>	106.83	<b>100</b>			
	<b>Yen</b>	121.86	<b>125</b>			

※ Income attributable to owners of parent

# Revisions of the consolidated result forecasts for FY2021

## Sales by Products

(Millions of yen)

	FY2019		FY2020		FY2021		
	Performance	Percentages	Performance	Percentages	Revised Forecast	Percentages	YoY
<b>Printer</b>	13,183	32.3%	10,053	28.9%	<b>14,200</b>	33.5%	141.2%
<b>Plotter</b>	1,098	2.7%	1,003	2.9%	<b>1,200</b>	2.8%	119.6%
<b>3D Products (DGSHAPE)</b>	5,705	14.0%	4,779	13.7%	<b>6,250</b>	14.8%	130.8%
<b>Supply</b>	13,411	32.9%	12,153	35.0%	<b>13,500</b>	31.8%	111.1%
<b>Others</b>	7,396	18.1%	6,790	19.5%	<b>7,250</b>	17.1%	106.8%
<b>Total</b>	40,795	100.0%	34,780	100.0%	<b>42,400</b>	100.0%	121.9%

# Revisions of the consolidated result forecasts for FY2021

## Sales by Regions

(Millions of yen)

	FY2019		FY2020		FY2021		
	Performance	Percentages	Performance	Percentages	Revised Forecast	Percentages	YoY
<b>Japan</b>	4,745	11.6%	4,164	12.0%	<b>4,650</b>	11.0%	111.7%
<b>North America</b>	11,627	28.5%	10,621	30.5%	<b>12,350</b>	29.1%	116.3%
<b>Europe</b>	15,257	37.4%	12,956	37.3%	<b>15,700</b>	37.0%	121.2%
<b>Asia</b>	3,220	7.9%	2,439	7.0%	<b>3,750</b>	8.9%	153.7%
<b>Others</b>	5,944	14.6%	4,597	13.2%	<b>5,950</b>	14.0%	129.4%
<b>Total</b>	40,795	100.0%	34,780	100.0%	<b>42,400</b>	100.0%	121.9%