



February 14, 2022

Filing Company: Roland DG Corporation
 Representative: Kohei Tanabe, President
 Listing: First Section, Tokyo Stock Exchange (Stock Code: 6789)
 Contact: Kazuhiro Ogawa, Executive Officer and President of Corporate Division
 Tel. +81-53-484-1400

Notice of Revision of Midterm Business Plan (FY2021 to FY2023)

Based on the recent financial performance, Roland DG Group is pleased to announce a revision of the Midterm Business Plan (FY2021 to FY2023) announced on February 12th 2021 as follows

1. Background

In the Midterm Business Plan (FY2021 to FY2023) (the “MTP”), we have pursued our core strategy of both “becoming a lean organization” and “transition of our business portfolio”.

In FY21, we have first focused on “becoming a lean organization”. Our mass production function that was previously in two factories in Japan and Thailand have now been integrated in Thailand, and headcount rationalization was carried out by implementing an early retirement program in Japan. As a result, we have achieved solid progress in our structural reform effort.

Despite the spread of COVID-19, parts shortage mainly in semi-conductors, and delay in shipping which affected our business, there has been a notable recovery in demand along with the reopening economy. Further, we managed to capture some new needs and trends that emerged in spite of COVID-19 which contributed to our financial performance.

In such circumstance, we have achieved the FY23 Operating profit target in our first year of our MTP. We therefore have revised our financial target and have updated the business strategy to reflect the changing needs in each business segment.

2. Revised Financial Target

(Rounded down to the nearest JPY100M)

		FY2021 1 st year performance	FY2023 (Final year target)	FY2023 (Revised final year target)
Sales (¥ billion)		45.0	48.0	54.0
Operating profit (¥ billion)		6.0	6.0	8.0
Operating profit ratio		13.4%	12.5%	14.8%
ROE		13.9%	15%	17%
ROIC		13.0%	15%	15%
CCC (Days)		147	120	120
Yearly Average Currency	USD	¥109.81	¥100 (est.)	¥113 (est.)
Exchange Rates:	EUR	¥129.93	¥125 (est.)	¥128 (est.)

3. Assumptions for the revised target





- No significant deterioration in the economic activity due to COVID-19
- Parts procurement situation will normalize from FY2022H2
- No impact from shipping difficulty on sales
- Same FX assumption as the FY22 guidance(USD=¥113, EUR = ¥128)

4. Update of the strategic business portfolio category

Our core strategy of pursuing both a lean organization and a business portfolio transition remains the same. As to the business portfolio transition, we have previously categorized our business as “Existing”, “Emerging”, and “New”, but since there are growth segments categorized under “Existing”, we have revisited our strategic category in order to clarify where to allocate our resource. “Emerging business” and “New Area” will continue to be important themes for our business portfolio transition, and we will continue working on them in the individual strategic categories.

Revision of the Strategic Category

Categorization will be done based on business categories in order to capture the trend by each business and clarify our growth area as below:

Category	Application/Product	Strategy overview
Visual Communication (VC) 	Large format inkjet printers for Sign, displays, and decorations	While signboards are maturing, needs for “Visual Communication” with customers will increase such as indoor/outdoor decorations and retail displays. We will diversify our ink type for new applications in the future and cultivate our customer base.
Digital Fabrication (DF) 	Products that enable on-demand personalization and customization	Area that represents our strengths: high-variety-low-volume, small & compact, on-demand, easy use, high quality. Printers, cutters, 3D products that will allow small businesses, online players, and retailers etc to personalize and customize products to meet the end users’ niche needs.
Dental 	3D dental milling machines to produce dental prosthetics	Since the product launch in 2010, we have grown mainly in advanced countries such as the US, Europe and Japan. Going forward we see growing digitization needs for dental prosthetics manufacturing procedures in emerging markets such as ASEAN, Latin America, Middle East and Africa. Further, by growing into not only dental labs but dental clinics, we expect the category to become a growth business pillar in both advanced and emerging markets.
Service, Software & Others 	Service parts, maintenance, and connected service related	Provision of service parts and maintenance services. Develop SaaS business model through software and connected related services

5. Other

There is no change in our financial strategy and dividend policy