Financial Results Briefing

for the sixth months ended September 30, 2013

November 13, 2013

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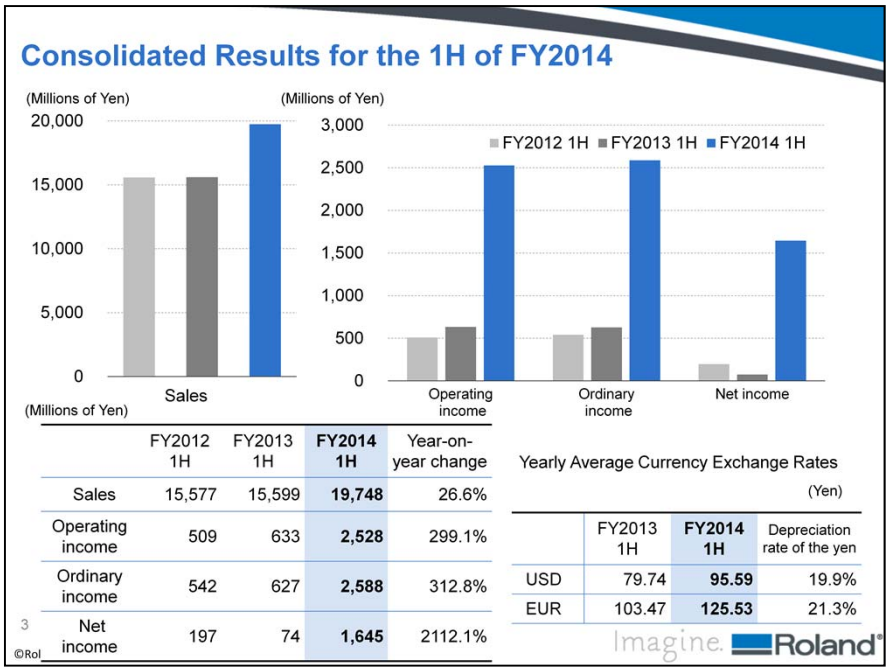
I would like to share with you our consolidated financial results for the first half of fiscal year ending March 2014.



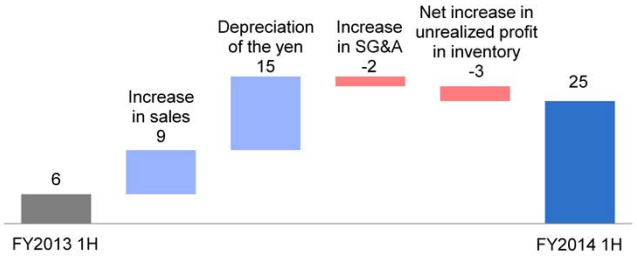
During this term, challenging conditions persisted in the world economy due to the impact of prolonged economic stagnation, mainly in southern Europe, in spite of a sustained mild recovery trend in the U.S. In Asia, the slowdown in the growth rate of countries such as China became clear. In Japan, hopes for an economic recovery are rising thanks to yen depreciation and rising stock prices.

Under these conditions, sales have risen compared with the same period of the previous term thanks to the effect of yen depreciation and due to robust sales of new wide-format inkjet printers after their introduction in the previous term and the current term. Looking at SG&A and COGS, although SG&A increased compared with the same period of the previous term, , the ratio of COGS to sales improved substantially thanks primarily to the impact of reductions in the purchasing cost of foreign subsidiaries due to yen depreciation. Consequently, operating income, ordinary income, and net quarterly income increased greatly compared with the same period of the previous term.

For your reference, due to yen depreciation, sales were increased by 2.4 billion yen, and operating income was increased by 1.5 billion yen compared with the same period of the previous term.

Operating Income Variance Analysis

(100 Millions of Yen)



Yearly Average Currency Exchange Rates for the 1H (Yen)

	FY2013 1H	FY2014 1H	Depreciation rate
USD	79.74	95.59	19.9%
EUR	103.47	125.53	21.3%
GBP	125.73	147.41	17.2%
DKK	13.92	16.83	20.9%
AUD	82.36	96.92	17.7%

	FY2013 1H	FY2014 1H	Depreciation rate
THB	2.56	3.21	25.4%
CNY	-	15.47	-
KRW	-	0.0867	-
BRL	-	46.10	-

Note: The exchange rates indicated are averages for the period of January to June 2013, which is the 1H of fiscal year of the Company's foreign consolidated subsidiaries.

4

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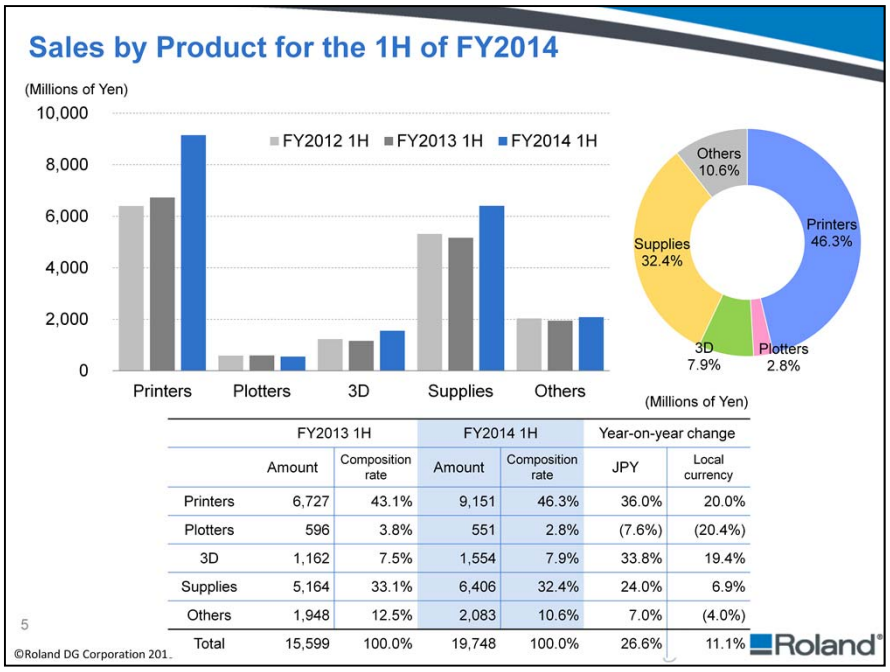
Now, let's take a look at the operating income variance analysis.

When comparing with the previous term, we see that positive factors, such as an increase in sales and yen depreciation, absorbed the negative factors of the increase in SG&A and net increase in unrealized gain in inventory, and resulted in an increase of 190 million yen over the same period of the previous term.



	FY2013 1H		FY2014 1H		Year-on-year change	
	Amount	Composition rate	Amount	Composition rate	JPY	Local currency
Printers	6,727	43.1%	9,151	46.3%	36.0%	20.0%
Plotters	596	3.8%	551	2.8%	(7.6%)	(20.4%)
3D	1,162	7.5%	1,554	7.9%	33.8%	19.4%
Supplies	5,164	33.1%	6,406	32.4%	24.0%	6.9%
Others	1,948	12.5%	2,083	10.6%	7.0%	(4.0%)
Total	15,599	100.0%	19,748	100.0%	26.6%	11.1%

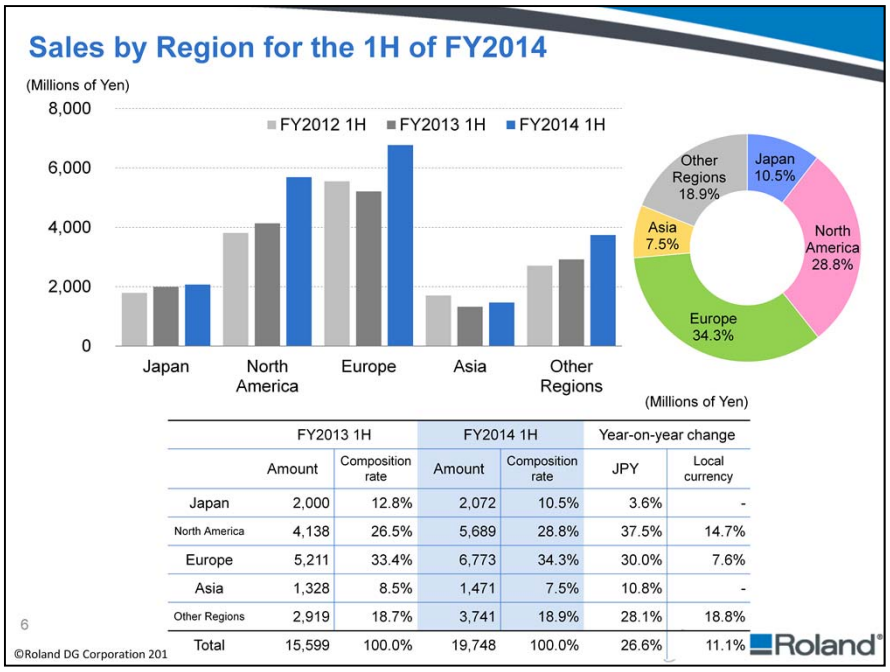
Next, let's look at sales by product.

In printers, we saw an increase of 36% over the previous term, due mainly to strong sales of two models of wide-format inkjet printers for professional durable graphics. This comes out to a 20% increase when viewed on a constant currency basis.

"Local currency," located on the right edge of this chart, represents that constant currency basis.

For 3D, the sales of dental milling machines were strong in North America, Europe, China and Japan, and that lead to an increase of 33% for 3D products as a whole.

Supplies also saw growth in North America, Europe, Japan, leading to a 24% increase compared with the previous term.



	FY2013 1H		FY2014 1H		Year-on-year change	
	Amount	Composition rate	Amount	Composition rate	JPY	Local currency
Japan	2,000	12.8%	2,072	10.5%	3.6%	-
North America	4,138	26.5%	5,689	28.8%	37.5%	14.7%
Europe	5,211	33.4%	6,773	34.3%	30.0%	7.6%
Asia	1,328	8.5%	1,471	7.5%	10.8%	-
Other Regions	2,919	18.7%	3,741	18.9%	28.1%	18.8%
Total	15,599	100.0%	19,748	100.0%	26.6%	11.1%

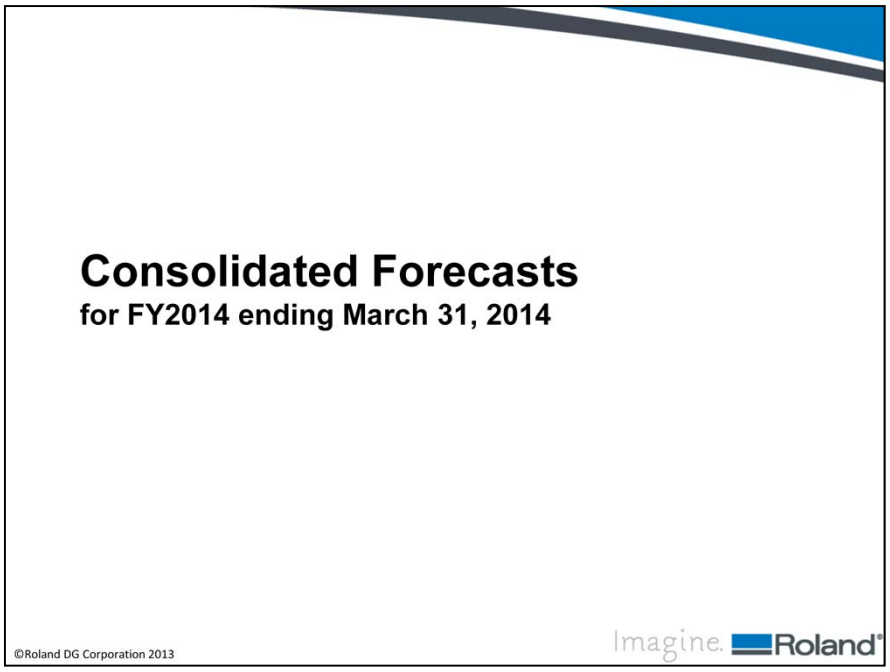
Looking at sales by region, Japan saw growth driven by replacement purchase demand for newly marketed printers. Dental milling machine sales also grew as sales and marketing efforts ramped up this year.

In North America, both new printers and existing models experienced increased sales, and effective solutions provided for dental machines brought an increase of 37.5% compared with the previous term.

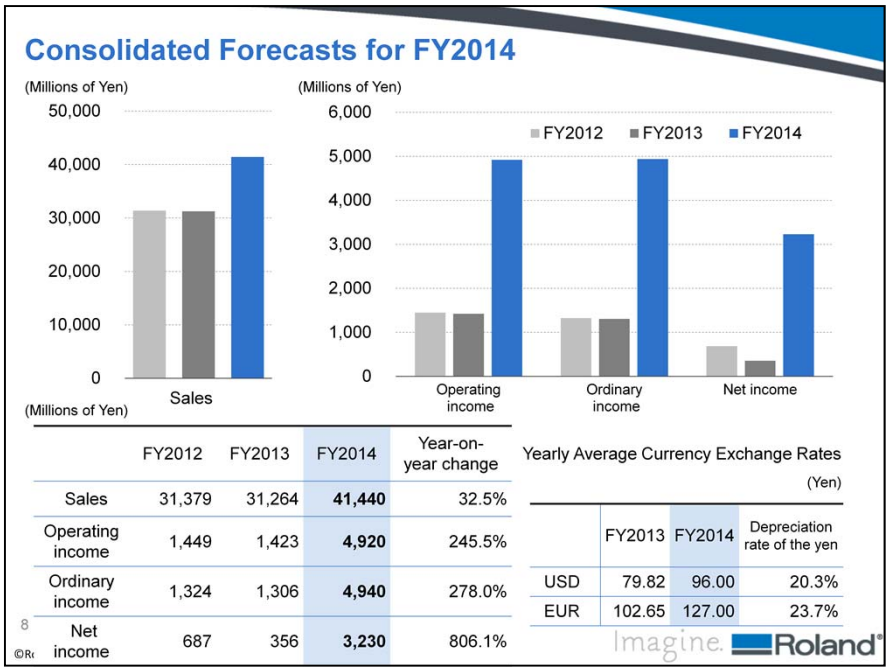
In Europe, although economic stagnation continues in the southern European region, we were fortunate to have increased sales of new products, leading to a 30% increase over the previous term.

In Asia, sales for aqueous inkjet printers increased in China. Also, we began to see the positive effects of our hands-on approach to southeast Asia through our Australian subsidiary, as well as to China and Korea through our newly established Chinese and Korean subsidiaries, which lead to a 10% increase over the previous term.

Within Other regions, we had a 28% increase over the previous term mainly due to the consolidation of our Brazilian subsidiary.



Next, I would like to explain our fiscal year consolidated performance forecast.



As outlined in the Notice of Revision to Financial Results Forecast for Fiscal Year Ending March 31, 2014 along with the financial results for the first half of the current fiscal year released on November 6, the above revisions were made. Overall, we forecast significant increases.

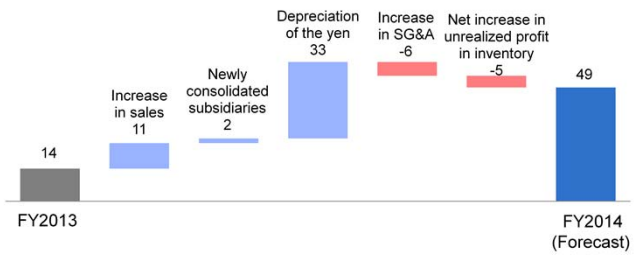
Bear in mind, this forecast is based on the assumption of exchange rates of 96 yen to the U.S. dollar and 127 yen to the euro for the full year.

We are forecasting an increase in sales growth of 15% over the previous term on a constant basis due to 2.2 billion yen in increased net sales from newly consolidated subsidiaries in Brazil, China and Korea, as well as the expected continuation of strong printer sales over the second half-term. In addition, yen depreciation will help increase sales by 5.4 billion yen over the previous term, and operating income by 3.3 billion yen over the previous term.

Income gained from yen depreciation will be distributed to the GlobalOne structural reform based on the Medium-Term Business Plan and used to create opportunities for new growth in creative fields.

Operating Income Variance Analysis

(100 Millions of Yen)



Yearly Average Currency Exchange Rates (Yen)

	FY2013	FY2014	Depreciation rate
USD	79.82	96.00	20.3%
EUR	102.65	127.00	23.7%
GBP	126.51	149.00	17.8%
DKK	13.79	17.00	23.3%
AUD	82.68	94.00	13.7%

	FY2013	FY2014	Depreciation rate
THB	2.57	3.17	23.3%
CNY	-	15.70	-
KRW	-	0.0886	-
BRL	-	44.00	-

Note: The exchange rates indicated are averages for the period of January to December 2013, which is fiscal year of the Company's foreign consolidated subsidiaries.

9

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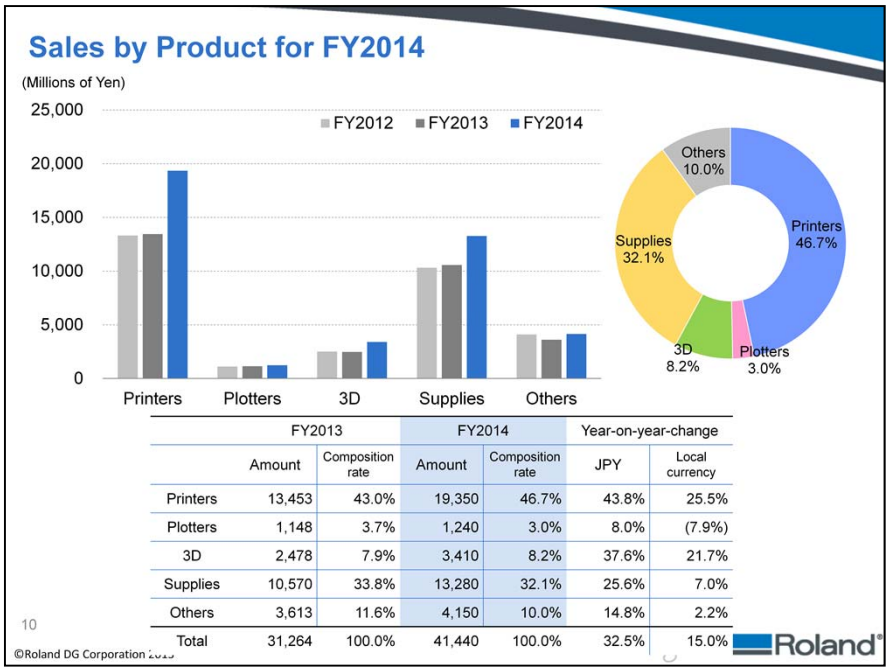
For the operating income variance analysis, when comparing with the previous term, we see that positive factors, such as an increase in sales and yen depreciation, absorbed the negative factors of the increase in SG&A and net increase in unrealized gain in inventory, and so, we forecast a total increase of 3.5 billion yen over the previous term.

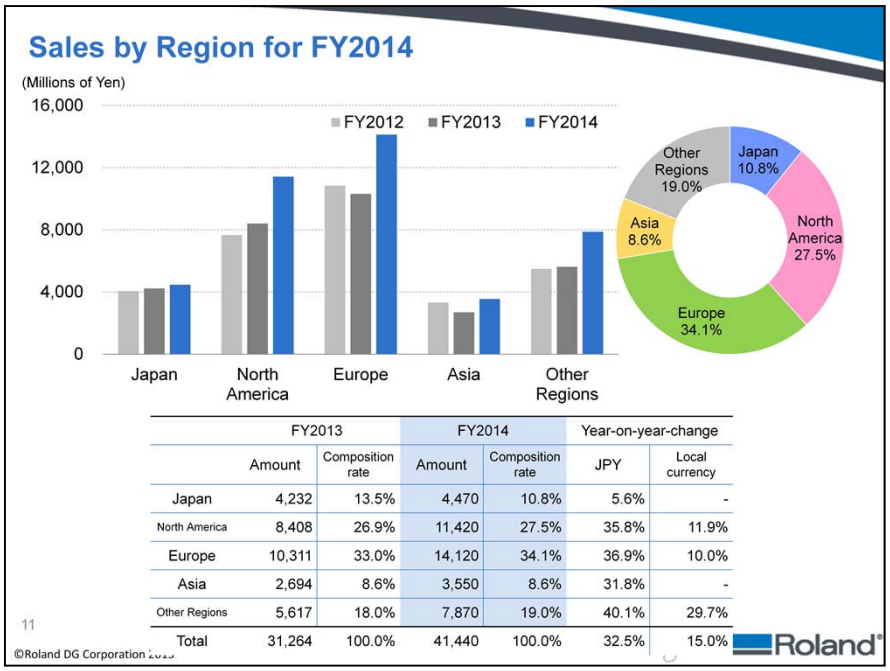


	FY2013		FY2014		Year-on-year-change	
	Amount	Composition rate	Amount	Composition rate	JPY	Local currency
Printers	13,453	43.0%	19,350	46.7%	43.8%	25.5%
Plotters	1,148	3.7%	1,240	3.0%	8.0%	(7.9%)
3D	2,478	7.9%	3,410	8.2%	37.6%	21.7%
Supplies	10,570	33.8%	13,280	32.1%	25.6%	7.0%
Others	3,613	11.6%	4,150	10.0%	14.8%	2.2%
Total	31,264	100.0%	41,440	100.0%	32.5%	15.0%

For the fiscal year forecast of sales by product, we forecast increased sales in printers based on consecutive strong sales of new models including a new standard printer introduced in October.

In 3D, we expect boosted sales of dental machines with the newly released DWX-4, while the sales of the other milling machines and engraving machines are expected to be robust.

Supplies are experiencing growth along with the increase in printer sales, and we forecast increased sales here as well.



	FY2013		FY2014		Year-on-year-change	
	Amount	Composition rate	Amount	Composition rate	JPY	Local currency
Japan	4,232	13.5%	4,470	10.8%	5.6%	-
North America	8,408	26.9%	11,420	27.5%	35.8%	11.9%
Europe	10,311	33.0%	14,120	34.1%	36.9%	10.0%
Asia	2,694	8.6%	3,550	8.6%	31.8%	-
Other Regions	5,617	18.0%	7,870	19.0%	40.1%	29.7%
Total	31,264	100.0%	41,440	100.0%	32.5%	15.0%

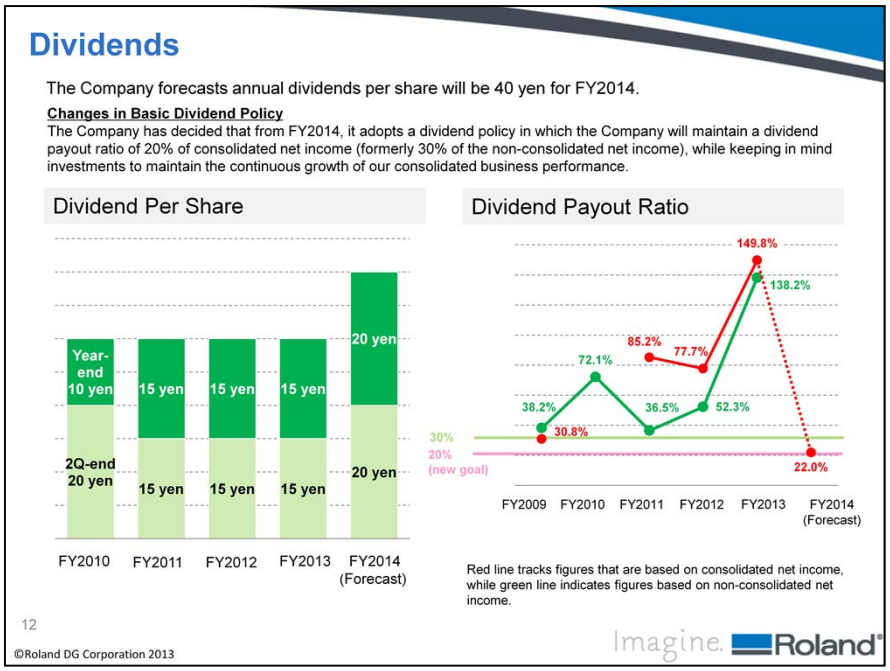
For our sales by region forecast, we see increased sales for every region.

In North America, we were benefitted by sales of new printer models, and we predict they will continue to sell well.

In Europe, we expect economic uncertainty will continue to plague the southern European region, but sales in northern areas such as Germany and Russia have nowhere to go but up, and paired with the effects of yen depreciation, we forecast a large increase in sales.

In Asia, we have sales being contributed from our new subsidiaries in China and Korea,

and in Other regions, a newly consolidated subsidiary in Brazil will contribute to the sales, and we also forecast increased sales in Central and South America.

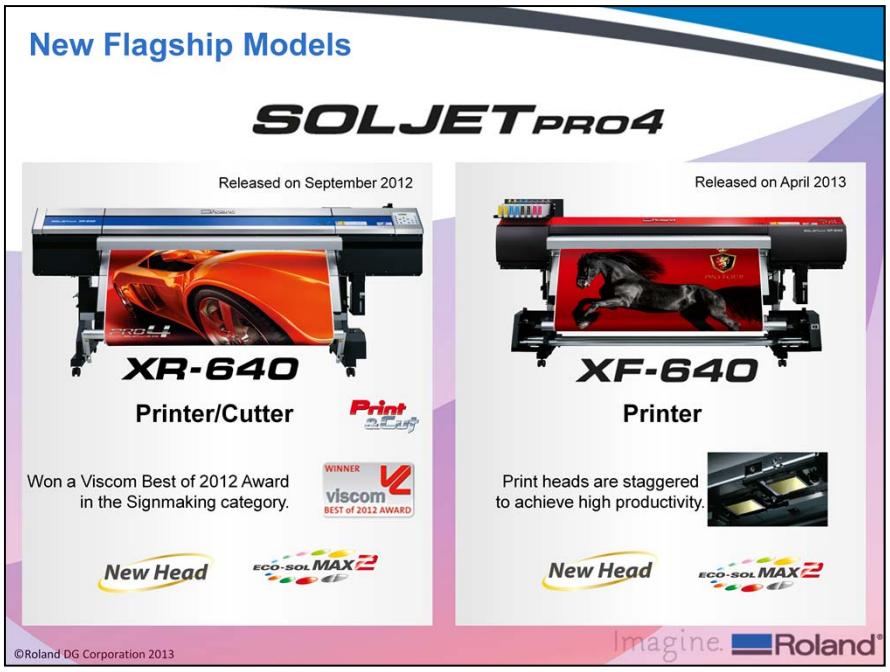


Now, let’s discuss shareholder returns. In accordance with our basic shareholder policy, we obtained 100% ownership in our subsidiaries, and with our global consolidated income as a base, the Company will maintain a dividend payout ratio of 20% of consolidated net income, while keeping in mind investments to maintain the continuous growth of our consolidated business performance.

Regarding interim dividend for FY2014, as planned at the year’s start, we pay 20 yen, and along with a 20 yen year-end dividend, we plan an annual dividend of 40 yen this year. This calculates to a dividend payout ratio of 22% of consolidated income.

Moving along, I would like to discuss our current initiatives in our Color and 3D businesses.

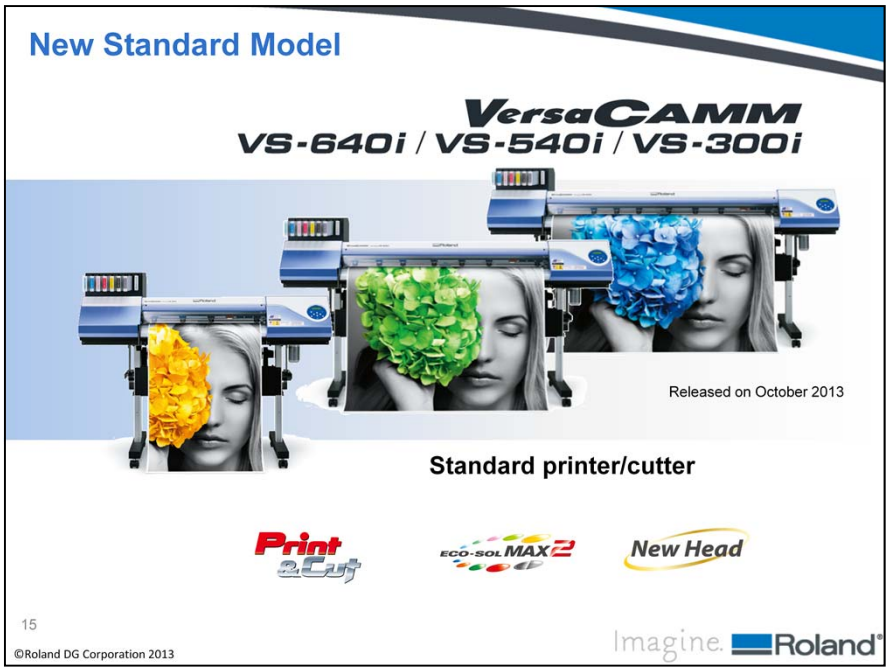
First, let’s talk about our Color business.



The Company's Color business provides wide-format inkjet printers and printer/cutters for professional durable graphics

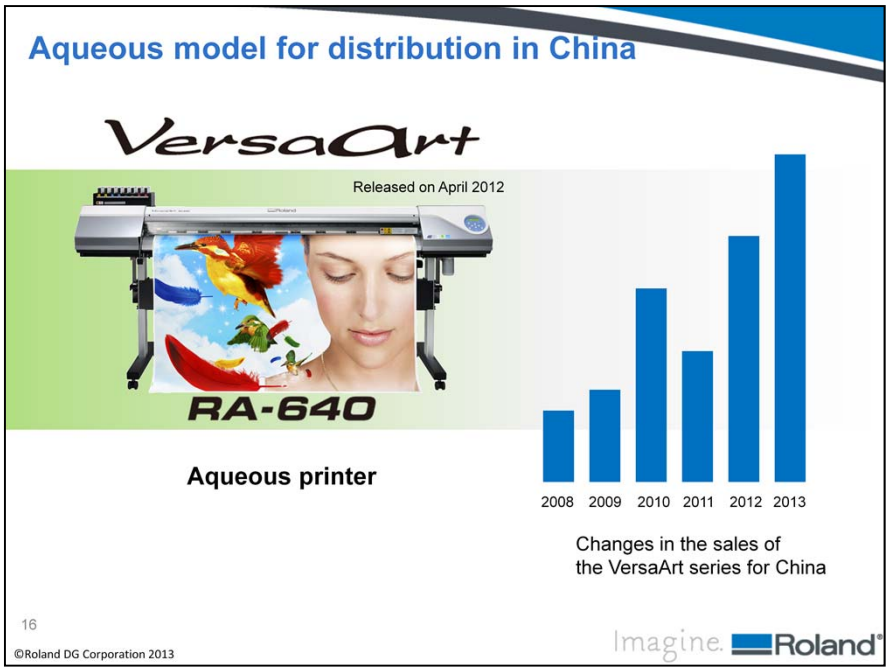
The two models on the slide were released over the past year: the professional-use XR-640 printer/cutter, and the XF-640 printer. These are Roland DG's flagship models, loaded with everything pro user's need, including the industry's most advanced print head technology for stable production, outstanding image quality and high productivity.

During the economic uncertainty following the Lehman Shock, sales of high-cost models stagnated, and we maintained income by focusing on value-added standard models. These two new models feature revolutionary technology and are aimed at users seeking to upgrade and purchase replacement machines for larger printing tasks now that the economy is recovering. Sales have already grown throughout North America and Europe.



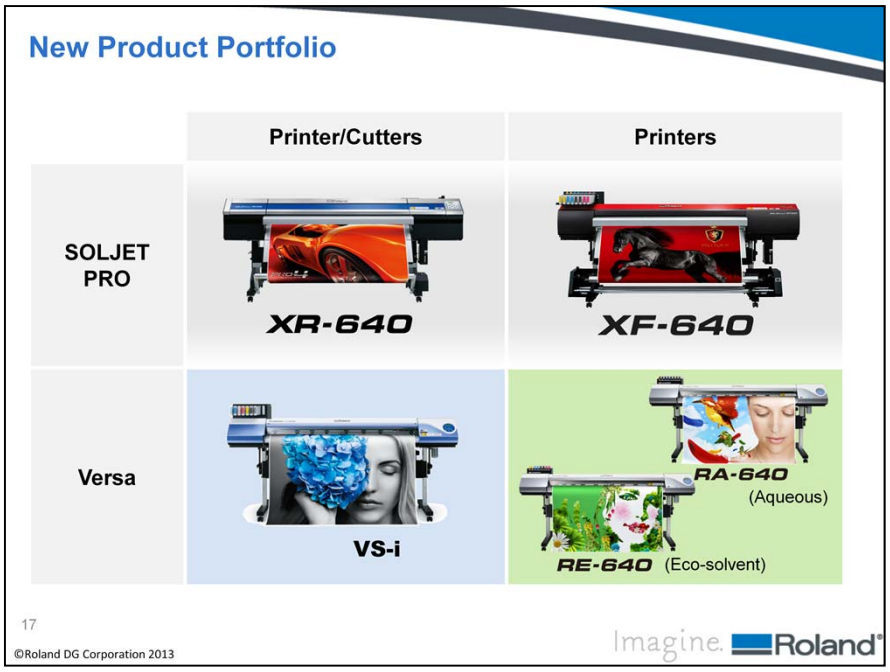
In October, we also upgraded our central lineup of standard models, the VersaCAMM VS series.

As print heads continue to provide higher image quality and raw productivity, new ink types allow for greater color ranges, including gray, metallic and white ink, bringing ever greater expressive capabilities. These machines help provide customers with the value-added services they need.



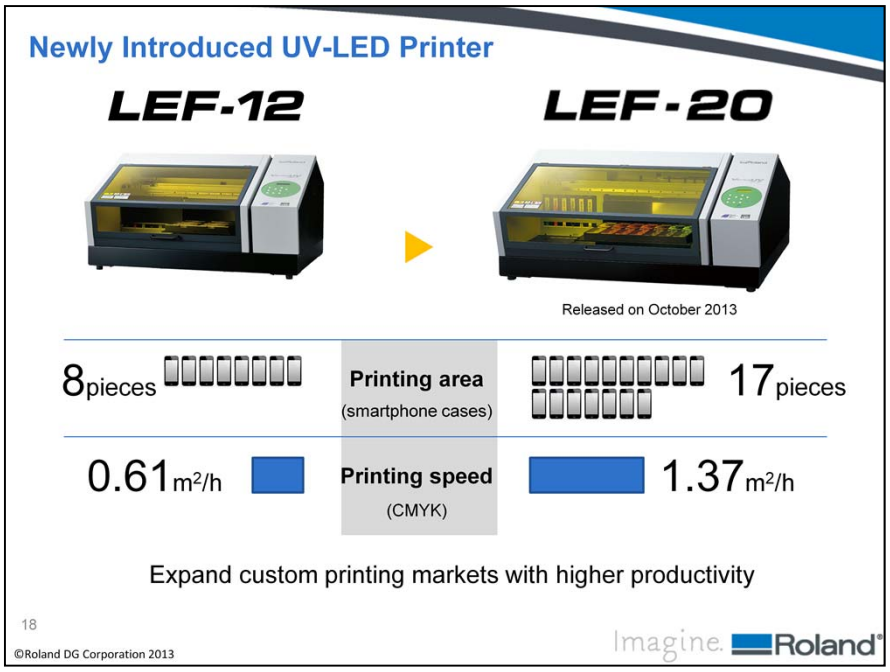
Furthermore, the standard RA-640 print-only model has experienced a giant leap in sales as we captured the demands of the Chinese market through developments in ink-based solutions.

In fact, in China, we pushed for greater customer support through our local subsidiary established last year, and have worked with a local master distributor to respond to the finer details and needs of the market. This has helped us further establish our brand and contribute to customer competiveness and generate customer benefits.



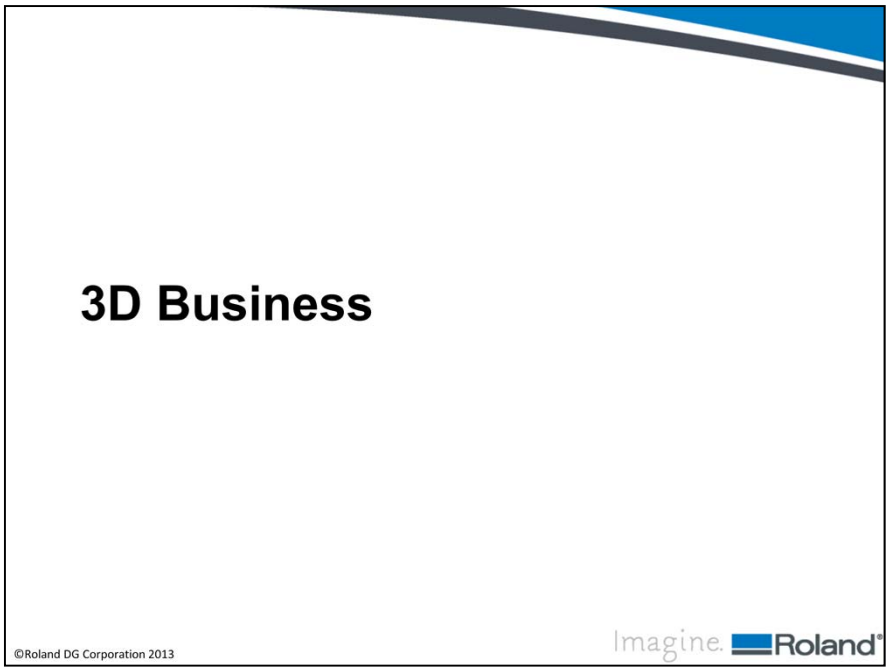
Through the efforts I just mentioned, we have continued to work over the last term and into this term to completely renew our lineup of products for professional durable graphics.

Our new flagship models are characteristic of our brand, so we aim to bring a new level of added value to the market and increase our global share with a robust lineup of products.

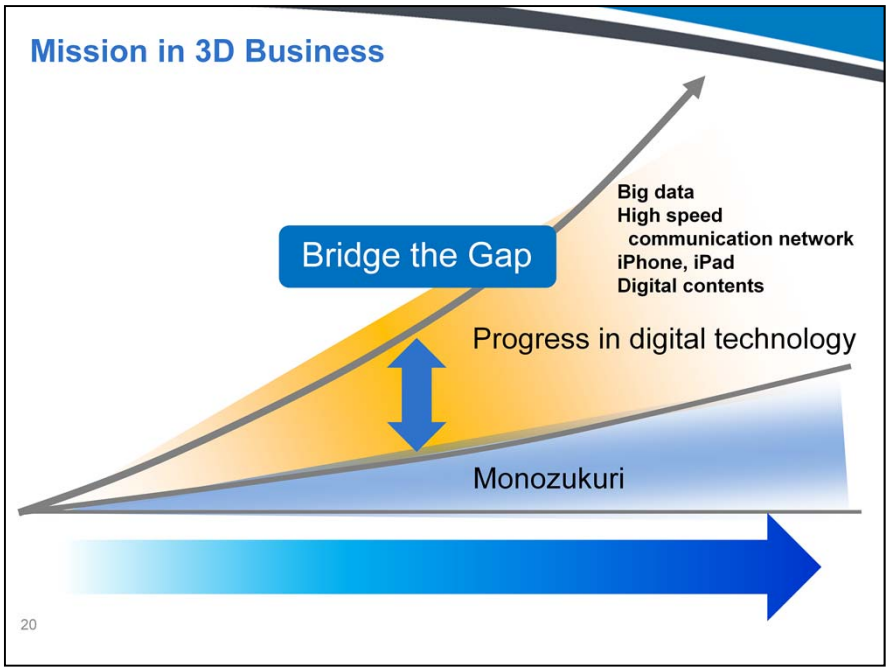


For further cultivating the digital printing market, we expanded the VersaUV line with the LEF-20, a new, larger bench-top flatbed UV printer. The printing area has doubled; where previous models could print on eight smartphone cases at a time, the LEF-20 can handle 17 cases at a time. The LEF-20 further includes new, advanced UV-LED curing system to expedite production with double the printing speed.

Going forward, we believe there will be more and more demand for the ability to create original designs and one-of-a-kind goods. We will continue to use our UV printers to expand the on-demand digital printing market.

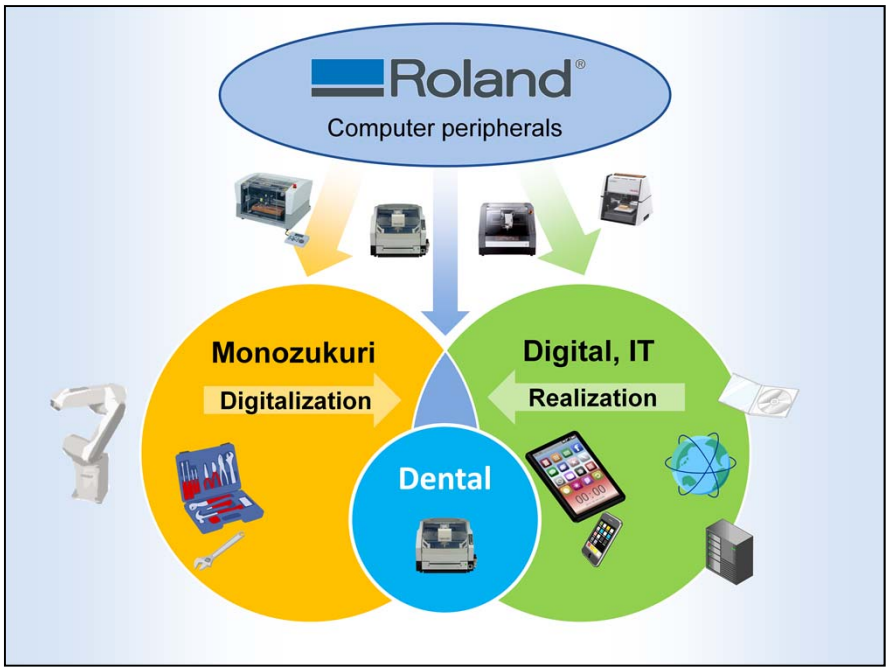


Now, let’s continue by looking at our 3D business.



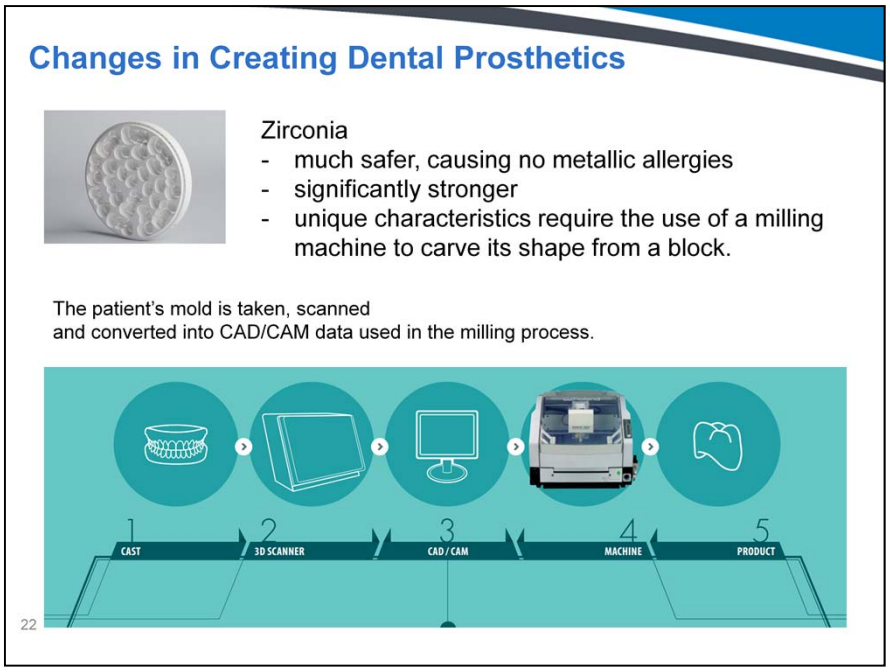
In 1981, when the personal computer was first released, our company was established to develop, manufacture and sell computer peripherals.

At the time, the computer was rapidly getting small in size, and personal computers started to become accessible to the public. We saw that the development of the PC and evolution of digital technology will fundamentally change the way of Monozukuri, or creating thing. We also saw that fast-paced digitization would create a gap between the virtual world and real Monozukuri. So, we made it our mission to provide tools that utilized digital technology to improve the process of Monozukuri.



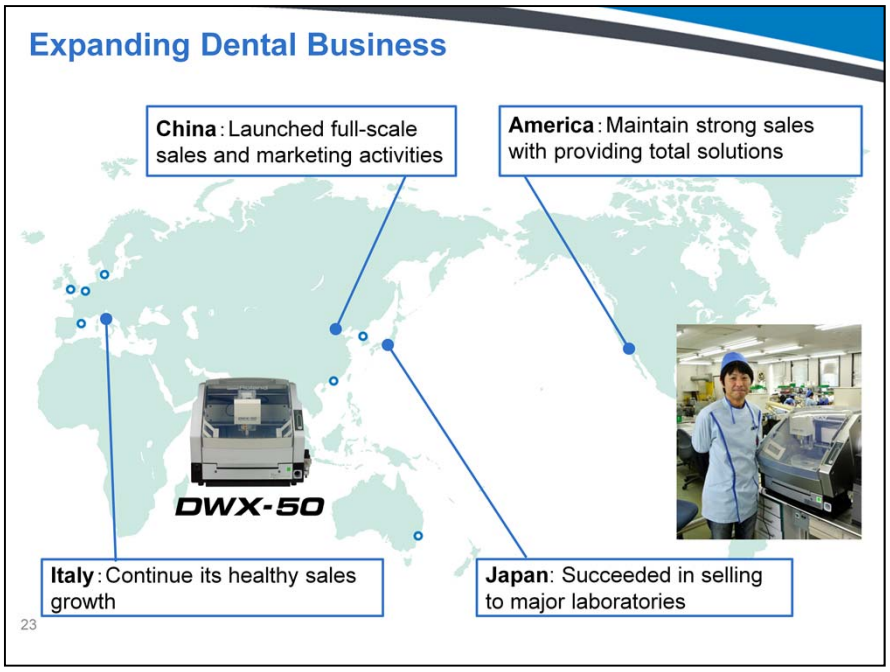
As Monozukuri utilizing digital technology continued to move forward, we have delivered digital devices for a variety of markets built under the concept of “desktop fabrication,” which allows users to transform imagination into reality right on their desk.

And in recent years, our 3D business has expanded into the dental industry.



We decided to expand our business into the dental industry when we found zirconia has been on the rise as a new material for artificial teeth.

Zirconia cannot be cast, but can be processed through milling, so we thought we could take advantage of our 3D milling machine to carve artificial teeth from a Zirconia block, and in 2011, developed open system dental milling machines at an affordable cost.



The DWX series of dental milling machines has been praised for its compact, desktop size and ease of use.

Our Italian and American subsidiaries have set up dental corners within their facilities that clearly lay out workflow for dental laboratories and show exactly what DWX can do for customers. Having succeeded in building an image that we are not only about printers, but also professional makers of dental processing equipment, we maintain strong sales in Italy and North America.

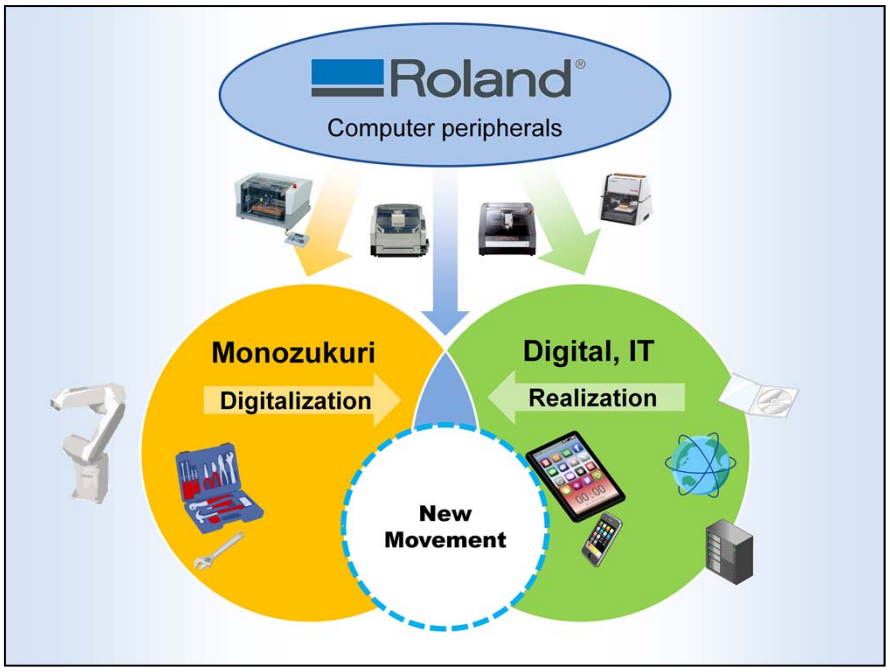
In China, sales activity was off to a great start in our subsidiary, which was established in October of last year.

Our products have also been introduced to major labs throughout Japan, with sales and brand awareness continuing to expand.

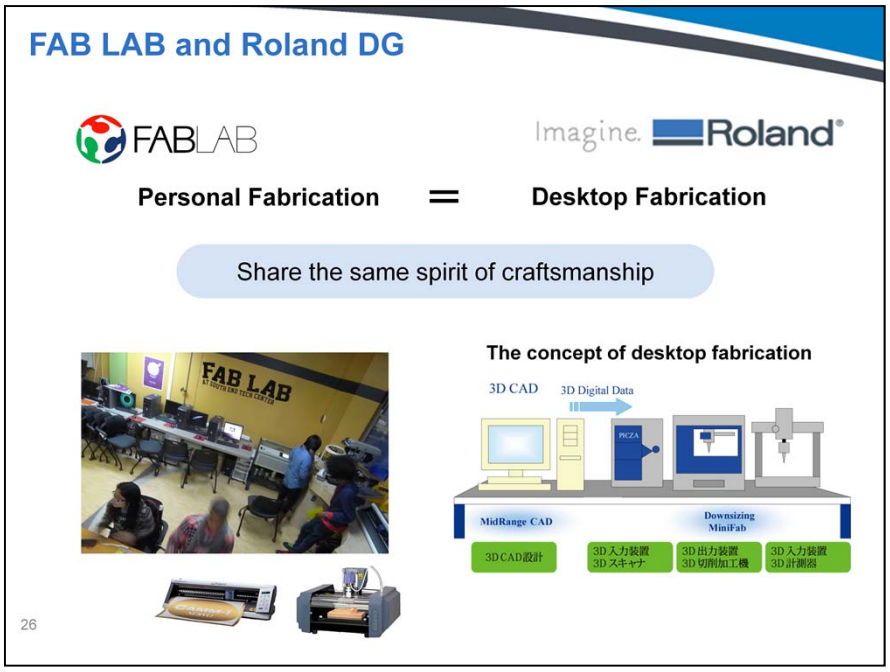
Almost two years have passed since we entered into this market, and we have progressed this far by focusing on mid-sized labs. We now know that there is also demand from small-sized labs, where our digital 3D machines have yet to be introduced, and these labs seek even more compact and affordable options.

This is where we introduced the newest lineup in our DWX series, the DWX-4. The DWX-4 opens up this technology to small and mid-sized labs by providing an affordable, easy-to-use production platform that delivers the same high-precision milling technology as conventional models, but at half the size.

Going forward, we will continue to expand our dental business by focusing on dental labs, where workmanship is key, and move to bring our digital dental solutions to dental clinics.



At the same time, there is a new movement evolving in the field of digital fabrication such as Fab Lab



A Fab Lab (Fabrication Laboratory) is an open workshop offering digital fabrication as well as analog tools with the aim to make "almost anything." The concept was originally proposed by Prof. Dr. Neil Gershenfeld, the Director of the Center for Bits and Atoms (CBA) at Massachusetts Institute of Technology (MIT).

There are over 250 Fab Labs located throughout 50 different countries, and each facility is equipped with 3D printers, milling machines and the other digital devices while users share all their digital data and knowhow through the Internet.

The idea behind Fab Labs is to expand creative possibilities through “personal fabrication.” This resonates with the Company’s idea of “desktop fabrication,” which was built under the concept of desktop-sized, easy to use and affordable products that anyone of any skill level could use to transform imagination into reality.

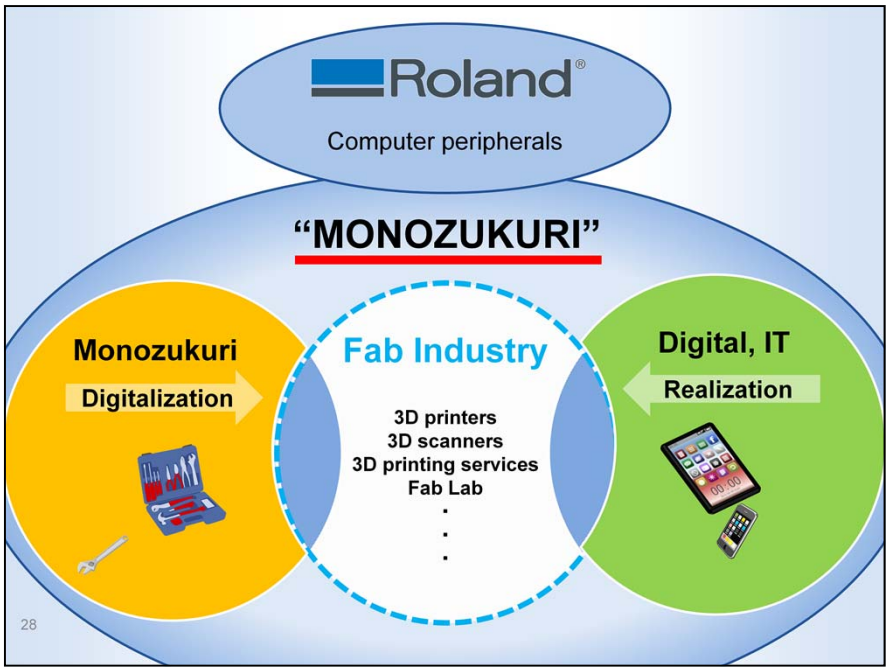
Since Fab Lab started out in 2002, our Modela MDX-20 small 3D milling machine and CAMM-1 GX-24 vinyl cutting machine have been installed in Fab Labs around the world, where they are used as recommended machines

In August, Roland DG sponsored FAB9, the 9th international Fab Lab conference held in Japan, as a vision sharing partner.

During the event, Jun Ito, Director in charge of 3D market development, gave a lecture on our desktop fabrication concept. Ito was able to show those involved in Fab Labs that there is a unique manufacturer in Japan developing digital tools that can inspire the enjoyment of creativity.

In the exhibition corner of the event hall, product development staff interacted with Fab Lab personnel, taking the opportunity to better understand their views and needs, and gain information vital to the development of future products.

In the future, we will continue to share the idea of expanding digital fabrication, and along with supporting Fab Labs, we will continue to develop digital tools to expand the possibilities of fabrication.



Over the past 30 years, the evolution in the field of computer and digital technology has transformed and streamlined the business process in many industries. In recent years, the introduction of new digital technologies such as smart phones and cloud computing can bring about a new gap between human life and digital world.

Along with this trend, we are seeing the appearance of more and more personal 3D printers and scanners, and the spread of 3DCAD/CG. On top of this, 3D printing services that give physical form to data are arriving, Fab Lab type digital workshops are increasing, and information, knowledge and experience are all being shared through online communities. All the pieces are in place for individuals to fully enjoy digital fabrication.

This “New Movement” is expected to give rise to a wide variety of products and services. We call this area the “Fab Industry.” We aim to continuously watch these trends and establish products and services that anyone, whether a large business or an individual creator, can use to transform their imagination into reality.

Then, as we bridge the gap between the Monozukuri and IT industries, and combine the realm of physical atoms to the realm of digital bits, we seek to carry over the creative spirit of fabrication to help carve out a new era in which digital natives can unleash all their talent and more, forming a style of desktop fabrication to enhance MONOZUKURI as a way to allow anyone to create their own unique and original value.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29
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