

Roland DG Corporation

**Consolidated Financial Results
for the Three Months Ended March 31, 2019**

May 14th, 2019

 **Roland**

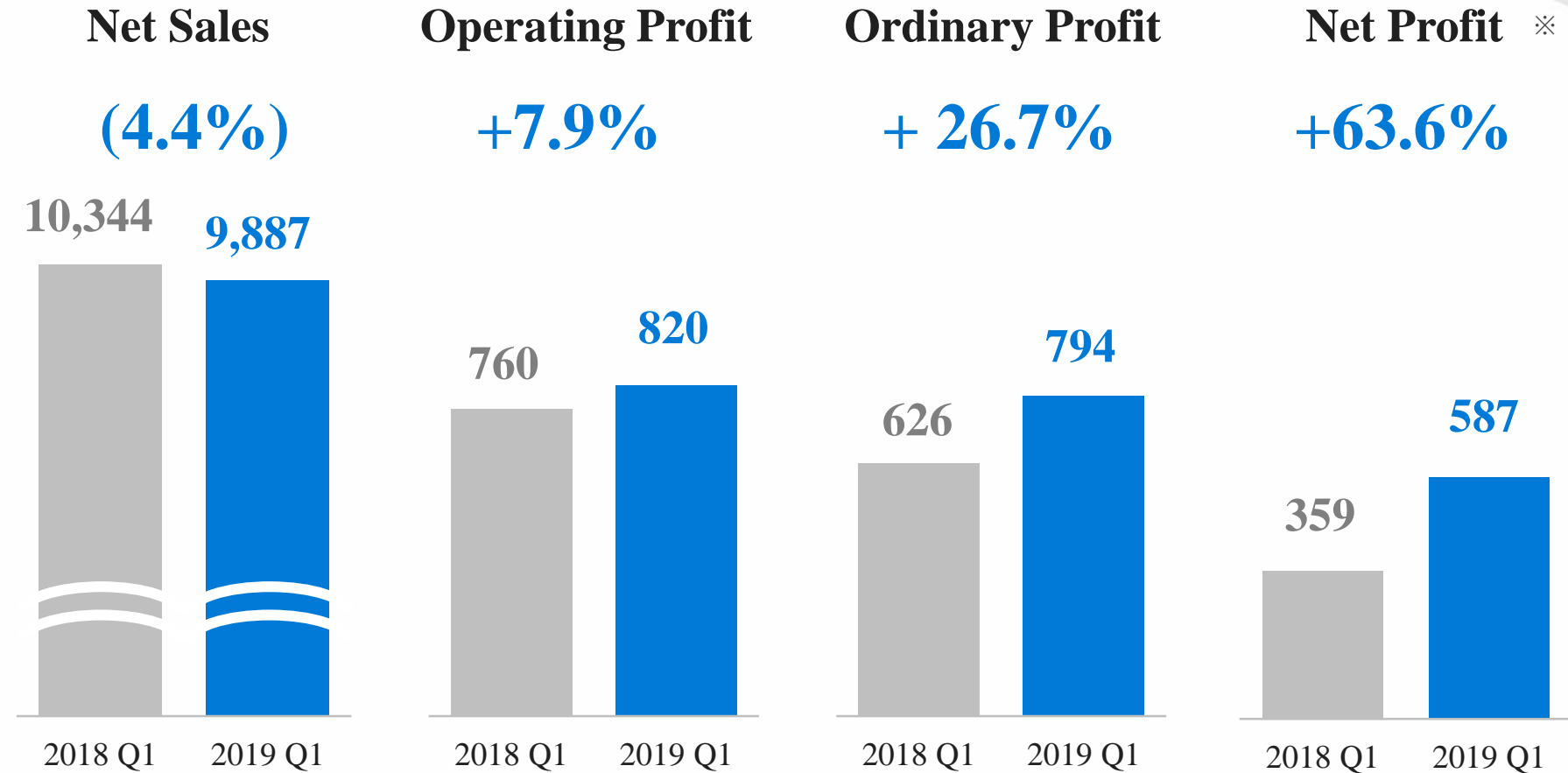
Consolidated Financial Results for the Three Months Ended March 31, 2019

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 increased due to changes in product mix and a reduction in SG&A expenses.

FY2019 Q1 Consolidated Financial Results

(Millions of yen)

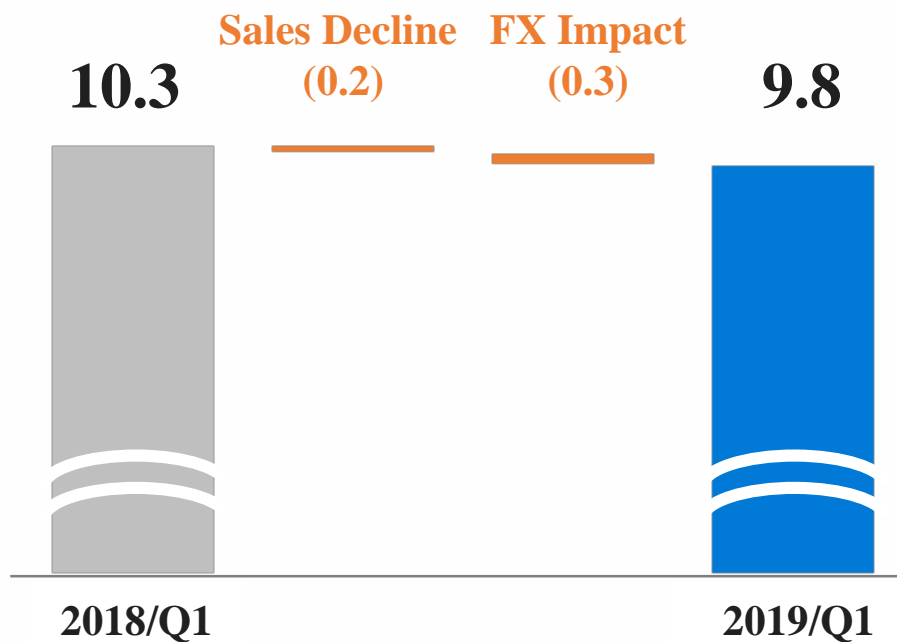


※ Net profit is net profit attributable to parent company shareholders

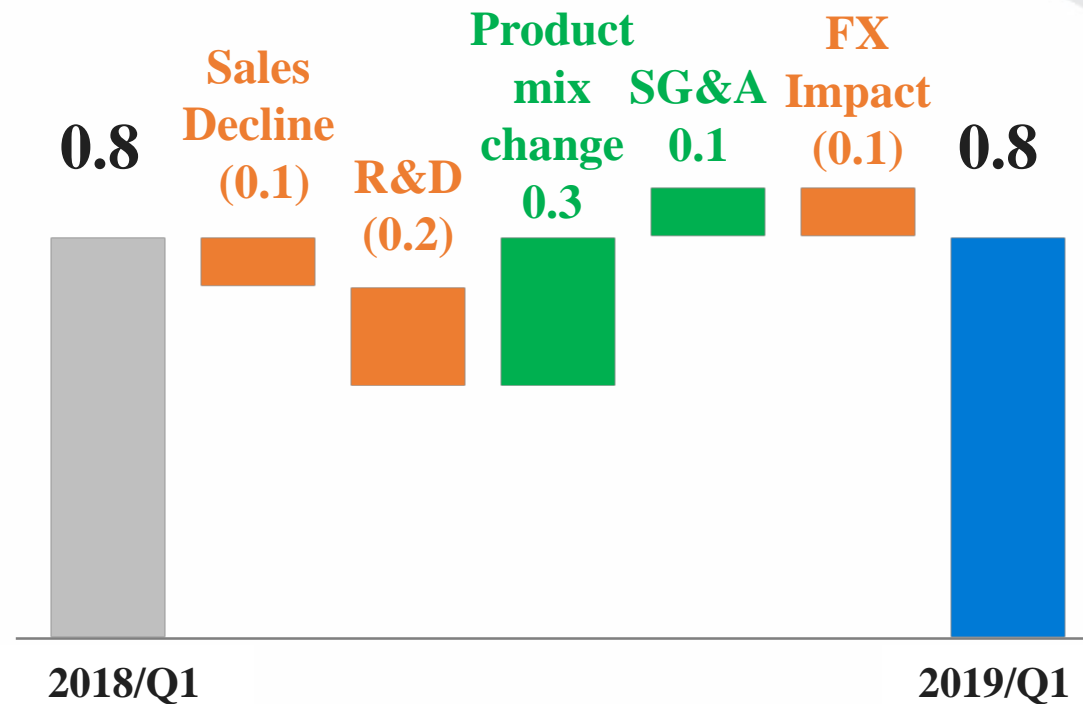
Variance Analysis YoY

(Billions of yen)

Net Sales



Operating Profit



Average exchange rate during the accounting period

(Unit: Yen)	2018/Q1	2019/Q1	
USD	108.30	110.21	101.8%
EUR	133.25	125.19	94.0%

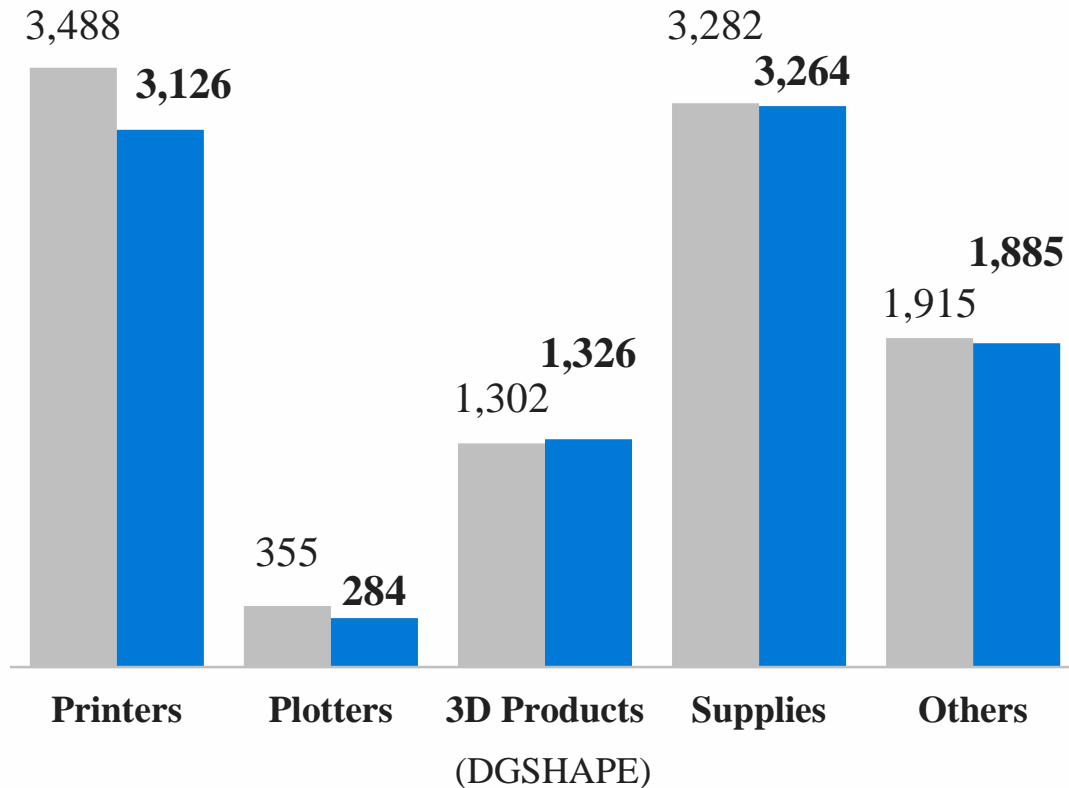
Business Highlights

(Millions of yen)

■ 2018 Q1

■ 2019 Q1

-10.4%



Printers

- ✓ Decrease in 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.

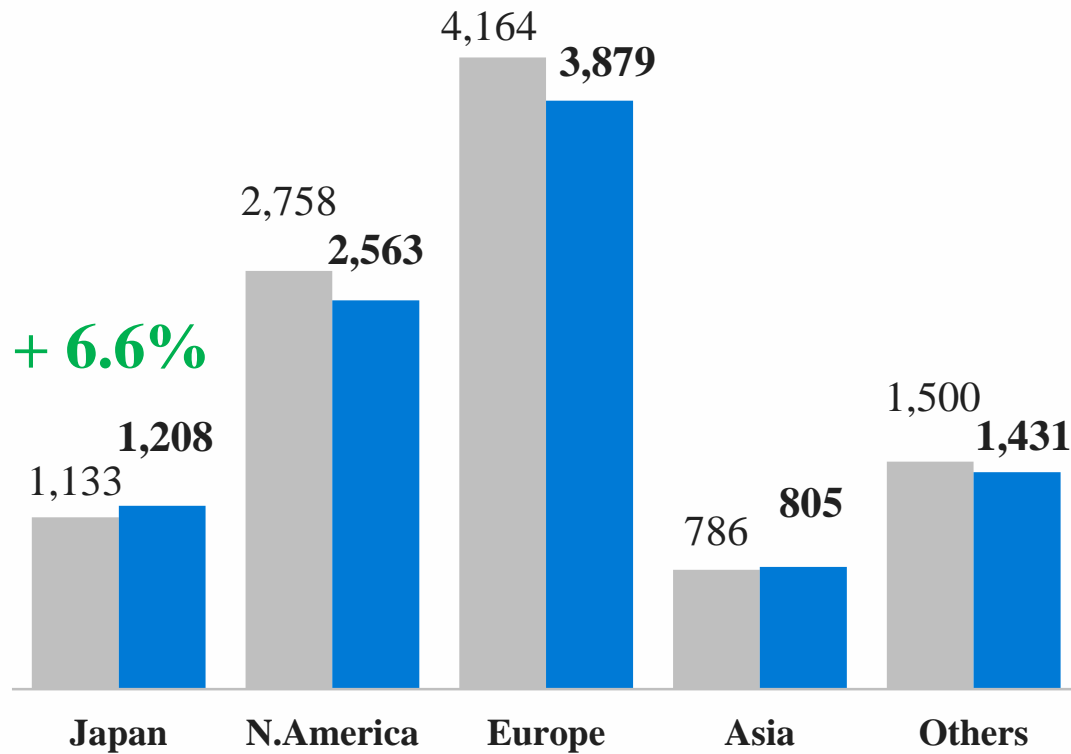
Others

- ✓ Service parts and maintenance fee remained flat.

Regional Highlights

(Millions of yen)

■ 2018 Q1 ■ 2019 Q1



Japan

- ✓ Increase in printers for signage and UV printers.
- ✓ Decrease 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.

Asia

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

Others

- ✓ Increase in printers for signage and dental milling machines in Australia.
- ✓ Sales decreased by the appreciation of yen.

Consolidated Balance Sheet (As of March 31, 2019)

(Millions of yen)

	Total Assets	37,445	
	Current assets	26,187	Current liabilities
<ul style="list-style-type: none"> ✓ Cash and deposits (35) ✓ Inventories 701 			7,808
	Non-current assets	11,258	Non-current liabilities
			5,462
			Total net assets
			24,174
			Net asset ratio 64.6%
			Interest bearing liabilities 2,880 (360)
			<ul style="list-style-type: none"> ✓ Notes and accounts payable-trade (52) ✓ Repayments of long-term loans payable (360) ✓ Retained earnings 4 ✓ Net asset ratio -1.3points

Assets

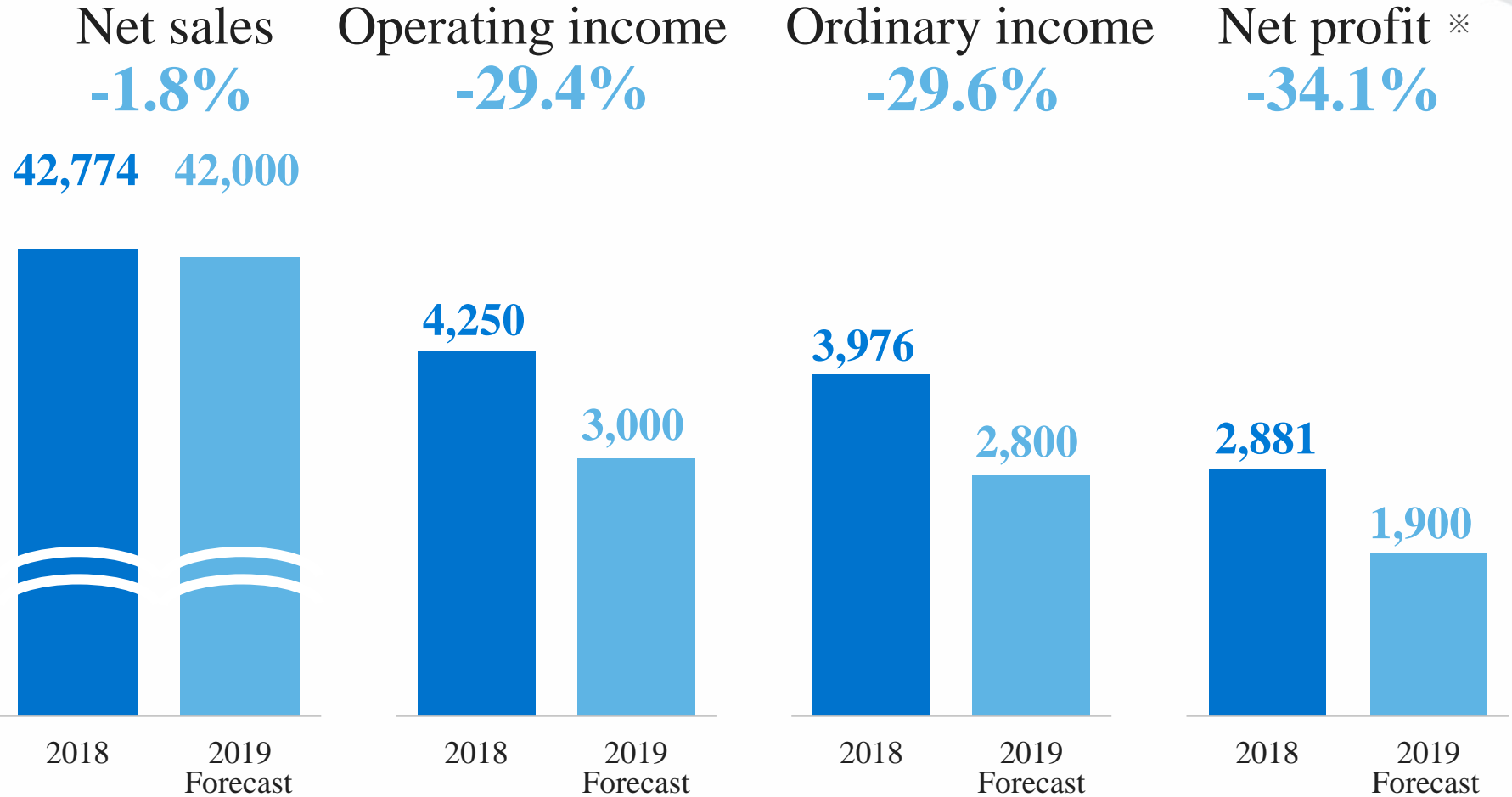
**Liabilities/
Net assets**

Changes from the end of the previous year

Consolidated Forecast for the Fiscal Year Ending December 31, 2019

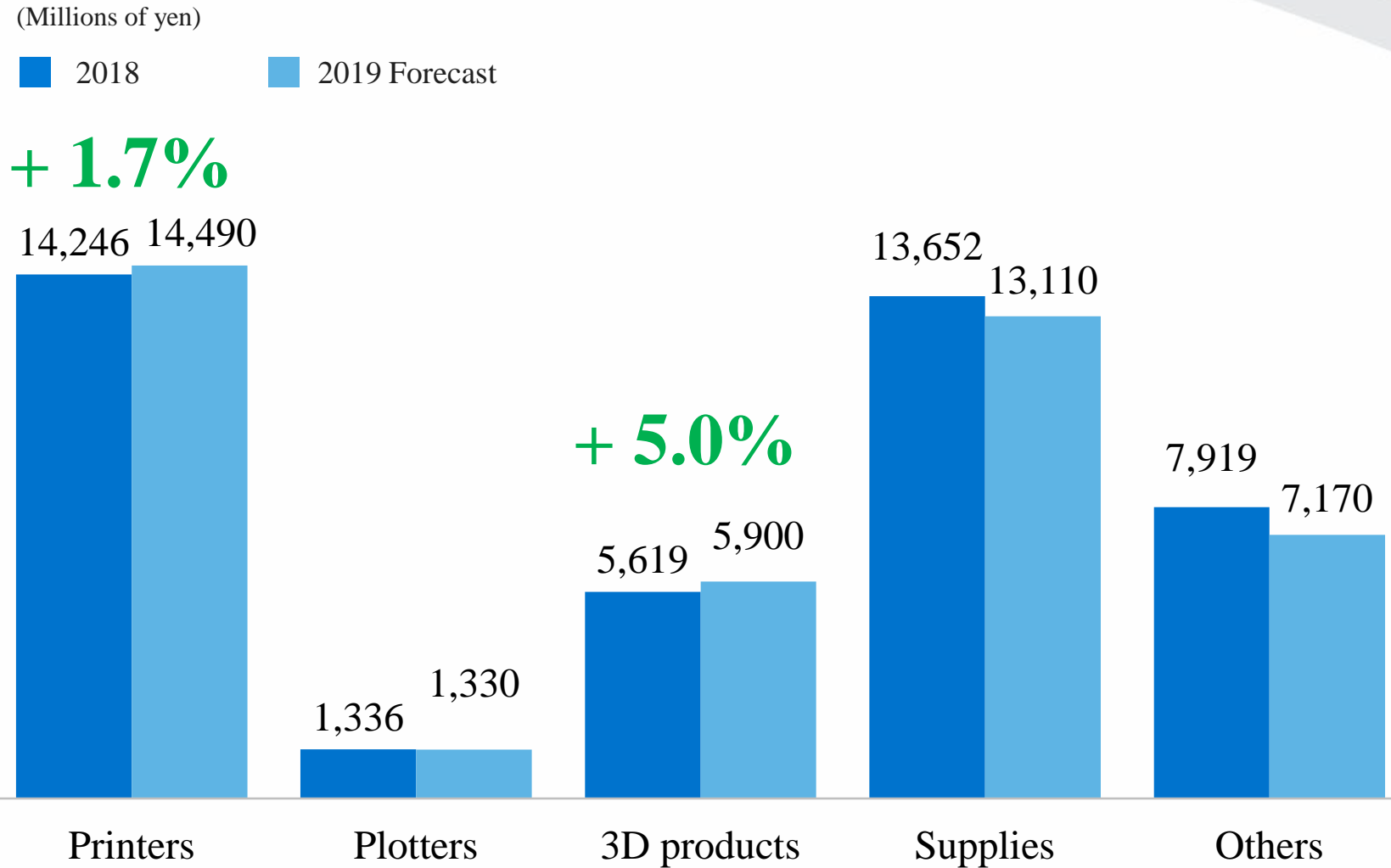
Consolidated Earnings Forecast for the Fiscal Year Ending Dec. 31, 2019

(Millions of yen)

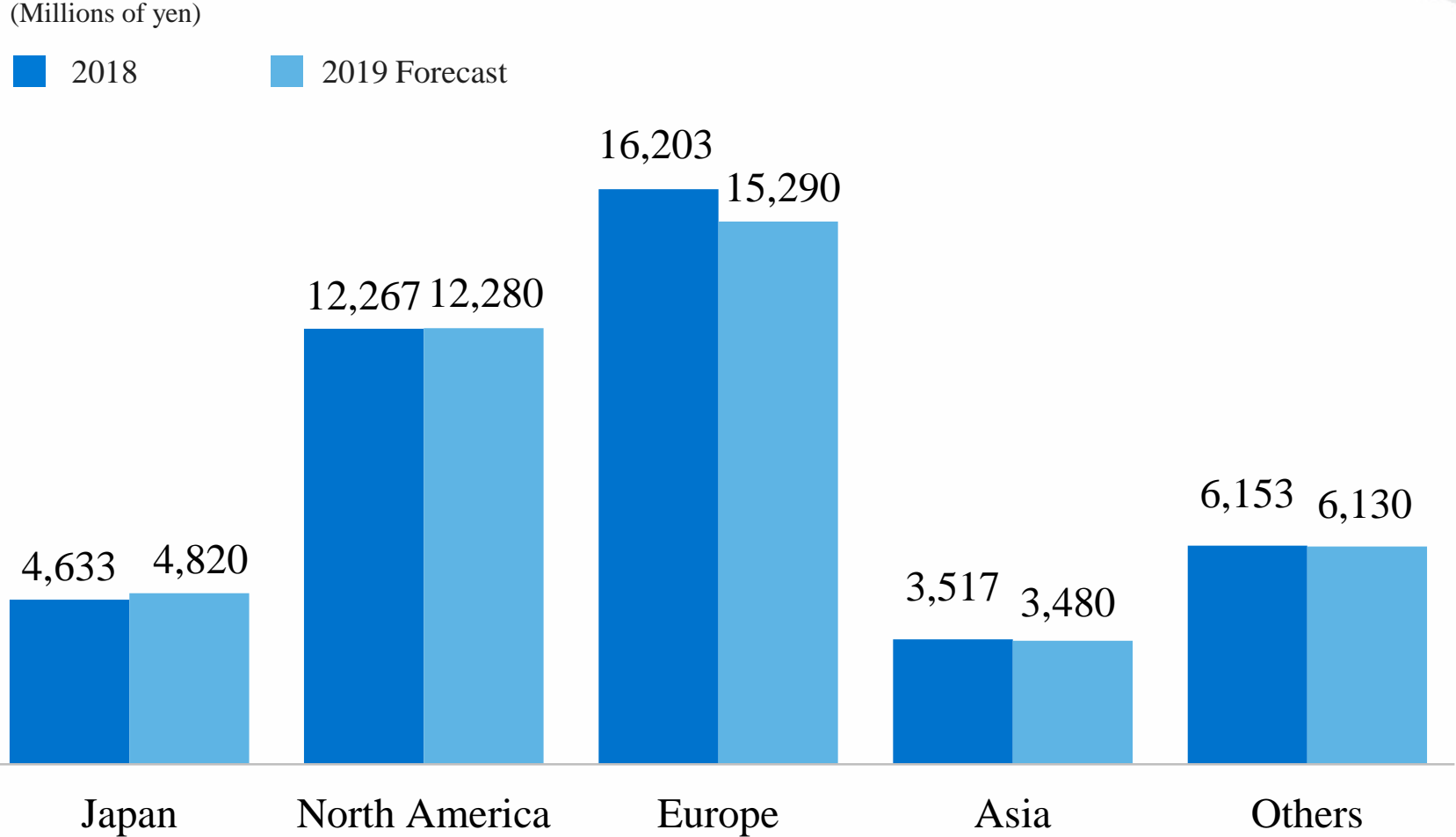


※ Profit attributable to owners of parent

FY2019 Sales Forecast by Product Category



FY2019 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 May 14, 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 Q1 Consolidated Financial Results (3 months)

(Millions of yen)

	FY2018 Q1		FY2019 Q1		YoY change		
	Performance	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net sales	10,344	100.0%	9,887	100.0%	(457)	95.6%	98.4%
Gross profit	4,585	44.3%	4,458	45.1%	(128)	97.2%	101.5%
SGA cost	3,825	37.0%	3,637	36.8%	(187)	95.1%	97.4%
Operating income	760	7.4%	820	8.3%	60	107.9%	122.6%
Ordinary income	626	6.1%	794	8.0%	168	126.7%	145.8%
Net profit	359	3.5%	587	5.9%	228	163.6%	190.9%
EPS (Yen)	28.66		46.79				
Exchange rate Yen	USD	108.30	110.21				
	EUR	133.25	125.19				

(Millions of yen)

Exchange rate	Net sales	(289)
Amount of impact	Operating income	(112)

※ Income attributable to owners of parent

FY2019 Q1 Sales by Product (3 months)

(Millions of yen)

	FY2018 Q1		FY2019 Q1		YoY change	
	Performance	Percentages	Performance	Percentages		Exchange rate impact excluded Real term
Printers	3,488	33.7%	3,126	31.6%	89.6%	92.6%
Plotters	355	3.5%	284	2.9%	80.0%	81.8%
3D Products (DGSHAPE)	1,302	12.6%	1,326	13.4%	101.9%	104.6%
Supplies	3,282	31.7%	3,264	33.0%	99.5%	102.2%
Others	1,915	18.5%	1,885	19.1%	98.4%	101.3%
Total	10,344	100.0%	9,887	100.0%	95.6%	98.4%

FY2019 Q1 Sales by Region (3 months)

(Millions of yen)

	FY2018 Q1		FY2019 Q1		YoY change	
	Performance	Percentages	Performance	Percentages		Exchange rate impact excluded Real term
Japan	1,133	10.9%	1,208	12.2%	106.6%	106.6%
North America	2,758	26.7%	2,563	25.9%	92.9%	91.3%
Europe	4,164	40.3%	3,879	39.2%	93.1%	99.1%
Asia	786	7.6%	805	8.2%	102.3%	103.7%
Others	1,500	14.5%	1,431	14.5%	95.4%	100.3%
Total	10,344	100.0%	9,887	100.0%	95.6%	98.4%

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

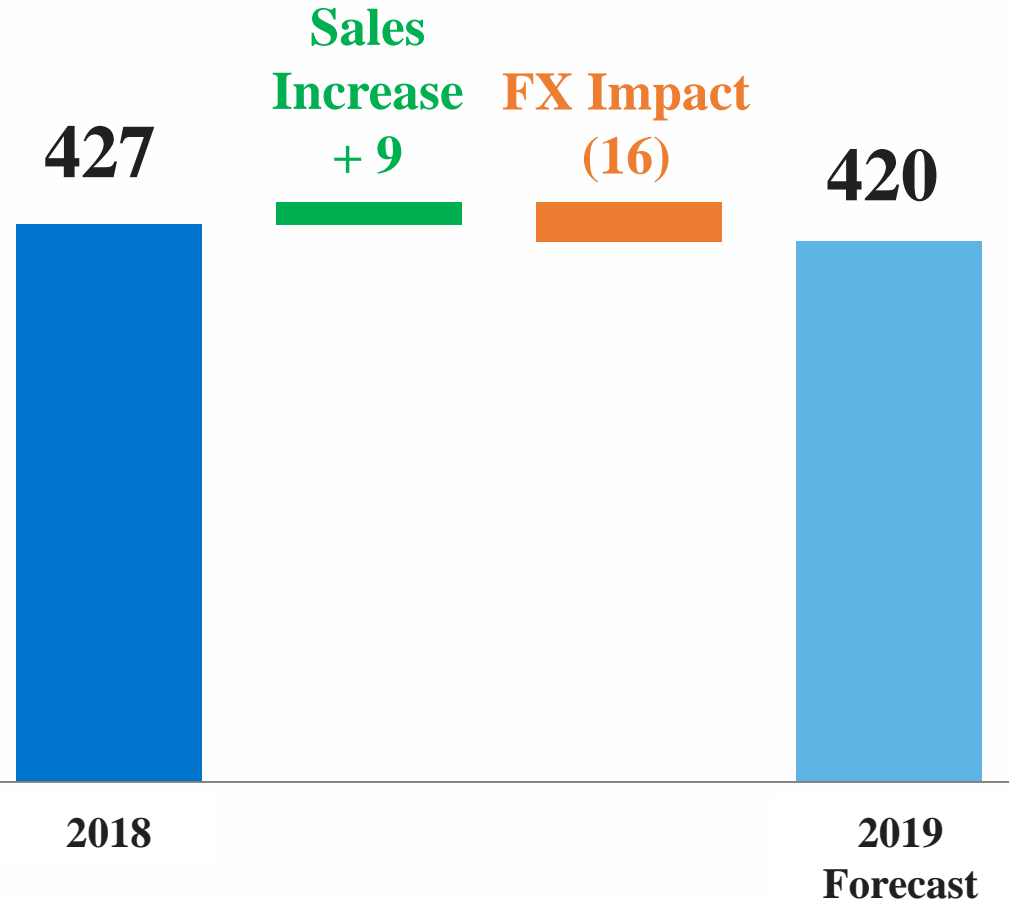
(Millions of yen)

	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

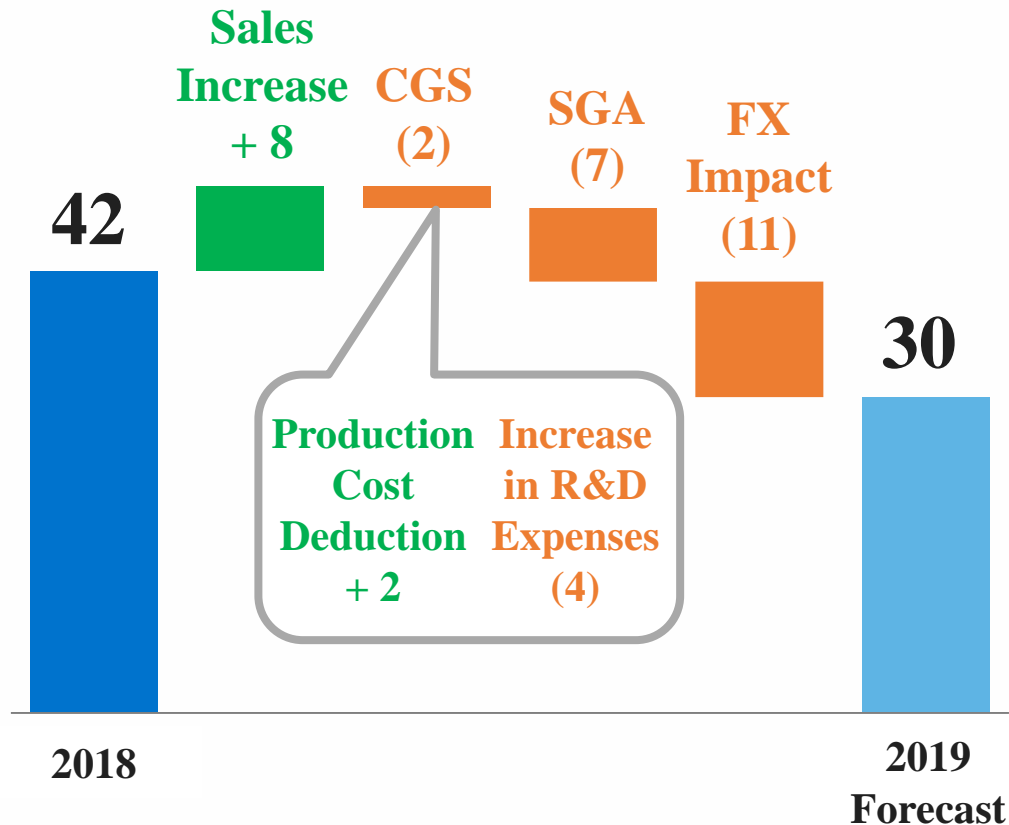
Average exchange rate (Yen)

	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

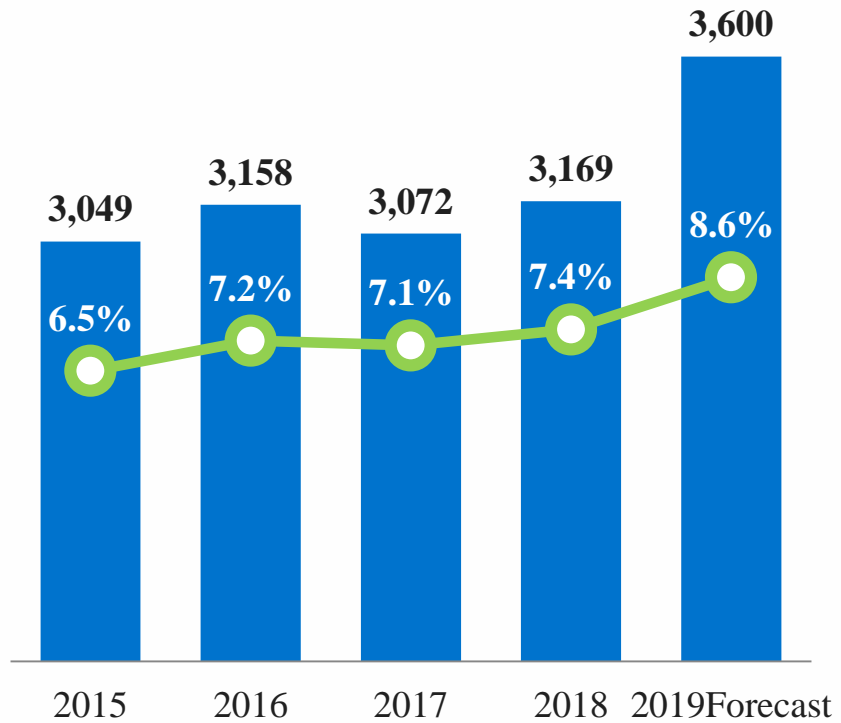
Average exchange rate (Yen)

	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

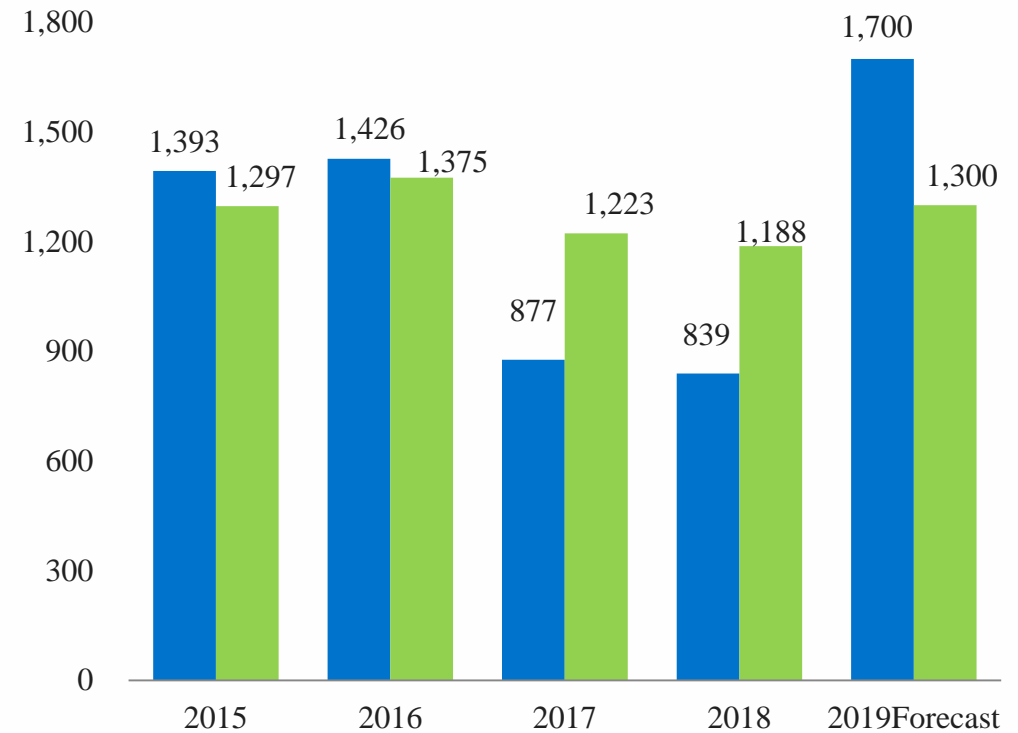
(Millions of yen)

■ Research and development costs
● Ratio of R & D



(Millions of yen)

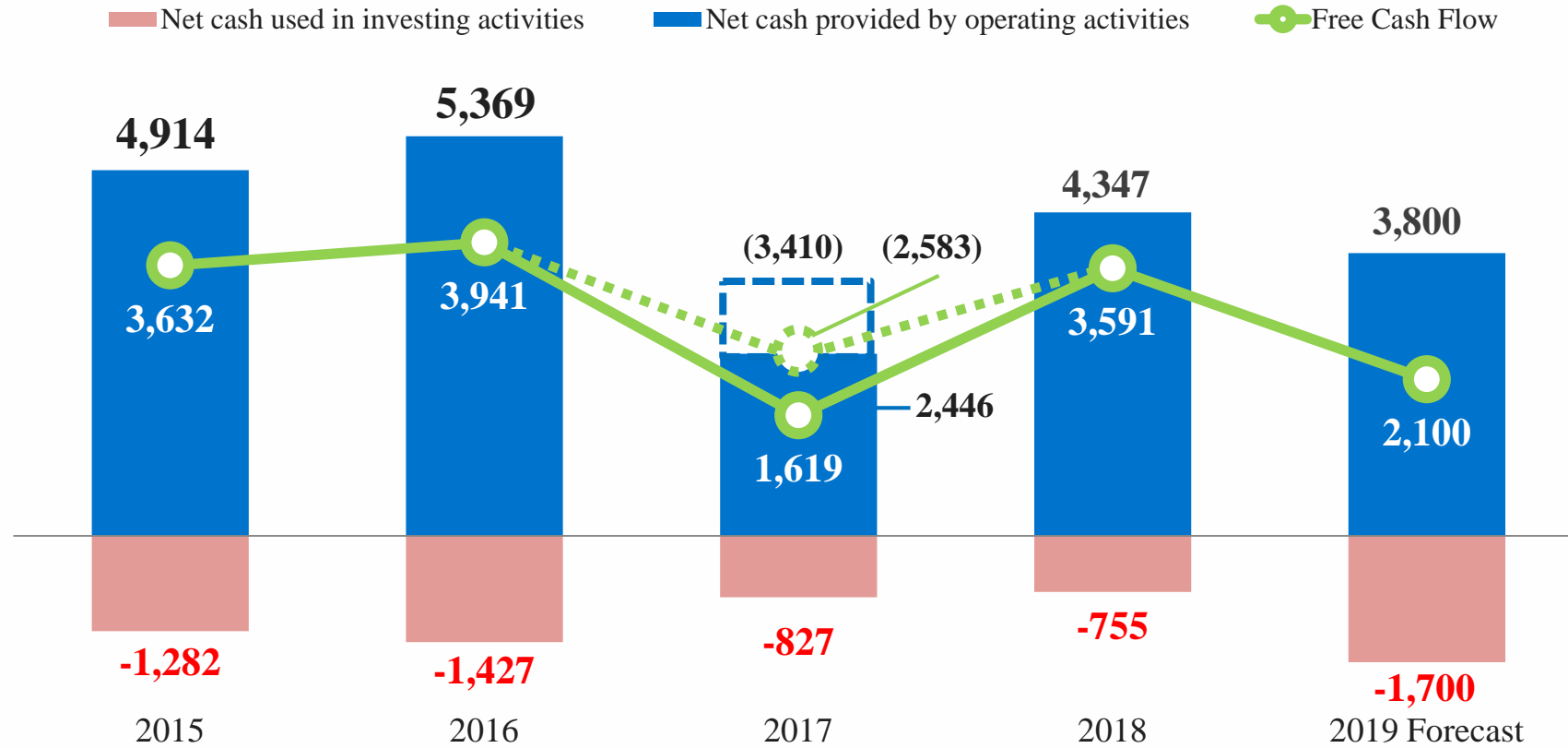
■ Capital Expenditures ■ Depreciation and amortization



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

Free Cashflow Trends

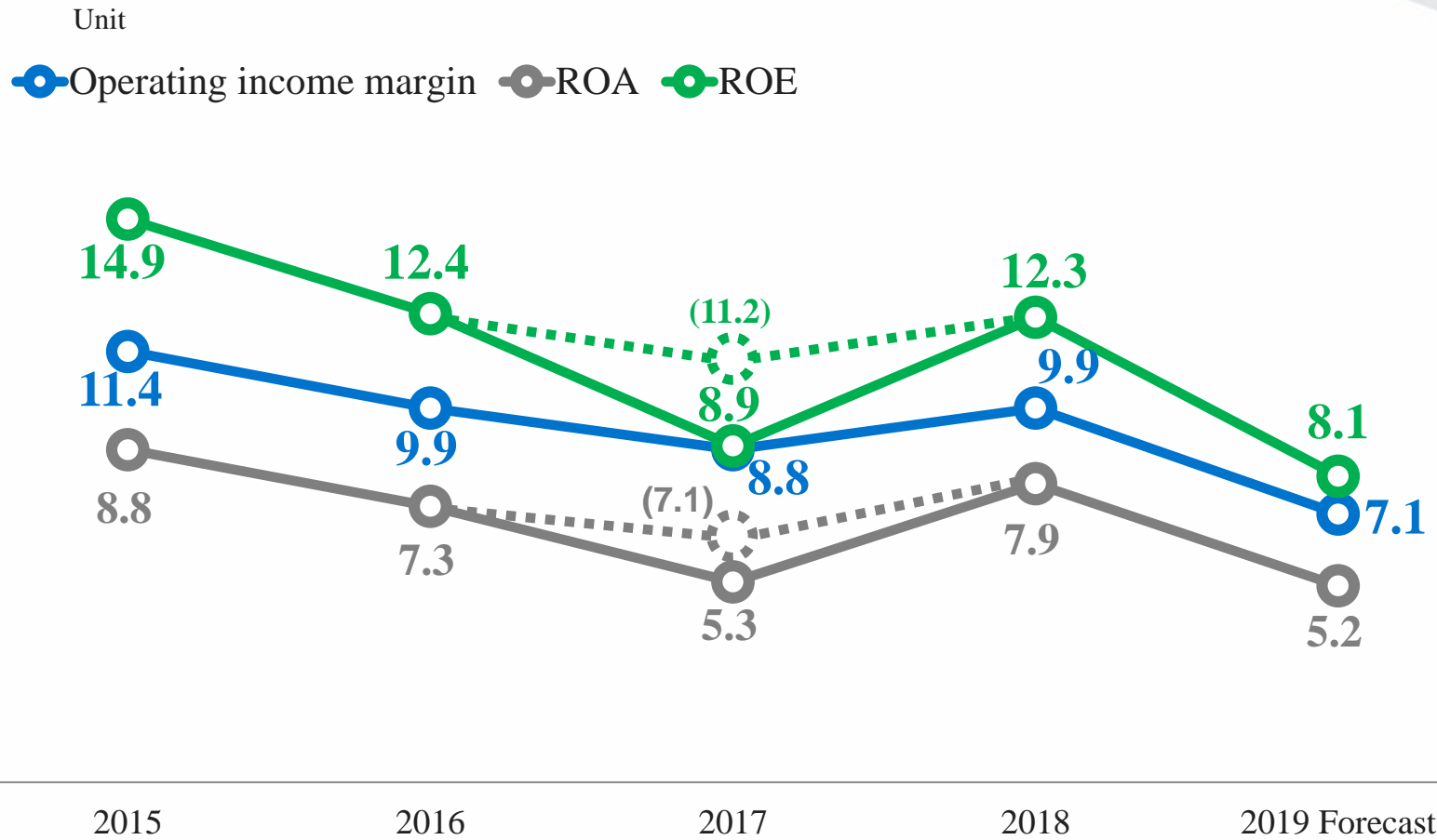
(Millions of yen)



※ 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.