

Roland DG Corporation

**Consolidated Financial Results
for the Nine Months Ended September 30, 2018**

November 6th, 2018



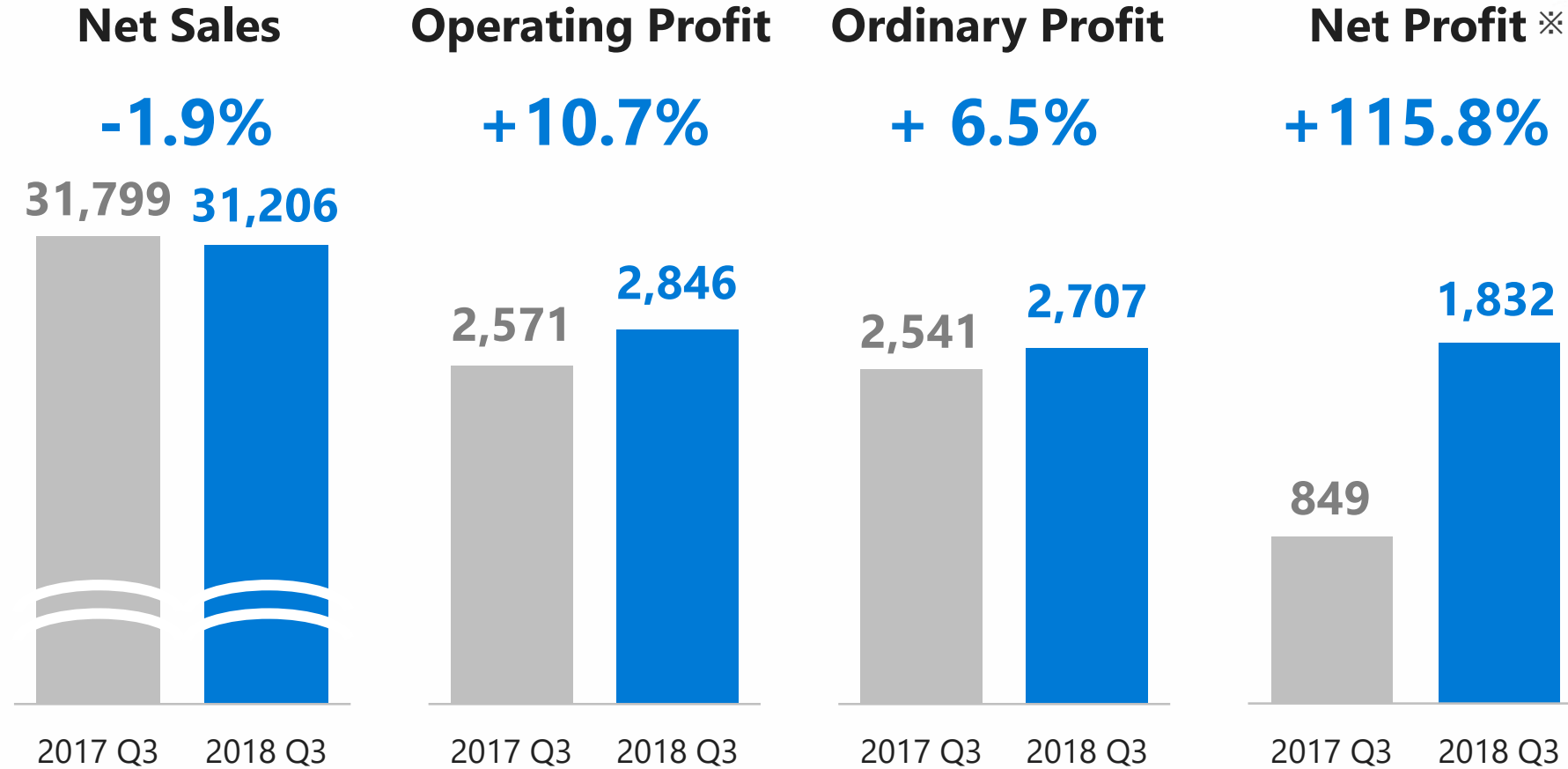
Consolidated Financial Results for the Nine Months Ended September 30, 2018

Financial Highlights

- ✓ **Net sales declined due to slow sales of printers, while dental milling machines continued to be strong.**
- ✓ **Operating profit increased due to improvement in product mix and reduction of SG&A.**
- ✓ **Introduced a new divisional organization structure effective September 1st.**

FY2018 Q3 Consolidated Financial Results

(Millions of yen)

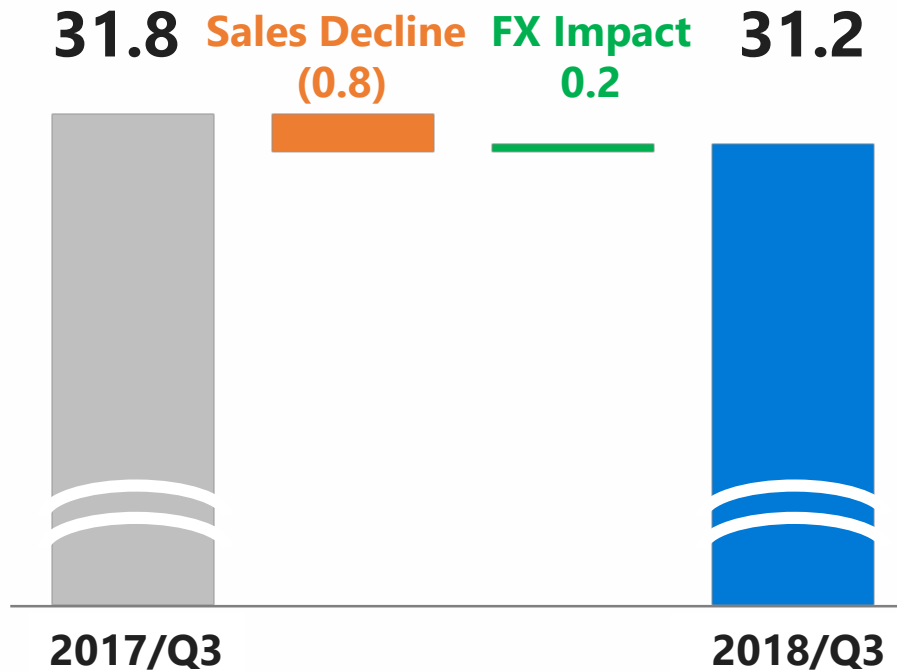


※ Net profit is net profit attributable to parent company shareholders

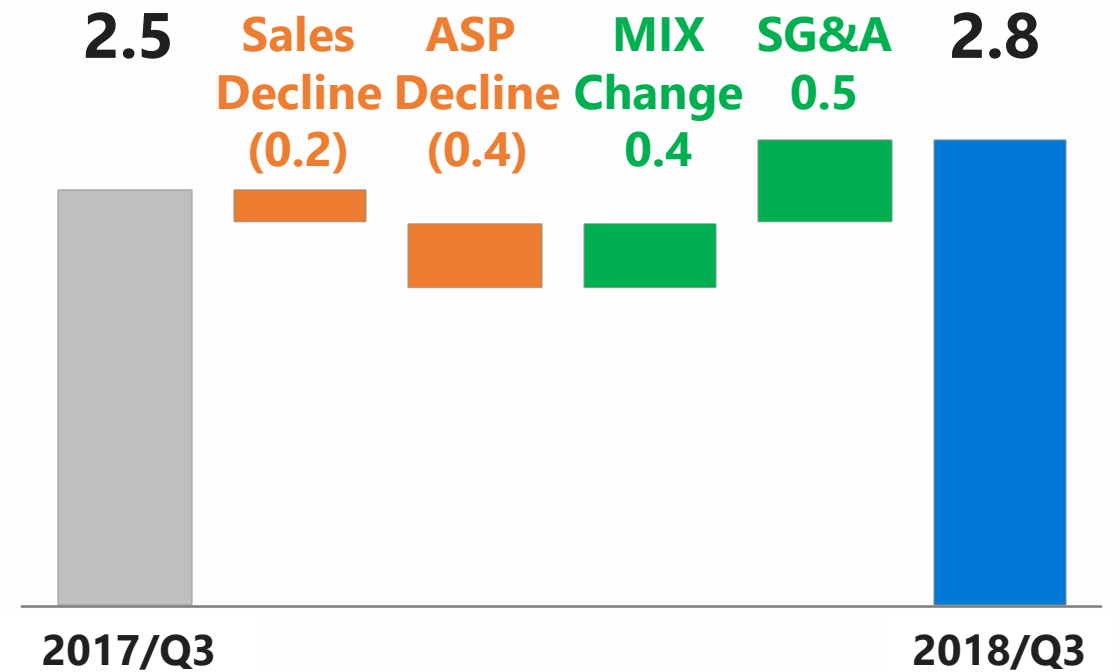
Variance Analysis Year over Year

(Billions of yen)

Net Sales



Operating Profit



Average exchange rate during the accounting period

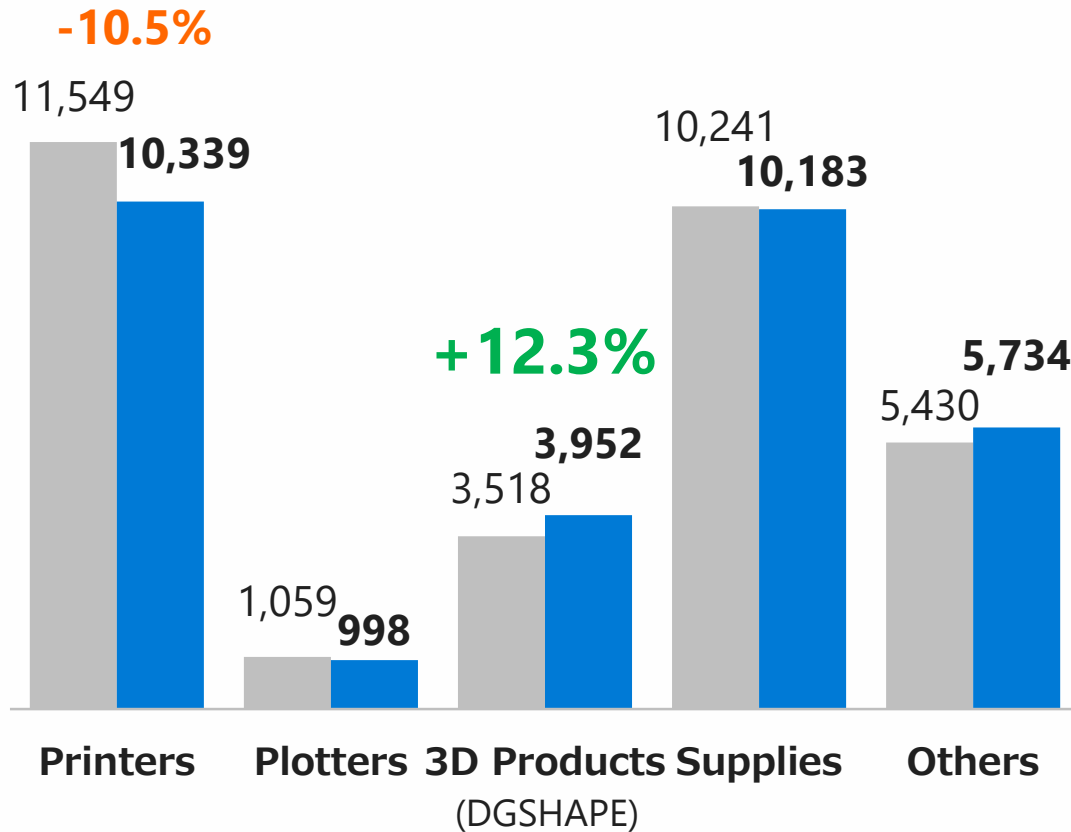
(Unit: Yen)	2017/Q3	2018/Q3	
USD	111.93	109.62	97.9%
EUR	124.59	131.00	105.1%

Business Highlights

(Millions of yen)

■ 2017 Q3

■ 2018 Q3



Printers

- ✓ Signage printers and UV printers for retail decreased.
- ✓ UV printers for signage increased.

Plotters

- ✓ Large models for signage decreased.

3D Products (DGSHAPE)

- ✓ Dental milling machines remain strong.
- ✓ Milling machines and engravers were slow.

Supplies

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

Others

- ✓ Increase in service parts and maintenance fees.

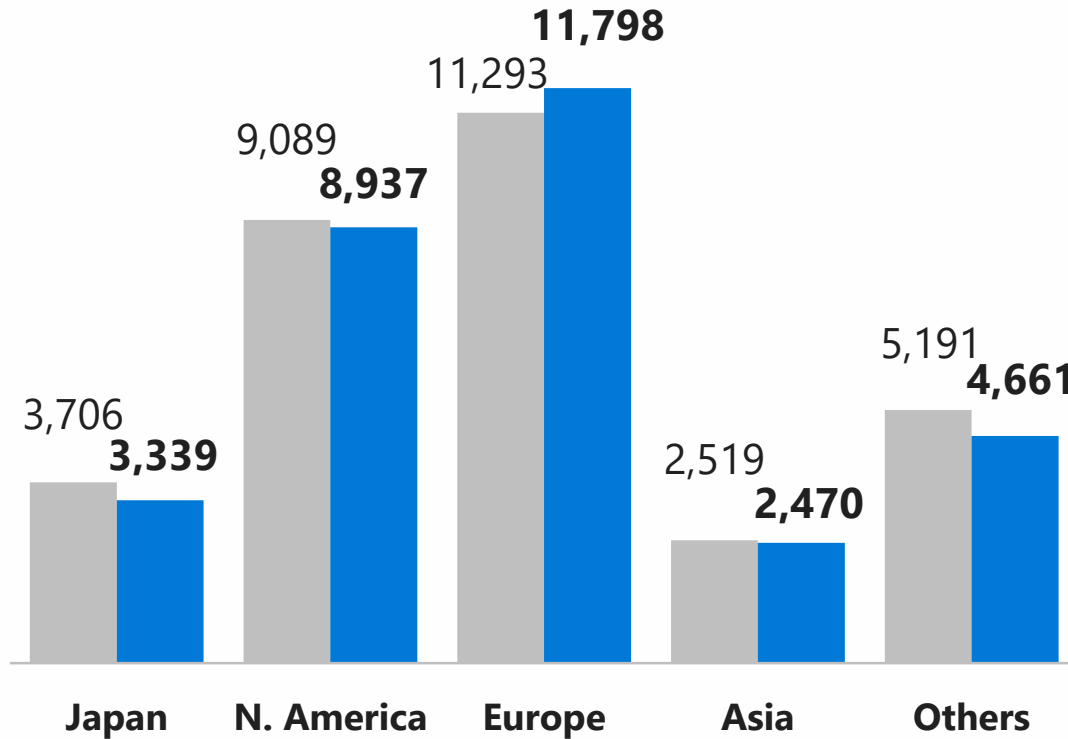
Regional Highlights

(Millions of yen)

2017 Q3

2018 Q3

+ 4.5%



Japan

- ✓ Dental milling machines increased due to expanding the insurance coverage.
- ✓ Printers declined.

N. America

- ✓ Established a dedicated team for retail markets. Increased in UV printers.
- ✓ Signage printers declined.

Europe

- ✓ Large format UV printers for signage increased.
- ✓ Signage printers and small format UV printers decreased.

Asia

- ✓ Dental milling machines increased in China and ASEAN.
- ✓ Printers declined.

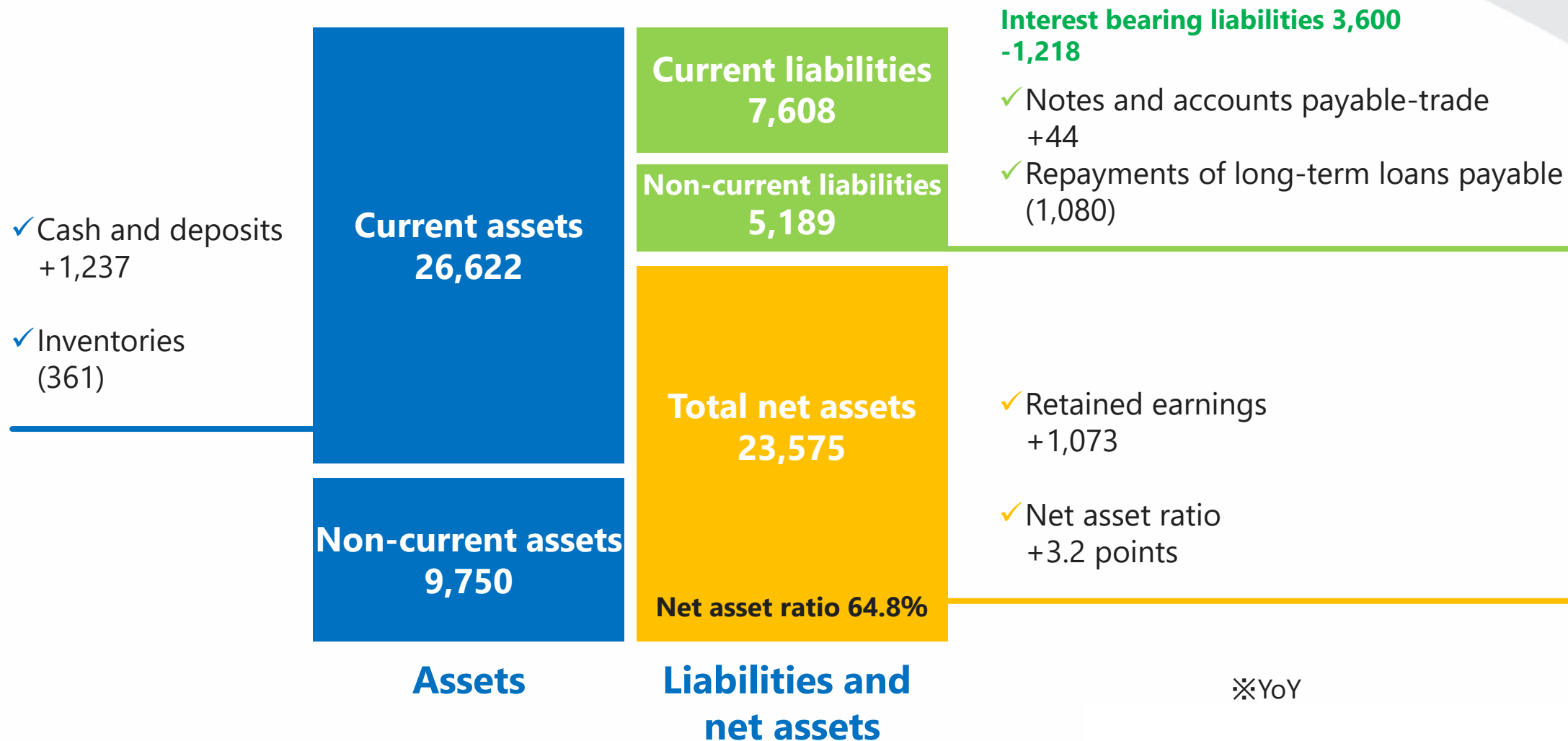
Others

- ✓ Signage printers declined.
- ✓ Dental milling machines increased in Australia.

Consolidated Balance Sheet (As of September 30, 2018)

(Millions of yen)

Total Assets 36,373

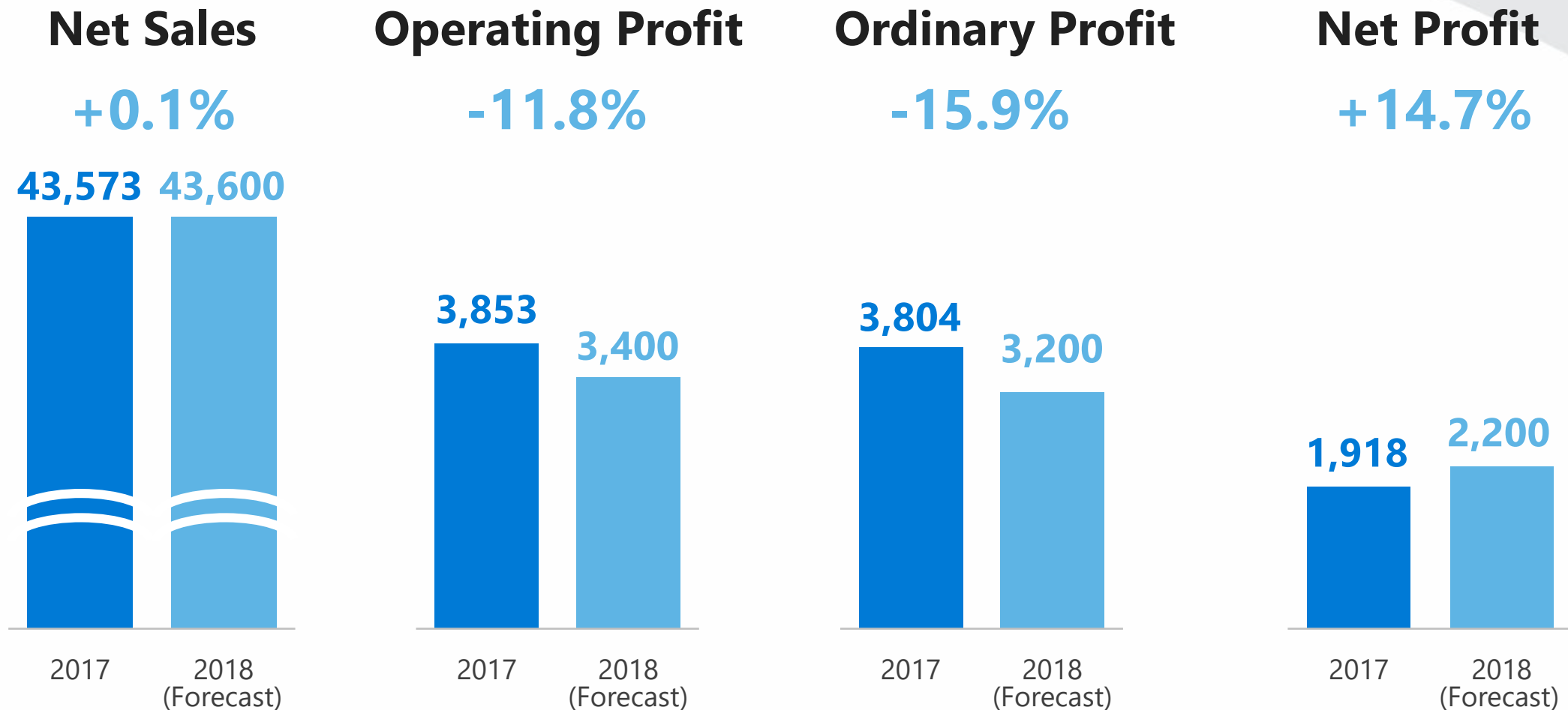


※YoY

Consolidated Forecast for the Fiscal Year Ending December 31, 2018

Consolidated Forecast for the Fiscal Year Ending December 31, 2018

(Millions of yen)



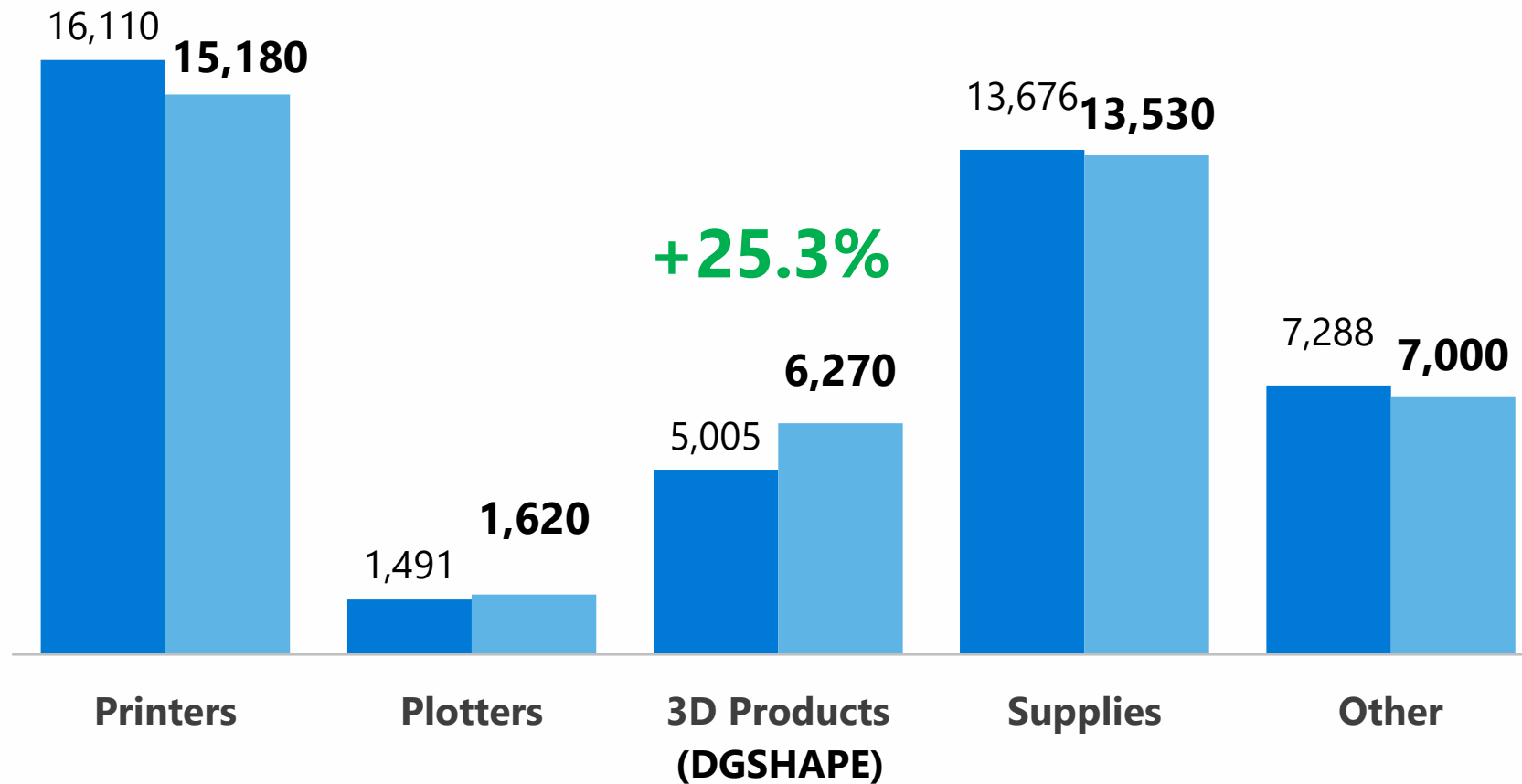
※Net Profit is net profit attributable to parent company shareholders

Consolidated Financial Forecast: Sales by Products

(Millions of yen)

■ 2017

■ 2018 (Forecast)

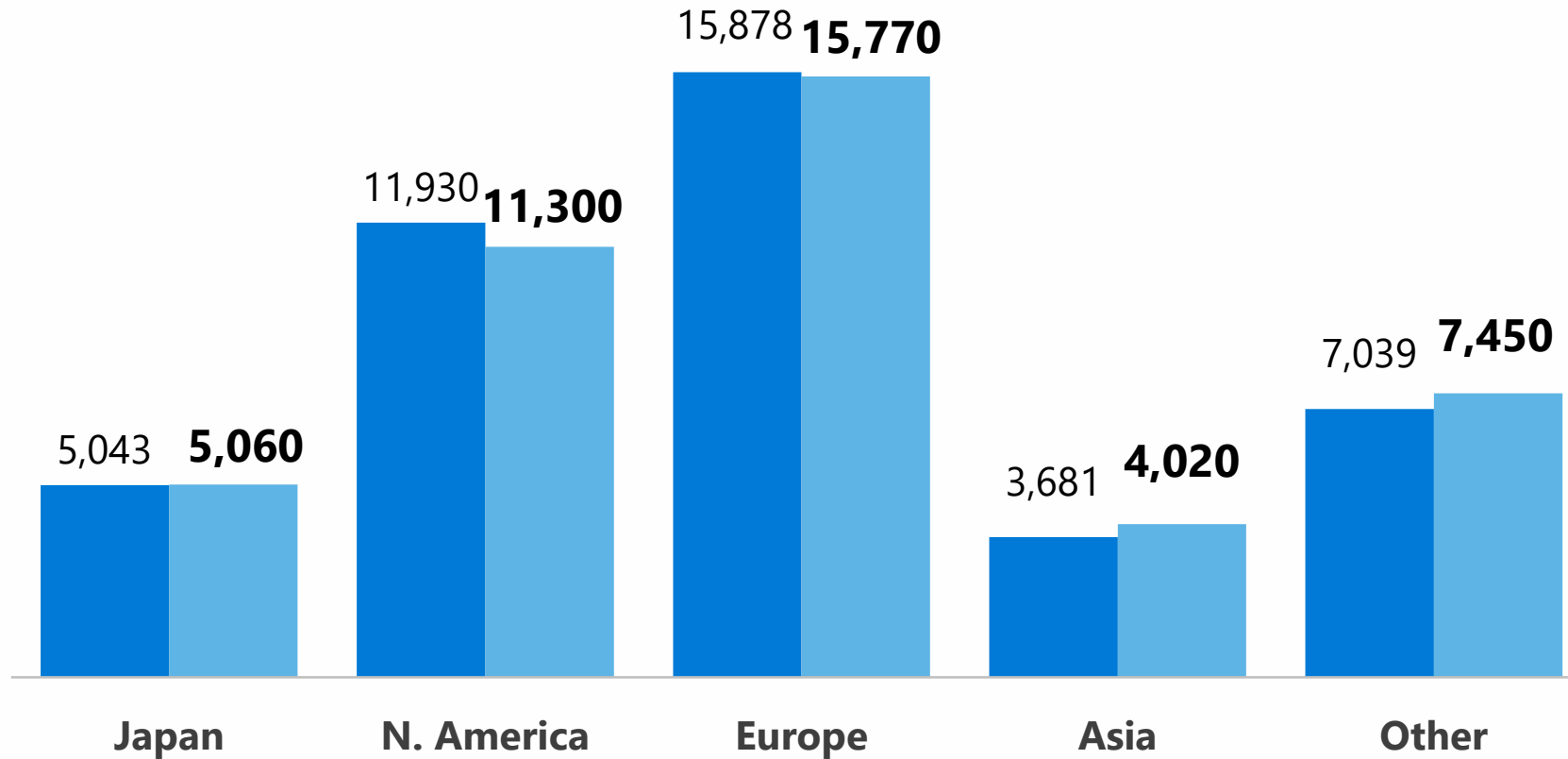


Consolidated Financial Forecast: Sales by Region

(Millions of yen)

■ 2017

■ 2018 (Forecast)



Appendix

Roland DG Corporation



FY2018 Q3 Consolidated Financial Results (9 months)

(Millions of yen)

	2017 Q3 (9 months)		2018 Q3 (9 months)		YoY	
	Actual	% of Net Sales	Actual	% of Net Sales	Amount	%
Net Sales	31,799	100.0%	31,206	100.0%	-593	98.1%
Gross Profit	14,144	44.5%	13,948	44.7%	-195	98.6%
SG&A	11,572	36.4%	11,102	35.6%	-470	95.9%
Operating Profit	2,571	8.1%	2,846	9.1%	275	110.7%
Ordinary Profit	2,541	8.0%	2,707	8.7%	166	106.5%
Net Profit	849	2.7%	1,832	5.9%	983	215.8%
EPS (Yen)	67.84		146.11			
FX Rate (Yen)	USD	111.93	109.62			
	EUR	124.59	131.00			

(millions of yen)

FX Impact	Net Sales	229
	Operating Profit	48

※ Net profit is net profit attributable to parent company shareholders

FY2018 Q3 Sales by Category (9 months)

(Millions of yen)

	2017 Q3 (9 months)		2018 Q3 (9 months)		YoY	
	Actual	Composition Ratio	Actual	Composition Ratio		Excl. FX Impact
Printers	11,549	36.3%	10,339	33.1%	89.5%	88.8%
Plotters	1,059	3.3%	998	3.2%	94.2%	93.9%
3D Products (DGSHAPE)	3,518	11.1%	3,952	12.7%	112.3%	111.2%
Supplies	10,241	32.2%	10,183	32.6%	99.4%	98.8%
Others	5,430	17.1%	5,734	18.4%	105.6%	104.9%
Total	31,799	100.0%	31,206	100.0%	98.1%	97.4%

FY2018 Q3 Sales by Region (9 months)

(Millions of yen)

	2017 Q3 (9 months)		2018 Q3 (9 months)		YoY	
	Actual	Composition Ratio	Actual	Composition Ratio		Excl. FX Impact
Japan	3,706	11.7%	3,339	10.7%	90.1%	90.1%
N. America	9,089	28.6%	8,937	28.7%	98.3%	100.4%
Europe	11,293	35.5%	11,798	37.8%	104.5%	99.4%
Asia	2,519,	7.9%	2,470	7.9%	98.1%	97.4%
Others	5,191,	16.3%	4,661	14.9%	89.8%	93.2%
Total	31,799,	100.0%	31,206	100.0%	98.1%	97.4%

FY2018 Q3 Consolidated Financial Results (3 months)

(Millions of yen)

	2018 Q1 (3 months)		2018 Q2 (3 months)		2018 Q3 (3 months)			
	Actual	% of Net Sales	Actual	% of Net Sales	Actual	% of Net Sales	QoQ	YoY
Net Sales	10,344	100.0%	10,629	100.0%	10,233	100.0%	96.3%	98.5%
Gross Profit	4,585	44.3%	4,769	44.9%	4,593	44.9%	96.3%	95.7%
SG&A	3,825	37.0%	3,748	35.3%	3,528	34.5%	94.1%	98.1%
Operating Profit	760	7.4%	1,020	9.6%	1,064	10.4%	104.3%	88.6%
Ordinary Profit	626	6.1%	1,000	9.4%	1,079	10.6%	107.9%	91.5%
Net Profit	359	3.5%	683	6.4%	790	7.7%	115.6%	89.6%
EPS (Yen)	28.66		54.46		62.94			
FX Rate (Yen)	USD	108.30	109.08		111.47			
	EUR	133.25	130.09		129.65			

※ Net profit is net profit attributable to parent company shareholders

FY2018 Q3 Sales by Category (3 months)

(Millions of yen)

	2018 Q1 (3 months)		2018 Q2 (3 months)		2018 Q3 (3 months)			
	Actual	Composition Ratio	Actual	Composition Ratio	Actual	Composition Ratio	QoQ	YoY
Printers	3,488	33.7%	3,572	33.6%	3,277	32.0%	91.8%	88.9%
Plotters	355	3.4%	328	3.1%	313	3.1%	95.5%	82.6%
3D Products (DGSHAPE)	1,302	12.6%	1,354	12.7%	1,294	12.7%	95.6%	113.0%
Supplies	3,282	31.7%	3,519	33.1%	3,380	33.0%	96.1%	99.7%
Others	1,915	18.5%	1,853	17.4%	1,965	19.2%	106.1%	110.3%
Total	10,344	100.0%	10,629	100.0%	10,233	100.0%	96.3%	98.5%

FY2018 Q3 Sales by Region (3 months)

(Millions of yen)

	2018 Q1 (3 months)		2018 Q2 (3 months)		2018 Q3 (3 months)			
	Actual	Composition Ratio	Actual	Composition Ratio	Actual	Composition Ratio	QoQ	YoY
Japan	1,133	11.0%	1,031	9.7%	1,174	11.5%	113.9%	97.3%
N. America	2,758	26.7%	3,081	29.0%	3,097	30.3%	100.5%	105.8%
Europe	4,164	40.3%	4,119	38.8%	3,513	34.3%	85.3%	92.5%
Asia	786	7.6%	823	7.7%	860	8.4%	104.4%	112.2%
Others	1,500	14.5%	1,573	14.8%	1,587	15.5%	100.9%	94.0%
Total	10,344	100.0%	10,629	100.0%	10,233	100.0%	96.3%	98.5%

Consolidated Forecast for the Fiscal Year Ending December 31, 2018

(Millions of yen)

	2017		2018		YoY	
	Actual	% of Net Sales	Actual	% of Net Sales	Amount	%
Net Sales	43,573	100.0%	43,600	100.0%	27	100.1%
Gross Profit	19,346	44.4%	19,400	44.5%	52	100.3%
SG&A	15,493	35.6%	16,000	36.7%	405	103.3%
Operating Profit	3,853	8.8%	3,400	7.8%	-453	88.2%
Ordinary Profit	3,804	8.7%	3,200	7.3%	-804	84.1%
Net Profit	1,918	4.4%	2,200	5.0%	204	114.7%
EPS (Yen)	153.19		175.67			
FX Rate (Yen)	USD	112.20	110.00			
	EUR	126.70	130.00			

(millions of yen)

		USD	EUR
FX Impact	Net Sales	120	112
	Operating Profit	51	48

※ Net profit is net profit attributable to parent company shareholders

Consolidated Sales Forecast by Category for FY2018

(Millions of yen)

	2017		2018		YoY
	Actual	Composition Ratio	Forecast	Composition Ratio	
Printers	16,110	37.0%	15,180	34.8%	94.2%
Plotters	1,491	3.4%	1,620	3.7%	108.7%
3D Products (DGSHAPE)	5,005	11.5%	6,270	14.4%	125.3%
Supplies	13,676	31.4%	13,530	31.0%	98.9%
Others	7,288	16.7%	7,000	16.1%	96.0%
Total	43,573	100.0%	43,600	100.0%	100.1%

Consolidated Sales Forecast by Region for FY2018

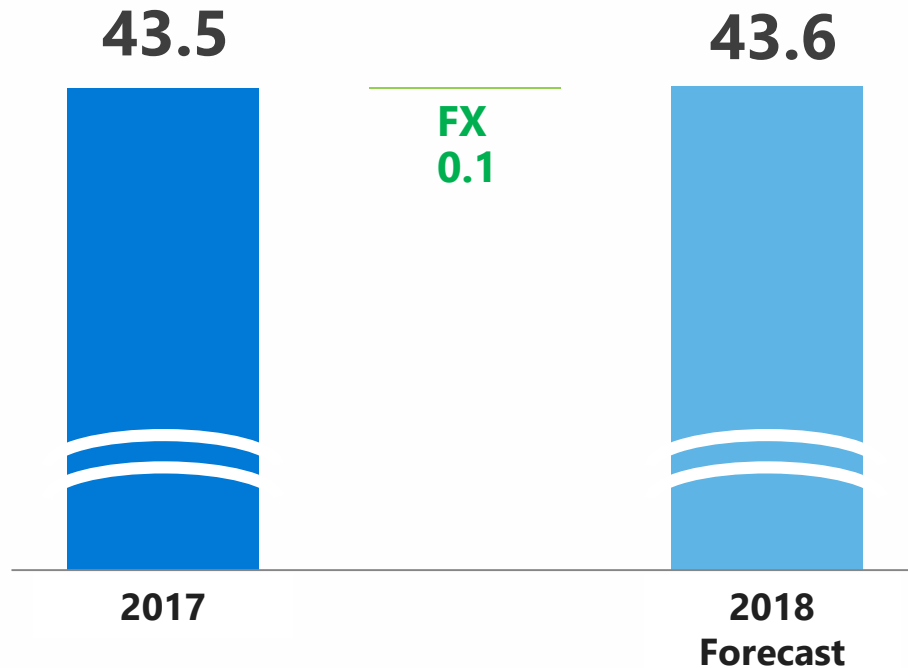
(Millions of yen)

	2017		2018		YoY
	Actual	Composition Ratio	Forecast	Composition Ratio	
Japan	5,043	11.6%	5,060	11.6%	100.3%
N. America	11,930	27.4%	11,300	25.9%	94.7%
Europe	15,878	36.4%	15,770	36.2%	99.3%
Asia	3,681	8.4%	4,020	9.2%	109.2%
Others	7,039	16.2%	7,450	17.1%	105.8%
Total	43,573	100.0%	43,600	100.0%	100.1%

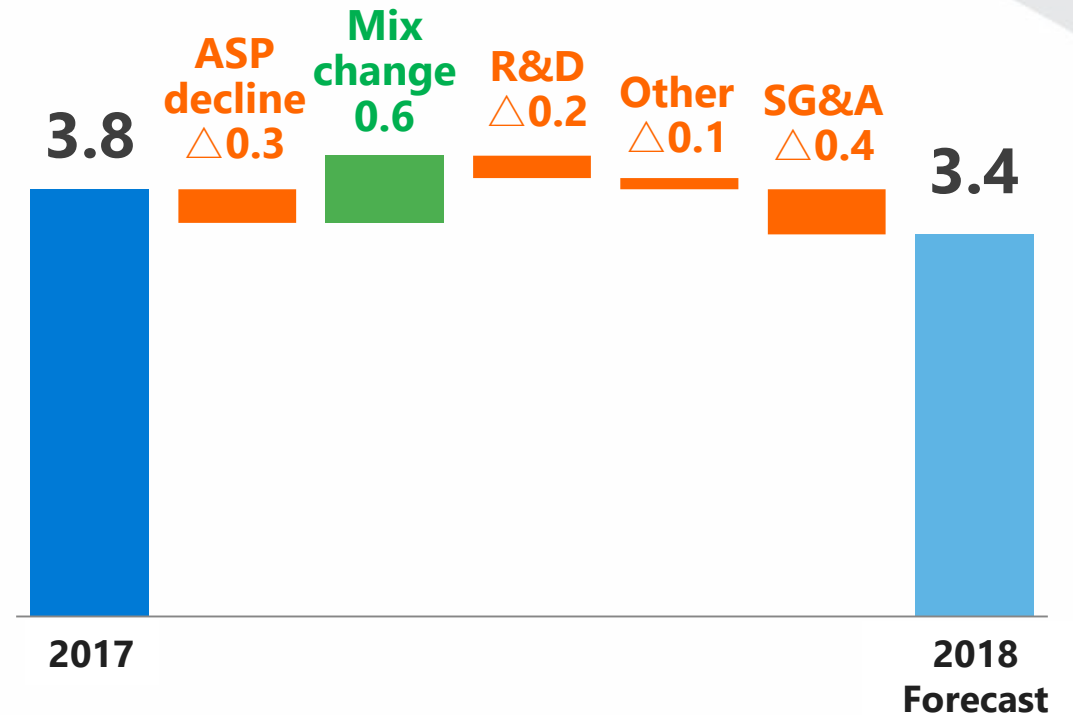
Consolidated Financial Forecast: Variance Analysis

(Billions of yen)

Net Sales



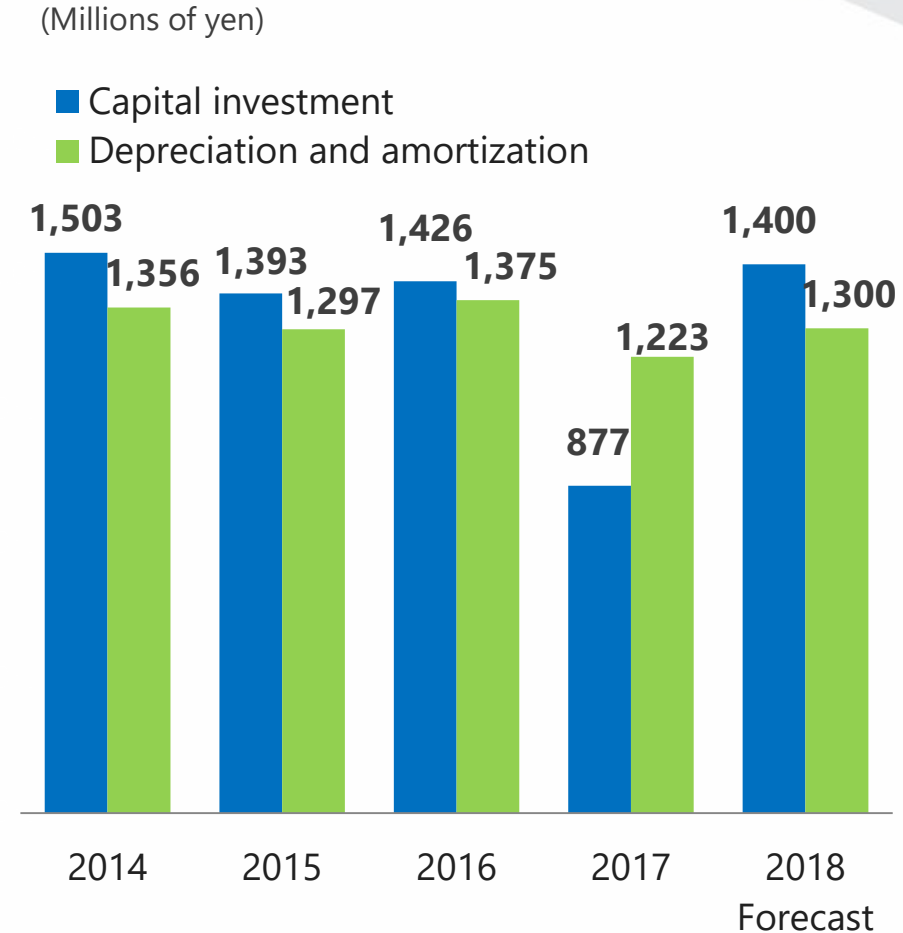
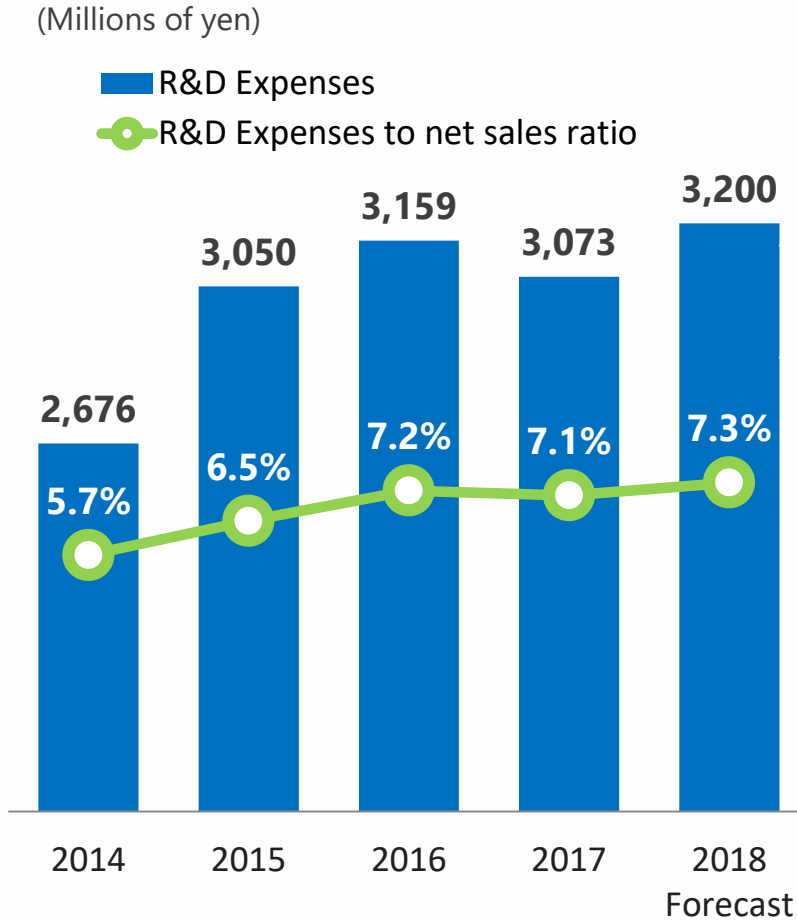
Operating Profit



Average exchange rate during the accounting period

(Unit: Yen)	2017 Actual	2018 Estimate	
USD	112.20	110.00	98.0%
EUR	126.70	130.00	102.6%

Consolidated Financial Forecast: R&D Expenses, Capital Investment and Depreciation and Amortization



※ 2015 figures are adjusted to the 12-month period

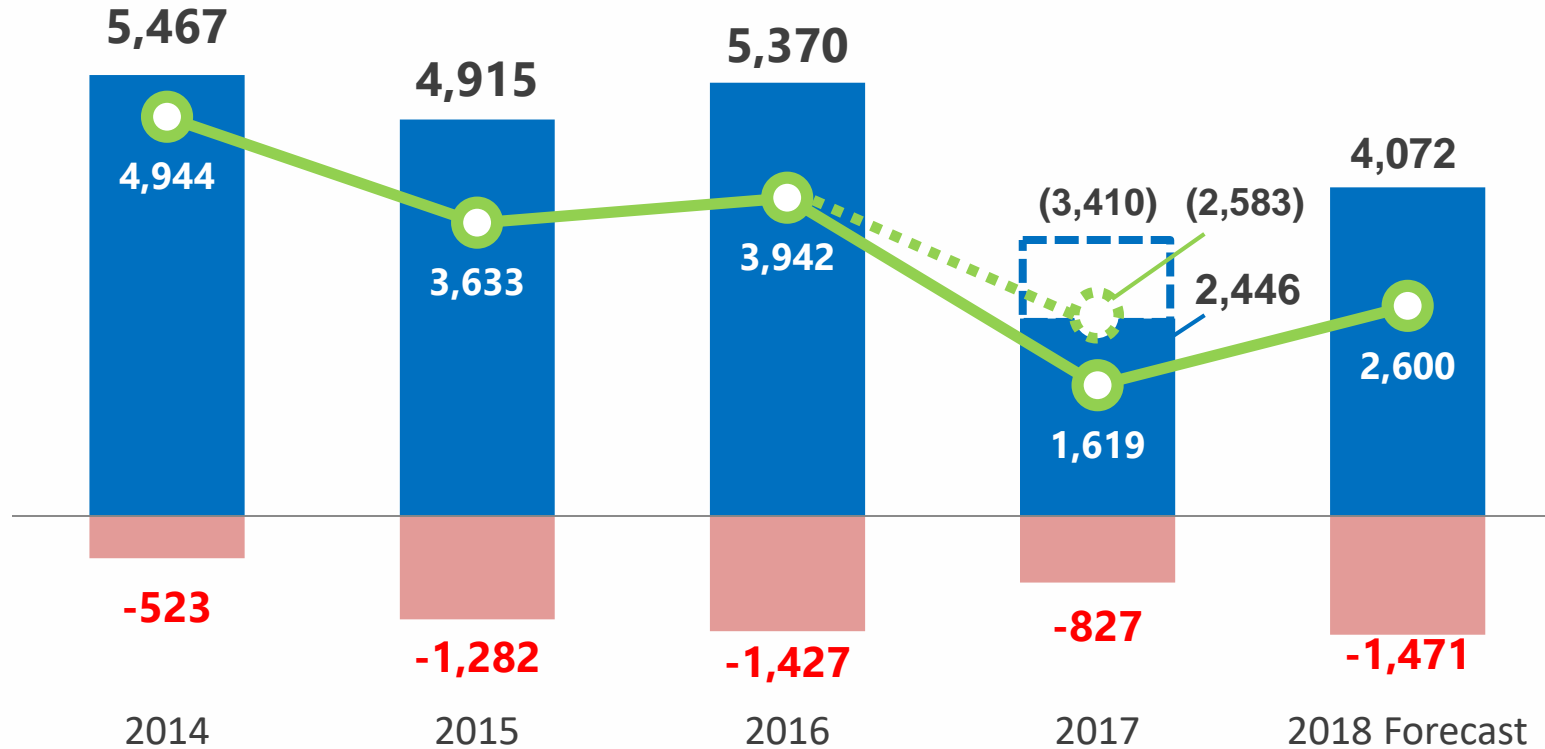
Consolidated Financial Forecast: Free Cash Flow

(Millions of yen)

■ Cash flows from investing activities

■ Cash flows from operating activities

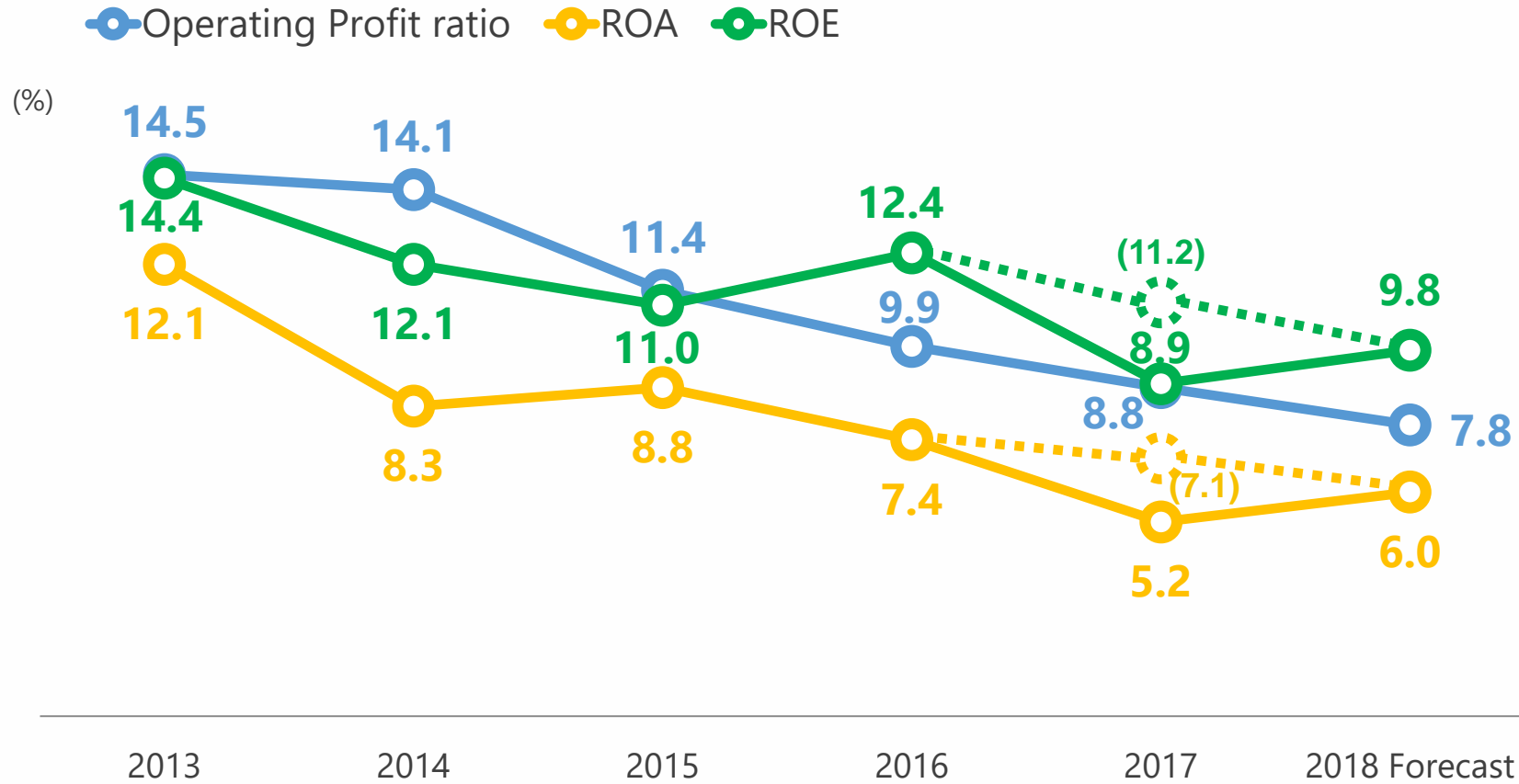
○ Free cash flow



※ 2015 figures are adjusted to the 12-month period

※ Dotted line denote figures excluding extraordinary loss, like settlement money

Consolidated Financial Forecast: Key Ratios



※ 2015 figures are adjusted to the 12-month period
 ※ Dotted line denote figures excluding extraordinary loss, like settlement money