

Roland DG Corporation

Consolidated Financial Results

for the Fiscal Year

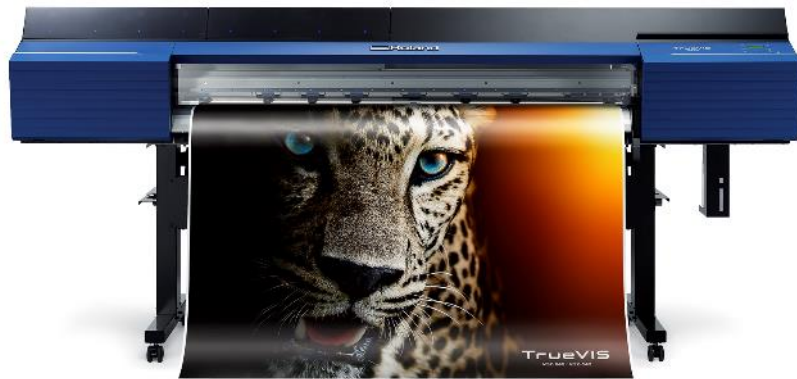
December 31, 2020

February 19, 2021



Today's topics

- **FY2020 Financial Summary**
- **FY2021 Forecast**
- **Mid-term Plan (FY2021-FY2023)**



FY2020 Financial Summary

TrueVIS

VG2-640 VG2-540

Bottom line turned positive as fundamentals recovered every quarter

■ Landed above Q3 forecast and bottom line turned positive

- Sales and Operating Income increased due to uplift in Dental sales
- Extraordinary income in the European sales subsidiary contributed to turning Net Profit positive

Impact of pandemic by region

Region	Q1	Q2	Q3	Q4
Japan	L	M	L	L
North America	L	小	L	L
Europe	L	M	L	L
Asia	M	H	M	M~L
Other	L	H	L	L

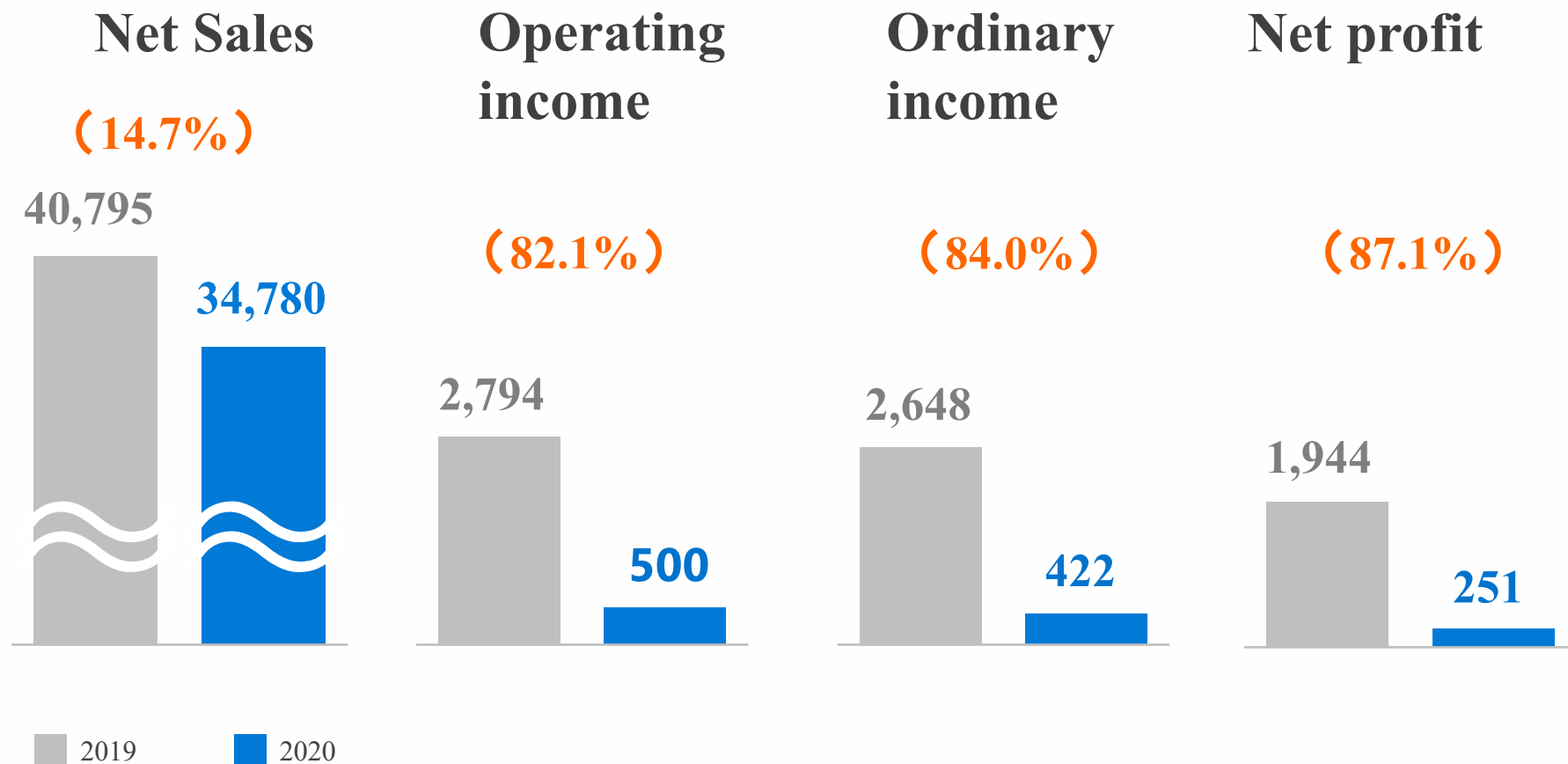
Impact was mostly in-line with expectation

- Dental demand in North America and Europe recovered faster than expected
- Output demand related to caution signs etc continued to be solid
- Recovery in output demand led to strong supply sales
- Service parts sales recovered to initial budget level
- New dental distributor in China that had been slow due to COVID started to contribute to sales
- Africa and Middle East still behind in recovery

FY2020 Consolidated Financial Results

YoY sales decline and operating loss due to COVID-19 impact

(Millions of yen)



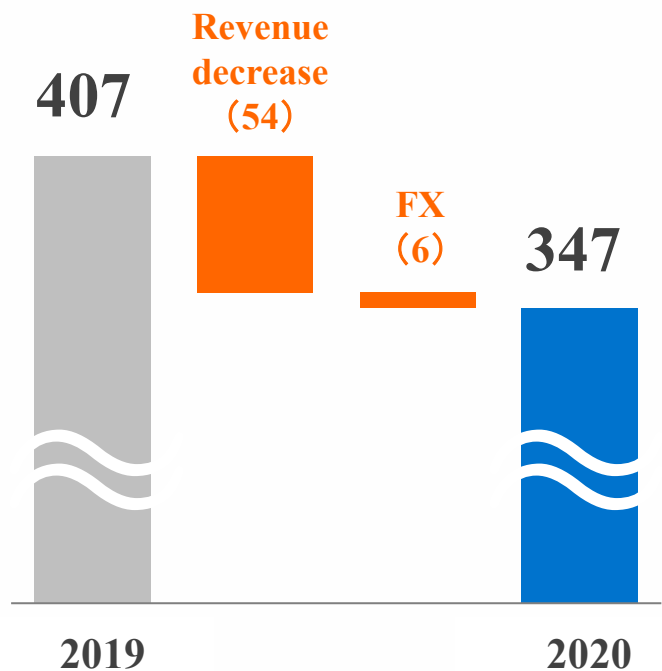
※ Income attributable to owners of parent

Variance Analysis YoY

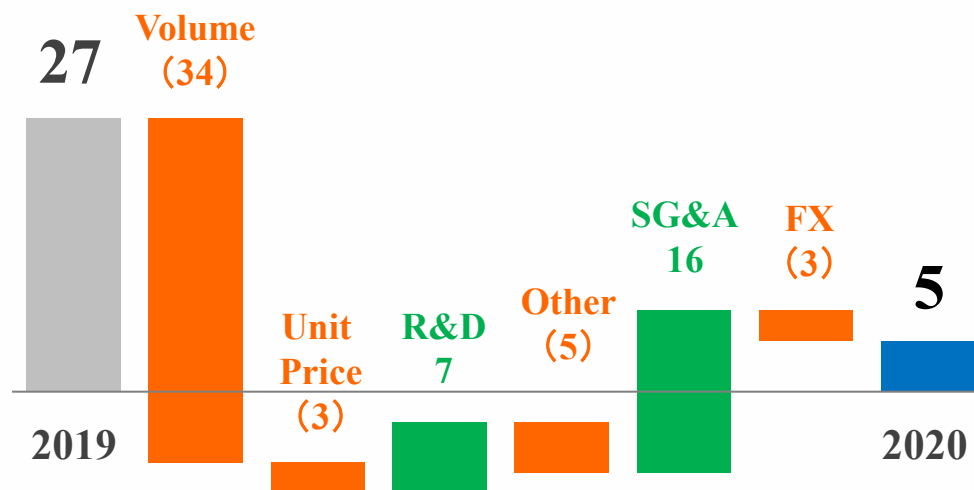
Sales declined due to COVID-19 but Operating Income stayed positive thanks to SG&A cost control

(100 Millions of yen)

Net Sales



Operating income



Average FX Rate

(Unit: Yen)

2019

2020

USD 109.06 106.83 98.0%

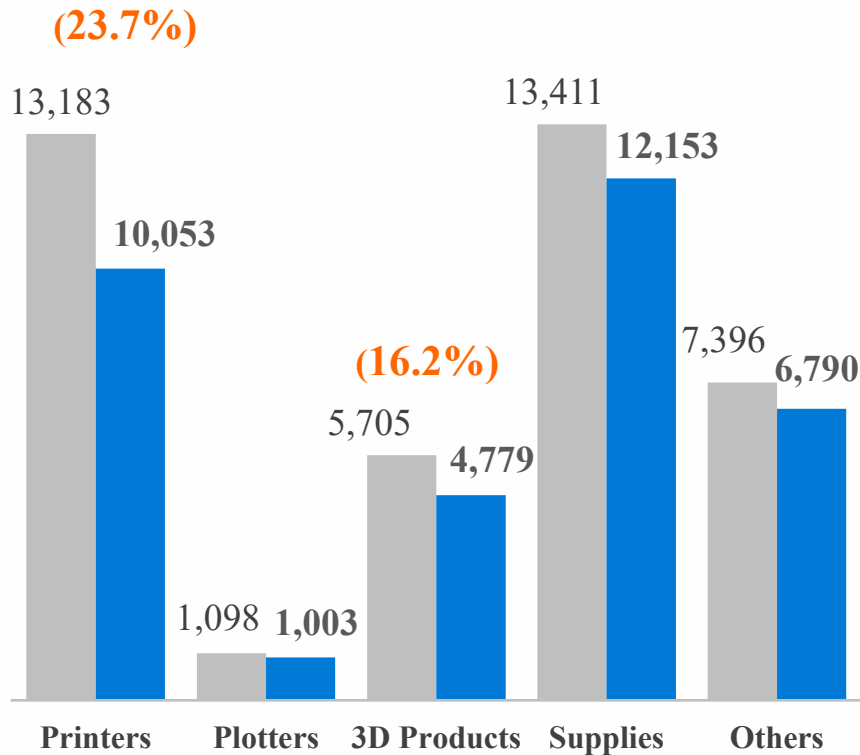
EUR 122.11 121.86 99.8%

FY2020 Sales by Products

Printer sales fell due to slow-down in capex demand

(Millions of Yen)

■ 2019 ■ 2020



Printers

- ✓ Sign and retail declined as output fell
- ✓ Desktop printers grew from in-house printing demand

Plotters

- ✓ Large size models for sign market declined

3D Products (DGSHAPE)

- ✓ Capex demand declined
- ✓ Strong Dental demand in N. America

Supplies

- ✓ Ink fell by drop in output demand
- ✓ 2H recovered to 2019 level

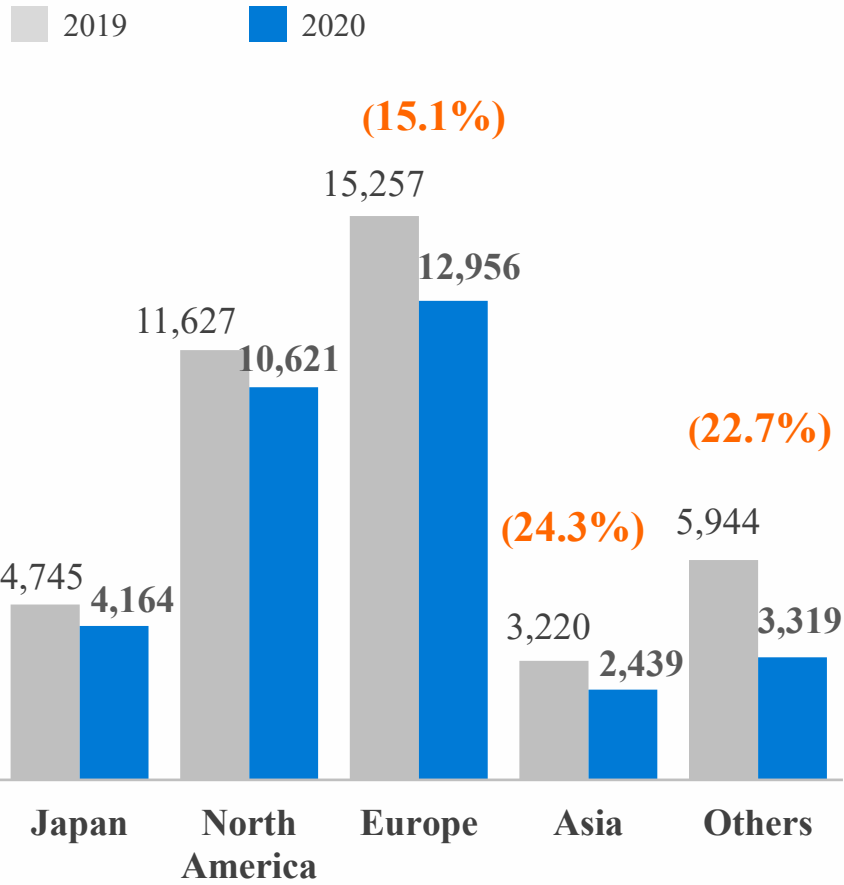
Others

- ✓ Service parts decreased due to lower printer utilization

FY2020 Sales by Regions

Sales declined in Asia and Other regions where were affected by COVID-19

(Millions of yen)



- | | |
|----------------------|--|
| Japan | <ul style="list-style-type: none"> ✓ Printers and 3D products declined ✓ Small dental products increased due to change in insurance policy |
| North America | <ul style="list-style-type: none"> ✓ Printers and supply fell ✓ Dental products better than FY2019 ✓ Desktop printers increased |
| Europe | <ul style="list-style-type: none"> ✓ Q2 fell sharply; 2H was at 2019 level ✓ Printer, ink and dental declined |
| Asia | <ul style="list-style-type: none"> ✓ Printer, supply and parts fell ✓ Dental recovered to 2019 level in China by establishment of new dealer |
| Others | <ul style="list-style-type: none"> ✓ Decline in Australia and South America which are main markets ✓ Brazil largely impacted by FX |

Balance sheet summary (as of 12/31/2020)

Balance sheet remains healthy

Total Assets **36,301**

Total interest-bearing debt **1,440**
($\Delta 1,440$)

✓ Cash & deposit
+ 1,236

✓ Notes and accounts
receivable- trade
(624)

✓ Inventories
(1,615)

Current assets
26,215

Current Liabilities
8,577

✓ Notes and accounts payable-trade
+361

Fixed liabilities
2,985

✓ Long term borrowings
(1,440)

Net assets
24,738

Fixed assets
10,085

✓ Net asset ratio
+3.0Points

Net asset ratio 68.1%

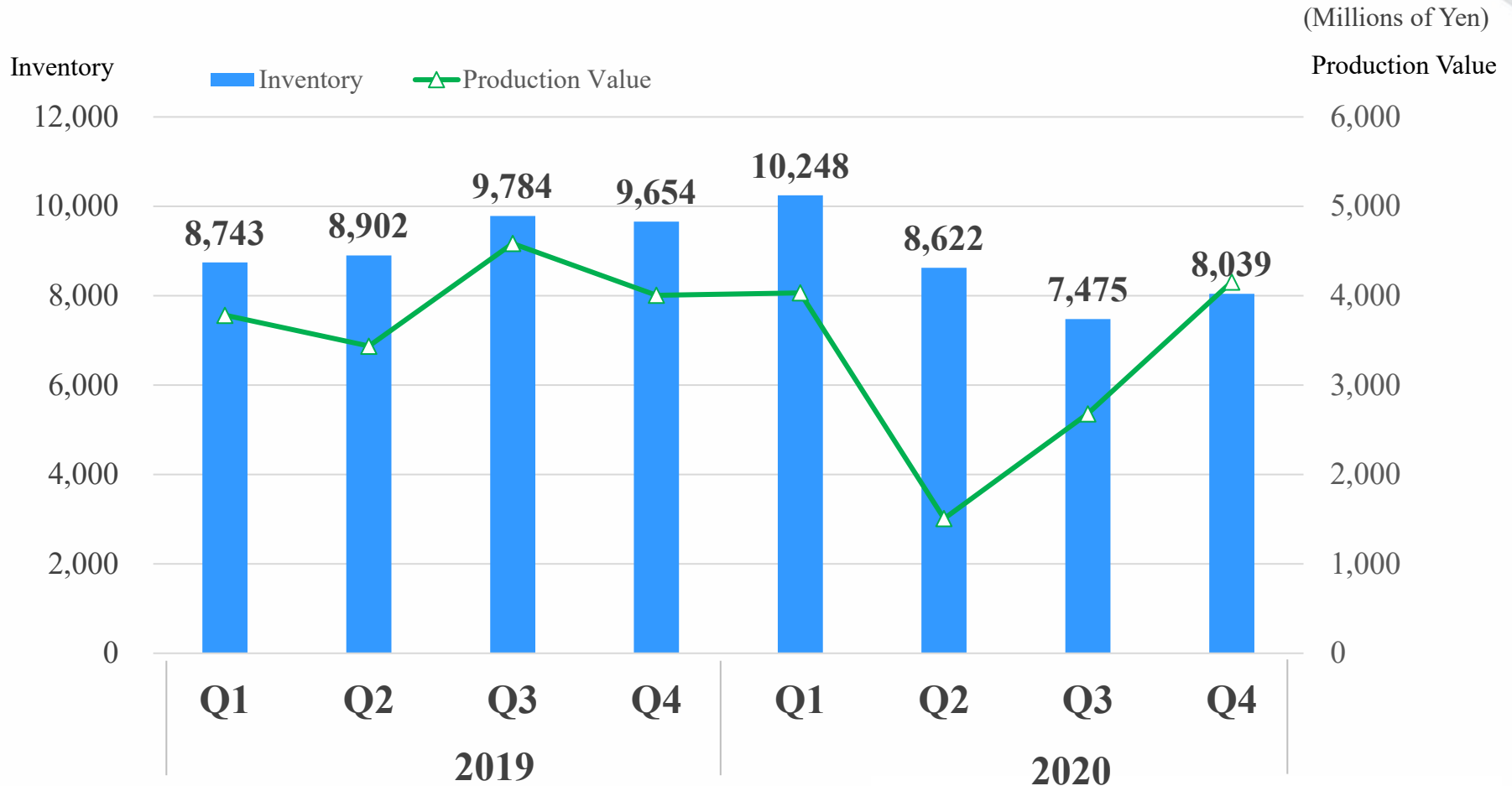
Assets

Liabilities/Net assets

※ Change from the end
of previous fiscal year

Change in Inventory and production value

Fell in Q2 due to production adjustment but production starting to normalize after Q3

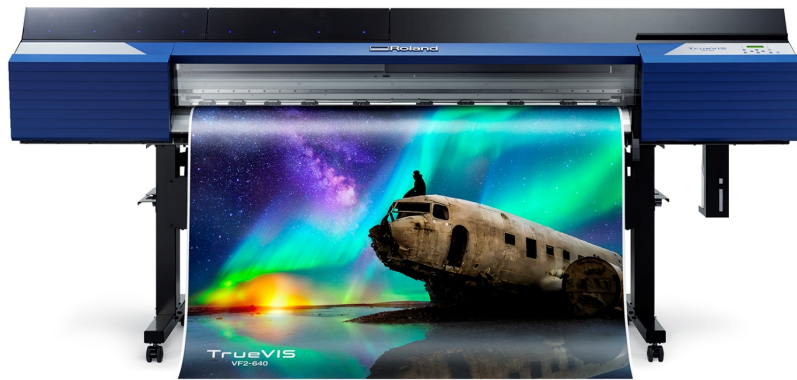


Summary of FY2020 - Reconfirmed RDG's potential

■ Adapted rapidly to change in business environment

	Actions/Activities	Our strength
Sales/Customer support	<ul style="list-style-type: none">• Online• SNS• Webinar• AR tech	<ul style="list-style-type: none">• Digital technology (Digital Group)• Accelerated DX
Manufacturing	<ul style="list-style-type: none">• Production adjustment• Rapid production increase	<ul style="list-style-type: none">• Flexibility
Management decisions	<ul style="list-style-type: none">• Presented Forecast despite uncertainty• Credit line• Work style reform• Structural reform planProduction integration / early retirement program	<ul style="list-style-type: none">• Adaptability to environment change• Speedy decision making

Focus on “DX・Flexibility・Speed”

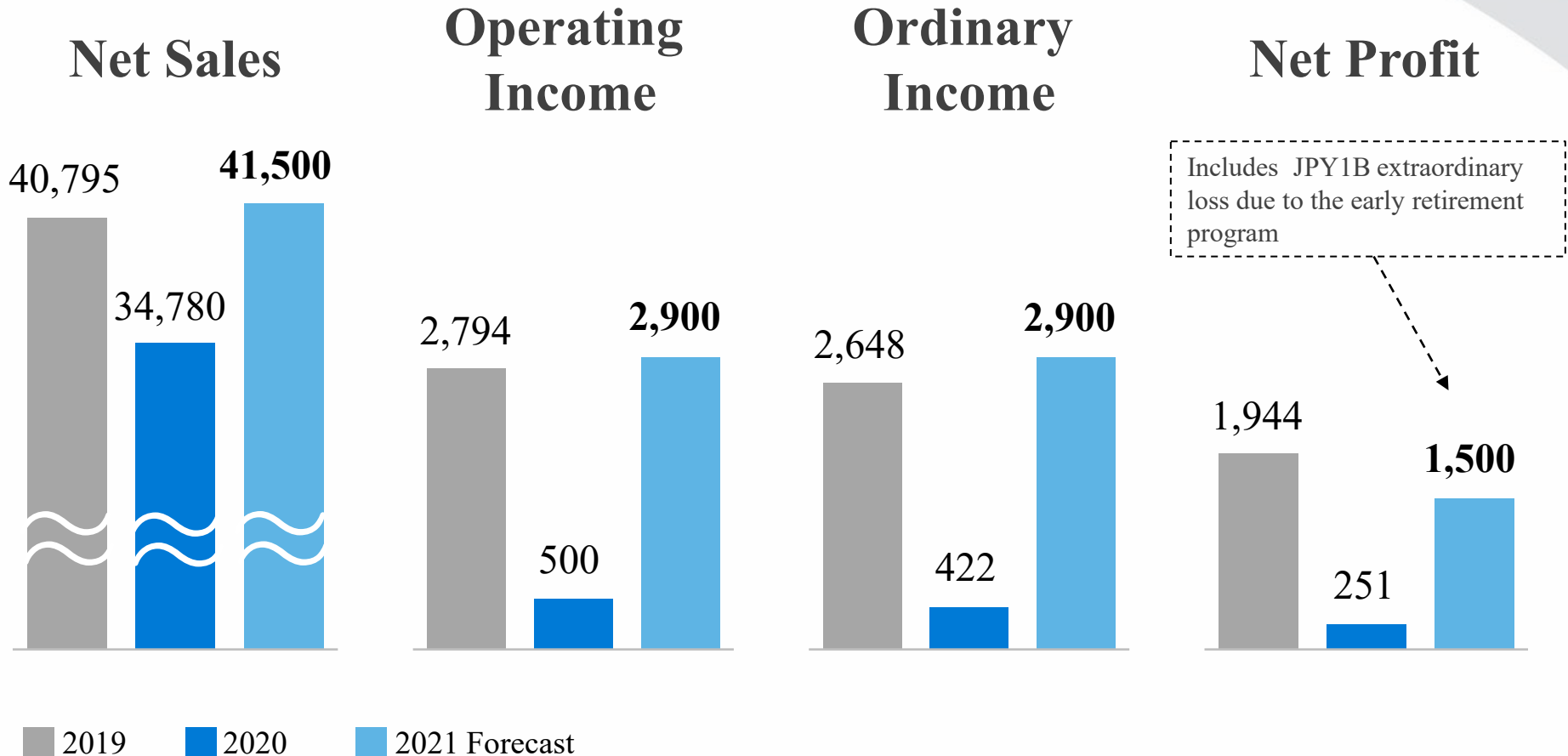


FY 2021 Forecast

TrueVIS
VF2-640

FY2021 Forecast

(Millions of Yen)



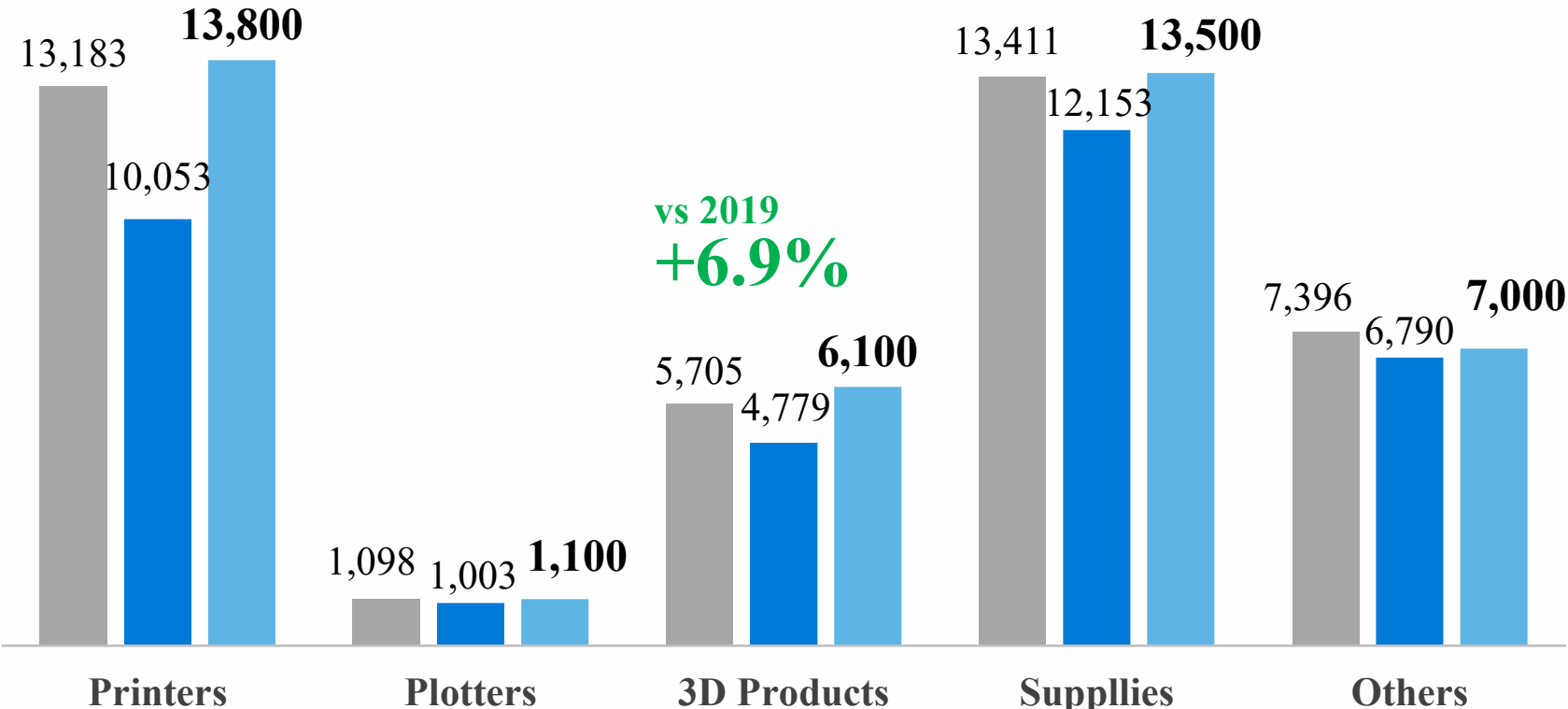
※ Income attributable to owners of parent

FY2020 Sales Forecast by Products

(Millions of yen)

vs 2019
+4.7%

vs 2019
+6.9%

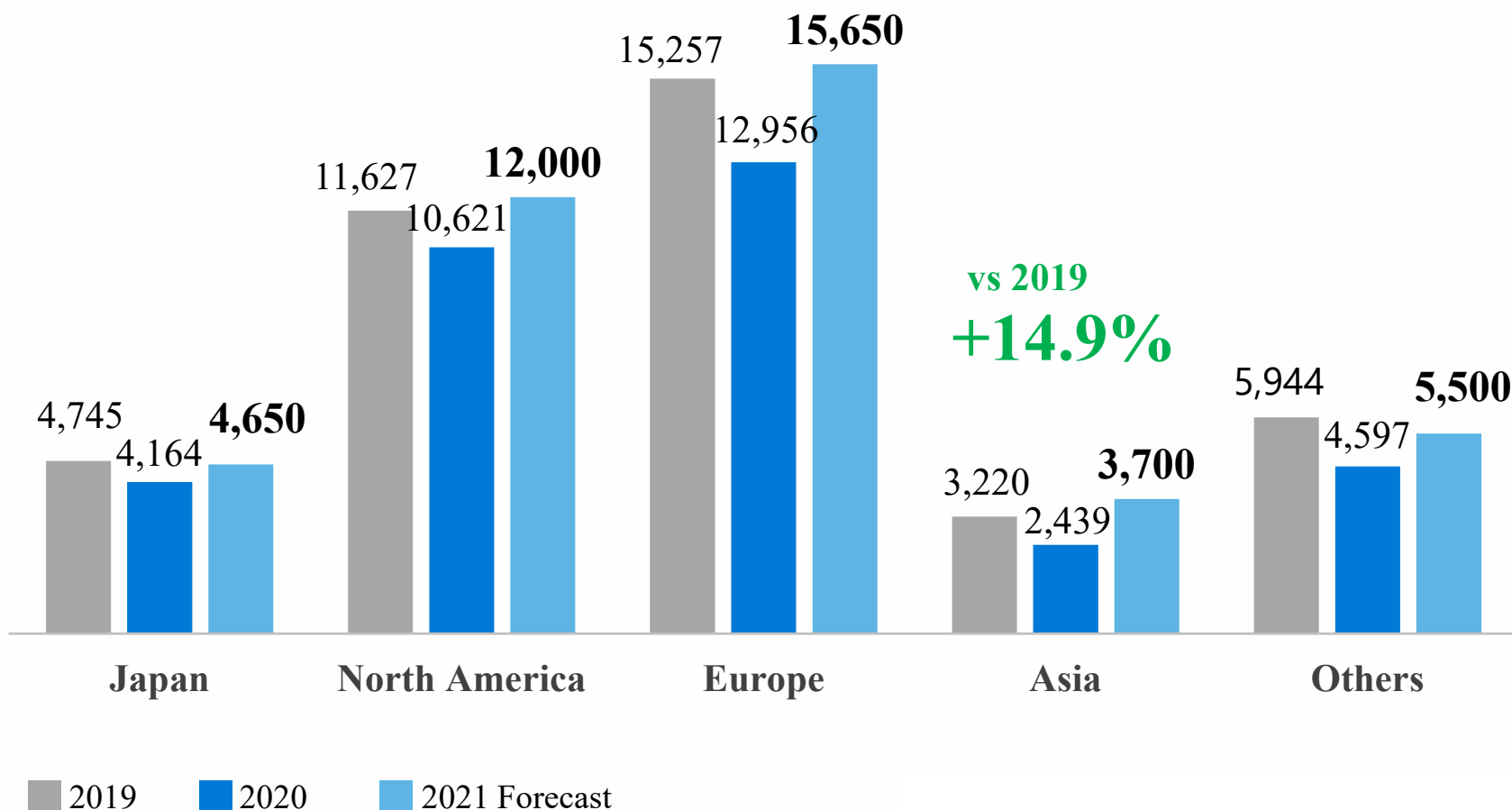


■ 2019 ■ 2020 ■ 2021 Forecast



FY2020 Sales Forecast by Products

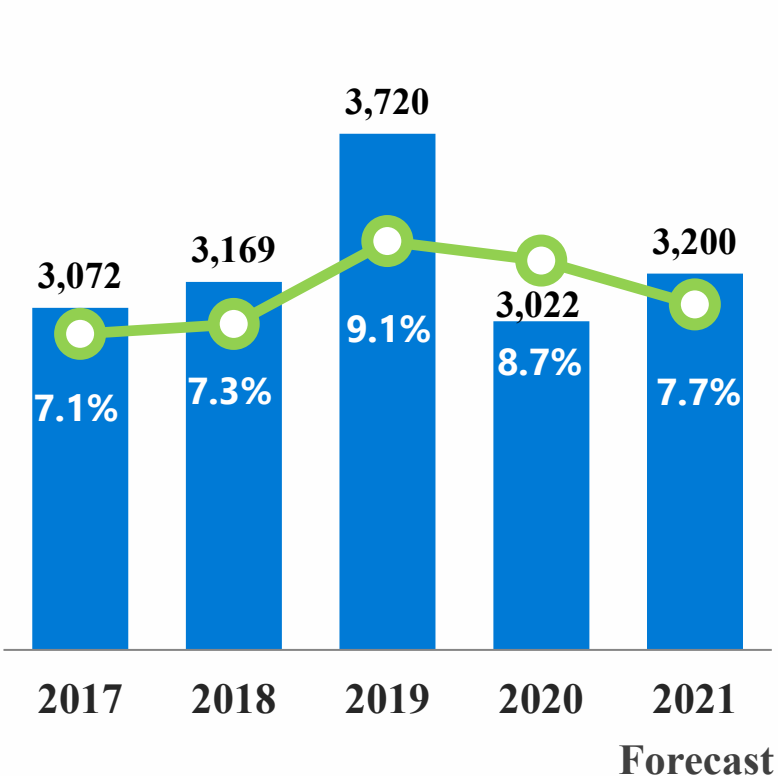
(Millions of yen)



R&D, Capital Expenditures, and Depreciation and Amortization

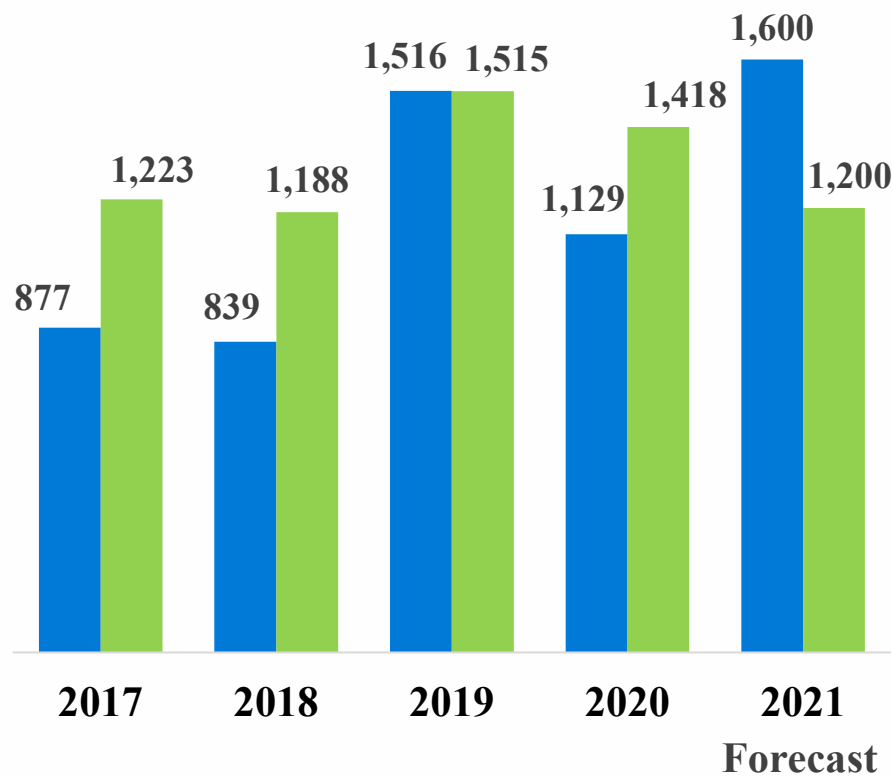
(Millions of Yen)

■ R&D ● R&D to net sales ratio



(Millions of Yen)

■ Capital Expenditures ■ Depreciation and Amortization



*IFRS 16 has been applied since FY2019

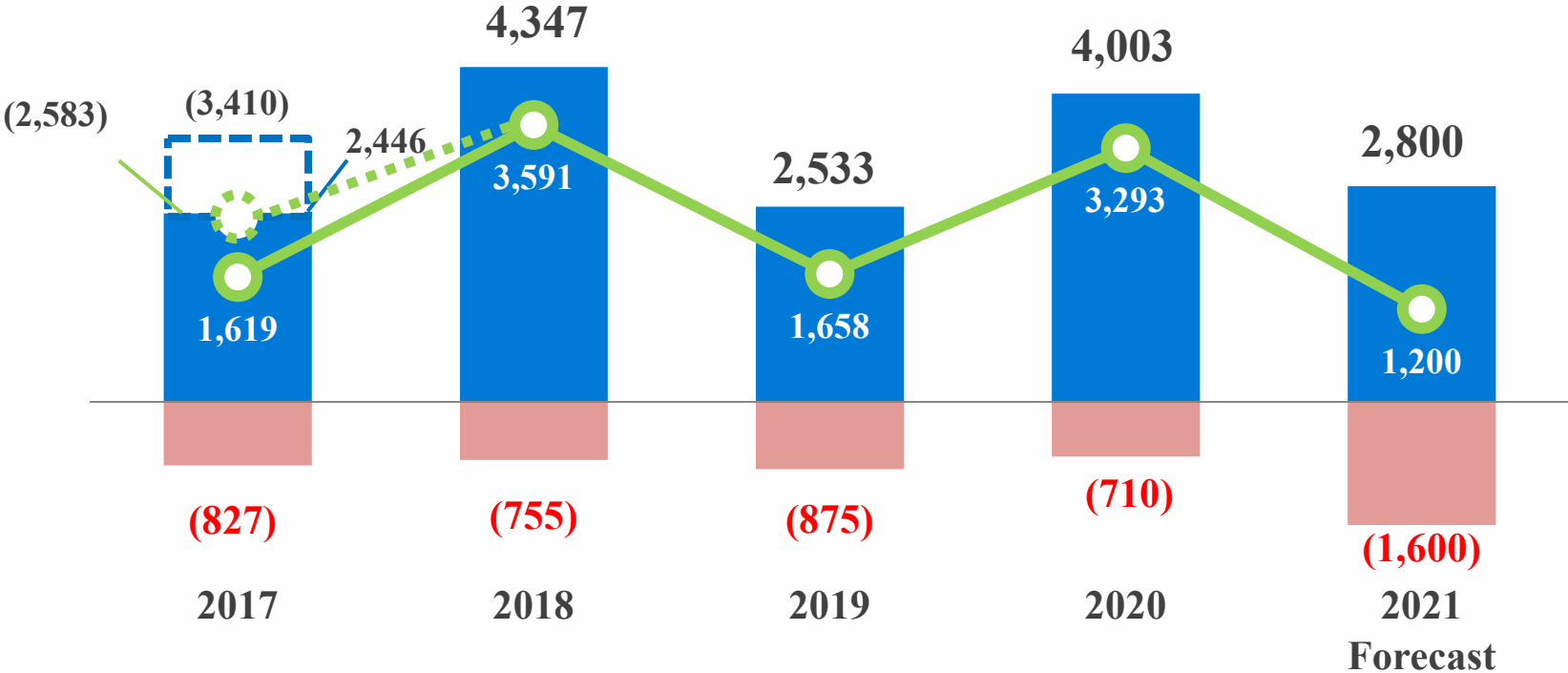
Free Cashflow

(Millions of Yen)

Net cash used in investing activities

Net cash provided by operating activities

Free Cash Flow



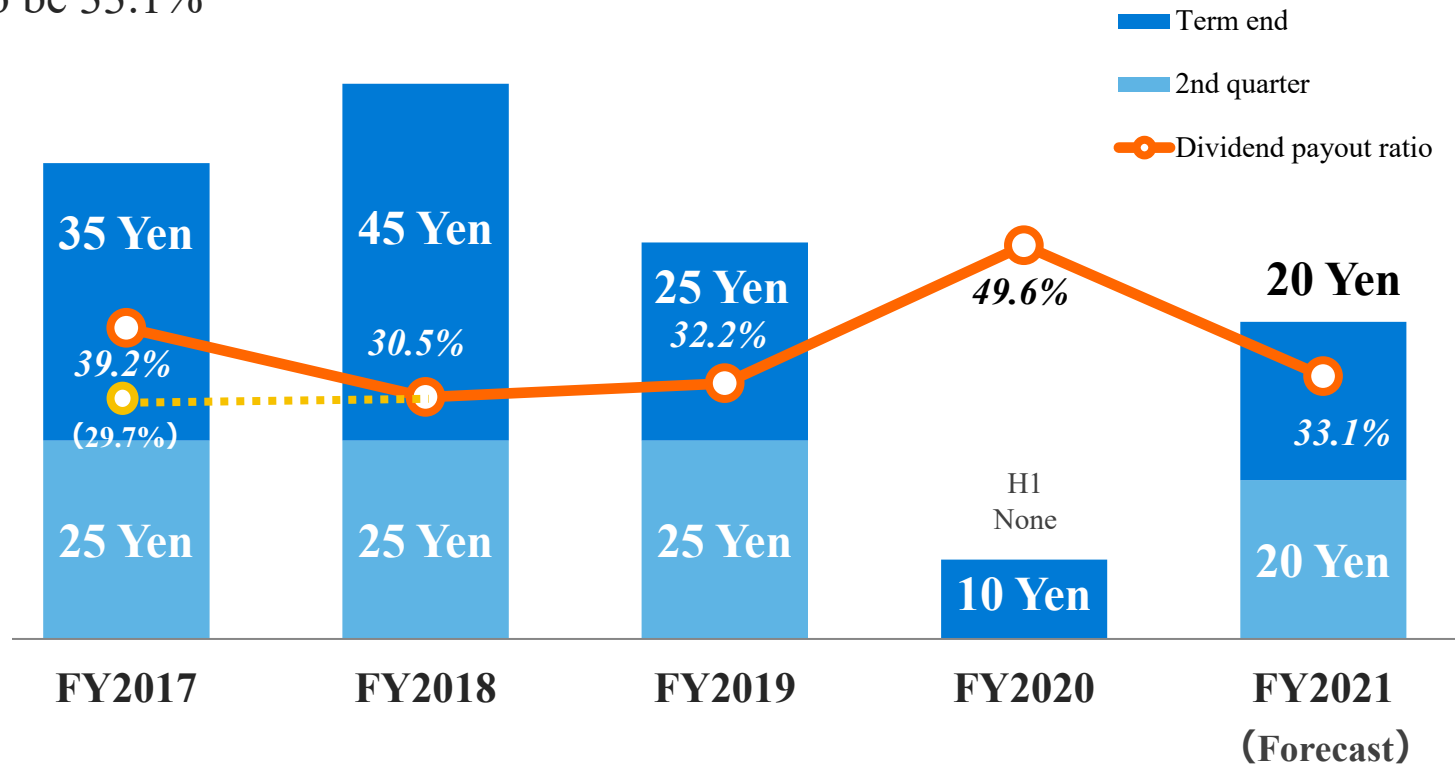
Dotted line denote figure excluding extraordinary loss

Dividend Forecast

Divident Policy (FY2021 to FY2023)

Pay out the higher of 30% of consolidated profit or 2% DOE, while taking into account cash for future business needs

FY2021 Forecast: 40 Yen - up 30 Yen from FY2020. Annual dividend payout ratio to be 33.1%



Dotted line denote figure excluding extraordinary loss

Changes to Officers (Scheduled on March 18,2021)

Director scheduled for retirement

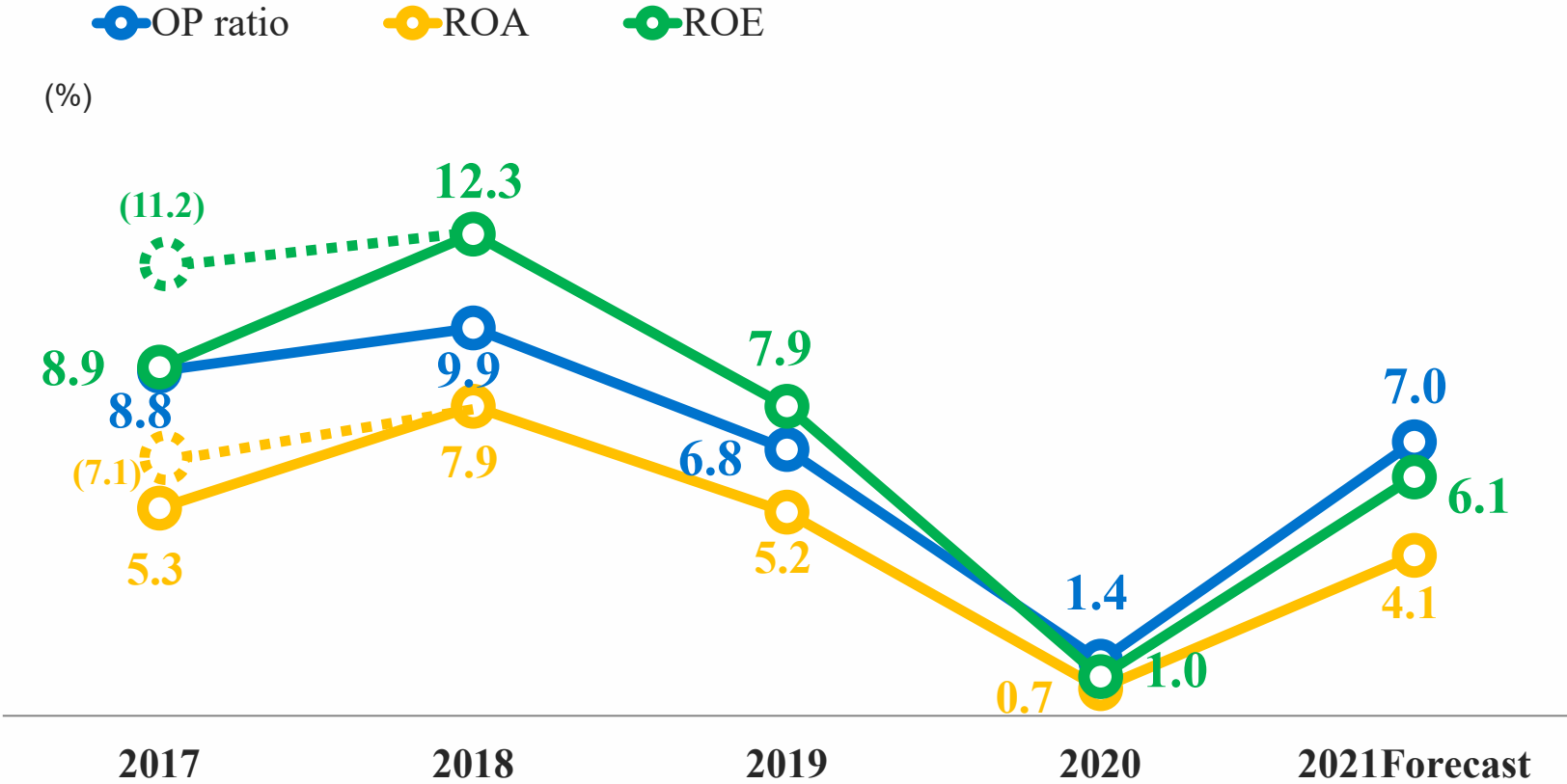
Name	Current Position
Hidenori Fujioka	Chairman
Koichi Hashimoto	Director

※ The terms of office of all of these nine Directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders.

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

Selected Financial Data



Dotted line denote figure excluding extraordinary loss

FY2020 Consolidates Financial Results

(Millions of yen)

	FY2019		FY2020				YoY change		
	Performance	% of sales	Initial forecast	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net sales	40,795	100.0%	42,600	100.0%	34,780	100.0%	(6,015)	85.3%	86.7%
Gross profit	17,330	42.5%	17,200	40.4%	13,178	37.9%	(4,152)	76.0%	78.8%
SGA cost	14,536	35.6%	14,800	34.7%	12,678	36.5%	(1,858)	87.2%	88.5%
Operating income	2,794	6.8%	2,500	5.9%	500	1.4%	(2,293)	17.9%	28.2%
Ordinary income	2,648	6.5%	2,300	5.4%	422	1.2%	(2,226)	16.0%	26.2%
Net profit	1,944	4.8%	1,800	4.2%	251	0.7%	(1,693)	12.9%	23.9%
EPS (Yen)	155.39		144.12		20.17				
Exchange rate	USD	109.06	105.00		106.83				
	Yen	122.11	120.00		121.86				

(Millions of yen)

※ Income attributable to owners of parent

Exchange rate	Net sales	(592)
Amount of impact	Operating income	(289)

FY2020 Sales by Product

(Millions of yen)

	FY2019		FY2020		YoY change	
	Performance	Percentages	Forecast	Percentages	Ratio	Exchange rate impact excluded Real term
Printer	13,183	32.3%	10,053	28.9%	76.3%	77.8%
Plotter	1,098	2.7%	1,003	2.9%	91.3%	92.6%
3D Products (DGSHAPE)	5,705	14.0%	4,779	13.7%	83.8%	84.8%
Supply	13,411	32.9%	12,153	35.0%	90.6%	92.1%
Others	7,396	18.1%	6,790	19.5%	91.8%	93.5%
Total	40,795	100.0%	34,780	100.0%	85.3%	86.7%

FY2020 Consolidates Financial Results (3 months) by Product

(Millions of yen)

	Q1 (Jan to Mar)		Q2 (Apr to Jun)		Q3 (Jul to Sep)		Q4 (Oct to Dec)	
	performance	% of YoY	performance	% of YoY	performance	% of YoY	performance	% of YoY
Printer	2,498	79.9%	2,092	64.2%	2,618	82.9%	2,843	78.2%
Plotter	281	98.9%	215	78.6%	239	91.5%	266	95.9%
3D Products (DGSHAPE)	1,334	100.5%	642	48.7%	1,207	87.4%	1,595	95.1%
Supply	3,079	94.3%	2,485	72.5%	3,311	99.7%	3,277	96.5%
Others	1,844	97.8%	1,300	72.8%	1,811	100.4%	1,834	95.5%
Total	9,038	91.4%	6,736	66.9%	9,187	92.6%	9,817	90.0%

FY2020 Sales by Region

(Millions of yen)

	FY2019		FY2020		YoY change	
	Performance	Percentages	Forecast	Percentages	Ratio	Exchange rate impact excluded Real term
Japan	4,745	11.6%	4,164	12.0%	87.8%	-
North America	11,627	28.5%	10,621	30.5%	91.4%	93.3%
Europe	15,257	37.4%	12,956	37.3%	84.9%	85.1%
Asia	3,220	7.9%	2,439	7.0%	75.7%	76.7%
Others	5,944	14.6%	4,597	13.2%	77.3%	82.6%
Total	40,795	100.0%	34,780	100.0%	85.3%	86.7%

FY2020 Consolidates Financial Results (3 months) by Region

(Millions of yen)

	Q1 (Jan to Mar)		Q2 (Apr to Jun)		Q3 (Jul to Sep)		Q4 (Oct to Dec)	
	performance	% of YoY	performance	% of YoY	performance	% of YoY	performance	% of YoY
Japan	1,173	97.1%	866	81.5%	1,018	76.1%	1,106	97.5%
North America	2,581	100.7%	2,472	84.5%	2,776	94.6%	2,791	87.1%
Europe	3,309	85.3%	2,242	58.7%	3,549	104.3%	3,856	92.8%
Asia	608	75.5%	465	56.5%	580	75.0%	785	96.0%
Others	1,366	95.4%	690	48.0%	1,262	85.5%	1,277	80.1%
Total	9,038	91.4%	6,736	66.9%	9,187	92.6%	9,817	90.0%

FY2021 Consolidates Financial Forecast

(Millions of yen)

	FY2020		FY2021 forecast		YoY change		
	Performance	% of sales	Forecast	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net sales	34,780	100.0%	41,500	100.0%	6,719	119.3%	120.9%
Gross profit	13,178	37.9%	16,900	40.7%	3,721	128.2%	132.1%
SGA cost	12,678	36.5%	13,900	33.5%	1,221	109.6%	111.2%
Operating income	500	1.4%	2,900	7.0%	2,399	579.8%	664.0%
Ordinary income	422	1.2%	2,900	7.0%	2,477	686.0%	790.0%
Net profit	251	0.7%	1,500	3.6%	1,248	597.3%	715.1%
EPS (Yen)	20.17		120.72				
Exchange rate	USD	106.83	100				
	Yen	121.86	125				

(Millions of yen)

※ Income attributable to owners of parent

		USD	EUR
Currency Sensitivity (based on 2020 results)	Net sales	100	93
	Operating income	65	50

FY2021 Sales Forecast by Product

(Millions of yen)

	FY2020		FY2021 forecast		YoY change	
	Performance	Percentages	Forecast	Percentages	Ratio	Exchange rate impact excluded Real term
Printer	10,053	28.9%	13,800	33.3%	137.3%	138.8%
Plotter	1,003	2.9%	1,100	2.6%	109.7%	112.0%
3D Products (DGSHAPE)	4,779	13.7%	6,100	14.7%	127.6%	128.6%
Supply	12,153	35.0%	13,500	32.5%	111.1%	113.6%
Others	6,790	19.5%	7,000	16.9%	103.1%	103.4%
Total	34,780	100.0%	41,500	100.0%	119.3%	120.9%

FY2021 Sales Forecast by Region

(Millions of yen)

	FY2020		FY2021 forecast		YoY change	
	Performance	Percentages	Forecast	Percentages	Ratio	Exchange rate impact excluded Real term
Japan	4,164	12.0%	4,650	11.2%	111.7%	-
North America	10,621	30.5%	12,000	28.9%	113.0%	121.0%
Europe	12,956	37.3%	15,650	37.7%	120.8%	117.7%
Asia	2,439	7.0%	3,700	8.9%	151.7%	151.8%
Others	4,597	13.2%	5,500	13.3%	119.6%	121.2%
Total	34,780	100.0%	41,500	100.0%	119.3%	120.9%