

Roland DG Corporation

**Consolidated Financial Results
for the Nine Months Ended September 30, 2019**

Nov 8th, 2019



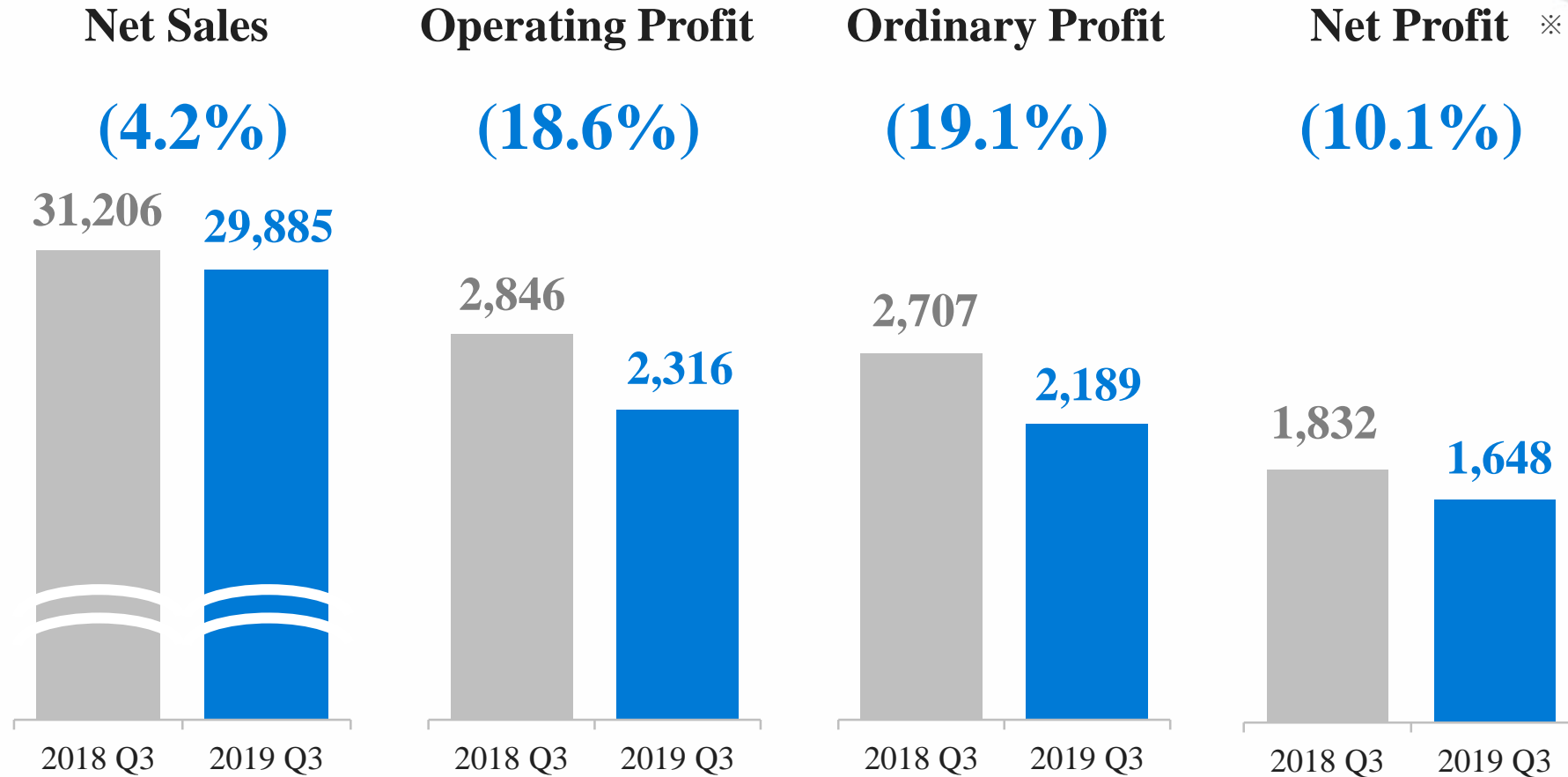
Consolidated Financial Results for the Nine Months Ended September 30, 2019

Financial Highlights

- ✓ Despite steady growth in sales of dental milling machines, overall sales decreased due to a decrease in sales of printers and the appreciation of yen.
- ✓ Operating income decreased due to a increase in R&D expenses and the appreciation of yen.

Consolidated Financial Results

(Millions of yen)

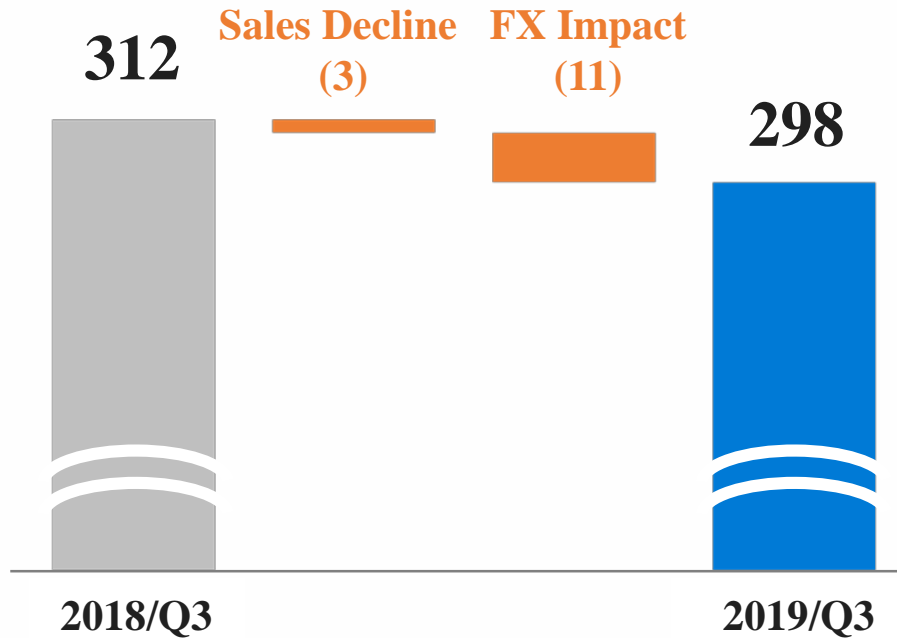


※ Net profit is net profit attributable to parent company shareholders

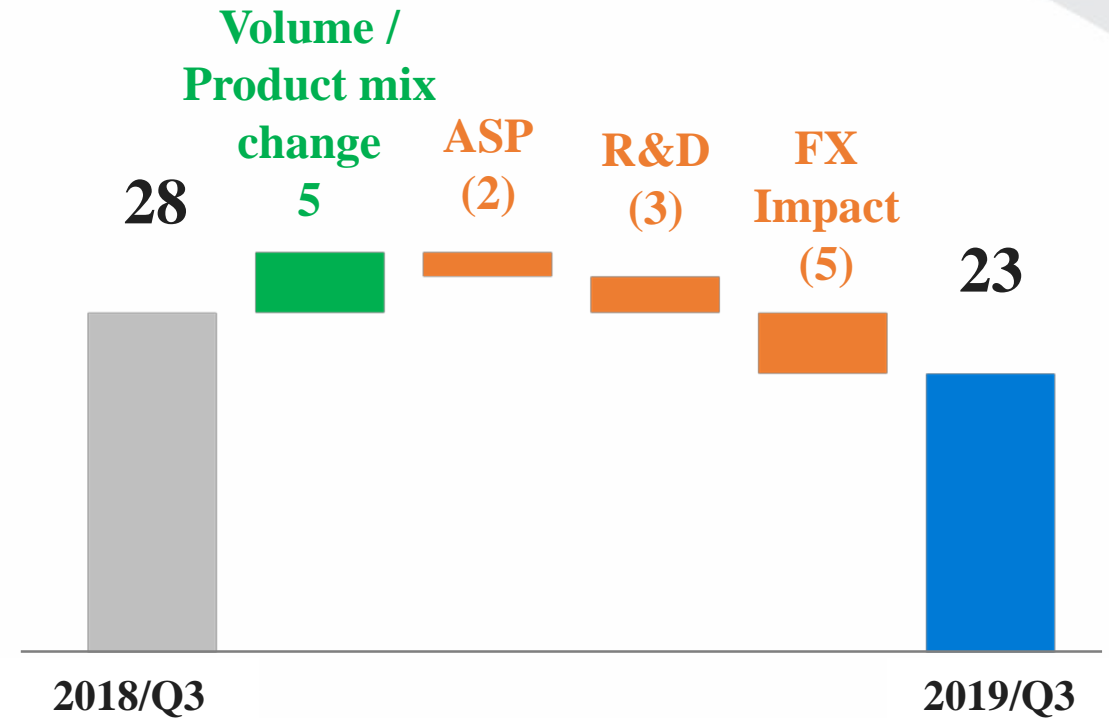
Variance Analysis YoY

(100 Millions of yen)

Net Sales



Operating Profit



Average exchange rate during the accounting period

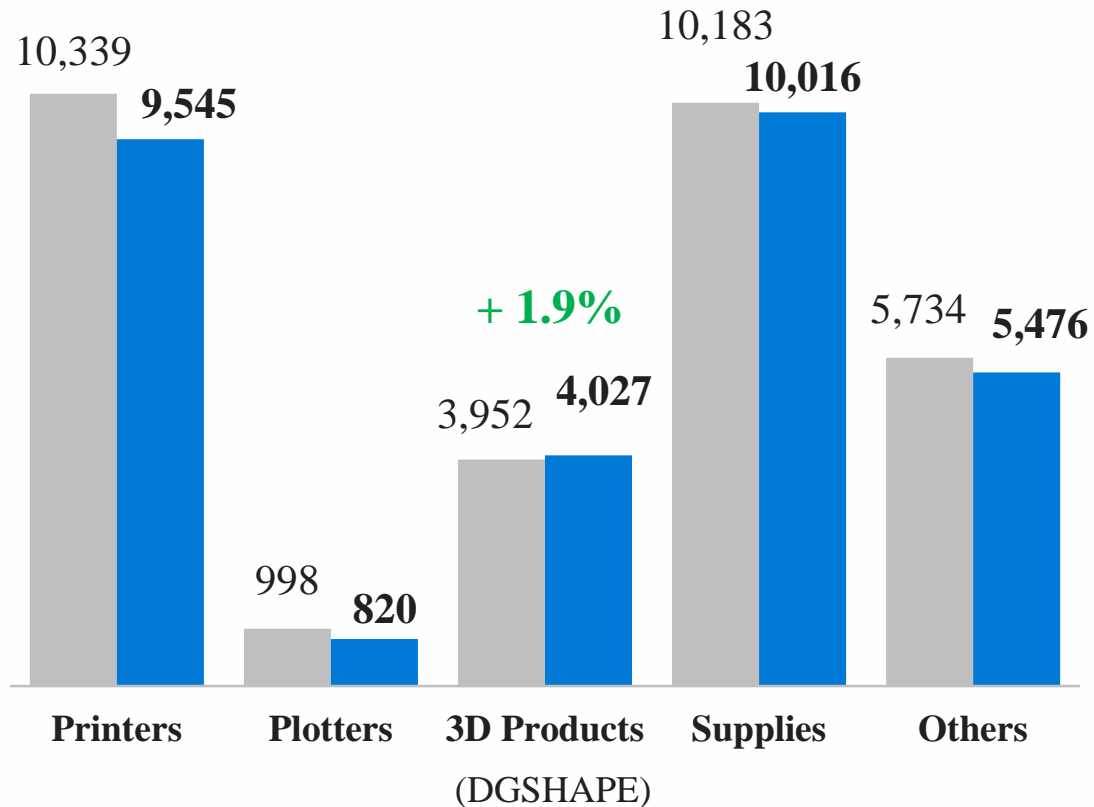
(Unit: Yen)	2018/Q3	2019/Q3	
USD	109.62	109.16	99.6%
EUR	131.00	122.69	93.7%

Business Highlights

(Millions of yen)

■ 2018 Q3

■ 2019 Q3



Printers

- ✓ Printers for signage increased due to a steady sales increase in new model.
- ✓ Decrease in UV printers for signage and UV printers for retailers.

Plotters

- ✓ Wide-format models for signage decreased.

3D Products (DGSHAPE)

- ✓ Dental milling machines increased.
- ✓ 3D milling machines and engraving machines decreased.

Supplies

- ✓ Eco-solvent ink for signage down.
- ✓ UV ink and dye sublimation ink for textile increased.

Others

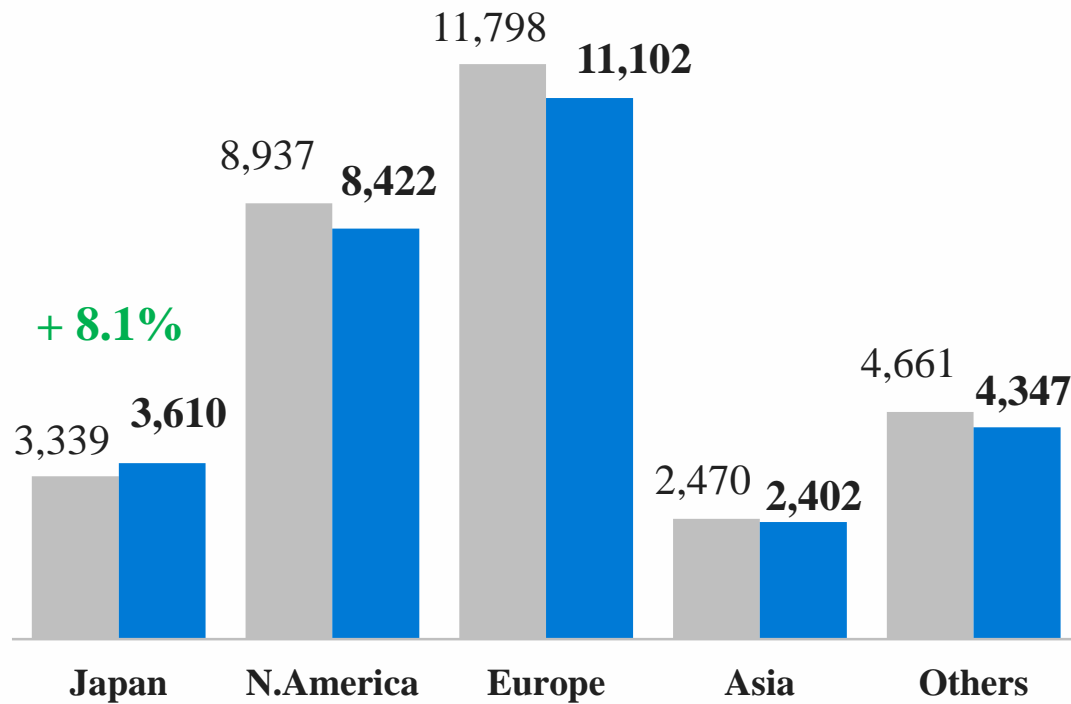
- ✓ Service parts were down.

Regional Highlights

(Millions of yen)

■ 2018 Q3

■ 2019 Q3



Japan

- ✓ Printers for signage increased due to a steady sales increase in new model.
- ✓ Increase in dental milling machines.

N. America

- ✓ Printers for signage remained flat.
- ✓ UV printers and dental milling machines decreased.

Europe

- ✓ Increase in dental milling machines.
- ✓ Decrease in printers for signage and UV printers.
- ✓ Affected by the depreciation of the euro.

Asia

- ✓ Increase in dental milling machines in Korea.
- ✓ Increase in printers for signage in ASEAN.

Others

- ✓ Decrease in printers for signage in South America, including Brazil.

Consolidated Balance Sheet as of September 30, 2019

(Millions of yen)

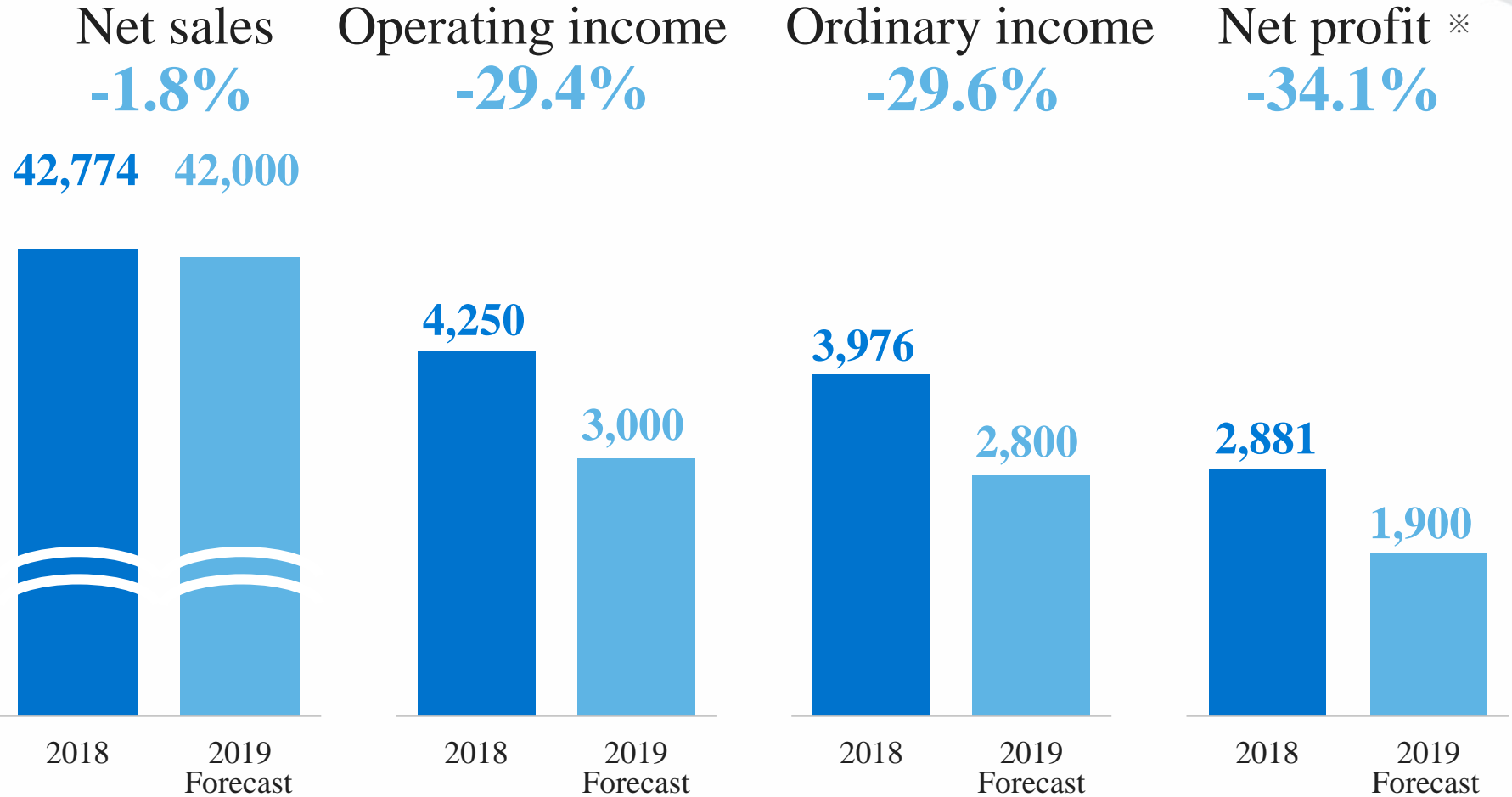
	Total Assets	37,732	
	Current assets	26,559	Current liabilities
	Non-current assets	11,141	8,552
Assets			Non-current liabilities
			4,741
Liabilities/Net assets			Net assets
			24,439
			Net asset ratio 64.8%
			Retained earnings
			+749
			Net asset ratio
			(1.1) points
			Lease obligations
			+703
			Long-term loans payable
			(1080)
			Total interest-bearing dept 2,880
			(360)
			Inventories
			+1,742
			Leased asset-use rights
			+687

Changes from the end of the previous year

Consolidated Forecast for the Fiscal Year Ending December 31, 2019

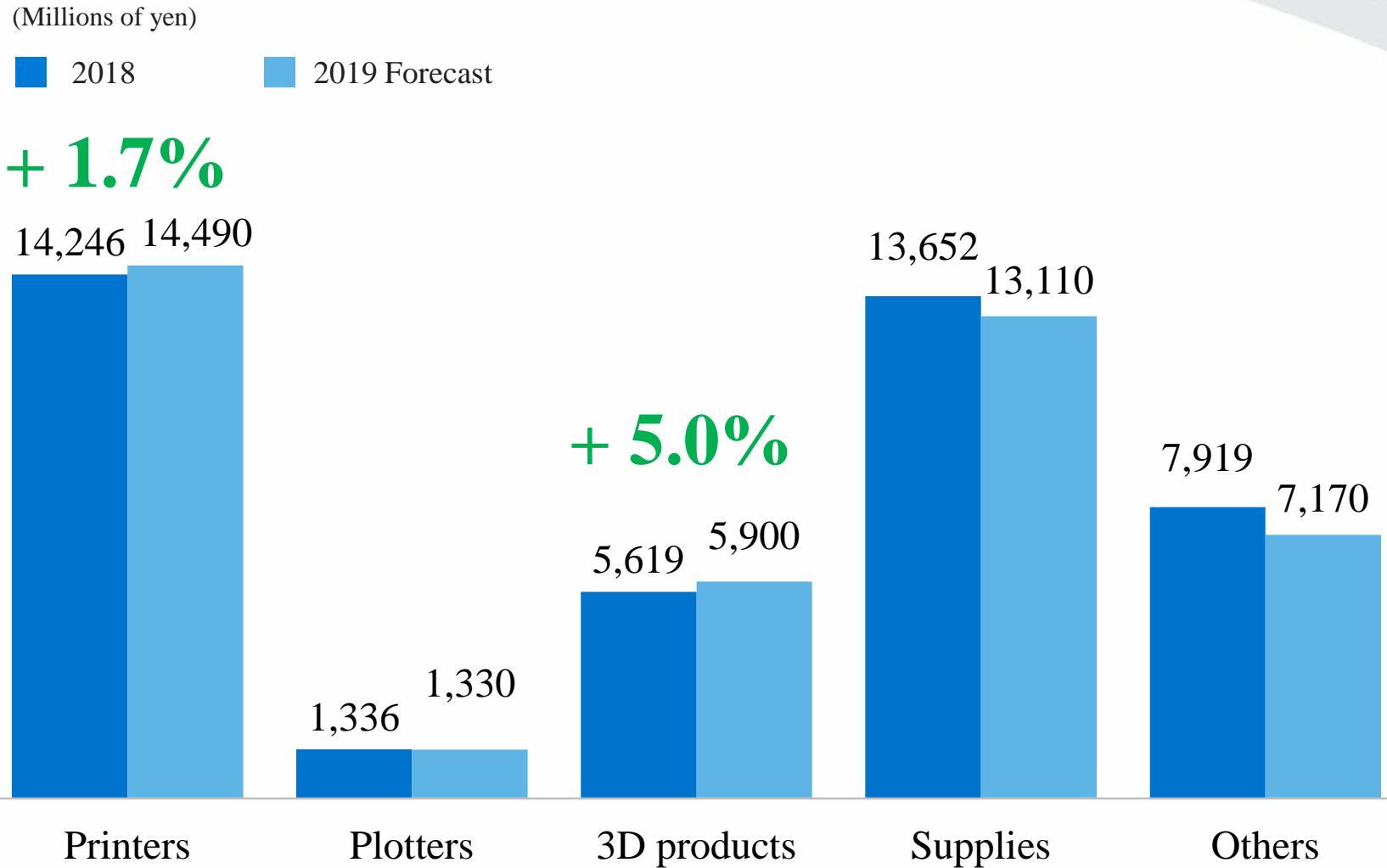
Consolidated Earnings Forecast for the Fiscal Year Ending Dec. 31, 2019

(Millions of yen)

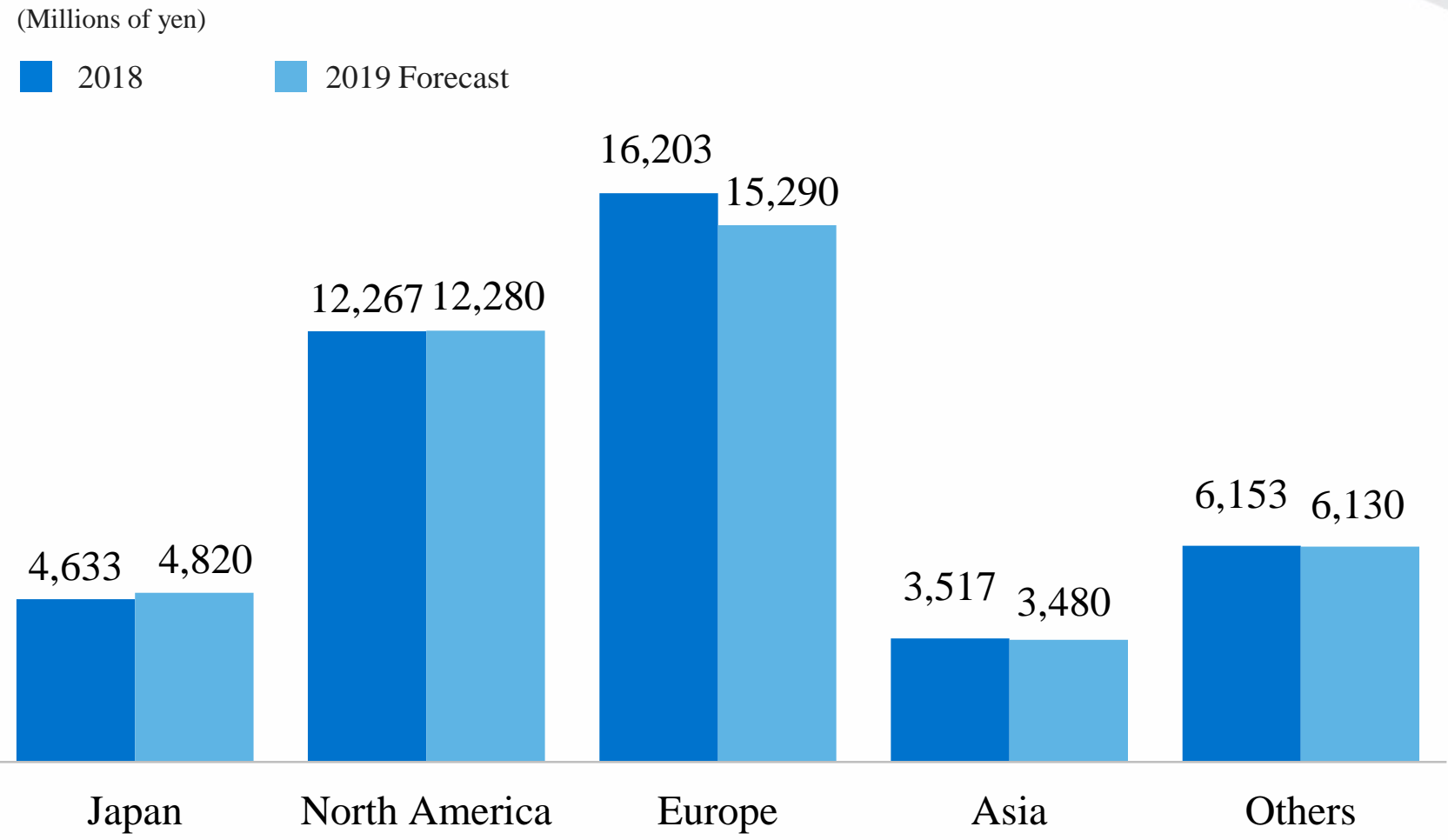


※ Profit attributable to owners of parent

FY12/19 Sales Forecast by Product Category



FY12/19 Sales Forecast by Region



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 (as of Nov 8, 2019). 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

FY2019 Q3 Consolidated Financial Results (9 months)

(Millions of yen)

	FY2018 Q3 (9 months)		FY2019 Q3 (9 months)		YoY change		
	Performance	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net sales	31,206	100.0%	29,885	100.0%	(1,321)	95.8%	99.1%
Gross profit	13,948	44.7%	13,154	44.0%	(793)	94.3%	100.2%
SGA cost	11,102	35.6%	10,838	36.3%	(264)	97.6%	100.3%
Operating income	2,846	9.1%	2,316	7.8%	(529)	81.4%	100.1%
Ordinary income	2,707	8.7%	2,189	7.3%	(518)	80.9%	100.6%
Net profit	1,832	5.9%	1,648	5.5%	(184)	89.9%	112.7%
EPS (Yen)	146.11		131.63				
Exchange rate (Yen)	USD	109.62	109.16				
	EUR	131.00	122.69				

※ Income attributable to owners of parent

(Millions of yen)

Exchange rate Amount of impact	Net sales	(1,055)
	Operating income	(532)

FY2019 Q3 Sales by Product (9 months)

(Millions of yen)

	FY2018 Q3 (9 months)		FY2019 Q3 (9 months)		YoY change	
	Performance	Composition Ratio	Performance	Composition Ratio		Exchange rate impact excluded Real term
Printers	10,339	33.1%	9,545	31.9%	92.3%	95.8%
Plotters	998	3.2%	820	2.8%	82.2%	84.7%
3D Products (DGSHAPE)	3,952	12.7%	4,027	13.5%	101.9%	105.5%
Supplies	10,183	32.6%	10,016	33.5%	98.4%	101.7%
Others	5,734	18.4%	5,476	18.3%	95.5%	98.8%
Total	31,206	100.0%	29,885	100.0%	95.8%	99.1%

FY2019 Q3 Sales by Region (9 months)

(Millions of yen)

	FY2018 Q3 (9 months)		FY2019 Q3 (9 months)		YoY change	
	Performance	Composition Ratio	Performance	Composition Ratio		Exchange rate impact excluded Real term
Japan	3,339	10.7%	3,610	12.1%	108.1%	-
North America	8,937	28.7%	8,422	28.2%	94.2%	94.6%
Europe	11,798	37.8%	11,102	37.2%	94.1%	100.5%
Asia	2,470	7.9%	2,402	8.0%	97.2%	99.8%
Others	4,661	14.9%	4,347	14.5%	93.3%	97.7%
Total	31,206	100.0%	29,885	100.0%	95.8%	99.1%

FY2019 Q3 Consolidated Financial Results (3 months)

(Millions of yen)

	FY2019 Q1 (3 months)		FY2019 Q2 (3 months)		FY2019 Q3 (3 months)			
	Performance	% of Net sales	Performance	% of Net sales	Performance	% of Net sales	QoQ	YoY
Net sales	9,887	100.0%	10,070	100.0%	9,926	100.0%	98.6%	97.0%
Gross profit	4,458	45.1%	4,429	44.0%	4,266	43.0%	96.3%	92.9%
SGA cost	3,637	36.8%	3,682	36.6%	3,517	35.4%	95.5%	99.7%
Operating income	820	8.3%	746	7.4%	749	7.5%	100.3%	70.4%
Ordinary income	794	8.0%	688	6.8%	705	7.1%	102.5%	65.4%
Net profit	587	5.9%	482	4.8%	578	5.8%	119.9%	73.2%
EPS (Yen)	46.79		38.53		46.31			
Exchange rate (Yen)	USD	110.21	109.91		107.35			
	EUR	125.19	123.52		119.36			

※ Income attributable to owners of parent

FY2019 Q3 Sales by Product (3 months)

(Millions of yen)

	FY2019 Q1 (3 months)		FY2019 Q2 (3 months)		FY2019 Q3 (3 months)			
	Performance	Composition Ratio	Performance	Composition Ratio	Performance	Composition Ratio	QoQ	YoY
Printers	3,126	31.6%	3,261	32.4%	3,156	31.8%	96.8%	96.3%
Plotters	284	2.9%	274	2.7%	261	2.6%	95.6%	83.5%
3D Products (DGSHAPE)	1,326	13.4%	1,318	13.1%	1,381	13.9%	104.8%	106.7%
Supplies	3,264	33.0%	3,429	34.1%	3,321	33.5%	96.8%	98.2%
Others	1,885	19.1%	1,786	17.7%	1,804	18.2%	101.0%	91.8%
Total	9,887	100.0%	10,070	100.0%	9,926	100.0%	98.6%	97.0%

FY2019 Q3 Sales by Region (3 months)

(Millions of yen)

	FY2019 Q1 (3 months)		FY2019 Q2 (3 months)		FY2019 Q3 (3 months)			
	Performance	Composition Ratio	Performance	Composition Ratio	Performance	Composition Ratio	QoQ	YoY
Japan	1,208	12.2%	1,062	10.6%	1,339	13.5%	126.0%	114.0%
N.America	2,563	25.9%	2,924	29.0%	2,934	29.5%	100.4%	94.7%
Europe	3,879	39.2%	3,821	37.9%	3,401	34.3%	89.0%	96.8%
Asia	805	8.2%	822	8.2%	774	7.8%	94.1%	90.0%
Others	1,431	14.5%	1,438	14.3%	1,477	14.9%	102.7%	93.1%
Total	9,887	100.0%	10,070	100.0%	9,926	100.0%	98.6%	97.0%

Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2019

(Millions of yen)

	FY2018		FY2019 forecast		YoY change		
	Performance	% of sales	Forecast	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net sales	42,774	100.0%	42,000	100.0%	(774)	98.2%	101.9%
Gross profit	19,094	44.6%	18,100	43.1%	(994)	94.8%	103.2%
SGA cost	14,844	34.7%	15,100	36.0%	256	101.7%	104.4%
Operating income	4,250	9.9%	3,000	7.1%	(1,250)	70.6%	96.5%
Ordinary income	3,976	9.3%	2,800	6.7%	(1,176)	70.4%	98.1%
Net profit	2,881	6.7%	1,900	4.5%	(981)	65.9%	93.7%
EPS (Yen)	229.66		151.33				
Exchange rate Yen	USD	110.44	105.00				
	EUR	130.45	125.00				

(Millions of yen)

		USD	EUR
Currency Sensitivity (based on 2018 results)	Net sales	124	112
	Operating income	90	50

※ Income attributable to owners of parent

FY2019 Sales Forecast by Product

(Millions of yen)

	FY2018		FY2019 forecast		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Printer	14,246	33.3%	14,490	34.5%	101.7%	106.0%
Plotter	1,336	3.1%	1,330	3.2%	99.5%	104.1%
3D Products (DGSHAPE)	5,619	13.2%	5,900	14.0%	105.0%	109.0%
Supply	13,652	31.9%	13,110	31.2%	96.0%	100.0%
Others	7,919	18.5%	7,170	17.1%	90.5%	93.5%
Total	42,774	100.0%	42,000	100.0%	98.2%	101.9%

FY2019 Sales Forecast by Region

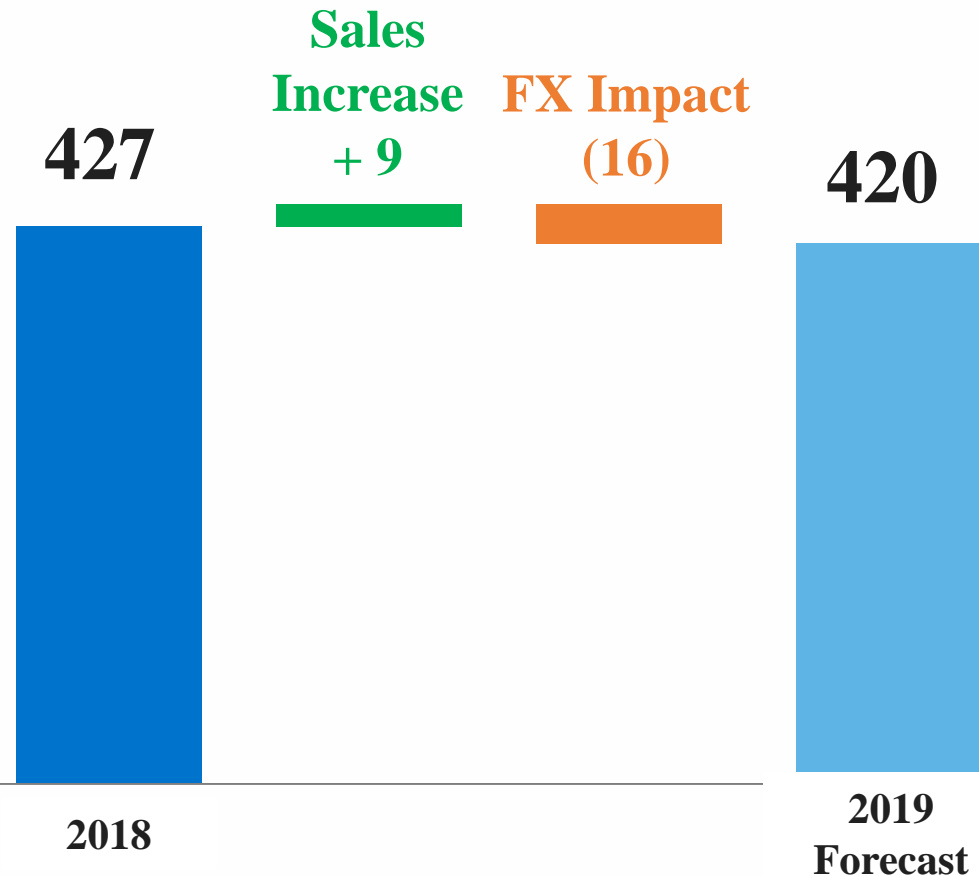
(Millions of yen)

	FY2018		FY2019 forecast		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Japan	4,633	10.8%	4,820	11.5%	104.0%	104.0%
North America	12,267	28.7%	12,280	29.2%	100.1%	105.4%
Europe	16,203	37.9%	15,290	36.4%	94.4%	98.6%
Asia	3,517	8.2%	3,480	8.3%	98.9%	100.7%
Others	6,153	14.4%	6,130	14.6%	99.6%	103.9%
Total	42,774	100.0%	42,000	100.0%	98.2%	101.9%

Variance Analysis YoY

(Unit: 100 million yen)

Net sales



- ▶ Increase printer sales by expanding the lineup
- ▶ Dental continued to grow and 3D products sales increase
- ▶ Forecast exchange rate has a stronger yen than 2018, leading to loss of 1.6bn JPY. Without this, we would have a 0.9bn JPY Increase over 2018

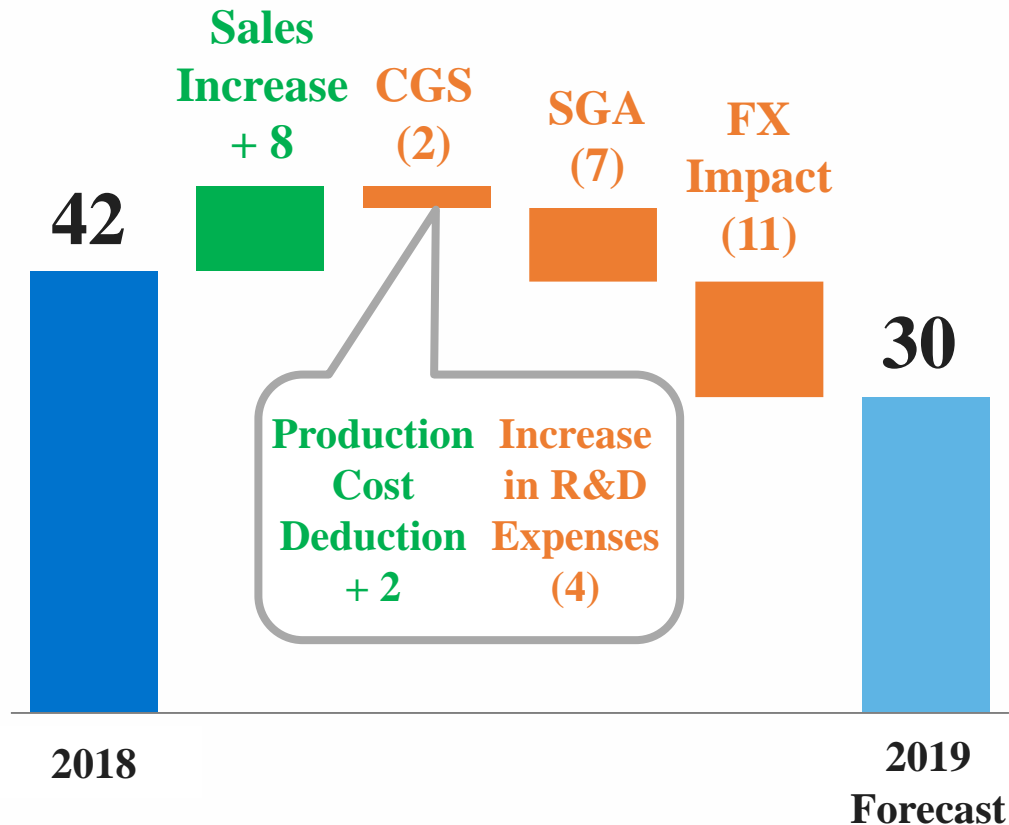
Average exchange rate (Yen)

	2018	2019 (Forecast)	
USD	110.44	105.00	95.1%
EUR	130.45	125.00	95.8%

Variance Analysis YoY

(Unit: 100 million yen)

Operating income



- ▶ Gross profit improved with sales increase and production cost deduction
- ▶ Aggressive investment towards future growth
- ▶ Forecast exchange rate has a stronger yen than 2018, leading to loss of 1.1bn JPY. Without this, we would have a 100mm JPY increase over 2018

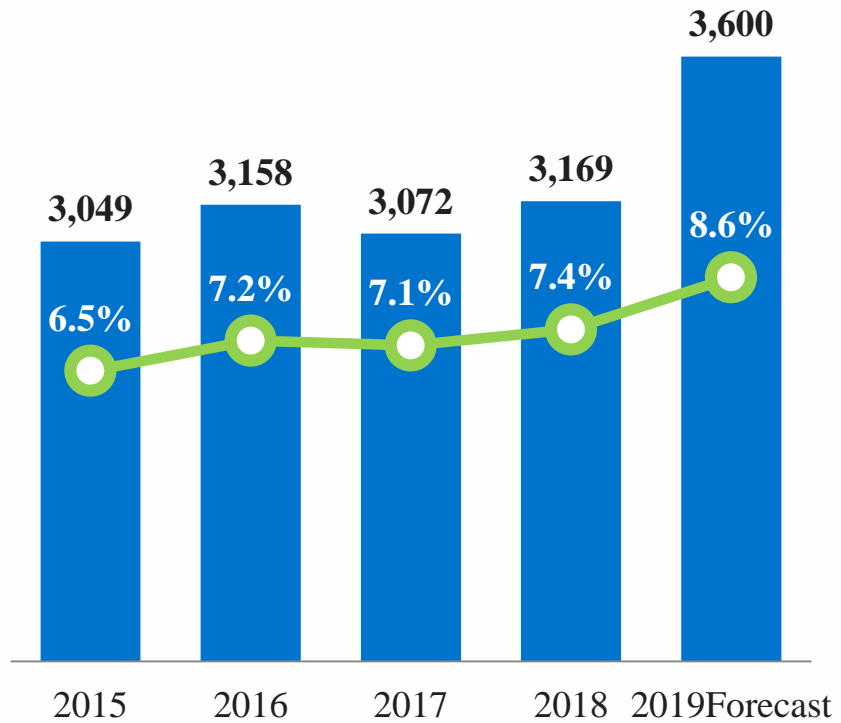
Average exchange rate (Yen)

	2018	2019 (Forecast)	
USD	110.44	105.00	95.1%
EUR	130.45	125.00	95.8%

R&D, Capital Expenditures, and Depreciation and Amortization

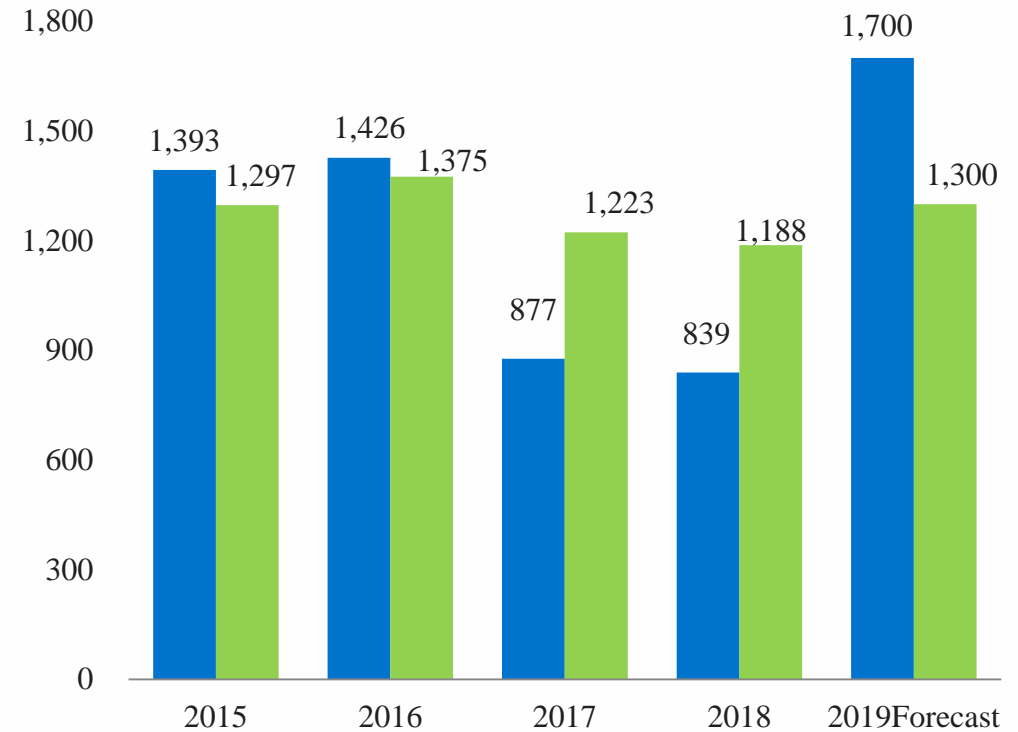
(Millions of yen)

■ Research and development costs
● Ratio of R & D



(Millions of yen)

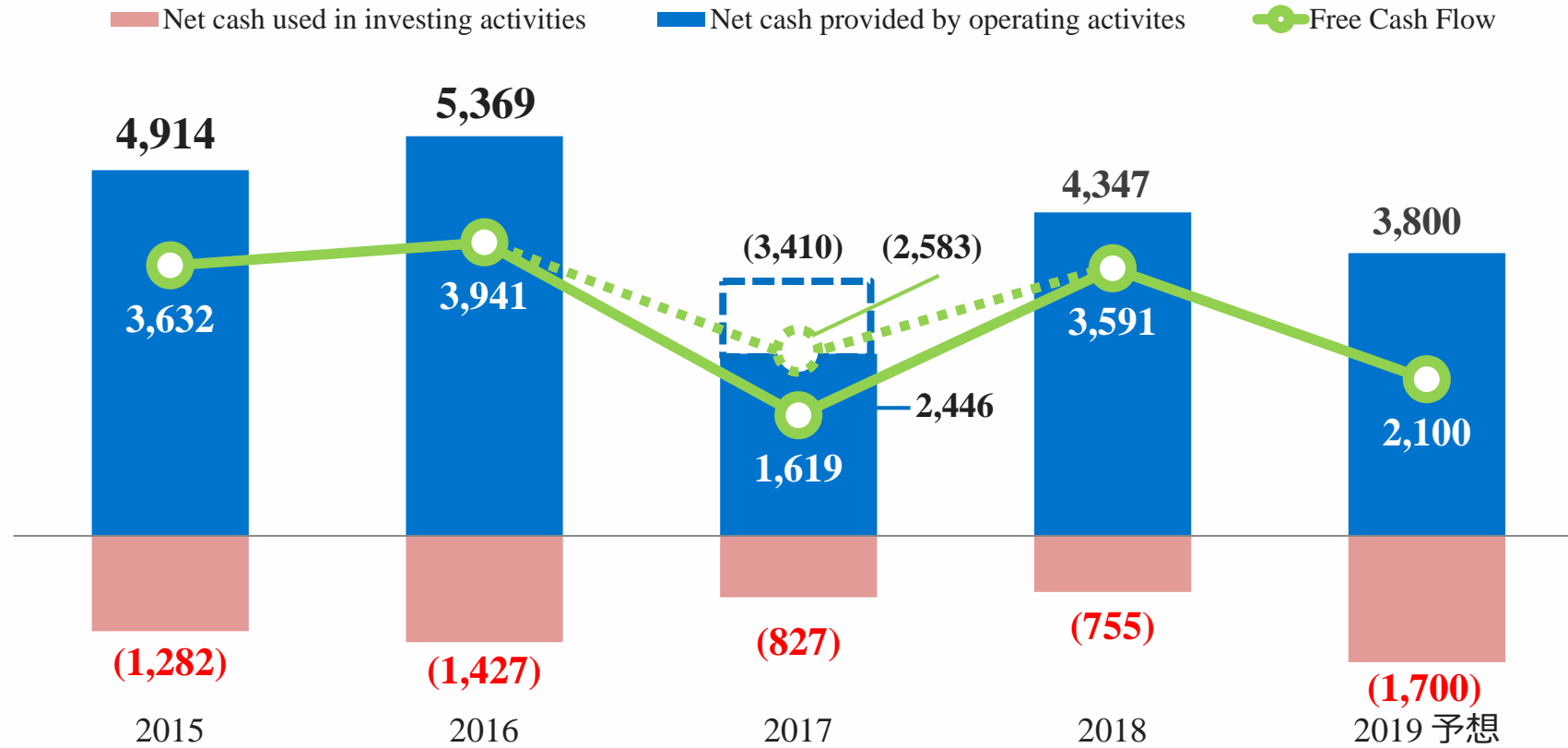
■ Capital Expenditures ■ Depreciation and amortization



※ Figures for FY2015 are adjusted to the 12-month financial results.

Free Cashflow Trends

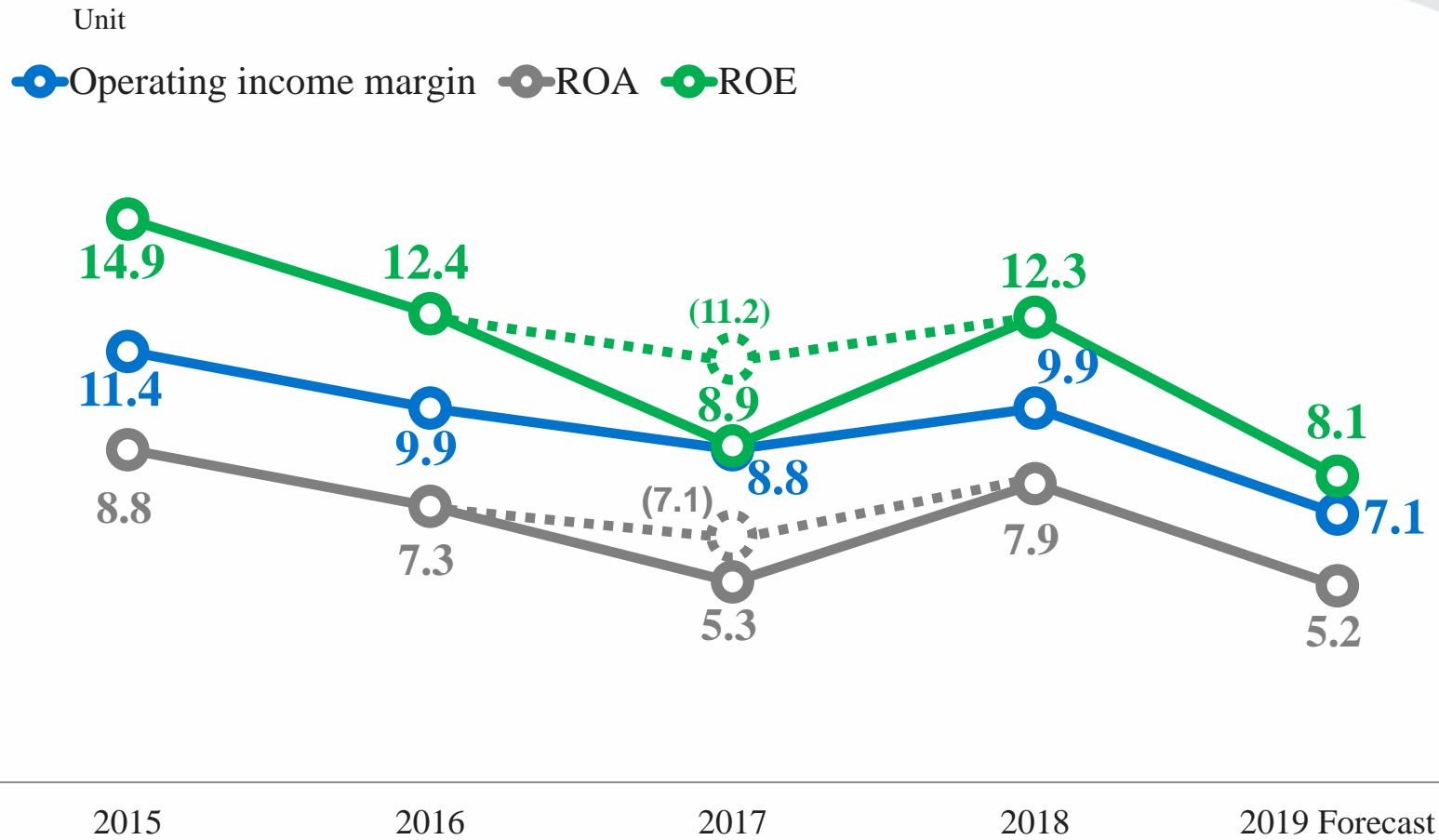
(Millions of yen)



※ Figures for FY2015 are adjusted to the 12-month financial results.

※ Dotted lines exclude special factors such as special losses.

Selected Financial Data



※ Figures for FY2015 are adjusted to the 12-month financial results.

※ Dotted lines exclude special factors such as special losses.