

Roland DG Corporation

Consolidated Financial Results for the Nine Months Ended September 30, 2023

November 9, 2023



Summary

FY2023 Q3 Overview (YoY)

- **Sales increased** YoY thanks to weak yen
- Operating and Ordinary profit **declined**, Net profit **increased**

Forecast Revision

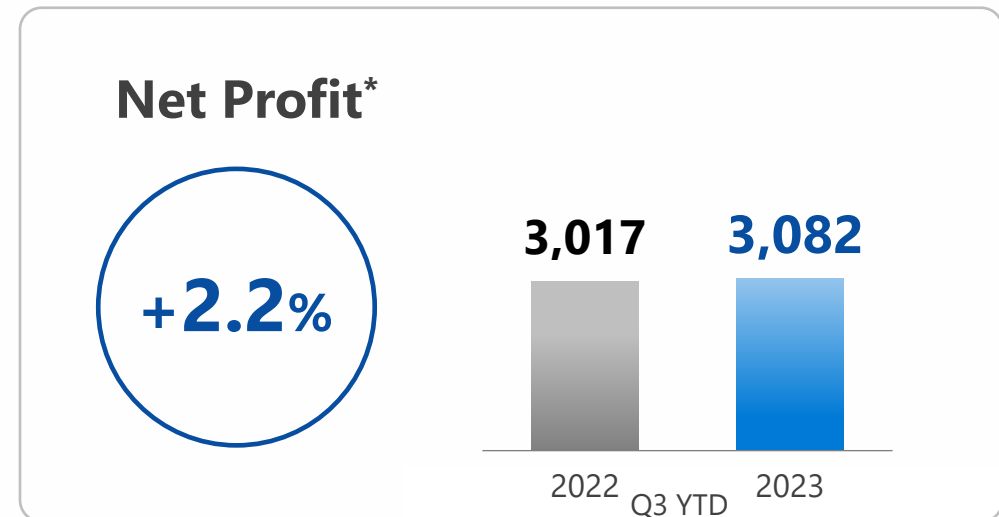
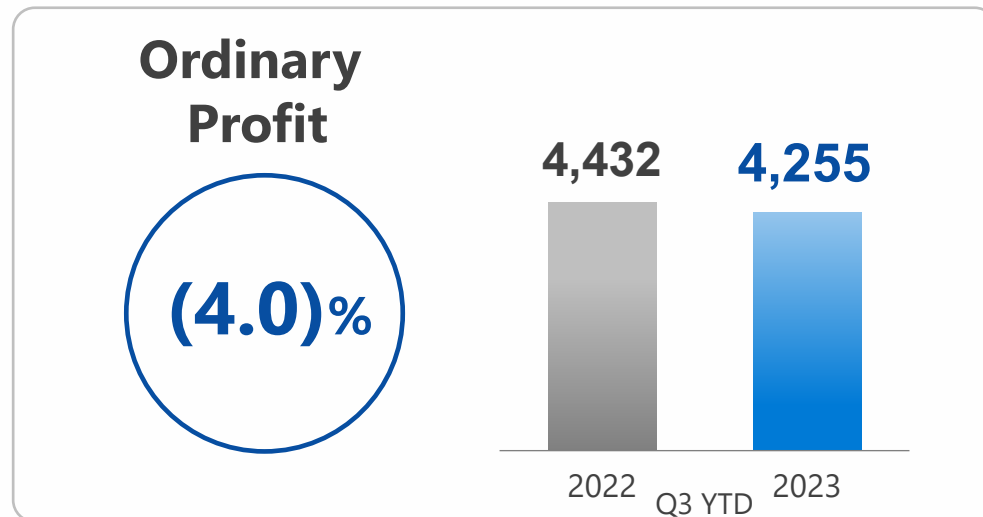
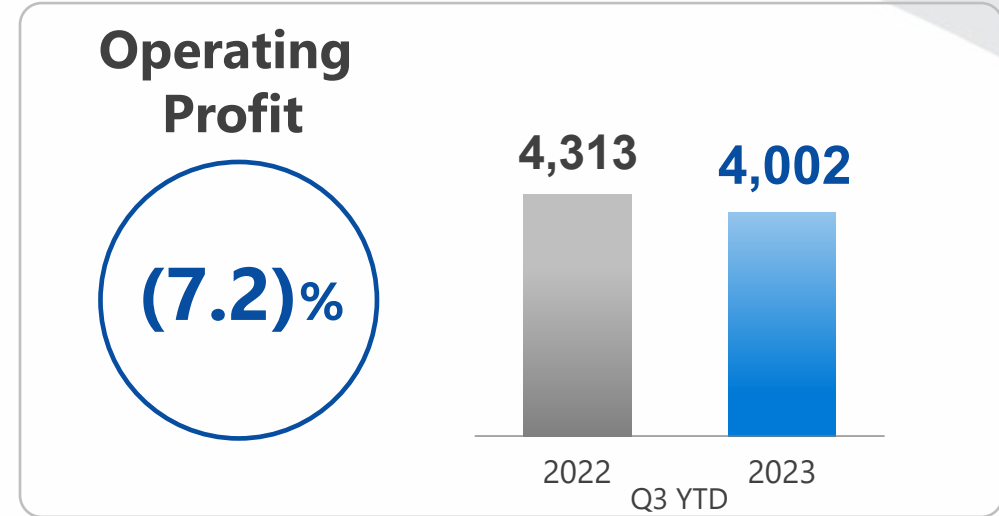
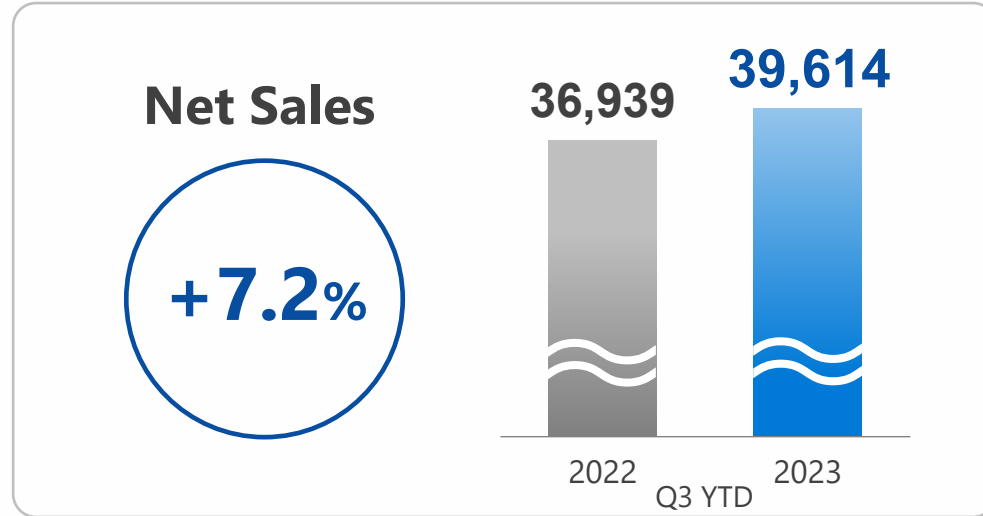
- **Downward revision** due to Q3 YTD performance and latest Q4 outlook
- The year-end dividend will **increase by 20 yen** in line with the initial target of 50% total return ratio.

FY2023 Q3 Overview

Net Sales and Net Profit Increased

YoY performance

(Millions of yen)



* Net profit attributable to owners of parent

Sales and Operating Profit delta breakdown

Variance Analysis YoY

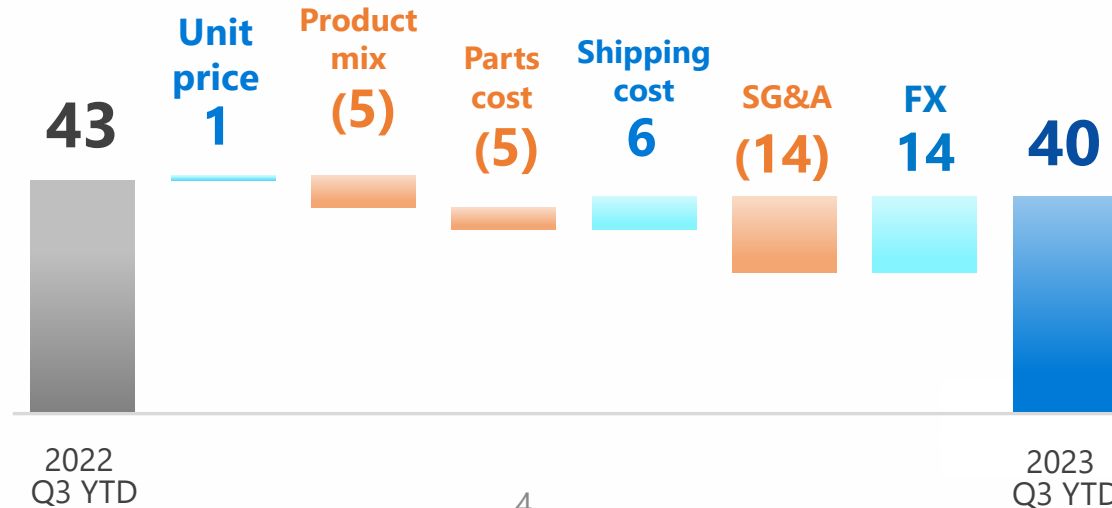
(100 millions of yen)

Net Sales



Average FX (Unit:Yen)	USD	EUR	2022 Q3 YTD	2023 Q3 YTD	% Change
	128.06	136.00		138.11	107.8%
				149.67	110.1%

Operating Profit



Main increase in SG&A cost

- Personnel +4
- Travel & transportation +2
- Transportation and storage cost +2
- Ads & promotion +1
- R&D +1
- Commission fee +1
- Others +3 (Consumables etc.)

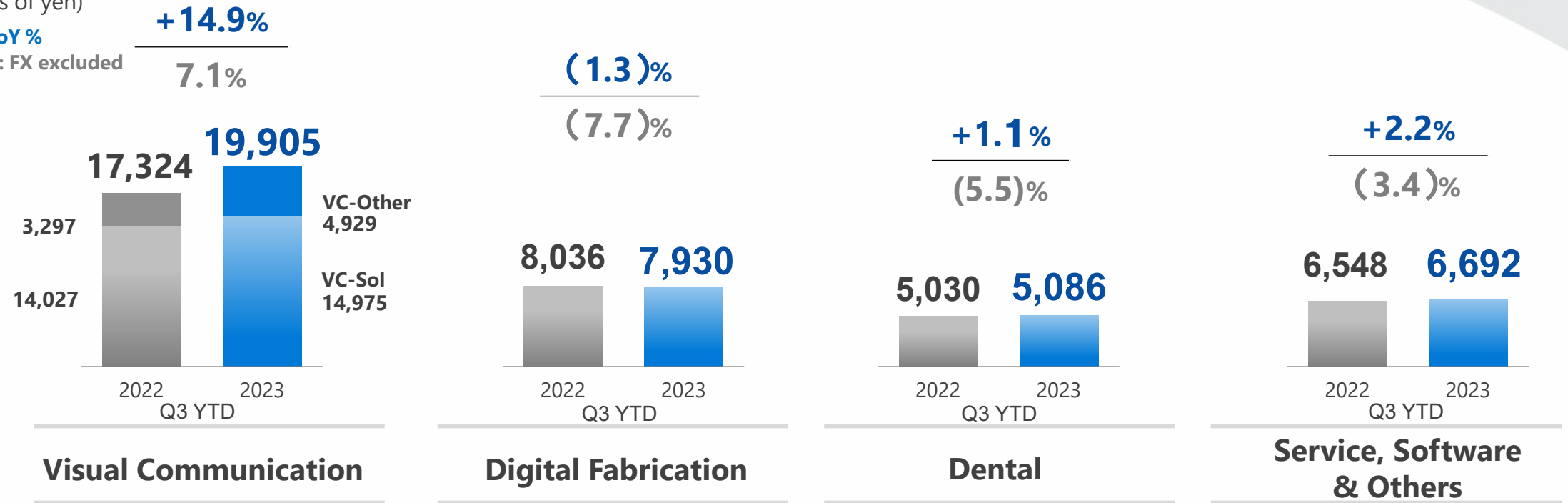
VC-Other boosted sales for Visual Communication

Sales by market YoY

(Millions of yen)

Top : YoY %

Bottom: FX excluded



- New Regain printer AP-640 and UV Printers LG/MG series launched in January and inks grew (VC-Other)
- Eco-Solvent printers for sign market TrueVIS series launched in last year sales expected and eco-solvent ink grew. Eco-Solvent printer, emerging market brand "DGXPRESS", launched in Sep(VC-Solvent)

- 3D milling machines and Desktop cutting machines declined
- Desktop apparel printers BN-20S launched in Jun grew and released BN2-20/20A, a fully model changed version of Eco-Solvent model BN series in Sep.
- UV inks for desktop UV printers increased

- High productivity model DWX-53DC launched in Sep grew solidly
- Emerging market model, DWX-52DCi grew in Middle East, Central/South America, Asia, and Eastern Europe
- Existing models such as the standard model DWX-52D are sluggish

- Transportation fee and service parts grew

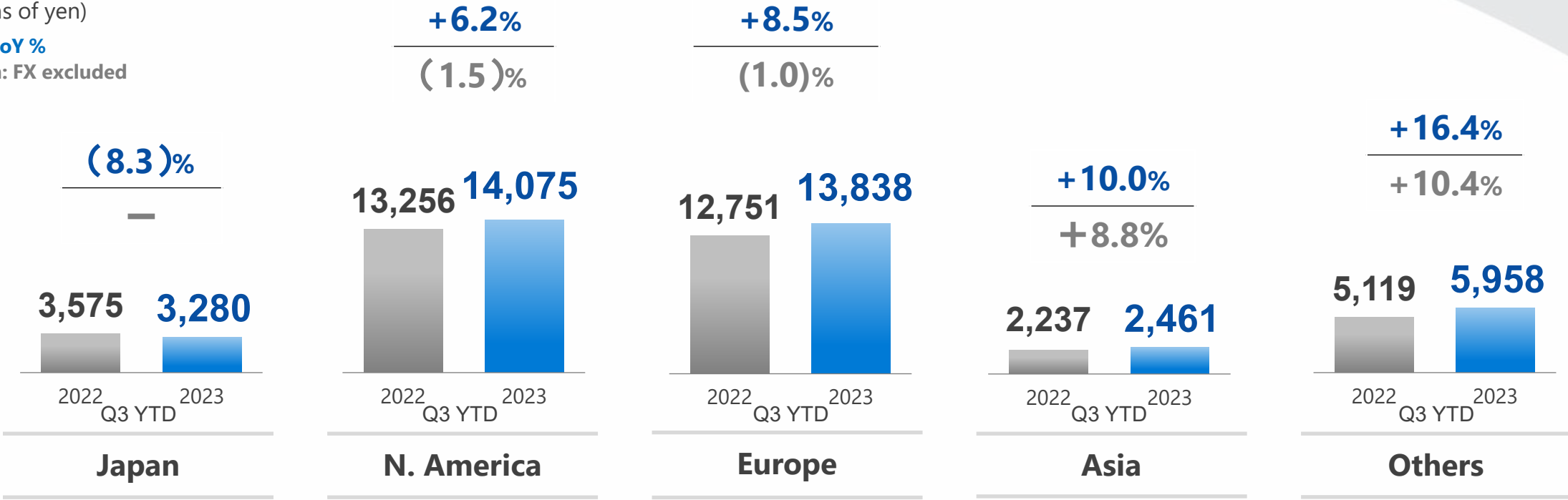
“Others” region incl. Australia, Central/South America, and Middle East grew

Sales by Regions YoY

(Millions of yen)

Top : YoY %

Bottom: FX excluded



- Eco-Solvent printers for sign market decreased YoY but roll type UV printers and UV inks grew
- 3D modeling machines decreased
- New dental product, DWX-53DC, increased but DWX-4 decreased from last year when sales grew due to insurance coverage change

- New roll type UV printers, Eco-Solvent inks and UV inks grew
- Co-Creation flatbed UV models grew but desktop Eco-Solvent printers declined
- New dental milling machine DWX-53DC expected but existing models decreased

- Eco-Solvent printers for sign market and new roll type UV printers grew (No.1 market share in some regions *)
- Desktop UV printers grew
- New dental milling machine DWX-53DC grew and DWX-52Di expected in Eastern Europe

- Eco-Solvent printers for sign market and the emerging market model DWX-52Di grew in China and ASEAN region
- Dental milling machines grew in India

- UV printers and UV inks grew in Australia
- UV printers for DGXPRESS and DWX-53DC sales grew in Brazil
- The emerging market model DWX-52Di grew in Middle East and Central America

*The Company estimated based on research company data

Manufactured Goods Inventory Increased due to Increased Production

Change in inventory value and production value

(Millions of yen)

Inventory value

Inventory value

Production value

Production value

Real Increase +1.5B
FX +0.8 B

18,000

16,000

14,000

12,000

10,000

8,000

6,000

4,000

2,000

0

9,000

8,000

7,000

6,000

5,000

4,000

3,000

2,000

1,000

0

9,075

4,611

9,349

4,186

9,901

4,228

10,874

4,317

11,767

3,833

12,383

3,644

13,731

4,592

13,201

3,550

13,507

4,215

14,411

4,761

15,512

6,237

Q1

Q2

Q3

Q4

Q1

Q2

Q3

Q4

Q1

Q2

Q3

2021

2022

2023

Forecast Revision

Q3 (3 month) performance and Q4 outlook

Forecast Revision

Key factor	Q3 performance vs. original outlook	Latest Q4 outlook vs. original outlook
Demand	<ul style="list-style-type: none"> In VC, sales of VC-Other increased significantly compared to last year due to the introduction of new non-solvent ink products(achieved No.1 market share in some regions*), but sales volume fell far short of the plan. In DF, sales of the Co-Creation model fell far short of the plan in Europe and the U.S. In the Dental business, sales of existing models slowed down in Europe and the U.S. due to increasingly cautious capital investment and an increasingly competitive environment. <p>*The Company estimated based on research company data</p>	<ul style="list-style-type: none"> Although sales are expected to exceed Q3 (July-September) due to the demand season, sales volume is expected to fall short of the initial plan due to cautious capital investment demand mainly in Japan, Europe, and the U.S. In the dental business, sales promotion campaigns will be launched mainly in Europe and the U.S. to boost sales of existing models. In Latin America, the Middle East, Eastern Europe, and Asia, sales of VC and Dental regional models are expected to continue to grow.
Supply	<ul style="list-style-type: none"> Significant Reduction of Order Backlog by Increasing Production Increased product inventories due to increased production 	<ul style="list-style-type: none"> Monitor demand trends and control production/inventory levels
Cost/ Margin	<ul style="list-style-type: none"> Parts and materials prices are slowly improving Transportation costs improved significantly compared to expectations SG&A expenses were in line with plan 	<ul style="list-style-type: none"> Material procurement and transportation costs are expected to continue to improve. SG&A expenses are expected to increase, but are essentially in line with the initial plan
FX	<ul style="list-style-type: none"> Weaker Yen than assumption [Q3 Average] USD : JPY 138.11 / EUR : JPY 149.67 [Assumption] USD: JPY 125 / EUR: JPY135 	<ul style="list-style-type: none"> Weaker yen to continue

Downward revision due to Q3 YTD performance and latest Q4 outlook

Forecast Revision

(Millions of yen)		Full year				FY2022			3 months				Q4 Outlook (Revised Forecast-Q3YTD)
		Revised Forecast ^{*1}	Original Forecast ^{*2}	Difference	%	FY2022	Difference	%	FY2023				
								Q1	Q2	Q3	Q3 YTD		
Net Sales		54,500	58,100	(3,600)	(6.2) %	50,459	4,040	8.0%	12,687	12,992	13,934	39,614	14,885
Gross Profit		27,700	30,400	0	0%	25,059	2,640	10.5%	6,437	6,577	7,131	20,146	7,553
SG & A		21,900	20,700	1,200	5.8%	18,975	2,924	15.4%	5,152	5,269	5,721	16,143	5,756
Operating Profit		5,800	7,000	(1,200)	(17.1) %	6,083	(283)	(4.7) %	1,284	1,308	1,409	4,002	1,797
Ordinary Profit		6,000	7,000	(1,000)	(14.3) %	6,126	(126)	(2.1) %	1,365	1,526	1,363	4,255	1,744
Net Profit ^{*3}		4,800	5,400	(600)	(11.1) %	4,327	472	10.9%	937	1,144	999	3,082	1,717
Average FX (Yen)	USD	140	125			131.46						138.11	
	EUR	151	135			138.11						149.67	

*1 Revised Forecast November 9, 2023

*2 Original Forecast February 10, 2023

*3 Net profit attributable to owners of parent

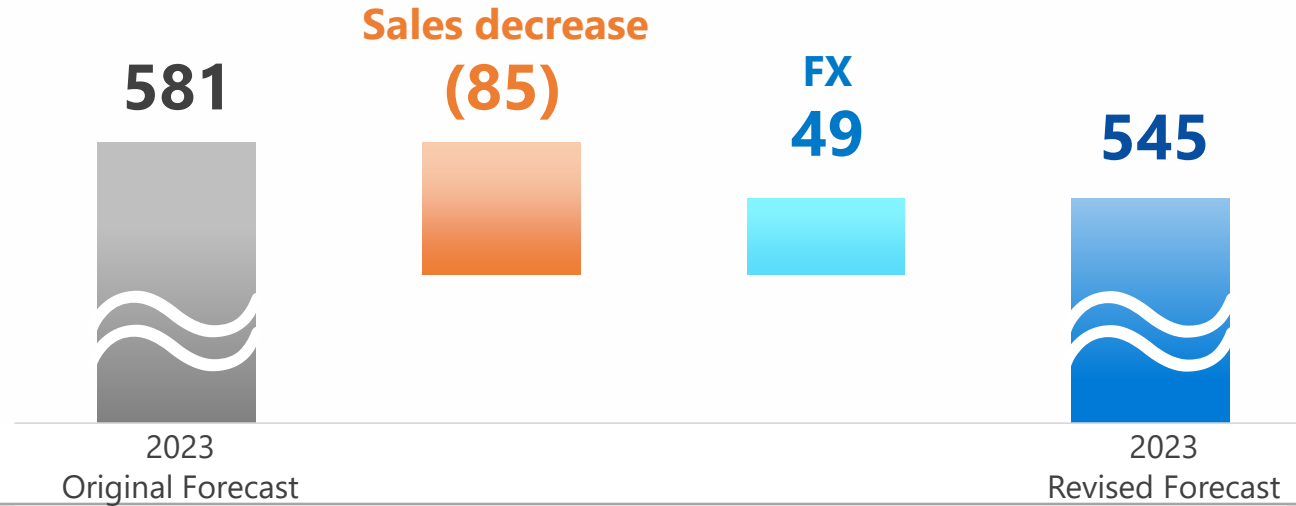
Incl. extraordinary gain from building and land disposal gain of 330M in relation to the new HQ project

Factors of increase/decrease from initial forecast (Original forecast released on February 10, 2023)

Forecast revision

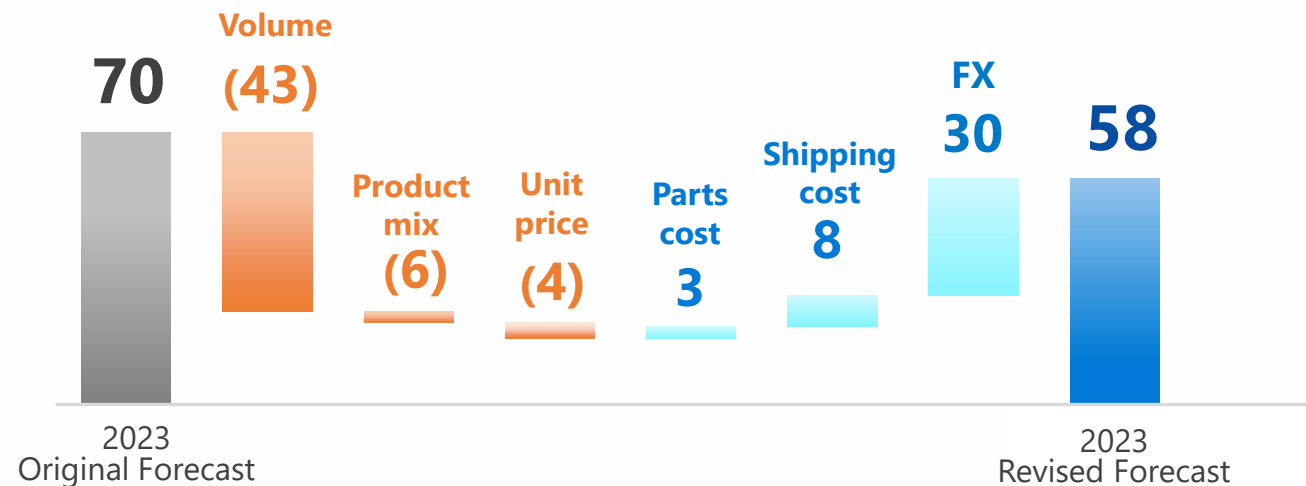
(100 millions of yen)

Net sales



Average FX rate (Unit:Yen)		2023 Original Forecast	2023 Revised Forecast	
USD		125	140	112.0%
EUR		135	151	111.9%

Operating Profit



Shareholder Return

Revised year-end Dividend Forecast (Dividend Increase)

The Company use the higher of 30% payout ratio or 2% Dividend on Equity ratio(DOE) as a basis. In addition, the Company is considering flexible shareholder return and targeting a total return ratio of 50% for this fiscal year.

Based on the above policy, the year-end dividend for the current fiscal year will be **100 yen, an increase of 20 yen** from the initial forecast, in order to increase the dividend payout ratio and achieve a total return ratio of 50% in combination with the share repurchased already conducted in the current fiscal year.

- FY2023 Revised forecast : Interim-dividend **55 yen** (actual) , Dividend **100 yen** (forecast) , Annual dividend **155 yen** (Payout Ratio **39.2%**, Total return ratio **51.1%**)

Repurchase of Share of Common Stock

(Canceled on March 28, 2023)

FY2023 Actual

Repurchase Period :

From January 1,2023 to February 28,2023

Total amount of repurchase price :

544,403,700 yen

Total number of shares repurchased :

186,700 Shares

FY2022 Actual

Repurchase Period :

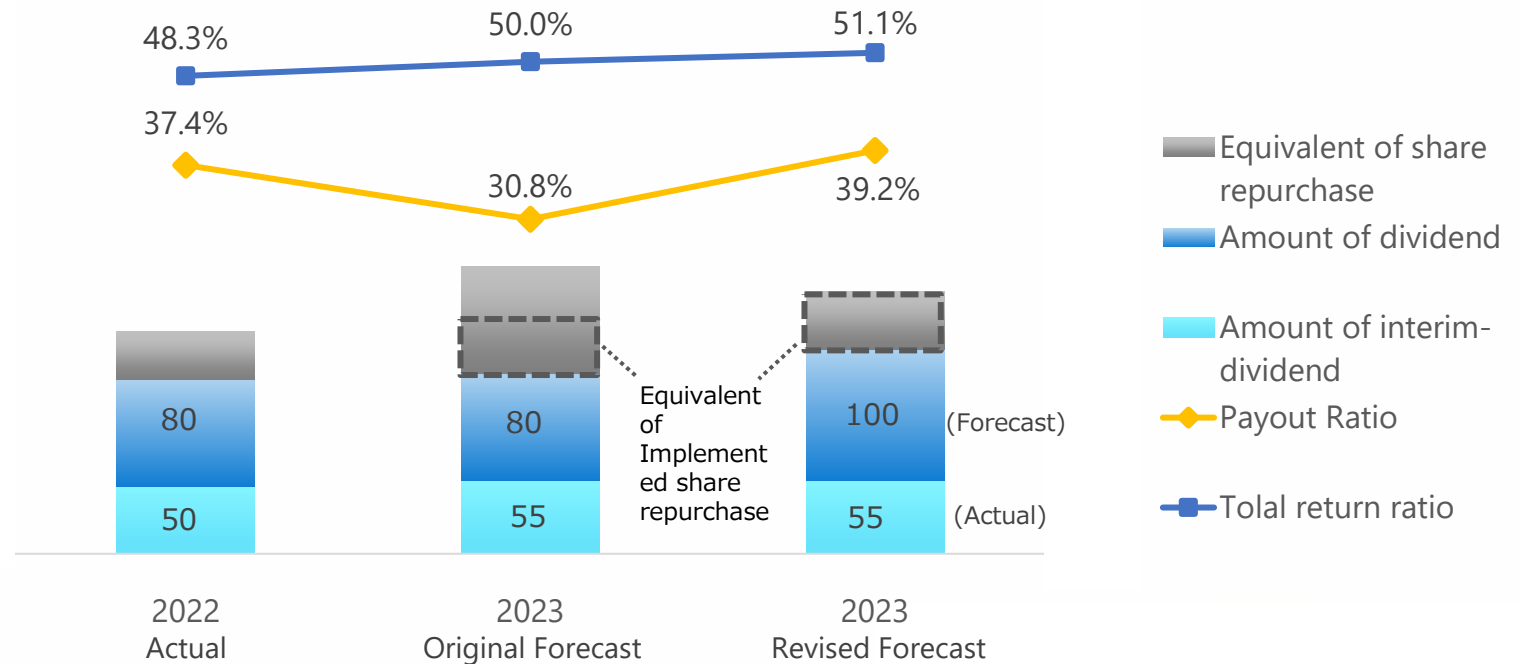
From November 11,2022 to December 31,2022

Total amount of repurchase price :

455,572,800 yen

Total number of shares repurchased :

149,700 shares



New Products | BN2-20/20A

Digital Fabrication

Released on September 7, 2023

Desktop Eco-Solvent printer with compact and easy-to-use



VersaSTUDIO BN2-20 BN2-20A

	BN2-20	BN2-20A
Ink type	Eco-Solvent ink	Eco-Solvent ink
Ink color	CMYK 4 colors	CMYK+W
Type	Print & Cut	Print & Cut
Price (with tax)	1,045,000 JPY	1,265,000 JPY
Sales Target	4,500 Units in a year (Globally)	

- Since the first model was introduced, over 25,000 units of the BN Series have been sold. First full model change in 12 years since launch in 2011.
- The new BN2 increases the printing speed approximately 4 times greater than the previous models. They can produce a wide variety of high-value-added items, from original T-shirts, posters, stickers, labels, and unique-shaped displays, beautifully and quickly.
- Come standard with software that can be used for everything from design creation to output with simple operations and have a simple design with a power button.

Application



Original T-shirt



Tote bag



Sticker and labels



Poster



Window graphics




Interior



Complication of share acquisition and change of trade name to DG DIMENSE

TOPICS

- October 4, Complicated the share acquisition and change the trade name to “DG DIMENSE”
- October 6, Held the foundation ceremony in Lithuania

Click here and check the blog! 

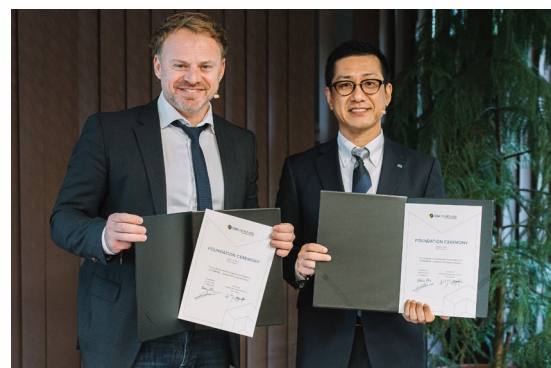


DG DIMENSE

Company name	: UAB DG DIMENSE
Location	: Lithuania
Representative	: Aleksey Etin
Business activities	: Development, manufacture and sales of wall paper materials, inks and printers
Capital stock	: 2,000 EUR (At the time of acquisition)
Total asset	: 6,748 thousand EUR
Shareholding ratio	: The Company 50.1%



Aleksey Etin, CEO



Signing ceremony



Ambassador Ozaki from the Embassy of Japan in Lithuania



Ceremony venue



Pray for future development with “Kagamibiraki”



Ceremony of unveiling the signboard

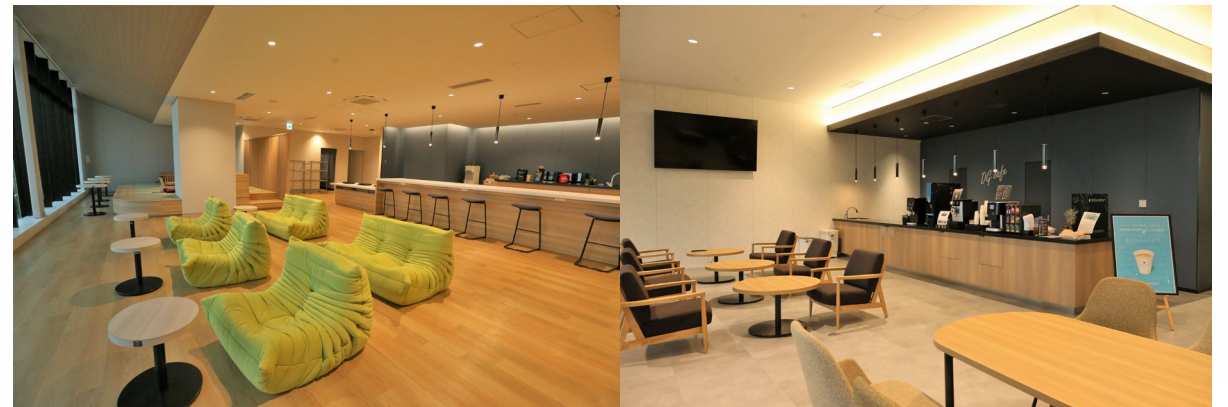


Headquarters New Office Building Supporting New Ways of Working (operation commencement Nov 1)

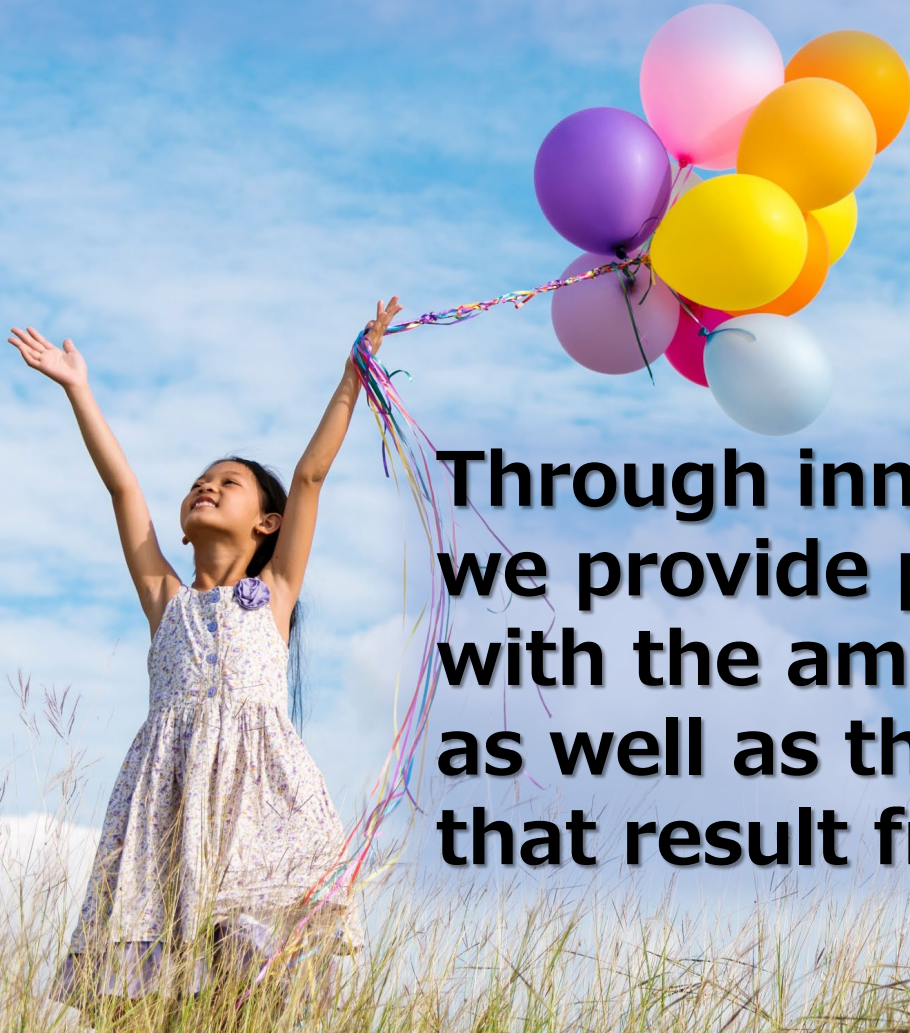
TOPICS



- Designing office spaces optimized for the four work scenarios of focus, collaboration, interaction, and creativity, and helping workers choose the optimal environment to improve their performance.
- Nearly ZEB certified which will reduce energy consumption by 75% through combination of solar power generation and efficient equipment systems.



Purpose: To Empower Creativity and Excitement Worldwide



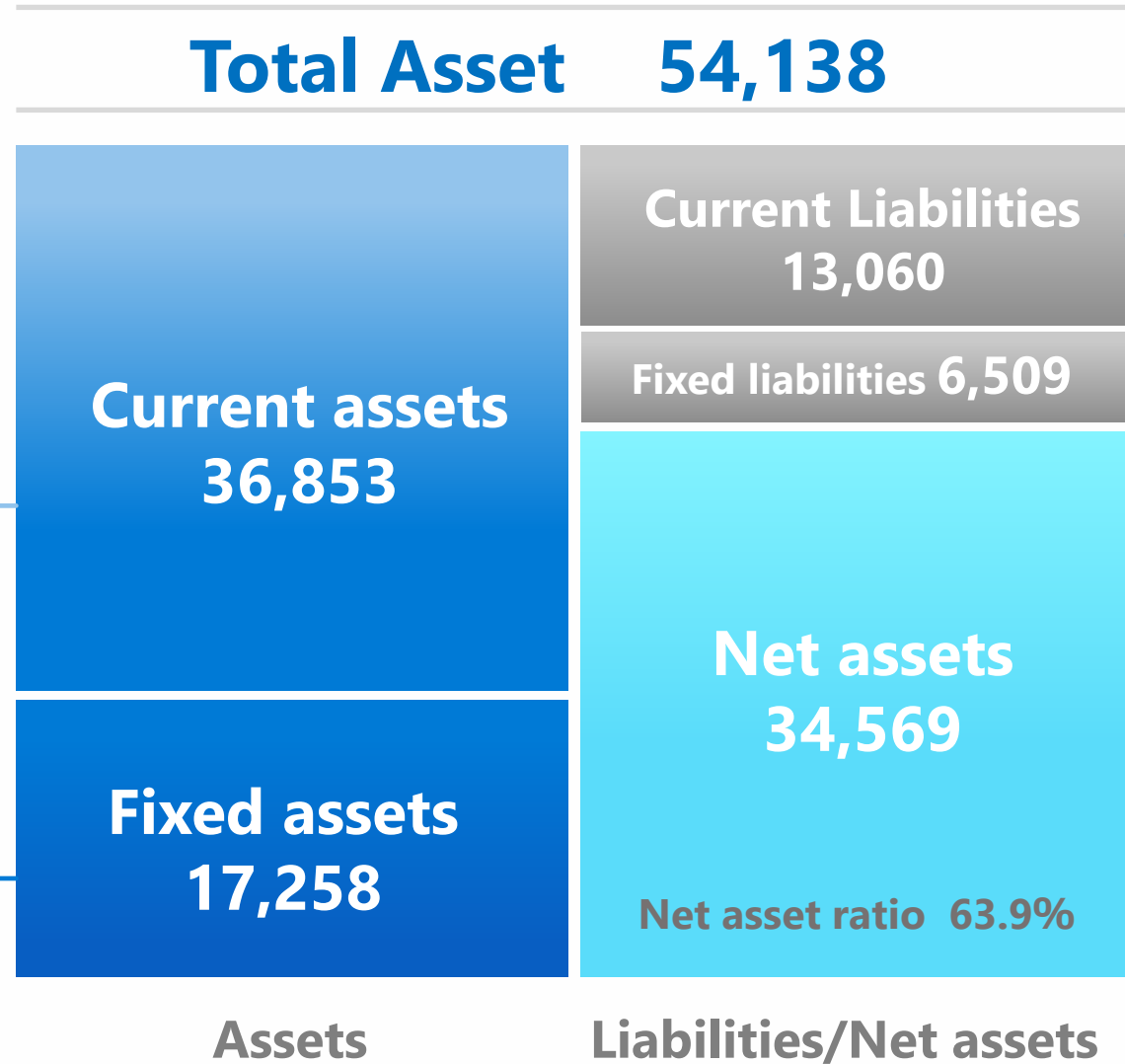
**Through innovative digital solutions,
we provide people around the world
with the amazement and joy of creation,
as well as the wow and excitement
that result from it.**

Appendix

Balance sheet

As of 9/30/2023

(Millions of yen)



- Cash & deposits (517)
- Note and accounts receivable-trade +1,357
- Inventory +2,310

- Construction in progress (900)
- Buildings and structures (3,238)
- Tools, furniture and fixtures, net +409

- Short-term borrowings +994
- Short-term borrowings +3,000
- Income taxes payable +616
- Other +644

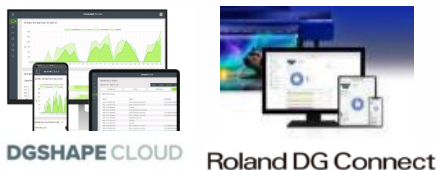
- ✓ Acquisition of Treasury Shares, Completion of Acquisition Share Repurchase and Cancellation of Treasury Shares
 - Capital surplus (999)
 - Treasury shares (455)
- Retained earnings +1,404
- FX translation adjustment +1,389
- Net asset ratio (6.3) points

※Change from the end of previous fiscal year

Net sales by four market

Service, Software & Others

Service parts, maintenance, and connected service



Dental

Dental milling machines



Digital Fabrication

Products that enable on-demand personalized and customization



Desktop ECO-Solvent printers



Desktop UV printers



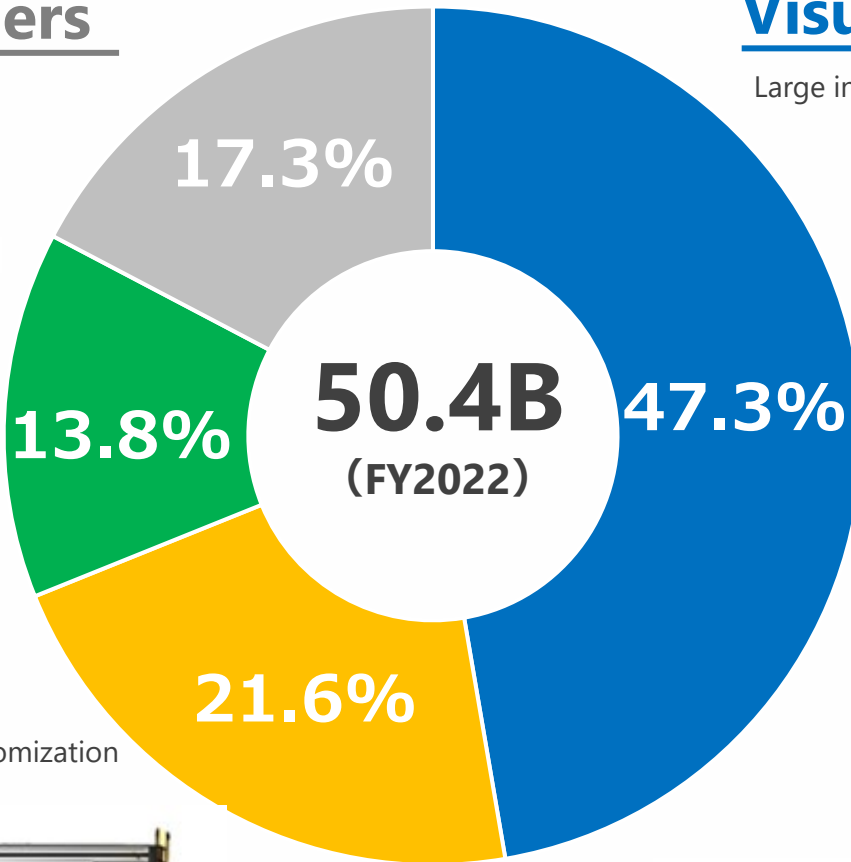
Co-Creation products



3D milling machines



Cutting machines



Visual Communication

Large inkjet printers for sign, displays and decorations

VC-Solvent

Eco-Solvent printers



Eco-Solvent printers

VC-Other

Non-Solvent printers



Resin printers

UV printers

Product launched in 2023



TrueVIS
AP-640



The company's first resin ink model

DGXPRESS
UG-642 UG-641



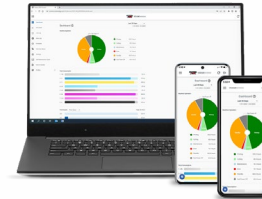
Launched the region-specific model DGXPRESS brand, with it first released of two models of UV printers

EU-1000MF



UV flatbed printer launched in Europe

Roland DG Connect



Roland DG Connect Offers Expanded Operational Capabilities. Started subscription service

VersaSTUDIO
BN2-20 BN2-20A



Full model change the desktop inkjet printer



TrueVIS
LG-640 LG-540 LG-300 MG-640 MG-300

Two line-up of UV printers; high-productivity model and dissemination model

VersaSTUDIO
SIGN MAKER BN-20D



The company's first DTF desktop inkjet printer targeting small- and medium-sized apparel business

VersaOBJECT
CO Series



Launch the new VersaOBJECT brand of products capable of printing brilliant color directly on a wide variety of three-dimensional objects. Globally expanded our Co-Creation model.

DGXPRESS
ER-642



High-end model dedicated to Eco-Solvent for emerging market

VersaSTUDIO
GS2-24



Compact cutting machine with improved pro level specifications

DWX-52D Plus



Plus model using high performance spindle as default



New Eco-friendly Cardboard-Based Ink Cartridges Reduce Plastic Usage by 82%

Consolidated financial results

(Millions of yen)	2022 Q3 YTD		2023 Q3 YTD		YoY		
	Performance	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net Sales	36,939	-	39,614	-	2,674	107.2%	100.3%
Gross Profit	18,335	49.6%	20,146	50.9%	1,810	109.9%	98.2%
SG&A	14,022	38.0%	16,143	40.8%	2,121	115.1%	110.2%
Operating Profit	4,313	11.7%	4,002	10.1%	(310)	92.8%	59.3%
Ordinary Profit	4,432	12.0%	4,255	10.7%	(177)	96.0%	63.2%
Net Profit*	3,017	8.2%	3,082	7.8%	64	102.2%	69.0%
EPS (Yen)	242.13		253.91				
Exchange rate Yen	USD	128.06	138.11				
	EUR	136.00	149.67				

*1 Net profit attributable to owners of parent

Exchange rate Amount of impact	Net sales	2,570
	Operating Profit	1,455

Consolidated financial results

(Millions of yen)	2022 Q3 YTD		2023 Q3 YTD		YoY		
	Performance	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Sales by Market							
Visual Communication	17,324	46.9%	19,905	50.2%	2,580	114.9%	107.1%
Digital Fabrication	8,036	21.8%	7,930	20.0%	(105)	98.7%	92.3%
Dental	5,030	13.6%	5,086	12.9%	55	101.1%	94.5%
Service, Software & Others	6,548	17.7%	6,692	16.9%	143	102.2%	96.6%
Total	36,939	100.0%	39,614	100.0%	2,674	107.2%	100.3%
Sales by Product							
Hardware	18,454	50.0%	19,322	48.8%	867	104.7%	97.8%
Supplies	12,150	32.9%	13,842	34.9%	1,692	113.9%	106.4%
Service parts & Others	6,335	17.1%	6,450	16.3%	115	101.8%	96.0%
Sales by Region							
Japan	3,575	9.7%	3,280	8.3%	(295)	91.7%	-
North America	13,256	35.9%	14,075	35.5%	819	106.2%	98.5%
Europe	12,751	34.5%	13,838	34.9%	1,086	108.5%	99.0%
Asia	2,237	6.0%	2,461	6.2%	224	110.0%	108.8%
Others	5,119	13.9%	5,958	15.1%	839	116.4%	110.4%
Total	36,939	100.0%	39,614	100.0%	2,674	107.2%	100.3%

Consolidated financial results (3 months)

(Millions of yen)

	2022				2023				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	YoY	QoQ
Net Sales	11,316	12,768	12,854	13,519	12,687	12,992	13,934	108.4%	107.3%
Gross Profit	5,681	6,263	6,390	6,724	6,437	6,577	7,131	111.6%	108.4%
%	50.2%	49.1%	49.7%	49.7%	50.7%	50.6%	51.2%	+1.5PP	+0.6PP
SG & A	4,387	4,868	4,766	4,953	5,152	5,269	5,721	120.0%	108.6%
%	38.8%	38.1%	37.1%	36.6%	40.6%	40.6%	41.1%	+4.0PP	+0.5PP
Operating Profit	1,293	1,395	1,624	1,770	1,284	1,308	1,409	86.8%	107.7%
%	11.4%	10.9%	12.6%	13.1%	10.1%	10.1%	10.1%	(2.5) PP	0P
Ordinary Profit	1,467	1,406	1,558	1,693	1,365	1,526	1,363	87.5%	89.4%
%	13.0%	11.0%	12.1%	12.5%	10.8%	11.7%	9.8%	(2.3) PP	(1.9) PP
Net Profit *	925	1,009	1,082	1,309	937	1,144	999	92.4%	87.3%
%	8.2%	7.9%	8.4%	9.7%	7.4%	8.8%	7.2%	(1.2) PP	(1.6) PP
EPS(yen)	74.25	81.01	86.87	105.56	77.09	94.37	82.45		

* Net profit attributable to owners of parent

Consolidated financial results (3 months)

(Millions of yen)

	2022				2023				
Sales by Market	Q1	Q2	Q3	Q4	Q1	Q2	Q3	YoY	QoQ
Visual Communication	5,186	5,939	6,199	6,521	6,240	6,457	7,207	116.3%	111.6%
Digital Fabrication	2,509	2,840	2,686	2,890	2,464	2,574	2,892	107.7%	112.4%
Dental	1,529	1,879	1,621	1,938	1,915	1,815	1,355	83.6%	74.6%
Service, Software & Others	2,090	2,110	2,347	2,168	2,066	2,145	2,480	105.7%	115.6%
Total	11,316	12,768	12,854	13,519	12,687	12,992	13,934	108.4%	107.3%
Sales by Product									
Hardware	5,843	6,472	6,138	7,240	6,383	6,196	6,742	109.9%	108.8%
Supplies	3,485	4,236	4,427	4,169	4,298	4,726	4,817	108.8%	101.9%
Service parts & Others	1,987	2,059	2,288	2,109	2,005	2,070	2,374	103.8%	114.7%
Sales by Region									
Japan	1,347	1,063	1,164	1,211	1,132	1,033	1,114	95.7%	107.8%
North America	3,859	4,752	4,644	5,196	4,391	4,582	5,101	109.9%	111.3%
Europe	3,880	4,414	4,456	4,692	4,483	4,633	4,721	105.9%	101.9%
Asia	772	699	765	653	735	823	902	118.0%	109.6%
Others	1,455	1,839	1,824	1,765	1,943	1,919	2,095	114.8%	109.1%
Total	11,316	12,768	12,854	13,519	12,687	12,992	13,934	108.4%	107.3%

FY2023 Forecast

(Millions of yen)	2021		2022		2023 Forecast						
	Performance	% of sales	Performance	% of sales	Original	Revised	% of sales	Difference from original	% of original	Difference from FY2022	% of FY2022
Net Sales	45,095	-	50,459	-	58,100	54,500	-	(3,600)	93.8%	4,040	108.0%
Gross Profit	23,063	111.5%	25,059	49.7%	27,700	27,700	50.8%	0	100.0%	2,640	110.5%
SG&A	17,007	37.7%	18,975	37.6%	20,700	21,900	40.2%	1,200	105.8%	2,924	115.4%
Operating Profit	6,056	13.4%	6,083	12.1%	7,000	5,800	10.6%	(1,200)	82.9%	(283)	95.3%
Ordinary Profit	6,082	13.5%	6,126	12.1%	7,000	6,000	11.0%	(1,000)	85.7%	(126)	97.9%
Net Profit* ¹	3,733	8.3%	4,327	8.6%	5,400	4,800	8.8%	(600)	88.9%	472	110.9%
EPS (yen)	299.88		347.69		438.52	395.52					
Average FX rate (Unit : yen)	USD	109.81	131.46		125.00	140.00					
	EUR	129.93	138.11		135.00	151.00					

*¹ Net profit attributable to owners of parent

(Millions of yen)		USD	EUR
Currency Sensitivity (Based on 2022 results)	Net sales	153	110
	Operating Profit	70	81

FY2023 Forecast

(Millions of yen)	2021		2022		2023 Forecast						
	Performance	% of sales	Performance	% of sales	Original	Revised	% of sales	Difference from original	% of original	Difference from FY2022	% of FY2022
Sales by markets											
Visual Communication	20,238	44.9%	23,846	47.3%	29,100	27,500	50.4%	(1,600)	94.5%	3,653	115.3%
Digital Fabrication	10,008	22.2%	10,926	21.6%	11,600	11,000	20.2%	(600)	94.8%	73	100.7%
Dental	6,601	14.6%	6,969	13.8%	8,600	6,700	12.3%	(1,900)	77.9%	(269)	96.1%
Service, Software & Others	8,247	18.3%	8,716	17.3%	8,800	9,300	17.1%	500	105.7%	583	106.7%
Total	45,095	100.0%	50,459	100.0%	58,100	54,500	100.0%	(3,600)	93.8%	4,040	108.0%
Sales by Products											
Hardware	22,668	50.3%	25,694	50.9%	31,600	26,700	49.0%	(4,900)	84.5%	1,005	103.9%
Supplies	14,437	32.0%	16,319	32.4%	17,800	18,900	34.7%	1,100	106.2%	2,580	115.8%
Service parts & Others	7,989	17.7%	8,444	16.7%	8,700	8,900	16.3%	200	102.3%	455	105.4%
Sales by Regions											
Japan	4,533	10.0%	4,786	9.5%	5,300	4,400	8.1%	(900)	83.0%	(386)	91.9%
North America	14,015	31.1%	18,452	36.6%	21,700	19,500	35.8%	(2,200)	89.9%	1,047	105.7%
Europe	17,168	38.1%	17,444	34.6%	19,200	19,000	34.9%	(200)	99.0%	1,555	108.9%
Asia	3,230	7.2%	2,890	5.7%	3,800	3,400	6.2%	(400)	89.5%	509	117.6%
Others	6,148	13.6%	6,885	13.6%	8,100	8,200	15.0%	100	101.2%	1,314	119.1%
Total	45,095	100.0%	50,459	100.0%	58,100	54,500	100.0%	(3,600)	93.8%	4,040	108.0%

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.