

Roland DG Corporation

Consolidated Financial Results for the Six Months Ended June 30, 2021

August 20, 2021



| Summary

■ H1 result

- Large improvement YoY thanks to the economic recovery from the pandemic
- Sales and profit both exceeded previous forecast (as of May)

■ Forecast revision

- Revised up FY guidance and revised FX assumption
- Parts procurement risk surfacing

■ Midterm themes

- Early retirement program completed, Thai factory expansion to support migration of mass production
- New product development for Emerging Market and New Market

Financial Summary

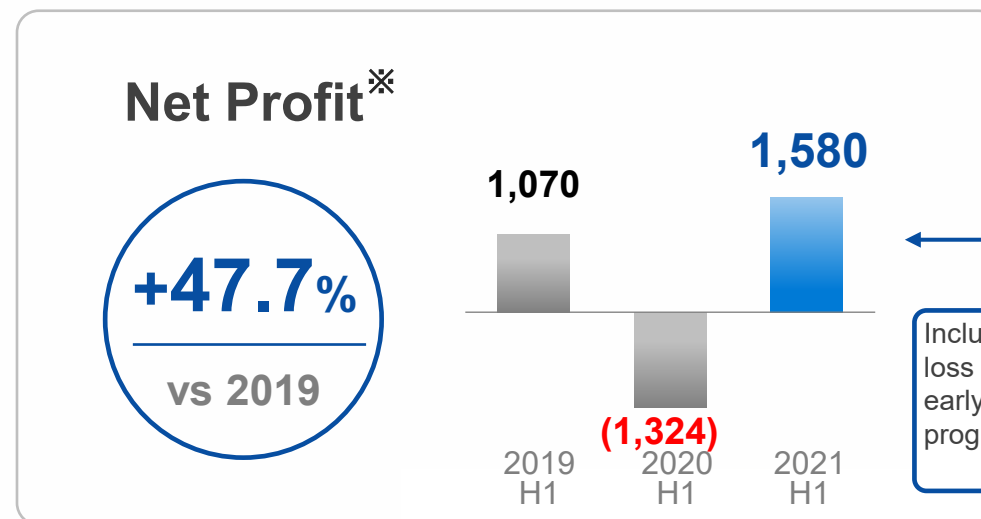
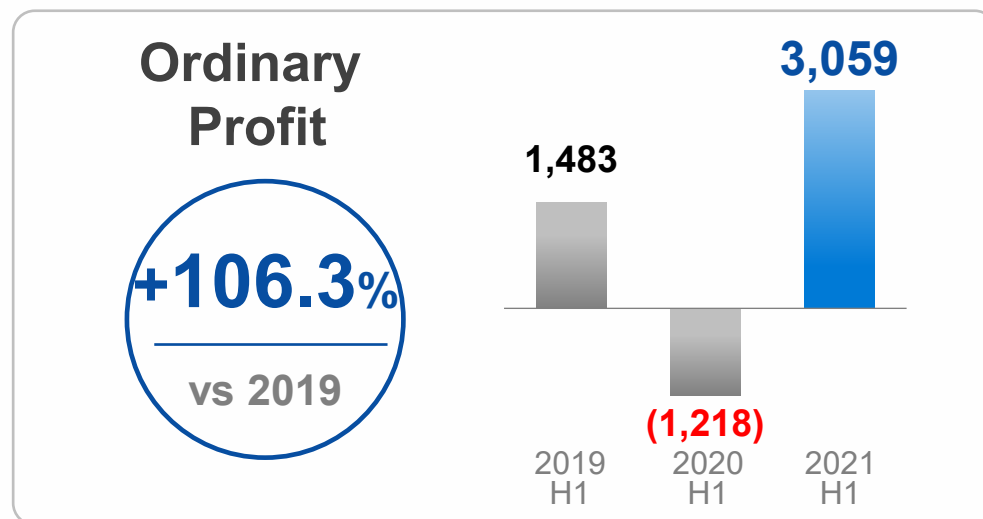
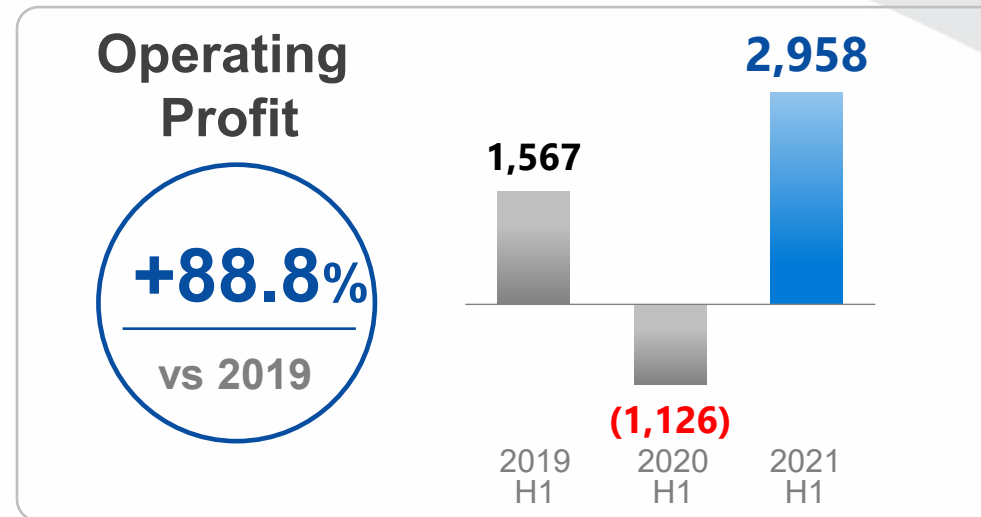
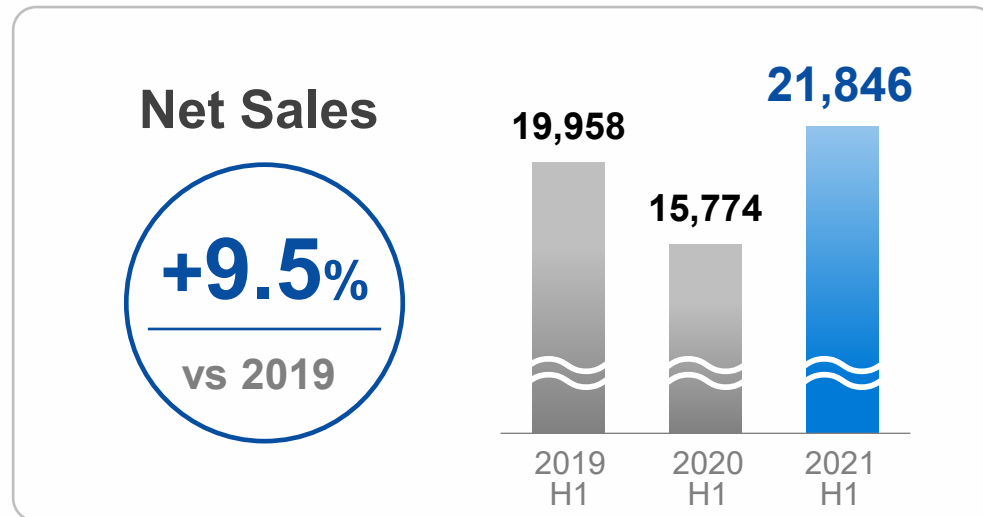
Large growth YoY in both sales and profit

H1 Financial result overview

- Restrictions eased in the US and Europe along with vaccination progression; investment demand recovered as the economy normalized and led to increased YoY Sales and profit
- Resolved back orders contributed partly to sales increase; backorders accumulated due to fast demand recovery decreased thanks to production increase
- Limited impact of parts shortage issue in Q2 by flexible adjustment of production plans

Financials recovered to above 2019 level

H1 YoY performance



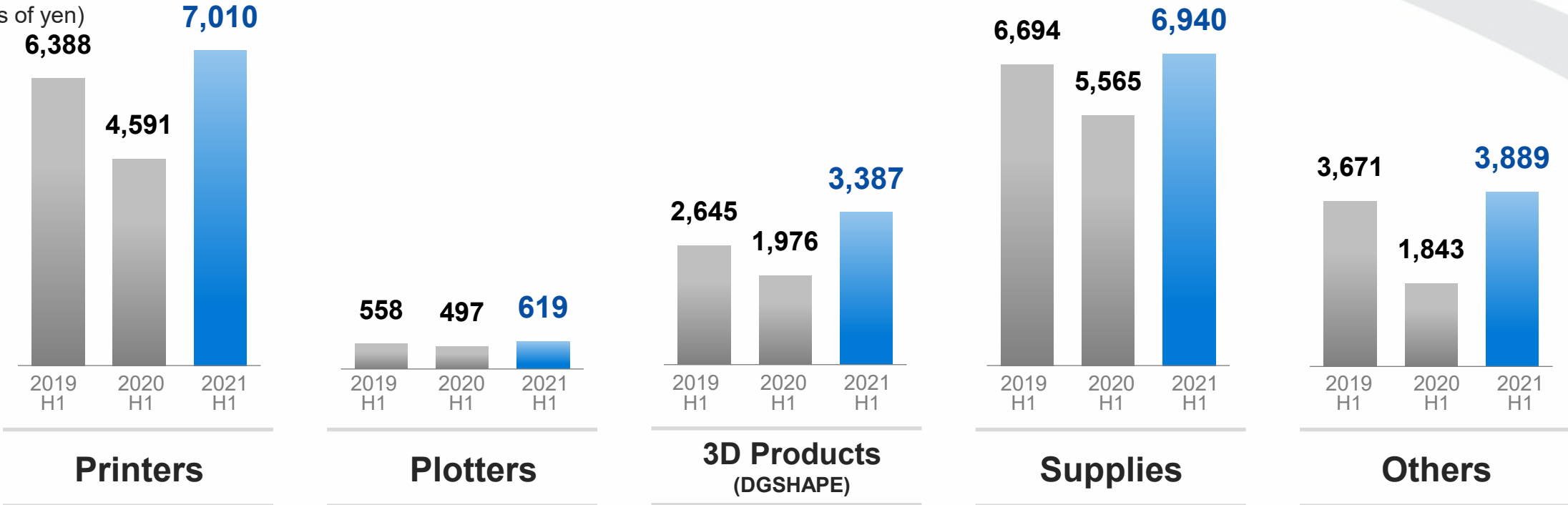
Includes extraordinary loss of 1.2bn from the early retirement program

(Millions of yen)

Sign printers and Dental milling machines drove sales

FY2021 H1 Sales by Product

(Millions of yen)



- Sign printers and Retail UV printers increased
- Output demand continued for infection caution signs
- Desktop printers for Inhouse and SME grew

- Large size models for sign market grew
- Small size cutting machine for inhouse increased

- Strong dental demand increasing sales in Europe, US and Asia
- Strong investment demand in the US by increasing inhouse processing of dental products

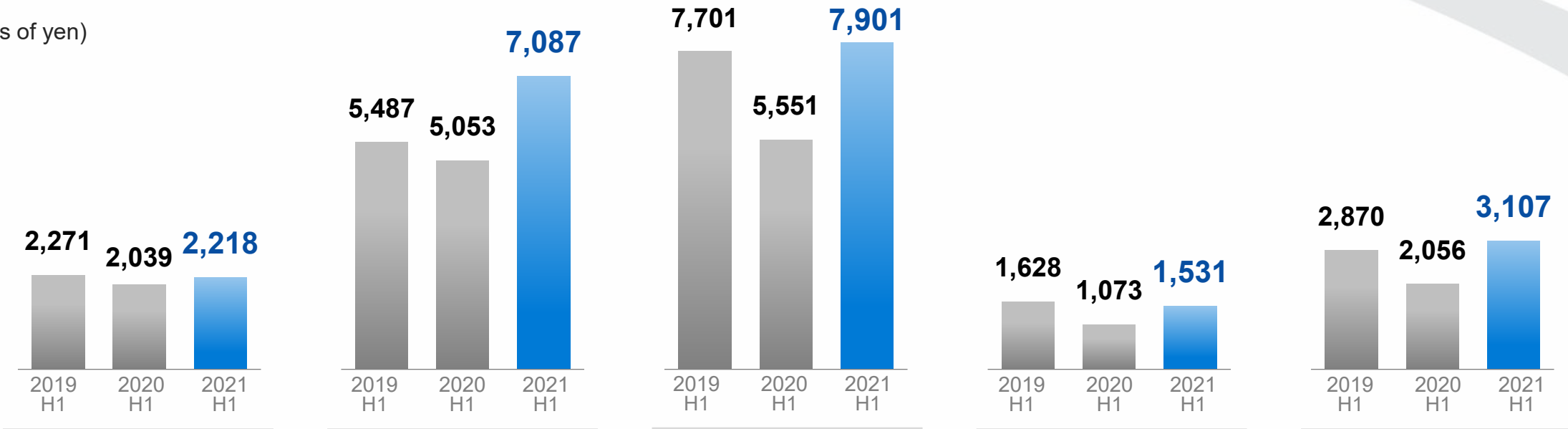
- Increased output for signs and events
- Previous year's ink sales was hit largely by COVID-19

- Pickup in utilization time increased spare parts demand

Back to pre-COVID-19 level; Strong investment demand in N. America

FY2021 H1 Sales by Region

(Millions of yen)



Japan

- Key dental milling machines sales increased
- Small size products grew due by increased insurance coverage to CAD/CAM crowns
- Sign printers and ink declined by slowdown in economic activity

North America

- Sign printers grew by increased output demand
- Desktop printers for Inhouse and SME grew
- Strong investment demand in the US by increasing inhouse processing of dental products

Europe

- Sign printers and Retail UV printers increased
- Dental milling machines continued to be solid
- Weak yen

Asia

- Dental milling machines and service parts increased in China and ASEAN countries
- Dental milling machines strong in Vietnam and India

Others

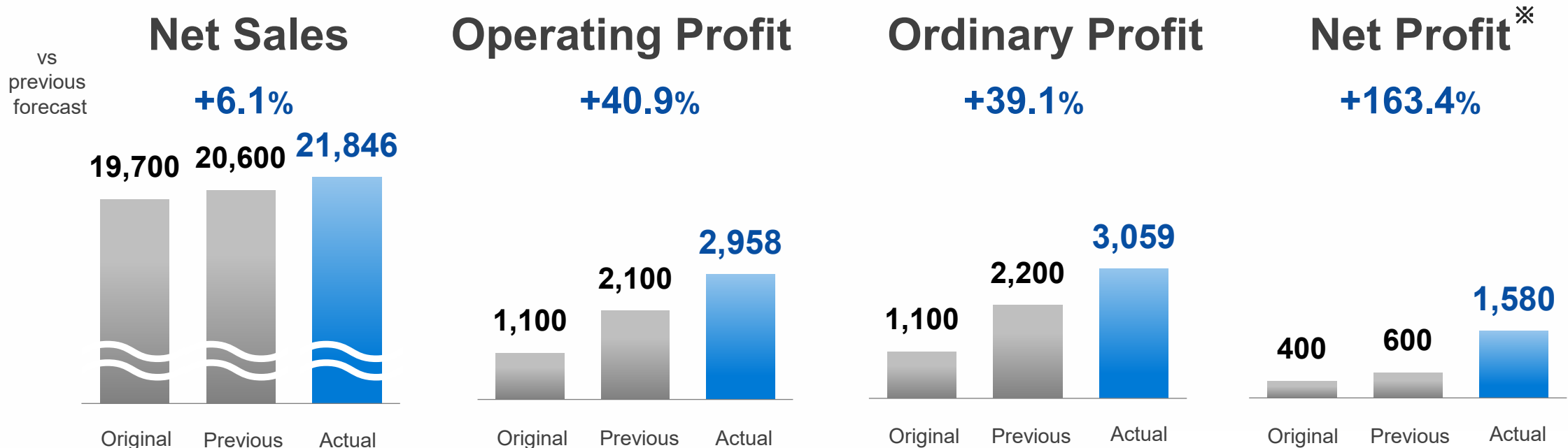
- Sign printer and eco-solvent ink increased; FX impact
- Brazil had negative FX impact but increased YoY

H1 result was above previous forecast (as of May)

H1 result vs previous forecast

- Strong sign printers and dental milling machines sales in North America
- Resolution of back log by production increase and FX also partly increased sales
- Improvement in COGS ratio and SG&A expense pushed up profits

(Millions of yen)

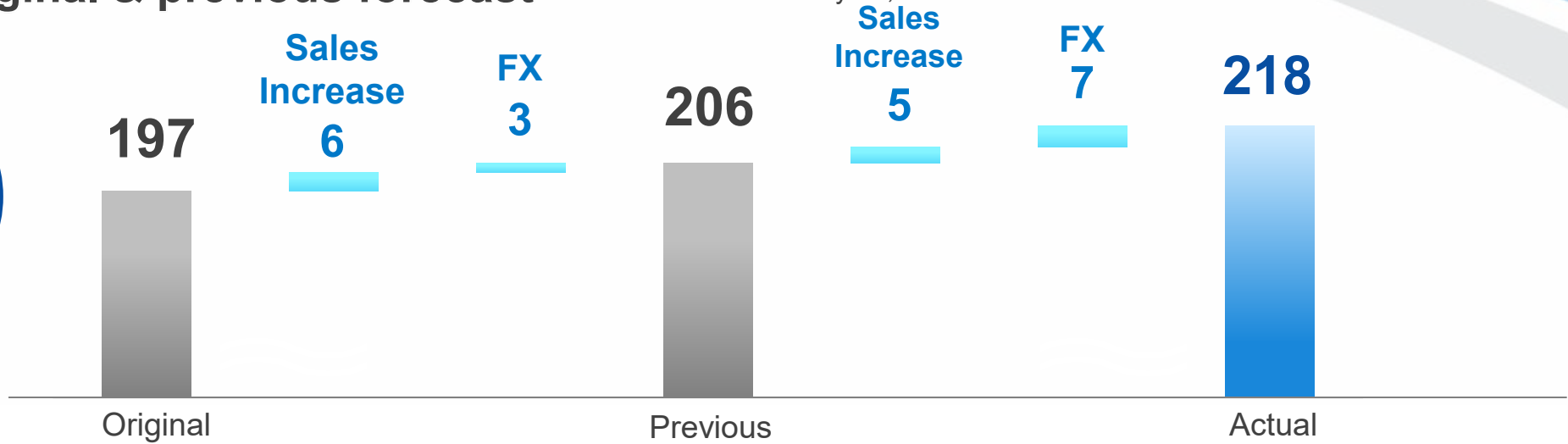


※Previous forecast based on May 12,2021

Sales and Operating Income delta breakdown

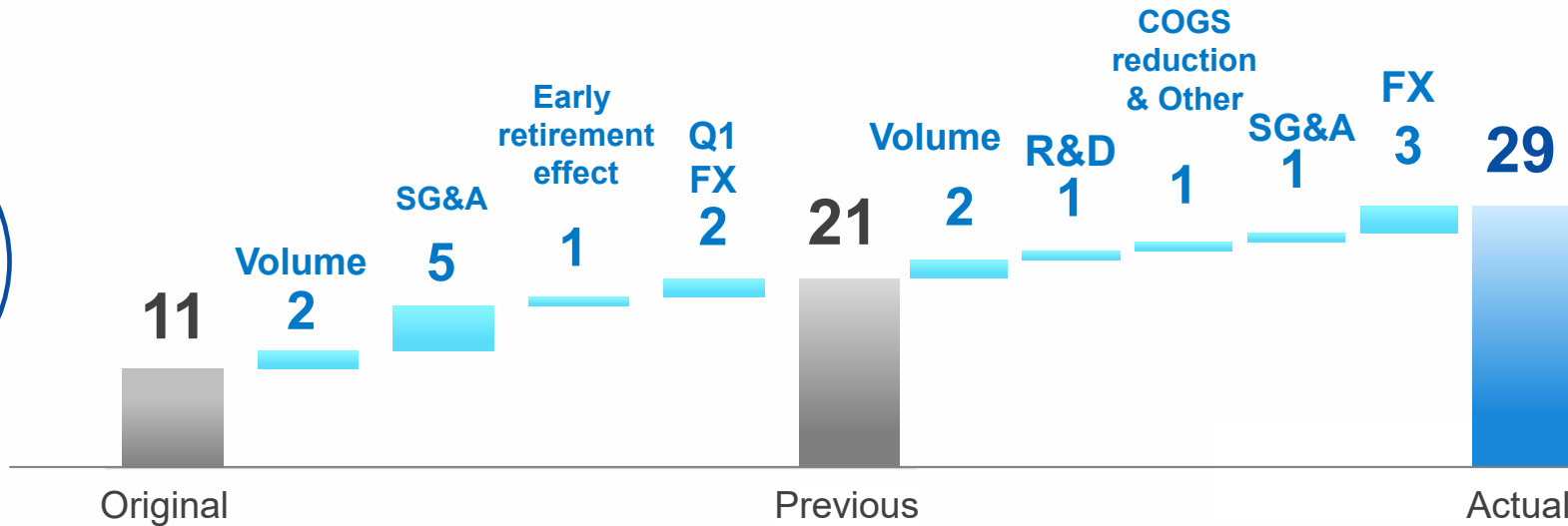
H1 result vs original & previous forecast ※Previous forecast May 12, 2021

Net Sales



Average FX rate	USD	100	100	107.70	107.7%
(Unit : Yen)	EUR	125	125	129.86	103.9%

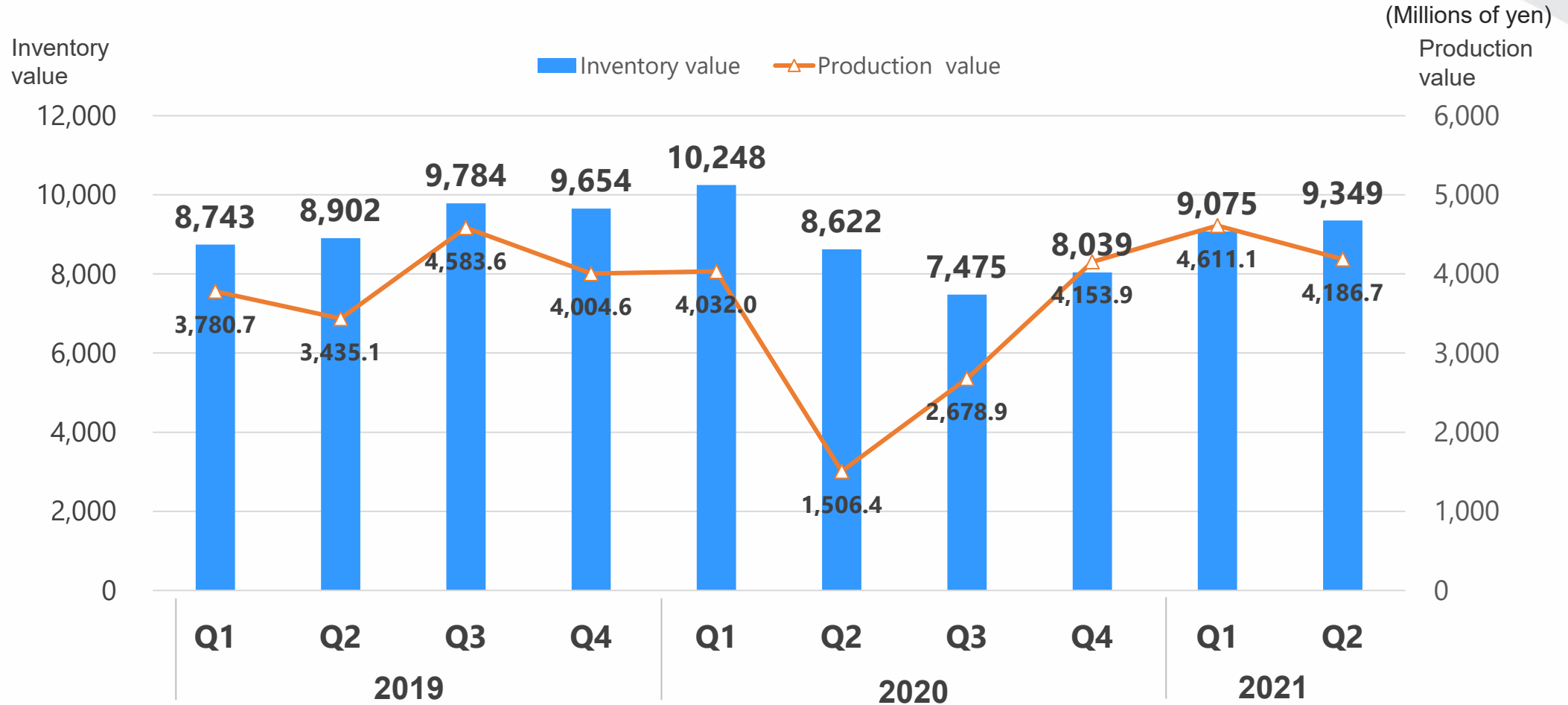
Operating Profit



(100 Millions of yen)

Increased production to clear back orders and prepare for factory migration

Change in inventory and production value



Balance sheet remains healthy

Balance sheet summary (as of June 30, 2021)

(Millions of yen)



※Change from the end of previous fiscal year

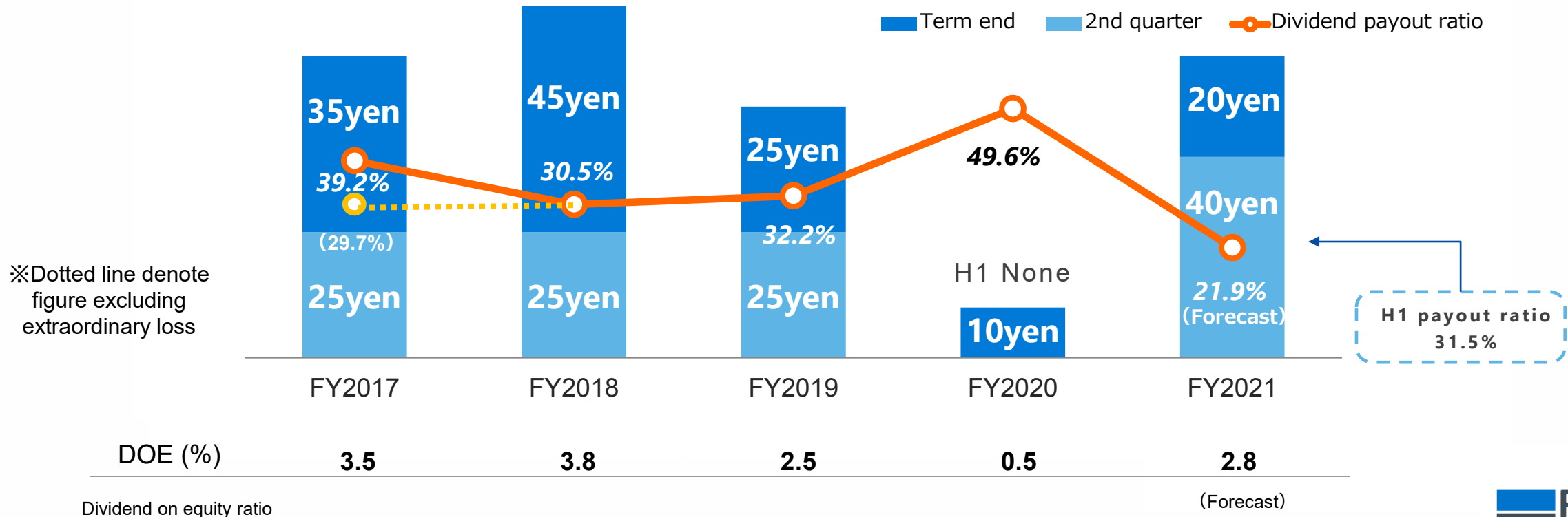
Mid-year dividend increased

Shareholder return

Divident Policy: Use the higher of 30% payout ratio to consolidated profit or 2% Dividend on equity ratio(DOE) as a basis and account for future business development

Mid-year dividend: Increased to Y40 vs Y20 forecast due to higher-than-expected Net profit

Year-end dividend: Did not revise forecast due to uncertainty around parts procurement and COVID-19 impact



Forecast revision

Revised up full year forecast to reflect H1 performance

FY Consolidated financials revision

- Investment demand in existing business to continue to be solid
- Growth market and New market partly delayed due to COVID-19 and parts shortage
- Accounted for parts procurement shortage affect on production
- Revised FX assumption
- SG&A expense forecast same as previous forecast excluding FX impact

Average FX rate(Yen)	USD	EUR
H1 Act	107.70	129.86
H2 forecast (New)	105.00	130.00
FY forecast (New)	106.35	129.93
Original forecast	100.00	125.00

2021 2H Sales forecast

Demand



- Signage demand to increase by recovery in events and trade shows
- COVID-19 related caution sign demands to continue for this year
- Dental to also continue recovery

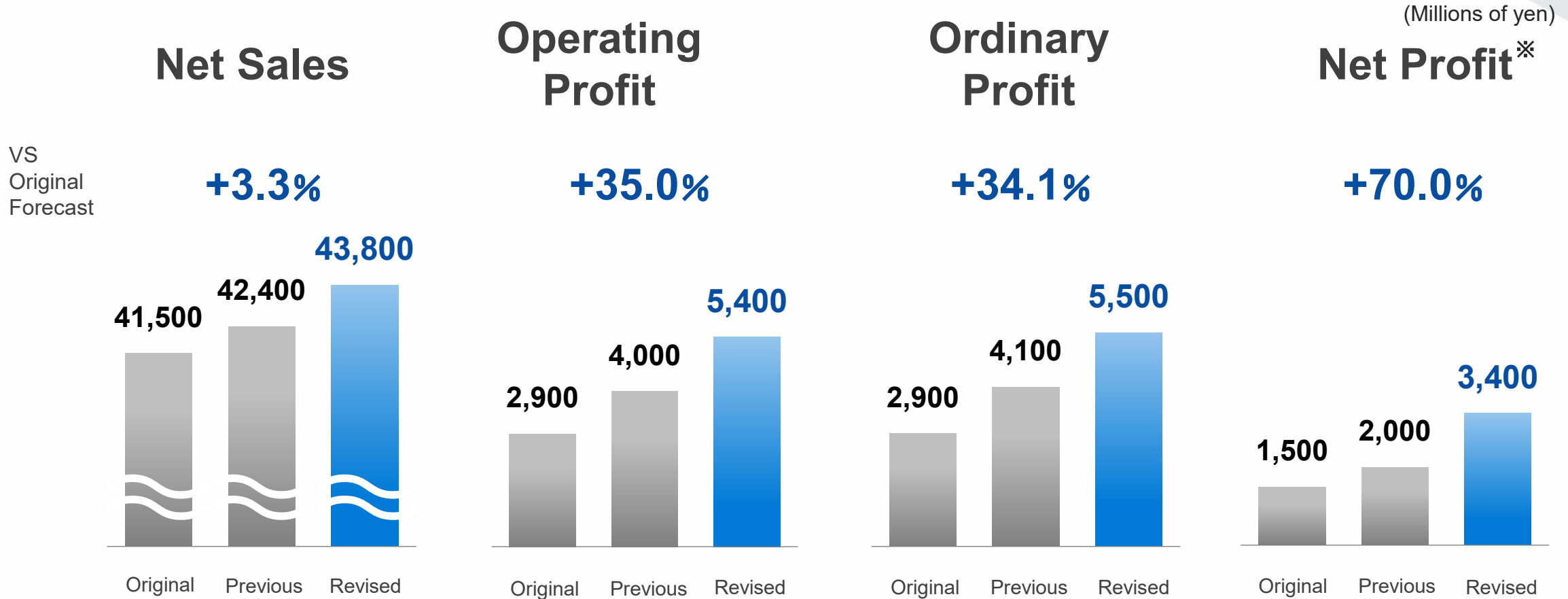
Supply



- Procurement difficulty in electronic components to impact production
- Supply (inventory) up until Q3 already secured – accounted for impact in Q4
- Impact of container ships and transportation expected to be limited

FY2021/12 Full year financial forecast

FY Financials revised forecast ※Previous forecast May 12, 2021



※ Net profit attributable to owners of parent

※Revised rate (yen) : USD 106.35 / EUR 129.93
Original rate (yen) : USD 100.00 / EUR 125.00

Sales and Operating Profit delta breakdown

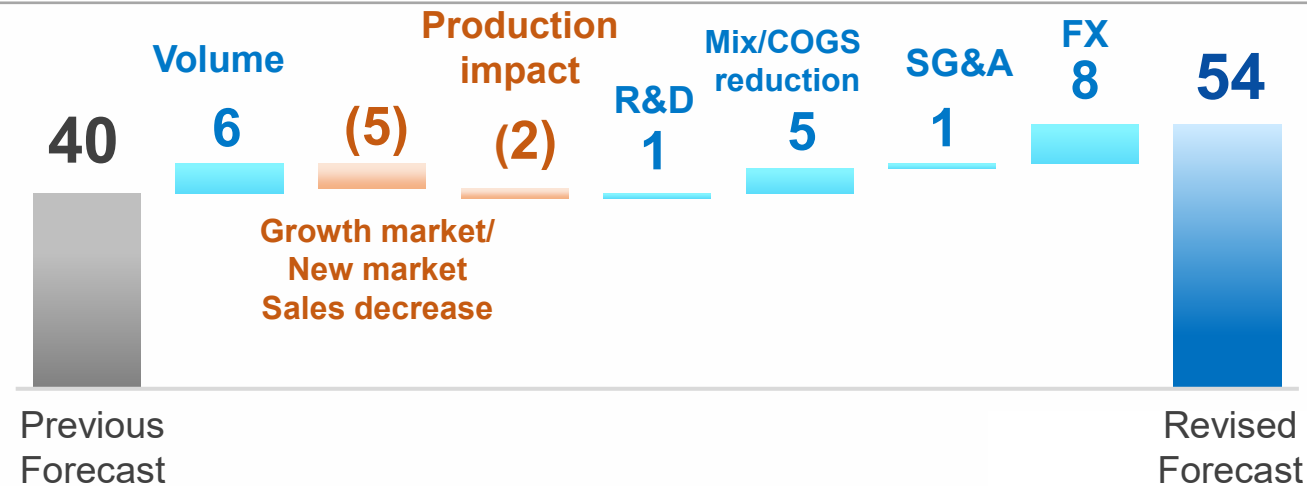
FY consolidated financials revised forecast

Net Sales



Average FX rate (Unit : Yen)	USD	EUR	Previous Forecast	Revised Forecast	Change (%)
	100.00	125.00		106.35	106.4%
				129.93	103.9%

Operating Profit



(100 Millions of yen)

※Previous forecast May 12, 2021

Progress report on the medium-term management plan (2021-2023)

2021-2023
Mid-term Plan
 **Roland**

Lean organization

- Integrate production locations
- Reduce cost
- Renew management team and organization

Fixed cost reduction impact by the early retirement program

Cost reduction impact of 1,090mn per year from the next fiscal year (FY2022)

Operating Profit Impact

(Millions of yen)

	FY2021 H1	FY2021 2H	FY 2021	After 2022
Original estimate	135	270	405	750
Actual Impact	220	370	590	1,090
Difference※	+ 85	+ 100	+ 185	+ 340

※Difference due to increase in number of applicants; 190 actual applicant vs 150 plan (+40)

Early retirement program related cost ※Extraordinary loss (Millions of yen)

	FY2021 H1	FY2021 2H	FY 2021
Original estimate	600	400	1,000
Actual Impact	1,249	0	1,249
Difference	+ 649	(400)	+ 249

Mass production migration to Thailand; floor expansion ongoing

- Floor expansion for warehouse space etc to be completed by end of year (JPY260M investment)
 - Shift mass production from Japan to Thailand by end of 2021
 - Dental products migration completed, but continuing production in Japan to resolve backorder
 - Partial delay due to spread of COVID-19 within Thailand



Image of the expanded floor

Business Portfolio Transition

- Focus on efficiency for existing businesses
- Expand into new markets

2021-2023
Mid-term Plan
 **Roland**

Mid-term Plan Topics Existing business

Printers

Eco solvent market growth outlook changed by COVID-19; expect **short-term market growth momentum**

- Continued COVID-19 caution sign demand, recovery of events
- Sign market's presence increased in the US and Europe
- Strengthened customer base for future non-solvent solution development



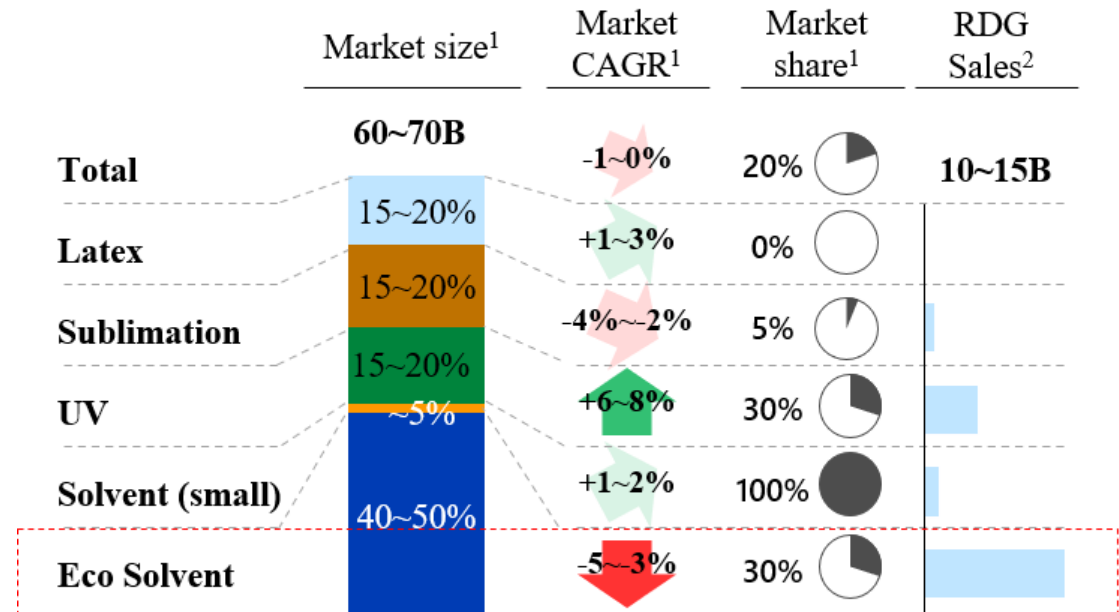
TrueVIS

VG2-640 VG2-540



VersaUV

LEC2-640 LEC2-330



(From 2020/12 FY earnings presentation)

Mid-term Plan Topics Existing business (DGSHAPE)

Dental

US and European dental labs to **return to domestic production**

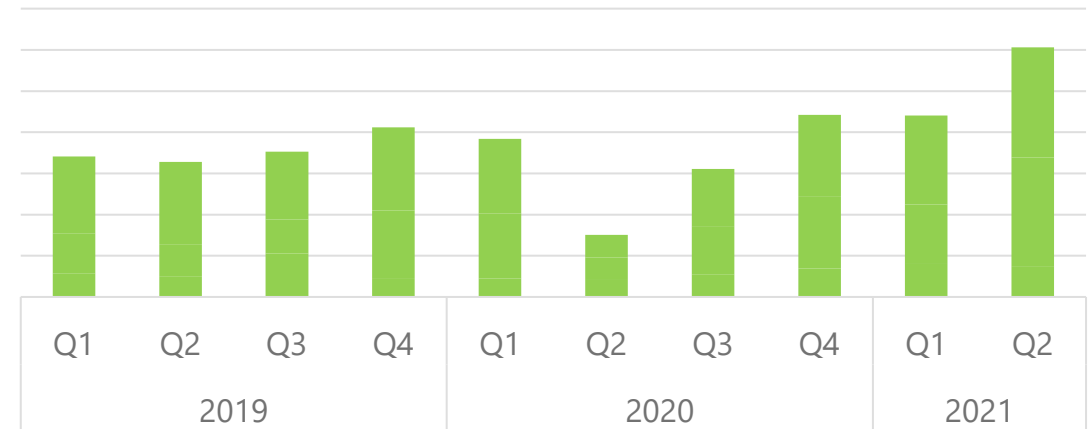
- Return to domestic production due to supply chain disruption by COVID-19
- Ceramic filling demand grew due to increased metal price and cosmetic appeal
- Expect continued trend towards non-metal fillings driving milling machine sales
- Worked on customer education towards digital workflow for dentures and implants



DWX-52DCi



Sales volume of dental milling machines in advanced market



Mid-term Plan Topics Growth Market

Printers

Launched first Growthy market model as a **first step of our Mid-term Plan**

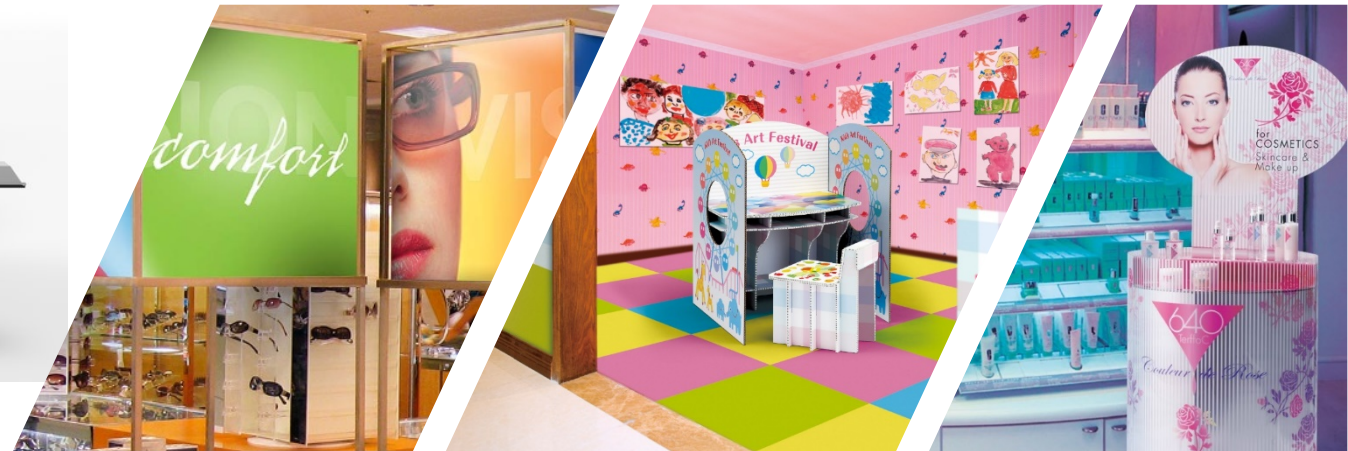
- Launched flatbed UV printer dedicated to growth markets
- Planning to expand into other regions starting from ASEAN and South America
- Prioritized existing market (existing channel) sales during H1

UV printers for boards and thick materials



EU-1000MF

In-store display and decoration



Mid-term Plan Topics Growth Market (DGSHAPE)

Dental

Launched Emerging model and **expanding target regions**

- Penetrating ASEAN, India, Middle East etc
- Our “Productivity, quality and reliability” well appreciated also in emerging markets
- Accelerate emerging market growth by cost down by factory migration to Thailand



Current clamp



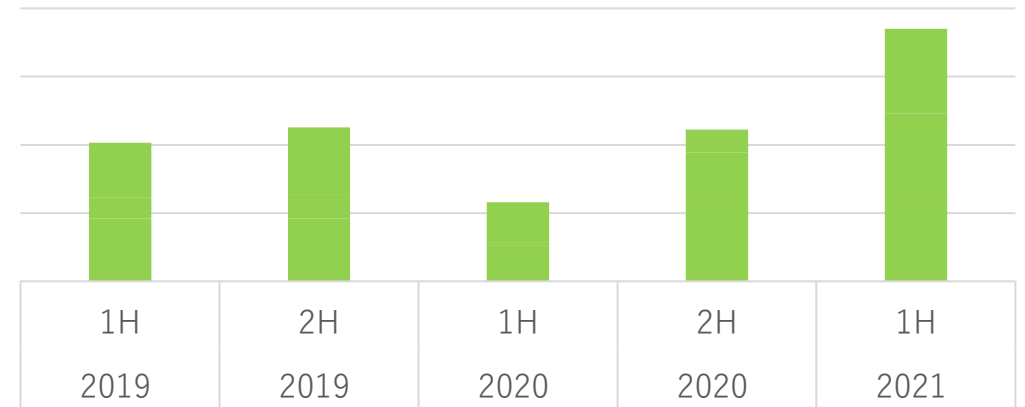
New C clamp

Can produce more from single Disc by change in Clamp design



DWX-52Di

Sales volume in Growth Market



Mid-term Plan Topics New Market

Printer

Home office & small business market accelerated by COVID-19

- Small product demand increased by stayhome and home office demand
- Approached broad customer base by strengthening e-commerce channel
- Broad product line-up including small Print & Cut, T-shirt printer
- Focus further as new area created by personalization demand



**VersaSTUDIO
BN-20**



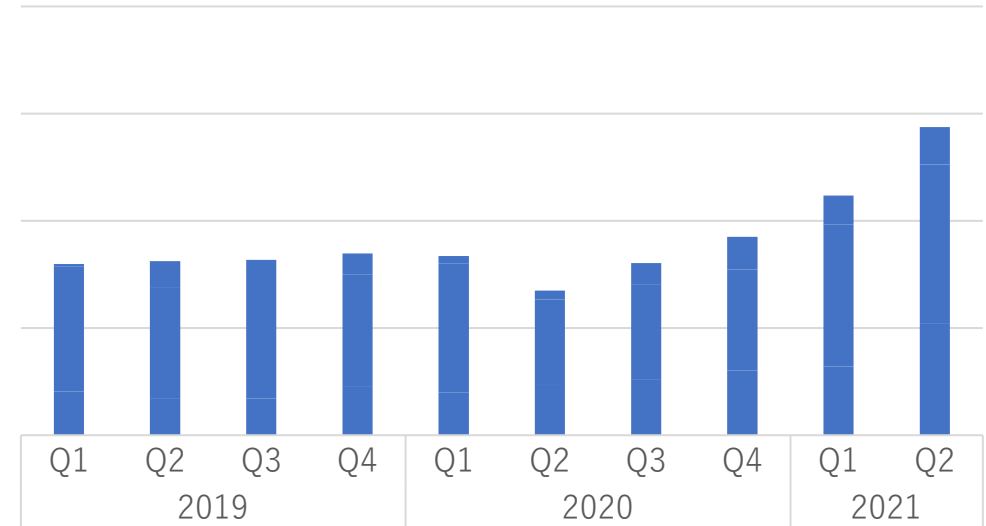
VersaSTUDIO BT-12



**CAMM-1
GS-24**



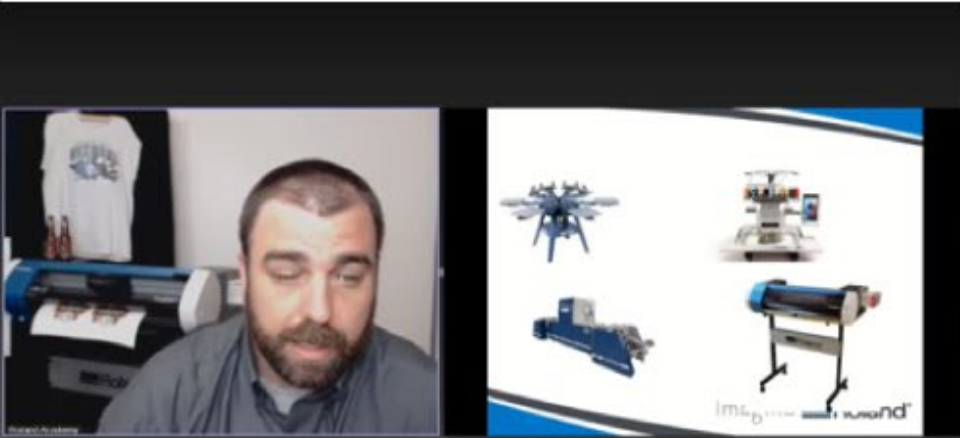
Sales volume of desktop models



Mid-term Plan Topics New Market

Printer

Growing market through **online approach**



Mid-term Plan Topics New Market

Co-Creation

Traffic sign solutions in North America and China

- Solution to traffic signs requiring color and durability standards
- Used mix of pure ink and dedicated color library/media
- Provides lower cost and more standardized solution



Mid-term Plan Topics New Market

Co-Creation

Cross selling solutions developed in Europe to US and Asia

- UV printers for thick materials selling well in Europe
- Accelerate cross sell into North America, Asia and Australia
- On-demand printing solution for decorations to replace screen printing



LEC2-640 S-Series



(C) Multicopy The Communication Company
YouTube | 00:41

Mid-term Plan Topics New Market

Co-Creation

Developing toy market in the US to create new segment

- Launched high safety inks for VersaUV LEF2
- Complies with US CPSIA and can be used for toys
- Can print on various materials with the same durability and instant drying feature



VersaUV
LEF2-300



Toys

School kits



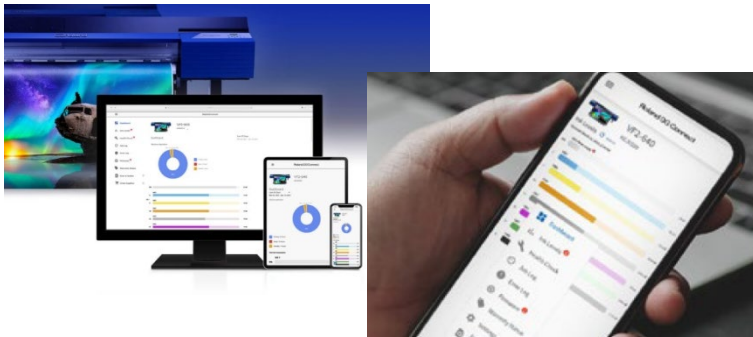
Early leaning toys

Overarching Connected service

Overarching

Launched connected service for printers, increasing customer value

- 4,200+ users of DWINDEX2 globally
- Launched Roland DG Connect service for printers
- Increases customer business efficiency and customer data for future R&D



Roland DG Connect
for Everything Creative

Supports business through remote monitoring to reduce downtime, visualization of utilization rate



DWINDEX2

Start Roland DG Connected

Roland DG Connected Service

Maintenance Service: Prevent breakdowns to reduce downtime

Workflow Service: Visualize business process

Business Management Service: Automate business

Market place: Provide platform to build new business opportunities

Launch in 2021



(From 2020/12 FY earnings presentation Mid-term plan section)

Mid-term Plan Topics Change in business operation

Business operation

Promoting faster decision making and business visualization

- Restructured decision-making process and structure to adapt to “VUCA” generation
- Promoted visualization of KPIs to monitor business health and strategy execution
- Strengthened collaboration among executive officers for faster problem solving

ROIC / Inventory dashboard



Management dashboard



Mid-term Plan Topics Work place reform and Other

Workplace reform

Reforming culture and system to become an **employer of choice**

- Changed system for remote work / flex / hourly leaves / parental leaves
- Idea sharing internal community websites and Teams
- Improvement in employee satisfaction survey

TSE reform/ CG Code

Received **PRIME market eligibility notification** from Tokyo Stock Exchange

- Preparing for official application
- Will promote appropriate measures towards the Corporate Governance Code change in June in light of business activities

| SLOGAN

- ◆ Inspire the Enjoyment of *Creativity*
- ◆ Be the *BEST* rather than the BIGGEST
- ◆ The Roland Family – *Cooperative*
Enthusiasm



President
Kohei Tanabe

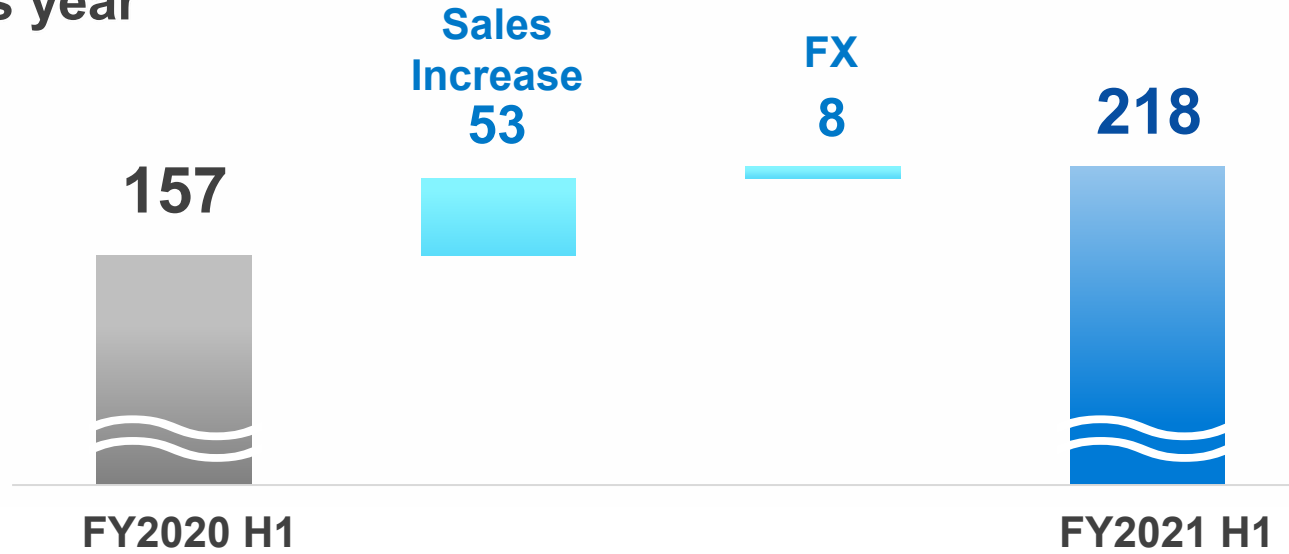
The information pertaining to our business plans and forecasts that has been provided in this presentation contains forward-looking statements that are based on the plans and prospects of the Company at this point in time. The actual business results could be significantly different from those stated 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

Sales and Operating Income delta breakdown

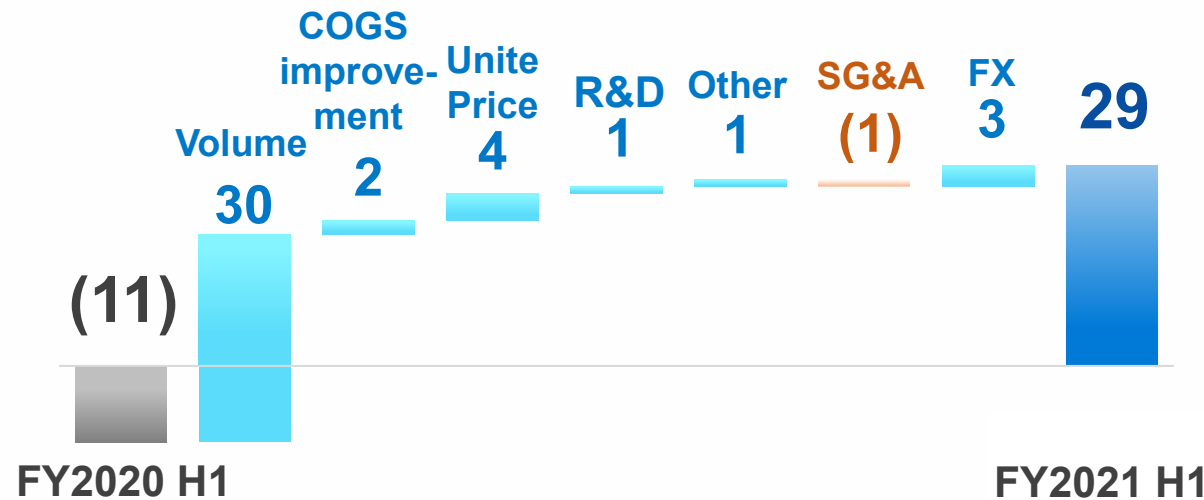
H1 actuals vs previous year

Net Sales



Average FX rate (Unit : Yen)	USD	EUR	FY2020 H1	FY2021 H1	% Change
USD	108.30	107.70			99.4%
EUR	119.35	129.86			108.8%

Operating Profit

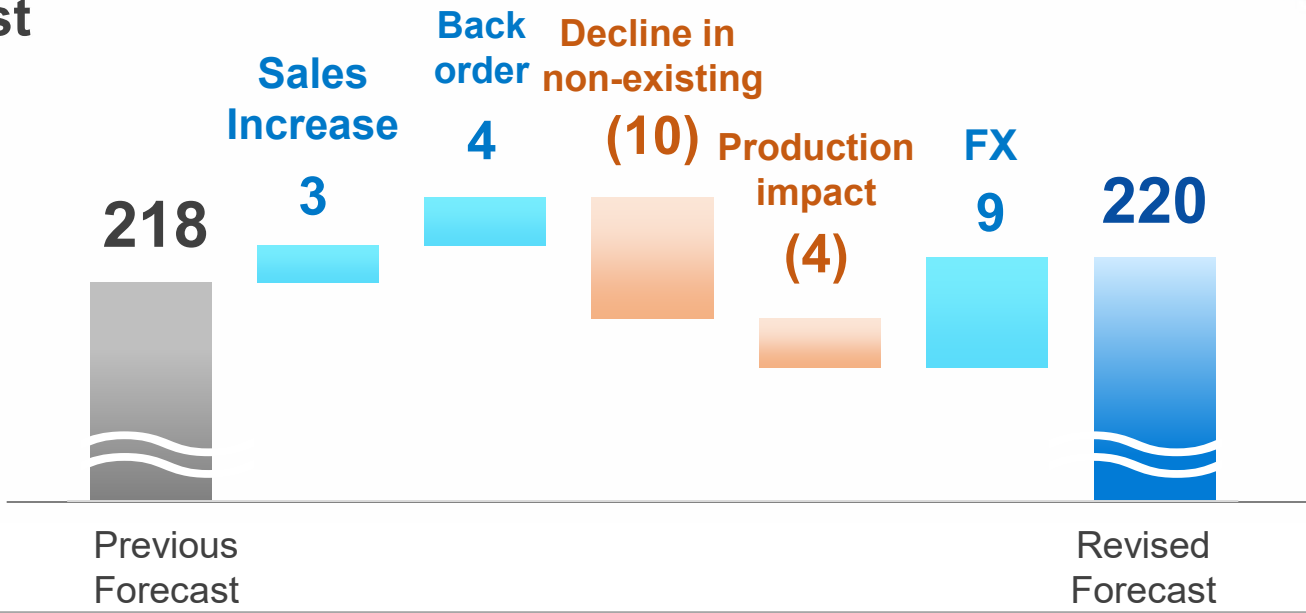


(100 Millions of yen)

Sales and Operating Income delta breakdown

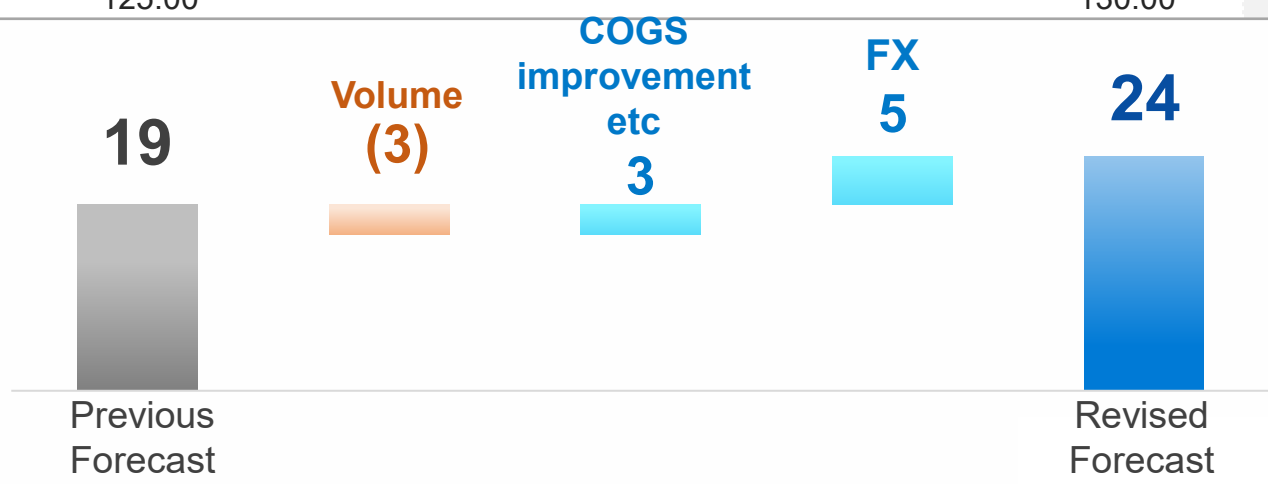
H2 vs previous forecast

Net Sales



Average FX rate (Unit : Yen)	USD	EUR	Previous Forecast	Revised Forecast	% Change
	100.00	125.00	100.00	105.00	105.0%
				130.00	104.0%

Operating Profit



(100 Millions of yen)

※Previous forecast May 12, 2021

FY2021 H1 Consolidates financial results

	FY2019 H1		FY2020 H1		FY2021 H1		YoY change			
	(Millions of yen)	Performance	% of sales	Performance	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net Sales		19,958	100.0%	15,744	100.0%	21,846	100.0%	6,071	138.5%	133.6%
Gross Profit		8,887	44.5%	5,239	33.2%	9,627	44.1%	4,388	183.8%	174.6%
SGA cost		7,320	36.7%	6,365	40.4%	6,669	30.5%	304	104.8%	101.8%
Operating Profit		1,567	7.9%	(1,126)	—	2,958	13.5%	4,084	—	—
Ordinary Profit		1,483	7.4%	(1,218)	—	3,059	14.0%	4,278	—	—
Net Profit[※]		1,070	5.4%	(1,324)	—	1,580	7.2%	2,904	—	—
EPS (Yen)		85.32		(106.14)		127.04				
Exchange rate Yen	USD	110.06		108.30		107.70				
	EUR	124.35		119.35		129.86				

※ Net profit attributable to owners of parent

(Millions of yen)

Exchange rate Amount of impact	Net sales	771
	Operating profit	292

FY2021 H1 Consolidated financial results

Sales by Products

(Millions of yen)	FY2019 H1		FY2020 H1		FY2021 H1		YoY change	
	Performance	% of sales	Performance	% of sales	Performance	% of sales	Ratio	Exchange rate impact excluded Real term
Printers	6,388	32.0%	4,591	29.1%	7,010	32.1%	152.7%	147.4%
Plotters	558	2.8%	497	3.2%	619	2.8%	124.6%	121.2%
3D Products (DGSHAPE)	2,645	13.3%	1,976	12.5%	3,387	15.5%	171.4%	165.3%
Supplies	6,694	33.5%	5,565	35.3%	6,940	31.8%	124.7%	120.2%
Others	3,671	18.4%	3,144	19.9%	3,889	17.8%	123.7%	119.1%
Total	19,958	100.0%	15,774	100.0%	21,846	100.0%	138.5%	133.6%

FY2021 H1 Consolidated financial results

Sales by Regions

(Millions of yen)	FY2019 H1		FY2020 H1		FY2021 H1		YoY change	
	Performance	% of sales	Performance	% of sales	Performance	% of sales	Ratio	Exchange rate impact excluded Real term
Japan	2,271	11.4%	2,039	12.9%	2,218	10.2%	108.8%	—
North America	5,487	27.5%	5,053	32.0%	7,087	32.4%	140.2%	141.0%
Europe	7,701	38.6%	5,551	35.2%	7,901	36.2%	142.3%	130.8%
Asia	1,628	8.1%	1,073	6.8%	1,531	7.0%	142.7%	137.8%
Others	2,870	14.4%	2,056	13.1%	3,107	14.2%	151.1%	145.3%
Total	19,958	100.0%	15,774	100.0%	21,846	100.0%	138.5%	133.6%

FY2021 Q2 Consolidated financial results (3 months)

Sales by Products

(Millions of yen)	FY2019 Q2		FY2020 Q2		FY2021 Q2		YoY change	
	Performance	% of sales	Performance	% of sales	Performance	% of sales	Change	Ratio
Printers	3,261	32.4%	2,092	31.1%	3,777	32.7%	1,684	180.5%
Plotters	274	2.7%	215	3.2%	283	2.4%	67	131.4%
3D Products (DGSHAPE)	1,318	13.1%	642	9.5%	1,892	16.4%	1,250	294.7%
Supplies	3,429	34.1%	2,485	36.9%	3,693	32.0%	1,207	148.6%
Others	1,786	17.7%	1,300	19.3%	1,902	16.5%	601	146.3%
Total	10,070	100.0%	6,736	100.0%	11,548	100.0%	4,811	171.4%

FY2021 Q2 Consolidated financial results (3 months)

Sales by Regions

(Millions of yen)	FY2019 Q2		FY2020 Q2		FY2021 Q2		YoY change	
	Performance	% of sales	Performance	% of sales	Performance	% of sales	Change	Ratio
Japan	1,062	10.6%	866	12.9%	1,051	9.1%	185	121.4%
North America	2,924	29.0%	2,472	36.7%	3,983	34.5%	1,511	161.1%
Europe	3,821	37.9%	2,242	33.3%	4,162	36.0%	1,919	185.6%
Asia	822	8.2%	465	6.9%	808	7.0%	342	173.7%
Others	1,438	14.3%	690	10.2%	1,543	13.4%	852	223.4%
Total	10,070	100.0%	6,736	100.0%	11,548	100.0%	4,811	171.4%

FY2021 2H Consolidated result forecasts

(Millions of yen)	FY2019 2H		FY2020 2H		FY2021 2H Forecast			YoY change	
	Performance	% of sales	Performance	% of sales	Original	Revised	% of sales	Change	Ratio
Net Sales	20,836	100.0%	19,005	100.0%	21,800	22,000	100.0%	2,994	115.8%
Gross Profit	8,442	40.5%	7,939	41.8%	8,700	9,500	43.2%	1,560	119.7%
SGA cost	7,216	34.6%	6,312	33.2%	6,800	7,100	32.3%	787	112.5%
Operating Profit	1,226	5.9%	1,626	8.6%	1,800	2,400	10.9%	773	147.6%
Ordinary Profit	1,165	5.6%	1,641	8.6%	1,800	2,400	10.9%	758	146.2%
Net profit ※	874	4.2%	1,575	8.3%	1,100*	1,800	8.2%	224	114.3%
EPS (Yen)	70.07		133.82		87.93	146.06			

※ Net profit attributable to owners of parent

*Includes extraordinary loss from the early retirement program

FY2021 2H Consolidated result forecasts

Sales by Products

(Millions of yen)	FY2019 2H		FY2020 2H		FY2021 2H Forecast			YoY change	
	Performance	% of sales	Performance	% of sales	Original	Revised	% of sales	Change	Ratio
Printers	6,795	32.6%	5,461	28.7%	7,650	7,700	35.0%	2,238	141.0%
Plotters	539	2.6%	505	2.7%	600	600	2.7%	94	118.6%
3D products (DGSHAPE)	3,060	14.7%	2,803	14.7%	3,200	3,300	15.0%	496	117.7%
Supplies	6,716	32.2%	6,588	34.7%	6,850	6,850	31.1%	261	104.0%
Others	3,724	17.9%	3,645	19.2%	3,500	3,550	16.2%	(95)	97.4%
Total	20,836	100.0%	19,005	100.0%	21,800	22,000	100.0%	2,994	115.8%

FY2021 2H Consolidated result forecasts

Sales by Regions

(Millions of yen)	FY2019 2H		FY2020 2H		FY2021 2H Forecast			YoY change	
	Performance	% of sales	Performance	% of sales	Original	Revised	% of sales	Change	Ratio
Japan	2,473	11.9%	2,124	11.2%	2,350	2,400	10.9%	275	112.9%
North America	6,139	29.5%	5,568	29.3%	6,200	6,350	28.9%	781	114.0%
Europe	7,556	36.3%	7,405	38.9%	8,050	8,050	36.6%	644	108.7%
Asia	1,592	7.6%	1,366	7.2%	2,200	2,200	10.0%	833	161.0%
Others	3,073	14.7%	2,540	13.4%	3,000	3,000	13.6%	459	118.1%
Total	20,836	100.0%	19,005	100.0%	21,800	22,000	100.0%	2,994	115.8%

Revisions of the Consolidated result forecasts for FY2021

	FY2019		FY2020		FY2021 Forecast				YoY change	
	Performance	% of sales	Performance	% of sales	Original	Previous*	Revised	% of sales	Change	Ratio
(Millions of yen)										
Net sales	40,795	100.0%	34,780	100.0%	41,500	42,400	43,800	100.0%	9,019	125.9%
Gross profit	17,330	42.5%	13,178	37.9%	16,900	17,500	19,100	43.6%	5,921	144.9%
SGA cost	14,536	35.6%	12,678	36.5%	13,900	13,500	13,700	31.3%	1,021	108.1%
Operating income	2,794	6.8%	500	1.4%	2,900	4,000	5,400	12.3%	4,899	1,079.6%
Ordinary income	2,648	6.5%	422	1.2%	2,900	4,100	5,500	12.6%	5,077	1,301.0%
Net profit ※	1,944	4.8%	251	0.7%	1,500	2,000	3,400	7.8%	3,148	1,353.9%
EPS (Yen)	155.39		20.17		120.72	160.96	273.10			
Exchange rate Yen	USD	109.06	106.83		100.00	100.00	106.35			
	EUR	122.11	121.86		125.00	125.00	129.93			

※ Net profit attributable to owners of parent

※ Previous Forecast May 12, 2021

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

Revisions of the consolidated result forecasts for FY2021

Sales by Products

(Millions of yen)	FY2019		FY2020		FY2021 Forecast				YoY change	
	Performance	% of sales	Performance	% of sales	Original	Previous*	Revised	% of sales	Change	Ratio
Printer	13,183	32.3%	10,053	28.9%	13,800	14,200	14,700	33.6%	4,646	146.2%
Plotter	1,098	2.7%	1,003	2.9%	1,100	1,200	1,200	2.7%	196	119.6%
3D Products (DGSHAPE)	5,705	14.0%	4,779	13.7%	6,100	6,250	6,700	15.3%	1,920	140.2%
Supply	13,411	32.9%	12,153	35.0%	13,500	13,500	13,800	31.5%	1,646	113.5%
Others	7,396	18.1%	6,790	19.5%	7,050	7,250	7,400	16.9%	609	109.0%
Total	40,795	100.0%	34,780	100.0%	41,500	42,400	43,800	100.0%	9,019	125.9%

*Previous Forecast May 12, 2021

Revisions of the consolidated result forecasts for FY2021

Sales by Regions

(Millions of yen)	FY2019		FY2020		FY2021 Forecast				YoY change	
	Performance	% of sales	Performance	% of sales	Original	Previous*	Revised	% of sales	Change	Ratio
Japan	4,745	11.6%	4,164	12.0%	4,650	4,650	4,650	10.6%	485	111.7%
North America	11,627	28.5%	10,621	30.5%	12,000	12,350	13,400	30.6%	2,778	126.2%
Europe	15,257	37.4%	12,956	37.3%	15,650	15,700	15,900	36.3%	2,943	122.7%
Asia	3,220	7.9%	2,439	7.0%	3,700	3,750	3,750	8.6%	1,310	153.7%
Others	5,944	14.6%	4,597	13.2%	5,500	5,950	6,100	13.9%	1,502	132.7%
Total	40,795	100.0%	34,780	100.0%	41,500	42,400	43,800	100.0%	9,019	125.9%

※Previous Forecast May 12, 2021